

Town of Thomaston, Connecticut
Comprehensive Annual Financial Report



For the Year Ended June 30, 2020

Comprehensive
Annual Financial Report
of the
Town of Thomaston,
Connecticut

For the Year Ended
June 30, 2020

Prepared by:

The Finance Department

Tracy A. Decker, Finance Director

Town of Thomaston, Connecticut
Comprehensive Annual Financial Report
For the Year Ended June 30, 2020

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Introductory Section



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

January 19, 2021

Board of Finance
Town of Thomaston
Thomaston, Connecticut 06787

State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, I hereby submit the Comprehensive Annual Financial Report (CAFR) of the Town of Thomaston, Connecticut, for the fiscal year ended June 30, 2020.

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'Connor 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, 2020, 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, 2020, 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. This report is available in the Town of Thomaston's separately issued State Single Audit Report.

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

Profile of the Town of Thomaston

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

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

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

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

Local Economy and Major Initiatives

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

Local Economy

The current worldwide financial downturn that began in March 2020 due to the COVID-19 pandemic is having impacts across the state and local economy. As a result, the Town has seen unemployment rates increase from 4.3% to 8.0%. Fortunately, Thomaston's unemployment rate is lower than the national average of 11.1% 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. In September 2020, a brewery, fittingly named the Clocktown Brewery, opened in the building.

The Town of Thomaston has made changes in its Plan of Development that permits the creation of an industrial park located on Reynolds Bridge Road adjacent to an area already zoned and in use by many small to medium size manufacturers. The area is contiguous to Route 8, a divided highway which permits easy access to freight transport. The developer of this industrial park has already constructed a 51 unit senior housing complex near the industrial park. There is currently a 47 unit active adult community under construction at 500 South Main Street by a local developer.

Local Economy (continued)

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 plans additional restoration projects once the theater reopens. Due to the coronavirus pandemic, the Opera House is currently closed for large shows. However, they are producing virtual shows and set up a haunted house within the Town Hall/Opera House building.

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

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

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

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

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

Local Economy (continued)

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. Long-term borrowing for this project is being evaluated.

Relevant Financial Policies

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

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Thomaston for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. This was the thirteenth consecutive year that the Town has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

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

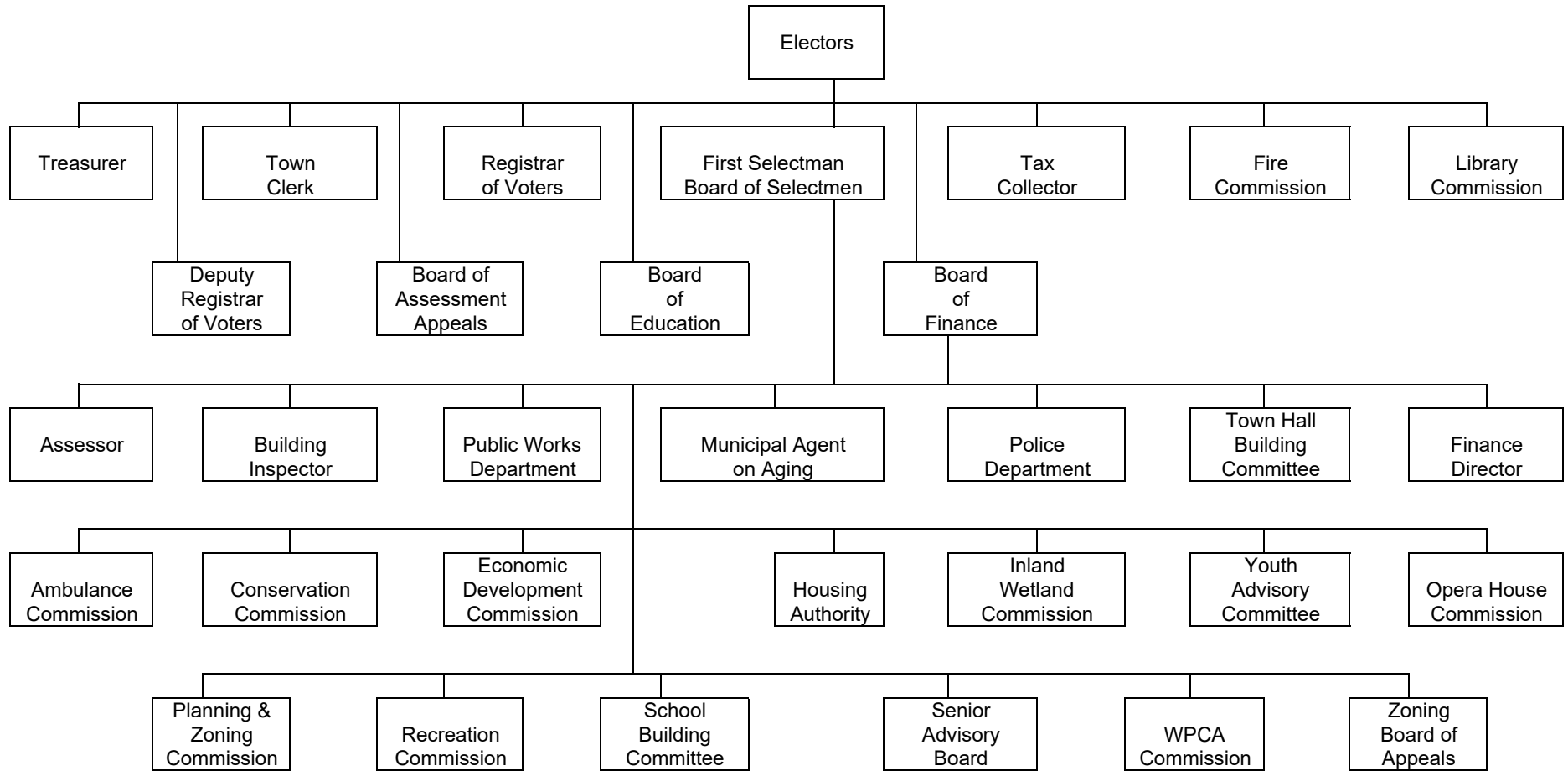
Respectfully submitted,



Tracy A. Decker, CPA
Finance Director

Town of Thomaston, Connecticut

Organizational Chart



Town of Thomaston, Connecticut

**Principal Officials
June 30, 2020**

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

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

Auditors

PKF O'Connor Davies, LLP



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Thomaston
Connecticut**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

Financial Section

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Thomaston, Connecticut ("Town"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Thomaston, Connecticut, as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Supplementary and Other Information

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

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

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2021, 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, 2021



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, 2020

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, 2020.

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 \$24,457,092 (*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 (\$14,974,375).
- The Town's total net position increased by \$5,650,051. This increase is due to:

➤ positive operations of the general fund of	\$ 697,873
➤ positive operations of the capital or nonrecurring fund of	296,532

The positive operations were offset by:

➤ negative operations of the debt service fund of	(242,374)
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Conversion to accrual basis on Exhibit E:

➤ capital outlay net of depreciation expense of	(241,928)
➤ loss on disposal of capital assets of	(71,828)
➤ net principal debt activity of	992,175
➤ change in OPEB liability of	708,872
➤ amortization of deferred outflows of resources of	620,865
➤ amortization of deferred inflows of resources of	2,778,387

- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$8,738,730 an increase of \$762,491 in comparison with the prior year. This increase is the result of:

➤ positive operations of the general fund of	697,873
➤ positive operations of the capital or nonrecurring fund of	296,532
➤ negative operations of the debt service fund of	(242,374)

- At the end of the current fiscal year, unassigned fund balance for the general fund was \$5,038,365, an increase of \$837,873 in comparison with the prior year. This fund balance represents 18.66% 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, small cities, capital or nonrecurring, and the 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 statements 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. The accounting used for fiduciary funds is much like that used for proprietary funds.

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

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 statements 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 combined net position increased by 30.04% from a year ago – increasing from \$18,807,041 to \$24,457,092.

**Summary Statement of Net Position
June 30**

	<u>2020</u>	<u>2019</u>
Current and other assets	\$15,898,312	\$11,458,568
Capital assets (net)	<u>66,382,009</u>	<u>66,695,765</u>
Total assets	<u>82,280,321</u>	<u>78,154,333</u>
Total deferred outflows of resources	<u>1,854,668</u>	<u>1,479,806</u>
Long-term liabilities outstanding	47,489,974	49,732,903
Other liabilities	<u>9,378,072</u>	<u>5,901,939</u>
Total liabilities	<u>56,868,046</u>	<u>55,634,842</u>
Total deferred inflows of resources	<u>2,809,851</u>	<u>5,192,256</u>
Net position:		
Net investment in capital assets	37,728,275	39,632,659
Restricted	1,703,192	1,626,271
Unrestricted	<u>(14,974,375)</u>	<u>(22,451,889)</u>
Total net position	<u>\$ 24,457,092</u>	<u>\$ 18,807,041</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 (6.96%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position is the amount available to meet the Town's ongoing obligations to citizens and creditors.

Management's Discussion and Analysis (continued)

The Town's net position increased by \$5,650,051. Key elements of this increase are as follows:

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

	<u>2020</u>	<u>2019</u>
<u>Revenues:</u>		
Program revenues:		
Charges for services	\$ 2,100,338	\$ 2,140,592
Operating grants and contributions	9,269,644	9,681,796
Capital grants and contributions	348,717	838,130
General revenues:		
Property taxes	20,896,033	20,081,678
Grants and contributions not restricted to specific programs	469,655	453,192
Income from investments	99,198	167,124
Other	48,047	46,427
Total revenues	<u>33,231,632</u>	<u>33,408,939</u>
<u>Expenses:</u>		
General government	781,152	1,009,995
Public safety	1,910,201	2,100,352
Public works	3,474,517	3,697,513
Health and welfare	195,350	174,134
Culture and recreation	773,464	678,631
Housing and development	296,520	249,609
Education	19,440,731	19,180,664
Interest	709,646	882,574
Total expenses	<u>27,581,581</u>	<u>27,973,472</u>
Change in Net Position	5,650,051	5,435,467
Net Position - July 1	<u>18,807,041</u>	<u>13,371,574</u>
Net Position - June 30	<u>\$ 24,457,092</u>	<u>\$ 18,807,041</u>

Management's Discussion and Analysis (continued)

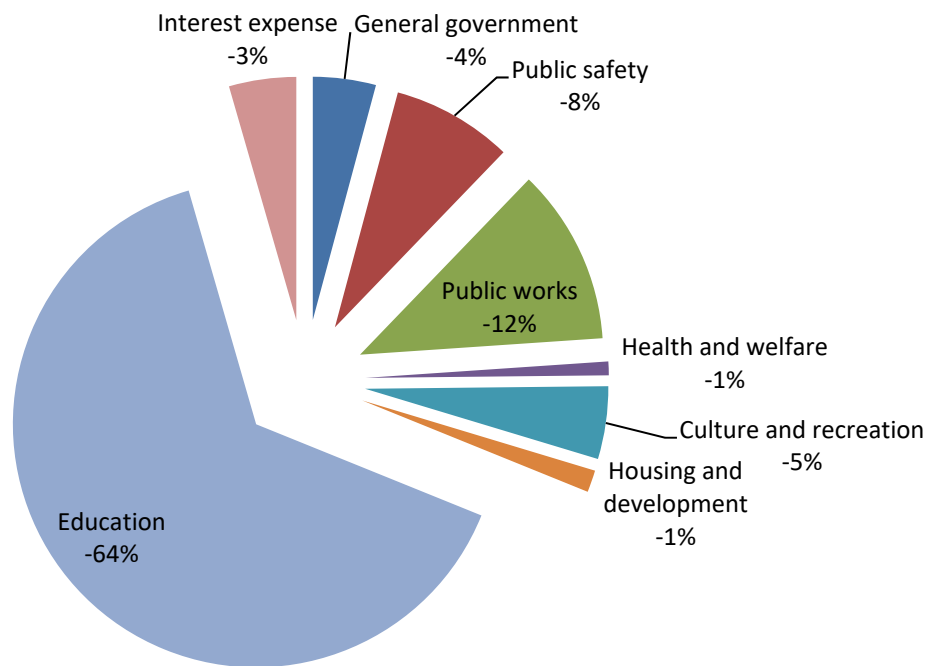
Revenues:

- Capital grants and contributions decreased by \$489,413 mostly due to a decrease of \$460,341 in the local bridge program grant as the project was completed.
- The \$814,355 increase in property taxes was due to an increase in the adopted budget and, therefore, the related tax levy.

Expenses:

- Public safety expenses decreased by \$640,319 due to a decrease in employee benefits, pension, social security and workers' compensation and insurance costs.
- Education expenses increased by \$260,067 due to an increase in budgeted and actual expenditures.

