

Town of Thomaston, Connecticut
Annual Comprehensive Financial Report



For the Year Ended June 30, 2023

**Annual
Comprehensive
Financial Report
of the
Town of Thomaston,
Connecticut**

For the Year Ended

June 30, 2023

Prepared by:

The Finance Department

Tracy A. Decker, Finance Director

Town of Thomaston, Connecticut
Annual Comprehensive Financial Report
For the Year Ended June 30, 2023

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Introductory Section



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

January 19, 2024

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 Annual Comprehensive Financial Report (ACFR) of the Town of Thomaston, Connecticut, for the fiscal year ended June 30, 2023.

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, 2023, 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, 2023, 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 7,442. 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

The current worldwide financial downturn that began in March 2020 due to the COVID-19 pandemic had long lasting impacts across the state and local economy. Fortunately, Thomaston's unemployment rate which had risen to a high of 8.0% in June of 2020 has dropped to 3.0% which is lower than the national average of 3.6% and below regional and state levels.

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. A very successful brewery was added to the building which has increased visitors to the Town.

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. Additionally, there is a 47 unit active adult community 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 conjunctions with the WPCA to create a master sewer plan for the Town of Thomaston that is in conformance with the State of Connecticut Plan of Conservation and Development. Changes to the Zoning District Map have been made to slow the pace of residential development, which in the past decade has been more than double the State average, by increasing lot sizes, particularly in those areas not served by municipal water and sewer service.

Also economically significant is the ongoing renovations of the town-owned Thomaston Opera House, which is considered to be one of the finest examples of Victorian/Gothic architecture in the state. In the past decade, the theater has undergone many improvements and restorations perpetuating its original function as a multipurpose cultural and recreational center for Litchfield County and Greater Waterbury. The Thomaston Opera House Commission leases the facility to a management company. A portion of each ticket sold is contributed to a fund for future restoration projects and the Town's Opera House Commission was recently awarded a \$3,500,000 grant from the Department of Economic Development and recently went out to bid for Phase I of the restoration plans.

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.

The Department of Energy and Environmental Protection has awarded a \$400,000 grant to the Town for the Beautification Committee's Seth Thomas Park Revitalization project which will include an amphitheater for the summer concerts and other town functions.

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 recently had a road assessment study performed in order to prioritize road reconstruction. Several roads in town were reconstructed and long-term borrowing for additional roads is being evaluated.

Relevant Financial Policies

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

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Thomaston for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. This was the 19th 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.

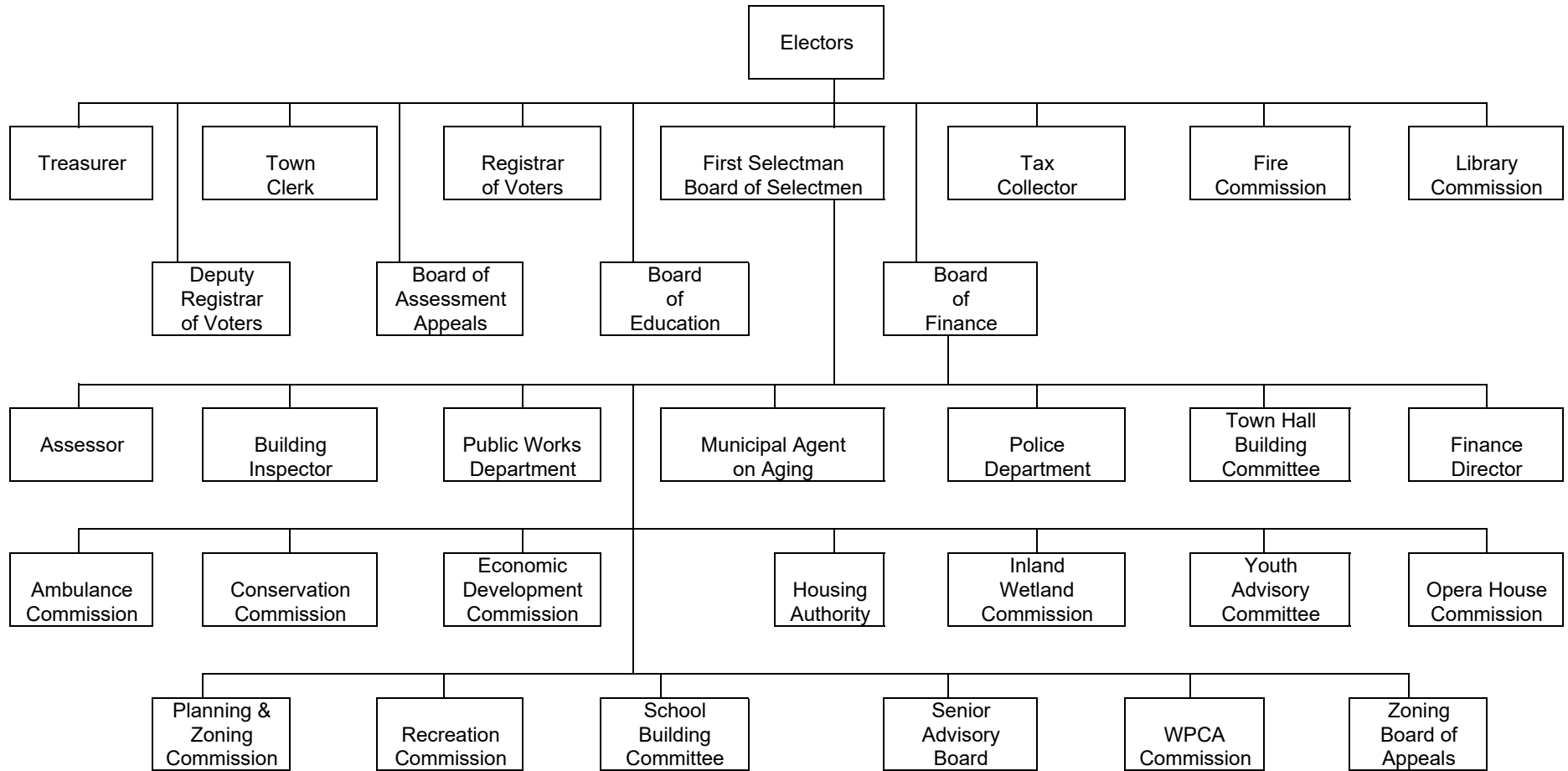
Respectfully submitted,

A handwritten signature in dark ink, reading "Tracy Decker". The signature is written in a cursive, flowing style.

Tracy A. Decker
Finance Director

Town of Thomaston, Connecticut

Organizational Chart



Town of Thomaston, Connecticut

**Principal Officials
June 30, 2023**

Board of Selectmen

Edmond V. Mone, First Selectman
Jeffrey P. Dunn, Selectman
Roger Perreault, Selectman

Board of Finance

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

Town Departments

Lawrence Duffany, Jr., 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
Robert Galpin, Jr., 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
Joseph Aniki, 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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

Financial Section

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Thomaston, Connecticut ("Town"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists.

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

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The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, budgetary comparisons, and the pension and other post-employment benefit schedules as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

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

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Supplementary 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 combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2024 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Wethersfield, Connecticut
January 19, 2024



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

Management's Discussion and Analysis
For the Year Ended June 30, 2023

As management of the Town of Thomaston, Connecticut ("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, 2023.

Financial highlights

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$40,020,739 (*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 (\$13,024,164).

- The Town's total net position increased by \$2,650,194. This increase is due to:

Governmental funds activity:

- positive operations of the general fund of \$ 332,067
- positive operations of the capital or nonrecurring fund of 3,108,538

The positive operations were offset by:

- negative operations of the debt service fund of (104,178)

Conversion to accrual basis on Exhibit E:

- capital outlay net of depreciation expense of 3,744,786
- net principal debt activity of (4,429,792)
- change in pension liability of 532,580
- amortization of deferred outflows of resources of (1,381,060)
- amortization of deferred inflows of resources of 840,946

- positive operations of the general fund of \$ 332,067
- positive operations of the capital or nonrecurring fund of 3,108,538

- During the year, the Town implemented GASB No. 96 – Subscription-Based Information Technology Arrangements. The implementation of this statement had no impact on beginning equity, but had the following impact on the Town's financial statements:

	<u>Governmental Activities</u>
Capital assets:	
Intangible right-to-use subscription assets	\$ 171,881
Long-term liabilities:	
Subscription liability	171,881

Management's Discussion and Analysis (continued)

- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$11,310,206 an increase of \$3,001,452 in comparison with the prior year. This increase is the result of the items discussed above under governmental funds and the following:
 - positive operations of the general fund of \$ 332,067
 - positive operations of the capital or nonrecurring fund of 3,108,538
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$6,193,584, an increase of \$287,014 in comparison with the prior year. This fund balance represents 21.58% of total budgetary actual general fund expenditures and transfers out.

Overview of the basic financial statements

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

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

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

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

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

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

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

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

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, capital or nonrecurring, and debt service funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these other governmental funds is provided in the combining schedules in Schedules 3 and 4 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.

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.

Required supplementary information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information as follows:

- A budgetary comparison schedule for the General Fund to demonstrate compliance with this budget.
- Schedules to demonstrate the Town's progress in funding its obligation to provide pension benefits.
- Schedules to demonstrate the Town's progress in funding its obligation to provide other post-employment benefits.

Other information. Other required schedules and the combining schedules referred to earlier in connection with other governmental funds are presented immediately following the required supplementary information section.

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 total net position increased by 6.60% from a year ago – increasing from \$37,542,426 to \$40,020,739.

Summary Statement of Net Position

June 30

	<u>2023</u>	<u>2022</u> (as restated)
Current and other assets	\$18,262,001	\$21,285,729
Capital assets (net)	<u>78,512,790</u>	<u>74,768,004</u>
Total assets	<u>96,774,791</u>	<u>96,053,733</u>
Total deferred outflows of resource	<u>2,483,552</u>	<u>3,864,612</u>
Long-term liabilities outstanding	47,380,568	43,519,706
Other liabilities	<u>8,272,837</u>	<u>14,251,622</u>
Total liabilities	<u>55,653,405</u>	<u>57,771,328</u>
Total deferred inflows of resources	<u>3,584,199</u>	<u>4,604,591</u>
Net position:		
Net investment in capital assets	50,415,010	45,066,585
Restricted	2,629,893	1,222,421
Unrestricted	<u>(13,024,164)</u>	<u>(8,746,580)</u>
Total net position	<u><u>\$ 40,020,739</u></u>	<u><u>\$ 37,542,426</u></u>

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

A portion of the Town's net position (6.59%) 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 increased by \$2,650,194. Key elements of this increase are as follows:

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

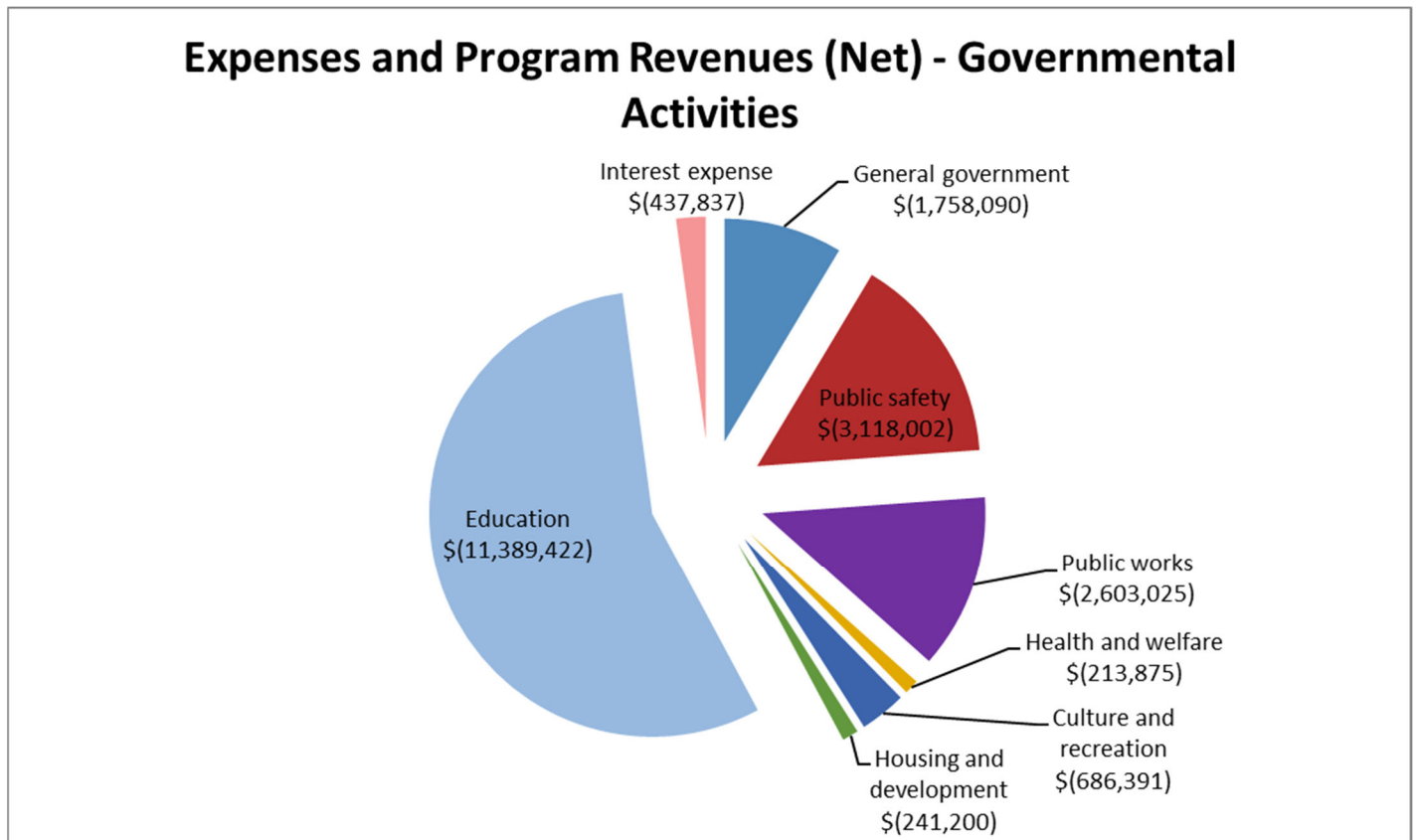
	<u>2023</u>	<u>2022</u>
<u>Revenues:</u>		
Program revenues:		
Charges for services	\$ 2,626,251	\$ 2,434,972
Operating grants and contributions	10,034,715	9,950,822
Capital grants and contributions	1,870,150	5,037,216
General revenues:		
Property taxes	21,725,162	21,374,951
Grants and contributions not restricted to specific programs	874,226	458,426
Income from investments	487,625	6,666
Other	<u>11,023</u>	<u>66,443</u>
Total revenues	<u>37,629,152</u>	<u>39,329,496</u>
<u>Expenses:</u>		
General government	2,521,692	2,018,673
Public safety	3,557,418	3,404,236
Public works	5,245,575	5,102,672
Health and welfare	242,892	217,936
Culture and recreation	988,601	911,789
Housing and development	362,916	313,049
Education	21,622,027	20,289,887
Interest	<u>437,837</u>	<u>464,456</u>
Total expenses	<u>34,978,958</u>	<u>32,722,698</u>
Change in Net Position	2,650,194	6,606,798
Net Position - July 1	<u>37,370,545</u>	<u>30,763,747</u>
Net Position - June 30	<u><u>\$ 40,020,739</u></u>	<u><u>\$ 37,370,545</u></u>

Revenues:

- Grants and contributions not restricted to specific programs increased by \$415,800 mostly due to an increase of \$270,060 in the motor vehicle tax program and \$151,134 of the surplus revenue sharing program.
- Income from investments increased by \$480,959 mostly due to positive market performance compared to prior year.

Expenses:

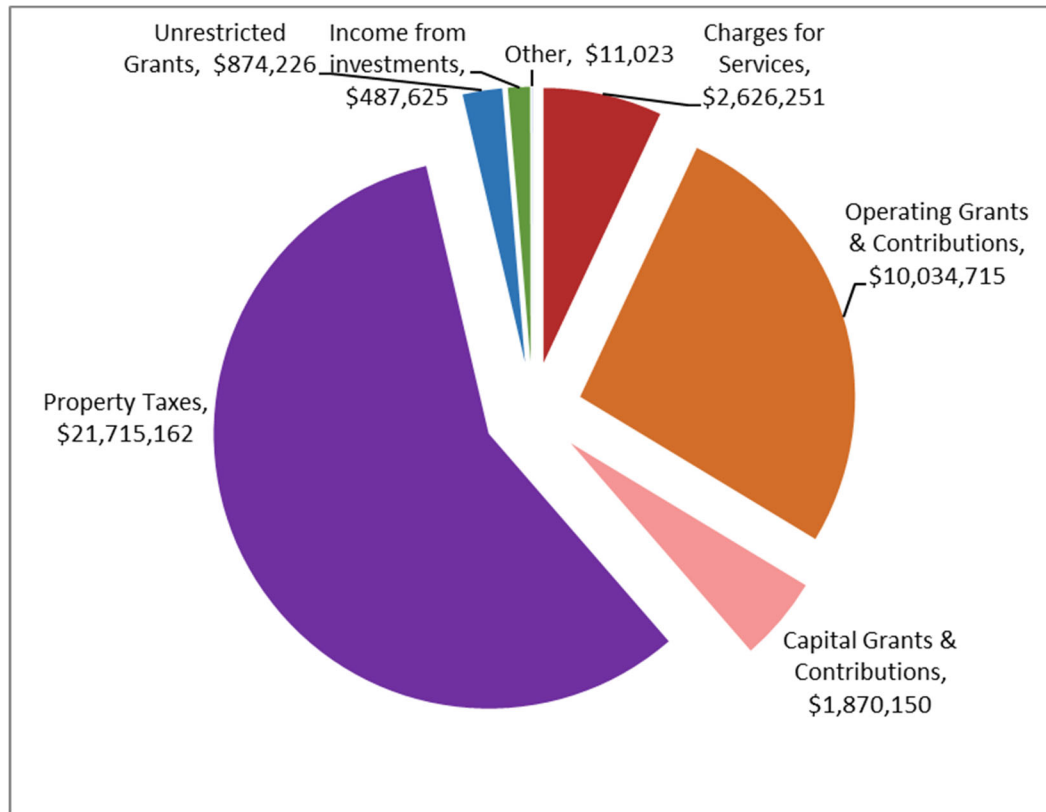
- General government expenses increased by \$503,019 due to an increase in employee benefit costs.
- Education expenses increased by \$1,332,140 due to an increase in the budget of \$571,124 and an increase in on-behalf payments of \$312,961.



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 \$11,389,422 includes expenses of \$21,622,027 offset by charges for services of \$176,031, operating grants and contributions (including the Education Cost Sharing grant) of \$10,009,585 and capital grants and contributions of \$46,989.

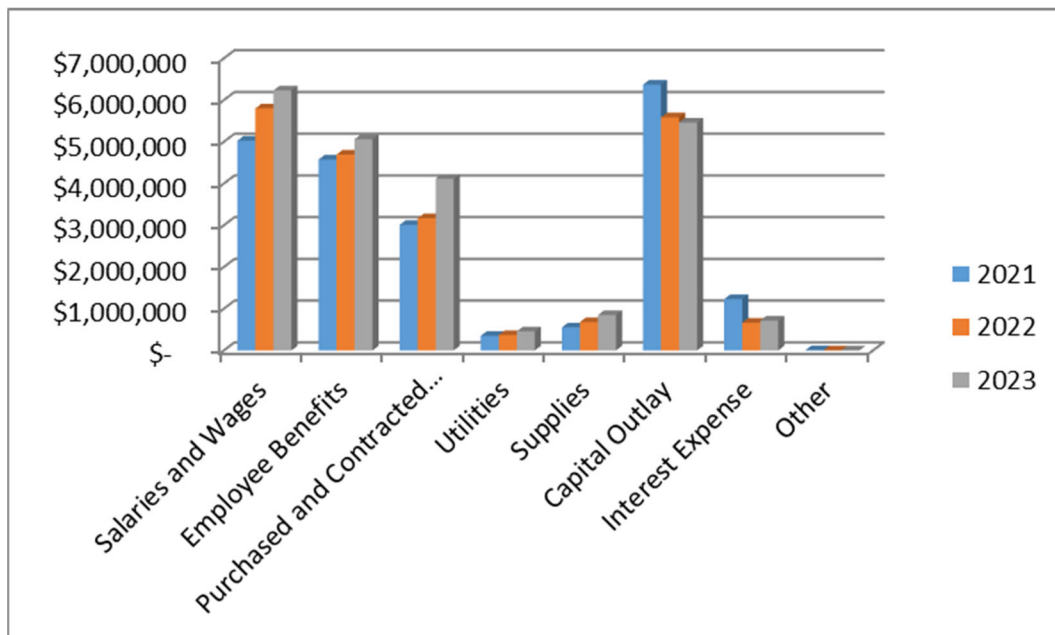
The statement of activities requires that we report capital grants, which often offset capital outlay and not operating expenses. Therefore, in this particular case, capital grants tend to distort the net costs in the statement of activities.

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 \$21,715,162 (57.72%) is the major source of revenue, followed by operating grants and contributions of \$10,034,715 (26.67%), capital grants and contributions of \$1,870,150 (4.97%), charges for services of \$2,626,251 (6.98%), unrestricted grants of \$874,226 (2.32%), and the remaining \$498,648 (1.33%) is made up of income from investments and other revenue.

Expenditures by Classification



The previous chart was derived directly from the classification of expenditures in the Town's chart of accounts on a government-wide basis excluding the Board of Education operating budget, for fiscal years 2023, 2022 and 2021. Purchased and contracted services increased mainly due to legal services and WPCA expenses for repairs and information technology. Salaries and wages increased mainly due to a public safety vacancy being filled and call stipends increased. The overall trend for the other categories was level spending.

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 \$11,310,206. GASB No. 54 requires that fund balance be reported in one of five categories: nonspendable, restricted, committed, assigned or unassigned. At the end of the current fiscal year the fund balance for each category was as follows:

Nonspendable	\$ 187,253
Restricted	2,459,693
Committed	1,373,962
Assigned	1,197,224
Unassigned	<u>6,092,074</u>
Total	<u><u>\$ 11,310,206</u></u>

The Town has a nonspendable balance that has been reserved to generate income to pay for the perpetual care of Kenea Park and the municipal cemetery, and to generate income for various projects at the Fire Department.

The total fund balances increased by \$3,001,452. This was substantially due to positive operations of the capital or nonrecurring fund of \$3,108,538 offset by negative operations of the debt service fund of \$104,178.

General 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 \$6,193,584. As a measure of the general fund's liquidity, it is useful to compare unassigned fund balance to total expenditures and transfers out. Unassigned fund balance represents 21.58% of total budgetary actual general fund expenditures and transfers out.

The fund balance of the Town's general fund increased \$332,067 during the current fiscal year. This was due to the Town revenues exceeding the amount budgeted by \$1,011,918, offset by \$952,521 appropriated to balance the budget combined with under expenditure of various departments totaling \$287,670. The details of these variances are discussed under budgetary highlights.

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

**General Fund
For the Years Ended June 30**

	<u>2023</u>	<u>2022</u>	<u>Increase (Decrease)</u>
Revenues:			
Property taxes	\$ 21,578,652	\$ 21,401,555	\$ 177,097
Charges for services	533,406	566,738	(33,332)
Intergovernmental	8,774,087	8,218,077	556,010
Income from investments	445,366	34,551	410,815
Other	11,023	31,443	(20,420)
Total revenues	<u>31,342,534</u>	<u>30,252,364</u>	<u>1,090,170</u>
Expenditures:			
General government	4,047,359	3,745,421	301,938
Public safety	2,227,293	1,972,049	255,244
Public works	2,130,628	2,013,358	117,270
Health and welfare	101,149	100,619	530
Culture and recreation	423,495	473,874	(50,379)
Housing and development	277,550	207,292	70,258
Education	18,027,275	17,143,190	884,085
Total expenditures	<u>27,234,749</u>	<u>25,655,803</u>	<u>1,578,946</u>
Excess (deficiency) of revenues over expenditures	<u>4,107,785</u>	<u>4,596,561</u>	<u>(488,776)</u>
Other financing sources (uses):			
Transfers in	-	15,000	(15,000)
Transfers out	(3,775,718)	(4,195,355)	419,637
Net other financing sources (uses)	<u>(3,775,718)</u>	<u>(4,180,355)</u>	<u>404,637</u>
Net change in fund balances	<u>\$ 332,067</u>	<u>\$ 416,206</u>	<u>\$ (84,139)</u>

Revenues:

- Intergovernmental revenue increased by \$556,010 mainly due to an increase in ARPA grant revenue received.

