

Comprehensive
Annual Financial Report
of the
Town of Thomaston,
Connecticut

For the Year Ended
June 30, 2018

Prepared by:

The Finance Department

Tracy A. Decker, Finance Director

Town of Thomaston, Connecticut

Comprehensive Annual Financial Report

For the Year Ended June 30, 2018

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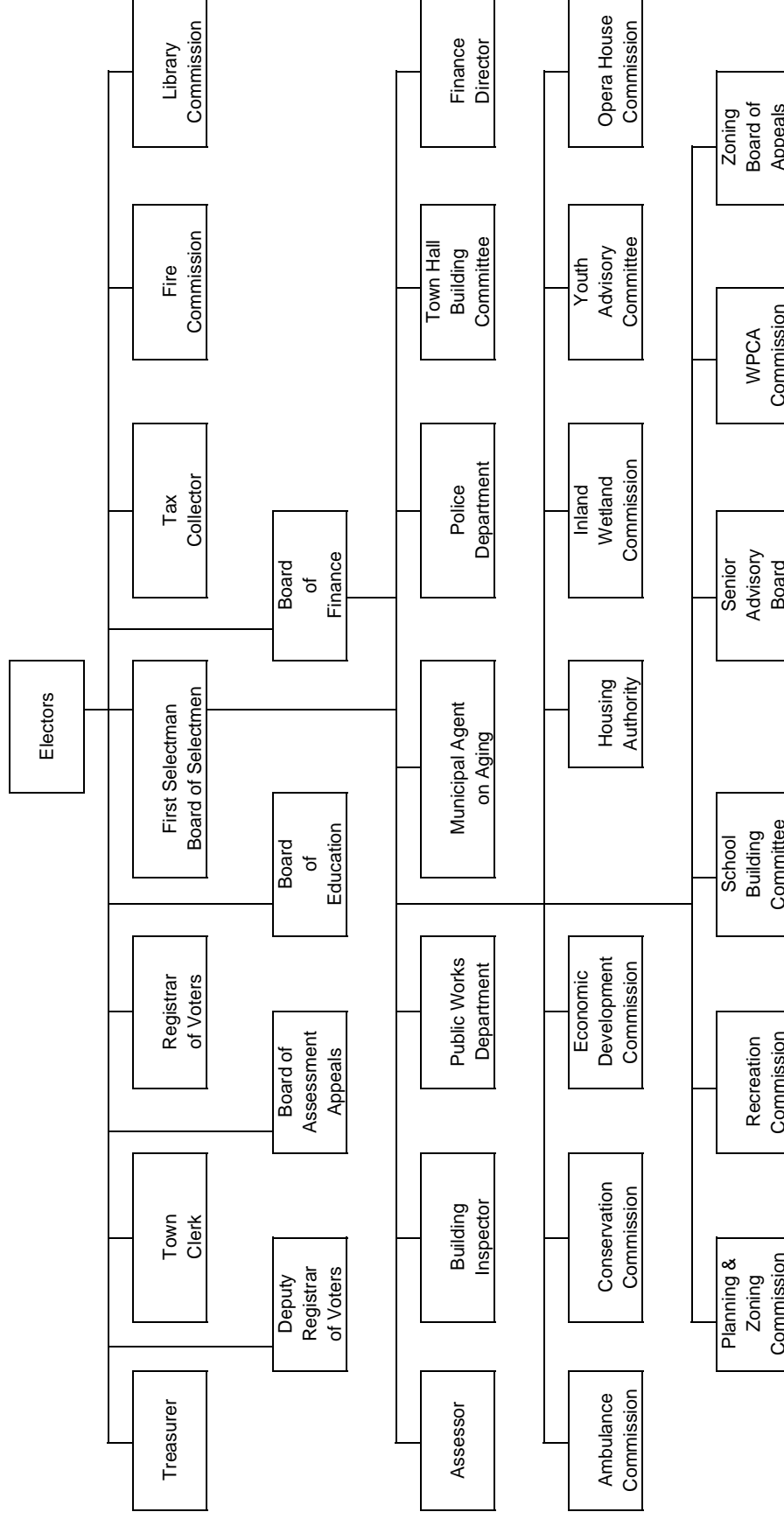
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Introductory Section

Town of Thomaston, Connecticut

Organizational Chart





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

December 21, 2018

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, 2018.

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

The Town of Thomaston's financial statements have been audited by PKF O'Conner Davies, LLP. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Thomaston for the fiscal year ended June 30, 2018, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Thomaston's financial statements for the fiscal year ended June 30, 2018, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

Profile of the Town of Thomaston

The Town of Thomaston, located in Litchfield County, is a suburb consisting of 12 square miles and located 10 miles south of Torrington, Connecticut, 23 miles west of Hartford, Connecticut, with a population of 7,863. 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.

Local Economy

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.

Recently, 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 conjunction with the WPCA to create a master sewer plan for the Town of Thomaston that is in conformance with the State of Connecticut Plan of Conservation and Development. Changes to the Zoning District Map have been made to slow the pace of residential development, which in the past decade has been more than double the State average, by increasing lot sizes, particularly in those areas not served by municipal water and sewer service.

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

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

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

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

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

Local Economy

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 funds for a \$1,950,000 phosphorus upgrade project at the Water Pollution Control Facility. A portion of the project will be funded by a Clean Water Fund grant and the balance will be borrowed from the Clean Water Fund loan program.

Relevant Financial Policies

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

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Thomaston for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2017. This was the thirteenth consecutive year that the Town has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

Awards and Acknowledgements

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

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

Respectfully submitted,

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, 2018

Board of Selectmen

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

Board of Finance

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

Town Departments

Kristin L. Mosimann, Treasurer
Tracy A. Decker, Finance Director
Todd Bendtsen, School Business Manager
Robert Dudek, Tax Assessor
Cassie Gorman, Tax Collector
Francine Coss, Superintendent of Schools
Glenn C. Clark, Superintendent of Highway
Richard Tingle, Superintendent of W.P.C.A.
Catherine P. Dupont, Town Clerk
Jeffrey Madden, Chief of Police
James O'Neil, Fire Chief
Robert V. Norton, Sr., Fire Marshal
Richard Brown, Building Inspector
Martin Egan, Park and Recreation Director

Auditors

PKF O'Connor Davies, LLP



Government Finance Officers Association

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

Presented to

**Town of Thomaston
Connecticut**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO

Financial Section

Independent Auditors' Report

Board of Finance
Town of Thomaston, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Thomaston, Connecticut ("Town"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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

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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, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the budgetary comparisons and pension and other post-employment benefit schedules on pages 12 through 22 and pages 82 through 98, 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.

Supplementary and Other Information

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

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

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

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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 21, 2018, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Wethersfield, Connecticut
December 21, 2018



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

Management's Discussion and Analysis
Year Ended June 30, 2018

As management of the Town of Thomaston ("Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2018.

Financial Highlights

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$13,371,574 (*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 \$26,102,210.
- The Town's total net position decreased by \$486,136. The Town's total liabilities decreased by \$3,728,289 primarily as a result of a reduction in bonds and notes payable of \$2,701,436, reductions in net pension and OPEB liabilities of \$810,374 and \$774,811, respectively offset by increases in accounts payable, accrued payroll and unearned revenue totaling \$658,991. Total assets decreased by \$1,237,357 due primarily to the depreciation of capital assets. The Town's investments decreased by \$5,192,329 offset by an increase in capital assets of \$5,487,777.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$7,744,976, an increase of \$2,433,326 in comparison with the prior year. This was mostly due to the permanent financing of bond anticipation notes in July of 2018.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$3,502,786, an increase of \$545,880 in comparison with the prior year. This represents 12% 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 of resources, liabilities, and deferred inflows of resources, with the difference between these accounts being reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the *financial* health or position of the Town is improving or deteriorating.

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

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

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

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

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

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

For governmental funds, information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general, debt service, small cities and the capital or nonrecurring funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the combining statements in Schedules 2 and 3 of this report.

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

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

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

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Combining statements and schedules can be found in Schedules 2 through 4 of this report.

The Town adopts an annual budget for its general fund. A budgetary comparison schedule has been provided for the general fund to demonstrate compliance with this budget (RSI 1 through 3).

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the Town's financial position. The Town's combined net position decreased by 3.51% from a year ago – decreasing from \$13,857,710 to \$13,371,574.

Summary Statement of Net Position

	2018	2017 (as restated)
Current and other assets.....	\$ 10,090,764	\$ 14,949,290
Capital assets (net).....	66,053,737	62,695,877
Total assets.....	76,144,501	77,645,167
Total deferred outflows of resources.....	818,736	2,231,427
Long-term liabilities outstanding.....	55,953,715	52,419,432
Other liabilities.....	4,392,236	11,654,808
Total liabilities.....	60,345,951	64,074,240
Total deferred inflows of resources.....	3,245,712	1,944,644
Net position:		
Net invested in capital assets.....	38,688,922	32,655,352
Restricted.....	784,862	608,388
Unrestricted.....	(26,102,210)	(19,406,030)
TOTAL NET POSITION (as restated).....	\$ 13,371,574	\$ 13,857,710

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

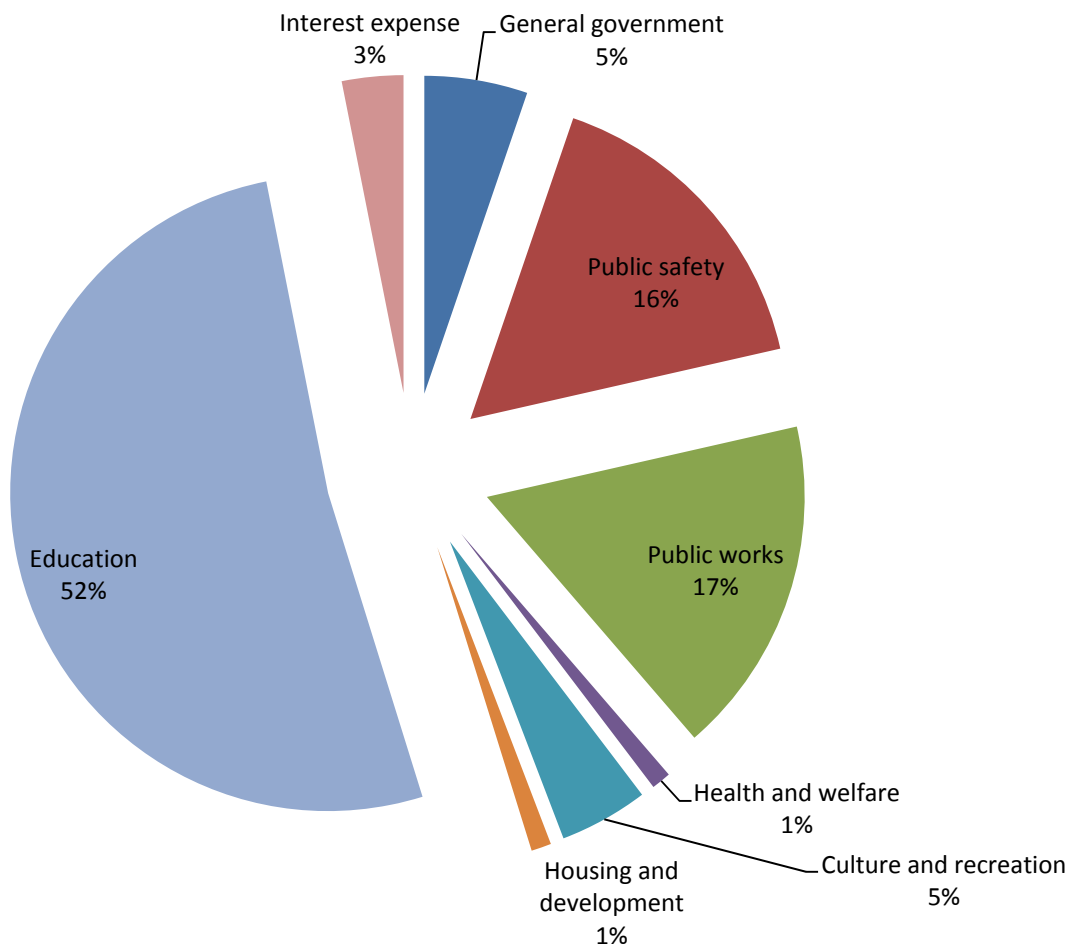
A portion of the Town's net position (5.87%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is the amount available to meet the Town's ongoing obligations to citizens and creditors.

The Town's net position decreased by \$486,136. Key elements of this decrease are as follows:

Statement of Changes in Net Position		
	2018	2017
REVENUES:		
Program revenues:		
Charges for services.....	\$ 2,083,207	\$ 2,051,284
Operating grants and contributions.....	9,207,222	9,596,263
Capital grants and contributions.....	540,038	115,622
General revenues:		
Property taxes.....	19,473,610	18,906,623
Grants and contributions not restricted to specific programs.....	562,109	680,052
Investment income.....	134,586	86,423
Other.....	88,936	56,172
TOTAL REVENUES.....	32,089,708	31,492,439
EXPENSES:		
General government.....	1,509,908	1,417,618
Public safety.....	3,716,219	3,558,258
Public works.....	5,217,983	5,126,370
Health and welfare.....	233,960	222,395
Culture and recreation.....	1,098,082	1,015,466
Housing and development.....	276,818	544,178
Education.....	19,875,111	19,401,777
Interest expense.....	647,763	750,391
TOTAL EXPENSES.....	32,575,844	32,036,453
CHANGE IN NET POSITION.....	(486,136)	(544,014)
NET POSITION - JULY 1	13,857,710	14,138,415
Restatement for Implementation of GASB 84 (Custodial funds)		263,309
NET POSITION - JUNE 30.....	\$ 13,371,574	\$ 13,857,710

- Capital grants and contributions increased by \$424,416 (367%) due to a \$261,149 Local Capital Improvement (LoCIP) grant from the State and \$114,197 of revenue from several funds that were previously reported as agency funds.
- Expenses increased by \$539,391 (1.68%) due primarily to increases in educational expenses (\$473,334).

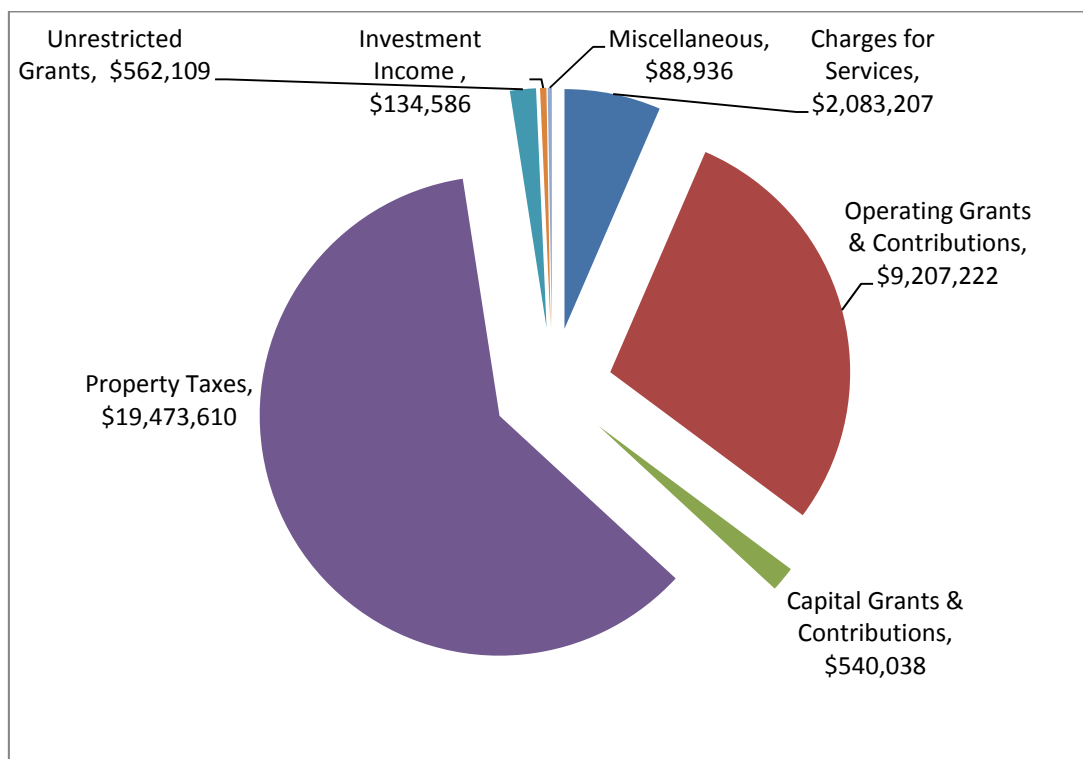
Expenses and Program Revenues (Net) - Governmental Activities



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 \$10,720,690 includes expenses of \$19,875,111 offset by charges for services of \$184,912, operating grants and contributions (including the Education Cost sharing grant) of \$8,969,309 and capital grants and contributions of \$200.

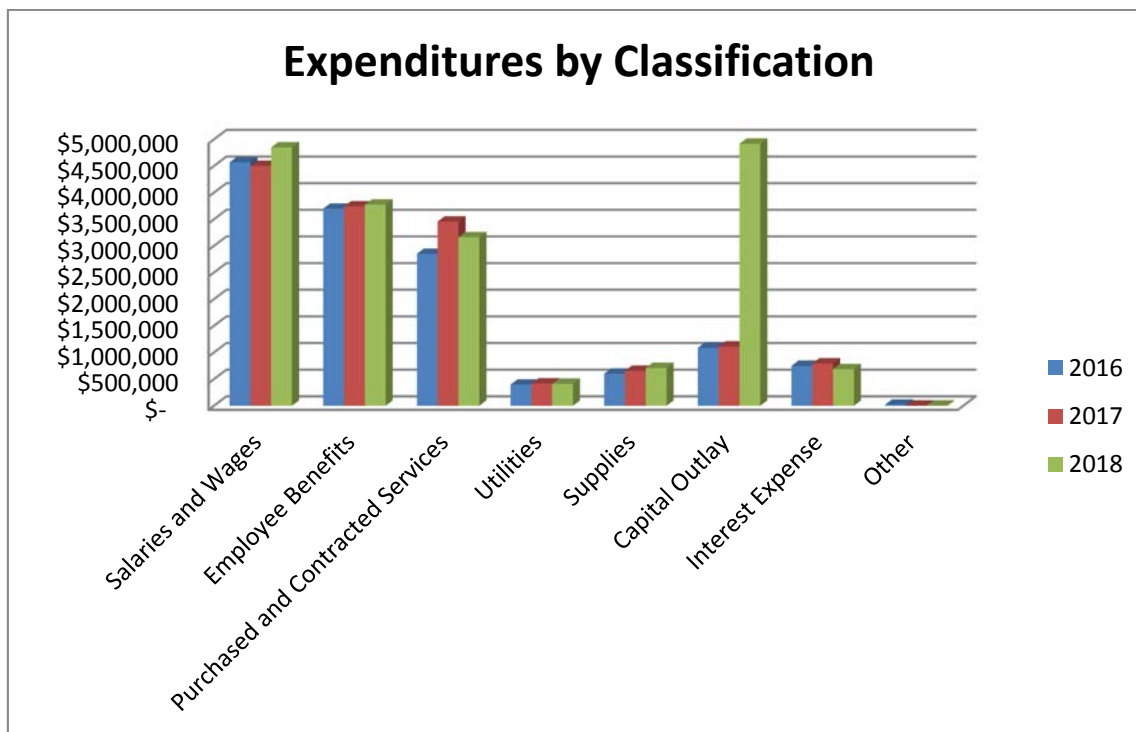
The statement of activities requires that we report capital grants, which often offset capital outlay and not operating expenses. Therefore, in this particular case, capital grants tend to distort the net costs in the statement of activities. Based on capital grants received during the fiscal year, the net costs above are understated by \$316,653 in Public Works due to LoCIP and Local Bridge Program grants received for road and bridge projects, \$75,818 which were charged to Capital Outlay.