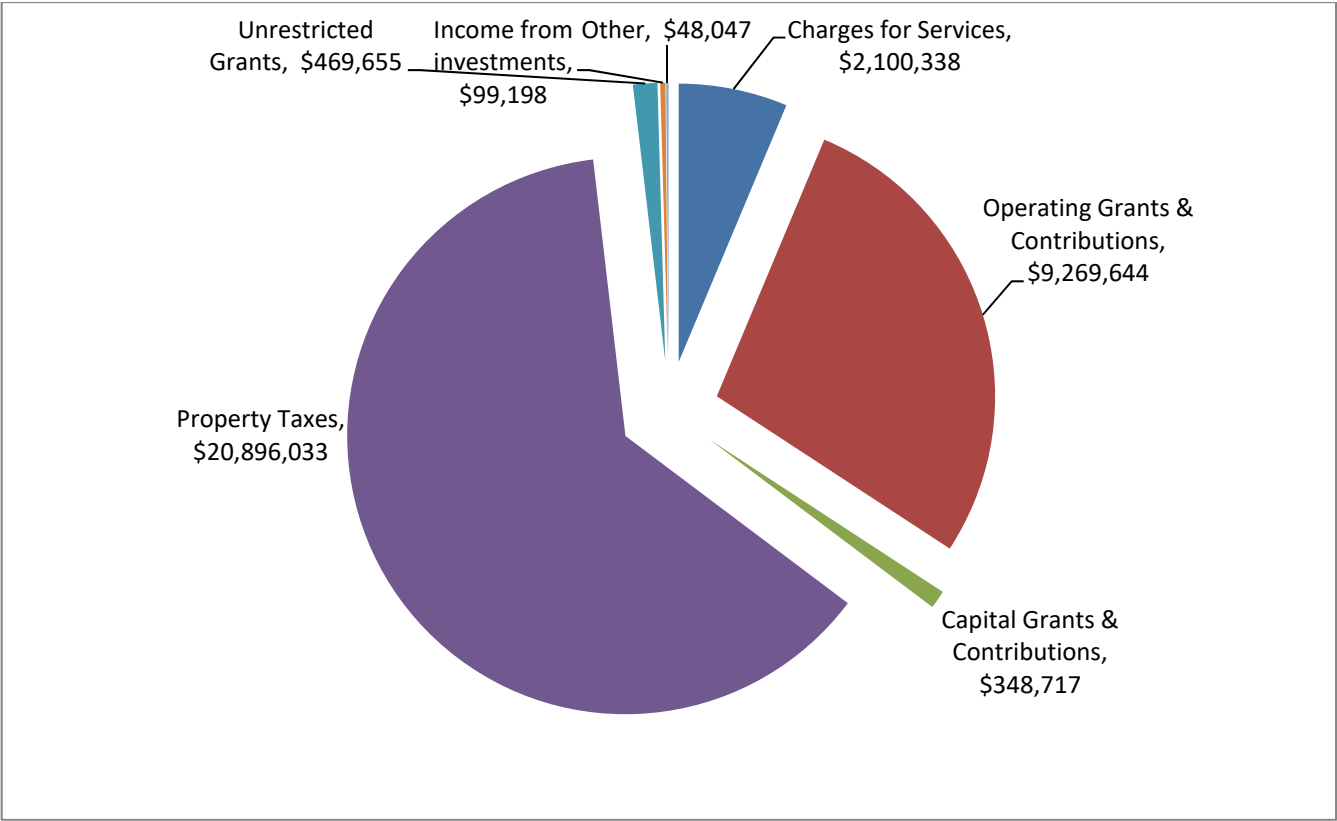
Expenses and Program Revenues (Net) - Governmental Activities



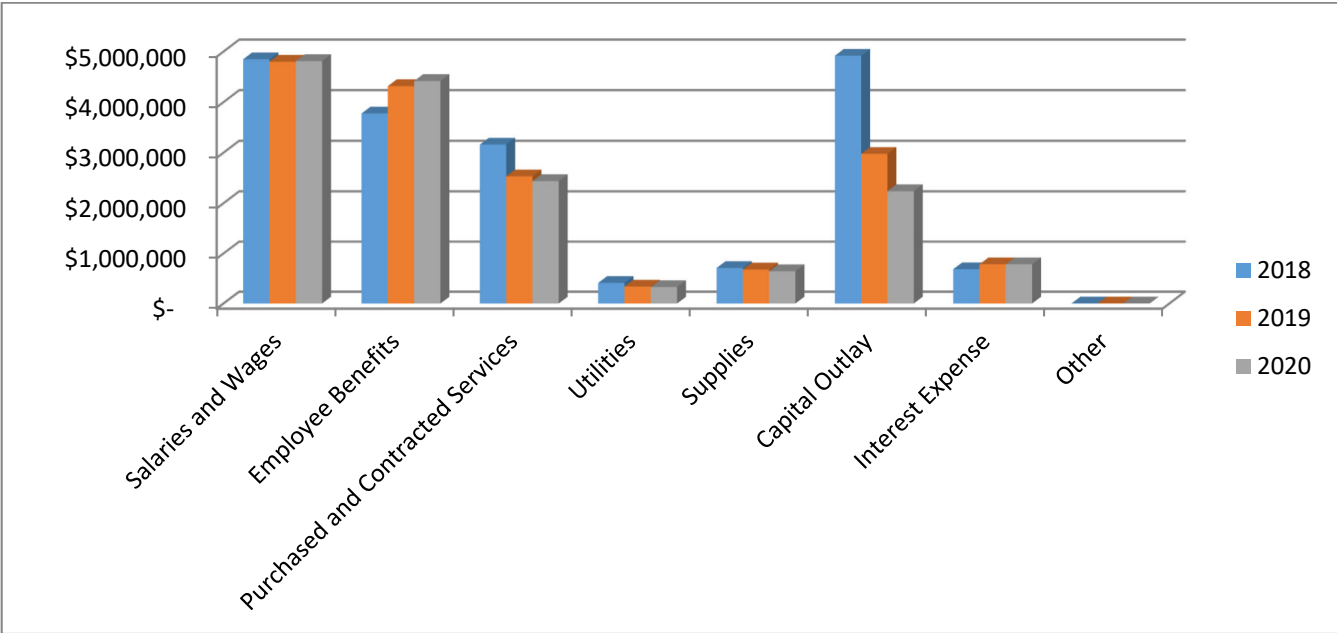
The above represents the percentage of net cost by function as presented in the statement of activities (Exhibit B). In most cases, the above chart represents the true cost of the departments because we have offset the costs by the revenues derived by those departments. For example, the net cost of Education of \$10,216,039 includes expenses of \$19,440,731 offset by charges for services of \$127,594, operating grants and contributions (including the Education Cost sharing grant) of \$8,960,149, and capital grants and contributions of \$136,949.

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 \$20,896,033 (62.88%) is the major source of revenue, followed by operating grants and contributions of \$9,269,644 (27.89%), charges for services of \$2,100,338 (6.32%), unrestricted grants of \$469,655 (1.41%), and capital grants and contributions of \$348,717 (1.05%). The remaining \$147,245 (0.44%) is made up of income from investments and other revenue.



Management's Discussion and Analysis (continued)

The previous chart was derived directly from the classification of expenses in the Town's chart of accounts on a government-wide basis excluding the Board of Education operating budget and the education grant fund for fiscal years 2020, 2019 and 2018. The overall trend is level spending. The large decrease in capital outlay is due to majority of the project expenditures for the Water Pollution Control Plant phosphorus project occurring in the prior year.

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

Financial analysis of the Town's funds

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

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$8,738,730. 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	\$ 170,200
Restricted	1,532,992
Committed	1,576,672
Assigned	819,460
Unassigned	<u>4,639,406</u>
Total	<u>\$ 8,738,730</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 \$762,491. This was subsequently due to positive operations of the general fund of \$697,873, capital or nonrecurring fund of \$296,532, offset by the decrease in fund balance of the debt service fund of \$242,374.

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 \$5,038,365. As a measure of the general fund's liquidity, it is useful to compare unassigned fund balance to total fund revenue. Unassigned fund balance represents 18.66% of total budgetary actual general fund expenditures and transfers out.

The fund balance of the Town's general fund increased \$697,873 during the current fiscal year. This was due to the Town revenues exceeding the amount budgeted by \$592,223, offset by \$311,082 appropriated to balance the budget combined with under expenditure of various departments totaling \$416,732. The details of these variances are discussed under budgetary highlights.

Management's Discussion and Analysis (continued)

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

General Fund For the Years Ended June 30

	2020	2019	Increase (Decrease)
Revenues:			
Property taxes	\$ 20,826,558	\$ 20,033,981	\$ 792,577
Charges for services	397,598	384,991	12,607
Intergovernmental	8,471,447	8,531,550	(60,103)
Income from investments	78,001	95,954	(17,953)
Other	48,047	46,427	1,620
Total revenues	29,821,651	29,092,903	728,748
Expenditures:			
General government	3,695,596	3,618,591	77,005
Public safety	1,802,838	1,792,809	10,029
Public works	1,897,836	1,814,952	82,884
Health and welfare	96,423	97,085	(662)
Culture and recreation	476,815	445,564	31,251
Housing and development	193,529	152,572	40,957
Education	17,108,300	16,973,251	135,049
Total expenditures	25,271,337	24,894,824	376,513
Excess (deficiency) of revenues over expenditures	4,550,314	4,198,079	352,235
Other financing sources (uses):			
Sale of capital assets	-	12,670	(12,670)
Transfers in	15,000	15,000	-
Transfers out	(3,867,441)	(3,488,043)	(379,398)
Net other financing sources (uses)	(3,852,441)	(3,460,373)	(392,068)
Net change in fund balances	\$ 697,873	\$ 737,706	\$ (39,833)

Revenues:

- Property taxes increased by \$792,577 due to an increase in the adopted budget and, therefore, the related tax levy.

Expenditures

- General government expenditures increased by \$77,005 from the prior year due an increase in medical insurance costs and computer information systems.
- Public works expenditures increased by \$82,884 from the prior year due to an increase in solid waste and recycling, and engineering costs.

Education expenditures increased by \$135,049 due to an increase in budgeted amounts

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 \$171,082 for the acquisition of fire department air packs and a minibus.
- Transfers out to the capital or nonrecurring fund budget was increased by \$302,838, including \$171,082 from additional appropriations, \$122,053 from transfers from education, and \$9,703 from contingency. Additional details on budget transfers can be found in RSI 1B.
- \$21,543 transfer from contingency to highways to cover \$7,384 in salary increases and \$14,159 for the year end overrun.

Small Cities Fund. The Small Cities fund provides residential loan assistance and commercial economic development loans to qualifying citizens and Town businesses. The Town started receiving Federal funds for this program in 1985. The Small Cities funded activities must meet one of three national objectives: (1) benefit low and moderate income persons; (2) aid in the prevention or elimination of slums or blight; or (3) meet community development needs having a particular urgency. The Town provided new residential loans in the amount of \$43,897. The ending loan balance was \$828,427 (net of an allowance for uncollectible loans).

Capital or Nonrecurring Fund. This fund accounts for the financial revenues including resources from borrowing to be used for major capital asset construction and/or purchases and items, which are reserved for special purposes. A summary of the projects can be found in Note II.C. of the notes to financial statements. The capital or nonrecurring fund's revenues and other financing sources exceeded its expenditures and other financing uses by \$296,532, primarily due to the issuance of clean water and equipment financing notes to fund expenditures incurred in the prior 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 \$2,800,000 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 \$819,460. The debt service fund had negative operations of \$242,374 due to debt service expenditures in excess of revenues and other financing sources as planned during the budget process.

Capital assets and debt administration

Capital assets. The Town's investment in capital assets amounts to \$66,382,009 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, land improvements, machinery and equipment, vehicles, sewer lines, roads, bridges, sidewalks and storm drains. The total decrease in the Town's investment in capital assets for the current fiscal year was \$313,756 (0.47%).

Capital Assets (Net of Accumulated Depreciation) June 30

	<u>2020</u>	<u>2019</u>
Land	\$ 1,341,961	\$ 1,341,961
Construction in progress	2,289,984	6,113,568
Buildings	31,046,560	30,080,442
Land improvements	3,537,467	420,312
Machinery and equipment	5,519,798	5,661,053
Vehicles	2,047,902	1,983,030
Infrastructure	<u>20,598,337</u>	<u>21,095,399</u>
Total	<u><u>\$ 66,382,009</u></u>	<u><u>\$ 66,695,765</u></u>

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

- Construction in progress:
 - Board of education security system \$ 598,754
 - Road construction and Woodbridge pump station 582,108
- Buildings from construction in progress:
 - WPCA phosphorus upgrade 1,960,550
- Land improvements from construction in progress:
 - Nystroms tennis courts and track 3,176,498
- Machinery and equipment:
 - Self container breathing apparatus (SCBA) 230,429
- Vehicles:
 - 2017 world transportation E series minibus 58,000
 - International truck 181,206

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

Long-term and short-term debt. At the end of the current fiscal year, the Town had total bonded debt outstanding of \$21,715,000. All debt is backed by the full faith and credit of the Town. The remainder of the Town's debt represents notes totaling \$1,916,244 funded by the State of Connecticut Clean Water Fund, and unamortized bond premium of \$626,508.

**Outstanding Debt
Long-Term Obligations
June 30**

	<u>2020</u>	<u>2019</u>
General obligation bonds	\$ 21,715,000	\$ 24,425,000
Notes	1,916,244	952,744
Premium	<u>626,508</u>	<u>697,335</u>
Total	<u>\$ 24,257,752</u>	<u>\$ 26,075,079</u>

The Town's total debt decreased by \$1,817,327 due to scheduled principal payments of \$2,788,717 and the refunding of bonds of \$4,355,000, offset by the issuance of refunding bonds in the amount of \$3,750,000 and \$1,647,217 in notes.