Expenditures

- Education expenditures increased by \$884,085 due to an increase in Education budget and an increase in on behalf payments for State Teachers' pension and OPEB.

General Fund Budgetary Highlights

Significant budget transfers and additional appropriations made during the year were as follows:

- There were additional appropriations of fund balance totaling \$772,421 for the transfer to capital or nonrecurring fund for police department dash and body cameras, town hall roof engineering, school zone signs and a fire truck. Additional details on budget transfers can be found in RSI 1B.

Capital or Nonrecurring Fund. This fund accounts for the financial revenues including resources from borrowing to be used for major capital asset construction and/or purchases and items, which are reserved for special purposes. A summary of the projects can be found in Note II.C. of the notes to financial statements. The capital or nonrecurring fund's revenues and other financing sources exceeded its expenditures and other financing uses by \$3,108,538, primarily due to project expenditures being funded with permanently financed bond anticipation notes (BANS) of \$6,245,000 that were issued in the current year.

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 \$2,300,000 into the Debt Service Fund to minimize a mill rate impact of an expected significant increase in debt service in future budget years. The assigned fund balance totals \$969,224. The debt service fund had negative operations of \$104,178 due to fiscal year 2023 debt service expenditures in excess of transfers.

Capital assets and debt administration

Capital assets. The Town's capital assets amounted to \$78,512,790 (net of accumulated depreciation/amortization). The increase in capital assets for the current fiscal year was \$3,744,786 or 5.01%. Capital assets by type are detailed in the table below.

Capital Assets (Net of Accumulated Depreciation/Amortization) June 30		
	2023	2022
		(as restated)
Land	\$ 1,341,961	\$ 1,341,961
Construction in progress	14,650,802	10,847,386
Intangible right-to-use assets	1,217,955	1,129,219
Buildings	28,146,965	29,086,885
Land improvements	3,401,877	3,494,253
Machinery and equipment	6,343,567	5,774,704
Vehicles	3,306,638	2,473,244
Infrastructure	20,103,025	20,620,352
Total	<u>\$ 78,512,790</u>	<u>\$ 74,768,004</u>

Management's Discussion and Analysis (continued)

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

➤ Construction in progress:	
○ Road construction	\$ 1,802,113
○ Nystroms Dam	922,732
○ Hickory Hill	443,538
➤ Machinery and equipment:	
○ Sewer pumps	415,833
○ Fire department equipment	121,280
➤ Vehicles:	
○ Fire truck	462,890
○ Basin truck	350,849

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

Long-term liabilities. At the end of the current fiscal year, the Town had total bonded debt outstanding of \$21,910,000. All debt is backed by the full faith and credit of the Town. In addition to bonds, the Town's other long-term liabilities include notes totaling \$1,411,152 funded by the State of Connecticut Clean Water Fund, equipment financing notes, leases of \$1,104,932, and subscriptions of \$154,977.

Outstanding Long-Term Liabilities June 30

	<u>2023</u>	<u>2022</u> (as restated)
General obligation bonds	\$ 21,910,000	\$ 17,435,000
Notes	1,411,152	1,598,502
Leases	1,104,932	981,763
Subscriptions	<u>154,977</u>	<u>171,881</u>
Total	<u>\$ 24,581,061</u>	<u>\$ 20,187,146</u>

The Town's total debt increased by \$4,393,915 due to the issuance of permanently financed bond anticipation notes of \$6,245,000 offset by scheduled principal payments of \$2,113,685.

The Town maintains a "AA" rating from Standard and Poor's for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to seven times total prior year tax collections including interest and lien fees and the tax relief for elderly freeze grant. The current debt limitation for the Town is \$149,479,512, which is significantly in excess of the Town's outstanding general obligation debt.

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

Economic factors and next year's budget and rates

- The unemployment rate for the Town is currently 3.3%, which is down from 3.4% one year ago. The Town's rate is favorable compared to the State rate of 3.7% and the Hartford labor market rate of 3.9%. The Town is slightly below the national average of 3.6%.
- 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 2023-2024 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, 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, 2023

<u>Assets</u>	
Current assets:	
Cash	\$ 2,556,962
Investments	12,678,853
Receivables (net):	
Property taxes	312,928
Assessments/use charges	85,442
Loans	54,613
Intergovernmental	215,233
Other	52,809
Leases	137,583
Other	16,993
Total current assets	16,111,416
Noncurrent assets:	
Restricted assets:	
Temporarily restricted:	
Investments	631,036
Permanently restricted:	
Investments	170,200
Total restricted assets	801,236
Receivables (net):	
Property taxes	325,617
Assessments/use charges	96,350
Loans	722,801
Leases	204,581
Total receivables (net)	1,349,349
Capital assets (net of accumulated depreciation):	
Land	1,341,961
Construction in progress	14,650,802
Intangible right-to-use assets	1,217,955
Buildings	28,146,965
Land improvements	3,401,877
Machinery and equipment	6,343,567
Vehicles	3,306,638
Infrastructure	20,103,025
Total capital assets (net of accumulated depreciation)	78,512,790
Total noncurrent assets	80,663,375
Total assets	96,774,791
<u>Deferred Outflows of Resources</u>	
Pension related	1,330,850
OPEB related	1,152,702
Total deferred outflows of resources	2,483,552

(Continued)

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

Town of Thomaston, Connecticut

Statement of Net Position
Governmental Activities
June 30, 2023

Liabilities

Current liabilities:	
Accounts payable	\$ 1,636,256
Retainage payable	43,532
Accrued payroll	1,106,024
Unearned revenue	1,310,535
Accrued interest payable	243,802
Bond anticipation notes	1,710,000
Long-term debt	2,075,100
Compensated absences	129,032
Termination benefits	18,556
Total current liabilities	<u>8,272,837</u>
Noncurrent liabilities:	
Long-term debt and related liabilities	22,796,958
Compensated absences	516,130
Net pension liability	3,864,791
Net OPEB liability	20,202,689
Total noncurrent liabilities	<u>47,380,568</u>
Total liabilities	<u>55,653,405</u>

Deferred Inflows of Resources

Deferred charge on refunding	778,750
Leases related	325,111
OPEB related	2,480,338
Total deferred inflows of resources	<u>3,584,199</u>

Net Position

Net investment in capital assets	50,415,010
Restricted for:	
Endowments:	
Nonexpendable	65,700
Expendable	32,185
Perpetual care:	
Nonexpendable	104,500
Expendable	598,851
Housing rehabilitation	914,578
Public safety	26,798
Sewer operations	317,737
Education	523,243
Library	29,270
Other	17,031
Unrestricted	(13,024,164)
Total net position	<u>\$ 40,020,739</u>

(Concluded)

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

Town of Thomaston, Connecticut

Statement of Activities
Governmental Activities
For the Year Ended June 30, 2023

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	\$ 2,521,692	\$ 232,787	\$ 5,500	\$ 525,315	\$ (1,758,090)
Public safety	3,557,418	327,281	-	112,135	(3,118,002)
Public works	5,245,575	1,661,617	-	980,933	(2,603,025)
Health and welfare	242,892	-	12,045	16,972	(213,875)
Culture and recreation	988,601	111,831	7,585	182,794	(686,391)
Housing and development	362,916	116,704	-	5,012	(241,200)
Education	21,622,027	176,031	10,009,585	46,989	(11,389,422)
Interest	437,837	-	-	-	(437,837)
Total	<u>\$ 34,978,958</u>	<u>\$ 2,626,251</u>	<u>\$ 10,034,715</u>	<u>\$ 1,870,150</u>	<u>(20,447,842)</u>
General revenues:					
Property taxes					21,725,162
Grants and contributions not restricted to specific programs					874,226
Income from investments					487,625
Other					<u>11,023</u>
Total general revenues					<u>23,098,036</u>
Change in net position					2,650,194
Net position - July 1, 2022					<u>37,370,545</u>
Net position - June 30, 2023					<u>\$ 40,020,739</u>

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

Town of Thomaston, Connecticut

Balance Sheet
Governmental Funds
June 30, 2023

	General	Capital or Nonrecurring	Debt Service	Other Governmental Funds	Total
<u>Assets</u>					
Cash	\$ 1,146,075	\$ -	\$ -	\$ 1,410,887	\$ 2,556,962
Investments	11,751,389	3,905	264,040	1,460,755	13,480,089
Receivables (net):					
Property taxes	539,130	-	-	-	539,130
Assessments/use charges	-	-	-	152,866	152,866
Loans	-	-	-	777,414	777,414
Intergovernmental	4,015	109,860	-	101,358	215,233
Leases	342,164	-	-	-	342,164
Other	52,809	-	-	-	52,809
Due from other funds	4,855,657	8,493,903	8,660,184	450,326	22,460,070
Other	7,751	-	-	9,242	16,993
Total assets	<u>\$ 18,698,990</u>	<u>\$ 8,607,668</u>	<u>\$ 8,924,224</u>	<u>\$ 4,362,848</u>	<u>\$ 40,593,730</u>
<u>Liabilities</u>					
Accounts payable	\$ 766,713	\$ 693,440	\$ -	\$ 176,103	\$ 1,636,256
Accrued payroll and related liabilities	1,000,159	-	-	105,865	1,106,024
Retainage payable	-	43,532	-	-	43,532
Due to other funds	9,629,240	4,730,842	7,955,000	144,988	22,460,070
Unearned revenue	-	1,180,992	-	129,543	1,310,535
Bond anticipation notes	-	1,710,000	-	-	1,710,000
Total liabilities	<u>11,396,112</u>	<u>8,358,806</u>	<u>7,955,000</u>	<u>556,499</u>	<u>28,266,417</u>
<u>Deferred Inflows of Resources</u>					
Unavailable revenue:					
Property taxes	539,130	-	-	-	539,130
Assessments/use charges	-	-	-	152,866	152,866
Leases related	325,111	-	-	-	325,111
Total deferred inflows of resources	<u>864,241</u>	<u>-</u>	<u>-</u>	<u>152,866</u>	<u>1,017,107</u>
<u>Fund Balances</u>					
Nonspendable	17,053	-	-	170,200	187,253
Restricted	-	-	-	2,459,693	2,459,693
Committed	-	311,858	-	1,062,104	1,373,962
Assigned	228,000	-	969,224	-	1,197,224
Unassigned	6,193,584	(62,996)	-	(38,514)	6,092,074
Total fund balances	<u>6,438,637</u>	<u>248,862</u>	<u>969,224</u>	<u>3,653,483</u>	<u>11,310,206</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 18,698,990</u>	<u>\$ 8,607,668</u>	<u>\$ 8,924,224</u>	<u>\$ 4,362,848</u>	<u>\$ 40,593,730</u>

(Continued)

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

Town of Thomaston, Connecticut

Reconciliation of Fund Balance to Net Position
June 30, 2023

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)	<u>\$ 11,310,206</u>
--	----------------------

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

Beginning capital assets	74,768,004
Current year additions (net of construction in progress)	6,124,068
Depreciation/amortization expense	<u>(2,379,282)</u>
Total	<u>78,512,790</u>

Other long-term assets and deferred outflows of resources are not available resources and, therefore, are not reported in the funds:

Property tax, sewer use and sewer assessment interest and lien accrual	285,341
Allowance for doubtful accounts	(157,000)
Deferred outflows related to pensions	1,330,850
Deferred outflows related to OPEB	<u>1,152,702</u>
Total	<u>2,611,893</u>

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	<u>691,996</u>
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Some liabilities and deferred inflows of resources, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds and notes payable	(23,321,152)
Premium	(290,997)
Leases payable	(1,104,932)
Subscriptions payable	(154,977)
Compensated absences	(645,162)
Termination benefits	(18,556)
Net pension liability	(3,864,791)
Net OPEB liability	(20,202,689)
Accrued interest payable	(243,802)
Deferred charge on refunding	(778,750)
Deferred inflows related to OPEB	<u>(2,480,338)</u>
Total	<u>(53,106,146)</u>

Net position (Exhibit A)	<u>\$ 40,020,739</u>
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(Concluded)

The notes to 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, 2023**

	General	Capital or Nonrecurring	Debt Service	Other Governmental Funds	Total
Revenues:					
Property taxes	\$ 21,578,652	\$ -	\$ -	\$ -	\$ 21,578,652
Charges for services	533,406	160,155	-	1,972,189	2,665,750
Intergovernmental	8,774,087	1,363,943	-	2,371,082	12,509,112
Contributions	-	110,018	-	159,961	269,979
Income from investments	445,366	37	2	14,384	459,789
Net change in fair value of investments	-	-	-	27,836	27,836
Other	11,023	-	-	-	11,023
Total revenues	<u>31,342,534</u>	<u>1,634,153</u>	<u>2</u>	<u>4,545,452</u>	<u>37,522,141</u>
Expenditures:					
Current:					
General government	4,047,359	72,428	-	2,683	4,122,470
Public safety	2,227,293	54,025	-	24,846	2,306,164
Public works	2,130,628	5,706	-	1,673,305	3,809,639
Health and welfare	101,149	200	-	110,016	211,365
Culture and recreation	423,495	59,177	-	107,312	589,984
Housing and development	277,550	5,013	-	-	282,563
Education	18,027,275	-	-	2,861,150	20,888,425
Debt service	-	157,314	2,572,174	-	2,729,488
Capital outlay	-	5,632,532	262,600	228,936	6,124,068
Total expenditures	<u>27,234,749</u>	<u>5,986,395</u>	<u>2,834,774</u>	<u>5,008,248</u>	<u>41,064,166</u>
Excess (deficiency) of revenues over expenditures	<u>4,107,785</u>	<u>(4,352,242)</u>	<u>(2,834,772)</u>	<u>(462,796)</u>	<u>(3,542,025)</u>
Other financing sources (uses):					
Issuance of debt	-	6,245,000	262,600	-	6,507,600
Premium	-	-	35,877	-	35,877
Transfers in	-	1,215,780	2,432,117	150,982	3,798,879
Transfers out	(3,775,718)	-	-	(23,161)	(3,798,879)
Net other financing sources (uses)	<u>(3,775,718)</u>	<u>7,460,780</u>	<u>2,730,594</u>	<u>127,821</u>	<u>6,543,477</u>
Net change in fund balances	332,067	3,108,538	(104,178)	(334,975)	3,001,452
Fund balances - July 1, 2022	<u>6,106,570</u>	<u>(2,859,676)</u>	<u>1,073,402</u>	<u>3,988,458</u>	<u>8,308,754</u>
Fund balances - June 30, 2023	<u>\$ 6,438,637</u>	<u>\$ 248,862</u>	<u>\$ 969,224</u>	<u>\$ 3,653,483</u>	<u>\$ 11,310,206</u>

The notes to 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 the Statement of Activities
For the Year Ended June 30, 2023**

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

Net change in fund balances - total governmental funds (Exhibit D)	<u>\$ 3,001,452</u>
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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/amortization expense:

Capital outlay	6,124,068
Depreciation/amortization expense	<u>(2,379,282)</u>
Total	<u>3,744,786</u>

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

Change in property tax, sewer use and sewer assessment receivable - accrual basis change	69,712
Change in property tax, sewer use and sewer assessment interest and lien revenue	<u>37,299</u>
Total	<u>107,011</u>

The issuance of long-term debt (e.g., bonds, notes) 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:	
Bonds and notes	(6,245,000)
Premium	(35,877)
Leases	(215,385)
Subscriptions	(47,215)
Principal repayments:	
Bonds	1,770,000
Notes	187,350
Leases	92,216
Subscriptions	<u>64,119</u>
Total	<u>(4,429,792)</u>

(Continued)

The notes to 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 the Statement of Activities
For the Year Ended June 30, 2023**

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:

Change in/amortization of:	
Premium	\$ 92,975
Net pension liability	532,580
Net OPEB liability	7,249
Compensated absences	(35,038)
Termination benefits	84,094
Accrued interest payable	41,152
Deferred charges on refunding	43,839
Deferred outflows of resources related to pension and OPEB	(1,381,060)
Deferred inflows of resources related to pension and OPEB	<u>840,946</u>
Total	<u>226,737</u>
Change in net position (Exhibit B)	<u>\$ 2,650,194</u>
	(Concluded)

The notes to 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 the Statement of Activities
For the Year Ended June 30, 2023**

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:

Change in/amortization of:	
Premium	\$ 92,975
Net pension liability	532,580
Net OPEB liability	7,249
Compensated absences	(35,038)
Termination benefits	84,094
Accrued interest payable	41,152
Deferred charges on refunding	43,839
Deferred outflows of resources related to pension and OPEB	(1,381,060)
Deferred inflows of resources related to pension and OPEB	<u>840,946</u>
Total	<u>226,737</u>
Change in net position (Exhibit B)	<u>\$ 2,650,194</u>
	(Concluded)

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

Town of Thomaston, Connecticut
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

<u>Assets</u>	<u>Pension and OPEB Trust Funds</u>	<u>Private- Purpose Trust Funds</u>	<u>Custodial Fund</u>
Cash	\$ -	\$ 361	\$ -
Investments:			
Certificates of deposit	-	1,146	-
Mutual funds:			
Money market	226,704	-	19,242
Equity	12,559,277	-	1,020,220
Bond	7,286,483	-	617,272
Total investments	<u>20,072,464</u>	<u>1,146</u>	<u>1,656,734</u>
Total assets	<u>20,072,464</u>	<u>1,507</u>	<u>1,656,734</u>
 <u>Net Position</u>			
Restricted for:			
Pension benefits	19,543,955	-	-
OPEB benefits	528,509	-	-
Individuals and organizations	<u>-</u>	<u>1,507</u>	<u>1,656,734</u>
Total net position	<u>\$ 20,072,464</u>	<u>\$ 1,507</u>	<u>\$ 1,656,734</u>

The notes to 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, 2023

	<u>Pension and OPEB Trust Funds</u>	<u>Private- Purpose Trust Funds</u>	<u>Custodial Fund</u>
Additions:			
Contributions:			
Employer	\$ 1,313,160	\$ -	\$ 80,000
Plan members	<u>109,214</u>	<u>-</u>	<u>-</u>
Total contributions	<u>1,422,374</u>	<u>-</u>	<u>80,000</u>
Investment income (loss):			
Net change in fair value of investments	1,258,001	-	99,024
Interest and dividends	<u>545,889</u>	<u>12</u>	<u>45,387</u>
Total investment income (loss)	1,803,890	12	144,411
Less investment expenses	<u>47,375</u>	<u>-</u>	<u>3,907</u>
Net investment income (loss)	<u>1,756,515</u>	<u>12</u>	<u>140,504</u>
Total additions	<u>3,178,889</u>	<u>12</u>	<u>220,504</u>
Deductions:			
Benefits	2,226,365	-	146,377
Administration	27,856	-	2,305
Awards	<u>-</u>	<u>100</u>	<u>-</u>
Total deductions	<u>2,254,221</u>	<u>100</u>	<u>148,682</u>
Change in net position before transfers	924,668	(88)	71,822
Transfer out	<u>-</u>	<u>(5,576)</u>	<u>-</u>
Change in net position	924,668	(5,664)	71,822
Net position - July 1, 2022	<u>19,147,796</u>	<u>7,171</u>	<u>1,584,912</u>
Net position - June 30, 2023	<u><u>\$ 20,072,464</u></u>	<u><u>\$ 1,507</u></u>	<u><u>\$ 1,656,734</u></u>

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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 Pre-K-12.

The accompanying financial statements present the Town and its component units, entities for which the Town is considered to be financially accountable. The Town is financially accountable for the pension and OPEB trust funds; therefore, the pension and OPEB trust funds are considered fiduciary component units. The financial statements of the fiduciary component units are reported as pension and OPEB trust funds in the fiduciary fund financial statements. The pension and OPEB trust funds do not issue separate financial statements.

I. Summary of significant accounting policies**A. Government-wide and fund financial statements**

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

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

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

B. Measurement focus, basis of accounting and financial statement presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers tax revenues to be available if they are collected by the end of the current fiscal period. For reimbursement grants, intergovernmental grants, charges for services and interest the Town considers revenues to be available if they are collected within one year of the end of the current fiscal period.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

B. Measurement focus, basis of accounting and financial statement presentation (continued)

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, pension and OPEB benefits, certain other employee benefits, and certain other long-term liabilities, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

Expenditure reimbursement type grants, charges, 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, including property taxes, are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

General Fund	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.
Capital or Nonrecurring Fund	Accounts for the financial resources to be used for major capital asset construction and/or purchases and items, which are reserved for special purposes.
Debt Service Fund	Accounts for the accumulation of resources for, and the payment of, long-term debt, principal, interest and related costs.

Additionally, the Town reports the following fund types:

Special Revenue Funds	Accounts for and reports the proceeds of specific revenue resources that are restricted or committed to expenditures for specified purposes other than debt.
Capital Project Funds	Accounts for and reports resources and expenditures that are restricted, committed or assigned for the acquisition and construction of capital facilities, including those that are financed through special assessments.
Permanent Funds	Report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the Town's programs.
Pension Trust Funds	Accounts for the activities of the Town's Employees' Retirement System, which accumulates resources for pension benefit payments to qualified employees.
OPEB Trust Funds	Accounts for the activities of the Town OPEB Plan, which accumulates resources for OPEB benefits.
Private-Purpose Trust Funds	Accounts for resources legally held in trust for educational purposes.
Custodial Funds	Accounts for monies held for the volunteer firefighters' award program.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

B. Measurement focus, basis of accounting and financial statement presentation (continued)

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

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

For purposes of measuring the net pension and OPEB liabilities, deferred outflows of resources and deferred inflows 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, the Connecticut State Teachers' Retirement System ("TRS") and the Connecticut State Retiree Health Insurance Plan ("RHIP") have been determined on the same basis as they are reported by the Town of Thomaston pension and OPEB plans, TRS, and RHIP. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

C. Assets, liabilities, deferred outflows/inflows of resources and equity**1. Deposits and investments****a. Deposits**

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

b. Investments

In general, State of Connecticut Statutes allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool or no-load, open-end management type investment company or investment trust (as defined), in obligations of any State or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. For the capital nonrecurring fund, not more than 31% can be invested in equity securities. Investment income is recorded in the fund in which it was earned.

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

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

Pension fund investments may be invested in fixed income, equities, and real estate. Professional investment managers are employed to manage the assets allocated to them. The Retirement Plan Committee, as trustee of the pension plan, is responsible for overall investment policy.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

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

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

There are also minimum and maximum target levels defined.

c. Method used to value investments

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

Fair value of investments

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

Level 1	Quoted prices for identical investments in active markets
Level 2	Quoted prices for identical investments in markets that are not active
Level 3	Unobservable inputs

d. Risk policies

Interest rate risk	Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.
Credit risk	Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Town has no investment policy that would limit its investment choices due to credit risk other than State Statutes governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

Concentration of credit risk	Concentration of credit risk is the risk attributed to the magnitude of an entity's investments in a single issuer. The Town follows the limitations specified in the Connecticut General Statutes. Generally, the Town's deposits cannot be 75% or more of the total capital in any one depository.
Custodial credit risk	Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Town does not have a formal policy with respect to custodial credit risk.
Foreign currency risk	Foreign currency risk is the risk that the value of the investment may be affected by changes in the rate of exchange. The Town does not have a formal policy with respect to the foreign currency risk.

2. Receivables and payables**a. Interfunds**

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

b. Property taxes and other receivables

In the government-wide financial statements, all trade, property tax, sewer use, sewer assessment and loan receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 3.00% to 19.00% of outstanding receivable balances and are calculated based upon prior collections.

In the fund financial statements, all property taxes receivable at June 30, which have not been collected by June 30, have been recorded as a deferred inflow of resources since they are not considered to be available to finance expenditures of the current year.

Property taxes are assessed on property as of October 1. Taxes are billed in the following July and are due in two installments, July 1 and January 1. Personal property and motor vehicle taxes are billed in July and are due in one installment, July 1. Liens are effective on the assessment date and are continued by filing before the end of the fiscal year following the due date.