Revenues by Source



The chart above reflects the sources of revenue for the fiscal year, which provide the services the taxpayers of Thomaston receive. Property taxes of \$19,473,610 (60.7%) is the major source of revenue, followed by operating grants and contributions of \$9,207,222 (28.7%), charges for services of \$2,083,207 (6.5%), unrestricted grants of \$562,109 (1.8%) and capital grants and contributions of \$540,038 (1.7%). The remaining \$223,522 (0.7%) is made up of investment and other revenue.

Expenditures by Classification



The previous chart was derived directly from the classification of expenses in the Town's chart of accounts on a government-wide basis excluding the Board of Education operating budget and the education grant fund for fiscal years 2018, 2017 and 2016. The overall trend is level spending. The large increase in Capital Outlay is due to the purchase of a fire truck, reconstruction of roads in the portion of town referred to as the web area and the second phase of the Nystroms Track and Tennis project. .

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

Financial Analysis of the Town's Funds

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

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$7,744,976. GASB 54 requires that fund balance be reported in one of five categories: nonspendable, restricted, committed, assigned or unassigned. The Town has a nonspendable balance of \$1,051,114 because it has been reserved to generate income to pay for the perpetual care of Kenea Park and the municipal cemetery, to generate income for various projects at the Fire Department and for small cities loan balances. \$614,662 has been restricted, \$1,560,187 has been committed and \$1,021,708 has been assigned, leaving a balance of \$3,497,305 as unassigned.

The total fund balances increased by \$2,433,326. This is due primarily to the permanent financing of the bond anticipation notes in the Capital Non Recurring Fund.

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 \$3,502,786. 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% of total general fund revenues.

The fund balance of the Town's general fund decreased \$29,120 during the current fiscal year. This was due to the Town budgeting the use of prior year fund balance of \$675,000 to balance the fiscal 2017-2018 budget offset by revenues exceeding the budget of \$277,127.

Management's Discussion and Analysis (continued)

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

GENERAL FUND			
	2018	2017	Increase (Decrease)
REVENUES:			
Property taxes.....	\$ 19,357,281	\$ 18,880,582	\$ 476,699
Charges for services.....	356,712	311,543	45,169
Intergovernmental.....	8,784,064	9,107,312	(323,248)
Income from investments.....	76,046	39,490	36,556
Other.....	88,936	55,369	33,567
TOTAL REVENUES.....	28,663,039	28,394,296	268,743
EXPENDITURES:			
General government.....	3,776,603	3,719,358	57,245
Public safety.....	1,659,815	1,719,481	(59,666)
Public works.....	1,824,019	1,785,656	38,363
Health and welfare.....	85,922	82,675	3,247
Culture and recreation.....	418,532	408,981	9,551
Housing and development.....	147,311	150,534	(3,223)
Education.....	17,408,200	17,115,585	292,615
Capital outlay.....	489	3,006	(2,517)
TOTAL EXPENDITURES.....	25,320,891	24,985,276	335,615
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	3,342,148	3,409,020	(66,872)
OTHER FINANCING SOURCES (USES):			
Sale of capital assets.....	-	803	(803)
Transfer in.....	15,000	15,000	-
Transfer out.....	(3,386,268)	(3,235,506)	(150,762)
NET OTHER FINANCING SOURCES (USES).....	(3,371,268)	(3,219,703)	(151,565)
NET CHANGE IN FUND BALANCES.....	\$ (29,120)	\$ 189,317	\$ (218,437)

- Intergovernmental revenue decreased by \$323,248 due to a decrease in the Education Cost Sharing grant and the elimination of the Elderly Homeowner grant offset by an increase in LoCIP funding.
- Education expenditures increased by \$292,615 due primarily to contractual wage increases.

Debt Service Fund. This fund accounts for financial resources to be used for current and future principal and interest payments for long-term debt. As part of the Town's Capital improvement policy, the Town committed to funding a minimum annual appropriation of \$2,800,000 into Debt Service to minimize a mill rate impact of an expected significant increase in debt service in future budget years. The assigned fund balance totals \$921,708.

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 \$3,455. The ending loan balance was \$880,914 (net of an allowance for uncollectible loans). Restricted fund balance of \$73,768 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. A summary of the projects can be found in Note II.C. of the notes to financial statements. The capital projects fund's revenue and other financing sources exceeded its expenditures by \$2,330,038, primarily due to the permanent financing of the bond anticipation notes.

General Fund Budgetary Highlights

Transfers to help defray year end budget overruns came from:

Contingency	\$ 84,752
Retiree Medical Insurance	<u>39,930</u>
Total	<u>\$ 124,682</u>

The following summarizes the year end overruns:

Tax Collector	\$ 1,604
Tax Assessor	1,169
Fire Protection	407
Social Services	18
Legal	15,261
Social Security	9,008
Pension	4,064
Solid Waste & Recycling	6,992
Recreation Programs	3,853
Snow and Ice Removal	<u>82,306</u>
Total	<u>\$ 124,682</u>

Capital Assets and Debt Administration

Capital assets. The Town's investment in capital assets amounts to \$66,053,737 (net of accumulated depreciation). This investment in capital assets includes land, buildings, land improvements, vehicles, machinery and equipment, sewer lines, roads, bridges, sidewalks and storm drains. The total increase in the Town's investment in capital assets for the current fiscal year was \$3,357,860 (5.4%).

Capital Assets - Net		
	2018	2017
Land.....	\$ 1,341,961	\$ 1,341,961
Construction in progress.....	7,589,627	3,010,283
Buildings.....	30,636,065	31,564,571
Land improvements.....	448,851	477,584
Machinery and equipment.....	6,020,533	6,473,969
Vehicles.....	2,097,134	1,477,028
Infrastructure.....	17,919,566	18,350,481
 TOTAL.....	 \$ 66,053,737	 \$ 62,695,877

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

- Several of last year's projects continued in 2017-2018 with increases to construction in progress: Roofing work continued at the Fire House (\$360,490), a security wall at Thomaston High School (\$1,665), Nystrom's Track and Tennis project (\$1,726,829), Walnut Hill bridge (\$113,819), sewer repairs/reconstruction in the "web" area of town (\$39,754), Engineering of the Hickory Hill Road project (\$226,400), a phosphorus project at the Water Pollution Control Plant (\$141,566) and road reconstruction in the "web" area of town (\$2,014,430).
- The Fire Department purchased new Self Contained Breathing Apparatus (SCBA) (\$10,075) and a new fire truck (\$769,000).
- The WPCA purchased a new truck (\$49,802).

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 \$17,920,000. All debt is backed by the full faith and credit of the Town. The remainder of the Town's debt represents notes totaling \$1,461,872 funded by the State of Connecticut Clean Water Fund, bond anticipation notes of \$7,620,000 which were permanently financed in July, 2018 and unamortized bond premium of \$607,060.

OUTSTANDING DEBT		
LONG-TERM OBLIGATIONS		
	2018	2017
General obligation bonds.....	\$ 17,920,000	\$ 19,860,000
Bond anticipation notes.....	7,620,000	7,800,000
Bond premium.....	607,060	676,512
Notes.....	1,461,872	1,973,856
Total.....	<u>\$ 27,608,932</u>	<u>\$ 30,310,368</u>

In June 2018, Standard & Poor's assigned a AA rating to the Town's general obligation bonds and affirmed its AA long-term rating on the Town's parity debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to seven times total tax collections including interest and lien fees and the tax relief for elderly freeze grant. The current debt limitation for the Town is \$131,863,949, which is significantly in excess of the Town's outstanding general obligation debt.

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

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

Economic Factors and Next Year's Budget and Rates

- The unemployment rate for the Town is currently 3.9%, which is the same rate as one year ago. The Town's rate is favorable compared to the State rate of 4.5% and the Hartford Labor Market rate of 4.6%. Connecticut continues to have a rate higher the national average of 4.2% and, while the overall market has seen some upward movement, unemployment rates are expected to stay somewhat elevated through 2019.
- The Town is under even greater fiscal pressure from voter opposition in the tax levy. Voter opposition remains regardless of the fact that the Town has no control over its significant revenue sources other than property taxes. The Town faces cost increases from contractual obligations and fixed costs as well as significant decreases in revenue from the State of Connecticut and failed budgets will only result in loss of services, personnel and infrastructure improvements.

These factors were considered in preparing the Town's budget for the 2018-2019 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, 2018

<u>Assets</u>	
Current assets:	
Cash.....	\$ 1,276,072
Investments.....	6,691,140
Receivables:	
Property taxes.....	238,665
Assessments/use charges.....	72,308
Intergovernmental.....	177,045
Other.....	141,220
Other assets.....	14,986
Total Current assets.....	8,611,436
Noncurrent assets:	
Restricted assets:	
Temporarily restricted:	
Investments.....	110,389
Permanently restricted:	
Investments.....	170,200
Total Restricted assets.....	280,589
Receivables (net):	
Property taxes.....	212,500
Assessments/use charges.....	81,539
Loans.....	880,914
Notes.....	23,786
Total Receivables (net).....	1,198,739
Capital assets (net of accumulated depreciation):	
Land.....	1,341,961
Construction in progress.....	7,589,627
Buildings.....	30,636,065
Land improvements.....	448,851
Machinery and equipment.....	6,020,533
Vehicles.....	2,097,134
Infrastructure.....	17,919,566
Total Capital assets (net of accumulated depreciation).....	66,053,737
Total Noncurrent assets.....	67,533,065
Total Assets.....	76,144,501
<u>Deferred Outflows of Resources</u>	
Deferred charge on refunding.....	282,989
Pension related	35,870
OPEB related.....	499,877
Total Deferred Outflows of Resources.....	818,736

(Continued)

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

Town of Thomaston, Connecticut

Statement of Net Position
Governmental Activities
June 30, 2018

<u>Liabilities</u>	
Current liabilities:	
Accounts payable.....	\$ 874,276
Accrued payroll.....	485,454
Accrued interest payable.....	101,410
Unearned revenue.....	192,211
Bonds and notes payable.....	2,432,318
Capital lease payable.....	25,682
Compensated absences.....	146,098
Termination benefits.....	51,316
Total Current liabilities.....	4,308,765
Noncurrent liabilities:	
Bonds and notes payable and related liabilities.....	25,176,614
Capital lease payable.....	13,190
Net pension liability.....	3,383,100
Net OPEB liability.....	26,467,762
Compensated absences.....	827,888
Termination benefits.....	168,632
Total Noncurrent liabilities.....	56,037,186
Total Liabilities.....	60,345,951
<u>Deferred Inflows of Resources</u>	
Pension related.....	586,681
OPEB related.....	2,659,031
Total Deferred Inflows of Resources.....	3,245,712
<u>Net Position</u>	
Net investment in capital assets.....	38,688,922
Restricted for:	
Endowments:	
Nonexpendable.....	65,700
Expendable.....	37,525
Perpetual care:	
Nonexpendable.....	104,500
Expendable.....	71,570
Housing and development.....	73,768
Public safety.....	29,411
Sewer assessment.....	221,057
Education.....	152,036
Library.....	18,304
Other.....	10,991
Unrestricted.....	(26,102,210)
Total Net Position.....	\$ 13,371,574

(Concluded)

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

Town of Thomaston, Connecticut

Statement of Activities
Governmental Activities
For the Year Ended June 30, 2018

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.....	\$ 1,509,908	\$ 150,294	\$ 4,000	\$ 267,458	\$ (1,088,156)
Public safety.....	3,716,219	300,032	-	54,822	(3,361,365)
Public works.....	5,217,983	1,345,075	223,097	75,818	(3,573,993)
Health and welfare.....	233,960	209	3,778	24,100	(205,873)
Culture and recreation.....	1,098,082	41,976	7,038	112,558	(936,510)
Housing and development....	276,818	60,709	-	5,082	(211,027)
Education.....	19,875,111	184,912	8,969,309	200	(10,720,690)
Interest expense.....	647,763	-	-	-	(647,763)
TOTAL.....	\$ 32,575,844	\$ 2,083,207	\$ 9,207,222	\$ 540,038	(20,745,377)
General Revenues:					
Property taxes.....					19,473,610
Grants and contributions not restricted to specific programs.....					562,109
Investment income.....					134,586
Other.....					88,936
Total General Revenues.....					20,259,241
Change in Net Position.....					(486,136)
Net Position - July 1, 2017 (as restated).....					13,857,710
Net Position - June 30, 2018.....					\$ 13,371,574

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

Town of Thomaston, Connecticut

Balance Sheet
Governmental Funds
June 30, 2018

	General	Debt Service	Small Cities	Capital or Nonrecurring	Other Governmental Funds	Total Governmental Funds
<u>Assets</u>						
Cash.....	\$ 307,026	\$ 168,852	\$ 73,768	\$ -	\$ 726,426	\$ 1,276,072
Investments.....	5,125,523	68,356	-	3,814	1,774,036	6,971,729
Receivables, net:						
Property taxes.....	454,891	-	-	-	-	454,891
Assessments/use charges.....	-	-	-	-	132,375	132,375
Loans.....	-	-	880,914	-	-	880,914
Intergovernmental.....	3,778	-	-	-	32,004	35,782
Other.....	64,738	-	-	-	76,482	141,220
Due from other funds.....	235,073	684,500	-	348,647	94,333	1,362,553
Other assets.....	5,744	-	-	-	9,242	14,986
Total Assets.....	\$ 6,196,773	\$ 921,708	\$ 954,682	\$ 352,461	\$ 2,844,898	\$ 11,270,522
<u>Liabilities</u>						
Accounts payable.....	\$ 437,014	\$ -	\$ -	\$ 292,288	\$ 144,974	\$ 874,276
Accrued payroll.....	435,502	-	-	-	49,952	485,454
Due to other funds.....	1,094,641	-	-	-	267,912	1,362,553
Unearned revenue.....	148,153	-	-	-	44,058	192,211
Total Liabilities.....	2,115,310	-	-	292,288	506,896	2,914,494
<u>Deferred Inflows of Resources</u>						
Unavailable revenue - property taxes.....	454,891	-	-	-	-	454,891
Unavailable revenue - sewer assessment and use..	23,786	-	-	-	132,375	156,161
Total Deferred Inflows of Resources.....	478,677	-	-	-	132,375	611,052
<u>Fund Balances</u>						
Nonspendable.....	-	-	880,914	-	170,200	1,051,114
Restricted.....	-	-	73,768	-	540,894	614,662
Committed.....	-	-	-	60,173	1,500,014	1,560,187
Assigned.....	100,000	921,708	-	-	-	1,021,708
Unassigned.....	3,502,786	-	-	-	(5,481)	3,497,305
Total Fund Balances.....	3,602,786	921,708	954,682	60,173	2,205,627	7,744,976
Total Liabilities, Deferred Inflows of Resources and Fund Balances.....	\$ 6,196,773	\$ 921,708	\$ 954,682	\$ 352,461	\$ 2,844,898	\$ 11,270,522

(Continued)

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

Town of Thomaston, Connecticut

Reconciliation of Fund Balance to Net Position
June 30, 2018

Amounts reported in the Statement of Net Position (Exhibit A) are different from the Governmental Funds Balance Sheet due to:

Total Fund Balance (Exhibit C, page 1).....	\$ 7,744,976
---------------------------------------------	--------------

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

Beginning capital assets.....	62,695,877
Current year additions (net of construction in progress).....	5,487,777
Depreciation expense.....	(2,129,917)

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.....	174,746
School building grant receivable.....	141,263
Notes receivable (sewer charges).....	23,786
Allowance for doubtful accounts.....	(157,000)
Deferred charge on refunding.....	282,989
Deferred outflows related to pensions.....	35,870
Deferred outflows related to OPEB.....	499,877

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.....	611,052
-------------------------------------------------------------------------------------	---------

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

Bonds and notes payable.....	(27,001,872)
Bond premiums.....	(607,060)
Capital lease payable.....	(38,872)
Net pension liability.....	(3,383,100)
Net OPEB liability.....	(26,467,762)
Compensated absences.....	(973,986)
Termination benefits.....	(219,948)
Accrued interest payable.....	(101,410)
Deferred inflows related to pensions.....	(586,681)
Deferred inflows related to OPEB.....	(2,659,031)

Net Position (Exhibit A).....	<u>\$ 13,371,574</u>
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(Concluded)

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

Town of Thomaston, Connecticut

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2018

	General	Debt Service	Small Cities	Capital or Nonrecurring	Other Governmental Funds	Total Governmental Funds
Revenues:						
Property taxes.....	\$ 19,357,281	-	\$ -	-	\$ -	\$ 19,357,281
Charges for services.....	356,712	-	-	55,000	1,660,124	2,071,836
Intergovernmental.....	8,784,064	-	-	84,604	1,287,413	10,156,081
Contributions.....	-	-	-	19,223	280,233	299,456
Income from investments.....	76,046	2,371	74	118	34,799	113,408
Net change in fair value of investments.....	-	-	-	-	21,178	21,178
Other.....	88,936	-	-	-	-	88,936
Total Revenues.....	28,663,039	2,371	74	158,945	3,283,747	32,108,176
Expenditures:						
Current:						
General government.....	3,776,603	-	-	92,114	4,549	3,873,266
Public safety.....	1,659,815	-	-	7,863	35,512	1,703,190
Public works.....	1,824,019	-	-	21,525	1,308,639	3,154,183
Health and welfare.....	85,922	-	-	-	88,543	174,465
Culture and recreation.....	418,532	-	-	32,935	137,919	589,386
Housing and development.....	147,311	-	262	4,600	-	152,173
Education.....	17,408,200	-	-	48,469	1,550,964	19,007,633
Debt service.....	-	3,166,446	-	20,278	-	3,186,724
Capital outlay.....	489	-	-	5,437,486	49,802	5,487,777
Total Expenditures.....	25,320,891	3,166,446	262	5,665,270	3,175,928	37,328,797
Excess (Deficiency) of Revenues over Expenditures.....	3,342,148	(3,164,075)	(188)	(5,506,325)	107,819	(5,220,621)
Other Financing Sources (Uses):						
Issuance of bonds.....	-	-	-	7,620,000	-	7,620,000
Capital lease.....	-	-	-	33,947	-	33,947
Transfers in.....	15,000	3,168,852	-	182,416	62,235	3,428,503
Transfers out.....	(3,386,268)	-	-	-	(42,235)	(3,428,503)
Net Other Financing Sources (Uses).....	(3,371,268)	3,168,852	-	7,836,363	20,000	7,653,947
Net Change in Fund Balances.....	(29,120)	4,777	(188)	2,330,038	127,819	2,433,326
Fund Balances - July 1, 2017 (as restated).....	3,631,906	916,931	954,870	(2,269,865)	2,077,808	5,311,650
Fund Balances - June 30, 2018.....	\$ 3,602,786	\$ 921,708	\$ 954,682	\$ 60,173	\$ 2,205,627	\$ 7,744,976