The Town's short-term debt increased by \$2,765,970 during the year with the issuance of the bond anticipation note being used to fund the road reconstruction project, Woodbridge pump station construction, education security projects, and Old Smith road project.

In June 2020, Standard & Poor's assigned a AA rating to the Town's general obligation bonds and affirmed its AA long-term rating on the Town's parity debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to seven times total 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 \$139,930,329, 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 8.0%, which is up from 4.3% one year ago. The Town's rate is favorable compared to the State rate of 10.1% and the Hartford Labor Market rate of 9.9%. The Town is slightly below the national average of 11.1%.
- 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.

- The potential impact of the pandemic on the local economy, businesses and Town revenues is being closely monitored. The July 2020 collections were in line with the prior year. Any impact on the property tax revenues is expected to occur with the January 2021 semi-annual payment, if at all. The State of Connecticut through the Governor's executive order, required local governments to offer taxpayers/rate payers one or both of the following programs: interest rate reduction program and/or the payment deferral program through October 1, 2020. The Town implemented the interest rate reduction program. For the collection period ended July 31, 2020, collections were in line with the prior year.

These factors were considered in preparing the Town's budget for the 2020-2021 fiscal year.

Requests for Information

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

Basic Financial Statements

Town of Thomaston, Connecticut

Statement of Net Position
Governmental Activities
June 30, 2020

Assets

Current assets:	
Cash	\$ 1,383,068
Investments	12,391,382
Receivables (net):	
Property taxes	298,391
Assessments/use charges	75,043
Loans	44,093
Intergovernmental	166,936
Other	101,089
Other assets	16,993
Total current assets	<u>14,476,995</u>
Noncurrent assets:	
Restricted assets:	
Temporarily restricted:	
Investments	112,213
Permanently restricted:	
Investments	170,200
Total restricted assets	<u>282,413</u>
Receivables (net):	
Property taxes	269,946
Assessments/use charges	84,624
Loans	784,334
Total receivables (net)	<u>1,138,904</u>
Capital assets (net of accumulated depreciation):	
Land	1,341,961
Construction in progress	2,289,984
Buildings	31,046,560
Land improvements	3,537,467
Machinery and equipment	5,519,798
Vehicles	2,047,902
Infrastructure	20,598,337
Total capital assets (net of accumulated depreciation)	<u>66,382,009</u>
Total noncurrent assets	<u>67,803,326</u>
Total assets	<u>82,280,321</u>

Deferred Outflows of Resources

Pension related	447,821
OPEB related	1,406,847
Total deferred outflows of resources	<u>1,854,668</u>

(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, 2020

Liabilities

Current liabilities:	
Accounts payable	\$ 1,352,138
Retainage payable	18,783
Accrued payroll	972,915
Unearned revenue	79,813
Accrued interest payable	234,526
Bond anticipation notes	4,000,000
Bonds and notes payable	2,496,782
Compensated absences	122,117
Termination benefits	100,998
	<hr/>
Total current liabilities	9,378,072
Noncurrent liabilities:	
Bonds and notes payable and related liabilities	21,760,970
Net pension liability	3,101,299
Net OPEB liability	21,733,076
Compensated absences	691,998
Termination benefits	202,631
	<hr/>
Total noncurrent liabilities	47,489,974
	<hr/>
Total liabilities	56,868,046

Deferred Inflows of Resources

Deferred charge on refunding	395,982
Pension related	168,912
OPEB related	2,244,957
	<hr/>
Total deferred inflows of resources	2,809,851

Net Position

Net investment in capital assets	37,728,275
Restricted for:	
Endowments:	
Nonexpendable	65,700
Expendable	40,643
Perpetual care:	
Nonexpendable	104,500
Expendable	71,570
Housing rehabilitation	936,300
Public safety	25,035
Sewer operations	275,305
Education	162,080
Library	8,374
Other	13,685
Unrestricted	(14,974,375)
	<hr/>
Total net position	\$ 24,457,092

(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, 2020

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	\$ 781,152	\$ 203,273	\$ -	\$ 64,169	\$ (513,710)
Public safety	1,910,201	160,575	-	25,355	(1,724,271)
Public works	3,474,517	1,475,119	272,462	44,057	(1,682,879)
Health and welfare	195,350	-	11,333	51,072	(132,945)
Culture and recreation	773,464	43,433	25,700	27,115	(677,216)
Housing and development	296,520	90,344	-	-	(206,176)
Education	19,440,731	127,594	8,960,149	136,949	(10,216,039)
Interest	709,646	-	-	-	(709,646)
Total	<u>\$ 27,581,581</u>	<u>\$ 2,100,338</u>	<u>\$ 9,269,644</u>	<u>\$ 348,717</u>	<u>(15,862,882)</u>
General revenues:					
Property taxes					20,896,033
Grants and contributions not restricted to specific programs					469,655
Income from investments					99,198
Other					<u>48,047</u>
Total general revenues					<u>21,512,933</u>
Change in net position					5,650,051
Net position - July 1, 2019					<u>18,807,041</u>
Net position - June 30, 2020					<u>\$ 24,457,092</u>

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

Town of Thomaston, Connecticut

Balance Sheet
Governmental Funds
June 30, 2020

	General	Small Cities	Capital or Nonrecurring	Debt Service	Other Governmental Funds	Total
<u>Assets</u>						
Cash	\$ 310,595	\$ 92,897	\$ -	\$ -	\$ 979,576	\$ 1,383,068
Investments	10,135,931	15,480	3,852	720,438	1,798,094	12,673,795
Receivables (net):						
Property taxes	527,937	-	-	-	-	527,937
Assessments/use charges	-	-	-	-	132,607	132,607
Loans	-	828,427	-	-	-	828,427
Intergovernmental	29,987	-	136,949	-	-	166,936
Other	44,001	-	-	-	49,159	93,160
Due from other funds	642,075	-	4,001,604	4,102,522	267,134	9,013,335
Other	7,751	-	-	-	9,242	16,993
Total assets	<u>\$ 11,698,277</u>	<u>\$ 936,804</u>	<u>\$ 4,142,405</u>	<u>\$ 4,822,960</u>	<u>\$ 3,235,812</u>	<u>\$ 24,836,258</u>
<u>Liabilities</u>						
Accounts payable	\$ 913,668	\$ 504	\$ 320,101	\$ 3,500	\$ 113,921	\$ 1,351,694
Retainage payable	-	-	18,783	-	-	18,783
Accrued payroll	959,199	-	-	-	13,716	972,915
Due to other funds	4,259,108	-	186,002	4,000,000	568,669	9,013,779
Unearned revenue	-	-	-	-	79,813	79,813
Bond anticipation notes	-	-	4,000,000	-	-	4,000,000
Total liabilities	<u>6,131,975</u>	<u>504</u>	<u>4,524,886</u>	<u>4,003,500</u>	<u>776,119</u>	<u>15,436,984</u>
<u>Deferred Inflows of Resources</u>						
Unavailable revenue - property taxes	527,937	-	-	-	-	527,937
Unavailable revenue - assessments/use charges	-	-	-	-	132,607	132,607
Total deferred inflows of resources	<u>527,937</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>132,607</u>	<u>660,544</u>
<u>Fund Balances</u>						
Nonspendable	-	-	-	-	170,200	170,200
Restricted	-	936,300	-	-	596,692	1,532,992
Committed	-	-	-	-	1,576,672	1,576,672
Assigned	-	-	-	819,460	-	819,460
Unassigned	5,038,365	-	(382,481)	-	(16,478)	4,639,406
Total fund balances	<u>5,038,365</u>	<u>936,300</u>	<u>(382,481)</u>	<u>819,460</u>	<u>2,327,086</u>	<u>8,738,730</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 11,698,277</u>	<u>\$ 936,804</u>	<u>\$ 4,142,405</u>	<u>\$ 4,822,960</u>	<u>\$ 3,235,812</u>	<u>\$ 24,836,258</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, 2020

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)	\$ 8,738,730
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Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Beginning capital assets	66,695,765
Current year additions (net of construction in progress)	1,932,020
Depreciation expense	(2,173,948)
Disposal of assets	(71,828)

Other long-term assets and deferred outflows of resources are not available to pay current period expenditures and, therefore, are unavailable in the funds:

Property tax, sewer use and sewer assessment interest and lien accrual	224,460
Notes receivable (sewer)	7,929
Allowance for doubtful accounts	(157,000)
Deferred outflows related to pensions	447,821
Deferred outflows related to OPEB	1,406,847

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	660,544
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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	(23,631,244)
Premium	(626,508)
Net pension liability	(3,101,299)
Net OPEB liability	(21,733,076)
Compensated absences	(814,115)
Termination benefits	(303,629)
Accrued interest payable	(234,526)
Deferred charge on refunding	(395,982)
Deferred inflows related to pensions	(168,912)
Deferred inflows related to OPEB	(2,244,957)

Net position (Exhibit A)	<u>\$ 24,457,092</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, 2020

	General	Small Cities	Capital or Nonrecurring	Debt Service	Other Governmental Funds	Total
Revenues:						
Property taxes	\$ 20,826,558	\$ -	\$ -	\$ -	\$ -	\$ 20,826,558
Charges for services	397,598	-	33,382	-	1,689,692	2,120,672
Intergovernmental	8,471,447	-	229,071	-	1,185,629	9,886,147
Contributions	-	-	39,703	-	162,166	201,869
Income from investments	78,001	171	19	2,504	19,316	100,011
Net change in fair value of investments	-	-	-	-	(813)	(813)
Other	48,047	-	-	-	-	48,047
Total revenues	<u>29,821,651</u>	<u>171</u>	<u>302,175</u>	<u>2,504</u>	<u>3,055,990</u>	<u>33,182,491</u>
Expenditures:						
Current:						
General government	3,695,596	-	25,215	-	7,013	3,727,824
Public safety	1,802,838	-	9,869	-	19,383	1,832,090
Public works	1,897,836	-	63,422	-	1,357,054	3,318,312
Health and welfare	96,423	-	-	-	107,647	204,070
Culture and recreation	476,815	-	41,819	-	165,163	683,797
Housing and development	193,529	14,041	4,000	-	-	211,570
Education	17,108,300	-	54,001	-	1,455,010	18,617,311
Debt service	-	-	84,649	3,604,899	-	3,689,548
Capital outlay	-	-	1,932,020	-	-	1,932,020
Total expenditures	<u>25,271,337</u>	<u>14,041</u>	<u>2,214,995</u>	<u>3,604,899</u>	<u>3,111,270</u>	<u>34,216,542</u>
Excess (deficiency) of revenues over expenditures	<u>4,550,314</u>	<u>(13,870)</u>	<u>(1,912,820)</u>	<u>(3,602,395)</u>	<u>(55,280)</u>	<u>(1,034,051)</u>
Other financing sources (uses):						
Issuance of notes	-	-	1,647,217	-	-	1,647,217
Issuance of refunding bonds	-	-	-	3,750,000	-	3,750,000
Payment to refunded bonds escrow agent	-	-	-	(4,378,450)	-	(4,378,450)
Premium	-	-	-	777,775	-	777,775
Transfers in	15,000	-	656,602	3,210,696	236,015	4,118,313
Transfers out	(3,867,441)	-	(94,467)	-	(156,405)	(4,118,313)
Net other financing sources (uses)	<u>(3,852,441)</u>	<u>-</u>	<u>2,209,352</u>	<u>3,360,021</u>	<u>79,610</u>	<u>1,796,542</u>
Net change in fund balances	697,873	(13,870)	296,532	(242,374)	24,330	762,491
Fund balances - July 1, 2019	<u>4,340,492</u>	<u>950,170</u>	<u>(679,013)</u>	<u>1,061,834</u>	<u>2,302,756</u>	<u>7,976,239</u>
Fund balances - June 30, 2020	<u>\$ 5,038,365</u>	<u>\$ 936,300</u>	<u>\$ (382,481)</u>	<u>\$ 819,460</u>	<u>\$ 2,327,086</u>	<u>\$ 8,738,730</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 Statement of Activities
For the Year Ended June 30, 2020**

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>\$ 762,491</u>
--	-------------------

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

Capital outlay	1,932,020
Depreciation expense	<u>(2,173,948)</u>
Total	<u>(241,928)</u>

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

Disposal of capital assets	<u>(71,828)</u>
----------------------------	-----------------

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

Notes receivable (sewer)	(7,929)
Change in property tax, sewer use and sewer assessment receivable - accrual basis change	42,093
Change in property tax, sewer use and sewer assessment interest and lien revenue	<u>14,977</u>
Total	<u>49,141</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:	
General obligation bonds and notes	(5,397,217)
Premium	(149,325)
Deferred charge on refunding	(605,000)
Principal repayments:	
General obligation bonds	2,105,000
Notes payable	683,717
Refunded bonds	<u>4,355,000</u>
Total	<u>992,175</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 Statement of Activities
For the Year Ended June 30, 2020**

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

Amortization of premium	\$ 220,152
Change in:	
Net pension liability	(182,233)
Net OPEB liability	708,872
Compensated absences	83,696
Termination benefits	(40,772)
Accrued interest payable	8,018
Amortization of deferred charges on refunding	(36,985)
Amortization of deferred outflows of resources	620,865
Amortization of deferred inflows of resources	<u>2,778,387</u>
Total	<u>4,160,000</u>
Change in net position (Exhibit B)	<u>\$ 5,650,051</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, 2020