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.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

The Town is a lessor for noncancellable leases of buildings and land. The Town recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the Town initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments related to leases include:

Discount Rate	The Town uses its estimated incremental borrowing rate as the discount rate used to discount the expected lease receipts to present value.
Lease Term	The lease term includes the noncancellable period of the lease.
Lease Payments	Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The Town monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

3. Restricted assets

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

4. Capital assets

Capital assets are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost as noted in the table below 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.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

Capital assets of the Town are depreciated/amortized using the straight-line method over the following estimated useful lives:

Asset Class	Years	Threshold
Buildings	100	\$ 5,000
Land improvements	20-50	5,000
Machinery and equipment	3-40	5,000
Vehicles	8-15	5,000
Infrastructure:		
Roads	50-75	5,000
Sewer lines	65	5,000
Storm drains	65	5,000
Intangible right-to-use leased assets	Lease term	20,000
Intangible right-to-use subscription assets	Subscription term	20,000

5. Deferred outflows/inflows of resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time.

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

Deferred inflows of resources also include deferred inflows relating to advance refunding of debt. These amounts are deferred and are amortized over the shorter of the life of the old or new debt.

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

Deferred inflows of resources include deferred inflows relating to the lease receivable. These amounts are deferred and are amortized to lease revenue in a systematic and rational manner over the term of the lease.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**

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

6. Compensated absences

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

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

7. Termination benefits

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

8. Long-term liabilities

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

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**9. Lease and subscription liabilities**

The Town is a lessee for noncancellable leases of buildings and equipment. Additionally, the Town has certain software subscriptions that require recognition in the financial statements. The Town recognizes a lease/subscription liability and an intangible right-to-use lease/subscription asset (lease/subscription asset) in the government-wide financial statements. The Town recognizes lease/subscription liabilities with an initial, individual value of \$20,000 or more.

At the commencement of a lease/subscription, the Town initially measures the lease/subscription liability at the present value of payments expected to be made during the term. Subsequently, the lease/subscription liability is reduced by the principal portion of payments made. The lease/subscription asset is initially measured as the initial amount of the lease/subscription liability, adjusted for payments made at or before the commencement date, plus certain initial direct costs. Subsequently, the lease/subscription asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases and subscriptions include:

Discount rate	The Town uses the interest rate charged by the lessor/subscription vendor as the discount rate to discount the expected payments to the present value. When the interest rate charged is not provided, the Town generally uses its estimated incremental borrowing rate as the discount rate.
Term	The lease/subscription term includes the noncancellable period of the lease/agreement.
Payments	Lease/subscription payments included in the measurement of the liability are composed of fixed payments and any purchase option price that the Town is reasonably certain to exercise.

The Town monitors changes in circumstances that would require a remeasurement of its lease or subscriptions and will remeasure the lease/subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the lease/subscription liability.

Lease/subscription assets are reported with other capital assets and lease/subscription liabilities are reported with long-term debt on the statement of net position.

10. 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 reflects capital assets net of depreciation/amortization and net of only the debt applicable to the acquisition or construction of these assets. Debt issued for non-capital purposes, and unspent bond proceeds, are 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 classified in the preceding two categories.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

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

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

Nonspendable	This category presents amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.
Restricted	This category presents amounts that can be spent only for specific purposes because of enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.
Committed	This category presents amounts that can be used only for specific purposes established, modified or rescinded through resolutions approved by Town Meeting for capital and appropriation and Board of Finance for special revenue and other commitments.
Assigned	This category presents amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Intent is expressed by the passage of a resolution by the Board of Finance or a properly approved purchase order.
Unassigned	This category presents amounts that do not meet the criteria above and are available for any purpose. This category is only reported in the general fund for positive amounts and in any other fund that has a fund balance deficit.

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

Minimum fund balance policy

The Board of Finance adopted a minimum fund balance policy for the general fund. The policy is that Town Boards shall propose budgets that provide for the unassigned fund balance at fiscal year-end to be not less than 5.00% nor more than 10.00% of the total operating general fund expenditures.

Town of Thomaston, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2023****C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)****11. 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, deferred outflows and inflows of resources including disclosures of contingent assets and liabilities and reported revenues, expenses and expenditures during the fiscal year. Actual results could differ from those estimates.

12. Reclassifications

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

II. Stewardship, compliance and accountability**A. Basis of budgeting**

Only the General Fund has a legally adopted annual budget.

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

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

B. Donor-restricted endowments

The Town has received certain endowments for the maintenance of Edith Kenea Park, the Hillside Cemetery and fire department operation purposes. The amounts are reflected in net position as restricted for endowments and perpetual care. Investment income (including appreciation) is approved for expenditure by the individual Boards. The amount of appreciation (depreciation) included in fund balance of the Hillside Cemetery Trust was \$180,729.

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
As of and for the Year Ended June 30, 2023

C. Capital or nonrecurring project authorizations

The following is a summary of capital or nonrecurring projects:

Project Description	Project Authorization	Cumulative Expenditures	Balance June 30, 2023
Assessors revaluation	\$ 715,137	\$ 696,596	\$ 18,541
Education projects	790,259	414,036	376,223
Bradstreet house repairs	34,170	15,282	18,888
Building Dept plan of conservation	30,012	5,012	25,000
Christmas lights-reserve	12,000	10,000	2,000
Economic Development 150th anniversary	4,592	48	4,544
Emergency management projects	28,438	19,546	8,892
Energy efficiency project	3,177,835	3,166,532	11,303
Fire department projects	1,401,286	1,345,408	55,878
Flag fund	5,500	3,035	2,465
Greenway	25,000	-	25,000
Inland wetland engineering	49,769	39,008	10,761
Kenea park clock restoration	16,000	13,150	2,850
K-9 donation reserves	14,357	13,159	1,198
Library projects	27,895	19,471	8,424
NAA grants	28,166	9,088	19,078
Nips fees	19,167	-	19,167
Nystroms Dam	1,200,000	971,636	228,364
Opera house projects	369,322	249,967	119,355
Opiod settlement	21,433	-	21,433
Park bench wood repairs	1,125	889	236
Police department projects	1,002,450	748,362	254,088
Public works department projects	18,903,220	17,583,249	1,319,971
Registrar absentee ballot grant	1,850	1,850	-
Roofs engineering repairs	4,292,099	4,172,459	119,640
Senior Center	17,570	11,283	6,287
Skate park proceeds	1,090	-	1,090
Social services reserve	21,172	-	21,172
Street lights	30,879	15,186	15,693
Technology cybersecurity upgrades	12,020	9,847	2,173
Town-wide sick pay reserve	877,596	873,691	3,905
Track committee	3,409,181	3,380,741	28,440
Town hall projects	647,962	613,022	34,940
TVAC projects	80,925	67,288	13,637
WPCA projects	2,136,366	1,834,108	302,258
Unassigned	34,665	-	34,665
Totals	<u>\$39,440,508</u>	<u>\$36,302,949</u>	<u>\$ 3,137,559</u>

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

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

At year end, the Town's bank balance (including certificates of deposit and bank money market funds) was exposed to custodial credit risk as follows:

Bank balance	<u>\$ 4,491,472</u>
Uninsured and uncollateralized	\$ 951,457
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>483,820</u>
Total amount subject to custodial credit risk	<u>\$ 1,435,277</u>

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

2. Investments

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

Type of Investment	Fair Value	Investment Maturities (In Years)		
		N/A	Less Than 1	5-10 Years
Certificates of deposit	\$ 261,246	\$ -	\$ 261,246	\$ -
Bank money market funds	1,690,160	1,690,160	-	-
Pooled fixed income	10,865,089	-	10,865,089	-
Mutual funds:				
Money market	245,946	-	245,946	-
Equity	14,126,288	14,126,288	-	-
Bond	7,903,755	-	2,166,819	5,736,936
Common stock	<u>117,949</u>	<u>117,949</u>	<u>-</u>	<u>-</u>
Total	35,210,433	<u>\$ 15,934,397</u>	<u>\$ 13,539,100</u>	<u>\$ 5,736,936</u>
Less fiduciary funds	<u>(21,730,344)</u>			
Other funds	<u>\$ 13,480,089</u>			

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Cash and investments (continued)

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

<u>Investments by fair value level</u>	<u>Amount</u>	<u>Quoted Market Prices in Active Markets Level 1</u>
Mutual funds/exchange traded funds:		
Money market	\$ 245,946	\$ 245,946
Equity	14,126,288	14,126,288
Bond	7,903,755	7,903,755
Common stock	117,949	117,949
Total investments by fair value level	<u>22,393,938</u>	<u>\$ 22,393,938</u>
<u>Other investments</u>		
Certificates of deposit	261,246	
Bank money market funds	1,690,160	
Pooled fixed income	<u>10,865,089</u>	
Total other investments	<u>12,816,495</u>	
Total investments	<u>\$ 35,210,433</u>	

Level 1: Quoted prices for identical investments in active markets

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

<u>Average Rating</u>	<u>Pooled Fixed Income</u>	<u>Mutual funds/exchange traded funds</u>	
		<u>Money Market</u>	<u>Bond</u>
AAA	\$ 10,865,089	\$ 245,946	\$ -
Unrated	<u>-</u>	<u>-</u>	<u>7,903,755</u>
Totals	<u>\$ 10,865,089</u>	<u>\$ 245,946</u>	<u>\$ 7,903,755</u>

d. Custodial credit risk

The investments are covered by the Securities Investor Protection Corporation ("SIPC") up to \$500,000, including \$250,000 of cash from sale or for purchase of investments, but not cash held solely for the purpose of earning interest. SIPC protects securities such as notes, stocks, bonds, debentures, certificates of deposit and money market funds. The Town does not have any investments subject to custodial credit risk since the common stock is held in the Town's name.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

B. Receivables

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

	Property Taxes		
	Taxes	Interest and lien fees	Total
Current portion	\$ 241,478	\$ 71,450	\$ 312,928
Long-term portion	297,652	177,965	475,617
Less allowance for uncollectibles	(100,000)	(50,000)	(150,000)
Net long-term portion	197,652	127,965	325,617
Total	\$ 539,130	\$ 249,415	\$ 788,545

	Sewer Use			CDBG Loans
	Use	Interest and lien fees	Total	
Current portion	\$ 69,262	\$ 16,180	\$ 85,442	\$ 54,613
Long-term portion	83,604	19,746	103,350	822,801
Less allowance for uncollectibles	(5,500)	(1,500)	(7,000)	(100,000)
Net long-term portion	78,104	18,246	96,350	722,801
Total	\$ 152,866	\$ 35,926	\$ 188,792	\$ 877,414

2. Leases receivable

The Town reports the following lease balances and activity:

Description	Lease Receivable	Deferred Inflows of Resources	Lease Revenue	Lease Interest Revenue
Chappel Street cell tower	\$ 283,173	\$ 269,491	\$ 107,797	\$ 7,735
Plymouth tower space	58,991	55,620	27,810	1,718
Total	342,164	\$ 325,111	\$ 135,607	\$ 9,453
Less current portion	(137,583)			
Long-term portion	\$ 204,581			

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

B. Receivables (continued)

Description	Terms
Chappel Street cell tower	In January 2001, the Town entered into a twenty-five-year lease agreement for the right to use cell tower space. The lease agreement includes three automatic five-year renewal terms that the Town is exercising. Based on this agreement, the Town is receiving monthly payments through January 2041.
Plymouth cell tower space	In October 2018, the Town entered into an eight-year lease agreement for the right to use cell tower space. The lease agreement does not include any renewal options. Based on this agreement, the Town is receiving annual payments through October 2026.

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

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

	Corresponding Fund	Due From	Due To
General fund			
Capital or nonrecurring	N/A	\$ 4,730,842	\$ 537,299
Debt service	N/A	-	8,660,184
Sewer commission usage fund	N/A	-	117,525
School lunch fund	N/A	-	1,000
Education funds	N/A	-	252,249
Transfer station fund	N/A	30,512	-
Recreation funds	N/A	-	60,233
Thomaston Opera House fund	N/A	-	500
Gift fund	N/A	-	250
Edith Kenea park and tree fund	N/A	1,482	-
Hillside cemetery trust fund	N/A	92,821	-
Total general fund		4,855,657	9,629,240
Capital or nonrecurring			
General fund	N/A	537,299	4,730,842
Debt service	N/A	7,955,000	-
Capital projects fund	N/A	1,604	-
Total capital or nonrecurring		8,493,903	4,730,842

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. Interfund accounts (continued)

	Corresponding Fund	Due From	Due To
Debt service			
General fund	N/A	\$ 8,660,184	\$ -
Capital or nonrecurring	N/A	-	7,955,000
Total debt service		8,660,184	7,955,000
Other governmental funds			
Sewer commission usage fund	General fund	117,525	-
Sewer commission usage fund	Capital projects fund	-	18,569
School lunch fund	General fund	1,000	-
Education funds	General fund	252,249	-
Transfer station fund	General fund	-	30,512
Thomaston Opera House fund	General fund	500	-
Recreation funds	General fund	60,233	-
Gift fund	General fund	250	-
Capital projects fund	Sewer commission usage fund	18,569	-
Capital projects fund	Capital or nonrecurring	-	1,604
Edith Kenea park and tree fund	General fund	-	1,482
Hillside cemetery trust fund	General fund	-	92,821
Total other governmental funds		450,326	144,988
Total		\$22,460,070	\$22,460,070

The debt service fund interfund balance is a result of amounts invested with general fund monies, to be used for the payment of bond anticipation notes in the capital or nonrecurring fund.

The capital projects balances relate to the timing of the payment of vendor invoices and the reimbursement of the general fund.

All other interfund balances resulted from the time lag between the dates payments occurred between funds for short-term internal financing or in instances where certain funds do not have a cash account.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

C. Interfund accounts (continued)**2. Interfund transfers**

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

	Corresponding Fund	Transfers In	Transfers Out
General fund			
Capital or nonrecurring	N/A	\$ -	\$ 1,211,188
Debt service	N/A	-	2,432,117
Education fund	N/A	-	86,788
Social services crisis fund	N/A	-	10,000
Recreation fund	N/A	-	9,625
Hillside cemetery trust fund	N/A	-	26,000
Total general fund		-	3,775,718
Capital or nonrecurring			
General fund	N/A	1,211,188	-
Gift fund	N/A	4,592	-
Total capital or nonrecurring		1,215,780	-
Debt service	General fund	2,432,117	-
Other governmental funds			
Sewer commission usage fund	Capital projects fund	-	18,569
Education funds	General fund	86,788	-
Gift fund	Capital or nonrecurring	-	4,592
Social services crisis fund	General fund	10,000	-
Recreation fund	General fund	9,625	-
Capital projects fund	Sewer commission usage fund	18,569	-
Hillside cemetery trust fund	General fund	26,000	-
Total other governmental funds		150,982	23,161
Total		<u>\$ 3,798,879</u>	<u>\$ 3,798,879</u>

Transfers are used to account for the financing by the general fund of various programs and activities in the debt service fund, capital or nonrecurring fund, special revenue funds, capital projects fund, and permanent funds.

The results of operations (positive or negative) in the sewer commission usage fund are transferred to (from) the capital projects funds.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

D. Capital assets

Capital asset activity for the year was as follows:

	Balance July 1, 2022 (as restated)	Increases	Decreases	Balance June 30, 2023
<u>Capital assets, not being depreciated/amortized:</u>				
Land	\$ 1,341,961	\$ -	\$ -	\$ 1,341,961
Construction in progress	10,847,386	4,022,979	219,563	14,650,802
Total capital assets, not being depreciated/ amortized	12,189,347	4,022,979	219,563	15,992,763
<u>Capital assets, being depreciated/amortized:</u>				
Intangible right-to-use assets	1,201,673	262,600	-	1,464,273
Buildings	46,160,904	16,082	-	46,176,986
Land improvements	4,756,727	-	-	4,756,727
Machinery and equipment	13,935,703	878,521	93,448	14,720,776
Vehicles	4,966,694	1,163,449	-	6,130,143
Infrastructure	30,456,615	-	-	30,456,615
Total capital assets, being depreciated/ amortized	101,478,316	2,320,652	93,448	103,705,520
Total capital assets	113,667,663	6,343,631	313,011	119,698,283
<u>Less accumulated depreciation/amortization for:</u>				
Intangible right-to-use assets	72,454	173,864	-	246,318
Buildings	17,074,019	956,002	-	18,030,021
Land improvements	1,262,474	92,376	-	1,354,850
Machinery and equipment	8,160,999	309,658	93,448	8,377,209
Vehicles	2,493,450	330,055	-	2,823,505
Infrastructure	9,836,263	517,327	-	10,353,590
Total accumulated depreciation/amortization	38,899,659	2,379,282	93,448	41,185,493
Total capital assets, being depreciated/ amortized, net	62,578,657	(58,630)	-	62,520,027
Capital assets, net	<u>\$ 74,768,004</u>	<u>\$ 3,964,349</u>	<u>\$ 219,563</u>	<u>\$ 78,512,790</u>

Intangible right-to-use assets by category are as follows:

	Asset	Accumulated Amortization
Intangible right-to-use land improvements	\$ 992,889	\$ 110,322
Intangible right-to-use machinery and equipment	252,288	77,287
Intangible right-to-use subscription assets	219,096	58,709
Total intangible right-to use assets	<u>\$ 1,464,273</u>	<u>\$ 246,318</u>

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

D. Capital assets (continued)

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

General government	\$ 180,832
Public safety	442,249
Public works	759,979
Culture and recreation	128,609
Education	<u>867,613</u>
 Total depreciation/amortization expense	 <u><u>\$ 2,379,282</u></u>

E. Construction commitments

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

Thomaston Opera House Restoration	<u><u>\$ 311,858</u></u>
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F. Short-term liabilities – bond anticipation notes

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

Short-term liability activity was as follows:

Purpose	Maturity Date	Coupon Rate	Balance July 1, 2022	Additions	Reductions	Permanently Financed	Balance June 30, 2023
General purpose	8/9/2023	3.00%	\$6,419,684	\$6,250,784	\$6,419,684	\$4,571,884	\$ 1,678,900
Schools	8/9/2023	3.00%	385,316	366,716	385,316	348,116	18,600
Woodbridge lane pump station	8/9/2023	3.00%	900,000	887,500	900,000	875,000	12,500
WPCA	8/9/2023	3.00%	450,000	450,000	450,000	450,000	-
 Total			<u><u>\$8,155,000</u></u>	<u><u>\$7,955,000</u></u>	<u><u>\$8,155,000</u></u>	<u><u>\$6,245,000</u></u>	<u><u>\$ 1,710,000</u></u>

In July 2023, the Town issued \$6,245,000 of general obligation bonds which permanently financed a portion of the bond anticipation notes outstanding at year-end. These bonds mature through 2043 and carry interest rates of 3.50% - 5.00% and true interest cost of 2.34% to 3.71%.

In August 2023, the Town issued \$3,870,000 of bond anticipation notes with an interest rate of 4.00% and true interest cost of 3.30%. The notes mature in August 2024.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

G. Changes in long-term liabilities

General obligation bonds, equipment financing notes and leases are direct obligations and pledge the full faith and credit of the Town.

1. Summary of changes

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

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2022 (as restated)	Additions	Deductions	Balance June 30, 2023	Current Portion	Long Term Portion
<u>Bonds/Notes</u>										
General purpose:										
Refunding bond	\$ 5,809,500	05/19/15	02/01/30	3.0 - 4.0%	\$ 3,289,500	\$ -	\$ 333,000	\$ 2,956,500	\$ 684,000	\$ 2,272,500
Improvement bond	7,135,000	07/17/18	07/15/38	3.0 - 4.0%	5,901,319	-	411,227	5,490,092	411,227	5,078,865
Refunding bond	2,512,500	06/11/20	05/01/33	2.0 - 5.0%	2,156,967	-	177,767	1,979,200	184,475	1,794,725
Refunding bond	1,892,000	08/10/21	11/01/34	2.0 - 5.0%	1,584,000	-	286,000	1,298,000	110,000	1,188,000
Total general purpose	23,214,008				12,931,786	-	1,207,994	11,723,792	1,389,702	10,334,090
Schools:										
Refunding bond	645,500	05/19/15	02/01/30	3.0 - 4.0%	365,500	-	37,000	328,500	76,000	252,500
Refunding bond	1,237,500	06/11/20	05/01/33	2.0 - 5.0%	1,063,033	-	87,233	975,800	90,525	885,275
Refunding bond	2,193,000	08/10/21	11/01/34	2.0 - 5.0%	1,836,000	-	331,500	1,504,500	127,500	1,377,000
Total schools	4,076,000				3,264,533	-	455,733	2,808,800	294,025	2,514,775
Sewer:										
Improvement bond	1,280,000	07/17/18	07/15/38	3.0 - 4.0%	1,058,681	-	73,773	984,908	73,773	911,135
Refunding bond	215,000	08/10/21	11/01/34	2.0 - 5.0%	180,000	-	32,500	147,500	12,500	135,000
Total sewer	1,280,000				1,238,681	-	106,273	1,132,408	86,273	1,046,135
Total bonds	28,570,008				17,435,000	-	1,770,000	15,665,000	1,770,000	13,895,000
Bond anticipation notes (permanently financed)					-	6,245,000	-	6,245,000	-	6,245,000

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

G. Changes in long-term liabilities (continued)

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2022 <i>(as restated)</i>	Additions	Deductions	Balance June 30, 2023	Current Portion	Long Term Portion
<u>Equipment financing notes (direct borrowings):</u>										
Vehicles	\$ 252,768	11/30/17	09/01/23	3.52 - 6.90%	\$ 400,701	\$ -	\$ 126,890	\$ 273,811	\$ 106,230	\$ 167,581
Clean water note	<u>1,394,449</u>	04/30/20	04/30/39	2.00%	<u>1,197,801</u>	<u>-</u>	<u>60,460</u>	<u>1,137,341</u>	<u>61,681</u>	<u>1,075,660</u>
Total notes	<u>1,647,217</u>				<u>1,598,502</u>	<u>-</u>	<u>187,350</u>	<u>1,411,152</u>	<u>167,911</u>	<u>1,243,241</u>
Total bonds and notes	<u>30,217,225</u>				19,033,502	6,245,000	1,957,350	23,321,152	1,937,911	21,383,241
5 Leases payable					981,763	215,385	92,216	1,104,932	81,252	1,023,680
Subscriptions payable					<u>171,881</u>	<u>47,215</u>	<u>64,119</u>	<u>154,977</u>	<u>55,937</u>	<u>99,040</u>
Total long-term debt					20,187,146	6,507,600	2,113,685	24,581,061	2,075,100	22,505,961
Premiums					<u>348,095</u>	<u>35,877</u>	<u>92,975</u>	<u>290,997</u>	<u>-</u>	<u>290,997</u>
Total long-term debt and related liabilities					20,535,241	6,543,477	2,206,660	24,872,058	2,075,100	22,796,958
Compensated absences					610,124	221,603	186,565	645,162	129,032	516,130
Termination benefits					102,650	-	84,094	18,556	18,556	-
Net pension liability					4,397,371	1,801,080	2,333,660	3,864,791	-	3,864,791
Net OPEB liability					<u>20,209,938</u>	<u>1,136,885</u>	<u>1,144,134</u>	<u>20,202,689</u>	<u>-</u>	<u>20,202,689</u>
Total long-term liabilities					<u>\$ 45,855,324</u>	<u>\$ 9,703,045</u>	<u>\$ 5,955,113</u>	<u>\$ 49,603,256</u>	<u>\$ 2,222,688</u>	<u>\$ 47,380,568</u>

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

G. Changes in long-term liabilities (continued)

All long-term liabilities are generally liquidated by the general fund or debt service fund.

The following is a summary of bond and note maturities:

Fiscal Year Ended June 30	Bonds		Notes	
	Principal	Interest	Principal	Interest
2024	\$ 1,770,000	\$ 541,475	\$ 167,911	\$ 31,095
2025	1,770,000	472,900	117,147	25,956
2026	1,370,000	407,175	120,040	23,062
2027	1,375,000	355,550	123,007	20,095
2028	1,365,000	304,675	66,813	17,051
2029	1,375,000	253,775	68,162	15,702
2030	1,305,000	202,700	69,538	14,326
2031	955,000	152,575	70,941	12,923
2032	960,000	120,150	72,373	11,491
2033	955,000	92,700	73,834	10,030
2034	645,000	67,400	75,324	8,540
2035	560,000	50,881	76,845	7,019
2036	315,000	38,194	78,396	5,468
2037	315,000	27,562	79,978	3,886
2038	315,000	16,538	81,592	2,272
2039	315,000	5,513	69,250	636
Totals	<u>\$ 15,665,000</u>	<u>\$ 3,109,763</u>	<u>\$ 1,411,152</u>	<u>\$ 209,551</u>

2. Assets pledged as collateral

The Town's outstanding equipment financing notes of \$273,811 are secured with collateral of the equipment purchased.