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

Town of Thomaston, Connecticut

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to Statement of Activities
For the Year Ended June 30, 2018

Amounts reported for Governmental Activities in the Statement of Activities (Exhibit B) are different due to:

Net change in Fund Balances - Total Governmental Funds (Exhibit D).....	\$ 2,433,326
-------------------------------------------------------------------------	--------------

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay.....	5,487,777
Depreciation expense.....	(2,129,917)

Total	3,357,860
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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.....	(146,168)
Notes receivable.....	(7,928)
Change in property tax, sewer use and sewer assessment receivable - accrual basis change.....	108,271
Change in property tax, sewer use and sewer assessment interest and lien revenue.....	27,357

Total	(18,468)
-------------	----------

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

Debt issued or incurred:	
Issuance of bond anticipation notes (permanently financed).....	(7,620,000)
Capital lease	(33,947)
Principal repayments:	
General obligation bonds.....	1,940,000
Notes payable.....	511,984
Capital lease payable.....	45,207

Total	(5,156,756)
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(Continued)

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

Town of Thomaston, Connecticut

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to Statement of Activities
For the Year Ended June 30, 2018

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.....	\$ 69,452
Pension expense.....	810,374
OPEB expense.....	774,811
Compensated absences.....	2,143
Termination benefits.....	(54,423)
Accrued interest payable.....	9,304
Amortization of deferred charges on refunding.....	(36,986)
Amortization of deferred outflows of resources.....	(1,375,705)
Amortization of deferred inflows of resources.....	(1,301,068)
Total	(1,102,098)
Change in Net Position (Exhibit B)	\$ (486,136)

(Concluded)

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

Town of Thomaston, ConnecticutStatement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

	Pension and OPEB Trust Funds	Private- Purpose Trust Funds	Custodial Fund
<u>Assets</u>			
Cash.....	\$ 2,475	\$ 869	\$ 154,905
Investments:			
Certificates of deposit.....	-	6,670	-
Mutual funds/exchange traded funds:			
Money market.....	256,786	-	-
Equity.....	10,426,286	-	-
Bond.....	6,928,171	-	-
Real estate investment trusts.....	14,795	-	-
Total Investments.....	17,626,038	6,670	-
Total Assets.....	17,628,513	7,539	154,905
<u>Net Position</u>			
Restricted for:			
Pension.....	17,336,983	-	-
OPEB.....	291,530	-	-
Individuals and organizations.....	-	7,539	154,905
Total net position.....	\$ 17,628,513	\$ 7,539	\$ 154,905

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

Town of Thomaston, Connecticut

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2018

	Pension and OPEB Trust Funds	Private- Purpose Trust Funds	Custodial Fund
Additions:			
Contributions:			
Employer.....	\$ 1,644,480	\$ -	\$ -
Employees.....	157,619	-	-
Private.....	-	-	123,430
Total contributions.....	1,802,099	-	123,430
Investment income (loss):			
Net change in fair value of investments.....	701,674	-	-
Interest and dividends.....	546,313	55	1
Total investment income (loss).....	1,247,987	55	1
Less investment expenses.....	43,311	-	-
Net investment income (loss).....	1,204,676	55	1
Total Additions.....	3,006,775	55	123,431
Deductions:			
Benefits.....	1,909,464	-	-
Administration.....	25,824	-	-
Activities.....	-	-	113,314
Total Deductions.....	1,935,288	-	113,314
Changes in Net Position.....	1,071,487	55	10,117
Net Position - July 1, 2017 (as restated).....	16,557,026	7,484	144,788
Net Position - June 30, 2018.....	\$ 17,628,513	\$ 7,539	\$ 154,905

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

Town of Thomaston, Connecticut

Notes to Financial Statements
For the Year Ended June 30, 2018

History and Organization

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

I. Summary of Significant Accounting Policies**A. Government-Wide and Fund Financial Statements**

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

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

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

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.

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 and OPEB Trust Funds* accounts for the activities of the Town's Employees' Retirement System, which accumulates resources for pension benefit payments to qualified employees, and activities of the Town OPEB Plan, which accumulates resources for retiree medical and life insurance benefits.

I. Summary of Significant Accounting Policies (Continued)

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

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

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

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

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

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

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

1. Deposits and Investments

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

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.

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 35% fixed income, 60% 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.

Other post-employment benefits fund investment policy targets investment in equities of 70% and fixed income of 30%.

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 34 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 acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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 and OPEB for differences between expected and actual experience, changes in plan assumptions and for the net difference between projected and actual earnings on plan investments. The deferred outflows for differences between expected and actual experience and changes in plan assumptions will be amortized over the average remaining service life of all plan members. The deferred outflows for the net difference between projected and actual earnings on plan investments will be amortized over a 5 year period.

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)

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.

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 reports deferred inflows of resources related to pensions and OPEB for differences between expected and actual experience, changes in plan assumptions, and for the net difference between projected and actual earnings on plan investments. The deferred inflows for differences between expected and actual experience and changes in plan assumptions will be amortized over the average remaining service life of all plan members. The deferred inflows for the net difference between projected and actual earnings on plan investments will be amortized over a 5 year period.

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.

6. Compensated Absences

All employees are granted vacation and sick time based upon contractual provisions. Employees are not permitted to carry vacation days from one calendar year to the next without prior approval. Board of Education employees are paid vacation on a fiscal year basis and, therefore, unused vacation lapses at June 30. Town employees are paid vacation on an anniversary date basis and, therefore, a liability for unused vacation has been recorded. Certified employees at the Board of Education may accumulate up to 165 days of unused sick time. Employees are one-third vested with 20 - 24 years of service and two-thirds vested with 25 or more years of service. Unused sick time does not accumulate for certified employees hired after July 1, 1992.

For employees other than certified teachers, sick leave accrues at the rate of 1¼ days per month, cumulative to a maximum of 100 days. Upon the death or retirement of an employee an amount will be due equal to the accumulated sick days times the rate of pay per day of such employee at the time of such death or retirement. Employees who resign or are terminated are not entitled to their unused sick days. Police officers hired after July 1, 2005 are entitled to 45% up to a maximum of 50 days; public works employees hired after January 1, 2006 are entitled to 50% up to a maximum of 50 days; and sewer and white collar employees hired after July 1, 2005 are not entitled to the benefit. Compensated absences are only reported in governmental funds if they are due and payable to an employee who has resigned or retired before or at fiscal year end.

I. Summary of Significant Accounting Policies (Continued)

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

7. 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.

8. 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.

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.

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)

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

Nonspendable

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

Restricted

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

Committed

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

Assigned

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

Unassigned

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

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

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

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. 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 the on-behalf amounts, the budget is prepared on the modified accrual basis of accounting.

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. 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 and perpetual care. Investment income (including appreciation) is approved for expenditure by the individual Boards. The amount of appreciation (depreciation) included in restricted fund balance of the Hillside Cemetery Trust was \$122,227.

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

Town of Thomaston, Connecticut
Notes to Financial Statements (Continued)

II. Stewardship, Compliance and Accountability (Continued)

C. Capital or Nonrecurring Project Authorizations

The following is a summary of capital or nonrecurring projects:

	PROJECT AUTHORIZATION	CURRENT YEAR EXPENDITURES	CUMULATIVE EXPENDITURES	BALANCE
Assessors revaluation	\$ 591,137	\$ -	\$ 547,137	\$ 44,000
Beautification projects	1,975	450	1,521	454
BOE projects	118,920	44,908	89,038	29,882
Bradstreet House	4,200	-	1,982	2,218
Christmas lights - reserve.....	12,000	-	10,000	2,000
Emergency mgmt. projects.....	23,819	7,385	16,756	7,063
Energy efficiency project	3,177,835	42,925	3,101,925	75,910
Fire Department projects.....	911,086	778,586	822,321	88,765
Grove Manor:chimney swift roost	29,462	-	29,605	(143)
Inland Wetland Engineering	4,415	4,600	7,850	(3,435)
Kenea Park clock restoration	16,000	13,150	13,150	2,850
K-9 donation reserve	12,312	1,486	11,390	922
Library projects	18,916	18,895	18,895	21
Park bench wood repairs.....	1,125	-	889	236
Police Department projects	356,008	26,370	308,854	47,154
Public Works Dept. projects	14,801,536	2,515,349	13,452,113	1,349,423
Roof engineering and repair	4,082,474	365,715	3,973,656	108,818
Senior Center CT Community Foundation.....	1,400	440	1,320	80
Skate park proceeds	1,090	-	-	1,090
Town-wide sick pay reserve	877,505	33,294	873,692	3,813
Track Committee – Nystroms Park	3,273,508	1,726,829	3,047,592	225,916
Town Hall projects	484,067	8,796	383,761	100,306
TVAC projects	29,925	-	18,241	11,684
WPCA projects	2,046,884	181,320	1,485,449	561,435
Total.....	\$ 30,877,599	\$ 5,770,498	\$ 28,217,137	\$ 2,660,462

Town of Thomaston, Connecticut
Notes to Financial Statements (Continued)

III. Detailed Notes

A. Cash and Investments

Deposits - Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. At year end, \$2,505,940 of the Town's bank balance of \$3,649,039 (including certificates of deposit and money market funds) was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 1,691,955
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name.....	<u>813,985</u>
Total amount subject to custodial credit risk	<u><u>\$ 2,505,940</u></u>

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

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

TYPE OF INVESTMENT	FAIR VALUE	INVESTMENT MATURITIES (IN YEARS)			
		N/A	LESS THAN 1	1-5 YEARS	5-10 YEARS
Mutual Funds/Exchange Traded Funds:					
Money Market	\$ 259,261	\$ -	\$ 259,261	\$ -	\$ -
Equity	10,854,422	10,854,422		-	-
Bond	6,928,171	-		-	6,928,171
Real Estate Investment Trust	14,795	14,795	-	-	-
Certificates of Deposit	240,119	-	240,119	-	-
Bank Money Market Funds	1,848,231	-	1,848,231	-	-
Pooled Fixed Income	4,366,092	-	4,366,092	-	-
Common Stock	95,821	95,821	-	-	-
Totals	\$ 24,606,912	\$ 10,965,038	\$ 6,713,703	\$ -	\$ 6,928,171

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

III. Detailed Notes (Continued)

A. Cash and Investments (Continued)

The Town had the following recurring fair value measurement:

	Amount	Quoted Market Prices in Active Markets Level 1
Investments by Fair Value Level		
<u>Mutual Funds/Exchange Traded Funds:</u>		
Money Market.....	\$ 259,261	\$ 259,261
Equity.....	10,854,422	10,854,422
Bond.....	6,928,171	6,928,171
Real Estate Investment Trust.....	14,795	14,795
Common Stock.....	95,821	95,821
Total Investments by fair value level..	<u>18,152,470</u>	<u>\$ 18,152,470</u>
<u>Other Investments</u>		
Certificates of Deposit.....	240,119	
Bank Money Market Funds.....	1,848,231	
Pooled Fixed Income.....	<u>4,366,092</u>	
Total Other Investments.....	<u>6,454,442</u>	
TOTAL INVESTMENTS.....	<u>\$ 24,606,912</u>	

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

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

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

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 have average ratings by Standard & Poor's as follows:

AVERAGE RATING	MONEY MARKET MUTUAL FUNDS	BOND MUTUAL FUNDS	POOLED FIXED INCOME
AAA	\$ 259,261	\$ 3,509,360	\$ 4,366,092
A	-	933,284	-
BBB	-	990,431	-
BB	-	403,545	-
B	-	672,944	-
Below B	-	418,607	-
TOTAL	<u>\$ 259,261</u>	<u>\$ 6,928,171</u>	<u>\$4,366,092</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 does 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 in the Town's financial statements with allowances for uncollectible accounts, including the applicable allowances for uncollectible accounts, are presented below.

	Property Taxes		
	Taxes	Interest & Lien Fees	Total
Current Portion	<u>\$ 183,230</u>	<u>\$ 55,435</u>	<u>\$ 238,665</u>
Long-term Portion	<u>\$ 271,661</u>	<u>\$ 90,839</u>	<u>\$ 362,500</u>
Less Allowance for Uncollectibles	<u>(100,000)</u>	<u>(50,000)</u>	<u>(150,000)</u>
Net Long-term Portion	<u>\$ 171,661</u>	<u>\$ 40,839</u>	<u>\$ 212,500</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	<u>\$ 59,631</u>	<u>\$ 12,677</u>	<u>\$ 72,308</u>	<u>\$ -</u>
Long-term Portion	<u>\$ 72,744</u>	<u>\$ 15,795</u>	<u>\$ 88,539</u>	<u>\$ 980,914</u>
Less Allowance for Uncollectibles	<u>(5,500)</u>	<u>(1,500)</u>	<u>(7,000)</u>	<u>(100,000)</u>
Net Long-term Portion	<u>\$ 67,244</u>	<u>\$ 14,295</u>	<u>\$ 81,539</u>	<u>\$ 880,914</u>

C. Capital Assets

Capital asset activity for the year was as follows:

	<u>Balance July 1, 2017</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance June 30, 2018</u>
<u>Capital Assets, not being depreciated:</u>				
Land	<u>\$ 1,341,961</u>	<u>\$</u>	<u>\$</u>	<u>\$ 1,341,961</u>
Construction in progress	<u>3,010,283</u>	<u>4,623,288</u>	<u>43,944</u>	<u>7,589,627</u>
Total capital assets, not being depreciated	<u>4,352,244</u>	<u>4,623,288</u>	<u>43,944</u>	<u>8,931,588</u>
<u>Capital assets, being depreciated:</u>				
Buildings	<u>43,741,896</u>	<u>45,609</u>		<u>43,787,505</u>
Land improvements	<u>1,441,764</u>			<u>1,441,764</u>
Machinery and equipment	<u>12,803,120</u>	<u>10,075</u>		<u>12,813,195</u>
Intangible assets	<u>24,165</u>			<u>24,165</u>
Vehicles	<u>3,926,160</u>	<u>852,749</u>		<u>4,778,909</u>
Infrastructure	<u>25,791,243</u>			<u>25,791,243</u>
Total capital assets, being depreciated	<u>87,728,348</u>	<u>908,433</u>	<u>-</u>	<u>88,636,781</u>
Total capital assets	<u>92,080,592</u>	<u>5,531,721</u>	<u>43,944</u>	<u>97,568,369</u>
<u>Less accumulated depreciation for:</u>				
Buildings	<u>12,177,325</u>	<u>974,115</u>		<u>13,151,440</u>
Land improvements	<u>964,180</u>	<u>28,733</u>		<u>992,913</u>
Machinery and equipment	<u>6,329,151</u>	<u>463,511</u>		<u>6,792,662</u>
Intangible assets	<u>24,165</u>			<u>24,165</u>
Vehicles	<u>2,449,132</u>	<u>232,643</u>		<u>2,681,775</u>
Infrastructure	<u>7,440,762</u>	<u>430,915</u>		<u>7,871,677</u>
Total accumulated depreciation	<u>29,384,715</u>	<u>2,129,917</u>	<u>-</u>	<u>31,514,632</u>
Total Capital Assets, being depreciated, net ...	<u>58,343,633</u>	<u>(1,222,029)</u>	<u>-</u>	<u>57,122,149</u>
Capital Assets, net	<u>\$ 62,695,877</u>	<u>\$ 3,401,259</u>	<u>\$ 43,944</u>	<u>\$ 66,053,737</u>

Town of Thomaston, Connecticut
Notes to Financial Statements (Continued)

III. Detailed Notes (Continued)

C. Capital Assets (Continued)

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

General government	\$ 114,394
Public safety	308,090
Public works	832,256
Culture and recreation	46,755
Education	<u>828,422</u>
Total Depreciation Expense	<u>\$2,129,917</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	\$ 75,243
Road – web project.....	103,261

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>
<u>Major Funds:</u>			
General Fund:			
Debt Service Fund	N/A	\$ -	\$ 684,500
Capital or Nonrecurring Fund	N/A	-	347,043
Sewer Commission Usage Fund	N/A	-	33,109
School Lunch Fund	N/A	535	-
Education Funds	N/A	52,370	-
Transfer Station Fund	N/A	83,803	-
Recreation Funds	N/A	-	29,739
Gift Funds	N/A	-	250
EMS Fund	N/A	15,000	-
Capital Projects Fund	N/A	-	-
Edith Kenea Park and Tree Fund	N/A	1,197	-
Hillside Cemetery Trust Fund	N/A	82,168	-
Total General Fund		<u>235,073</u>	<u>1,094,641</u>
Debt Service Fund	General Fund	<u>684,500</u>	-
Capital or Nonrecurring	General Fund	347,043	-
Capital or Nonrecurring	Capital Projects Fund	<u>1,604</u>	-
Total Capital or Nonrecurring		<u>348,647</u>	-

Town of Thomaston, Connecticut
Notes to Financial Statements (Continued)

III. Detailed Notes (Continued)

D. Interfund Accounts (Continued)

1. Interfund Payables and Receivables (Continued)

	Corresponding Fund	Due From	Due To
<u>Nonmajor Funds:</u>			
Special Revenue Fund:			
Sewer Commission Usage Fund	General Fund	\$ 33,109	\$ -
Sewer Commission Usage Fund	Capital Projects Fund	27,235	-
School Lunch Fund	General Fund	-	535
Education Funds	General Fund	-	52,370
Town Clerk Preservation Fund	Public Library Funds	4,000	-
Transfer Station Fund	General Fund	-	83,803
Public Library Funds	Town Clerk Preservation	-	4,000
Recreation Funds	General Fund	29,739	-
Gift Funds	General Fund	250	-
EMS Fund	General Fund	-	15,000
Total Special Revenue Funds		<u>94,333</u>	<u>155,708</u>
Capital Projects Fund:			
Capital Projects Fund	Capital or Nonrecurring	-	1,604
Capital Projects Fund	Sewer Commission Usage Fund	-	27,235
Total Capital Projects Fund		<u>-</u>	<u>28,839</u>
Permanent Funds:			
Edith Kenea Park and Tree Fund	General Fund	-	1,197
Hillside Cemetery Trust Fund	General Fund	-	82,168
Total Permanent Funds		<u>-</u>	<u>83,365</u>
Total Nonmajor Funds		<u>94,333</u>	<u>267,912</u>
Grand Total		<u>\$ 1,362,553</u>	<u>\$ 1,362,553</u>

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

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:

	Corresponding Fund	Transfers In	Transfers Out
<u>Major Funds:</u>			
<u>General Fund:</u>			
Debt Service Fund	N/A	\$ -	\$ 3,168,852
Capital or Nonrecurring Fund	N/A	-	182,416
Social Service Crisis Fund	N/A	-	1,000
EMS Fund	N/A	15,000	-
Recreation Funds	N/A	-	8,000
Hillside Cemetery Trust Fund	N/A	-	26,000
Total General Fund		15,000	3,386,268
Debt Service Fund	General Fund	3,168,852	-
Capital or Nonrecurring Fund	General Fund	182,416	-
<u>Nonmajor Funds:</u>			
<u>Special Revenue Funds:</u>			
Sewer Commission Usage Fund	Capital Projects Fund	27,235	-
Recreation Funds	General Fund	8,000	-
Social Service Crisis Fund	General Fund	1,000	-
EMS Fund	General Fund	-	15,000
Total Special Revenue Funds		36,235	15,000
<u>Capital Projects Fund:</u>			
Capital Projects Fund	Sewer Commission Usage Fund	-	27,235
<u>Permanent Funds:</u>			
Hillside Cemetery Trust Fund	General Fund	26,000	-
Total Nonmajor Funds		62,235	42,235
Grand Total		\$ 3,428,503	\$ 3,428,503

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

Town of Thomaston, Connecticut
Notes to Financial Statements (Continued)

III. Detailed Notes (Continued)

E. Short-Term Obligations - Bond Anticipation Notes

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

Short-term obligation activity was as follows:

PURPOSE	BALANCE JULY 1, 2017	ADDITIONS	REDUCTIONS	PERMANENTLY FINANCED	BALANCE JUNE 30, 2018
Various capital projects	\$ 7,800,000	\$ 7,620,000	\$ 7,800,000	\$ 7,620,000	\$ -

In July 2018, the Town issued \$8,415,000 of general obligation bonds which permanently financed the bond anticipation notes outstanding at fiscal year end. The bonds mature through 2038 and carry interest rates of 1.65% – 3.50%.