	<u>Pension and OPEB Trust Funds</u>	<u>Private- Purpose Trust Funds</u>	<u>Custodial Fund</u>
<u>Assets</u>			
Cash	\$ -	\$ 870	\$ 134,272
Investments:			
Certificates of deposit	-	6,860	-
Mutual funds/exchange traded funds:			
Money market	326,665	-	-
Equity	10,268,618	-	-
Bond	6,517,647	-	-
Real estate investment trusts	1,708,399	-	-
Total investments	18,821,329	6,860	-
Due from other funds	-	-	444
Total assets	18,821,329	7,730	134,716
<u>Net Position</u>			
Restricted for:			
Pension benefits	18,439,571	-	-
OPEB benefits	381,758	-	-
Individuals and organizations	-	7,730	134,716
Total net position	\$ 18,821,329	\$ 7,730	\$ 134,716

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, 2020

	Pension and OPEB Trust Funds	Private- Purpose Trust Funds	Custodial Fund
Additions:			
Contributions:			
Employer	\$ 1,391,996	\$ -	\$ -
Plan members	149,901	-	-
Total contributions	1,541,897	-	-
Activities fees	-	-	84,163
Investment income (loss):			
Net change in fair value of investments	(67,655)	-	-
Interest and dividends	651,793	93	1
Total investment income (loss)	584,138	93	1
Less investment expenses	46,143	-	-
Net investment income (loss)	537,995	93	1
Total additions	2,079,892	93	84,164
Deductions:			
Benefits	1,792,093	-	-
Administration	27,259	-	-
Activities and events	-	-	70,808
Total deductions	1,819,352	-	70,808
Changes in net position	260,540	93	13,356
Net position - July 1, 2019	18,560,789	7,637	121,360
Net position - June 30, 2020	\$ 18,821,329	\$ 7,730	\$ 134,716

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, 2020****History and organization**

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

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

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

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

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

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

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

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

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

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 are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

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

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

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

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

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

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

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

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

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

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

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

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

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, 2020

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	<u>100.00%</u>	<u>100.00%</u>

There are also minimum and maximum target levels defined.

c. Method used to value investments

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

Fair value of investments

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

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

d. Risk policies

Interest rate risk – Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit risk – Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Town has no investment policy that would limit its investment choices due to credit risk other than State Statutes governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision.

Town of Thomaston, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2020****C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**

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

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

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

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

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

b. Property taxes and other receivables

In the government-wide financial statements, all trade, property tax, sewer use, sewer assessment and loan receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 2 to 26% of outstanding receivable balances and are calculated based upon prior collections.

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

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

3. Restricted assets

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**4. Capital assets**

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

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

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

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

5. Deferred outflows/inflows of resources

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

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

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

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

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

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

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

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.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**8. Long-term obligations**

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

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

9. Fund equity and net position

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

Net Investment in Capital Assets

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

Restricted Net Position

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

Unrestricted Net Position

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

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

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

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

Nonspendable

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

Restricted

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

Committed

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

Assigned

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

Unassigned

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

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

Minimum fund balance policy

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

Town of Thomaston, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2020****C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)****10. Use of estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities including disclosures of contingent assets and liabilities and reported revenues, expenses and expenditures during the fiscal year. Actual results could differ from those estimates, particularly given the significant social and economic disruptions and uncertainties associated with the ongoing COVID-19 pandemic and the mitigation responses. Any such differences are not expected to be material for the year ended June 30, 2020.

11. Reclassifications

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

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

Only the General Fund has a legally adopted annual budget.

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

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

B. Donor-restricted endowments

The Town has received certain endowments for the maintenance of Edith Kenea Park, the Hillside Cemetery and fire department operation purposes. The amounts are reflected in net position as restricted for endowments and perpetual care. Investment income (including appreciation) is approved for expenditure by the individual Boards. The amount of appreciation (depreciation) included in fund balance of the Hillside Cemetery Trust was \$136,016.

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, 2020

C. Capital or nonrecurring project authorizations

The following is a summary of capital or nonrecurring projects:

	Project Authorization	Current Year Expenditures*	Cumulative Expenditures	Balance June 30, 2020
Assessors revaluation	\$ 635,137	\$ 11,485	\$ 558,622	\$ 76,515
Beautification: Seth Thomas Park sign	625	-	171	454
Education projects	796,809	694,333	771,007	25,802
Bradstreet house repairs	13,700	13,300	15,282	(1,582)
Christmas lights-reserve	12,000	-	10,000	2,000
Emergency management projects	23,939	290	19,356	4,583
Energy efficiency project	3,177,835	31,930	3,148,758	29,077
Fire department projects	336,987	237,766	289,371	47,616
Grove manor chimney swift roost	29,462	-	29,605	(143)
Inland wetland engineering	18,313	4,000	14,566	3,747
Kenea park clock restoration	16,000	-	13,150	2,850
K-9 donation reserves	14,297	-	11,244	3,053
Library projects	28,916	-	18,895	10,021
Minibus	58,000	58,000	58,000	-
NAA grants	10,757	-	-	10,757
Opera house projects	15,092	-	-	15,092
Park bench wood repairs	1,125	-	889	236
Police department projects	410,472	85,204	392,733	17,739
Public works department projects	17,732,203	863,255	14,868,894	2,863,309
Recreation department projects	10,000	-	-	10,000
Roofs engineering repairs	4,142,099	28,290	4,073,137	68,962
Senior Center - CT Community Foundation grant	1,400	-	1,320	80
Seth Thomas park	1,416	-	500	916
Skate park proceeds	1,090	-	-	1,090
Social services reserve	21,172	-	-	21,172
Street lights	20,000	4,995	6,039	13,961
Town-wide sick pay reserve	877,543	-	873,691	3,852
Track committee	3,314,373	28,519	3,303,865	10,508
Town hall projects	482,291	13,440	407,977	74,314
TVAC projects	29,925	-	18,242	11,683
WPCA projects	3,710,793	234,655	3,302,044	408,749
Totals	<u>\$35,943,771</u>	<u>\$ 2,309,462</u>	<u>\$32,207,358</u>	<u>\$ 3,736,413</u>

* Includes \$94,467 of transfers out.

The Bradstreet house repairs project was over expended due to unanticipated costs related to painting the house. Extra costs are expected to be covered by future garage rent payments. The Grove manor chimney swift roost project was over expended due to unanticipated costs related to the drafting of bid specifications. The Town will increase this project's authorization at a future meeting.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

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

At year end, the Town's bank balance of \$4,889,620 (including certificates of deposit and bank money market funds) was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 3,167,212
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>1,222,405</u>
Total amount subject to custodial credit risk	<u><u>\$ 4,389,617</u></u>

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

2. Investments

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

Type of Investment	Fair Value	Investment Maturities (In Years)		
		N/A	Less Than 1	5-10 Years
Certificates of deposit	\$ 264,248	\$ -	\$ 264,248	\$ -
Bank money market funds	4,625,373	-	4,625,373	-
Pooled fixed income	7,229,295	-	7,229,295	-
Mutual funds/exchange traded funds:				
Money market	326,665	-	326,665	-
Equity	10,736,640	10,736,640	-	-
Bond	6,517,647	-	-	6,517,647
Real estate investment trust	1,708,399	1,708,399	-	-
Common stock	<u>93,717</u>	<u>93,717</u>	<u>-</u>	<u>-</u>
Totals	<u><u>\$ 31,501,984</u></u>	<u><u>\$ 12,538,756</u></u>	<u><u>\$ 12,445,581</u></u>	<u><u>\$ 6,517,647</u></u>

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

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	\$ 326,665	\$ 326,665
Equity	10,736,640	10,736,640
Bond	6,517,647	6,517,647
Real estate investment trust	1,708,399	1,708,399
Common stock	93,717	93,717
Total investments by fair value level	<u>19,383,068</u>	<u>\$ 19,383,068</u>
<u>Other investments</u>		
Certificates of deposit	264,248	
Bank money market funds	4,625,373	
Pooled fixed income	<u>7,229,295</u>	
Total other investments	<u>12,118,916</u>	
Total investments	<u>\$ 31,501,984</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	\$ 7,229,295	\$ 326,665	\$ 3,488,455
A	-	-	856,568
BBB	-	-	1,273,403
BB	-	-	287,750
B	-	-	503,565
Below B	-	-	107,906
Totals	<u>\$ 7,229,295</u>	<u>\$ 326,665</u>	<u>\$ 6,517,647</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, 2020

B. Receivables

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

	Property Taxes		
	Taxes	Interest and lien fees	Total
Current portion	\$ 235,323	\$ 63,068	\$ 298,391
Long-term portion	\$ 292,614	\$ 127,332	\$ 419,946
Less allowance for uncollectibles	(100,000)	(50,000)	(150,000)
Net long-term portion	\$ 192,614	\$ 77,332	\$ 269,946
Totals	\$ 427,937	\$ 140,400	\$ 568,337

	Sewer Use			
	Use	Interest and lien fees	Total	CDBG Loans
Current portion	\$ 59,740	\$ 15,303	\$ 75,043	\$ 44,093
Long-term portion	\$ 72,867	\$ 18,757	\$ 91,624	\$ 884,334
Less allowance for uncollectibles	(5,500)	(1,500)	(7,000)	(100,000)
Net long-term portion	\$ 67,367	\$ 17,257	\$ 84,624	\$ 784,334
Totals	\$ 127,107	\$ 32,560	\$ 159,667	\$ 828,427

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

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	\$ 186,002	\$ -
Debt service	N/A	-	4,102,522
Sewer commission usage fund	N/A	-	147,536
School lunch fund	N/A	413	-
Education funds	N/A	337,240	-
Transfer station fund	N/A	19,669	-
Recreation funds	N/A	-	8,800
Gift fund	N/A	-	250
EMS fund	N/A	15,000	-
Edith Kenea park and tree fund	N/A	1,197	-
Hillside cemetery trust fund	N/A	82,554	-
Total general fund		<u>642,075</u>	<u>4,259,108</u>
Capital or nonrecurring			
General fund	N/A	-	186,002
Debt service	N/A	4,000,000	-
Capital projects fund	N/A	1,604	-
Total capital or nonrecurring		<u>4,001,604</u>	<u>186,002</u>
Debt service			
General fund	N/A	4,102,522	-
Capital or nonrecurring	N/A	-	4,000,000
Total debt service		<u>4,102,522</u>	<u>4,000,000</u>
Other governmental funds			
Special revenue funds			
Sewer commission usage fund	General fund	147,536	-
Sewer commission usage fund	Capital projects fund	-	106,548
School lunch fund	General fund	-	413
School lunch fund	Custodial fund	-	444
Education funds	General fund	-	337,240
Town clerk preservation fund	Public library funds	4,000	-
Transfer station fund	General fund	-	19,669
Public library funds	Town clerk preservation fund	-	4,000
Recreation funds	General fund	8,800	-
Gift fund	General fund	250	-
EMS fund	General Fund	-	15,000
Capital project funds			
Capital projects fund	Sewer commission usage fund	106,548	-
Capital projects fund	Capital or nonrecurring	-	1,604
Permanent funds			
Edith Kenea park and tree fund	General fund	-	1,197
Hillside cemetery trust fund	General fund	-	82,554
Total other governmental funds		<u>267,134</u>	<u>568,669</u>
Fiduciary funds			
Custodial fund	School lunch fund	444	-
Total		<u>\$ 9,013,779</u>	<u>\$ 9,013,779</u>

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

C. Interfund accounts (continued)

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.

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	\$ -	\$ 621,745
Debt service	N/A	-	3,210,696
Recreation funds	N/A	-	8,000
Social services crisis fund	N/A	-	1,000
EMS fund	N/A	15,000	-
Hillside cemetery trust fund	N/A	-	26,000
Total general fund		<u>15,000</u>	<u>3,867,441</u>
Capital or nonrecurring			
General fund	N/A	621,745	-
Sewer commission assessment and appropriation fund	N/A	-	94,467
Capital projects fund	N/A	34,857	-
Total capital or nonrecurring		<u>656,602</u>	<u>94,467</u>
Debt service	General fund	<u>3,210,696</u>	-
Other governmental funds			
Special revenue funds			
Sewer commission usage fund	Capital projects fund	-	106,548
Sewer commission assessment and appropriation fund	Capital or nonrecurring	94,467	-
Recreation funds	General fund	8,000	-
Social services crisis fund	General fund	1,000	-
EMS fund	General fund	-	15,000
Capital project funds			
Capital projects fund	Sewer commission usage fund	106,548	-
Capital projects fund	Capital or nonrecurring	-	34,857
Permanent funds			
Hillside cemetery trust fund	General fund	26,000	-
Total other governmental funds		<u>236,015</u>	<u>156,405</u>
Total		<u><u>\$4,118,313</u></u>	<u><u>\$4,118,313</u></u>

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

C. Interfund accounts (continued)

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. In turn, the EMS fund offsets its budget by transferring money to the general fund. Surpluses (deficits) in the sewer commission usage fund are transferred to (from) the capital projects funds.