3. 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	Balance
		Indebtedness	
General purpose	\$ 48,046,986	\$ 17,974,576	\$ 30,072,410
Schools	96,093,972	3,175,516	92,918,456
Sewers	80,078,310	2,469,908	77,608,402
Urban renewal	69,401,202	-	69,401,202
Pension deficit	64,062,648	-	64,062,648

The total overall statutory debt limit for the Town is equal to 7 times the annual receipts for the prior year taxation:

\$ 149,479,512

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

G. Changes in long-term liabilities (continued)

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.

4. Authorized/unissued bonds

The amount of authorized, unissued bonds is as follows:

<u>Project</u>	<u>Bonding Authorization</u>	<u>Previously Bonded</u>	<u>Authorized But Unissued</u>
WPCA upgrade - phosphorus effluent limits	\$ 662,850	\$ -	\$ 662,850
Municipal building roofs	3,998,400	2,250,000	1,748,400
Fire truck	600,000	540,000	60,000
Payloader	150,000	130,000	20,000
Dump truck	194,900	150,000	44,900
Reconstruction and repair of roads	3,270,000	2,701,000	569,000
WPCA sewer lines	1,390,000	1,280,000	110,000
Road reconstruction - Phase I	4,836,000	3,177,000	1,659,000
BOE security projects	403,786	372,000	31,786
Woodbridge Lane pump station	900,000	250,000	650,000
Carter Road bridge	91,800	-	91,800
Refunding bond	5,000,000	-	5,000,000
Nystroms dam and dike	1,200,000	-	1,200,000
Opera House air handlers	217,000	-	217,000
WPCA SCADA computer system	450,000	450,000	-
Town Hall roof	615,000	-	615,000
WPCA pump station renovations	1,200,000	-	1,200,000
Greenway	445,000	-	445,000
Elm Street engineering	200,000	-	200,000
Old Northfield Road engineering	120,000	-	120,000
Total	<u>\$25,944,736</u>	<u>\$11,300,000</u>	<u>\$14,644,736</u>

5. Termination benefits

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

G. Changes in long-term liabilities (continued)**6. Leases**

Lease agreements are summarized as follows:

Description	Year	Lease Term (years)	Interest Rate*	Original Amount	Balance June 30, 2023
Tractor	2022	2	2.00%	\$ 33,039	\$ -
Tower space	2022	17	2.00%	992,889	930,166
Town copiers	2022/2023	5	2.00%/3.00%	27,290	22,361
Education copiers	2023	6	3.00%	155,809	127,950
Education hardware	2023	3	3.00%	36,150	24,455
Total				<u>\$ 1,245,177</u>	<u>\$ 1,104,932</u>

*All interest rates have been imputed based on the rate from recently issued debt as there were no interest rates specified in the lease agreement.

Description	Terms
Tractor	The lease is not renewable and the Town will not acquire the tractor at the end of the term.
Tower space	These lease terms include four 5-year additional terms that the Town anticipates renewing.
Town copiers	These leases are not renewable and the Town does not expect to exercise the purchase option at the end of the term.
Education copiers	These leases are not renewable and the Town does not expect to exercise the purchase option at the end of the term.
Education hardware	This lease is not renewable and the Town does not expect to exercise the purchase option at the end of the term.

The following is a summary of principal and interest payments to maturity:

Year Ending June 30	Principal	Interest
2024	\$ 81,252	\$ 23,824
2025	85,304	21,746
2026	76,452	19,573
2027	79,874	17,692
2028	55,619	15,731
2029	49,844	14,529
2030	53,212	13,532
2031	56,736	12,467
2032	60,423	11,333
2033	64,279	10,124
2034	68,311	8,839
2035	72,528	7,472
2036	76,935	6,022
2037	81,542	4,483
2038	86,355	2,852
2039	56,266	1,125
Totals	<u>\$ 1,104,932</u>	<u>\$ 191,344</u>

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

G. Changes in long-term liabilities (continued)**7. Subscription arrangements**

Subscription arrangements are summarized as follows:

Description	Year	Subscription Term (years)	Interest Rate*	Original Amount	Balance June 30, 2023
Police body camera software	2023	4	2.00%	\$ 101,750	\$ 69,922
Phone system	2023	4	2.00%	70,131	53,115
Financial software	2023	3	3.00%	47,215	31,940
Total				<u>\$ 219,096</u>	<u>\$ 154,977</u>

*All interest rates have been imputed based on the rate from recently issued debt as there were no interest rates specified in the subscription agreement.

Description	Terms
Police body camera software	The Town has a subscription arrangement for the police body camera software and cloud storage of camera footage. This arrangement does not include extension or termination terms.
Phone system	The Town has a subscription arrangement for the phone system software. This arrangement does not include an option to extend.
Financial software	The Town has a subscription arrangement for the financial software. This arrangement does not include an option to extend.

The following is a summary of principal and interest payments to maturity:

Year Ending June 30	Principal	Interest
2024	\$ 55,937	\$ 3,419
2025	57,213	2,143
2026	41,827	837
Totals	<u>\$ 154,977</u>	<u>\$ 6,399</u>

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

H. Fund Balances

Fund balances are composed of the following:

	General	Capital or Nonrecurring	Debt Service	Other Governmental Funds	Total
Nonspendable:					
Lease receivable	\$ 17,053	\$ -	\$ -	\$ -	\$ 17,053
Permanent fund principal	-	-	-	170,200	170,200
Total nonspendable	17,053	-	-	170,200	187,253
Restricted:					
Sewer operations*	-	-	-	317,737	317,737
School lunch operations*	-	-	-	523,243	523,243
Library operations	-	-	-	29,270	29,270
Public safety programs	-	-	-	26,798	26,798
Housing rehabilitation	-	-	-	914,578	914,578
Park maintenance	-	-	-	29,747	29,747
Cemetery maintenance*	-	-	-	598,851	598,851
Other	-	-	-	19,469	19,469
Total restricted	-	-	-	2,459,693	2,459,693
Committed:					
Construction contracts	-	311,858	-	-	311,858
Education programs	-	-	-	505,323	505,323
Recreation programs	-	-	-	113,683	113,683
Health and welfare	-	-	-	57,609	57,609
Public safety - EMS	-	-	-	137,373	137,373
Approved CNR projects	-	-	-	248,116	248,116
Total committed	-	311,858	-	1,062,104	1,373,962
Assigned:					
Subsequent year's budget	228,000	-	-	-	228,000
Future debt service payments	-	-	969,224	-	969,224
Total assigned	228,000	-	969,224	-	1,197,224
Unassigned:	6,193,584	(62,996)	-	(38,514)	6,092,074
Total	\$6,438,637	\$ 248,862	\$ 969,224	\$ 3,653,483	\$11,310,206

* The amount of restricted net position, which is restricted by enabling legislation, totaled: \$ 1,439,831

Town of Thomaston, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2023****I. Deficit fund balances**

The transfer station fund had a deficit fund balance at year end of \$38,514.

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

IV. Other information**A. Risk management**

The Town is exposed to various risks of loss related to public official liability, police liability, Board of Education legal liability, theft or impairment of assets, errors and omissions, injury to employees and natural disasters. The Town purchases commercial insurance for all other risks of loss, including blanket and umbrella policies. Settled claims have not exceeded commercial coverage in any of the past three years and there has not been any significant reduction in insurance coverage from amounts held in prior years.

The Town is currently a member in Connecticut Interlocal Risk Management Agency ("CIRMA") an unincorporated association of Connecticut local public agencies which was formed for the purpose of establishing and administering an interlocal risk management program pursuant to the provisions of Section 7-47-a et. seq. of the Connecticut General Statutes.

The Town is a member of CIRMA's Liability-Automobile-Property Pool, a risk sharing pool. The Town paid CIRMA for provisions of general liability, personal and advertising injury, medical payments, automobile liability, uninsured/underinsured motorist coverage, employee benefit liability, law enforcement liability, public officials' liability, and school leaders' liability. The premium is subject to these coverages and claims and expense payments falling within the deductible amounts are the responsibility of the Town. CIRMA's Liability-Automobile-Property Pool retains \$1,000,000 per occurrence for each line of liability coverage.

The Town is also a member of CIRMA's Workers' Compensation Pool, a risk sharing pool. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The coverage is subject to an insured 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. The premium is subject to payroll audit at the close of the coverage period. CIRMA's Workers' Compensation Pool retains \$1,000,000 per occurrence and purchases reinsurance above that amount to the limit of liability of \$10,000,000 per occurrence.

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.

The Town is a defendant in various lawsuits and the outcome of these lawsuits is not presently determinable. The resolution of these matters are not expected to have a material adverse effect on the financial condition of the Town.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

V. Pensions and other post-employment benefit (“OPEB”) plans**A. Pension plan****1. Plan description****a. Plan administration**

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

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

b. Plan membership

At January 1, 2022, pension plan membership consisted of the following:

Active members	41
Terminated employees entitled to benefits	27
Retirees, disabled employees, and beneficiaries receiving benefits	<u>83</u>
Total	<u>151</u>

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

2. Benefit provisions

Normal retirement	Hired before 1/1/1998: Age 55 with 10 years credited service
Normal retirement (Police)	Hired after 1/1/1998: Age 65 with 25 years credited service
Benefit calculation	Age 50 with 10 years credited service
Benefit calculation (Police)	2.00% of final average compensation per year of service to a maximum of 50.00%
Early retirement service requirement/benefit	2.25% of final average compensation per year of service to a maximum of 67.50%
Service connected disability amount	10 years of credited service. Benefit actuarially reduced.
Non-service connected disability service requirement	2.00% of final average compensation per year of service, paid as an annuity and reduced by compensation payments
	10 years

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Pension plan (continued)**3. Contributions**

The plan provides that employees make mandatory contributions of 2.00% – 8.00% as required by their respective collective bargaining agreements or by their employment agreement with the employer.

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

The average active member contribution rate was 4.77% of pensionable wages, and the Town's average contribution rate was 22.29% of covered payroll.

4. Investments**a. Investment policy**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	40.00%	10.13%
Domestic equity	35.00%	8.20%
International equity	20.00%	14.47%
Real estate	5.00%	3.80%
Total/weighted average	<u>100.00%</u>	5.02%
Long-term inflation expectation		<u>2.60%</u>
Long-term expected nominal return		<u>7.62%</u>

b. Concentrations

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

c. Rate of return

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Pension plan (continued)

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 above.

d. Annual money-weighted rate of return

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 9.20%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

5. Net pension liability

The components of the net pension liability were as follows:

Total pension liability	\$23,408,746
Plan fiduciary net position	<u>19,543,955</u>
Net pension liability	<u><u>\$ 3,864,791</u></u>
Plan fiduciary net position as a percentage of the total pension liability	<u><u>83.49%</u></u>

6. Actuarial assumptions

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

Valuation date	January 1, 2022
Actuarial cost method	Entry age normal
Asset valuation method	Fair value
Post-retirement increases	None
Inflation	2.60%
Salary increase	4.00%, average, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation
Mortality rates	PUB-2010 mortality table with generational improvements from 2010 with Scale MP-2021

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Pension plan (continued)**7. Changes from prior year****a. Changes in assumptions**

	From	To
Inflation rate	2.80%	2.60%
Mortality rate	PUBT-2010 mortality table with generational improvements from 2010 with Scale MP-2020	PUB-2010 mortality table with generational improvements from 2010 with Scale MP-2021

b. Changes in benefit terms

There were no changes in benefit terms.

8. Discount rate

The discount rate used to measure the total pension liability was 7.00%.

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

9. Changes in the net pension liability

The Town's net pension liability was measured at June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated as noted below:

	Increase (Decrease)		
Valuation Date: January 1, 2022	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance at July 1, 2022	\$23,083,112	\$18,685,741	\$ 4,397,371
Service cost	194,253	-	194,253
Interest	1,579,586	-	1,579,586
Contributions - employer	-	510,000	(510,000)
Contributions - member	-	109,214	(109,214)
Net investment income	-	1,714,446	(1,714,446)
Benefit payments, including refunds of member contributions	(1,448,205)	(1,448,205)	-
Administrative expenses	-	(27,241)	27,241
Net change	325,634	858,214	(532,580)
Balance at June 30, 2023	<u>\$23,408,746</u>	<u>\$19,543,955</u>	<u>\$ 3,864,791</u>

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

A. Pension plan (continued)**10. Sensitivity of the net pension liability to changes in the discount rate**

The following presents the net pension liability, calculated using the discount rate 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 or 1-percentage-point higher than the current rate:

<u>Net pension liability</u>	<u>Discount Rate</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Town plan	<u>7.00%</u>	<u>\$ 6,243,428</u>	<u>\$ 3,864,791</u>	<u>\$ 1,844,959</u>

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

For the fiscal year, the Town recognized pension expense of \$868,685.

The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Description of Outflows/Inflows</u>	<u>Deferred Outflows of Resources</u>
Net difference between projected and actual earnings on pension plan investments	<u>\$ 1,330,850</u>

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

<u>Year Ending June 30,</u>	
2024	\$ 353,030
2025	204,036
2026	855,331
2027	<u>(81,547)</u>
Total	<u>\$ 1,330,850</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 inactives.

B. Connecticut state teachers' retirement system**1. Plan description**

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

B. Connecticut state teachers' retirement system (continued)**2. Benefit provisions**

Normal retirement	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
Benefit calculation	2.00% 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	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
Early retirement amount	Benefit amounts are reduced by 6.00% per year for the first 5 years preceding normal retirement age and 4.00% 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 3.00% per year by which retirement precedes normal retirement date
Service connected disability amount	2.00% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary. In addition, disability benefits under this plan (without regard to cost-of-living adjustments) plus any initial award of social security benefits and workers' compensation cannot exceed 75% of annual average salary
Non-service connected disability service requirement	Five years of credited service
Vesting - service	10 years of service
Vesting - amount	100%
Pre-retirement death benefit amount	Lump-sum return of contributions with interest or surviving spouse benefit depending on length of service

3. Contributions**State of Connecticut**

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

Employer (school districts)

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

B. Connecticut state teachers' retirement system (continued)**Employees**

Each teacher is required to contribute 7.00% 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 collective 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 collective net pension liability, the related State support, and the total portion of the collective net pension liability that was associated with the Town were as follows:

Town's proportionate share of the collective net pension liability	\$ -
State's proportionate share of the collective net pension liability associated with the Town	<u>28,949,543</u>
Total	<u>\$ 28,949,543</u>
During the year the Town recognized pension expense and revenue for on-behalf amounts for contributions to the plan by the State of:	<u>\$ 2,282,463</u>

The collective net pension liability was measured as of June 30, 2022, and the collective total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of June 30, 2022. The Town has no proportionate share of the collective net pension liability.

5. Actuarial assumptions

The collective total pension liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	6.90%
Inflation	2.50%
Salary increases	3.00-6.50%, including inflation
Mortality rates	Mortality rates were based on the PubT-2010 Table, projected generationally with MP-2019

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 3.00% and a maximum of 5.00% 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 6.00% per annum. If the return on assets in the previous year was less than 8.50%, the maximum increase is 1.50%.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

B. Connecticut state teachers' retirement system (continued)

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 5.00% per annum. If the return on assets in the previous year was less than 11.50%, the maximum increase is 3.00%, and if the return on the assets in the previous year was less than 8.50%, the maximum increase is 1.00%.

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

Changes in assumptions and inputs

- There were no changes in assumptions from the prior measurement date.

Long-term expected rate of return

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

The target asset allocation and best estimates of geometric rates of return for each major class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity fund	20.00%	5.40%
Developed market international stock fund	11.00%	6.40%
Emerging market international stock fund	9.00%	8.60%
Core fixed income fund	13.00%	0.80%
Emerging market debt fund	5.00%	3.80%
High yield bond fund	3.00%	3.40%
Real estate fund	19.00%	5.20%
Private equity	10.00%	9.40%
Private credit	5.00%	6.50%
Alternative investments	3.00%	3.10%
Liquidity fund	<u>2.00%</u>	(0.40%)
Total	<u>100.00%</u>	

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

B. Connecticut state teachers' retirement system (continued)**6. Discount rate**

The discount rate used to measure the collective total pension liability was 6.90%. 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 State 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 collective total pension liability.

7. Sensitivity of the collective net pension liability to changes in the discount rate

The Town's proportionate share of the collective 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 Annual Comprehensive Financial Report as of and for the year ended June 30, 2022.

C. Defined contribution retirement savings plan

Town employees are eligible to participate in a defined contribution plan administered by the Town. The benefits and contribution requirements are established by approval of the Board of Finance.

The Plan requires the Town to contribute an amount to the plan based upon 50% of each participants contributions.

<u>Years of Service</u>	<u>Vesting Percentage</u>
2-3	50%
4-5	75%
6 or more	100%

Voluntary contributions are allowed in combination with the Town's contribution up to the maximum amount allowed by IRS regulations. Employee contributions may be withdrawn at any time, although earned interest will not be paid until such time as benefits are otherwise payable to the employee.

Upon termination of employment, for any reason other than death or retirement, an employee shall be entitled to a deferred vested benefit based upon the number of years of credit service completed. Payment of benefits is payable at normal retirement age but distribution must begin at age 70 ½. The unvested accrued benefit of the employee is forfeited and used to offset the Town's matching contributions.

During the year, the employer contributions were \$59,810 and employee contributions totaled \$96,470. Employee covered payroll totaled \$1,387,804.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

D. Other post-employment benefits (“OPEB”) 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 Education (Administrators, AFSCME, Non-Union, Superintendent, Teachers and Non-Union Cafeteria). The Town plan is accounted for in a trust. The Education plan is not currently accounted for in a trust. The Town plan does not issue a stand-alone financial report. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 for the Education Plan.

b. Plan membership

As of July 1, 2021 for Town and Education, the plans' membership consisted of:

	<u>Town</u>	<u>Education</u>
Active members	11	83
Retirees, disabled employees, and beneficiaries receiving benefits	<u>45</u>	<u>26</u>
Total	<u><u>56</u></u>	<u><u>109</u></u>

2. Benefit provisions

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

3. Contributions**a. Employer contributions**

The Town's recommended contributions are actuarially determined on an annual basis using the entry age normal method. The Town's total plan contributions were \$803,160.

b. Employee contributions

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

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

D. Other post-employment benefits plan (continued)**c. Retiree contributions**

Contribution requirements are as follows:

Town plan

White collar union employees and non-union employees	14.00% of premium
Public works union employees	13.00% of premium
Police employees	12.00% of premium
Sewer union employees	11.00% of premium

Education plan

Teachers and administrators	100% of premium
AFSCME, non-union:	
Retired before the age of 65	100% of premium
Retired at or after the age of 65:	
Before July 1, 2006	0.00% of premium
Before July 1, 2011	5.00% of premium
On or after July 1, 2011	7.50% of premium

There are no retiree contributions required for employees who retired prior to July 1, 2005.

4. Investments**a. Investment policy**

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	30.00%	2.10%
Short duration	10.00%	1.70%
U.S. large cap	37.50%	6.30%
International developed	8.00%	7.90%
U.S. mid/small cap	7.50%	6.70%
International emerging	2.00%	9.40%
Real estate	5.00%	6.20%
Cash	0.00%	0.72%
Total/weighted average	<u>100.00%</u>	4.80%
Long-term inflation expectation		<u>2.50%</u>
Long-term expected nominal return		<u>7.30%</u>

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

D. Other post-employment benefits plan (continued)**b. Concentrations**

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

c. Rate of return

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

Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation (see the discussion of the OPEB plan's investment policy) are summarized above.

d. Annual money-weighted rate of return

The annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 8.72% for the Town OPEB Plan. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

5. Total/Net OPEB liability**a. Town Plan**

The components of the net OPEB liability were measured as of June 30, 2023 and were as follows:

	Town Plan
Total OPEB liability	\$ 14,904,480
Plan fiduciary net position	<u>528,509</u>
Net OPEB liability	<u><u>\$ 14,375,971</u></u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u><u>3.55%</u></u>

b. OPEB liability – Education Plan

The Education OPEB liability of \$5,826,718 was measured as of June 30, 2023, and was determined by an actuarial valuation as of July 1, 2021.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

D. Other post-employment benefits plan (continued)**6. Actuarial methods and significant assumptions**

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

	Town	Education
Valuation date	July 1, 2021	July 1, 2021
Actuarial cost method	Entry age normal	Entry age normal
Asset valuation method	Fair value	Fair value
Investment rate of return	4.80%	3.65%
Initial medical trend rate	7.50%	7.50%
Ultimate medical trend rate	4.50%	4.50%
Inflation	2.50%	2.20%
Mortality	SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021	SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021

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

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

	Education	
	From	To
Discount rate	3.54%	3.65%

b. Changes in benefit terms

There were no changes in benefit terms.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

D. Other post-employment benefits plan (continued)**8. Discount rate**

The final equivalent discount rate used to measure the total OPEB liability was 4.80% 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 7.30%, 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, 2023 of 3.65% is used once the plan assets are exhausted resulting in the final equivalent rate of 4.80%.

The 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, 2023 of 3.65%.

9. Changes in the OPEB liability

The Town's OPEB liability was measured at June 30, 2023, and the total OPEB liability used to calculate the OPEB liability was determined by an actuarial valuation dated as noted below:

The changes in OPEB liability for each plan for the fiscal year were as follows:

<u>Valuation Date: July 1, 2021</u>	<u>Increase (Decrease)</u>		
<u>Town Plan</u>	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at July 1, 2022	\$ 14,920,356	\$ 462,055	\$14,458,301
Service cost	61,607	-	61,607
Interest	700,677	-	700,677
Contributions - employer	-	803,160	(803,160)
Net investment income	-	42,069	(42,069)
Benefit payments, including refunds of member contributions	(778,160)	(778,160)	-
Administrative expenses	-	(615)	615
Net change	(15,876)	66,454	(82,330)
Balance at June 30, 2023	<u>\$ 14,904,480</u>	<u>\$ 528,509</u>	<u>\$14,375,971</u>

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

D. Other post-employment benefits plan (continued)

<u>Valuation Date: July 1, 2021</u>	
<u>Education Plan</u>	<u>Total OPEB Liability</u>
Balance at July 1, 2022	<u>\$ 5,751,637</u>
Service cost	168,272
Interest	205,714
Changes in assumptions	(79,442)
Benefit payments, including refunds of member contributions	<u>(219,463)</u>
Net change	<u>75,081</u>
Balance at June 30, 2023	<u><u>\$ 5,826,718</u></u>

10. Sensitivity of the OPEB liability to changes in the discount rate

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

<u>Plan</u>	<u>Discount Rate</u>	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Town Plan (net)	<u>4.80%</u>	<u>\$ 16,322,756</u>	<u>\$14,375,971</u>	<u>\$12,778,554</u>
Education Plan (total)	<u>3.65%</u>	<u>\$ 6,614,874</u>	<u>\$ 5,826,718</u>	<u>\$ 5,174,819</u>

11. Sensitivity of the OPEB liability to changes in the healthcare cost trend rate

The following presents the OPEB liability, as well as what the 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 rate:

<u>Plan</u>	<u>Medical Trend Rate</u>	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
	7.50%			
	decreasing to			
Town Plan (net)	<u>4.50%</u>	<u>\$ 12,545,694</u>	<u>\$14,375,971</u>	<u>\$16,593,936</u>
	7.50%			
	decreasing to			
Education Plan (total)	<u>4.50%</u>	<u>\$ 5,078,976</u>	<u>\$ 5,826,718</u>	<u>\$ 6,735,331</u>

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

D. Other post-employment benefits plan (continued)**12. OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB**

For the fiscal year the Town recognized OPEB expense of \$92,306 for the Town Plan and \$266,094 for the Education Plan.