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, 2017	Additions	Deductions	Balance June 30, 2018	Current Portion
<u>Bonds/Notes</u>									
General Purpose:									
Refunding bond	\$ 417,938	02/05/10	08/15/18	1.50-3.00%	\$ 85,100	\$ -	\$ 42,920	\$ 42,180	\$ 42,180
Refunding bond	140,008	12/21/10	12/01/22	2.00-4.00	61,184	-	11,693	49,491	11,088
Improvement bond	4,570,571	05/01/13	05/01/33	2.00-4.00	3,608,781	-	231,213	3,377,568	228,078
Improvement bond	5,725,000	11/01/14	11/01/34	3.00-4.00	5,145,000	-	290,000	4,855,000	290,000
Refunding bond	5,809,500	05/19/15	02/01/30	3.00-4.00	4,995,000	-	342,000	4,653,000	346,500
Total General Purpose					13,895,065	-	917,826	12,977,239	917,846
Schools:									
Refunding bond	2,402,062	02/05/10	08/15//18	1.50-3.00	489,900	-	247,080	242,820	242,820
Refunding bond	6,244,960	12/21/10	12/01/22	2.00-4.00	2,729,080	-	521,537	2,207,543	494,561
Improvement bond	2,164,429	05/01/13	05/01/33	2.00-4.00	1,766,219	-	108,787	1,657,432	111,922
Improvement bond	300,000	11/01/14	11/01/34	3.00-4.00	180,000	-	60,000	120,000	60,000
Refunding bond	645,500	05/19/15	02/01/30	3.00-4.00	555,000	-	38,000	517,000	38,500
Total Schools					5,720,199	-	975,404	4,744,795	947,803
Sewer:									
Clean water	9,091,656	02/28/02	03/31/21	2.00	1,973,856	-	511,984	1,461,872	522,318
Refunding bond	556,000	12/21/10	12/01/22	2.00-4.00	244,736	-	46,770	197,966	44,351
Total Sewer					2,218,592	-	558,754	1,659,838	566,669
Bond Anticipation Notes					-	7,620,000	-	7,620,000	-
Total Bonds/Notes					21,833,856	7,620,000	2,451,984	27,001,872	2,432,318
Premiums					676,512	-	69,452	607,060	-
Total Bonds/Notes and Related Liabilities					22,510,368	7,620,000	2,521,436	27,608,932	2,432,318
Capital Lease Payable					50,132	33,947	45,207	38,872	25,682
Net Pension Liability					4,193,474	1,766,973	2,577,347	3,383,100	-
Net OPEB Liability					27,242,573	2,873,421	3,648,232	26,467,762	-
Compensated Absences					976,129	37,784	39,927	973,986	146,098
Termination Benefits (Severance)					165,525	137,894	83,471	219,948	51,316
Total Long-Term Obligations					\$ 55,138,201	\$ 12,470,019	\$ 8,915,620	\$ 58,692,600	\$ 2,655,414

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
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	4,470				
TOTALS	\$17,920,000	\$ 3,701,910	\$ 1,461,872	\$ 41,778	\$ 139,995	\$ 1,268

2. Statutory Debt Limitations

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

Category	Debit Limit	Net Indebtness	Balance
General Purpose	\$ 42,384,841	\$ 20,597,239	\$ 21,787,602
Schools	84,769,682	4,604,800	80,164,882
Sewers	70,641,401	197,966	70,443,435
Urban Renewal	61,222,548	-	61,222,548
Pension Deficit	56,513,121	-	56,513,121

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, \$131,863,949.

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 \$139,995 for bond principal is reflected as deductions in the computation of net indebtedness.

3. Capital Leases

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

Vehicles totaling \$73,705, net of accumulated depreciation of \$9,567, are recorded under the leases. This year, \$7,084 was included in depreciation expense.

The following is a schedule of the future minimum lease payments under these capital leases and the present value of the net minimum lease payments.

Year Ending <u>June 30,</u>	
2019	\$ 28,013
2020	13,982
Less amount representing interest	<u>(3,122)</u>
Present value of minimum lease payments	<u>\$ 38,872</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 as follows:

Project	Bonding Authorization	Previously Bonded	Authorized But Unissued
Wastewater Treatment plant system upgrade	\$ 13,291,607	\$ 13,117,462	\$ 174,145
Black Rock School renovations	6,530,000	6,400,000	130,000
Altair Avenue Bridge project	220,000	106,572	113,428
Public works trucks	324,460	309,316	15,144
Refunding bonds	9,000,000	6,945,000	2,055,000
Seven Year Road Program	10,674,500	10,674,112	388
WPCA Upgrade – Phosphorus effluent limits	725,000	100,000	625,000
Communication system	3,975,000	3,475,000	500,000
Municipal building roofs	3,998,400	2,250,000	1,748,400
Fire truck	600,000	-	600,000
Payloader	150,000	-	150,000
Dump truck	194,900	-	194,900
Refunding bonds	7,000,000	6,455,000	545,000
Phase I Roadway Improvements	3,270,000	-	3,270,000
Hickory Hill Road	283,000	-	283,000
Road design	212,000	-	212,000
Phase II Thomaston Track Facility	2,350,000	-	2,350,000
Total	<u>\$ 62,798,867</u>	<u>\$ 49,832,462</u>	<u>\$ 12,966,405</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.

G. Restricted Net Position

The amount of restricted net position, which was restricted by enabling legislation, totaled \$382,790.

Town of Thomaston, Connecticut
Notes to Financial Statements (Continued)

III. Detailed Notes (Continued)

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
Revolving loan program.....	-	-	880,914	-	-	880,914
TOTAL NONSPENDABLE.....	-	-	880,914	-	170,200	1,051,114
<u>RESTRICTED:</u>						
Cemetery maintenance.....	-	-	-	-	71,570	71,570
School lunch operations.....	-	-	-	-	152,036	152,036
Public safety.....	-	-	-	-	29,411	29,411
Library operations.....	-	-	-	-	18,304	18,304
Park maintenance.....	-	-	-	-	37,525	37,525
Other.....	-	-	-	-	10,991	10,991
Revolving loan program.....	-	-	73,768	-	-	73,768
Sewer assessment.....	-	-	-	-	221,057	221,057
TOTAL RESTRICTED.....	-	-	73,768	-	540,894	614,662
<u>COMMITTED:</u>						
Public safety - EMS.....	-	-	-	-	272,581	272,581
Cemetery maintenance.....	-	-	-	-	394,248	394,248
Other.....	-	-	-	-	199,806	199,806
Recreation programs.....	-	-	-	-	48,466	48,466
Approved CNR projects.....	-	-	-	60,173	584,913	645,086
TOTAL COMMITTED.....	-	-	-	60,173	1,500,014	1,560,187
<u>ASSIGNED:</u>						
Subsequent year's budget.....	100,000	-	-	-	-	100,000
Future debt service payments..	-	921,708	-	-	-	921,708
TOTAL ASSIGNED.....	100,000	921,708	-	-	-	1,021,708
<u>UNASSIGNED:</u>						
UNASSIGNED.....	3,502,786	-	-	-	(5,481)	3,497,305
TOTAL.....	\$ 3,602,786	\$ 921,708	\$ 954,682	\$ 60,173	\$ 2,205,627	\$ 7,744,976

I. Deficit fund balances

The Transfer Station fund had a deficit fund balance at year-end of \$5,481.

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

IV. Supplemental and Other Information

A. Risk Management

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

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

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

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.

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, 2018, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	64
Inactive plan members entitled to but not yet receiving benefits.	20
Active plan members	<u>69</u>
Total	<u>153</u>

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

2. Benefit Provisions

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 25 years of credited service. 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 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 are eligible for disability benefits after 10 years of service who become disabled. Disability retirement benefits are determined in the same manner as retirement benefits and are paid as an annuity, reduced by any workers' compensation payments. Death benefits will be paid if a member reaches age 55 and has at least 10 years of service. For a surviving spouse, the death benefit will be equal to 50% 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.

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 Retirement 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 5.2% of annual base compensation, and the Town's average contribution rate was 19.5% 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 is 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>

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 6.33%. 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	\$20,720,083
Plan fiduciary net position	<u>(17,336,983)</u>
Net pension liability	<u>\$ 3,383,100</u>
Plan fiduciary net position as percentage of the total pension liability	<u>83.67%</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 normal
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 based on assumptions from the 2017 Social Security Administration Trustee's Report

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	6.36%
International Equity	7.09 %
Fixed Income	3.44%
Real Estate	6.00%
Cash	2.00%

The weighted average expected rate of return is 7.00%.

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, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2018. 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, 2017	\$ 20,501,553	\$ 16,308,079	\$ 4,193,474
Service cost	321,322	-	321,322
Interest	1,420,327	-	1,420,327
Differences between expected and actual experience	(419,938)	-	(419,938)
Changes in assumptions	(38,197)	-	(38,197)
Contributions - employer	-	775,000	(775,000)
Contributions - member	-	157,619	(157,619)
Net investment income	-	1,186,593	(1,186,593)
Benefit payments, including refunds of member contributions	(1,064,984)	(1,064,984)	-
Administrative expenses	-	(25,324)	25,324
Net change	218,530	1,028,904	(810,374)
Balance at June 30, 2018	\$ 20,720,083	\$ 17,336,983	\$ 3,383,100

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	\$5,595,685	\$3,383,100	\$1,510,209

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 \$413,427. The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 515,130
Changes in assumptions	-	71,551
Net difference between projected and actual earnings on pension plan investments	35,870	-
Total	<u>\$ 35,870</u>	<u>\$ 586,681</u>
Net amount of deferred inflows and outflows		<u>\$ (550,811)</u>

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

Year Ending June 30:	
2019	\$(145,362)
2020	(247,445)
2021	(147,893)
2022	<u>(10,111)</u>
Total	<u>\$ (550,811)</u>

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

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.

IV. Other Information (Continued)**D. Pension Plan – Connecticut State Teachers' Retirement Plan (Continued)****3. Contributions (continued)**Employees

- Effective July 1, 1992, each teacher is required to contribute 6% of their salary for the pension benefit.
- Effective January 1, 2018, each teacher is required to contribute 7% of their salary for the pension benefit.

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

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

Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>21,209,807</u>
Total	<u>\$ 21,209,807</u>

The net pension liability was measured as of June 30, 2017, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2016. The Town has no proportionate share of the net pension liability.

For the fiscal year, the Town recognized pension expense and revenue of \$2,453,355 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, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increase	3.25-6.5%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

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

IV. Other Information (Continued)

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

5. Actuarial Assumptions (Continued)

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large cap U.S. equities	21.0%	5.8%
Developed non-U.S. equities	18.0%	6.6%
Emerging markets (non-U.S.)	9.0%	8.3%
Real estate	7.0%	5.1%
Private equity	11.0%	7.6%
Alternative investments	8.0%	4.1%
Core fixed income	7.0%	1.3%
High yield bonds	5.0%	3.9%
Emerging market bond	5.0%	3.7%
Inflation linked bond fund	3.0%	1.0%
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 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

8. Plan Fiduciary Net Position

Detailed information about the Connecticut State Teachers' Retirement Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2018.

E. Other Post-Employment Benefits Plan

1. Plan Description

a. Plan administration

The Town administers two single-employer, post-retirement healthcare plans: Town (Police, Sewer, Highway, Non-Union and White Collar) and the Board of Education (Administrators, AFSCME, Non-Union, Superintendent, Teachers and Non-Union Cafeteria). The Town plan is accounted for in a trust. The Board of Education plan is not currently accounted for in a trust. The Town plan does not issue a stand-alone financial report.

b. Benefit provided

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

c. Employer Contributions

The Town's recommended contributions are actuarially determined on an annual basis using the entry age normal method. The Town and Board of Education's total plan contributions were \$695,520 and \$173,960, respectively.

d. Employee Contributions

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

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

e. Employees Covered by Benefit Terms

As of July 1, 2017 for Town and Board of Education, the plans' membership consisted of:

	<u>Town</u>	<u>Board of Education</u>
Retirees and beneficiaries currently receiving benefits.....	51	36
Active plan members	24	82
 TOTAL	 75	 118

IV. Other Information (Continued)

E. Other Post-Employment Benefits Plan (Continued)

2. Investments

a. Investment Policy

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

<u>Asset Class</u>	<u>Target Allocation</u>
US Large Cap	26.75%
Fixed Income	35.00%
Short Duration	5.00%
International Developed	16.00%
US Mid/Small Cap	8.25%
Real Estate	5.00%
International Emerging	4.00%
Cash	0.00%
Total	<u>100.00%</u>

3. Concentrations

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

4. Rate of Return

The annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 3.49% for the Town OPEB Plan. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

IV. Other Information (Continued)

E. Other Post-Employment Benefit Plan (Continued)

5. Net OPEB Liability – Town Plan

The components of the net OPEB liability were as follows:

	Town Plan
Total OPEB liability	\$ 21,196,039
Plan fiduciary net position	<u>291,530</u>
Net OPEB liability	<u>\$ 20,904,509</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>1.38%</u>

6. Actuarial Methods and Other Inputs

The total OPEB liability for the plans was determined based upon a July 1, 2017 actuarial valuation using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry Age Normal
Amortization method	Level Percentage
Asset valuation method	Fair Value
<u>ACTUARIAL ASSUMPTIONS:</u>	
Discount rate - Town	5.20%
Discount rate - Board of Education	3.87%
Projected healthcare cost increases:	
Inflation	2.25%
Initial	8.50%
Ultimate	4.50%

The discount rate was based on the Standard and Poors municipal bond 20 year high grade index as of the measurement date. The discount rate decreased from 5.60% to 5.20% for the Town Plan and increased from 3.56% to 3.87% for the Board of Education Plan since the prior measurement date.

IV. Other Information (Continued)

E. Other Post-Employment Benefit Plan (Continued)

6. Actuarial Methods and Other Inputs (Continued)

The healthcare cost rates decrease to the initial rate of 8.50% and an ultimate rate of 4.50% since the prior measurement date.

Mortality rates were based on the SOA RPH-2016 Total Dataset Headcount-Weighted Mortality Table fully generational using Scale MP-2016.

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

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
US Large Cap	6.25%
Fixed Income	3.25%
Short Duration	4.75%
International Developed	6.90%
US Mid/Small Cap	6.70%
Real Estate	6.00%
International Emerging	7.85%
Cash	2.00%

Inflation is estimated to be 2.25%

IV. Other Information (Continued)**E. Other Post-Employment Benefit Plan (Continued)****7. Discount Rate**

The final equivalent discount rate used to measure the total OPEB liability was 5.20% for the Town Plan. For the Town Plan, the projection of cash flows used to determine the discount rate assumed that the Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Town Plan's long-term real rate of return is expected to be 7.00% but the plan investments are insufficient to pay for future benefits. Therefore the 20 year tax exempt general obligation municipal bond rate as of June 30, 2018 of 3.62% is used once the plan assets are exhausted resulting in the final equivalent rate of 5.20%

The Board of Education plan has no plan assets and therefore the discount rate used to measure the total OPEB liability is the 20 year tax exempt general obligation municipal bond rate as of June 30, 2018 of 3.87%. Based on those assumptions, the OPEB 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 OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

8. Changes in the Net OPEB Liability

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

Town Plan	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at July 1, 2017	\$ 21,480,568	\$ 248,947	\$ 21,231,621
Service cost	205,034	-	205,034
Interest	1,202,380	-	1,202,380
Differences between expected and actual experience	(1,847,217)	-	(1,847,217)
Changes in assumptions	999,754	-	999,754
Contributions - employer	-	869,480	(869,480)
Net investment income	-	18,083	(18,083)
Benefit payments, including refunds of member contributions	(844,480)	(844,480)	-
Administrative expenses	-	(500)	500
Net change	(284,529)	42,583	(327,112)
Balance at June 30, 2018	\$ 21,196,039	\$ 291,530	\$ 20,904,509

IV. Other Information (Continued)

E. Other Post-Employment Benefit Plan (Continued)

9. Changes in the OPEB Liability

Balance at July 1, 2017	\$ 6,010,952
Service cost	256,700
Interest	220,059
Differences between expected and actual experience	(513,843)
Changes in assumptions	(236,655)
of member contributions	(173,960)
Net change	(447,699)
Balance at June 30, 2018	\$ 5,563,253

10. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

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

Net OPEB Liability	1% Decrease 4.20%	Discount Rate 5.20%	1% Increase 6.20%
Town Plan	\$ 24,160,585	\$ 20,904,509	\$ 18,284,836
OPEB Liability	1% Decrease 2.87%	Discount Rate 3.87%	1% Increase 4.87%
Board of Education Plan	\$ 6,383,105	\$ 5,563,253	\$ 5,266,152

11. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

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

OPEB Liability	1% Decrease 7.50% decreasing to 3.50%	Discount Rate 8.50% decreasing to 4.50%	1% Increase 9.50% decreasing to 5.50%
Town Plan (net)	\$ 18,073,552	\$ 20,904,509	\$ 24,410,689
Board of Education Plan (total)	\$ 4,803,850	\$ 5,563,253	\$ 6,508,250

IV. Other Information (Continued)**E. Other Post-Employment Benefit Plan (Continued)****12. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (continued)**

For the fiscal year the Town recognized OPEB expense of \$2,334,258 for Town and \$151,336 for Board of Education. The Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Town Plan</u>		
<u>Description of Outflows/Inflows</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 923,608
Changes in assumptions	499,877	-
Net difference between projected and actual earnings on plan investments	-	1,097
Total	<u>\$ 499,877</u>	<u>\$ 924,705</u>
Net amount of deferred inflows and outflows		<u>\$ (424,828)</u>

<u>Board of Education Plan</u>		
<u>Description of Outflows/Inflows</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	\$ 1,121,422
Changes in assumptions	-	612,904
Total	<u>\$ -</u>	<u>\$ 1,734,326</u>
Net amount of deferred inflows and outflows		<u>\$ (1,734,326)</u>

Actual investment earnings below (or above) projected earnings are amortized over 5 years for both plans. Experience losses (gains) and changes in assumptions are amortized over the average remaining service period of active and inactive participants, which was 6.5 years for the Town Plan and 7.8 years for the Board of Education Plan.