D. Capital assets

Capital asset activity for the year was as follows:

	Balance July 1, 2019	Increases	Decreases	Balance June 30, 2020
<u>Capital assets, not being depreciated:</u>				
Land	\$ 1,341,961	\$ -	\$ -	\$ 1,341,961
Construction in progress	6,113,568	1,199,015	5,022,599	2,289,984
Total capital assets, not being depreciated	7,455,529	1,199,015	5,022,599	3,631,945
<u>Capital assets, being depreciated:</u>				
Buildings	44,200,354	1,960,550	-	46,160,904
Land improvements	1,441,764	3,176,498	-	4,618,262
Machinery and equipment	12,898,756	307,788	113,715	13,092,829
Intangibles	24,165	-	-	24,165
Vehicles	4,898,152	310,768	-	5,208,920
Infrastructure	29,431,401	-	-	29,431,401
Total capital assets, being depreciated	92,894,592	5,755,604	113,715	98,536,481
Total capital assets	100,350,121	6,954,619	5,136,314	102,168,426
<u>Less accumulated depreciation for:</u>				
Buildings	14,119,912	994,432	-	15,114,344
Land improvements	1,021,452	59,343	-	1,080,795
Machinery and equipment	7,237,703	377,215	41,887	7,573,031
Intangibles	24,165	-	-	24,165
Vehicles	2,915,122	245,896	-	3,161,018
Infrastructure	8,336,002	497,062	-	8,833,064
Total accumulated depreciation	33,654,356	2,173,948	41,887	35,786,417
Total capital assets, being depreciated, net	59,240,236	3,581,656	71,828	62,750,064
Governmental activities capital assets, net	\$ 66,695,765	\$ 4,780,671	\$ 5,094,427	\$ 66,382,009

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

D. Capital assets (continued)

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

General government	\$ 114,399
Public safety	334,344
Public works	858,170
Culture and recreation	78,987
Education	788,048
	<u>788,048</u>
Total depreciation expense	<u>\$ 2,173,948</u>

E. Construction commitments

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

<u>Project Description</u>	<u>Commitment</u>
Roadway reconstruction project	\$ 1,606,075
Woodbridge lane, Ridgewood acres, and Woodbridge lane pump station construction project	<u>1,183,372</u>
Total	<u>\$ 2,789,447</u>

F. Short-term obligations – interim funding obligation and bond anticipation notes

The Town uses interim funding obligations during the construction period for the water pollution control authority plant upgrade and bond anticipation notes (BANs) during the construction period of various projects prior to the issuance of bonds.

Short-term obligation activity was as follows:

<u>Type of Obligation</u>	<u>Maturity Date</u>	<u>Coupon Rate</u>	<u>Balance July 1, 2019</u>	<u>Additions</u>	<u>Permanently Financed</u>	<u>Balance June 30, 2020</u>
Interim funding obligation:						
Clean Water Loan CWF 680-DC	4/30/2020	2.00%	\$ 1,234,030	\$ 160,419	\$ 1,394,449	\$ -
Bond anticipation notes:						
General purpose	6/10/2021	2.00%	-	3,378,000	-	3,378,000
Schools	6/10/2021	2.00%	-	372,000	-	372,000
Woodbridge lane pump station	6/10/2021	2.00%	-	250,000	-	250,000
Total			<u>\$ 1,234,030</u>	<u>\$ 4,160,419</u>	<u>\$ 1,394,449</u>	<u>\$ 4,000,000</u>

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

G. Changes in long-term obligations**1. Summary of Changes**

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

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2019	Additions	Deductions*	Balance June 30, 2020	Current Portion	Long Term Portion
Bonds/notes										
General purpose:										
Refunding bond	\$ 140,008	06/01/11	12/01/22	2.00 - 4.00%	\$ 38,403	\$ -	\$ 11,088	\$ 27,315	\$ 11,088	\$ 16,227
Improvement bond	4,570,571	05/01/13	05/01/33	2.00 - 4.00%	3,149,490	-	3,149,490	-	-	-
Improvement bond	5,725,000	11/01/14	11/01/34	3.00 - 4.00%	4,565,000	-	290,000	4,275,000	300,000	3,975,000
Refunding bond	5,809,500	05/19/15	02/01/30	3.00 - 4.00%	4,306,500	-	342,000	3,964,500	337,500	3,627,000
Improvement bond	7,135,000	07/17/18	07/15/38	3.00 - 4.00%	7,135,000	-	411,227	6,723,773	411,227	6,312,546
Refunding bond	2,512,500	06/11/20	05/01/33	2.00 - 5.00%	-	2,512,500	-	2,512,500	181,121	2,331,379
Total general purpose	25,892,579				19,194,393	2,512,500	4,203,805	17,503,088	1,240,936	16,262,152
Schools:										
Refunding bond	6,244,960	06/01/11	12/01/22	2.00 - 4.00%	1,712,982	-	494,561	1,218,421	494,561	723,860
Improvement bond	2,164,429	05/01/13	05/01/33	2.00 - 4.00%	1,545,510	-	1,545,510	-	-	-
Improvement bond	300,000	11/01/14	11/01/34	3.00 - 4.00%	60,000	-	60,000	-	-	-
Refunding bond	645,500	05/19/15	02/01/30	3.00 - 4.00%	478,500	-	38,000	440,500	37,500	403,000
Refunding bond	1,237,500	06/11/20	05/01/33	2.00 - 5.00%	-	1,237,500	-	1,237,500	88,879	1,148,621
Total schools	10,592,389				3,796,992	1,237,500	2,138,071	2,896,421	620,940	2,275,481
Sewer:										
Refunding bond	560,032	06/01/11	12/01/22	2.00 - 4.00%	153,615	-	44,351	109,264	44,351	64,913
Improvement bond	1,280,000	07/17/18	07/15/38	3.00 - 4.00%	1,280,000	-	73,773	1,206,227	73,773	1,132,454
Total sewer	1,840,032				1,433,615	-	118,124	1,315,491	118,124	1,197,367
Total bonds	38,325,000				24,425,000	3,750,000	6,460,000	21,715,000	1,980,000	19,735,000
Equipment financing notes:										
Vehicles	252,768	11/30/17	09/01/23	3.52 - 6.90%	13,190	252,768	71,564	194,394	51,997	142,397
Clean water note	9,091,656	02/28/02	03/31/21	2.00%	939,554	-	532,861	406,693	406,693	-
Clean water note	1,394,449	04/30/20	04/30/39	2.00%	-	1,394,449	79,292	1,315,157	58,092	1,257,065
Total notes	10,738,873				952,744	1,647,217	683,717	1,916,244	516,782	1,399,462
Total bonds and notes	49,063,873				25,377,744	5,397,217	7,143,717	23,631,244	2,496,782	21,134,462

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

G. Changes in long-term obligations (continued)

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2019	Additions	Deductions*	Balance June 30, 2020	Current Portion	Long Term Portion
Premiums*					\$ 697,335	\$ 149,325	\$ 220,152	\$ 626,508	\$ -	\$ 626,508
Total bonds, notes and related liabilities					26,075,079	5,546,542	7,363,869	24,257,752	2,496,782	21,760,970
Net pension liability					2,919,066	1,766,471	1,584,238	3,101,299	-	3,101,299
Net OPEB liability					22,441,948	2,239,190	2,948,062	21,733,076	-	21,733,076
Compensated absences					897,811	158,320	242,016	814,115	122,117	691,998
Termination benefits					262,857	58,087	17,315	303,629	100,998	202,631
Total long-term obligations					\$ 52,596,761	\$ 9,768,610	\$ 12,155,500	\$ 50,209,871	\$ 2,719,897	\$ 47,489,974

* Includes \$4,355,000 of refunded bonds. Premium excludes refunding amount.

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

The following is a summary of bond and note maturities:

Fiscal Year Ended June 30	Bonds		Notes	
	Principal	Interest	Principal	Interest
2021	\$ 1,980,000	\$ 718,987	\$ 524,161	\$ 37,102
2022	1,825,000	664,831	113,658	30,136
2023	1,820,000	594,581	103,613	26,421
2024	1,820,000	527,131	99,153	23,503
2025	1,815,000	459,181	62,926	20,939
2026	1,415,000	395,506	64,196	19,668
2027	1,415,000	347,356	65,491	18,373
2028	1,405,000	300,081	66,813	17,051
2029	1,410,000	252,906	68,162	15,702
2030	1,335,000	205,281	69,538	14,326
2031	985,000	157,994	70,941	12,923
2032	985,000	127,757	72,373	11,491
2033	980,000	100,807	73,834	10,030
2034	675,000	73,285	75,324	8,540
2035	590,000	52,901	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	\$ 21,715,000	\$ 5,066,392	\$ 1,916,244	\$ 285,486

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

G. Changes in long-term obligations (continued)**2. Assets pledged as collateral**

The Town's outstanding equipment financing notes of \$194,394 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:

<u>Category</u>	<u>Debit Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General purpose	\$ 44,977,606	\$ 20,881,088	\$ 24,096,518
Schools	89,955,212	3,268,421	86,686,791
Sewers	74,962,676	1,565,491	73,397,185
Urban renewal	64,967,653	-	64,967,653
Pension deficit	59,970,141	-	59,970,141

The total overall statutory debt limit for the Town is equal to seven times annual receipts from prior year taxation, \$139,930,329.

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
Education Security Projects	403,786	372,000	31,786
Woodbridge Lane Pump Station	900,000	250,000	650,000
Old Smith Road	201,000	201,000	-
Carter Road Bridge	91,800	-	91,800
Total	<u>\$ 16,698,736</u>	<u>\$ 11,051,000</u>	<u>\$ 5,647,736</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 and are payable through 2020. 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, 2020

H. Fund Balances

Fund balances are composed of the following:

	General	Small Cities	Capital or Nonrecurring	Debt Service	Other Governmental Funds	Total
Nonspendable:						
Permanent fund principal	\$ -	\$ -	\$ -	\$ -	\$ 170,200	\$ 170,200
Restricted:						
Cemetery maintenance	-	-	-	-	71,570	71,570
School lunch operations	-	-	-	-	162,080	162,080
Public safety programs	-	-	-	-	25,035	25,035
Library operations	-	-	-	-	8,374	8,374
Park maintenance	-	-	-	-	38,517	38,517
Other	-	-	-	-	15,811	15,811
Housing rehabilitation	-	936,300	-	-	-	936,300
Sewer operations	-	-	-	-	275,305	275,305
Total restricted	-	936,300	-	-	596,692	1,532,992
Committed:						
Public safety - EMS	-	-	-	-	342,501	342,501
Cemetery maintenance	-	-	-	-	420,623	420,623
Other	-	-	-	-	201,694	201,694
Recreation programs	-	-	-	-	9,925	9,925
Approved CNR projects	-	-	-	-	601,929	601,929
Total committed	-	-	-	-	1,576,672	1,576,672
Assigned:						
Future debt service payments	-	-	-	819,460	-	819,460
Unassigned:	5,038,365	-	(382,481)	-	(16,478)	4,639,406
Total	<u>\$5,038,365</u>	<u>\$936,300</u>	<u>\$ (382,481)</u>	<u>\$ 819,460</u>	<u>\$ 2,327,086</u>	<u>\$ 8,738,730</u>

The amount of restricted net position, which was restricted by enabling legislation, totaled \$451,070.

I. Deficit fund balances

The transfer station fund had a deficit fund balance at year end of \$16,478.

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

Town of Thomaston, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2020****IV. Other information****A. Risk management**

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

The Town is currently a member in Connecticut Interlocal Risk Management Agency ("CIRMA") an unincorporated association of Connecticut local public agencies which was formed in 1980 by the Connecticut Conference of Municipalities for the purpose of establishing and administering an interlocal risk management program pursuant to the provisions of Section 7-47-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.

B. Commitments and litigation

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

C. Contingencies*Coronavirus*

In March 2020, the United States declared the outbreak of Coronavirus a national emergency. Similarly, the Governor of the State of Connecticut declared a state of emergency and has since issued over 70 executive orders regarding the pandemic. One of the most significant executive orders required local governments to offer taxpayers/rate payers one or both of the following programs: interest rate reduction program and payment deferral program. The interest rate reduction program reduced the interest rate charged on delinquent taxes/user fees from 18% to 3% for the period April 1, 2020 through October 1, 2020. The payment deferral program also was effective April 1, 2020 for local governments with quarterly payments and July 1, 2020 for those with semi-annual payments. This program allowed taxpayers/rate payers to defer payment of amounts due without incurring any penalty interest until October 1, 2020. The Town implemented the interest rate reduction program. The impact of this program on property tax and user fee revenues and delinquent interest collections was not significant during this period.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

C. Contingencies (continued)

The state of emergency has had a negative impact on the Town's economically sensitive revenues such as park and recreation program fees, interest earnings and certain other charges for services for the last quarter of the fiscal year and the impact continues into the 2021 fiscal year. On the expenditure side, expenditures for health and safety measures, including additional personnel costs, technology and supplies are expected to increase and may exceed adopted budgets. There continues to be uncertainty related to the duration, possible reemergence and future severity of the pandemic, as well as to what actions may be taken by the Federal government, the State of Connecticut and health care authorities to contain or mitigate its effects. This includes the nature and extent of any financial support.