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>	<u>Net</u>
Net difference between projected and actual earnings on plan investments	<u>\$ 14,130</u>	<u>\$ 3,834</u>	<u>\$ 10,296</u>
 <u>Education Plan</u>			
<u>Description of Outflows/Inflows</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
Differences between expected and actual experience	\$ 168,131	\$ 1,393,901	\$ (1,225,770)
Changes in assumptions	<u>970,441</u>	<u>1,082,603</u>	<u>(112,162)</u>
Total	<u>\$ 1,138,572</u>	<u>\$ 2,476,504</u>	<u>\$ (1,337,932)</u>

Actual investment earnings below (or above) projected earnings are amortized over 5 years for the Town plan. Experience losses (gains) and changes in assumptions are amortized over the average remaining service period of active and inactive participants, which was 1.3 years for the Town Plan and 8.1 years for the Education Plan.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

D. Other post-employment benefits plan (continued)

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

Year Ending June 30,	Town Plan	Education Plan
2024	\$ (17)	\$ (202,412)
2025	(83)	(95,201)
2026	14,130	(230,796)
2027	(3,734)	(230,793)
2028	-	(287,094)
Thereafter	-	(291,636)
Total	<u>\$ 10,296</u>	<u>\$ (1,337,932)</u>

13. Total OPEB plans

	OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Town plan	\$ 14,375,971	\$ 10,296	\$ -	\$ 92,306
Education plan	<u>5,826,718</u>	<u>1,138,572</u>	<u>2,476,504</u>	<u>266,094</u>
Total	<u>\$ 20,202,689</u>	<u>\$ 1,148,868</u>	<u>\$ 2,476,504</u>	<u>\$ 358,400</u>

E. Connecticut state teachers' retirement board retiree health insurance plan**1. Plan description**

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

E. Connecticut state teachers' retirement board retiree health insurance plan (continued)**2. Benefit provisions**

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

Normal retirement	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	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
Service connected disability service requirement	No service requirement
Non-service connected disability service requirement	Five years of credited service
Vesting - service	10 years of 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. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the CTRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

Any member that is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$220 per month for a retired member plus an additional \$220 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. A subsidy amount of \$440 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 \$440 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).

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

E. Connecticut state teachers' retirement board retiree health insurance plan (continued)

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.

3. Contributions**State of Connecticut**

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut are amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The State contributions are not currently actuarially funded. The State pays for one third of plan costs through an annual appropriation in the General Fund.

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 pensionable wages.

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 collective 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 collective net OPEB liability, the related State support, and the total portion of the collective net OPEB liability that was associated with the Town were as follows:

Town's proportionate share of the collective net OPEB liability	\$ -
State's proportionate share of the collective net OPEB liability associated with the Town	<u>2,535,316</u>
Total	<u><u>\$ 2,535,316</u></u>
During the year the Town recognized OPEB expense and revenue for on-behalf amounts for contributions to the plan by the State of:	<u><u>\$ 32,283</u></u>

The collective net OPEB liability was measured as of June 30, 2022, and the collective total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2022. The Town has no proportionate share of the collective net OPEB liability.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

E. Connecticut state teachers' retirement board retiree health insurance plan (continued)**5. Actuarial assumptions**

The collective total OPEB liability was determined by an actuarial valuation as of June 30, 2022, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	3.00%
Discount rate	3.53%
Inflation	2.50%
Health care cost trend rate (Medicare)	5.125% decreasing to 4.50% by 2031
Salary increases	3.00-6.50%, including inflation
Mortality rates	Mortality rates were based on the PubT-2010 Table, projected generationally with MP-2019
Year fund net position will be depleted	2027

The actuarial assumptions used in the June 30, 2022 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

Changes in assumptions and inputs

- The discount rate was increased from 2.17% to 3.53% to reflect the change in the Municipal Bond Index rate.

Long-term expected rate of return

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

All the plan assets are assumed to be invested in cash equivalents due to the need for liquidity. The expected geometric rate of return is 1.50%. Since there have not been any changes to the asset allocation and the recent economic downturn is expected to be temporary, the funding rate of 3.00% continues to be used for the long-term investment rate of return as of June 30, 2022.

6. Discount rate

The discount rate used to measure the total OPEB liability was 3.53%. The Municipal Bond Index Rate of 3.54% was used in the determination in the discount rate. 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 annual State contributions will equal the most recent 5-year average of state contributions.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

E. Connecticut state teachers' retirement board retiree health insurance plan (continued)**7. Sensitivity of the collective net OPEB liability to changes in the discount rate and the health care cost trend rate**

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

8. Plan fiduciary net position

Detailed information about the Connecticut State Teachers' OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2022.

F. Pension and other post-employment benefit plan statements

Combining Schedule of Fiduciary Net Position
Pension and Other Post-Employment Benefit Trust Funds
June 30, 2023

	Pension Trust Fund	Other Post- Employment Benefit Trust Fund	Total
<u>Assets</u>			
Investments:			
Mutual funds/exchange traded funds:			
Money market	\$ 152,845	\$ 73,859	\$ 226,704
Equity	12,250,729	308,548	12,559,277
Bond	7,140,381	146,102	7,286,483
Total investments	19,543,955	528,509	20,072,464
<u>Net Position</u>			
Restricted for:			
Pension benefits	19,543,955	-	19,543,955
OPEB benefits	-	528,509	528,509
Total net position	\$ 19,543,955	\$ 528,509	\$ 20,072,464

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

F. Pension and other post-employment benefit plan statements (continued)

Combining Schedule of Changes in Fiduciary Net Position
Pension and Other Post-Employment Benefit Trust Funds
For the Year Ended June 30, 2023

	Pension Trust Fund	Other Post- Employment Benefit Trust Fund	Total
Additions:			
Contributions:			
Employer	\$ 510,000	\$ 803,160	\$ 1,313,160
Plan members	109,214	-	109,214
Total contributions	619,214	803,160	1,422,374
Investment income (loss):			
Net change in fair value of investments	1,227,542	30,459	1,258,001
Interest and dividends	533,093	12,796	545,889
Total investment income (loss)	1,760,635	43,255	1,803,890
Less investment expenses	46,189	1,186	47,375
Net investment income (loss)	1,714,446	42,069	1,756,515
Total additions	2,333,660	845,229	3,178,889
Deductions:			
Benefits	1,448,205	778,160	2,226,365
Administration	27,241	615	27,856
Total deductions	1,475,446	778,775	2,254,221
Changes in net position	858,214	66,454	924,668
Net position - July 1, 2022	18,685,741	462,055	19,147,796
Net position - June 30, 2023	\$ 19,543,955	\$ 528,509	\$ 20,072,464

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2023

VI. Prior period adjustments

As a result of the implementation of GASB Statement No. 96, intangible right-to-use subscription assets and subscription liability were recorded as beginning balances. There was no impact on beginning net position. The amounts recorded were increases to the following financial statement accounts:

	Governmental Activities
Capital assets:	
Intangible right-to-use subscription assets	\$ 171,881
Long-term liabilities:	
Subscription liability	171,881

Required Supplementary Information

Type	Description
Budgetary	Schedule of Revenues and Other Financing Sources - Budget and Actual - General Fund
	Schedule of Expenditures and Other Financing Uses - Budget and Actual - General Fund
	Notes to Required Supplementary Information - Budgets and Budgetary Accounting
<u>Pension Plans</u> Town State Teachers' Retirement System	Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Investment Returns
	Schedule of Proportionate Share of the Collective Net Pension Liability
	Schedule of Contributions
	Notes to Required Supplementary Information
<u>Other Post-Employment Benefits Plans</u> Town Education State Teachers' Retirement Board Retiree Health Insurance Plan	Schedule of Changes in Net and Total OPEB Liability and Related Ratios and Schedule of Investment Returns
	Schedule of Proportionate Share of the Collective Net OPEB Liability
	Schedule of Contributions
	Notes to Required Supplementary Information

Town of Thomaston, Connecticut

Required Supplementary Information

General Fund
Schedule of Revenues and Other Financing Sources
Budget and Actual
For the Year Ended June 30, 2023

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance with Final Budget
Property taxes:					
Taxes	\$ 20,941,026	\$ -	\$ 20,941,026	\$ 21,222,595	\$ 281,569
Prior year taxes	200,000	-	200,000	179,689	(20,311)
Interest and lien fees	100,000	-	100,000	128,443	28,443
Housing authority in lieu of taxes	32,000	-	32,000	33,688	1,688
Telecommunications property tax	13,095	-	13,095	14,237	1,142
Total property taxes	21,286,121	-	21,286,121	21,578,652	292,531
Charges for services:					
Building permits	80,000	-	80,000	92,542	12,542
Conveyance tax	90,000	-	90,000	94,183	4,183
Special duty police reimbursements	100,000	-	100,000	150,695	50,695
Accident reports	250	-	250	756	506
Gun permits	5,000	-	5,000	3,580	(1,420)
Vendor permits	-	-	-	60	60
Zoning and land use fees	7,500	-	7,500	7,960	460
Recreation - Nystroms	5,464	-	5,464	5,464	-
Fingerprinting	100	-	100	80	(20)
Dam patrol	19,926	-	19,926	-	(19,926)
Parking fines	500	-	500	60	(440)
Dog fines and fees	2,500	-	2,500	5,343	2,843
Rent of tower	103,000	-	103,000	117,801	14,801
Rent of tower - Town of Plymouth	28,647	-	28,647	13,723	(14,924)
Rent of opera house	12,500	-	12,500	32,884	20,384
PA 09-229 LOCIP project funding	15,000	-	15,000	8,275	(6,725)
Total charges for services	470,387	-	470,387	533,406	63,019
Intergovernmental:					
Property tax relief - veterans' exemption	11,002	-	11,002	7,321	(3,681)
Property tax relief - totally disabled	1,170	-	1,170	953	(217)
Property tax relief - municipal stabilization grant	395,346	-	395,346	395,346	-
Property tax relief - manufacturing	9,790	-	9,790	-	(9,790)
Property tax relief - tiered	30,645	-	30,645	30,645	-
Federal PILOT - land authorization	1,727	-	1,727	1,895	168
LOCIP	53,179	-	53,179	52,164	(1,015)
Education cost sharing	5,481,226	-	5,481,226	5,300,449	(180,777)
Mashantucket Pequot	16,872	-	16,872	16,872	-
Town aid road	222,072	-	222,072	220,457	(1,615)
Elderly services transportation grant	11,333	-	11,333	12,045	712
Motor vehicle tax	-	-	-	270,060	270,060
Revenue sharing	-	-	-	151,134	151,134
Total intergovernmental	6,234,362	-	6,234,362	6,459,341	224,979

(Continued)

See Notes to Required Supplementary Information.

Town of Thomaston, Connecticut

Required Supplementary Information

General Fund
Schedule of Revenues and Other Financing Sources
Budget and Actual
For the Year Ended June 30, 2023

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance with Final Budget
Income from investments	\$ 20,000	\$ -	\$ 20,000	\$ 445,366	\$ 425,366
Other:					
Miscellaneous	5,000	-	5,000	11,023	6,023
Total revenues	28,015,870	-	28,015,870	29,027,788	1,011,918
Other financing sources:					
Appropriation of fund balance	200,000	752,521	952,521	-	(952,521)
Transfers in:					
EMS Fund	15,000	-	15,000	-	(15,000)
Total other financing sources	215,000	752,521	967,521	-	(967,521)
Total revenues and other financing sources	\$ 28,230,870	\$ 752,521	\$ 28,983,391	\$ 29,027,788	\$ 44,397

(Concluded)

See Notes to Required Supplementary Information.

Town of Thomaston, Connecticut
Required Supplementary Information
General Fund
Schedule of Expenditures and Other Financing Uses
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2023

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance with Final Budget
General government:					
Board of selectmen	\$ 127,917	\$ 1,171	\$ 129,088	\$ 129,088	\$ -
Elections	30,000	3,641	33,641	33,641	-
Board of finance	2,150	-	2,150	1,132	1,018
Treasurer	209,735	1,916	211,651	211,651	-
Computer information systems	61,570	4,677	66,247	66,247	-
Independent audit	63,350	-	63,350	63,350	-
Legal	85,500	-	85,500	78,419	7,081
Tax collector	119,459	2,212	121,671	120,145	1,526
Tax assessor	153,966	2,689	156,655	151,337	5,318
Insurance	498,808	-	498,808	492,261	6,547
Town hall operations and maintenance	234,306	14,953	249,259	249,259	-
Town clerk	54,265	1,817	56,082	48,925	7,157
Probate court	4,352	-	4,352	4,352	-
Social security	300,000	2,734	302,734	299,870	2,864
Unemployment expense	-	102	102	102	-
Pension - Town employees	424,396	(49,300)	375,096	363,095	12,001
Pension - volunteer firefighters and ambulance	125,000	49,300	174,300	174,300	-
Medical / life insurance	872,928	-	872,928	787,286	85,642
Retirees medical insurance	789,080	-	789,080	763,517	25,563
Council of governments	4,633	-	4,633	4,488	145
CT conference of municipalities	4,894	-	4,894	4,894	-
Contingency	100,000	(100,000)	-	-	-
Total general government	4,266,309	(64,088)	4,202,221	4,047,359	154,862
Public safety:					
Police	1,528,770	(86,290)	1,442,480	1,396,148	46,332
Emergency management	11,604	2,366	13,970	13,970	-
Communications and dispatch	410,085	3,640	413,725	412,874	851
Fire protection	200,627	13,143	213,770	213,770	-
Fire marshal	29,821	-	29,821	29,438	383
Ambulance	68,900	17,130	86,030	86,030	-
Tree removal	50,000	-	50,000	50,000	-
Animal control	27,020	-	27,020	25,063	1,957
Total public safety	2,326,827	(50,011)	2,276,816	2,227,293	49,523
Public works:					
Highways	769,252	16,703	785,955	768,031	17,924
Town aid road	222,072	-	222,072	221,971	101
Snow and ice removal	252,500	-	252,500	230,569	21,931
Street lighting	20,000	4,199	24,199	24,199	-
Fire hydrants	212,000	6,028	218,028	218,028	-
Solid waste and recycling	640,593	10,559	651,152	651,152	-
Groundwater remediation	19,100	-	19,100	16,678	2,422
Total public works	2,135,517	37,489	2,173,006	2,130,628	42,378

(Continued)

See Notes to Required Supplementary Information.

Town of Thomaston, Connecticut
Required Supplementary Information

General Fund
Schedule of Expenditures and Other Financing Uses
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2023

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance with Final Budget
Health and welfare:					
Medical services	\$ 4,500	\$ -	\$ 4,500	\$ 4,500	\$ -
Torrington area health district	40,694	-	40,694	40,694	-
Social services	20,737	474	21,211	21,211	-
Elderly nutrition	6,722	-	6,722	6,722	-
Susan B. Anthony project	2,500	-	2,500	2,500	-
Minibus	20,027	-	20,027	19,368	659
Veterans' administration	2,225	-	2,225	1,900	325
Senior center	4,250	4	4,254	4,254	-
Total health and welfare	101,655	478	102,133	101,149	984
Culture and recreation:					
Recreation programs	117,670	-	117,670	106,719	10,951
Memorial day	2,500	-	2,500	2,500	-
Public library	337,481	5,405	342,886	314,276	28,610
Total culture and recreation	457,651	5,405	463,056	423,495	39,561
Housing and development:					
Conservation commission	1,795	-	1,795	1,795	-
Economic development commission	2,250	-	2,250	1,888	362
Housing, land use and development	222,040	50,827	272,867	272,867	-
Brownfields	1,000	-	1,000	1,000	-
Total housing and development	227,085	50,827	277,912	277,550	362
Education	15,712,529	-	15,712,529	15,712,529	-
Total expenditures	25,227,573	(19,900)	25,207,673	24,920,003	287,670
Other financing uses:					
Transfers out:					
Debt service fund	2,300,000	-	2,300,000	2,300,000	-
Debt service fund (education)	132,117	-	132,117	132,117	-
Hillside cemetery trust fund	26,000	-	26,000	26,000	-
Capital or nonrecurring	438,767	772,421	1,211,188	1,211,188	-
Seth Thomas/Bradstreet house	9,625	-	9,625	9,625	-
Social service crisis fund	10,000	-	10,000	10,000	-
Education funds	86,788	-	86,788	86,788	-
Total other financing uses	3,003,297	772,421	3,775,718	3,775,718	-
Total expenditures and other financing uses	\$ 28,230,870	\$ 752,521	\$ 28,983,391	\$ 28,695,721	\$ 287,670

(Concluded)

See Notes to Required Supplementary Information.

Town of Thomaston, Connecticut

Notes to Required Supplementary Information

**Budgets and Budgetary Accounting
For the Year Ended June 30, 2023**

The Town operates under State statutes for budgetary procedures.

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

This budget is adopted on a basis consistent with generally accepted accounting principles (modified accrual basis) with the following exceptions:

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

<u>Reconciliation to Exhibit D</u>	<u>Revenues</u>	<u>Expenditures</u>
Budgetary Basis - RSI-1	\$ 29,027,788	\$ 24,920,003
State Teachers' pension on behalf amount	2,282,463	2,282,463
State Teachers' OPEB on behalf amount	<u>32,283</u>	<u>32,283</u>
GAAP Basis - Exhibit D	<u><u>\$ 31,342,534</u></u>	<u><u>\$ 27,234,749</u></u>

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

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

The Board of Selectmen and the Board of Education are authorized to transfer budgeted amounts within departments. Transfers of budgeted amounts between departments must be approved by the Board of Finance.

The Board of Finance can approve additional appropriations for a department, provided such additional appropriations do not exceed \$20,000. Appropriations in excess of \$20,000 must be approved by vote of a Town Meeting.

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

During the year, there were additional appropriations from fund balance of \$752,521.

Town of Thomaston, Connecticut

Required Supplementary Information

Town Retirement Plan
Last Ten Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Schedule of Changes in Net Pension Liability and Related Ratios										
Total pension liability:										
Service cost	\$ 194,253	\$ 201,508	\$ 231,805	\$ 279,997	\$ 296,619	\$ 321,322	\$ 357,930	\$ 387,724	\$ 363,897	\$ 401,270
Interest	1,579,586	1,538,263	1,480,035	1,459,716	1,432,379	1,420,327	1,407,359	1,365,722	1,295,503	1,269,639
Differences between expected and actual experience	-	233,328	(394,655)	(116,692)	(151,278)	(419,938)	(414,928)	(110,825)	(265,689)	(19,597)
Changes in assumptions	-	33,709	848,429	(87,688)	(48,888)	(38,197)	(92,172)	-	607,611	-
Benefit payments, including refunds of member contributions	(1,448,205)	(1,371,553)	(1,258,627)	(1,135,097)	(1,108,281)	(1,064,984)	(1,007,682)	(1,028,327)	(1,015,713)	(1,059,644)
Net change in total pension liability	325,634	635,255	906,987	400,236	420,551	218,530	250,507	614,294	985,609	591,668
Total pension liability - July 1	23,083,112	22,447,857	21,540,870	21,140,634	20,720,083	20,501,553	20,251,046	19,636,752	18,651,143	18,059,475
Total pension liability - June 30 (a)	<u>\$ 23,408,746</u>	<u>\$ 23,083,112</u>	<u>\$ 22,447,857</u>	<u>\$ 21,540,870</u>	<u>\$ 21,140,634</u>	<u>\$ 20,720,083</u>	<u>\$ 20,501,553</u>	<u>\$ 20,251,046</u>	<u>\$ 19,636,752</u>	<u>\$ 18,651,143</u>
Plan fiduciary net position:										
Contributions - employer	\$ 510,000	\$ 570,000	\$ 640,000	\$ 710,000	\$ 685,000	\$ 775,000	\$ 790,000	\$ 800,000	\$ 830,000	\$ 924,999
Contributions - member	109,214	131,700	137,447	149,901	147,029	157,619	175,704	159,545	167,530	153,778
Net investment income	1,714,446	(3,091,906)	4,559,838	519,957	1,203,971	1,186,593	1,739,088	134,539	366,071	1,902,564
Benefit payments, including refunds of member contributions	(1,448,205)	(1,371,553)	(1,258,627)	(1,135,097)	(1,108,281)	(1,064,984)	(1,007,682)	(1,028,327)	(1,015,713)	(1,059,644)
Administration	(27,241)	(41,313)	(29,416)	(26,758)	(43,134)	(25,324)	(29,092)	(35,932)	(35,337)	(31,839)
Net change in plan fiduciary net position	858,214	(3,803,072)	4,049,242	218,003	884,585	1,028,904	1,668,018	29,825	312,551	1,889,858
Plan fiduciary net position - July 1	18,685,741	22,488,813	18,439,571	18,221,568	17,336,983	16,308,079	14,640,061	14,610,236	14,297,685	12,407,827
Plan fiduciary net position - June 30 (b)	<u>\$ 19,543,955</u>	<u>\$ 18,685,741</u>	<u>\$ 22,488,813</u>	<u>\$ 18,439,571</u>	<u>\$ 18,221,568</u>	<u>\$ 17,336,983</u>	<u>\$ 16,308,079</u>	<u>\$ 14,640,061</u>	<u>\$ 14,610,236</u>	<u>\$ 14,297,685</u>
Net pension liability (asset) - June 30 (a)-(b)	<u>\$ 3,864,791</u>	<u>\$ 4,397,371</u>	<u>\$ (40,956)</u>	<u>\$ 3,101,299</u>	<u>\$ 2,919,066</u>	<u>\$ 3,383,100</u>	<u>\$ 4,193,474</u>	<u>\$ 5,610,985</u>	<u>\$ 5,026,516</u>	<u>\$ 4,353,458</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>83.49%</u>	<u>80.95%</u>	<u>100.18%</u>	<u>85.60%</u>	<u>86.19%</u>	<u>83.67%</u>	<u>79.55%</u>	<u>72.29%</u>	<u>74.40%</u>	<u>76.66%</u>
Covered payroll	<u>\$ 2,287,538</u>	<u>\$ 2,323,119</u>	<u>\$ 2,605,167</u>	<u>\$ 2,842,038</u>	<u>\$ 3,029,570</u>	<u>\$ 3,171,283</u>	<u>\$ 3,369,027</u>	<u>\$ 3,415,672</u>	<u>\$ 3,309,461</u>	<u>\$ 3,285,183</u>
Net pension liability (asset) as a percentage of covered payroll	<u>168.95%</u>	<u>189.29%</u>	<u>(1.57)%</u>	<u>109.12%</u>	<u>96.35%</u>	<u>106.68%</u>	<u>124.47%</u>	<u>164.27%</u>	<u>151.88%</u>	<u>132.52%</u>
Schedule of Investment Returns										
Annual money weighted rate of return, net of investment expense	<u>9.20%</u>	<u>(14.10)%</u>	<u>25.47%</u>	<u>(0.43)%</u>	<u>6.40%</u>	<u>6.33%</u>	<u>12.71%</u>	<u>0.83%</u>	<u>1.89%</u>	<u>15.34%</u>

Town of Thomaston, Connecticut
Required Supplementary Information

Town Retirement Plan
Schedule of Contributions
Last Ten Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contributions	\$ 428,691	\$ 400,646	\$ 522,281	\$ 522,281	\$ 587,272	\$ 585,540	\$ 657,455	\$ 714,209	\$ 741,399	\$ 734,912
Contributions in relation to the actuarially determined contribution	<u>510,000</u>	<u>570,000</u>	<u>640,000</u>	<u>710,000</u>	<u>685,000</u>	<u>775,000</u>	<u>790,000</u>	<u>800,000</u>	<u>830,000</u>	<u>924,999</u>
Contribution excess (deficiency)	<u>\$ 81,309</u>	<u>\$ 169,354</u>	<u>\$ 117,719</u>	<u>\$ 187,719</u>	<u>\$ 97,728</u>	<u>\$ 189,460</u>	<u>\$ 132,545</u>	<u>\$ 85,791</u>	<u>\$ 88,601</u>	<u>\$ 190,087</u>
Covered payroll	<u>\$ 2,287,538</u>	<u>\$ 2,323,119</u>	<u>\$ 2,605,167</u>	<u>\$ 2,842,038</u>	<u>\$ 3,029,570</u>	<u>\$ 3,171,283</u>	<u>\$ 3,369,027</u>	<u>\$ 3,415,672</u>	<u>\$ 3,309,461</u>	<u>\$ 3,285,183</u>
Contributions as a percentage of covered payroll	<u>22.29%</u>	<u>24.54%</u>	<u>24.57%</u>	<u>24.98%</u>	<u>22.61%</u>	<u>24.44%</u>	<u>23.45%</u>	<u>23.42%</u>	<u>25.08%</u>	<u>28.16%</u>