Town of Thomaston, Connecticut
Notes to Financial Statements (Continued)

IV. Other Information (Continued)

E. Other Post-Employment Benefit Plan (Continued)

12. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (continued)

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

Year Ending June 30,	Town Plan	Board of Education Plan
2019	\$ (424,144)	\$ (325,423)
2020	(413)	(325,423)
2021	(413)	(325,423)
2022	142	(325,423)
2023	-	(325,420)
Thereafter	-	(107,214)
Total	<u>\$ (424,828)</u>	<u>\$ (1,734,326)</u>

F. Pension and Other Post-Employment Benefit Plan Statements

Combining Statement of Fiduciary Net Position
Pension And Other Post-Employment Benefit Trust Funds
June 30, 2018

	Pension Trust Fund	Other Post- Employment Benefit Trust Fund	Total
<u>ASSETS</u>			
Cash	<u>\$ -</u>	<u>\$ 2,475</u>	<u>\$ 2,475</u>
Investments at fair value:			
Mutual funds:			
Equity	10,266,414	159,872	10,426,286
Money market	256,786	-	256,786
Bond	6,813,783	114,388	6,928,171
Real estate investment trusts	-	14,795	14,795
Total investment	<u>17,336,983</u>	<u>289,055</u>	<u>17,626,038</u>
Total assets	<u>17,336,983</u>	<u>291,530</u>	<u>17,628,513</u>
<u>NET POSITION</u>			
Retricted for:			
Pension benefits	17,336,983	-	17,336,983
OPEB benefits	-	291,530	291,530
Total net position	<u>\$ 17,336,983</u>	<u>\$ 291,530</u>	<u>\$ 17,628,513</u>

Town of Thomaston, Connecticut
Notes to Financial Statements (Continued)

IV. Other Information (Continued)

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

Combining Statement of Changes in Fiduciary Net Position
Pension and Other Post-Employment Benefit Trust Funds
For the Year Ended June 30, 2018

	Pension Trust Fund	Other Post- Employment Benefit Trust Fund	Total
ADDITIONS:			
Contributions:			
Employer	\$ 775,000	\$ 869,480	\$ 1,644,480
Employees	157,619	-	157,619
Total	932,619	869,480	1,802,099
Investment income (loss):			
Change in fair value of investments	689,456	12,218	701,674
Interest and dividends	539,769	6,544	546,313
Total investment income (loss)	1,229,225	18,762	1,247,987
Less investment expenses	42,632	679	43,311
Net investment income (loss)	1,186,593	18,083	1,204,676
TOTAL ADDITIONS	2,119,212	887,563	3,006,775
DEDUCTIONS:			
Benefits	1,064,984	844,480	1,909,464
Administration	25,324	500	25,824
TOTAL DEDUCTIONS	1,090,308	844,980	1,935,288
CHANGES IN NET POSITION	1,028,904	42,583	1,071,487
NET POSITION - JULY 1, 2017	16,308,079	248,947	16,557,026
NET POSITION - JUNE 30, 2018	\$ 17,336,983	\$ 291,530	\$ 17,628,513

IV. Other Information (Continued)**G. OPEB Plan – Connecticut State Teachers' Retirement Plan****1. Plan Description**

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

2. Benefit Provisions

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

- **Normal Retirement:** Eligibility - Age 60 with 20 years of Credited Service in Connecticut, or 35 years of Credited Service including at least 25 years of service in Connecticut.
- **Early Retirement:** Eligibility - 25 years of Credited Service including 20 years of Connecticut service, or age 55 with 20 years of Credited Service including 15 years of Connecticut service.
- **Proratable Retirement:** Eligibility - Age 60 with 10 years of Credited Service.
- **Disability Retirement:** Eligibility - 5 years of Credited Service in Connecticut if not incurred in the performance of duty and no service requirement if incurred in the performance of duty.
- **Termination of Employment:** Eligibility - 10 or more years of Credited Service.

Retiree Health Care Coverage

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

IV. Other Information (Continued)

G. OPEB Plan – Connecticut State Teachers’ Retirement Plan (Continued)

2. Benefit Provisions (continued)

Retiree Health Care Coverage (continued)

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

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

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits). There are three choices for coverage under the CTRB Sponsored Medicare Supplemental Plans. The choices and 2017 calendar year premiums charged for each choice are shown in the table below:

• Medicare Supplement with Prescriptions	\$ 92
• Medicare Supplement with Prescriptions and Dental	136
• Medicare Supplement with Prescriptions, Dental, Vision & Hearing	141

Those participants electing vision, hearing, and/or dental are required by the System’s funding policy to pay the full cost of coverage for these benefits, and no liability is assumed by the Plan for these benefits.

Survivor Health Care Coverage

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

IV. Other Information (Continued)

G. OPEB Plan – Connecticut State Teachers’ Retirement Plan (Continued)

3. Contributions

State of Connecticut

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

Employer (School Districts)

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

Employees

Each member is required to contribute 1.25% of their annual salary. Contributions in excess of \$500,000 will be credited to the Retiree Health Insurance Plan.

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

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

Town’s proportionate share of the net OPEB liability	\$ -
State’s proportionate share of the net OPEB liability associated with the Town	<u>5,459,175</u>
Total	<u>\$ 5,459,175</u>

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016. The Town has no proportionate share of the net OPEB liability.

The Town recognized OPEB expense and revenue of \$253,006 for on-behalf amounts for the benefits provided by the State.

IV. Other Information (Continued)

G. OPEB Plan – Connecticut State Teachers’ Retirement Plan (Continued)

5. Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Health care costs trend rate	7.25% decreasing to 5.00% by 2022
Salary increases	3.25-6.50%, including inflation
Investment rate of return	3.56%, net of OPEB plan investment expense, including inflation
Year fund net position will be depleted	2018

Mortality rates were based on the RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the BB improvement scale was used.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

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

All the plan assets are assumed to be invested in cash equivalents due to the need for liquidity. The expected rate of return is 2.75%.

Changes in assumptions and inputs

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

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

IV. Other Information (Continued)

G. OPEB Plan – Connecticut State Teachers' Retirement Plan (Continued)

5. Actuarial Assumptions (continued)

Changes in assumptions and inputs (continued)

Other changes were as follows:

- The discount rate has been increased from 3.01% to 3.56% based upon the increase in the municipal bond index.

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

Affordable Care Act (ACA)

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

6. Discount Rate

The discount rate used to measure the total OPEB liability was 3.56%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

7. Sensitivity of the OPEB Liability to Changes in the Discount Rate and the Health Care Cost Trend Rate

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

IV. Other Information (Continued)

G. OPEB Plan – Connecticut State Teachers’ Retirement Plan (Continued)

8. Plan Fiduciary Net Position

Detailed information about the Connecticut State Teachers’ OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2017.

H. Prior Period Adjustment

Beginning equity balances were restated as follows for implementation of new accounting standards:

	Governmental Activities	Other Governmental Funds	Custodial Funds
Net position as previously reported at June 30, 2017	\$ 13,594,401	\$ 1,814,499	\$ -
To reclassify funds to and to present custodial fund in accordance with GASB Statement No. 84	<u>263,309</u>	<u>263,309</u>	<u>144,788</u>
Net position as restated at July 1, 2017	<u><u>\$ 13,857,710</u></u>	<u><u>\$ 2,077,808</u></u>	<u><u>\$ 144,788</u></u>

Required Supplementary Information

Town of Thomaston, Connecticut

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual
For the Year Ended June 30, 2018

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance with Final Budget
Revenues:					
Property taxes.....	\$ 19,102,990	\$ -	\$ 19,102,990	\$ 19,357,281	\$ 254,291
Charges for services.....	295,736	-	295,736	356,712	60,976
Intergovernmental.....	6,260,825	-	6,260,825	6,077,703	(183,122)
Income from investments.....	15,000	-	15,000	76,046	61,046
Other.....	5,000	-	5,000	88,936	83,936
Total Revenues.....	25,679,551	-	25,679,551	25,956,678	277,127
Expenditures:					
Current:					
General government.....	4,107,309	(93,576)	4,013,733	3,776,603	237,130
Public safety.....	1,747,213	407	1,747,620	1,660,304	87,316
Public works.....	1,762,359	89,298	1,851,657	1,824,019	27,638
Health and welfare.....	92,812	18	92,830	85,922	6,908
Culture and recreation.....	414,751	3,853	418,604	418,532	72
Housing and development.....	157,000	-	157,000	147,311	9,689
Education.....	14,701,839	-	14,701,839	14,701,839	-
Total Expenditures.....	22,983,283	-	22,983,283	22,614,530	368,753
Excess (Deficiency) of Revenues over Expenditures.....	2,696,268	-	2,696,268	3,342,148	645,880
Other Financing Sources (Uses):					
Appropriation of fund balance.....	675,000	-	675,000	-	(675,000)
Transfers in.....	15,000	-	15,000	15,000	-
Transfers out.....	(3,386,268)	-	(3,386,268)	(3,386,268)	-
Net Other Financing Sources (Uses).....	(2,696,268)	-	(2,696,268)	(3,371,268)	(675,000)
Net Change in Fund Balance.....	\$ -	\$ -	\$ -	(29,120)	\$ (29,120)
Fund Balance - July 1, 2017.....				3,631,906	
Fund Balance - June 30, 2018.....				<u>\$ 3,602,786</u>	

Reconciliation to Exhibit D

	Revenues	Expenditures
Budgetary Basis - RSI-1	\$ 25,956,678	\$ 22,614,530
State Teachers' pension on behalf amount	2,453,355	2,453,355
State Teachers' OPEB on behalf amount	253,006	253,006
GAAP Basis - Exhibit D	<u>\$ 28,663,039</u>	<u>\$ 25,320,891</u>

Notes to Required Supplementary Information: This budget is adopted on a basis consistent with Generally Accepted Accounting Principles (modified accrual basis) with the following exceptions: 1. The Town does not recognize as revenue or expenditures payments made for the State Teacher's pension and OPEB by the State of Connecticut on the Town's behalf.

Town of Thomaston, Connecticut

General Fund
Schedule of Revenues and Other Financing Sources
Budget and Actual
For the Year Ended June 30, 2018

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance with Final Budget
Property Taxes:					
Taxes.....	\$ 18,789,161	\$ -	\$18,789,161	\$ 19,044,406	\$ 255,245
Prior year taxes.....	175,000	-	175,000	170,231	(4,769)
Interest and lien fees.....	100,000	-	100,000	104,181	4,181
Housing authority in lieu of taxes.....	21,663	-	21,663	24,752	3,089
Telecommunications property tax.....	17,166	-	17,166	13,711	(3,455)
Total Property Taxes.....	19,102,990	-	19,102,990	19,357,281	254,291
Charges for Services:					
Building permits.....	50,000	-	50,000	44,870	(5,130)
Conveyance tax.....	45,000	-	45,000	43,300	(1,700)
Special duty police reimbursements.....	55,000	-	55,000	112,885	57,885
Accident reports.....	500	-	500	462	(38)
Gun permits.....	5,000	-	5,000	5,270	270
Vendor permits.....	500	-	500	40	(460)
Zoning and land use fees.....	10,000	-	10,000	11,786	1,786
Minibus fares.....	1,000	-	1,000	209	(791)
Recreation - Nystroms.....	3,675	-	3,675	3,675	-
Fingerprinting.....	500	-	500	75	(425)
Town of Litchfield - Sewer upgrade.....	7,928	-	7,928	7,928	-
Dam patrol.....	16,883	-	16,883	16,944	61
Alarm violations.....	1,500	-	1,500	-	(1,500)
Parking fines.....	1,750	-	1,750	360	(1,390)
Dog fines and fees.....	3,500	-	3,500	4,880	1,380
Rent of Tower.....	78,000	-	78,000	81,430	3,430
Rent of Opera House.....	15,000	-	15,000	15,000	-
PA 09-229 LOCIP project funding.....	-	-	-	7,598	7,598
Total Charges for Services.....	295,736	-	295,736	356,712	60,976
Intergovernmental:					
Property tax relief - state owned property.....	5,728	-	5,728	5,243	(485)
Property tax relief - circuit breaker.....	66,512	-	66,512	-	(66,512)
Property tax relief - Veterans' exemption.....	11,069	-	11,069	15,773	4,704
Property tax relief - totally disabled.....	829	-	829	857	28
Property tax relief - municipal revenue sharing.....	158,888	-	158,888	106,206	(52,682)
Property tax relief - municipal grant in aid.....	-	-	-	395,346	395,346
Federal PILOT - land authorization.....	118	-	118	1,589	1,471
LOCIP.....	-	-	-	261,149	261,149
Education cost sharing.....	5,613,346	-	5,613,346	4,894,549	(718,797)
School construction grants.....	146,168	-	146,168	146,168	-
Mashantucket Pequot.....	26,749	-	26,749	24,730	(2,019)
Town Aid Road.....	222,724	-	222,724	222,315	(409)
Elderly services transportation grant.....	8,694	-	8,694	3,778	(4,916)
Total Intergovernmental.....	6,260,825	-	6,260,825	6,077,703	(183,122)
Income from Investments.....	15,000	-	15,000	76,046	61,046
Other:					
Miscellaneous.....	5,000	-	5,000	88,936	83,936
Total Revenues.....	25,679,551	-	25,679,551	25,956,678	277,127
Other Financing Sources:					
Appropriation of fund balance.....	675,000	-	675,000	-	(675,000)
Transfers in:					
EMS Fund.....	15,000	-	15,000	15,000	-
Total Other Financing Sources.....	690,000	-	690,000	15,000	(675,000)
Total Revenues and Other Financing Sources.....	\$ 26,369,551	\$ -	\$26,369,551	\$ 25,971,678	\$ (397,873)

Town of Thomaston, Connecticut

General Fund
Schedule of Expenditures and Other Financing Uses
Budget and Actual
For the Year Ended June 30, 2018

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance with Final Budget
General Government:					
Board of Selectmen.....	\$ 116,740	\$ -	\$ 116,740	\$ 115,995	\$ 745
Elections.....	24,850	-	24,850	21,103	3,747
Board of Finance.....	2,400	-	2,400	1,231	1,169
Treasurer.....	189,666	-	189,666	188,800	866
Computer information systems.....	51,185	-	51,185	48,625	2,560
Independent audit.....	55,750	-	55,750	54,125	1,625
Legal.....	95,000	15,261	110,261	110,261	-
Tax collector.....	115,759	1,604	117,363	117,363	-
Tax assessor.....	128,000	1,169	129,169	129,169	-
Board of Assessment Appeals.....	1,150	-	1,150	1,100	50
Insurance.....	450,208	-	450,208	442,374	7,834
Town Hall operations and maintenance.....	226,258	-	226,258	223,461	2,797
Town Clerk.....	56,159	-	56,159	51,137	5,022
Probate court.....	4,125	-	4,125	4,125	-
Social security.....	229,649	9,008	238,657	238,657	-
Pension - Town employees.....	535,620	4,064	539,684	539,684	-
Pension - Volunteer Firefighters and Ambulance.....	126,000	-	126,000	122,795	3,205
Medical / life insurance.....	750,809	-	750,809	688,321	62,488
Retirees medical insurance.....	840,224	(39,930)	800,294	670,520	129,774
Council of governments.....	2,863	-	2,863	2,863	-
CT Conference of Municipalities.....	4,894	-	4,894	4,894	-
Contingency.....	100,000	(84,752)	15,248	-	15,248
Total General Government.....	4,107,309	(93,576)	4,013,733	3,776,603	237,130
Public Safety:					
Police.....	1,100,217	-	1,100,217	1,024,837	75,380
Emergency management.....	13,541	-	13,541	12,187	1,354
Communications and dispatch.....	318,370	-	318,370	315,565	2,805
Fire protection.....	183,566	407	183,973	183,973	-
Fire marshal.....	26,629	-	26,629	26,263	366
Ambulance.....	67,200	-	67,200	60,689	6,511
Tree removal.....	15,000	-	15,000	14,100	900
Animal control.....	22,690	-	22,690	22,690	-
Total Public Safety.....	1,747,213	407	1,747,620	1,660,304	87,316
Public Works:					
Highways.....	587,452	-	587,452	584,054	3,398
Town Aid Road.....	222,724	-	222,724	222,315	409
Snow and ice removal.....	144,550	82,306	226,856	226,856	-
Street lighting.....	69,600	-	69,600	52,669	16,931
Fire hydrants.....	192,000	-	192,000	190,391	1,609
Solid waste and recycling.....	507,208	6,992	514,200	514,200	-
Groundwater remediation.....	38,825	-	38,825	33,534	5,291
Total Public Works.....	1,762,359	89,298	1,851,657	1,824,019	27,638
Health and Welfare:					
Medical services.....	4,508	-	4,508	3,205	1,303
Torrington Area Health District.....	41,763	-	41,763	41,763	-
Northwest Regional Mental Health Board.....	838	-	838	838	-
Social services.....	19,064	18	19,082	19,082	-
Elderly nutrition.....	5,473	-	5,473	5,473	-
Susan B. Anthony project.....	2,000	-	2,000	2,000	-
Central Naugatuck Valley Regional Action Council.....	779	-	779	779	-
Minibus.....	17,387	-	17,387	11,782	5,605
Veterans' administration.....	1,000	-	1,000	1,000	-
Total Health and Welfare.....	92,812	18	92,830	85,922	6,908
Culture and Recreation:					
Recreation programs.....	92,635	3,853	96,488	96,488	-
Memorial Day.....	1,750	-	1,750	1,750	-
Public Library.....	320,366	-	320,366	320,294	72
Total Culture and Recreation.....	414,751	3,853	418,604	418,532	72

(Continued)

Town of Thomaston, Connecticut

General Fund
Schedule of Expenditures and Other Financing Uses
Budget and Actual
For the Year Ended June 30, 2018

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance with Final Budget
Housing and Development:					
Conservation Commission.....	\$ 1,795	\$ -	\$ 1,795	\$ 1,795	\$ -
Economic Development Commission.....	3,950	-	3,950	3,845	105
Housing, Land Use and Development.....	150,455	-	150,455	140,871	9,584
Brownfields.....	800	-	800	800	-
Total Housing and Development.....	157,000	-	157,000	147,311	9,689
Education.....	14,701,839	-	14,701,839	14,701,839	-
Total Expenditures.....	22,983,283	-	22,983,283	22,614,530	368,753
Other Financing Uses:					
Transfers out:					
Debt Service Fund.....	3,000,000	-	3,000,000	3,000,000	-
Debt Service Fund (Education).....	168,852	-	168,852	168,852	-
Hillside Cemetery Trust Fund.....	26,000	-	26,000	26,000	-
Capital or Nonrecurring	182,416	-	182,416	182,416	-
Seth Thomas/Bradstreet House.....	8,000	-	8,000	8,000	-
Social Service Crisis Fund.....	1,000	-	1,000	1,000	-
Total Other Financing Uses.....	3,386,268	-	3,386,268	3,386,268	-
Total Expenditures and other Financing Uses.....	\$ 26,369,551	\$ -	\$ 26,369,551	\$ 26,000,798	\$ 368,753