The Town is continuously monitoring its financial condition and will take proactive measures as necessary to maintain operations and meet its obligations. Given this level of uncertainty, management cannot reasonably estimate the complete impact on the Town's future financial position at this time.

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, 2020, pension plan membership consisted of the following:

Active members	54
Terminated employees entitled to benefits	22
Retirees, disabled employees, and beneficiaries receiving benefits	<u>75</u>
Total	<u><u>151</u></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.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

A. Pension plan (continued)**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% of final average compensation per year of service to a maximum of 50%
Early retirement service requirement	2.25% of final average compensation per year of service to a maximum of 67.5%
Service connected disability amount	10 years of credited service
Non-service connected disability service requirement	2% of final average compensation per year of service, paid as an annuity and reduced by compensation payments
	10 years

3. Contributions

Article IV of the Pension 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 5.20% of annual base compensation, and the Town's average contribution rate was 24.98% of annual payroll.

4. Investments**a. Investment policy**

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

<u>Asset Class</u>	<u>Target Allocation</u>
Fixed income	40.00%
Domestic equity	35.00%
International equity	20.00%
Real estate	<u>5.00%</u>
Total	<u>100.00%</u>

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

A. Pension plan (continued)**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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation (see the discussion of the pension plan's investment policy) are as follows:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	3.24%
Domestic equity	6.31%
International equity	7.14%
Real estate	6.00%
Cash	1.95%

The weighted average expected rate of return is 7.00%.

d. Annual money-weighted rate of return

The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was (0.43%). The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

5. Net pension liability

Total pension liability	\$ 21,540,870
Plan fiduciary net position	<u>18,439,571</u>
Net pension liability	<u>\$ 3,101,299</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>85.60%</u>

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

A. Pension plan (continued)**6. Actuarial assumptions**

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

Valuation date	January 1, 2020
Actuarial cost method	Entry age normal
Asset valuation method	Fair value
Post-retirement increases	None
Inflation	2.20%
Salary increase	4.00%, average, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation
Mortality rates	RP-2014 Blue Collar Mortality projected using fully generational improvements from 2006 based on assumptions from the 2019 Social Security Administration Trustee's Report

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

The mortality assumption was updated to better reflect anticipated experiences and was based on RP-2014 blue collar mortality projected using fully generational improvements from 2006 based on assumptions from the 2019 social security administration trustee's report.

b. Changes in benefit terms

There were no changes in benefit terms.

8. Discount rate

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

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

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

The Town's net pension liability was measured at June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020. The changes in net pension liability were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at July 1, 2019	<u>\$ 21,140,634</u>	<u>\$ 18,221,568</u>	<u>\$ 2,919,066</u>
Service cost	279,997	-	279,997
Interest	1,459,716	-	1,459,716
Differences between expected and actual experience	(116,692)	-	(116,692)
Changes in assumptions	(87,688)	-	(87,688)
Contributions - employer	-	710,000	(710,000)
Contributions - member	-	149,901	(149,901)
Net investment income	-	519,957	(519,957)
Benefit payments, including refunds of member contributions	(1,135,097)	(1,135,097)	-
Administrative expenses	<u>-</u>	<u>(26,758)</u>	<u>26,758</u>
Net change	<u>400,236</u>	<u>218,003</u>	<u>182,233</u>
Balance at June 30, 2020	<u><u>\$ 21,540,870</u></u>	<u><u>\$ 18,439,571</u></u>	<u><u>\$ 3,101,299</u></u>

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

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

	1% Decrease	Current Discount	1% Increase
Net pension liability	<u>\$ 5,295,666</u>	<u>\$ 3,101,299</u>	<u>\$ 1,236,591</u>

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

A. Pension plan (continued)**11. Pension expense and deferred outflows of resources and deferred inflows of resources**

For the fiscal year, the Town recognized pension expense of \$87,548. The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience	\$ -	\$ (108,772)	\$ (108,772)
Changes in assumptions	-	(60,140)	(60,140)
Net difference between projected and actual earnings on pension plan investments	447,821	-	447,821
Total	<u>\$ 447,821</u>	<u>\$ (168,912)</u>	<u>\$ 278,909</u>

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

Year Ending June 30,	
2021	\$ (164,529)
2022	142,165
2023	152,277
2024	<u>148,996</u>
Total	<u>\$ 278,909</u>

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

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, 2020

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.

Employees

Each teacher is required to contribute 7% of their salary for the pension benefit.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

B. Connecticut state teachers' retirement system (continued)**4. Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions**

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

Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>27,547,926</u>
Total	<u><u>\$27,547,926</u></u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. The Town has no proportionate share of the net pension liability.

During the year the Town recognized pension expense and revenue of \$2,085,231 for on-behalf amounts for contributions to the plan by the State.

5. Actuarial assumptions

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

Investment rate of return	6.90%
Inflation	2.50%
Salary increases	3.25-6.50%, including inflation
Mortality rates	Mortality rates were based on the RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale

Town of Thomaston, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2020****B. Connecticut state teachers' retirement system (continued)**

Future cost-of-living increases - For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3.00% 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%. 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, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 - June 30, 2015.

Changes in assumptions and inputs

- The inflation assumption was decreased from 2.75% to 2.50%.
- The investment rate of return was decreased from 8.00% to 6.90%.

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.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

B. Connecticut state teachers' retirement system (continued)

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Public equity - US equity	20.00%	8.10%
Public equity - international developed equity	11.00%	8.50%
Public equity - emerging markets equity	9.00%	10.40%
Fixed income - core fixed income	16.00%	4.60%
Fixed income - inflation linked bonds	5.00%	3.60%
Fixed income - high yield	6.00%	6.50%
Fixed income - emerging market debt	5.00%	5.20%
Private equity	10.00%	9.80%
Real estate	10.00%	7.00%
Alternative investments - real assets	4.00%	8.20%
Alternative investments - hedge funds	3.00%	5.40%
Liquidity fund	1.00%	2.90%
Total	<u>100.00%</u>	

6. Discount rate

The discount rate used to measure the 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 total pension liability.

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

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

8. Plan fiduciary net position

Detailed information about the Connecticut State Teachers' Retirement Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2019.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

C. 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.

b. Plan membership

As of July 1, 2019 for Town and Education, the plans' membership consisted of:

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

2. Benefit provisions

The Town plan provides for medical and dental benefits for all eligible retirees and their spouses. The 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 \$625,300 and \$56,696, respectively.

b. Employee contributions

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

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

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

Town employees	100% of premium
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BOE 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

4. Investments**a. Investment policy**

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

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

b. Concentrations

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

C. Other post-employment benefits plan (continued)**c. Rate of return**

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

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

Inflation is estimated to be 2.20%.

d. Annual money-weighted rate of return

The annual money-weighted rate of return on OPEB plan investments, net of OPEB plan investment expense, was 3.26% for the Town OPEB Plan. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

5. Net OPEB liability – Town Plan

The components of the net OPEB liability were as follows:

	<u>Town Plan</u>
Total OPEB liability	\$ 14,581,677
Plan fiduciary net position	<u>381,758</u>
Net OPEB liability	<u>\$ 14,199,919</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>2.62%</u>

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

C. Other post-employment benefits plan (continued)**6. OPEB liability – Education Plan**

The Education OPEB liability of \$7,533,157 was measured as of June 30, 2020, and was determined by an actuarial valuation as of July 1, 2019.

7. Actuarial methods and significant assumptions

The total OPEB liability for the plans was determined based upon a July 1, 2019 actuarial valuation using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry age normal
Asset valuation method	Fair value
Discount rate - Town (blended)	5.21%
Discount rate - Education	2.66%
Investment rate of return	6.07%, net of pension plan investment expense, including inflation
Projected healthcare cost increases:	
Inflation	2.20%
Initial	7.50%
Ultimate	4.50%
Mortality rate	SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2019

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

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

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

- The discount rate increased from 4.80% to 5.21% for the Town Plan and decreased from 3.51% to 2.66% for the Education Plan since the prior measurement date.
- The healthcare cost rates decreased from the initial rate of 8.00% to the initial rate of 7.50%.

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, 2020

C. Other post-employment benefits plan (continued)**9. Discount rate**

The final equivalent discount rate used to measure the total OPEB liability was 5.21% for the Town Plan. For the Town Plan, the projection of cash flows used to determine the discount rate assumed that the Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Town Plan's long-term real rate of return is expected to be 6.07%, 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, 2020 of 2.66% is used once the plan assets are exhausted resulting in the final equivalent rate of 5.21%.

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, 2020 of 2.66%.

10. Changes in the net OPEB liability

The Town's net OPEB liability was measured at June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2019. The changes in net OPEB liability for each plan for the fiscal year were as follows:

Town Plan	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at July 1, 2019	\$ 16,001,266	\$ 339,221	\$ 15,662,045
Service cost	125,373	-	125,373
Interest	758,496	-	758,496
Differences between expected and actual experience	(870,529)	-	(870,529)
Changes in assumptions	(775,933)	-	(775,933)
Contributions - employer	-	681,996	(681,996)
Net investment income	-	18,038	(18,038)
Benefit payments, including refunds of member contributions	(656,996)	(656,996)	-
Administrative expenses	-	(501)	501
Net change	(1,419,589)	42,537	(1,462,126)
Balance at June 30, 2020	<u>\$ 14,581,677</u>	<u>\$ 381,758</u>	<u>\$ 14,199,919</u>

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

C. Other post-employment benefits plan (continued)**Education Plan**

Balance at July 1, 2019	<u>\$ 6,779,903</u>
Service cost	278,538
Interest	243,931
Differences between expected and actual experience	(381,988)
Changes in assumptions	832,351
Benefit payments, including refunds of member contributions	<u>(219,578)</u>
Net change	<u>753,254</u>
Balance at June 30, 2020	<u><u>\$ 7,533,157</u></u>

11. 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>OPEB Liability</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Town Plan (net)	<u>\$16,216,657</u>	<u>\$14,199,919</u>	<u>\$ 12,556,841</u>
Education Plan (total)	<u>\$ 8,717,034</u>	<u>\$ 7,533,157</u>	<u>\$ 6,567,971</u>

12. 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 rates:

<u>OPEB Liability</u>	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Town Plan (net)	<u>\$12,423,314</u>	<u>\$14,199,919</u>	<u>\$ 16,368,180</u>
Education Plan (total)	<u>\$ 6,441,893</u>	<u>\$ 7,533,157</u>	<u>\$ 8,898,907</u>

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

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

For the fiscal year the Town recognized OPEB expense of (\$2,790,808) for the Town and \$388,940 for the Education. The Town reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<u>Town Plan</u>	Deferred Inflows of Resources
<u>Description of Outflows/Inflows</u>	
Differences between expected and actual experience	\$ (435,264)
Changes in assumptions	(387,966)
Net difference between projected and actual earnings on plan investments	<u>(3,458)</u>
Total	<u><u>\$ (826,688)</u></u>

<u>Education Plan</u>	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
<u>Description of Outflows/Inflows</u>			
Differences between expected and actual experience	\$ 420,332	\$ (1,036,456)	\$ (616,124)
Changes in assumptions	<u>985,966</u>	<u>(381,264)</u>	<u>604,702</u>
Total	<u><u>\$ 1,406,298</u></u>	<u><u>\$ (1,417,720)</u></u>	<u><u>\$ (11,422)</u></u>

Actual investment earnings below (or above) projected earnings are amortized over 5 years for the Town plan. Experience losses (gains) and changes in assumptions are amortized over the average remaining service period of active and inactive participants, which was 2 years for the Town Plan and 8 years for the Education Plan.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

C. 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
2021	\$ (824,727)	\$ (133,529)
2022	(942)	(133,529)
2023	(1,085)	(133,526)
2024	66	84,679
2025	-	191,890
Thereafter	-	112,593
Total	<u>\$ (826,688)</u>	<u>\$ (11,422)</u>

D. Total OPEB plans

	OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Town plan	\$ 14,199,919	\$ -	\$ (826,688)	\$ (2,790,808)
Education plan	7,533,157	1,406,298	(1,417,720)	388,940
Total	<u>\$ 21,733,076</u>	<u>\$ 1,406,298</u>	<u>\$ (2,244,408)</u>	<u>\$ (2,401,868)</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, 2020

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 through the system. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the CTRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

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

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

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

E. Connecticut state teachers' retirement board retiree health insurance plan (continued)**Survivor health care coverage**

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

3. Contributions**State of Connecticut**

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

Employer (school districts)

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

Employees

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

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

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

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>4,296,255</u>
Total	<u>\$ 4,296,255</u>

The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. The Town has no proportionate share of the net OPEB liability.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

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

The Town recognized OPEB expense and revenue of \$56,991 for on-behalf amounts for contributions to the plan by the State.

5. Actuarial assumptions

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

Investment rate of return	3.00%
Inflation	2.50%
Health care cost trend rate	
Pre-medicare	5.95% decreasing to 4.75% by 2025
Medicare	5.00% decreasing to 4.75% by 2028
Salary increases	3.25-6.50%, including inflation
Mortality rates	Mortality rates were based on the RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale
Year fund net position will be depleted	2020

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

Changes in assumptions and inputs

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

- The discount rate was decreased from 3.87% to 3.50% to reflect the change in the Municipal Bond Index rate.