Town of Thomaston, Connecticut
Notes to Required Supplementary Information

Town Retirement Plan
Schedule of Contributions
Last Ten Years

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Changes of benefit terms	None	None	None	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	January 1, 2023	January 1, 2022	January 1, 2021	January 1, 2020	January 1, 2019	January 1, 2018	January 1, 2017	January 1, 2016	January 1, 2015	January 1, 2014
Actuarial methods and assumptions used to determine contribution rates:										
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed
Asset valuation method	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing
Inflation rate	2.80%	2.80%	2.20%	2.20%	2.20%	2.25%	2.25%	2.25%	3.00%	3.00%
Salary increases	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Investment rate of return (net)	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Mortality rate	Pub-2010 tables with generation improvements from 2010 with Scale MP-2020	Pub-2010 tables with generation improvements from 2010 with Scale MP-2020	RP-2014 Total mortality table projected from 2006 based on assumptions from the 2019 Social Security Administration Trustee's Report	RP-2014 Total mortality table projected from 2006 based on assumptions from the 2019 Social Security Administration Trustee's Report	RP-2014 Total mortality table projected from 2006 based on assumptions from the 2018 Social Security Administration Trustee's Report	RP 2014+ mortality based on assumptions from the 2017 Social Security Administration Trustee's Report	RP-2014+ mortality with social security generational improvement scale from 2006	Police, public works, WPCA and highway members - RP-2014 blue collar mortality with improvement scale from 2006. All other members - RP-2014 total mortality with social security generational improvement scale from 2006	Police, public works, WPCA and highway members - RP-2014 blue collar mortality with improvement scale from 2006. All other members - RP-2014 total mortality with social security generational improvement scale from 2006	N/A

N/A - Not available

Town of Thomaston, Connecticut

Required Supplementary Information

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015
<u>Schedule of Proportionate Share of the Collective Net Pension Liability</u>									
Town's proportion of the collective net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the collective net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the collective net pension liability associated with the Town	28,949,543	23,356,915	29,490,739	27,547,926	21,241,051	21,209,807	22,376,509	18,724,328	17,306,889
Total	<u>\$ 28,949,543</u>	<u>\$ 23,356,915</u>	<u>\$ 29,490,739</u>	<u>\$ 27,547,926</u>	<u>\$ 21,241,051</u>	<u>\$ 21,209,807</u>	<u>\$ 22,376,509</u>	<u>\$ 18,724,328</u>	<u>\$ 17,306,889</u>
Town's covered payroll	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Town's proportionate share of the collective net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the collective total pension liability	54.06%	60.77%	49.24%	52.00%	57.69%	55.93%	52.86%	59.50%	61.50%

Schedule of Contributions

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

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

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

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

Town of Thomaston, Connecticut

Notes to Required Supplementary Information

Connecticut State Teachers' Retirement System
Schedule of Contributions
Last Nine Years (1)

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Changes of benefit terms	None	None	None	None	Beginning January 1, 2018, member contributions increased from 6.00% to 7.00% of salary	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2020	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016	June 30, 2016	June 30, 2014	June 30, 2014	June 30, 2012
Actuarial methods and assumptions used to determine contribution rates:									
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed
Remaining amortization period	27.8 years	27.8 years	30 years	30 years	20.4 years	20.4 years	21.4 years	21.4 years	22.4 years
Asset valuation method	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing
Inflation rate	2.50%	2.50%	2.50%	2.50%	2.75%	2.75%	3.00%	3.00%	3.00%
Salary increases	3.00%-6.50%, average, including inflation	3.00%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation
Cost-of-living adjustments	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	2.00%-3.00% based on retirement date	2.00%-3.00% based on retirement date
Investment rate of return (net)	6.90%	6.90%	6.90%	6.90%	8.00%	8.00%	8.50%	8.50%	8.50%
Mortality rate	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2000 Combined Mortality Table projected 19 years using scale AA	RP-2000 Combined Mortality Table projected 19 years using scale AA	RP-2000 Combined Mortality Table projected 19 years using scale AA

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

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>Schedule of Changes in Net OPEB Liability and Related Ratios</u>							
Total OPEB liability:							
Service cost	\$ 61,607	\$ 67,101	\$ 111,128	\$ 125,373	\$ 216,810	\$ 205,034	\$ 219,329
Interest	700,677	650,634	746,862	758,496	1,091,922	1,202,380	1,175,639
Difference between expected and actual experience	-	576,355	(1,727,106)	(870,529)	(6,504,575)	(1,847,217)	2,266,952
Changes in benefit terms	-	-	(29,237)	-	-	-	-
Changes in assumptions	-	(684,668)	1,963,391	(775,933)	840,426	999,754	(196,530)
Benefit payments, including refunds of member contributions	(778,160)	(611,309)	(724,472)	(656,996)	(839,356)	(844,480)	(875,766)
Net change in total OPEB liability	(15,876)	(1,887)	340,566	(1,419,589)	(5,194,773)	(284,529)	2,589,624
Total OPEB liability - July 1	14,920,356	14,922,243	14,581,677	16,001,266	21,196,039	21,480,568	18,890,944
Total OPEB liability - June 30 (a)	<u>\$ 14,904,480</u>	<u>\$ 14,920,356</u>	<u>\$ 14,922,243</u>	<u>\$ 14,581,677</u>	<u>\$ 16,001,266</u>	<u>\$ 21,196,039</u>	<u>\$ 21,480,568</u>
Plan fiduciary net position:							
Contributions - employer	\$ 803,160	\$ 636,309	\$ 749,472	\$ 681,996	\$ 864,356	\$ 869,480	\$ 900,766
Net investment income	42,069	(63,389)	95,545	18,038	23,452	18,083	18,590
Benefit payments, including refunds of member contributions	(778,160)	(611,309)	(724,472)	(656,996)	(839,356)	(844,480)	(875,766)
Administration	(615)	(1,299)	(560)	(501)	(761)	(500)	(416)
Net change in plan fiduciary net position	66,454	(39,688)	119,985	42,537	47,691	42,583	43,174
Plan fiduciary net position - July 1	462,055	501,743	381,758	339,221	291,530	248,947	205,773
Plan fiduciary net position - June 30 (b)	<u>\$ 528,509</u>	<u>\$ 462,055</u>	<u>\$ 501,743</u>	<u>\$ 381,758</u>	<u>\$ 339,221</u>	<u>\$ 291,530</u>	<u>\$ 248,947</u>
Net OPEB liability - June 30 (a)-(b)	<u>\$ 14,375,971</u>	<u>\$ 14,458,301</u>	<u>\$ 14,420,500</u>	<u>\$ 14,199,919</u>	<u>\$ 15,662,045</u>	<u>\$ 20,904,509</u>	<u>\$ 21,231,621</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>3.55%</u>	<u>3.10%</u>	<u>3.36%</u>	<u>2.62%</u>	<u>2.12%</u>	<u>1.38%</u>	<u>1.16%</u>
Covered payroll	<u>\$ 953,003</u>	<u>\$ 925,246</u>	<u>\$ 898,297</u>	<u>\$ 1,303,639</u>	<u>\$ 1,253,499</u>	<u>\$ 2,770,895</u>	<u>\$ 2,664,322</u>
Net OPEB liability as a percentage of covered payroll	<u>6.63%</u>	<u>6.40%</u>	<u>6.23%</u>	<u>9.18%</u>	<u>8.00%</u>	<u>13.26%</u>	<u>12.55%</u>
<u>Schedule of Investment Returns</u>							
Annual money weighted rate of return, net	<u>8.72%</u>	<u>(12.53%)</u>	<u>24.56%</u>	<u>3.26%</u>	<u>4.02%</u>	<u>3.49%</u>	<u>3.97%</u>

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

See Notes to Required Supplementary Information.

Town of Thomaston, Connecticut

Required Supplementary Information

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contributions	\$ 1,048,877	\$ 1,055,511	\$ 828,319	\$ 868,989	\$ 1,215,346	\$ 1,211,597	\$ 1,151,113	\$ 1,558,534	\$ 1,480,136	\$ 1,249,797
Contributions in relation to the actuarially determined contribution	<u>803,160</u>	<u>636,309</u>	<u>749,472</u>	<u>681,996</u>	<u>864,356</u>	<u>869,480</u>	<u>900,766</u>	<u>685,657</u>	<u>631,108</u>	<u>652,571</u>
Contribution excess (deficiency)	<u>\$ (245,717)</u>	<u>\$ (419,202)</u>	<u>\$ (78,847)</u>	<u>\$ (186,993)</u>	<u>\$ (350,990)</u>	<u>\$ (342,117)</u>	<u>\$ (250,347)</u>	<u>\$ (872,877)</u>	<u>\$ (849,028)</u>	<u>\$ (597,226)</u>
Covered payroll	<u>\$ 953,003</u>	<u>\$ 925,246</u>	<u>\$ 898,297</u>	<u>\$ 1,303,639</u>	<u>\$ 1,253,499</u>	<u>\$ 2,770,895</u>	<u>\$ 2,664,332</u>	<u>\$ 2,546,003</u>	<u>\$ 2,471,848</u>	<u>\$ 2,310,927</u>
Contributions as a percentage of covered payroll	<u>84.28%</u>	<u>68.77%</u>	<u>83.43%</u>	<u>52.31%</u>	<u>68.96%</u>	<u>31.38%</u>	<u>33.81%</u>	<u>26.93%</u>	<u>25.53%</u>	<u>28.24%</u>

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

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Changes of benefit terms	None	None	For active employees retiring on or after July 1, 2020 and by June 30, 2021, retirees' premium share is 13.00% for white collar, 12.50% for public works, and 11.00% for sewer	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	January 1, 2022	January 1, 2020	January 1, 2020	January 1, 2018	January 1, 2018	January 1, 2016	January 1, 2016	January 1, 2014	January 1, 2014	January 1, 2012
Actuarial methods and assumptions used to determine contribution rates:										
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Projected unit credit	Projected unit credit	Projected unit credit
Amortization method	Level percentage of salary	Level percentage of salary	Level percentage of salary	Level percentage of salary	Level percentage of salary	Level percentage of salary	Level percentage of salary	Level dollar	Level dollar	Level dollar
Asset valuation method	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	N/A
Inflation rate	2.20%	2.20%	2.50%	2.20%	2.20%	3.50%	3.50%	3.00%	3.00%	N/A
Salary increases	4.00%	4.00%	4.00%	4.00%	4.00%	N/A	N/A	N/A	N/A	N/A
Investment rate of return - Town (net)	4.80%	4.80%	6.07%	6.00%	6.00%	5.60%	5.60%	5.33%	5.33%	5.33%
Mortality rate	SOA Pub-2010 general headcount weighted mortality table fully generational using Scale MP-2021	SOA Pub-2010 general headcount weighted mortality table fully generational using Scale MP-2021	SOA Pub-2010 general headcount weighted mortality table fully generational using Scale MP-2021	SOA Pub-2010 general headcount weighted mortality table fully generational using Scale MP-2019	SOA Pub-2010 general headcount weighted mortality table fully generational using Scale MP-2019	SOA RPH-2016 Total Dataset Headcount-Weighted Mortality Table fully generational using Scale MP-2016	SOA RPH-2016 Total Dataset Headcount-Weighted Mortality Table fully generational using Scale MP-2016	N/A	N/A	N/A

N/A - Not available.

Town of Thomaston, Connecticut

Required Supplementary Information

Education Other Post-Employment Benefit (OPEB) Plan
Last Seven Years (1)

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
<u>Schedule of Changes in Total OPEB Liability and Related Ratios</u>							
Total OPEB liability:							
Service cost	\$ 168,272	\$ 239,425	\$ 340,201	\$ 278,538	\$ 226,046	\$ 256,700	\$ 342,342
Interest	205,714	152,930	206,607	243,931	220,611	220,059	205,769
Difference between expected and actual experience	-	(287,484)	(1,455,969)	(381,988)	588,466	(513,843)	(933,922)
Changes in assumptions	(79,442)	(1,282,278)	721,926	832,351	360,723	(236,655)	(562,365)
Benefit payments, including refunds of member contributions	<u>(219,463)</u>	<u>(203,155)</u>	<u>(213,723)</u>	<u>(219,578)</u>	<u>(179,196)</u>	<u>(173,960)</u>	<u>(174,221)</u>
Net change in total OPEB liability	75,081	(1,380,562)	(400,958)	753,254	1,216,650	(447,699)	(1,122,397)
Total OPEB liability - July 1	<u>5,751,637</u>	<u>7,132,199</u>	<u>7,533,157</u>	<u>6,779,903</u>	<u>5,563,253</u>	<u>6,010,952</u>	<u>7,133,349</u>
Total OPEB liability - June 30*	<u>\$ 5,826,718</u>	<u>\$ 5,751,637</u>	<u>\$ 7,132,199</u>	<u>\$ 7,533,157</u>	<u>\$ 6,779,903</u>	<u>\$ 5,563,253</u>	<u>\$ 6,010,952</u>
Covered employee payroll	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>\$ 8,094,378</u>	<u>\$ 7,783,056</u>	<u>N/A</u>	<u>N/A</u>
Total OPEB liability as a percentage of covered employee payroll	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>107.45%</u>	<u>114.80%</u>	<u>N/A</u>	<u>N/A</u>

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

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

N/A - Not available

Town of Thomaston, Connecticut
Required Supplementary Information

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Schedule of Proportionate Share of the Collective Net OPEB Liability</u>						
Town's proportion of the collective net OPEB liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Town's proportionate share of the collective net OPEB liability	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
State of Connecticut's proportionate share of the collective net OPEB liability associated with the Town	<u>2,535,316</u>	<u>2,544,693</u>	<u>4,398,545</u>	<u>4,296,255</u>	<u>4,246,205</u>	<u>5,459,175</u>
Total	<u>\$2,535,316</u>	<u>\$2,544,693</u>	<u>\$4,398,545</u>	<u>\$4,296,255</u>	<u>\$4,246,205</u>	<u>\$5,459,175</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Town's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the collective total OPEB liability	<u>2.50%</u>	<u>6.11%</u>	<u>2.50%</u>	<u>2.08%</u>	<u>1.49%</u>	<u>1.79%</u>

Schedule of Contributions

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

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

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

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

Town of Thomaston, Connecticut

Notes to Required Supplementary Information

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

	2023	2022	2021	2020	2019	2018
Changes of benefit terms	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2022	June 30, 2020	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016
Actuarial methods and assumptions used to determine contribution rates:						
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level percentage, open	Level percentage, open	Level percentage, open
Amortization period	30 years	30 years	30 years	30 years	30 years	30 years
Asset valuation method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation rate	2.50%	2.50%	2.50%	2.75%	2.75%	2.75%
Healthcare inflation rate	Initial 5.125% decreasing to 4.50% (ultimate) by 2023	Initial 5.125% decreasing to 4.50% (ultimate) by 2023	Initial 5.125% decreasing to 4.50% (ultimate) by 2023	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 7.25% decreasing to 5.00% (ultimate) by 2022
Salary increases	3.00% to 6.50%, including inflation	3.00% to 6.50%, including inflation	3.00% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation
Investment rate of return (net)	3.00%	3.00%	3.00%	3.00%	3.00%	4.25%
Mortality rate	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	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	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	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

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

Supplemental Information

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 and welfare, culture and recreation, housing and development, 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, 2023**

Grand List Year	Uncollected Taxes July 1, 2022	Current Year Levy	Lawful Corrections		Transfers to Suspense	Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2023
			Additions	Deductions			Net Taxes Collected	Interest and Liens	Total	
2009	\$ 4,428	\$ -	\$ -	\$ -	\$ -	\$ 4,428	\$ 159	\$ 350	\$ 509	\$ 4,269
2010	5,257	-	-	-	76	5,181	117	429	546	5,064
2011	8,810	-	-	-	245	8,565	368	1,112	1,480	8,197
2012	17,278	-	-	-	387	16,891	441	903	1,344	16,450
2013	14,215	-	-	-	69	14,146	368	796	1,164	13,778
2014	13,904	-	-	-	1,048	12,856	1,159	779	1,938	11,697
2015	17,493	-	1,090	-	1,377	17,206	2,356	1,433	3,789	14,850
2016	22,365	-	-	210	353	21,802	1,288	1,550	2,838	20,514
2017	26,964	-	-	215	340	26,409	3,199	3,019	6,218	23,210
2018	31,196	-	291	901	-	30,586	8,411	4,698	13,109	22,175
2019	56,966	-	1,544	702	-	57,808	34,862	10,979	45,841	22,946
2020	211,162	-	8,238	6,752	154	212,494	130,826	31,261	162,087	81,668
Subtotal	430,038	-	11,163	8,780	4,049	428,372	183,554	57,309	240,863	244,818
2021	-	21,555,203	55,772	97,304	1,216	21,512,455	21,218,143	70,405	21,288,548	294,312
Total	<u>\$ 430,038</u>	<u>\$21,555,203</u>	<u>\$ 66,935</u>	<u>\$ 106,084</u>	<u>\$ 5,265</u>	<u>\$21,940,827</u>	<u>\$ 21,401,697</u>	<u>\$ 127,714</u>	<u>\$21,529,411</u>	<u>\$ 539,130</u>

Town of Thomaston, Connecticut

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2023

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance with Final Budget
Revenues:					
Property taxes	\$ 21,286,121	\$ -	\$ 21,286,121	\$ 21,578,652	\$ 292,531
Charges for services	470,387	-	470,387	533,406	63,019
Intergovernmental	6,234,362	-	6,234,362	6,459,341	224,979
Income from investments	20,000	-	20,000	445,366	425,366
Other	5,000	-	5,000	11,023	6,023
Total revenues	<u>28,015,870</u>	<u>-</u>	<u>28,015,870</u>	<u>29,027,788</u>	<u>1,011,918</u>
Expenditures:					
Current:					
General government	4,266,309	(64,088)	4,202,221	4,047,359	154,862
Public safety	2,326,827	(50,011)	2,276,816	2,227,293	49,523
Public works	2,135,517	37,489	2,173,006	2,130,628	42,378
Health and welfare	101,655	478	102,133	101,149	984
Culture and recreation	457,651	5,405	463,056	423,495	39,561
Housing and development	227,085	50,827	277,912	277,550	362
Education	15,712,529	-	15,712,529	15,712,529	-
Total expenditures	<u>25,227,573</u>	<u>(19,900)</u>	<u>25,207,673</u>	<u>24,920,003</u>	<u>287,670</u>
Excess (deficiency) of revenues over expenditures	<u>2,788,297</u>	<u>19,900</u>	<u>2,808,197</u>	<u>4,107,785</u>	<u>1,299,588</u>
Other financing sources (uses):					
Appropriation of fund balance	200,000	752,521	952,521	-	(952,521)
Transfers in	15,000	-	15,000	-	(15,000)
Transfers out	<u>(3,003,297)</u>	<u>(772,421)</u>	<u>(3,775,718)</u>	<u>(3,775,718)</u>	<u>-</u>
Net other financing sources (uses)	<u>(2,788,297)</u>	<u>(19,900)</u>	<u>(2,808,197)</u>	<u>(3,775,718)</u>	<u>(967,521)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	332,067	<u>\$ 332,067</u>
Fund balance - July 1, 2022				<u>6,106,570</u>	
Fund balance - June 30, 2023				<u>\$ 6,438,637</u>	

Other Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are restricted or committed to expenditures for particular purposes.

Fund	Funding Source	Function
Sewer Commission Usage Fund	Charges for services	To account for sewer operations
Sewer Commission Assessment and Appropriation Fund	Charges for services	To account for connection fees to the sewer system
School Lunch Fund	Sale of meals and grants	To account for the operations of the school lunch program
Education Funds	Grants and contributions	To account for Federal and State education grants, local grants and donations
School Activity Fund	Fees and contributions	Education programs
Town Clerk Preservation Fund	Charges for services and grants	To account for fees charged for land records to be used for historical document preservation
Transfer Station Fund	Charges for services	To account for the operations of the transfer station
Thomaston Opera House Fund	Contributions	To account for a performance related scholarship program
Public Library Funds	Grants and contributions	To account for the library programs and other library sponsored activities
Public Safety Funds	Charges for services and contributions	To account for public safety programs including fire marshal fees and permits, substance abuse grants, and forfeiture monies
Recreation Funds	Charges for services and contributions	To account for recreation programs

Other Governmental Funds

Fund	Funding Source	Function
Gift Fund	Contributions	To account for various donations, such as the clock tower restoration, Citizen Emergency Response Team (CERT), Beautification fund, Greenway Committee and Tri-Centennial Committee
Social Services Crisis Fund	Contributions	To account for social service programs
EMS Fund	Charges for services	To account for the Volunteer Ambulance operations
Small Cities	Grants and loan repayments	To account for the Small City loan program

Capital Projects Funds

Capital projects funds are used to account for acquisition and construction of major capital assets other than those financed by proprietary and trust funds.

Fund	Funding Source	Function
Capital Projects Fund	Charges for services and grants	To account for financial resources to be used for the construction or acquisition of capital equipment or facilities

Other Governmental Funds

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 as categorized by the fund title.