(Concluded)

Town of Thomaston, Connecticut

Town of Thomaston Retirement System

Required Supplementary Information
Last Five Years (1)**Schedule of Changes in Net Pension Liability**

	2018	2017	2016	2015	2014
Total pension liability:					
Service cost	\$ 321,322	\$ 357,930	\$ 387,724	\$ 363,897	\$ 401,270
Interest	1,420,327	1,407,359	1,365,722	1,295,503	1,269,639
Differences between expected and actual experience	(419,938)	(414,928)	(110,825)	(265,689)	(19,597)
Changes of assumptions	(38,197)	(92,172)	-	607,611	-
Benefit payments, including refunds of member contributions	(1,064,984)	(1,007,682)	(1,028,327)	(1,015,713)	(1,059,644)
Net change in total pension liability	218,530	250,507	614,294	985,609	591,668
Total pension liability - July 1	20,501,553	20,251,046	19,636,752	18,651,143	18,059,475
Total pension liability - June 30 (a)	<u>\$ 20,720,083</u>	<u>\$ 20,501,553</u>	<u>\$ 20,251,046</u>	<u>\$ 19,636,752</u>	<u>\$ 18,651,143</u>
Plan fiduciary net position:					
Contributions - employer	\$ 775,000	\$ 790,000	\$ 800,000	\$ 830,000	\$ 924,999
Contributions - member	157,619	175,704	159,545	167,530	153,778
Net investment income	1,186,593	1,739,088	134,539	366,071	1,902,564
Benefit payments, including refunds of member contributions	(1,064,984)	(1,007,682)	(1,028,327)	(1,015,713)	(1,059,644)
Administrative expenses	(25,324)	(29,092)	(35,932)	(35,337)	(31,839)
Net change in plan fiduciary net position	1,028,904	1,668,018	29,825	312,551	1,889,858
Plan fiduciary net position - July 1	16,308,079	14,640,061	14,610,236	14,297,685	12,407,827
Plan fiduciary net position - June 30 (b)	<u>\$ 17,336,983</u>	<u>\$ 16,308,079</u>	<u>\$ 14,640,061</u>	<u>\$ 14,610,236</u>	<u>\$ 14,297,685</u>
Net pension liability - June 30 (a)-(b)	<u>\$ 3,383,100</u>	<u>\$ 4,193,474</u>	<u>\$ 5,610,985</u>	<u>\$ 5,026,516</u>	<u>\$ 4,353,458</u>

(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
Last Five Years (1)Schedule of Net Pension Liability

	2018	2017	2016	2015	2014
Total pension liability	\$ 20,720,083	\$ 20,501,553	\$ 20,251,046	\$ 19,636,752	\$ 18,651,143
Plan fiduciary net position	(17,336,983)	(16,308,079)	(14,640,061)	(14,610,236)	(14,297,685)
Net pension liability	\$ 3,383,100	\$ 4,193,474	\$ 5,610,985	\$ 5,026,516	\$ 4,353,458
Plan fiduciary net position as a percentage of the total pension liability	83.67%	79.55%	72.29%	74.40%	76.66%
Covered payroll	\$ 3,171,283	\$ 3,369,027	\$ 3,415,672	\$ 3,309,461	\$ 3,285,183
Net pension liability as a percentage of covered payroll	106.68%	124.47%	164.27%	151.88%	132.52%

Schedule of Investment Returns

	2018	2017	2016	2015	2014
Annual money weighted rate of return, net investment expense	6.33%	12.71%	0.83%	1.89%	15.34%

(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
Last Ten YearsSchedule of Contributions

Fiscal Year	Contributions in Relation to the		Contribution Excess (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
	Actuarially Determined Contribution	Actuarially Determined Contribution			
2018	\$ 585,540	\$ 775,000	\$ 189,460	\$ 3,171,283	24.44%
2017	657,455	790,000	132,545	3,369,027	23.45%
2016	714,209	800,000	85,791	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%

Town of Thomaston, Connecticut

Town of Thomaston Retirement System

Required Supplementary Information
Last Ten Years**Notes to Required Supplementary Information**

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	2018 - The mortality table was updated to include assumptions based on the 2017 Social Security Administration Trustee's Report. 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, 2018, 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
Mortality	Based on the RP 2014+ Mortality with social security generational improvement s improvement, based on assumptions from the 2017 Social Security Administration Trustee's Report.

Town of Thomaston, Connecticut

State Teachers' Retirement System

Required Supplementary Information
Last Four Years (3)**Schedule of Proportionate Share of the Net Pension Liability**

	2018	2017	2016	2015
Town's proportion of the net pension liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net pension liability associated with the Town	<u>21,209,807</u>	<u>22,376,509</u>	<u>18,724,328</u>	<u>17,306,889</u>
Total	<u>\$ 21,209,807</u>	<u>\$ 22,376,509</u>	<u>\$ 18,724,328</u>	<u>\$ 17,306,889</u>
Town's covered payroll	(2) <u>N/A</u>	(2) <u>N/A</u>	(2) <u>N/A</u>	(2) <u>N/A</u>
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>55.93%</u>	<u>52.86%</u>	<u>59.50%</u>	<u>61.50%</u>

Schedule of Contributions

	2018	2017	2016	2015
Contractually required contribution (1)	(1) \$ -	(1) \$ -	(1) \$ -	(1) \$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	(2) <u>N/A</u>	(2) <u>N/A</u>	(2) <u>N/A</u>	(2) <u>N/A</u>
Contributions as a percentage of covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

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

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

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

Town of Thomaston, ConnecticutState Teachers' Retirement System
Required Supplementary Information
Last Four YearsNotes to Required Supplementary Information

Changes of Benefit Terms	None
Changes of Assumptions	2016: 1. Reduce the inflation assumption from 3.00% to 2.75%. 2. Reduce the real rate of return assumption from 5.50% to 5.25% which, when combined with the inflation assumption change results in a decrease in the investment rate of return assumption from 8.50% to 8.00%. 3. Reduce the annual rate of wage increase assumption from 0.75% to 0.50%. 4. Slightly modify the merit portion of the salary scale. 5. Reduce the payroll growth assumption from 3.75% to 3.25%. 6. Update mortality tables to projected versions of the RPH-2014 mortality tables. 7. Increase normal retirement rates for females at most ages and proratable retirement rates for males at most ages. Decrease early retirement rates for both males and females. 8. Increase rates of withdrawal. 9. Decrease rates of disability for males.
Actuarial Cost Method	Entry age
Amortization Method	Level percent of salary, closed
Remaining Amortization Period	21.4 years
Asset Valuation Method	4 year smoothed market
Inflation	2.75%
Salary Increases	3.25%-6.50%, average, including inflation
Investment Rate of Return	8.00%, net of pension plan investment expense, including inflation

(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 Other Post-Employment Benefit Plan

Required Supplementary Information
Last Two Years (1)

	2018	2017
<u>Schedule of Changes in Net OPEB Liability</u>		
Total OPEB Liability:		
Service cost	\$ 205,034	\$ 219,329
Interest	1,202,380	1,175,639
Difference between expected and actual experience	(1,847,217)	2,266,952
Changes in assumptions	999,754	(196,530)
Benefit payments, including refunds of member contributions	<u>(844,480)</u>	<u>(875,766)</u>
Net Change in Total OPEB Liability	(284,529)	2,589,624
Total OPEB Liability - July 1	<u>21,480,568</u>	<u>18,890,944</u>
Total OPEB Liability - June 30 (a)	<u>21,196,039</u>	<u>21,480,568</u>
Plan Fiduciary Net Position:		
Contributions - employer	869,480	900,766
Net investment income	18,083	18,590
Benefit payments, including refunds of member contributions	(844,480)	(875,766)
Administrative expenses	<u>(500)</u>	<u>(416)</u>
Net Change in Fiduciary Net Position	42,583	43,174
Plan Fiduciary Net Position - July 1	<u>248,947</u>	<u>205,773</u>
Plan Fiduciary Net Position - June 30 (b)	<u>\$ 291,530</u>	<u>\$ 248,947</u>
Net OPEB Liability - June 30 (a)-(b)	<u>\$ 20,904,509</u>	<u>\$ 21,231,621</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 Other Post-Employment Benefit Plan

Required Supplementary Information
Last Two Years (1)

	2018	2017
<u>Schedule of Net OPEB Liability</u>		
Total OPEB liability	\$ 21,196,039	\$ 21,480,568
Plan fiduciary net position	<u>(291,530)</u>	<u>(248,947)</u>
Net OPEB liability	<u>\$ 20,904,509</u>	<u>\$ 21,231,621</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>1.38%</u>	<u>1.16%</u>
Covered payroll	<u>\$ 2,770,895</u>	<u>\$ 2,664,322</u>
Net OPEB liability as a percentage of covered payroll	<u>754.43%</u>	<u>796.89%</u>

Schedule of Investment Returns

Annual money weighted rate of return, net of investment expense	<u>3.49%</u>	<u>3.97%</u>
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(1) This schedule is intended to present information for 10 years.
Additional years will be presented as they become available.

Town of Thomaston, Connecticut

Board of Education Other Post-Employment Benefit Plan

Required Supplementary Information
Last Two Years (1)Schedule of Changes in Total OPEB Liability

	2018	2017
Total OPEB liability:		
Service cost	\$ 256,700	\$ 342,342
Interest	220,059	205,769
Difference between expected and actual experience	(513,843)	(933,922)
Changes in assumptions	(236,655)	(562,365)
Benefit payments, including refunds of member contributions	<u>(173,960)</u>	<u>(174,221)</u>
Net Changes In Total OPEB Liability	(447,699)	(1,122,397)
Total OPEB liability - July 1	<u>6,010,952</u>	<u>7,133,349</u>
Total OPEB liability - June 30	<u><u>\$ 5,563,253</u></u>	<u><u>\$ 6,010,952</u></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

Other Post-Employment Benefit Plans

Required Supplementary Information
Last Ten YearsSchedule of Employer Contributions

<u>Town Plan</u>					
<u>Fiscal Year</u>	<u>Actuarially determined contribution</u>	<u>Contributions in relation to the actuarially determined contribution</u>	<u>Contribution excess (deficiency)</u>	<u>Covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
2018	\$ 1,211,597	\$ 869,480	\$ (342,117)	\$ 2,770,895	31.4%
2017	1,151,113	726,545	(424,568)	2,664,332	27.3%
2016	1,558,534	685,657	(872,877)	2,546,003	26.9%
2015	1,480,136	631,108	(849,028)	2,471,848	25.5%
2014	1,249,797	652,571	(597,226)	2,310,927	28.2%
2013	1,225,729	607,716	(618,013)	2,243,618	27.1%
2012	1,059,036	514,196	(544,840)	2,400,858	21.4%
2011	1,045,568	582,499	(463,069)	2,330,960	25.0%
2010	1,071,050	499,864	(571,186)	N/A	N/A
2009	1,026,727	475,073	(551,654)	N/A	N/A
<u>Board of Education Plan</u>					
<u>Fiscal Year</u>	<u>Actuarially determined contribution</u>	<u>Contributions in relation to the actuarially determined contribution</u>	<u>Contribution excess (deficiency)</u>	<u>Covered payroll</u>	<u>Contributions as a percentage of covered payroll</u>
2018	\$ 548,111	\$ 173,960	\$ (374,151)	N/A	N/A
2017	548,111	174,221	(373,890)	N/A	N/A
2016	444,515	170,062	(274,453)	7,280,013	2.3%
2015	456,347	156,020	(300,327)	7,067,974	2.2%
2014	414,469	188,015	(226,454)	7,458,734	2.5%
2013	434,272	181,447	(252,825)	7,241,489	2.5%
2012	495,837	159,683	(336,154)	7,846,462	2.0%
2011	514,993	164,335	(350,658)	7,617,924	2.2%
2010	534,839	186,177	(348,662)	N/A	N/A
2009	507,023	171,098	(335,925)	N/A	N/A

N/A - Not available

Town of Thomaston, Connecticut

Town of Thomaston Other Post-Employment Benefit Plans

Required Supplementary Information
Last Ten YearsNotes to Required Supplementary Information

Changes of benefit terms	None
Changes of Assumptions	<p>2018 -The discount rate changed from 5.60% to 5.20% for the Town and from 3.56% to 3.87% for the Board of Education. Health care trend rates were reset to 8.5% -4.5% decreasing the liability of the Town</p> <p>2017 -The discount rate changed from 5.33% to 5.60% for the Town and from 4.50% to 3.56% for the Board of Education. The payroll growth assumption was changed from 3.0% to 4.0% Health care trend rates were reset to 9.0% -4.5% increasing the liability of the Town</p> <p>Mortality table has been updated from SOA RPH-2014 Total Dataset Mortality Table fully generational using Scale MP-2014 to SOA RPH-2016 Total Dataset Mortality Table fully generational using Scale MP-2016.</p> <p>The actuarial cost method has been updated from Projected Unit Credit to Entry Age Normal level percent.</p>

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

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent
Asset Valuation Method	Fair Value
Investment Rate of Return -Town and Board of Education	7.00% and 3.87% respectively
Healthcare Inflation Rate - Initial	8.50%
Healthcare Inflation Rate - Ultimate	4.50%
Inflation Rate	2.25%
Mortality	SOA RPH-2016 Total Dataset Headcount-Weighted Mortality Table fully generational using Scale MP-2016

Town of Thomaston, Connecticut

CT State Teachers' Retirement Board Retiree Health Insurance Plan

Required Supplementary Information
Schedule of Proportionate Share of the Net OPEB Liability
June 30, 2018 (3)

Schedule of Proportionate Share of the Net OPEB Liability

Town's proportion of the net OPEB liability		\$ -
State of Connecticut's proportionate share of the net OPEB liability associated with Town		<u>5,459,175</u>
Total		<u><u>\$ 5,459,175</u></u>
Town's covered payroll	(2)	<u>N/A</u>
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll		<u>0.00%</u>
Plan fiduciary net position as a percentage of the total OPEB liability		<u><u>1.79%</u></u>

Schedule of Contributions

		2018
Contractually required contribution	(1)	\$ -
Contributions in relation to the contractually required contribution		<u>-</u>
Contribution deficiency (excess)		<u><u>\$ -</u></u>
Town's covered payroll	(2)	<u>N/A</u>
Contributions as a percentage of covered payroll		<u><u>0.00%</u></u>

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

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

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

Town of Thomaston, Connecticut

CT State Teachers' Retirement Board Retiree Health Insurance Plan

Required Supplementary Information
Notes to Required Supplementary Information
June 30, 2018 (1)

Changes of Benefit Terms	None
	2016:
	The discount rate has been lowered from 4.50% to 4.25% to reflect the decrease in the rate of inflation
	The payroll growth rate assumption was decreased from 3.75% to 3.25% to reflect the decrease in the rate of inflation and the decrease in the rate of real wage increase
Changes of Assumptions	The demographic assumptions of salary growth, payroll growth, the rates of withdrawal, the rates of retirement, the rates of mortality, and the rates of disability incidence were adjusted based upon the experience study's findings and their adoption by the Board
	The assumed initial per capita health care costs, the assumed rates of healthcare inflation used to project the per capita costs, and the participation assumptions have been revised
Actuarial Cost Method	Entry age
Amortization Method	Level percentage, open
Asset Valuation Method	Fair Value
Inflation	2.75%
Healthcare Inflation Rate	Initial 7.25% decreasing to 5.00% (ultimate) by 2022
Salary Increases	3.25% to 6.50%, including inflation
Investment Rate of Return	4.25%
Mortality Rate	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80. For disabled retirees, the RPH-2014 Disabled Mortality table projected to 2017 using the BB improvement scale

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

Supplemental Schedules

General Fund

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

Town of Thomaston, Connecticut

General Fund
Report of Tax Collector
For the Year Ended June 30, 2018

Grand List Year	Uncollected Taxes July 1, 2017	Current Year Levy	Lawful Corrections		Transfers to Suspend	Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2018
			Additions	Deductions			Net Taxes Collected	Interest & Liens	Total	
2002	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 130	\$ 130	\$ -
2003	-	-	-	-	-	-	-	64	64	-
2004	-	-	-	-	-	-	-	1,071	1,071	-
2005	-	-	-	-	-	-	-	952	952	-
2006	-	-	-	-	-	-	-	355	355	-
2007	-	-	-	-	-	-	-	396	396	-
2008	8,683	-	-	-	511	8,172	141	218	359	8,031
2009	8,893	-	-	-	276	8,617	309	399	708	8,308
2010	9,381	-	239	369	111	9,140	413	357	770	8,727
2011	14,217	-	130	346	-	14,001	2,161	2,132	4,293	11,840
2012	27,617	-	-	200	27	27,390	3,434	1,930	5,364	23,956
2013	31,296	-	-	162	669	30,465	7,534	4,053	11,587	22,931
2014	54,667	-	982	1,970	1,704	51,975	23,426	7,955	31,381	28,549
2015	207,226	-	1,810	9,262	2,716	197,058	138,858	29,895	168,753	58,200
Total Prior Years	361,980	-	3,161	12,309	6,014	346,818	176,276	49,907	226,183	170,542
2016	-	19,399,576	30,954	103,187	6,399	19,320,944	19,036,595	54,274	19,090,869	284,349
Total	\$ 361,980	\$ 19,399,576	\$ 34,115	\$ 115,496	\$ 12,413	\$ 19,667,762	\$ 19,212,871	\$ 104,181	\$ 19,317,052	\$ 454,891

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 Funds

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

Town Clerk Preservation Fund

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

Transfer Station Fund

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

Nonmajor Governmental Funds (Continued)

Special Revenue Funds (Continued)

Thomaston Opera House

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

Public Library Funds

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

Public Safety Funds

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

Recreation Funds

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

Gift Fund

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

Social Services Crisis Fund

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

EMS Fund

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

Capital 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, 2018

	Special Revenue Funds										
	Sewer Commission Usage Fund	Sewer Commission & Appropriation Fund	School Lunch Fund	Education Funds	Town Clerk Preservation Fund	Transfer Station Fund	Thomaston Opera House	Public Library Funds	Public Safety Funds	Recreation Funds	
<u>Assets</u>											
Cash.....	\$ 128	\$ 36,375	\$ 126,190	\$ 338,239	\$ 5,697	\$ -	\$ 229	\$ 22,304	\$ 26,594	\$ 18,955	
Investments.....	-	184,682	-	-	-	86,184	-	-	2,817	-	
Receivables:											
Assessments/use charges.....	132,375	-	-	-	-	-	-	-	-	-	
Intergovernmental.....	-	-	28,815	3,189	-	-	-	-	-	-	
Other.....	-	-	-	14,482	-	-	-	-	-	-	
Due from other funds.....	60,344	-	-	-	4,000	-	-	-	-	29,739	
Other	-	-	9,242	-	-	-	-	-	-	-	
Total Assets.....	\$ 192,847	\$ 221,057	\$ 164,247	\$ 355,910	\$ 9,697	\$ 86,184	\$ 229	\$ 22,304	\$ 29,411	\$ 48,694	
<u>Liabilities</u>											
Accounts payable.....	\$ 45,813	\$ -	\$ 11,445	\$ 81,826	\$ -	\$ 1,778	\$ -	\$ -	\$ -	\$ 457	
Accrued payroll.....	14,659	-	231	33,748	-	73	-	-	-	-	
Due to other funds.....	-	-	535	52,370	-	83,803	-	4,000	-	-	
Unearned revenue.....	-	-	-	38,047	-	6,011	-	-	-	-	
Total Liabilities.....	60,472	-	12,211	205,991	-	91,665	-	4,000	-	457	
<u>Deferred Inflows of Resources</u>											
Unavailable revenue - sewer charges.....	132,375	-	-	-	-	-	-	-	-	-	
<u>Fund Balances</u>											
Nonspendable.....	-	-	-	-	-	-	-	-	-	-	
Restricted.....	-	221,057	152,036	-	9,697	-	-	18,304	29,411	-	
Committed.....	-	-	-	149,919	-	-	229	-	-	48,237	
Unassigned.....	-	-	-	-	-	(5,481)	-	-	-	-	
Total Fund Balances.....	-	221,057	152,036	149,919	9,697	(5,481)	229	18,304	29,411	48,237	
Total Liabilities, Deferred Inflows of Resources and Fund Balances.....	\$ 192,847	\$ 221,057	\$ 164,247	\$ 355,910	\$ 9,697	\$ 86,184	\$ 229	\$ 22,304	\$ 29,411	\$ 48,694	