Additionally, expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience both before and after the plan change that became effective on January 1, 2019. Further, the expected rate of inflation was decreased and the real wage growth assumption was increased.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

E. Connecticut state teachers' retirement board retiree health insurance plan (continued)**Long-term expected rate of return**

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

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

6. Discount rate

The discount rate used to measure the total OPEB liability was 3.50%. The Municipal Bond Index Rate 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 no future employer contributions were assumed to be made.

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

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

8. Plan fiduciary net position

Detailed information about the Connecticut State Teachers' OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2019.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

F. Pension and other post-employment benefit plan statements

	Pension Trust Fund	Other Post- Employment Benefit Trust Fund	Total
<u>Assets</u>			
Investments:			
Mutual funds/exchange traded funds:			
Money market	\$ 324,524	\$ 2,141	\$ 326,665
Equity	10,065,440	203,178	10,268,618
Bond	6,357,531	160,116	6,517,647
Real estate investment trusts	1,692,076	16,323	1,708,399
Total investments	18,439,571	381,758	18,821,329
<u>Net Position</u>			
Restricted for:			
Pension benefits	18,439,571	-	18,439,571
OPEB benefits	-	381,758	381,758
Total net position	\$ 18,439,571	\$ 381,758	\$ 18,821,329

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2020

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

Combining Statement of Changes in Fiduciary Net Position
Pension and Other Post-Employment Benefit Trust Funds
For the Year Ended June 30, 2020

	Pension Trust Fund	Other Post- Employment Benefit Trust Fund	Total
Additions:			
Contributions:			
Employer	\$ 710,000	\$ 681,996	\$ 1,391,996
Plan members	149,901	-	149,901
Total contributions	859,901	681,996	1,541,897
Investment income (loss):			
Change in fair value of investments	(78,780)	11,125	(67,655)
Interest and dividends	643,998	7,795	651,793
Total investment income (loss)	565,218	18,920	584,138
Less investment expenses	45,261	882	46,143
Net investment income (loss)	519,957	18,038	537,995
Total additions	1,379,858	700,034	2,079,892
Deductions:			
Benefits	1,135,097	656,996	1,792,093
Administration	26,758	501	27,259
Total deductions	1,161,855	657,497	1,819,352
Changes in net position	218,003	42,537	260,540
Net position - July 1, 2019	18,221,568	339,221	18,560,789
Net position - June 30, 2020	\$18,439,571	\$ 381,758	\$ 18,821,329

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 Teacher's Retirement System	Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Investment Returns
	Schedule of Proportionate Share of the Net Pension Liability
	Schedule of Contributions
	Notes to Required Supplementary Information
<u>Other Post-Employment Benefits Plans</u> Town Education State Teacher's 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 Net OPEB Liability
	Schedule of Contributions
	Notes to Required Supplementary Information

Town of Thomaston, Connecticut

Required Supplementary Information

Schedule of Revenues and Other Financing Sources
Budget and Actual (Budgetary Basis) - General Fund
For the Year Ended June 30, 2020

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance with Final Budget
Property taxes:					
Taxes	\$ 20,179,697	\$ -	\$ 20,179,697	\$ 20,446,754	\$ 267,057
Prior year taxes	175,000	-	175,000	225,323	50,323
Interest and lien fees	100,000	-	100,000	115,081	15,081
Housing authority in lieu of taxes	27,309	-	27,309	26,987	(322)
Telecommunications property tax	13,559	-	13,559	12,413	(1,146)
Total property taxes	20,495,565	-	20,495,565	20,826,558	330,993
Charges for services:					
Building permits	65,000	-	65,000	80,212	15,212
Conveyance tax	50,000	-	50,000	56,070	6,070
Special duty police reimbursements	60,000	-	60,000	71,278	11,278
Accident reports	500	-	500	448	(52)
Gun permits	3,000	-	3,000	2,026	(974)
Zoning and land use fees	10,000	-	10,000	7,855	(2,145)
Recreation - Nystroms	5,000	-	5,000	5,000	-
Fingerprinting	100	-	100	125	25
Town of Litchfield - sewer upgrade	7,928	-	7,928	7,928	-
Dam patrol	19,062	-	19,062	19,031	(31)
Alarm violations	500	-	500	-	(500)
Parking fines	1,000	-	1,000	190	(810)
Dog fines and fees	4,000	-	4,000	4,092	92
Rent of tower	83,000	-	83,000	95,428	12,428
Rent of tower - Town of Plymouth	25,467	-	25,467	25,467	-
Rent of Opera House	15,000	-	15,000	12,500	(2,500)
PA 09-229 LOCIP project funding	7,000	-	7,000	9,948	2,948
Total charges for services	356,557	-	356,557	397,598	41,041
Intergovernmental:					
Property tax relief - state owned property	19,583	-	19,583	19,583	-
Property tax relief - Veterans' exemption	14,515	-	14,515	14,755	240
Property tax relief - totally disabled	949	-	949	1,069	120
Property tax relief - municipal stabilization grant	395,346	-	395,346	395,346	-
Property tax relief - manufacturing	-	-	-	1,718	1,718
Federal PILOT - land authorization	1,589	-	1,589	1,660	71
LOCIP	53,512	-	53,512	54,383	871
Special education excess cost	-	-	-	100,722	100,722
Education cost sharing	5,444,034	-	5,444,034	5,470,916	26,882
Mashantucket Pequot	16,872	-	16,872	16,872	-
Town aid road	222,351	-	222,351	222,214	(137)
Elderly services transportation grant	11,333	-	11,333	11,333	-
CARES Act DOL Unemployment Grant	-	-	-	2,889	2,889
Coronavirus relief act	-	-	-	6,659	6,659
FEMA disaster grants - public assistance	-	-	-	9,106	9,106
Total intergovernmental	6,180,084	-	6,180,084	6,329,225	149,141

(Continued)

Town of Thomaston, Connecticut

Required Supplementary Information

**Schedule of Revenues and Other Financing Sources
Budget and Actual (Budgetary Basis) - General Fund
For the Year Ended June 30, 2020**

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance with Final Budget
Income from investments	\$ 50,000	\$ -	\$ 50,000	\$ 78,001	\$ 28,001
Other:					
Recycling rebates	-	-	-	110	110
Miscellaneous	5,000	-	5,000	47,937	42,937
Total other	5,000	-	5,000	48,047	43,047
Total revenues	27,087,206	-	27,087,206	27,679,429	592,223
Other financing sources:					
Appropriation of fund balance	140,000	171,082	311,082	-	(311,082)
Transfers in: EMS Fund	15,000	-	15,000	15,000	-
Total other financing sources	155,000	171,082	326,082	15,000	(311,082)
Total revenues and other financing sources	<u>\$ 27,242,206</u>	<u>\$ 171,082</u>	<u>\$ 27,413,288</u>	<u>\$ 27,694,429</u>	<u>\$ 281,141</u>

(Concluded)

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, 2020

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance with Final Budget
General government:					
Board of Selectmen	\$ 121,396	\$ 942	\$ 122,338	\$ 121,302	\$ 1,036
Elections	28,850	-	28,850	20,427	8,423
Board of Finance	2,000	240	2,240	2,240	-
Treasurer	196,683	2,313	198,996	198,996	-
Computer information systems	51,480	10,006	61,486	61,486	-
Independent audit	57,425	-	57,425	57,425	-
Legal	85,500	-	85,500	72,184	13,316
Tax collector	118,828	860	119,688	112,797	6,891
Tax assessor	136,737	2,721	139,458	139,458	-
Board of Assessment Appeals	150	-	150	-	150
Insurance	460,058	-	460,058	451,944	8,114
Town Hall operations and maintenance	234,457	-	234,457	210,630	23,827
Town Clerk	51,865	378	52,243	43,154	9,089
Probate court	4,066	-	4,066	4,066	-
Social security	250,000	1,824	251,824	247,214	4,610
Unemployment expense	-	6,029	6,029	6,029	-
Pension - Town employees	493,814	-	493,814	486,734	7,080
Pension - Volunteer Firefighters and Ambulance	131,000	-	131,000	120,070	10,930
Medical / life insurance	747,077	-	747,077	707,871	39,206
Retirees medical insurance	655,178	-	655,178	625,300	29,878
Council of governments	3,822	-	3,822	3,822	-
CT Conference of Municipalities	4,894	-	4,894	2,447	2,447
Contingency	100,000	(92,218)	7,782	-	7,782
Total general government	3,935,280	(66,905)	3,868,375	3,695,596	172,779
Public safety:					
Police	1,231,614	-	1,231,614	1,128,901	102,713
Emergency management	14,966	-	14,966	9,649	5,317
Communications and dispatch	381,166	3,344	384,510	342,806	41,704
Fire protection	190,057	-	190,057	187,250	2,807
Fire marshal	27,631	-	27,631	26,870	761
Ambulance	76,200	-	76,200	66,273	9,927
Tree removal	25,000	-	25,000	19,744	5,256
Animal control	27,070	-	27,070	21,345	5,725
Total public safety	1,973,704	3,344	1,977,048	1,802,838	174,210
Public works:					
Highways	594,329	21,543	615,872	615,872	-
Town aid road	222,351	-	222,351	219,562	2,789
Snow and ice removal	189,550	-	189,550	189,128	422
Street lighting	23,500	-	23,500	18,484	5,016
Fire hydrants	202,500	-	202,500	193,350	9,150
Solid waste and recycling	558,073	5,689	563,762	563,762	-
Groundwater remediation	127,388	-	127,388	97,678	29,710
Total public works	1,917,691	27,232	1,944,923	1,897,836	47,087

(Continued)

Town of Thomaston, Connecticut

Required Supplementary Information

General Fund
Schedule of Expenditures and Other Financing Uses
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2020

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance with Final Budget
Health and welfare:					
Medical services	\$ 4,235	\$ -	\$ 4,235	\$ 2,760	\$ 1,475
Torrington Area Health District	41,659	-	41,659	41,659	-
Northwest Regional Mental Health Board	850	-	850	-	850
Social services	19,434	685	20,119	20,119	-
Elderly nutrition	6,749	-	6,749	6,749	-
Susan B. Anthony project	2,000	-	2,000	2,000	-
Central Naugatuck Valley Regional Action Council	1,160	-	1,160	-	1,160
Minibus	18,585	2,410	20,995	20,995	-
Veterans' administration	2,858	-	2,858	2,141	717
Total health and welfare	97,530	3,095	100,625	96,423	4,202
Culture and recreation:					
Recreation programs	117,754	6,852	124,606	124,606	-
Memorial day	2,000	-	2,000	-	2,000
Public library	336,351	15,858	352,209	352,209	-
Total culture and recreation	456,105	22,710	478,815	476,815	2,000
Housing and development:					
Conservation commission	1,795	-	1,795	1,795	-
Economic development commission	1,900	-	1,900	999	901
Housing, land use and development	204,667	821	205,488	189,935	15,553
Brownfields	800	-	800	800	-
Total housing and development	209,162	821	209,983	193,529	16,454
Education	15,088,131	(122,053)	14,966,078	14,966,078	-
Total expenditures	23,677,603	(131,756)	23,545,847	23,129,115	416,732
Other financing uses:					
Transfers out:					
Debt service fund	3,000,000	-	3,000,000	3,000,000	-
Debt service fund (education)	210,696	-	210,696	210,696	-
Hillside cemetery trust fund	26,000	-	26,000	26,000	-
Capital or nonrecurring	318,907	302,838	621,745	621,745	-
Seth Thomas/Bradstreet house	8,000	-	8,000	8,000	-
Social service crisis fund	1,000	-	1,000	1,000	-
Total other financing uses	3,564,603	302,838	3,867,441	3,867,441	-
Total expenditures and other financing uses	\$ 27,242,206	\$ 171,082	\$ 27,413,288	\$ 26,996,556	\$ 416,732

(Concluded)

Town of Thomaston, Connecticut
Notes to Required Supplementary Information

Budgets and Budgetary Accounting
For the Year Ended June 30, 2020

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	\$ 27,679,429	\$ 23,129,115
State Teachers' pension on behalf amount	2,085,231	2,085,231
State Teachers' OPEB on behalf amount	<u>56,991</u>	<u>56,991</u>
GAAP Basis - Exhibit D	<u><u>\$ 29,821,651</u></u>	<u><u>\$ 25,271,337</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 \$171,082.