Fund	Funding Source	Function
Edith Kenea Park and Tree Fund	Income from investments	To account for money bequeathed for the purpose of replacing flowers and trees and beautification of Town parks
Fire Department Trust Fund	Income from investments	To account for money endowed to the Fire Department from Edith Kenea
Hillside Cemetery Trust Fund	Charges for services and income from investments	To account for the endowments, perpetual care assets and operations of the Hillside Cemetery

Town of Thomaston, Connecticut

Combining Balance Sheet
Other Governmental Funds
June 30, 2023

Special Revenue Funds

	Sewer Commission Usage Fund	Sewer Commission Assessment and Appropriation Fund	School Lunch Fund	Education Funds	School Activity Fund	Town Clerk Preservation Fund	Transfer Station Fund	Thomaston Opera House Fund
<u>Assets</u>								
Cash	\$ -	\$ 124,910	\$ 426,906	\$ 402,451	\$ 97,289	\$ 17,031	\$ -	\$ -
Investments	-	192,827	-	-	-	-	-	-
Receivables (net):								
Assessments/use charges	152,866	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Intergovernmental	-	-	94,870	6,488	-	-	-	-
Due from other funds	117,525	-	1,000	252,249	-	-	-	500
Other	-	-	9,242	-	-	-	-	-
Total assets	<u>\$ 270,391</u>	<u>\$ 317,737</u>	<u>\$ 532,018</u>	<u>\$ 661,188</u>	<u>\$ 97,289</u>	<u>\$ 17,031</u>	<u>\$ -</u>	<u>\$ 500</u>
<u>Liabilities</u>								
Accounts payable	\$ 76,527	\$ -	\$ -	\$ 56,467	\$ -	\$ -	\$ 2,204	\$ -
Accrued payroll	22,429	-	-	81,473	-	-	244	-
Due to other funds	18,569	-	-	-	-	-	30,512	-
Unearned revenue	-	-	8,775	115,214	-	-	5,554	-
Total liabilities	<u>117,525</u>	<u>-</u>	<u>8,775</u>	<u>253,154</u>	<u>-</u>	<u>-</u>	<u>38,514</u>	<u>-</u>
<u>Deferred Inflows of Resources</u>								
Unavailable revenue - assessments/use charges	<u>152,866</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances</u>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	317,737	523,243	-	-	17,031	-	-
Committed	-	-	-	408,034	97,289	-	-	500
Unassigned	-	-	-	-	-	-	(38,514)	-
Total fund balances	<u>-</u>	<u>317,737</u>	<u>523,243</u>	<u>408,034</u>	<u>97,289</u>	<u>17,031</u>	<u>(38,514)</u>	<u>500</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 270,391</u>	<u>\$ 317,737</u>	<u>\$ 532,018</u>	<u>\$ 661,188</u>	<u>\$ 97,289</u>	<u>\$ 17,031</u>	<u>\$ -</u>	<u>\$ 500</u>

(Continued)

Town of Thomaston, Connecticut

Combining Balance Sheet
Other Governmental Funds
June 30, 2023

Special Revenue Funds

	Public Library Funds	Public Safety Funds	Recreation Funds	Gift Fund	Social Services Crisis Fund	EMS Fund	Small Cities	Total Special Revenue Funds
<u>Assets</u>								
Cash	\$ 25,655	\$ 24,611	\$ -	\$ 55,729	\$ 57,458	\$ -	\$ 137,959	\$ 1,369,999
Investments	3,615	2,187	-	-	151	137,373	15,483	351,636
Receivables (net):								
Assessments/use charges	-	-	-	-	-	-	-	152,866
Loans	-	-	-	-	-	-	777,414	777,414
Intergovernmental	-	-	-	-	-	-	-	101,358
Due from other funds	-	-	60,233	250	-	-	-	431,757
Other	-	-	-	-	-	-	-	9,242
Total assets	<u>\$ 29,270</u>	<u>\$ 26,798</u>	<u>\$ 60,233</u>	<u>\$ 55,979</u>	<u>\$ 57,609</u>	<u>\$ 137,373</u>	<u>\$ 930,856</u>	<u>\$ 3,194,272</u>
<u>Liabilities</u>								
Accounts payable	\$ -	\$ -	\$ 3,029	\$ -	\$ -	\$ -	\$ 16,278	\$ 154,505
Accrued payroll	-	-	-	-	-	-	-	104,146
Due to other funds	-	-	-	-	-	-	-	49,081
Unearned revenue	-	-	-	-	-	-	-	129,543
Total liabilities	<u>-</u>	<u>-</u>	<u>3,029</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,278</u>	<u>437,275</u>
<u>Deferred Inflows of Resources</u>								
Unavailable revenue - assessments/use charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>152,866</u>
<u>Fund Balances</u>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	29,270	26,798	-	-	-	-	914,578	1,828,657
Committed	-	-	57,204	55,979	57,609	137,373	-	813,988
Unassigned	-	-	-	-	-	-	-	(38,514)
Total fund balances	<u>29,270</u>	<u>26,798</u>	<u>57,204</u>	<u>55,979</u>	<u>57,609</u>	<u>137,373</u>	<u>914,578</u>	<u>2,604,131</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 29,270</u>	<u>\$ 26,798</u>	<u>\$ 60,233</u>	<u>\$ 55,979</u>	<u>\$ 57,609</u>	<u>\$ 137,373</u>	<u>\$ 930,856</u>	<u>\$ 3,194,272</u>

(Continued)

Town of Thomaston, Connecticut

Combining Balance Sheet
Other Governmental Funds
June 30, 2023

	Capital Projects Fund	Permanent Funds				Total Other Governmental Funds
	Capital Projects Fund	Edith Kenea Park and Tree Fund	Fire Department Trust Fund	Hillside Cemetery Trust Fund	Total Permanent Funds	
<u>Assets</u>						
Cash	\$ 2,313	\$ -	\$ -	\$ 38,575	\$ 38,575	\$ 1,410,887
Investments	249,899	81,229	18,138	759,853	859,220	1,460,755
Receivables (net):						
Assessments/use charges	-	-	-	-	-	152,866
Loans	-	-	-	-	-	777,414
Intergovernmental	-	-	-	-	-	101,358
Due from other funds	18,569	-	-	-	-	450,326
Other	-	-	-	-	-	9,242
Total assets	<u>\$ 270,781</u>	<u>\$ 81,229</u>	<u>\$ 18,138</u>	<u>\$ 798,428</u>	<u>\$ 897,795</u>	<u>\$ 4,362,848</u>
<u>Liabilities</u>						
Accounts payable	\$ 21,061	\$ -	\$ -	\$ 537	\$ 537	\$ 176,103
Accrued payroll	-	-	-	1,719	1,719	105,865
Due to other funds	1,604	1,482	-	92,821	94,303	144,988
Unearned revenue	-	-	-	-	-	129,543
Total liabilities	<u>22,665</u>	<u>1,482</u>	<u>-</u>	<u>95,077</u>	<u>96,559</u>	<u>556,499</u>
<u>Deferred Inflows of Resources</u>						
Unavailable revenue - assessments/use charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>152,866</u>
<u>Fund Balances</u>						
Nonspendable	-	50,000	15,700	104,500	170,200	170,200
Restricted	-	29,747	2,438	598,851	631,036	2,459,693
Committed	248,116	-	-	-	-	1,062,104
Unassigned	-	-	-	-	-	(38,514)
Total fund balances	<u>248,116</u>	<u>79,747</u>	<u>18,138</u>	<u>703,351</u>	<u>801,236</u>	<u>3,653,483</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 270,781</u>	<u>\$ 81,229</u>	<u>\$ 18,138</u>	<u>\$ 798,428</u>	<u>\$ 897,795</u>	<u>\$ 4,362,848</u>

(Concluded)

Town of Thomaston, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds							
	Sewer Commission Usage Fund	Sewer Commission Assessment and Appropriation Fund	School Lunch Fund	Education Funds	School Activity Fund	Town Clerk Preservation Fund	Transfer Station Fund	Thomaston Opera House Fund
Revenues:								
Charges for services	\$ 1,639,114	\$ -	\$ 70,721	\$ -	\$ 105,310	\$ 3,724	\$ 22,150	\$ -
Intergovernmental	-	-	558,241	1,799,756	-	5,500	-	-
Contributions	-	-	-	83,383	-	-	-	-
Income from investments	-	418	-	-	-	6	-	-
Net change in fair value of investments	-	-	-	-	-	-	-	-
Total revenues	<u>1,639,114</u>	<u>418</u>	<u>628,962</u>	<u>1,883,139</u>	<u>105,310</u>	<u>9,230</u>	<u>22,150</u>	<u>-</u>
Expenditures:								
Current:								
General government	-	-	-	-	-	2,683	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	1,620,545	-	-	-	-	-	43,893	-
Health and welfare	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Education	-	-	475,450	2,246,539	139,161	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>1,620,545</u>	<u>-</u>	<u>475,450</u>	<u>2,246,539</u>	<u>139,161</u>	<u>2,683</u>	<u>43,893</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>18,569</u>	<u>418</u>	<u>153,512</u>	<u>(363,400)</u>	<u>(33,851)</u>	<u>6,547</u>	<u>(21,743)</u>	<u>-</u>
Other financing sources (uses):								
Transfers in	-	-	-	86,788	-	-	-	-
Transfers out	<u>(18,569)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net other financing sources (uses)	<u>(18,569)</u>	<u>-</u>	<u>-</u>	<u>86,788</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	418	153,512	(276,612)	(33,851)	6,547	(21,743)	-
Fund balances - July 1, 2022	-	317,319	369,731	684,646	131,140	10,484	(16,771)	500
Fund balances - June 30, 2023	<u>\$ -</u>	<u>\$ 317,737</u>	<u>\$ 523,243</u>	<u>\$ 408,034</u>	<u>\$ 97,289</u>	<u>\$ 17,031</u>	<u>\$ (38,514)</u>	<u>\$ 500</u>

(Continued)

Town of Thomaston, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds							
	Public Library Funds	Public Safety Funds	Recreation Funds	Gift Fund	Social Services Crisis Fund	EMS Fund	Small Cities	Total Special Revenue Funds
Revenues:								
Charges for services	\$ -	\$ 300	\$ 90,648	\$ -	\$ -	\$ -	\$ -	\$ 1,931,967
Intergovernmental	7,585	-	-	-	-	-	-	2,371,082
Contributions	17,677	26,831	-	16,743	15,327	-	-	159,961
Income from investments	2	26	-	12	2	-	3	469
Net change in fair value of investments	-	-	-	-	-	-	-	-
Total revenues	25,264	27,157	90,648	16,755	15,329	-	3	4,463,479
Expenditures:								
Current:								
General government	-	-	-	-	-	-	-	2,683
Public safety	-	24,841	-	-	-	5	-	24,846
Public works	-	-	-	-	-	-	-	1,664,438
Health and welfare	-	-	-	-	3,671	-	7,141	10,812
Culture and recreation	15,232	-	75,224	11,856	-	-	-	102,312
Education	-	-	-	-	-	-	-	2,861,150
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	15,232	24,841	75,224	11,856	3,671	5	7,141	4,666,241
Excess (deficiency) of revenues over expenditures	10,032	2,316	15,424	4,899	11,658	(5)	(7,138)	(202,762)
Other financing sources (uses):								
Transfers in	-	-	9,625	-	10,000	-	-	106,413
Transfers out	-	-	-	(4,592)	-	-	-	(23,161)
Net other financing sources (uses)	-	-	9,625	(4,592)	10,000	-	-	83,252
Net change in fund balances	10,032	2,316	25,049	307	21,658	(5)	(7,138)	(119,510)
Fund balances - July 1, 2022	19,238	24,482	32,155	55,672	35,951	137,378	921,716	2,723,641
Fund balances - June 30, 2023	\$ 29,270	\$ 26,798	\$ 57,204	\$ 55,979	\$ 57,609	\$ 137,373	\$ 914,578	\$ 2,604,131

(Continued)

Town of Thomaston, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For the Year Ended June 30, 2023

	Capital Projects Fund	Permanent Funds				Total Other Governmental Funds
	Capital Projects Fund	Edith Kenea Park and Tree Fund	Fire Department Trust Fund	Hillside Cemetery Trust Fund	Total Permanent Funds	
Revenues:						
Charges for services	\$ 2,623	\$ -	\$ -	\$ 37,599	\$ 37,599	\$ 1,972,189
Intergovernmental	-	-	-	-	-	2,371,082
Contributions	-	-	-	-	-	159,961
Income from investments	295	126	54	13,440	13,620	14,384
Net change in fair value of investments	-	-	-	27,836	27,836	27,836
Total revenues	2,918	126	54	78,875	79,055	4,545,452
Expenditures:						
Current:						
General government	-	-	-	-	-	2,683
Public safety	-	-	-	-	-	24,846
Public works	-	8,867	-	-	8,867	1,673,305
Health and welfare	-	-	-	99,204	99,204	110,016
Culture and recreation	5,000	-	-	-	-	107,312
Education	-	-	-	-	-	2,861,150
Capital outlay	228,936	-	-	-	-	228,936
Total expenditures	233,936	8,867	-	99,204	108,071	5,008,248
Excess (deficiency) of revenues over expenditures	(231,018)	(8,741)	54	(20,329)	(29,016)	(462,796)
Other financing sources (uses):						
Transfers in	18,569	-	-	26,000	26,000	150,982
Transfers out	-	-	-	-	-	(23,161)
Net other financing sources (uses)	18,569	-	-	26,000	26,000	127,821
Net change in fund balances	(212,449)	(8,741)	54	5,671	(3,016)	(334,975)
Fund balances - July 1, 2022	460,565	88,488	18,084	697,680	804,252	3,988,458
Fund balances - June 30, 2023	\$ 248,116	\$ 79,747	\$ 18,138	\$ 703,351	\$ 801,236	\$ 3,653,483

(Concluded)

Town of Thomaston, Connecticut
Sewer Commission Usage Fund
Schedule of Sewer Use Charges Receivable
For the Year Ended June 30, 2023

Fiscal Year	Uncollected Balance July 1, 2022	Current Year Charges	Corrections		Adjusted User Charges Collectible	Collections			Uncollected Balance June 30, 2023
			Additions	Deductions		Use Charges	Interest and Liens	Total	
2015	\$ 241	\$ -	\$ -	\$ -	\$ 241	\$ -	\$ -	\$ -	\$ 241
2016	-	-	-	-	-	-	-	-	-
2017	1,055	-	-	-	1,055	352	193	545	703
2018	4,173	-	644	-	4,817	2,618	2,638	5,256	2,199
2019	6,590	-	-	-	6,590	2,580	1,994	4,574	4,010
2020	10,166	-	-	-	10,166	5,456	2,889	8,345	4,710
2021	30,806	-	-	364	30,442	21,717	8,814	30,531	8,725
2022	139,215	-	2,948	-	142,163	107,038	17,557	124,595	35,125
Subtotal	192,246	-	3,592	364	195,474	139,761	34,085	173,846	55,713
2023	-	1,548,719	1,222	-	1,549,941	1,452,788	12,480	1,465,268	97,153
Total	<u>\$ 192,246</u>	<u>\$ 1,548,719</u>	<u>\$ 4,814</u>	<u>\$ 364</u>	<u>\$ 1,745,415</u>	<u>\$ 1,592,549</u>	<u>\$ 46,565</u>	<u>\$ 1,639,114</u>	<u>\$ 152,866</u>

Fiduciary Funds

Fiduciary Funds

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

Pension and OPEB Trust Funds

Fund	Funding Source	Function
Pension Trust Fund	Contributions	To account for pension benefits for Town and Education non certified employees
OPEB Trust Fund	Contributions	To account for other post-employment benefits for Town employees

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.

Fund	Funding Source	Function
Leander Smith Award Fund	Income from investments	To account for an endowment from which the interest is used to award exceptional teachers
Peppie Wagner Fund	Income from investments	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	Income from investments	To account for a \$1,000 endowment from which the interest is used to award exceptional students

Custodial Funds

Fund	Funding Source	Function
Volunteer Firemen Award Fund	Contributions	To account for the investment activity and monies held for volunteer firemen awards

Town of Thomaston, Connecticut

Private Purpose Trust Funds
Combining Statement of Fiduciary Net Position
June 30, 2023

	Peppie Wagner Fund	Seth Thomas Prize Fund	Total
	<u> </u>	<u> </u>	<u> </u>
<u>Assets</u>			
Cash	\$ 361	\$ -	\$ 361
Investments	<u>-</u>	<u>1,146</u>	<u>1,146</u>
Total assets	<u>361</u>	<u>1,146</u>	<u>1,507</u>
<u>Net Position</u>			
Net position restricted for individuals	<u>\$ 361</u>	<u>\$ 1,146</u>	<u>\$ 1,507</u>

Town of Thomaston, Connecticut

Private Purpose Trust Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2023

	Leander Smith Award Fund	Peppie Wagner Fund	Seth Thomas Prize Fund	Total
Additions:				
Income from investments	\$ 9	\$ -	\$ 3	\$ 12
Deductions:				
Awards	<u>-</u>	<u>100</u>	<u>-</u>	<u>100</u>
Change in net position before transfers	9	(100)	3	(88)
Transfers out	<u>(5,576)</u>	<u>-</u>	<u>-</u>	<u>(5,576)</u>
Changes in net position	(5,567)	(100)	3	(5,664)
Net position - July 1, 2022	<u>5,567</u>	<u>461</u>	<u>1,143</u>	<u>7,171</u>
Net position - June 30, 2023	<u><u>\$ -</u></u>	<u><u>\$ 361</u></u>	<u><u>\$ 1,146</u></u>	<u><u>\$ 1,507</u></u>

Statistical Section

This part of the Town's annual comprehensive 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.

Table	Description
Financial Trend (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 12-14)	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 15-16)	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 annual comprehensive financial reports for the fiscal year.

Table 1

Town of Thomaston, Connecticut

Net Position by Component
Governmental Activities
Last Ten Years
(Unaudited)

	June 30									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
				(as restated)						
Net investment in capital assets	\$ 50,415,010	\$ 44,894,704	\$ 43,029,812	\$ 37,728,275	\$ 39,632,659	\$ 38,688,922	\$ 32,655,352	\$ 38,387,002	\$ 35,802,178	\$ 32,848,325
Restricted for:										
Endowments:										
Nonexpendable	65,700	65,700	65,700	65,700	65,700	65,700	65,700	65,700	95,700	95,700
Expendable	32,185	40,872	40,631	40,643	39,579	37,525	42,860	42,860	13,170	13,502
Perpetual care:										
Nonexpendable	104,500	104,500	104,500	104,500	104,500	104,500	104,500	104,500	104,500	104,500
Expendable	598,851	71,570	71,570	71,570	71,570	71,570	71,570	71,570	71,570	71,570
Housing and rehabilitation	914,578	921,716	923,178	936,300	950,170	73,768	-	195,991	169,072	183,242
Public safety	26,798	24,482	30,117	25,035	21,403	29,411	-	-	-	38,365
Sewer operations	317,737	317,319	310,711	275,305	144,282	221,057	206,985	185,494	130,651	177,277
Education	523,243	369,731	154,325	162,080	198,659	152,036	99,382	46,131	-	-
Library	29,270	19,238	5,490	8,374	13,574	18,304	9,860	15,397	-	-
Other	17,031	10,484	11,408	13,685	16,834	10,991	7,272	7,744	47,158	25,960
Unrestricted	<u>(13,024,164)</u>	<u>(9,469,771)</u>	<u>(13,983,695)</u>	<u>(14,839,659)</u>	<u>(22,451,889)</u>	<u>(26,102,210)</u>	<u>(19,669,339)</u>	<u>(6,562,121)</u>	<u>(3,630,183)</u>	<u>(2,296,658)</u>
Total net position	<u>\$ 40,020,739</u>	<u>\$ 37,370,545</u>	<u>\$ 30,763,747</u>	<u>\$ 24,591,808</u>	<u>\$ 18,807,041</u>	<u>\$ 13,371,574</u>	<u>\$ 13,594,142</u>	<u>\$ 32,560,268</u>	<u>\$ 32,803,816</u>	<u>\$ 31,261,783</u>

Source: Current and prior financial statements.

Table 2

Town of Thomaston, Connecticut

**Changes in Net Position
Governmental Activities
Last Ten Years
(Unaudited)**

For the Year Ended June 30

	2023	2022	2021	2020 (as restated)	2019	2018	2017	2016	2015	2014
Expenses:										
General government	\$ 2,521,692	\$ 2,018,673	\$ 1,231,754	\$ 781,152	\$ 1,009,995	\$ 1,509,908	\$ 1,417,618	\$ 1,417,021	\$ 1,468,054	\$ 1,662,601
Public safety	3,557,418	3,404,236	3,082,932	1,910,201	2,100,352	3,716,219	3,558,258	3,326,695	3,164,883	2,817,840
Public works	5,245,575	5,102,672	4,597,714	3,474,517	3,697,513	5,217,983	5,126,370	4,781,865	4,907,857	4,523,074
Health and welfare	242,892	217,936	213,994	195,350	174,134	233,960	222,395	209,795	203,022	189,646
Culture and recreation	988,601	911,789	981,339	773,464	678,631	1,098,082	1,015,466	1,084,776	1,034,470	856,538
Housing and development	362,916	313,049	297,236	296,520	249,609	276,818	544,178	787,911	460,058	384,582
Education	21,622,027	20,289,887	19,599,685	19,440,731	19,180,664	19,875,111	19,401,777	18,527,836	17,988,363	17,715,754
Interest	437,837	464,456	732,829	709,646	882,574	647,763	750,391	703,177	675,831	778,821
Total expenses	<u>34,978,958</u>	<u>32,722,698</u>	<u>30,737,483</u>	<u>27,581,581</u>	<u>27,973,472</u>	<u>32,575,844</u>	<u>32,036,453</u>	<u>30,839,076</u>	<u>29,902,538</u>	<u>28,928,856</u>
Program revenues:										
Charges for services:										
General government	232,787	239,950	248,467	203,273	188,285	150,294	153,730	145,299	149,298	143,897
Public safety	327,281	360,696	260,540	160,575	194,083	300,032	203,715	219,899	243,508	158,884
Public works	1,661,617	1,581,158	1,504,333	1,475,119	1,434,453	1,345,075	1,363,837	1,378,548	1,314,456	1,216,145
Health and welfare	-	-	-	-	-	209	859	723	473	444
Culture and recreation	111,831	31,730	9,181	43,433	48,830	41,976	62,326	61,159	54,212	50,645
Housing and development	116,704	100,921	87,790	90,344	94,449	60,709	61,176	78,967	68,995	69,425
Education	176,031	120,517	43,185	127,594	180,492	184,912	205,641	189,665	188,604	213,589
Operating grants and contributions	10,034,715	9,950,822	9,560,177	9,269,644	9,681,796	9,207,222	9,596,263	8,923,066	8,450,907	8,781,136
Capital grants and contributions	1,870,150	5,037,216	3,460,998	348,717	838,130	540,038	115,622	605,945	2,230,932	655,034
Total program revenues	<u>14,531,116</u>	<u>17,423,010</u>	<u>15,174,671</u>	<u>11,718,699</u>	<u>12,660,518</u>	<u>11,830,467</u>	<u>11,763,169</u>	<u>11,603,271</u>	<u>12,701,385</u>	<u>11,289,199</u>
Net expenses	<u>(20,447,842)</u>	<u>(15,299,688)</u>	<u>(15,562,812)</u>	<u>(15,862,882)</u>	<u>(15,312,954)</u>	<u>(20,745,377)</u>	<u>(20,273,284)</u>	<u>(19,235,805)</u>	<u>(17,201,153)</u>	<u>(17,639,657)</u>
General revenues:										
Property taxes	21,725,162	21,374,951	21,095,405	20,896,033	20,081,678	19,473,610	18,906,623	18,347,627	18,156,595	18,118,289
Grants and contributions not restricted to specific programs	874,226	458,426	473,207	469,655	453,192	562,109	680,052	516,623	521,843	517,874
Income from investments	487,625	6,666	141,581	99,198	167,124	134,586	86,423	62,240	34,434	64,153
Other	11,023	66,443	24,558	48,047	46,427	88,936	56,172	65,734	30,314	31,362
Total general revenues	<u>23,098,036</u>	<u>21,906,486</u>	<u>21,734,751</u>	<u>21,512,933</u>	<u>20,748,421</u>	<u>20,259,241</u>	<u>19,729,270</u>	<u>18,992,224</u>	<u>18,743,186</u>	<u>18,731,678</u>
Change in net position	<u>\$ 2,650,194</u>	<u>\$ 6,606,798</u>	<u>\$ 6,171,939</u>	<u>\$ 5,650,051</u>	<u>\$ 5,435,467</u>	<u>\$ (486,136)</u>	<u>\$ (544,014)</u>	<u>\$ (243,581)</u>	<u>\$ 1,542,033</u>	<u>\$ 1,092,021</u>

Source: Current and prior financial statements.

Table 3

Town of Thomaston, Connecticut

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

June 30

	2023	2022	2021	2020 (as restated)	2019	2018	2017	2016	2015	2014
General fund:										
Nonspendable	\$ 17,053	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Assigned	228,000	200,000	186,561	-	140,000	100,000	675,000	102,266	160,000	250,000
Unassigned	6,193,584	5,906,570	5,503,803	5,038,365	4,200,492	3,502,786	2,956,906	3,340,323	3,007,183	2,890,109
Total general fund	6,438,637	6,106,570	5,690,364	5,038,365	4,340,492	3,602,786	3,631,906	3,442,589	3,167,183	3,140,109
All other governmental funds:										
Nonspendable	170,200	170,200	170,200	170,200	170,200	1,051,114	170,200	170,200	1,050,267	1,279,423
Restricted	2,459,693	2,297,022	1,547,430	1,667,708	1,456,071	614,662	1,393,058	1,361,668	531,621	509,916
Committed	1,373,962	1,736,532	2,947,627	1,576,672	1,637,755	1,560,187	1,210,838	1,016,604	1,037,766	930,964
Assigned	969,224	1,073,402	625,779	819,460	1,061,834	921,708	916,931	1,259,874	1,380,309	1,086,043
Unassigned	(101,510)	(3,074,972)	(3,099,831)	(398,959)	(690,113)	(5,481)	(2,274,592)	(494,329)	-	(109,805)
Total all other governmental funds	4,871,569	2,202,184	2,191,205	3,835,081	3,635,747	4,142,190	1,416,435	3,314,017	3,999,963	3,696,541
Grand total	\$ 11,310,206	\$ 8,308,754	\$ 7,881,569	\$ 8,873,446	\$ 7,976,239	\$ 7,744,976	\$ 5,048,341	\$ 6,756,606	\$ 7,167,146	\$ 6,836,650

Source: Current and prior financial statements.