(Continued)

Town of Thomaston, Connecticut

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

	Special Revenue Funds										Capital Projects Fund		Permanent Funds				Total Nonmajor Governmental Funds																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
	Social Services Crisis Fund					EMS Fund					Total Special Revenue Funds					Capital Projects Fund																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			
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(Concluded)

Town of Thomaston, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2018

	Special Revenue Funds										
	Sewer Commission Usage Fund	Sewer Commission Assessment & Appropriation Fund	School Lunch Fund	Education Funds	Town Clerk Preservation Fund	Transfer Station Fund	Thomaston Opera House	Public Library Funds	Public Safety Funds	Recreation Funds	
Revenues:											
Charges for services.....	\$ 1,248,524	\$ 12,000	\$ 184,912	\$ -	\$ 2,966	\$ 22,370	\$ -	\$ -	\$ 490	\$ 38,301	
Intergovernmental.....	-	-	156,757	1,124,279	4,000	-	-	2,377	-	-	
Contributions.....	-	-	-	99,728	-	-	282	32,650	42,836	52,327	
Income from investments.....	-	2,072	-	-	8	321	1	3	21	2	
Total Revenues.....	1,248,524	14,072	341,669	1,224,007	6,974	22,691	283	35,030	43,347	90,630	
Expenditures:											
Current:											
General government.....	-	-	-	-	4,549	-	-	-	-	-	
Public safety.....	-	-	-	-	-	-	-	-	35,512	-	
Public works.....	1,275,759	-	-	-	-	23,445	-	-	-	-	
Culture and recreation.....	-	-	-	-	-	-	1,000	27,983	-	90,609	
Education.....	-	-	289,015	1,261,949	-	-	-	-	-	-	
Capital outlay.....	-	-	-	-	-	-	-	-	-	-	
Total Expenditures.....	1,275,759	-	289,015	1,261,949	4,549	23,445	1,000	27,983	35,512	90,609	
Excess (deficiency) of revenues over expenditures.....	(27,235)	14,072	52,654	(37,942)	2,425	(754)	(717)	7,047	7,835	21	
Other Financing Sources (Uses):											
Transfers in.....	27,235	-	-	-	-	-	-	-	-	8,000	
Transfers out.....	-	-	-	-	-	-	-	-	-	-	
Net Other Financing Sources (Uses).....	27,235	-	-	-	-	-	-	-	-	8,000	
Net Change in Fund Balances.....	-	14,072	52,654	(37,942)	2,425	(754)	(717)	7,047	7,835	8,021	
Fund Balances, July 1, 2017 (as restated).....	-	206,985	99,382	187,861	7,272	(4,727)	946	11,257	21,576	40,216	
Fund Balances, June 30, 2018.....	\$ -	\$ 221,057	\$ 152,036	\$ 149,919	\$ 9,697	\$ (5,481)	\$ 229	\$ 18,304	\$ 29,411	\$ 48,237	

(Continued)

Town of Thomaston, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2018

	Capital Projects										Total Nonmajor Governmental Funds
	Fund			Permanent Funds							
	Gift Fund	Social Services Crisis Fund	EMS Fund	Total Special Revenue Funds	Capital Projects	Edith Kenea Park and Tree Fund	Fire Department Trust Fund	Hillside Cemetery Trust Fund	Total Permanent Funds		
Revenues:											
Charges for services.....	\$ -	\$ -	\$ 107,000	\$ 1,616,563	\$ 13,825	\$ -	\$ -	\$ 29,736	\$ 29,736	\$	\$ 1,660,124
Intergovernmental.....	-	-	-	1,287,413	-	-	-	-	-	-	1,287,413
Contributions.....	17,983	24,100	-	269,906	9,545	-	-	782	782	782	280,233
Income from investments.....	60	-	2,018	4,506	4,194	506	194	25,399	26,099	26,099	34,799
Net change in fair value of investments.....	-	6	-	6	-	-	-	21,172	21,172	21,172	21,178
Total Revenues.....	18,043	24,106	109,018	3,178,394	27,564	506	194	77,089	77,789		3,283,747
Expenditures:											
Current:											
General government.....	-	-	-	4,549	-	-	-	-	-	-	4,549
Public safety.....	-	-	-	35,512	-	-	-	-	-	-	35,512
Public works.....	320	-	-	1,299,524	9,115	-	-	-	-	-	1,308,639
Health and welfare.....	-	25,058	-	25,058	-	-	-	63,485	63,485	63,485	88,543
Culture and recreation.....	13,115	-	-	132,707	212	5,000	-	-	5,000	5,000	137,919
Education.....	-	-	-	1,550,964	-	-	-	-	-	-	1,550,964
Capital outlay.....	-	-	-	-	49,802	-	-	-	-	-	49,802
Total Expenditures.....	13,435	25,058	-	3,048,314	59,129	5,000	-	63,485	68,485		3,175,928
Excess (deficiency) of revenues over expenditures....	4,608	(952)	109,018	130,080	(31,565)	(4,494)	194	13,604	9,304		107,819
Other Financing Sources (Uses):											
Transfers in.....	-	1,000	-	36,235	-	-	-	26,000	26,000	26,000	62,235
Transfers out.....	-	-	(15,000)	(15,000)	(27,235)	-	-	-	-	-	(42,235)
Net Other Financing Sources (Uses).....	-	1,000	(15,000)	21,235	(27,235)	-	-	26,000	26,000		20,000
Net Change in Fund Balances.....	4,608	48	94,018	151,315	(58,800)	(4,494)	194	39,604	35,304		127,819
Fund Balances, July 1, 2017 (as restated).....	49,916	796	178,563	800,043	643,713	92,019	16,800	525,233	634,052		2,077,808
Fund Balances, June 30, 2018.....	\$ 54,524	\$ 844	\$ 272,581	\$ 951,358	\$ 584,913	\$ 87,525	\$ 16,994	\$ 564,837	\$ 669,356	\$	2,205,627

(Concluded)

Town of Thomaston, Connecticut

Sewer Commission Usage Fund
Schedule of Sewer Use Charges Receivable
For the Year Ended June 30, 2018

Fiscal Year	Uncollected Balance July 1, 2017	Current Year Billing	Corrections		Adjusted User Charges Collectible	Collections			Uncollected Balance June 30, 2018
			Additions	Deductions		Use Charges	Interest & Liens	Total	
2011	\$ 282	\$ -	\$ -	\$ -	\$ 282	\$ 282	\$ 71	\$ 353	\$ -
2012	1,260	-	-	-	1,260	984	1,092	2,076	276
2013	1,875	-	-	-	1,875	1,550	1,176	2,726	325
2014	2,720	-	-	-	2,720	2,033	1,657	3,690	687
2015	7,114	-	-	-	7,114	5,125	2,475	7,600	1,989
2016	16,771	-	-	-	16,771	11,607	4,329	15,936	5,164
2017	79,065	-	-	352	78,713	44,108	10,530	54,638	34,605
Total Prior Years	109,087	-	-	352	108,735	65,689	21,330	87,019	43,046
2018	-	1,241,032	381	-	1,241,413	1,152,084	10,211	1,162,295	89,329
Total	\$ 109,087	\$ 1,241,032	\$ 381	\$ 352	\$ 1,350,148	\$ 1,217,773	\$ 31,541	\$ 1,249,314	\$ 132,375

Fiduciary Funds

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

Private-Purpose Trust Funds

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

Leander Smith Award

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

Peppie Wagner Fund

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

Seth Thomas Prize Fund

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

Town of Thomaston, Connecticut

Private-Purpose Trust Funds
Combining Statement of Fiduciary Net Position
June 30, 2018

	Leander Smith Award	Peppie Wagner Fund	Seth Thomas Prize Fund	Total
<u>Assets</u>				
Cash.....	\$ -	\$ 869	\$ -	\$ 869
Investments.....	5,584	-	1,086	6,670
Total Assets.....	5,584	869	1,086	7,539
<u>Net Position</u>				
Net position restricted for individuals.....	\$ 5,584	\$ 869	\$ 1,086	\$ 7,539

Town of Thomaston, Connecticut

Private-Purpose Trust Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2018

	Leander Smith Award	Peppie Wagner Fund	Seth Thomas Prize Fund	Total
Additions:				
Investment income.....	\$ 39	\$ 1	\$ 15	\$ 55
Net Position, July 1, 2017.....	5,545	868	1,071	7,484
Net Position, June 30, 2018.....	<u>\$ 5,584</u>	<u>\$ 869</u>	<u>\$ 1,086</u>	<u>\$ 7,539</u>

Statistical Section

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

Contents

Financial Trends (Tables 1 - 4)

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

Revenue Capacity (Tables 5 - 7)

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

Debt Capacity (Tables 8 - 11)

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

Demographic and Economic Information (Tables 12 - 13)

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

Operating Information (Tables 14 - 16)

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

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

Table 1

Town of Thomaston, Connecticut

Net Position by Component
Last Ten Years (1)
(Unaudited)

	Fiscal Year Ended June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net investment in capital assets.....	\$ 38,688,922	\$ 32,655,352	\$ 38,387,002	\$ 35,802,178	\$ 32,848,325	\$ 32,134,289	\$ 32,469,999	\$ 30,913,796	\$ 25,851,843	\$ 25,467,102
Restricted for:										
Endowments:										
None expendable.....	65,700	65,700	65,700	95,700	95,700	95,700	95,700	95,700	200,200	200,200
Expendable.....	37,525	42,860	42,860	13,170	13,502	13,329	12,772	12,593	1,823	1,109
Perpetual Care:										
None expendable.....	104,500	104,500	104,500	104,500	104,500	104,500	104,500	104,500	104,500	104,500
Expendable.....	71,570	71,570	71,570	71,570	71,570	71,570	71,570	71,570	40,894	-
Public safety.....	29,411	-	-	-	38,365	58,365	58,365	120,000	90,000	60,000
Housing and development.....	73,768	-	195,991	169,072	183,242	317,089	233,177	183,905	212,196	-
Sewer assessment.....	221,057	206,985	185,494	130,651	177,277	173,322	168,203	189,889	237,002	211,000
Education.....	152,036	99,382	46,131	-	-	-	-	-	-	-
Library.....	18,304	9,860	15,397	-	-	-	-	-	-	-
Other.....	10,991	7,272	7,744	47,158	25,960	25,909	41,023	112,944	77,495	-
Unrestricted.....	(26,102,210)	(19,669,339)	(6,562,121)	(3,630,183)	(2,296,658)	1,418,992	260,607	1,823,160	7,399,655	8,605,068
Total Net Position.....	\$ 13,371,574	\$ 13,594,142	\$ 32,560,268	\$ 32,803,816	\$ 31,261,783	\$ 34,413,065	\$ 33,515,916	\$ 33,628,057	\$ 34,215,608	\$ 34,648,999

(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 June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Expenses:										
General government.....	\$ 1,509,908	\$ 1,417,618	\$ 1,417,021	\$ 1,468,054	\$ 1,662,601	\$ 1,718,977	\$ 1,792,675	\$ 1,668,332	\$ 1,737,840	\$ 1,667,898
Public safety.....	3,716,219	3,558,258	3,326,695	3,164,883	2,817,840	2,531,191	2,645,588	2,350,689	2,429,014	2,403,832
Public works.....	5,217,983	5,126,370	4,781,865	4,907,857	4,523,074	4,590,427	4,264,949	4,297,830	4,258,496	4,345,216
Health and welfare.....	233,960	222,395	209,795	203,022	189,646	142,874	82,192	102,826	86,991	142,079
Culture and recreation.....	1,098,082	1,015,466	1,084,776	1,034,470	856,538	873,818	849,888	1,054,447	1,224,333	1,418,346
Housing and development.....	276,818	544,178	787,911	460,058	384,582	255,635	208,886	235,491	351,387	271,461
Education.....	19,875,111	19,401,777	18,527,836	17,988,363	17,715,754	18,236,961	17,893,897	18,141,755	17,516,144	17,620,403
Interest expense.....	647,763	750,391	703,177	675,831	778,821	695,454	1,011,416	655,789	777,173	718,142
Total Expenses.....	32,575,844	32,036,453	30,839,076	29,902,538	28,928,856	29,045,327	28,749,491	28,507,159	28,381,378	28,587,377
Program Revenues:										
Charges for services:										
General government.....	150,294	153,730	145,299	149,298	143,897	132,663	112,966	34,561	46,806	47,646
Public safety.....	300,032	203,715	219,899	243,508	158,884	144,636	178,532	157,914	148,106	158,988
Public works.....	1,345,075	1,363,837	1,378,548	1,314,456	1,216,145	1,207,400	1,174,669	1,167,243	1,155,344	1,161,218
Health and welfare.....	209	859	723	473	444	596	915	755	885	1,816
Culture and recreation.....	41,976	62,326	61,159	54,212	50,645	55,195	51,091	156,737	354,639	411,361
Housing and development.....	60,709	61,176	78,967	68,995	69,425	57,044	55,659	41,689	57,543	61,149
Education.....	184,912	205,641	189,665	188,604	213,589	221,288	243,921	273,660	297,431	330,850
Operating grants and contributions.....	9,207,222	9,596,263	8,923,066	8,450,907	8,781,136	9,515,488	8,860,269	8,342,648	8,437,791	8,348,877
Capital grants and contributions.....	540,038	115,622	605,945	2,230,932	655,034	299,942	386,186	564,196	311,838	715,950
Total Program Revenues.....	11,830,467	11,763,169	11,603,271	12,701,385	11,289,199	11,634,252	11,064,208	10,739,403	10,810,383	11,237,855
Net Expenses.....	(20,745,377)	(20,273,284)	(19,235,805)	(17,201,153)	(17,639,657)	(17,411,075)	(17,685,283)	(17,767,756)	(17,570,995)	(17,349,522)
General Revenues:										
Property taxes.....	19,473,610	18,906,623	18,347,627	18,156,595	18,118,289	17,679,388	16,785,654	16,549,427	16,452,886	16,444,961
Grants and contributions not restricted to specific programs.....	562,109	680,052	516,623	521,843	517,874	509,956	691,072	467,793	500,552	514,848
Investment income.....	134,586	86,423	62,240	34,434	64,153	47,706	49,314	89,062	90,133	89,454
Other.....	88,936	56,172	65,734	30,314	31,362	71,174	47,102	83,923	94,033	107,408
Total General Revenues.....	20,259,241	19,729,270	18,992,224	18,743,186	18,731,678	18,308,224	17,573,142	17,180,205	17,137,604	17,156,671
Change in Net Position.....	\$ (486,136)	\$ (544,014)	\$ (243,581)	\$ 1,542,033	\$ 1,092,021	\$ 897,149	\$ (112,141)	\$ (587,551)	\$ (433,391)	\$ (192,851)

Table 3

Town of Thomaston, Connecticut

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

	Fiscal Year Ended June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Fund:										
Nonspendable.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,932	\$ -	\$ -
Assigned.....	100,000	675,000	102,266	160,000	250,000	315,000	84,533	153,207	350,000	273,000
Unassigned.....	3,502,786	2,956,906	3,340,323	3,007,183	2,890,109	2,701,438	2,240,778	1,766,537	1,626,920	1,554,869
Total General Fund.....	3,602,786	3,631,906	3,442,589	3,167,183	3,140,109	3,016,438	2,325,311	2,170,676	1,976,920	1,827,869
All Other Governmental Funds:										
Nonspendable.....	1,051,114	170,200	170,200	1,050,267	1,279,423	1,305,819	1,306,788	1,366,650	1,303,437	1,351,772
Restricted.....	614,662	1,393,058	1,361,668	531,621	509,916	659,584	585,110	690,901	573,765	728,726
Committed.....	1,560,187	1,210,838	1,016,604	1,037,766	930,964	2,520,150	558,852	3,047,788	5,578,523	780,549
Assigned.....	921,708	916,931	1,259,874	1,380,309	1,086,043	1,179,720	363,589	309,413	112,784	-
Unassigned.....	(5,481)	(2,274,592)	(494,329)	(109,805)	(109,805)	(2,505,405)	(1,980,505)	(179,998)	203,085	(488,523)
Total All Other Governmental Funds.....	4,142,190	1,416,435	3,314,017	3,999,963	3,696,541	3,159,868	833,834	5,234,754	7,771,594	2,372,524
Grand Total.....	\$ 7,744,976	\$ 5,048,341	\$ 6,756,606	\$ 7,167,146	\$ 6,836,650	\$ 6,176,306	\$ 3,159,145	\$ 7,405,430	\$ 9,748,514	\$ 4,200,393