Notes:

General fund:

Unassigned

Increased due to positive operations offset by an increase in assigned fund balance for subsequent year's budget

All other governmental funds:

Restricted

Increased due primarily to positive operations in the school lunch fund

Committed

Decrease due to decrease in amounts committed for Town wide projects

Assigned

Decreased due to negative operations of the debt service fund

Unassigned

Increased due to positive operations of the capital or nonrecurring fund for issuances of permanently financed bonds

Table 4

Town of Thomaston, Connecticut

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

For the Year Ended June 30

	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
				(as restated)						
Revenues:										
Property taxes	\$ 21,578,652	\$ 21,401,555	\$ 21,145,103	\$ 20,826,558	\$ 20,033,981	\$ 19,357,281	\$ 18,880,582	\$ 18,477,767	\$ 18,337,484	\$ 18,134,271
Charges for services	2,665,750	2,365,810	2,168,963	2,120,672	2,154,081	2,071,836	2,143,933	2,140,092	2,064,253	1,864,263
Intergovernmental	12,509,112	15,301,232	13,317,913	9,886,147	10,864,252	10,156,081	10,451,748	10,053,041	11,090,040	10,023,755
Contributions	269,979	145,232	176,469	201,869	250,129	299,456	91,089	148,692	275,701	109,013
Income from investments	459,789	64,829	49,062	100,011	148,405	113,408	55,553	28,086	20,924	19,144
Net change in fair value of investments	27,836	(58,163)	92,519	(813)	18,719	21,178	30,870	34,154	13,510	45,009
Other	11,023	31,443	24,558	48,047	46,427	88,936	55,369	57,426	30,314	31,361
Total revenues	37,522,141	39,251,938	36,974,587	33,182,491	33,515,994	32,108,176	31,709,144	30,939,258	31,832,226	30,226,816
Expenditures:										
Current:										
General government	4,122,470	3,906,121	3,725,907	3,727,824	3,740,840	3,873,266	3,814,056	3,678,660	3,737,170	3,517,321
Public safety	2,306,164	2,102,622	2,046,847	1,832,090	1,861,910	1,703,190	1,768,195	1,626,723	1,618,411	1,562,456
Public works	3,809,639	3,628,435	3,579,356	3,318,312	3,320,887	3,154,183	3,049,696	2,786,773	2,995,295	3,000,019
Health and welfare	211,365	180,356	182,299	204,070	180,023	174,465	170,466	152,747	153,566	150,984
Culture and recreation	589,984	535,563	599,869	683,797	542,749	589,386	513,582	541,350	532,772	504,198
Housing and development	282,563	228,936	201,947	211,570	161,703	152,173	417,337	658,758	319,731	294,715
Education	20,888,425	19,501,927	19,137,352	18,617,311	18,424,641	19,007,633	18,394,057	17,368,884	16,903,635	17,181,062
Debt service:										
Principal	2,581,380	2,016,838	2,581,380	2,788,717	2,458,000	2,497,191	2,528,909	2,730,826	2,330,597	2,364,762
Interest	148,108	816,022	849,798	900,831	782,313	689,533	807,120	729,413	930,238	824,059
Capital outlay	6,124,068	6,178,487	5,493,788	1,932,020	2,787,469	5,487,777	2,007,611	1,176,861	2,399,439	6,258,365
Total expenditures	41,064,166	39,095,307	38,398,543	34,216,542	34,260,535	37,328,797	33,471,029	31,450,995	31,920,854	35,657,941
Excess (deficiency) of revenues over expenditures	(3,542,025)	156,631	(1,423,956)	(1,034,051)	(744,541)	(5,220,621)	(1,761,885)	(511,737)	(88,628)	(5,431,125)
Other financing sources (uses):										
Issuance of debt	6,507,600	48,397	432,079	1,647,217	795,000	7,653,947	39,758	73,298	-	6,079,085
Issuance of refunding bonds	-	4,300,000	-	3,750,000	-	-	-	-	6,455,000	-
Payment to refunding bond escrow agent	-	(4,854,501)	-	(4,378,450)	-	-	-	-	(6,654,127)	-
Premium	35,877	741,658	6,543,477	777,775	168,134	-	13,059	19,591	618,251	12,384
Sale of capital assets	-	35,000	-	-	12,670	-	803	8,308	-	-
Transfers in	3,798,879	4,258,662	4,346,354	4,118,313	3,702,209	3,428,503	3,410,476	3,727,326	3,843,788	3,679,843
Transfers out	(3,798,879)	(4,258,662)	(4,346,354)	(4,118,313)	(3,702,209)	(3,428,503)	(3,410,476)	(3,727,326)	(3,843,788)	(3,679,843)
Net other financing sources (uses)	6,543,477	270,554	6,975,556	1,796,542	975,804	7,653,947	53,620	101,197	419,124	6,091,469
Net change in fund balances	\$ 3,001,452	\$ 427,185	\$ 5,551,600	\$ 762,491	\$ 231,263	\$ 2,433,326	\$ (1,708,265)	\$ (410,540)	\$ 330,496	\$ 660,344
Debt service as a percentage of noncapital expenditures	7.81%	8.61%	10.43%	11.43%	10.30%	10.01%	10.55%	11.05%	11.05%	10.85%

Source: Current and prior financial statements.

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	Net Motor Vehicle Assessed Value	Net Personal Property Assessed Value	Total Assessed Value	Estimated Actual Value	Net Assessed Value	Estimated Actual Value		
2023	* 2021	\$522,418,210	\$746,311,729	\$84,489,255	\$56,962,920	\$141,452,175	\$202,074,536	\$663,870,385	\$948,386,265	70.00%	32.11
2022	2020	460,222,110	657,460,157	66,226,136	52,478,123	118,704,259	169,577,513	578,926,369	827,037,670	70.00%	36.13
2021	2019	457,264,604	653,235,148	61,172,578	53,721,950	114,894,528	164,135,040	572,159,132	817,370,188	70.00%	36.13
2020	2018	454,543,240	649,347,486	60,190,394	49,362,638	109,553,032	156,504,331	564,096,272	805,851,817	70.00%	36.53
2019	2017	453,773,020	648,247,171	58,510,914	39,218,985	97,729,899	139,614,141	551,502,919	787,861,312	70.00%	35.79
2018	* 2016	451,278,920	644,684,171	57,862,428	38,534,860	96,397,288	137,710,411	547,676,208	782,394,582	70.00%	35.05
2017	2015	450,597,961	643,711,373	57,313,798	38,226,764	95,540,562	136,486,517	546,138,523	780,197,890	70.00%	34.07
2016	2014	448,599,342	640,856,203	55,901,286	35,731,216	91,632,502	130,903,574	540,231,844	771,759,777	70.00%	33.63
2015	2013	447,896,489	639,852,127	54,890,395	31,130,613	86,021,008	122,887,154	533,917,497	762,739,281	70.00%	33.63
2014	2012	449,149,304	641,641,863	54,777,754	35,497,126	90,274,880	128,964,114	539,424,184	770,605,977	70.00%	33.13

Source: Office of Tax Assessor.

Note:

* Revaluation performed

Table 6

Town of Thomaston, Connecticut

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

Taxpayer	2023			2014		
	Assessment	Rank	Percent of Net Taxable Grand List	Assessment	Rank	Percent of Net Taxable Grand List
Connecticut Light & Power Co.	\$ 23,344,010	1	3.52%	\$ 8,116,950	1	1.50%
Silgon Dispension (formerly Albea/Rexam)	13,275,980	2	2.00%	5,443,990	2	1.01%
Yankee Gas Services Company	5,200,810	3	0.78%	3,402,120	4	0.63%
Thomaston Savings Bank	3,889,960	4	0.59%	3,124,270	6	0.58%
Thomaston Valley Village	3,453,670	5	0.52%	N/A	N/A	N/A
Connecticut Water Company	3,268,290	6	0.49%	3,704,640	3	0.69%
Summit Corp of America	2,889,060	7	0.44%	2,703,250	8	0.50%
GLC Associates One, LLC	2,257,730	8	0.34%	2,804,450	7	0.52%
Stewart EFI Realty, LLC	2,230,410	9	0.34%	N/A	N/A	N/A
Pinbro Associates, LLC	2,003,420	10	0.30%	N/A	N/A	N/A
Tyler Properties	N/A	N/A	N/A	3,326,382	5	0.62%
Subs Realty	N/A	N/A	N/A	2,283,820	9	0.42%
WL Real Estate Company	N/A	N/A	N/A	2,170,000	10	0.40%
Totals	<u>\$ 61,813,340</u>		<u>9.32%</u>	<u>\$ 37,079,872</u>		<u>6.87%</u>
Net taxable grand list:	<u>\$663,870,385</u>			<u>\$539,424,184</u>		

Source: Town Assessor Department.

N/A - Not available and/or not applicable

Table 7

Town of Thomaston, Connecticut
Tax Rates, Levies and Cash Collections
Last Ten Years
(Unaudited)

Year Ended June 30	(1) (2) Total Tax Rate in Mills	Grand List of October 1,	Total Adjusted Tax Levy	Net Current Tax Collections	Percent of Current Levy Collected	Total Collections				
						Collections in Subsequent Years	Total Collections	Percentage of Levy Collected	Current Delinquent Balance	
2023	*	32.11	2021	\$ 21,512,455	\$ 21,218,143	98.6%	\$ -	\$ 21,218,143	98.6%	\$ 294,312
2022		36.13	2020	21,236,719	21,025,557	99.0%	129,494	20,692,205	97.4%	81,668
2021		36.13	2019	20,870,266	20,692,205	99.1%	155,115	20,692,205	99.1%	22,946
2020		36.53	2018	20,749,386	20,446,935	98.5%	280,276	20,446,935	98.5%	22,175
2019		35.79	2017	19,894,653	19,626,694	98.7%	244,749	19,626,694	98.7%	23,210
2018	*	35.05	2016	19,320,944	19,036,595	98.5%	263,835	19,036,595	98.5%	20,514
2017		34.07	2015	18,744,659	18,537,433	98.9%	192,376	18,537,433	98.9%	14,850
2016		33.63	2014	18,294,050	18,081,176	98.8%	201,177	18,282,353	99.9%	11,697
2015		33.63	2013	18,080,787	17,844,146	98.7%	222,863	18,067,009	99.9%	13,778
2014		33.13	2012	17,879,100	17,614,927	98.5%	247,723	17,862,650	99.9%	16,450

Source: Current and prior financial statements.

Notes:

(1) There are no overlapping tax rates

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

* Revaluation performed

Table 8

Town of Thomaston, Connecticut
Ratios of Outstanding Debt by Type
Last Ten Years
(Unaudited)

119	Year Ended June 30	(1) General Obligation Bonds	Notes	Premium	Leases	Subscriptions	Total	Percentage of Personal Income	Debt per Capita
	2023	\$ 21,910,000	\$ 1,411,152	\$ 290,997	\$ 1,104,932	\$ 154,977	\$ 24,872,058	0.30%	\$ 3,342
	2022	17,435,000	1,598,502	348,095	981,763	171,881	20,535,241	0.30%	2,755
	2021	19,735,000	1,746,943	554,750	1,029,792	-	23,066,485	0.30%	3,061
	2020	21,715,000	1,916,244	626,508	-	-	24,257,752	0.30%	3,096
	2019	24,425,000	952,744	697,335	-	-	26,075,079	0.28%	3,328
	2018	25,540,000	1,500,744	607,060	-	-	27,647,804	0.27%	3,516
	2017	19,860,000	2,023,988	676,512	-	-	22,560,500	0.33%	7,595
	2016	21,850,000	2,523,139	745,964	-	-	25,119,103	0.29%	3,296
	2015	23,985,000	3,045,667	815,417	-	-	27,846,084	0.24%	3,624
	2014	25,545,000	3,651,264	608,756	-	-	29,805,020	0.22%	3,791

Source: Current and prior financial statements

Notes:

(1) Includes permanently financed bond anticipation notes

There is no overlapping debt

Table 9

Town of Thomaston, Connecticut

**Ratios of General Bonded Debt to Net Assessed Value and Bonded Debt Per Capita
Last Ten Years
(Unaudited)**

Year Ended June 30	General Obligation Debt Outstanding			Percentage of Actual Taxable Value of Property	Debt per Capita
	(1) General Obligation Bonds	Premium	Total		
2023	\$21,910,000	\$ 290,997	\$ 22,200,997	2.34%	\$2,983
2022	17,435,000	348,095	17,783,095	2.15%	2,386
2021	19,735,000	554,750	20,289,750	2.48%	2,693
2020	21,715,000	626,508	22,341,508	2.77%	2,851
2019	24,425,000	697,335	25,122,335	3.19%	3,206
2018	25,540,000	607,060	26,147,060	3.34%	3,325
2017	19,860,000	676,512	20,536,512	2.63%	2,704
2016	21,850,000	745,964	22,595,964	2.93%	2,965
2015	23,985,000	815,417	24,800,417	3.25%	3,228
2014	25,545,000	608,756	26,153,756	3.39%	3,327

Source: Current and prior year financial statements.

Notes:

(1) Includes permanently financed bond anticipation notes.

There is no overlapping debt for the Town.

Town of Thomaston, Connecticut

Schedule of Debt Limitation
Connecticut General Statutes, Section 7-374 (b)
As of and for the Year Ended June 30, 2023
(Unaudited)

Total tax collections (including interest and lien fees) for prior year						<u>\$ 21,354,216</u>
Debt Limitation:	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit	
2 1/4 times base	\$ 48,046,986	\$ -	\$ -	\$ -	\$ -	
4 1/2 times base	-	96,093,972	-	-	-	
3 3/4 times base	-	-	80,078,310	-	-	
3 1/4 times base	-	-	-	69,401,202	-	
3 times base	-	-	-	-	64,062,648	
Total debt limitation	<u>48,046,986</u>	<u>96,093,972</u>	<u>80,078,310</u>	<u>69,401,202</u>	<u>64,062,648</u>	
Indebtedness:						
Bonds payable	11,723,792	2,808,800	1,132,408	-	-	
Bond anticipation notes - long-term	4,571,884	348,116	1,325,000	-	-	
Bond anticipation notes - short-term	<u>1,678,900</u>	<u>18,600</u>	<u>12,500</u>	<u>-</u>	<u>-</u>	
Total indebtedness	<u>17,974,576</u>	<u>3,175,516</u>	<u>2,469,908</u>	<u>-</u>	<u>-</u>	
Debt limitation in excess of outstanding debt	<u>\$ 30,072,410</u>	<u>\$ 92,918,456</u>	<u>\$ 77,608,402</u>	<u>\$ 69,401,202</u>	<u>\$ 64,062,648</u>	
The total net indebtedness above amounts to:						<u>\$ 23,620,000</u>
In no event shall total indebtedness exceed seven times the base for debt limitation computation:						<u>\$ 149,479,512</u>

Source: Current and prior financial statements

Note:

There is no overlapping debt

Table 11

Town of Thomaston, Connecticut

**Legal Debt Margin Information
Last Ten Years
(Unaudited)**

<u>Year Ended June 30</u>	<u>Debt Limit</u>	<u>Net Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>	<u>Total Net Debt Applicable</u>
2023	\$ 149,479,512	\$ 23,620,000	\$ 125,859,512	15.80%
2022	146,767,481	25,590,000	121,177,481	17.44%
2021	145,505,136	21,910,000	123,595,136	15.06%
2020	139,930,329	23,735,000	116,195,329	16.96%
2019	134,490,097	24,425,000	110,065,097	18.16%
2018	131,863,949	31,751,390	100,112,559	24.08%
2017	131,863,949	27,377,554	104,486,395	20.76%
2016	127,094,254	24,477,554	103,876,768	19.26%
2015	128,082,052	24,205,284	103,876,768	18.90%
2014	126,610,372	25,993,009	100,617,363	20.53%

Source: Current and prior financial statements.

Table 12

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

Year Ended June 30	(1) Population	(2) Personal Income	(2) Median Age	(2) Education Level in Years of Schooling	(3) School Enrollment	(4) Unemployment Percentage
2023	7,442	\$ 68,539	44	High School 32% Some College 30%	820	3.0%
2022	7,453	67,639	44	High School 37% Some College 36%	846	3.4%
2021	7,535	67,639	44	High School 37% Some College 36%	828	5.7%
2020	7,836	67,639	44	High School 37% Some College 36%	848	8.0%
2019	7,836	65,901	44	High School 37% Some College 32%	845	4.3%
2018	7,863	65,901	43	High School 37% Some College 32%	875	3.9%
2017	7,595	67,191	43	High School 37% Some College 32%	897	3.9%
2016	7,621	73,679	44	High School 35% Some College 36%	895	4.9%
2015	7,683	67,426	43	High School 35% Some College 35%	856	4.5%
2014	7,862	64,982	43	High School 35% Some College 35%	941	5.8%

Sources:

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

(2) Advance CT

(3) Thomaston Board of Education

(4) Connecticut Labor Department - Research and Statistics

Table 13

Town of Thomaston, Connecticut

Principal Employers
Current Year and Nine Years Ago
(Unaudited)

Employer	2023			2014		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Silgon Dispension (formerly Albea/Rexam)	267	1	6%	395	1	9%
Thomaston Savings Bank	233	2	5%	173	4	4%
Town of Thomaston (including Thomaston Public Schools)	231	3	5%	219	3	5%
Stewart Eyelets for Industry, Inc.	123	4	3%	124	7	3%
Ward Leonard Electric, Inc.	105	5	2%	155	5	3%
UniMetal/ Quality Rolling & Deburring	103	6	2%	135	6	3%
State of Connecticut *	100	7	2%	317	2	7%
Summit Corporation of America	45	8	1%	78	8	2%
Stevens Co., Inc.	32	9	1%	42	9	1%
WHYCO Chromium, Inc.	26	10	1%	32	10	1%
Total	1,265		28%	1,670		38%
Total Town Employment	4,555			4,509		

Source: Annual Town survey

Note:

* 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	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
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	0.2
Treasurer	3.2	3.2	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.0
Tax collector	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Assessor/assessment appeals	2.0	2.0	2.0	2.0	2.0	2.0	1.0	1.0	1.0	1.0
Town hall maintenance	1.5	1.5	1.3	1.3	1.3	1.4	1.3	1.3	1.5	1.5
Town clerk	1.4	1.4	1.4	1.4	1.4	1.6	1.7	1.7	1.7	1.7
Public safety:										
Police officers	15.4	14.6	15.7	15.7	12.7	13.0	13.5	13.3	13.1	13.4
Dispatch	5.4	4.8	4.7	4.9	4.9	5.0	4.5	4.8	4.9	4.5
Fire marshal	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Animal control	1.0	1.0	1.0	1.0	1.0	1.1	1.1	1.1	1.1	1.1
Public works:										
Highway	9.2	9.0	8.6	8.4	8.7	8.6	7.2	8.0	7.0	7.0
Solid waste and recycling	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.2	0.2
Sewer plant	8.0	7.0	8.1	7.0	7.0	6.4	7.0	6.0	7.0	7.0
Hillside cemetery	2.0	2.0	2.0	2.0	2.2	2.0	1.8	1.9	1.8	1.7
Health and welfare:										
Social services	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Minibus	0.5	0.5	0.5	0.5	0.4	0.3	0.2	0.4	0.2	0.2
Veterans administration	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1
Culture and recreation:										
Recreation	1.0	1.0	1.7	1.6	1.6	1.6	1.6	1.8	2.0	1.6
Public library	5.9	5.9	6.1	6.1	6.1	5.9	5.7	6.8	6.1	5.4
Housing and development:										
Housing, land use and development	2.5	2.5	2.4	2.3	2.5	2.5	2.3	2.5	2.5	2.1
Education	<u>167.0</u>	<u>168.0</u>	<u>165.0</u>	<u>133.0</u>	<u>135.0</u>	<u>132.0</u>	<u>158.5</u>	<u>141.7</u>	<u>136.5</u>	<u>162.8</u>
Total	<u>231.2</u>	<u>229.6</u>	<u>229.6</u>	<u>196.3</u>	<u>195.9</u>	<u>192.5</u>	<u>216.5</u>	<u>201.5</u>	<u>195.6</u>	<u>219.3</u>

Source: Town and Education payroll data.

Table 15

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

Function / Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Public safety:										
Fire:										
Emergency responses	194	339	323	286	304	336	298	270	265	239
Fires extinguished	33	27	47	37	27	29	30	38	39	26
Police:										
Incidents	34,682	30,121	35,004	34,098	31,252	35,892	36,136	35,807	39,126	37,715
Accidents	272	265	286	252	362	309	296	307	353	347
Physical arrests	215	167	222	131	317	367	380	385	629	565
Traffic violations	897	462	1,846	1,576	2,014	1,544	1,201	922	898	853
Public works:										
Street resurfacing (miles)	6.0	8.0	0.0	5.0	3.0	0.0	0.0	0.0	3.0	2.0
Streets rebuilt (miles)	0.0	0.0	0.0	0.0	0.0	2.2	0.0	0.0	0.0	0.0
Parks and recreation:										
Athletic field permits issued	72	56	33	44	41	44	31	38	42	40
Number of recreation programs	45	3	-	31	33	29	29	34	32	34
Health and welfare:										
Number of elderly serviced	N/A	N/A	N/A	N/A	N/A	98	98	146	109	86
Number of families serviced	N/A	N/A	N/A	N/A	N/A	274	274	185	162	150
Number of disabled serviced	N/A	N/A	N/A	N/A	N/A	82	82	98	87	60
Library:										
Total print items	38,788	38,602	38,886	38,707	38,571	38,982	39,253	39,327	40,285	40,885
Total non-print items	7,515	7,420	7,300	7,320	7,347	7,370	7,102	7,060	6,876	6,291
Circulation	42,885	40,111	40,448	39,459	47,725	52,652	58,218	63,700	70,396	75,418
Interlibrary borrows	2,014	1,876	1,984	1,690	2,328	2,331	2,698	3,497	3,346	3,605
Interlibrary loans	1,578	1,954	2,068	1,740	2,353	2,513	2,068	2,259	2,275	2,427
Education:										
Enrollment:										
High school	337	363	364	361	376	405	428	408	417	412
Middle school	190	204	199	196	189	190	205	216	206	237
Elementary school	293	279	265	291	280	280	264	271	233	292
Total	<u>820</u>	<u>846</u>	<u>828</u>	<u>848</u>	<u>845</u>	<u>875</u>	<u>897</u>	<u>895</u>	<u>856</u>	<u>941</u>
Sewer fund:										
Average daily sewage treatment (million gallons)	0.988	1.007	0.868	0.920	1.174	0.898	0.810	0.834	0.980	0.989
Residential customers	2,723	2,690	2,758	2,783	2,767	2,679	2,635	2,635	2,635	2,700
Commercial and industrial customers	132	133	129	129	131	75	134	131	129	128
Manhole repair as part of I/I reduction	-	-	4	7	3	4	-	20	6	9
Solid waste and recycling:										
MIRA/CRRRA tonnage (annual)	2,820	5,412	5,306	4,756	4,623	4,372	2,534	2,400	2,462	2,506

Sources: Various Town Departments

N/A - Data not available

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

Function / Program	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
General government:										
Election voting machines	2	2	2	2	2	2	2	2	2	2
Vehicles	2	1	1	1	1	1	1	1	1	2
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	11	11	11	11	11
Fire trucks	4	4	4	4	4	4	4	4	5	5
Ambulances	2	2	2	2	2	2	2	2	2	2
Other emergency vehicles	5	5	5	5	5	5	5	5	5	6
Public works:										
Miles of streets:										
Paved	41.25	41.25	41.25	41.25	41.25	41.25	41.25	41.25	41.25	41.25
Accepted	41.25	41.25	41.25	41.25	41.25	41.25	41.25	41.25	41.25	41.25
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	95.25
Sanitation	50.50	50.50	50.50	50.50	50.50	50.50	50.50	50.50	50.50	50.50
Dump trucks	9	9	9	9	9	9	9	10	10	10
Other public works vehicles and heavy equipment	28	28	28	28	28	28	28	28	28	28
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	1	1	1	1	1	3
Soccer fields	3	3	3	3	3	3	3	3	3	3
Nature areas	1	1	1	1	1	1	1	1	1	1
Picnic areas	1	1	1	1	1	1	1	1	1	1
Playgrounds	4	4	4	4	4	4	4	4	4	7
Public beach	1	1	1	1	1	1	1	1	1	1
Public greens	3	3	3	3	3	3	3	3	3	3
Public indoor theatres	1	1	1	1	1	1	1	1	1	1
Public library	1	1	1	1	1	1	1	1	1	1
Tennis courts	6	6	6	6	6	6	6	6	6	3
Tracks	1	1	1	1	1	1	1	1	1	1
Education:										
Number of high schools	1	1	1	1	1	1	1	1	1	1
Number of middle schools	1	1	1	1	1	1	1	1	1	1
Number of elementary schools	1	1	1	1	1	1	1	1	1	1

Sources: Various Town Departments