Table 4

Town of Thomaston, Connecticut

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

	Fiscal Year Ended June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Revenues:										
Property taxes.....	\$ 19,357,281	\$ 18,880,582	\$ 18,477,767	\$ 18,337,484	\$ 18,134,271	\$ 17,943,306	\$ 16,932,230	\$ 16,858,253	\$ 16,525,766	\$ 16,138,322
Charges for services.....	2,071,836	2,143,933	2,140,092	2,064,253	1,864,263	1,826,482	1,817,625	1,840,244	2,048,914	2,164,402
Intergovernmental.....	10,156,081	10,451,748	10,063,041	11,090,040	10,023,755	9,815,369	9,730,818	9,496,291	9,380,430	9,627,289
Contributions.....	299,456	91,089	148,692	275,701	109,013	684,800	129,773	46,019	67,190	155,075
Income from investments.....	113,408	55,553	28,086	20,924	19,144	47,709	49,314	89,061	90,133	117,301
Net change in fair value of investments.....	21,178	30,870	34,154	13,510	45,009	-	-	-	-	(39,572)
Other.....	88,936	55,369	57,426	30,314	31,361	79,912	47,104	83,923	94,033	107,409
Total Revenues.....	32,108,176	31,709,144	30,939,258	31,832,226	30,226,816	30,397,578	28,706,864	28,413,791	28,206,456	28,270,226
Expenditures:										
Current:										
General government.....	3,873,266	3,814,056	3,678,660	3,737,170	3,517,321	3,412,749	3,343,498	3,390,754	3,250,801	3,096,831
Public safety.....	1,703,190	1,768,195	1,626,723	1,618,411	1,562,456	1,506,881	1,536,180	1,345,780	1,488,274	1,470,060
Public works.....	3,154,183	3,049,696	2,786,773	2,995,295	3,000,019	2,758,011	2,686,572	2,637,989	2,658,236	2,710,550
Health and welfare.....	174,465	170,466	152,747	153,566	150,984	126,396	64,551	88,257	72,358	98,539
Culture and recreation.....	589,386	513,582	541,350	532,772	504,198	502,030	494,639	623,821	863,441	1,021,600
Housing and development.....	152,173	417,337	658,758	294,715	294,715	159,504	115,834	145,477	280,865	228,556
Education.....	19,007,633	18,394,057	17,368,884	16,903,635	17,181,062	17,361,746	17,148,470	16,781,904	16,623,775	16,536,919
Debt service:										
Principal.....	2,172,164	2,321,469	2,445,679	2,246,275	2,174,261	1,777,286	1,604,385	1,663,002	1,788,959	1,556,043
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.....	5,487,777	2,007,611	1,176,861	2,399,439	6,258,365	5,842,077	4,960,660	3,176,564	2,385,154	2,957,302
Total Expenditures.....	37,328,797	33,471,029	31,450,995	31,920,854	35,657,941	34,461,240	32,969,349	30,868,108	30,427,423	30,690,960
Excess (Deficiency) of Revenues over Expenditures.....	(5,220,621)	(1,761,885)	(511,737)	(88,628)	(5,431,125)	(4,063,662)	(4,262,485)	(2,454,317)	(2,220,967)	(2,420,734)
Other Financing Sources (Uses):										
Capital lease.....	33,947	39,758	73,298	-	54,085	127,645	-	-	-	-
Issuance of bonds (BANS).....	7,620,000	-	-	-	6,025,000	6,735,000	-	-	7,520,000	-
Issuance of refunding bonds.....	-	-	-	6,455,000	-	-	-	6,945,000	2,820,000	-
Payment to refunding bond escrow.....	-	-	-	(6,654,127)	-	-	-	(7,239,828)	(2,800,000)	-
Premiums.....	-	13,059	19,591	618,251	12,384	218,178	16,200	406,061	229,088	11,725
Sale of capital assets.....	-	803	8,308	-	-	-	-	-	-	-
Transfers in.....	3,428,503	3,410,476	3,727,326	3,843,788	3,679,843	3,247,341	3,059,313	3,113,769	2,928,843	400,038
Transfers out.....	(3,428,503)	(3,410,476)	(3,727,326)	(3,843,788)	(3,679,843)	(3,247,341)	(3,059,313)	(3,113,769)	(2,928,843)	(400,038)
Net Other Financing Sources(Uses).....	7,653,947	53,620	101,197	419,124	6,091,469	7,080,823	16,200	111,233	7,769,088	11,725
Net Change in Fund Balances.....	\$ 2,433,326	\$ (1,708,265)	\$ (410,540)	\$ 330,496	\$ 680,344	\$ 3,017,161	\$ (4,246,285)	\$ (2,343,084)	\$ 5,548,121	\$ (2,409,009)
Debt Service as a percentage of Noncapital Expenditures.....	10.01%	10.55%	11.05%	11.05%	10.85%	9.76%	9.40%	9.67%	10.02%	9.27%

Table 5

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

* Revaluation performed

Table 6

Town of Thomaston, Connecticut

Principal Taxpayers
Current Year and Nine Years ago
(Unaudited)

Taxpayer	2018			2009		
	(1) Assessment	Rank	Percent of Net Taxable Grand List	(1) Assessment	Rank	Percent of Net Taxable Grand List
Albea (formerly Rexam)	\$ 9,487,410	1	1.73%	\$ 2,514,706	8	0.41%
Connecticut Light & Power Co.	9,004,100	2	1.64%	4,898,560	1	0.80%
Thomaston Savings Bank	3,800,630	3	0.69%	2,979,110	4	0.49%
Yankee Gas Services Company	3,638,100	4	0.66%	2,387,960	10	0.00%
Connecticut Water Company	3,490,260	5	0.64%	3,127,410	2	0.51%
Thomaston Valley Village	3,005,450	6	0.55%	-	N/A	0.00%
GLC Associates One, LLC	2,724,210	7	0.50%	3,081,500	3	0.50%
Summit Corp of America	2,639,990	8	0.48%	2,490,030	9	0.41%
Tyler Properties	2,405,900	9	0.44%	2,636,630	6	0.43%
Subs Realty (formerly Oneglia)	2,238,040	10	0.41%	-	N/A	0.00%
WL Real Estate Company	-	N/A	N/A	2,824,520	5	0.46%
Whyco Technologies, Inc.	-	N/A	N/A	2,517,740	7	0.41%
Totals	\$ 42,434,090		7.74%	\$ 29,458,166		4.42%

Source: Town Assessor Department.

(1) The net taxable grand list as of October 1, 2016 and 2007 totaled \$547,676,208 and \$613,301,069, respectively.

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

Town of Thomaston, ConnecticutProperty 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	Collections in Subsequent Years	Total Collections to Date			Current Delinquent Balance
							Total Collections	Percentage of Levy Collected	Total Collections	
2018	35.05	2016	\$ 19,320,944	\$ 19,036,595	98.5%	-	\$ 19,036,595	98.5%	\$ 284,349	
2017	34.07	2015	18,744,659	18,537,433	98.9%	176,276	18,537,433	98.9%	58,200	
2016	33.63	2014	18,294,050	18,081,176	98.8%	184,325	18,265,501	99.8%	28,549	
2015	33.63	2013	18,080,787	17,844,146	98.7%	213,710	18,057,856	99.9%	22,931	
2014	33.13	2012	17,879,100	17,614,927	98.5%	240,217	17,855,144	99.9%	23,956	
2013 *	32.83	2011	17,645,073	17,364,941	98.4%	268,292	17,633,233	99.9%	11,840	
2012	26.98	2010	16,626,776	16,324,968	98.2%	293,081	16,618,049	99.9%	8,727	
2011	26.54	2009	16,462,140	16,192,962	98.4%	260,870	16,453,832	99.9%	8,308	
2010	26.28	2008	16,070,948	15,687,137	97.6%	375,780	16,062,917	100.0%	8,031	
2009	26.28	2007	16,017,616	15,511,321	96.8%	506,295	16,017,616	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, ConnecticutRatios of Outstanding Long-Term Obligations by Type
Last Ten Years
(Unaudited)

Year Ended June 30	General Long-Term Obligations Outstanding					Percentage of Personal Income	Debt per Capita
	General Obligation Bonds / Bond Anticipation Notes	Premiums	Clean Water Notes	Capital Lease Payable	Total		
2018	\$ 25,540,000	\$ 607,060	\$ 1,461,872	\$ 38,872	\$ 27,647,804	0.27%	\$ 3,516
2017	19,860,000	676,512	1,973,856	50,132	22,560,500	0.33%	2,970
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

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

Note: There is no overlapping debt.

N/A Information not available.

Town of Thomaston, Connecticut

Ratios of Long-Term Debt to Net Assessed Value and Long-Term Debt per Capita
Last Ten Years
(Unaudited)

Year Ended June 30	(1) Population	(2) Net Assessed Value	(3) Long-Term Debt and Related Liabilities	Ratio of Bonded Debt/Notes to Net Assessed Value	Debt per Capita
2018	7,863	\$ 547,676,208	\$ 27,608,932	5.04%	\$ 3,511
2017	7,595	546,138,523	22,510,368	4.12%	2,964
2016	7,621	540,231,844	25,071,674	4.64%	3,290
2015	7,683	533,917,497	27,821,557	5.21%	3,621
2014	7,862	539,424,184	29,720,130	5.51%	3,780
2013	7,838	538,276,035	26,055,769	4.84%	3,324
2012	7,975	614,868,113	21,207,142	3.45%	2,659
2011	7,887	607,818,174	23,195,238	3.82%	2,941
2010	7,801	612,278,500	24,709,861	4.04%	3,168
2009	7,766	613,301,069	18,679,313	3.05%	2,405

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)
As of and for the Year Ended June 30, 2018
(Unaudited)

Total tax collections (including interest and lien fees) for prior year					<u>\$ 18,837,707</u>
Debt Limitation:	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
2 1/4 times base.....	\$ 42,384,841	\$ -	\$ -	\$ -	\$ -
4 1/2 times base.....	-	84,769,682	-	-	-
3 3/4 times base.....	-	-	70,641,401	-	-
3 1/4 times base.....	-	-	-	61,222,548	-
3 times base.....	-	-	-	-	56,513,121
Total Debt Limitation.....	42,384,841	84,769,682	70,641,401	61,222,548	56,513,121
Indebtedness:					
Bonds payable.....	12,977,239	4,744,795	197,966	-	-
Bond anticipation notes - long-term...	7,620,000	-	-	-	-
Less: School building grants.....	-	(139,995)	-	-	-
Total Indebtedness.....	20,597,239	4,604,800	197,966	-	-
Debt Limitation in excess of outstanding debt.....	<u>\$ 21,787,602</u>	<u>\$ 80,164,882</u>	<u>\$ 70,443,435</u>	<u>\$ 61,222,548</u>	<u>\$ 56,513,121</u>
The total net indebtedness above amounts to:					<u>\$ 25,400,005</u>
In no event shall total indebtedness exceed seven times the base for debt limitation computation:					<u>\$ 131,863,949</u>

Note: There is no overlapping debt.

Town of Thomaston, ConnecticutLegal 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
2018	\$ 131,863,949	\$ 25,400,005	\$ 106,463,944	19.26%
2017	131,863,949	27,377,554	104,486,395	20.76%
2016	127,094,254	24,477,554	103,876,768	19.26%
2015	128,082,052	24,205,284	103,876,768	18.90%
2014	126,610,372	25,993,009	100,617,363	20.53%
2013	125,550,264	24,245,997	101,304,267	19.31%
2012	117,980,709	18,686,529	99,294,180	15.84%
2011	118,368,957	16,296,459	102,072,498	13.77%
2010	114,583,798	17,452,561	97,131,237	15.23%
2009	112,410,347	15,826,028	96,584,319	14.08%

Town of Thomaston, ConnecticutDemographic Statistics
Last Ten Years
(Unaudited)

Year Ended June 30	(1) Population	(2) Personal Income	(5) Per Capita Income	(2) Median Age	(2) Education Level in Years of Schooling	(3) School Enrollment	(4) Unemployment Percentage
2018	7,863	\$ 65,901	(5)	43	High School % Some College %	897	3.9%
2017	7,595	67,191	(5)	43	High School 37% Some College 32%	897	3.9%
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%

Sources:

- (1) State of Connecticut, Department of Public Health and Addiction Services.
- (2) Connecticut Economic Resource Center, Inc.
- (3) Thomaston Board of Education.
- (4) Connecticut Labor Department - Research and Statistics.
- (5) Information not available.

Town of Thomaston, Connecticut

Principal Employers
Current Year and Nine Years ago
(Unaudited)

	2018			2009		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Albea (formerly Rexam)	378	1	8%	290	2	10%
State of Connecticut	N/A	2	-	50	8	2%
Thomaston Savings Bank	203	3	5%	129	3	4%
Town of Thomaston	194	4	4%	324	1	11%
Ward Leonard Electric, Inc.	151	5	3%	128	4	4%
UniMetal/ Quality Rolling & Deburring	140	6	3%	68	7	2%
Stewart Eyelets for Industry, Inc.	137	7	3%	80	5	3%
Summit Corporation of America	74	8	2%	76	6	3%
WHYCO Chromium, Inc	40	9	1%	35	10	1%
Stevens Co., Inc.	36	10	1%	43	9	1%
TOTAL	1,353		30%	1,223		41%
Total Town Employment	4,459			3,026		

SOURCE: Annual Town survey.

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

Table 14

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									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
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	0.2	0.2	0.3
Treasurer.....	4.0	3.9	3.9	3.9	3.0	3.0	3.9	3.9	2.9	3.3
Tax Collector.....	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.9	2.0
Assessor/Assessment appeals.....	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Town Hall maintenance.....	1.4	1.3	1.3	1.5	1.5	1.4	1.5	1.0	1.0	1.1
Town Clerk.....	1.6	1.7	1.7	1.7	1.7	1.5	1.7	1.6	1.6	1.7
Public Safety:										
Police officers.....	13.0	13.5	13.3	13.1	13.4	11.6	11.7	11.4	12.3	12.5
Dispatch.....	5.0	4.5	4.8	4.9	4.5	4.8	4.0	4.6	4.7	4.8
Fire Marshal.....	3.0	0.7	0.1	0.1	0.1	0.1	0.6	0.6	0.6	0.6
Animal control.....	1.1	1.1	1.1	1.1	1.1	1.2	1.1	1.1	1.1	1.1
Public Works:										
Highway.....	8.6	7.2	8.0	7.0	7.0	8.0	6.0	7.0	8.1	8.8
Solid waste and recycling.....	0.2	0.2	0.3	0.2	0.2	0.3	0.2	0.2	0.2	0.2
Sewer plant.....	6.4	7.0	6.0	7.0	7.0	7.0	5.0	7.0	7.0	7.0
Hillside Cemetery.....	2.0	1.8	1.9	1.8	1.7	1.9	1.7	1.5	1.0	1.6
Health and Welfare:										
Social services.....	0.5	0.5	0.5	0.5	0.5	0.0	0.0	0.0	0.0	1.0
Minibus.....	0.3	0.2	0.4	0.2	0.2	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
Culture and Recreation:										
Recreation.....	1.6	1.6	1.8	2.0	1.6	1.6	3.5	2.4	2.3	2.4
Public library.....	5.9	5.7	6.8	6.1	5.4	6.1	5.8	5.8	6.2	6.2
Opera House.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.5	4.0
Housing and Development:										
Housing, land use & development....	2.5	2.3	2.5	2.5	2.1	2.1	2.5	2.0	2.3	2.3
Education.....	132.0	158.5	141.7	136.5	162.8	163.5	165.9	164.1	160.7	161.1
Total.....	194.5	217.1	201.5	195.6	219.3	220.0	221.0	220.1	220.3	225.7

Source: Actual payroll data.

Town of Thomaston, Connecticut

Operating Indicators by Function/Program
Last Ten Years
(Unaudited)

Function / Program	Fiscal Year Ended June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
Public Safety:										
Fire:										
Emergency responses.....	336	298	270	265	239	266	436	367	268	240
Fires extinguished.....	29	30	38	39	26	17	43	26	27	40
Police:										
Incidents.....	35,892	36,136	35,807	39,126	37,715	32,646	33,503	33,523	33,299	34,946
Accidents.....	309	296	307	353	347	195	217	230	206	248
Physical arrests.....	367	380	385	629	565	236	258	161	165	257
Traffic violations.....	1,544	1,201	922	898	853	841	949	952	1,001	867
Public Works:										
Street resurfacing (miles).....	0.0	0.0	0.0	3.0	2.0	0.0	0.0	0.0	0.0	2.38
Streets rebuilt (miles).....	2.2	0.0	0.0	0.0	0.0	4.86	4.86	4.31	3.12	0.66
Parks and Recreation:										
Athletic field permits issued.....	44	31	38	42	40	41	46	51	44	55
Number of recreation programs.....	29	29	34	32	34	36	34	29	27	26
Health and Welfare:										
Number of elderly serviced.....	98	98	146	109	86	N/A	N/A	N/A	N/A	N/A
Number of families serviced.....	274	274	185	162	150	N/A	N/A	N/A	N/A	N/A
Number of disabled serviced.....	82	82	98	87	60	N/A	N/A	N/A	N/A	N/A
Library:										
Total print items.....	38,982	39,253	39,327	40,285	40,885	40,637	41,243	40,137	42,804	44,541
Total non-print items.....	7,370	7,102	7,060	6,876	6,291	5,991	5,775	8,095	6,366	11,578
Circulation.....	52,852	58,218	63,700	70,396	75,418	80,528	80,371	86,380	95,354	93,826
Interlibrary borrows.....	2,331	2,698	3,497	3,346	3,605	3,537	3,662	3,210	3,429	3,432
Interlibrary loans.....	2,513	2,068	2,259	2,275	2,427	3,003	3,391	3,467	3,298	3,289
Education:										
Enrollment:										
High School.....	405	428	408	417	412	438	460	518	559	547
Middle School.....	190	205	216	206	237	256	227	256	267	278
Elementary School.....	280	264	271	233	292	310	323	340	360	391
Total.....	875	897	895	856	941	1,004	1,010	1,114	1,186	1,216
Sewer Fund:										
Average daily sewage treatment (million gallons).....	0.898	0.810	0.834	0.980	0.989	0.924	0.871	0.937	0.992	0.982
Residential customers.....	2,679	2,635	2,635	2,635	2,700	2,695	2,619	2,613	2,600	2,600
Commercial & Industrial Customers.....	75	134	131	129	128	130	130	128	134	131
Manhole repair as part of I/I reduction.....	4	-	20	6	9	42	48	80	80	62
Solid Waste & Recycling:										
MIRACRRA tonnage (annual).....	2,534	2,534	2,400	2,462	2,506	3,069	3,817	4,226	4,284	4,724

SOURCES: Various Town Departments.

N/A - Data not available.

Table 16

Town of Thomaston, Connecticut

Capital Asset Statistics by Function/Program
Last Ten Years
(Unaudited)

Function / Program	Fiscal Year Ended June 30									
	2018	2017	2016	2015	2014	2013	2012	2011	2010	2009
General Government:										
Election voting machines.....	2	2	2	2	2	2	2	2	2	2
Vehicles.....	1	1	1	1	2	2	2	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	11	11	8	8	10	10	10
Fire trucks.....	4	4	4	5	5	7	7	7	7	7
Ambulances.....	2	2	2	2	2	2	2	2	2	2
Other emergency vehicles.....	5	5	5	5	6	6	6	6	6	6
Public Works:										
Miles of Streets:										
Paved.....	41.25	41.25	41.25	41.25	41.25	41.25	41.25	41.00	41.00	41.00
Accepted.....	41.25	41.25	41.25	41.25	41.25	41.25	41.25	41.00	41.00	41.00
Private.....	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
State Highway.....	64.89	64.89	64.89	64.89	64.89	64.89	64.89	64.89	64.89	64.89
Miles of Sidewalks.....	10.88	10.88	10.88	10.88	10.88	10.88	10.88	10.88	10.88	10.88
Miles of Sewer:										
Storm.....	95.25	95.25	95.25	95.25	95.25	95.25	95.25	95.25	95.25	95.00
Sanitation.....	50.50	50.50	50.50	50.50	50.50	50.50	50.50	50.50	50.50	50.50
Dump trucks.....	9	9	10	10	10	10	10	10	10	10
Other public works vehicles & heavy equipment.....	28	28	28	28	28	27	27	27	27	27
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	1	1	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	4	4	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
Public indoor theatres.....	1	1	1	1	1	1	1	1	1	1
Public library.....	1	1	1	1	1	1	1	1	1	1
Tennis courts.....	6	6	6	6	3	3	3	3	3	3
Tracks.....	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.