Town of Thomaston, Connecticut
Required Supplementary Information

Town Retirement Plan
Last Seven Years (1)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
<u>Schedule of Changes in Net Pension Liability and Related Ratios</u>							
Total pension liability:							
Service cost	\$ 279,997	\$ 296,619	\$ 321,322	\$ 357,930	\$ 387,724	\$ 363,897	\$ 401,270
Interest	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	(116,692)	(151,278)	(419,938)	(414,928)	(110,825)	(265,689)	(19,597)
Changes in assumptions	(87,688)	(48,888)	(38,197)	(92,172)	-	607,611	-
Benefit payments, including refunds of member contributions	(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	400,236	420,551	218,530	250,507	614,294	985,609	591,668
Total pension liability - July 1	<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>	<u>18,059,475</u>
Total pension liability - June 30 (a)	<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	\$ 710,000	\$ 685,000	\$ 775,000	\$ 790,000	\$ 800,000	\$ 830,000	\$ 924,999
Contributions - member	149,901	147,029	157,619	175,704	159,545	167,530	153,778
Net investment income	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	(1,135,097)	(1,108,281)	(1,064,984)	(1,007,682)	(1,028,327)	(1,015,713)	(1,059,644)
Administration	(26,758)	(43,134)	(25,324)	(29,092)	(35,932)	(35,337)	(31,839)
Net change in plan fiduciary net position	218,003	884,585	1,028,904	1,668,018	29,825	312,551	1,889,858
Plan fiduciary net position - July 1	<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>	<u>12,407,827</u>
Plan fiduciary net position - June 30 (b)	<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>\$ 3,101,299</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>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>\$ 2,842,038</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 as a percentage of covered payroll	<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>
<u>Schedule of Investment Returns</u>							
Annual money weighted rate of return, net of investment expense	<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>

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

Town of Thomaston, Connecticut

Required Supplementary Information

Town Retirement Plan
Schedule of Contributions
Last Ten Years

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contributions	\$ 522,281	\$ 587,272	\$ 585,540	\$ 657,455	\$ 714,209	\$ 741,399	\$ 734,912	\$ 824,021	\$ 852,964	\$ 820,223
Contributions in relation to the actuarially determined contribution	710,000	685,000	775,000	790,000	800,000	830,000	924,999	895,000	913,000	946,555
Contribution excess (deficiency)	\$ 187,719	\$ 97,728	\$ 189,460	\$ 132,545	\$ 85,791	\$ 88,601	\$ 190,087	\$ 70,979	\$ 60,036	\$ 126,332
Covered payroll	\$ 2,842,038	\$ 3,029,570	\$ 3,171,283	\$ 3,369,027	\$ 3,415,672	\$ 3,309,461	\$ 3,285,183	\$ 3,381,120	\$ 3,805,200	\$ 3,838,262
Contributions as a percentage of covered payroll	24.98%	22.61%	24.44%	23.45%	23.42%	25.08%	28.16%	26.47%	23.99%	24.66%

Town of Thomaston, Connecticut

Notes to Required Supplementary Information

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

	2020	2019	2018	2017	2016	2015	2014
Changes of Benefit Terms	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	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
Amortization Method	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
Inflation	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%
Investment Rate of Return (Net)	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Mortality Rate	RP-2014 Total mortality table projected using fully generational improvements from 2006 based on assumptions from the 2019 Social Security Administration Trustee's Report	RP-2014 Total mortality table projected using fully generational improvements from 2006 based on assumptions from the 2018 Social Security Administration Trustee's Report	RP 2014+ mortality with social security generational improvements, based on assumptions from the 2017 Social Security Administration Trustee's Report	RP-2014+ mortality with social security generational improvement scale from 2006	Police, public works, WPCA and highway members - RP-2014 blue collar mortality with social security generational improvement scale from 2006. All other members - RP-2014 total mortality with social security generational improvement scale from 2006	Police, public works, WPCA and highway members - RP-2014 blue collar mortality with social security generational improvement scale from 2006. All other members - RP-2014 total mortality with social security generational improvement scale from 2006	N/A

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

N/A - Not Available

Town of Thomaston, Connecticut

Required Supplementary Information

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

	2020	2019	2018	2017	2016	2015
<u>Schedule of Proportionate Share of the Net Pension Liability</u>						
Town's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net pension liability associated with the Town	27,547,926	21,241,051	21,209,807	22,376,509	18,724,328	17,306,889
Total	\$27,547,926	\$21,241,051	\$21,209,807	\$22,376,509	\$18,724,328	\$17,306,889
Town's covered payroll	(2)	(2)	(2)	(2)	(2)	(2)
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	52.00%	57.69%	55.93%	52.86%	59.50%	61.50%
<u>Schedule of Contributions</u>						
Contractually required contribution (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	(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%

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

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

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

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

	2020	2019	2018	2017	2016	2015
Changes of Benefit Terms	None	Beginning January 1, 2018, member contributions increased from 6% to 7% of salary	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2018	June 30, 2018	June 30, 2016	June 30, 2016	June 30, 2014	June 30, 2014
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 percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed
Remaining Amortization Period	17.6 years	17.6 years	20.4 years	20.4 years	21.4 years	22.4 years
Asset Valuation Method	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing
Inflation	2.50%	2.75%	2.75%	2.75%	3.00%	3.00%
Salary Increases	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation
Investment Rate of Return	6.90%	8.00%	8.00%	8.00%	8.50%	8.50%
Mortality Rate	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale	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	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 Four Years (1)

	<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	\$ 125,373	\$ 216,810	\$ 205,034	\$ 219,329
Interest	758,496	1,091,922	1,202,380	1,175,639
Difference between expected and actual experience	(870,529)	(6,504,575)	(1,847,217)	2,266,952
Changes in assumptions	(775,933)	840,426	999,754	(196,530)
Benefit payments, including refunds of member contributions	<u>(656,996)</u>	<u>(839,356)</u>	<u>(844,480)</u>	<u>(875,766)</u>
Net Change in Total OPEB Liability	(1,419,589)	(5,194,773)	(284,529)	2,589,624
Total OPEB Liability - July 1	<u>16,001,266</u>	<u>21,196,039</u>	<u>21,480,568</u>	<u>18,890,944</u>
Total OPEB Liability - June 30 (a)	<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	681,996	864,356	869,480	900,766
Net investment income	18,038	23,452	18,083	18,590
Benefit payments, including refunds of member contributions	(656,996)	(839,356)	(844,480)	(875,766)
Administration	<u>(501)</u>	<u>(761)</u>	<u>(500)</u>	<u>(416)</u>
Net Change in Fiduciary Net Position	42,537	47,691	42,583	43,174
Plan Fiduciary Net Position - July 1	<u>339,221</u>	<u>291,530</u>	<u>248,947</u>	<u>205,773</u>
Plan Fiduciary Net Position - June 30 (b)	<u>\$ 381,758</u>	<u>\$ 339,221</u>	<u>\$ 291,530</u>	<u>\$ 248,947</u>
Net OPEB Liability - June 30 (a)-(b)	<u>\$ 14,199,919</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>2.62%</u>	<u>2.12%</u>	<u>1.38%</u>	<u>1.16%</u>
Covered payroll	<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>9.18%</u>	<u>8.00%</u>	<u>13.26%</u>	<u>12.55%</u>

Schedule of Investment Returns

Annual money weighted rate of return, net investment expense	<u>3.26%</u>	<u>4.02%</u>	<u>3.49%</u>	<u>3.97%</u>
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(1) These schedules are intended to present information for 10 years. Additional years will be presented as the information becomes available.

Town of Thomaston, Connecticut

Required Supplementary Information

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

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Actuarially determined contributions	\$ 868,989	\$ 1,215,346	\$ 1,211,597	\$ 1,151,113	\$ 1,558,534	\$ 1,480,136	\$ 1,249,797	\$ 1,225,729	\$ 1,059,036	\$ 1,045,568
Contributions in relation to the actuarially determined contribution	<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>	<u>607,716</u>	<u>514,196</u>	<u>582,499</u>
Contribution excess (deficiency)	<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>	<u>\$ (618,013)</u>	<u>\$ (544,840)</u>	<u>\$ (463,069)</u>
Covered payroll	<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>	<u>\$ 2,243,618</u>	<u>\$ 2,400,858</u>	<u>\$ 2,330,960</u>
Contributions as a percentage of covered payroll	<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>	<u>27.09%</u>	<u>21.42%</u>	<u>24.99%</u>

Town of Thomaston, Connecticut

Notes to Required Supplementary Information

Town Other Post-Employment Benefit (OPEB) Plan
Schedule of Contributions
Last Seven Years (1)

	2020	2019	2018	2017	2016	2015	2014
Changes of Benefit Terms	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	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	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 dollar	Level dollar	Level dollar
Asset Valuation Method	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	N/A
Inflation	2.20%	2.20%	3.50%	3.50%	3.00%	3.00%	N/A
Salary Increases	4.00%	4.00%	N/A	N/A	N/A	N/A	N/A
Investment Rate of Return - Town (Net)	6.00%	6.00%	5.60%	5.60%	5.33%	5.33%	5.33%
Investment Rate of Return - Education (Net)	3.51%	3.51%	3.56%	3.56%	4.50%	4.50%	4.50%
Mortality Rate	SOA Pub-2010 general headcount weighted mortality table fully generational using Scale MP-2019	SOA Pub-2010 general headcount weighted mortality table fully generational using Scale MP-2019	SOA RPH-2016 Total Dataset Headcount-Weighted Mortality Table fully generational using Scale MP-2016	SOA RPH-2016 Total Dataset Headcount-Weighted Mortality Table fully generational using Scale MP-2016	N/A	N/A	N/A

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

N/A - Not Available.

Town of Thomaston, Connecticut

Required Supplementary Information

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

	<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	\$ 278,538	\$ 226,046	\$ 256,700	\$ 342,342
Interest	243,931	220,611	220,059	205,769
Difference between expected and actual experience	(381,988)	588,466	(513,843)	(933,922)
Changes in assumptions	832,351	360,723	(236,655)	(562,365)
Benefit payments, including refunds of member contributions	<u>(219,578)</u>	<u>(179,196)</u>	<u>(173,960)</u>	<u>(174,221)</u>
Net change in total OPEB liability	753,254	1,216,650	(447,699)	(1,122,397)
Total OPEB liability - July 1	<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>\$ 7,533,157</u>	<u>\$ 6,779,903</u>	<u>\$ 5,563,253</u>	<u>\$ 6,010,952</u>
Covered payroll	<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 payroll	<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

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Actuarially determined contributions	N/A	N/A	\$ 548,111	\$ 548,111	\$ 444,515	\$ 456,347	\$ 414,469	\$ 434,272	\$ 495,837	\$ 514,993
Contributions in relation to the actuarially determined contribution	<u>219,578</u>	<u>179,196</u>	<u>173,960</u>	<u>174,221</u>	<u>170,062</u>	<u>156,020</u>	<u>188,015</u>	<u>181,447</u>	<u>159,683</u>	<u>164,335</u>
Contribution excess (deficiency)	<u>N/A</u>	<u>N/A</u>	<u>\$ (374,151)</u>	<u>\$ (373,890)</u>	<u>\$ (274,453)</u>	<u>\$ (300,327)</u>	<u>\$ (226,454)</u>	<u>\$ (252,825)</u>	<u>\$ (336,154)</u>	<u>\$ (350,658)</u>
Covered payroll	<u>\$ 8,094,378</u>	<u>\$ 7,783,056</u>	<u>N/A</u>	<u>N/A</u>	<u>\$ 7,280,013</u>	<u>\$ 7,067,974</u>	<u>\$ 7,458,734</u>	<u>\$ 7,241,489</u>	<u>\$ 7,846,462</u>	<u>\$ 7,617,924</u>
Contributions as a percentage of covered payroll	<u>2.71%</u>	<u>2.30%</u>	<u>N/A</u>	<u>N/A</u>	<u>2.34%</u>	<u>2.21%</u>	<u>2.52%</u>	<u>2.51%</u>	<u>2.04%</u>	<u>2.16%</u>

N/A - Not available

Town of Thomaston, Connecticut
Required Supplementary Information

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

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Schedule of Proportionate Share of the Net OPEB Liability</u>			
Town's proportion of the net OPEB liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Town's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net OPEB liability associated with the Town	<u>4,296,255</u>	<u>4,246,205</u>	<u>5,459,175</u>
Total	<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>
Town's proportionate share of the net OPEB liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>2.08%</u>	<u>1.49%</u>	<u>1.79%</u>

Schedule of Contributions

Contractually required contribution (1)	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<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>

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

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

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

Town of Thomaston, Connecticut

Notes to Required Supplementary Information

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

	2020	2019	2018
Changes of Benefit Terms	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2018	June 30, 2018	June 30, 2016
Actuarial methods and assumptions used to determine contribution rates:			
Actuarial Cost Method	Entry age normal	Entry age normal	Entry age normal
Amortization Method	Level percentage, open	Level percentage, open	Level percentage, open
97 Amortization Period	30 years	30 years	30 years
Asset Valuation Method	Fair Value	Fair Value	Fair Value
Inflation	2.75%	2.75%	2.75%
Healthcare Inflation Rate	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	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation
Investment Rate of Return	3.00%	3.00%	4.25%
Mortality Rate	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale	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 Schedules

General Fund

The general fund is the principal fund of the Town and is used to account for all activities of the Town, except those required to be accounted for in another fund. The general fund accounts for the normal recurring activities of the Town (i.e., general government, public safety, public works, health 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, 2020**

Grand List Year	Uncollected Taxes July 1, 2019	Current Year Levy	Lawful Corrections		Transfers to Suspense	Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2020
			Additions	Deductions			Net Taxes Collected	Interest and Liens	Total	
2006	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 280	\$ 280	\$ -
2007	-	-	-	-	-	-	-	668	668	-
2008	7,432	-	-	-	167	7,265	-	-	-	7,265
2009	7,518	-	-	-	-	7,518	-	-	-	7,518
2010	6,932	-	456	-	-	7,388	1,030	591	1,621	6,358
2011	10,372	-	204	-	-	10,576	353	398	751	10,223
2012	20,782	-	587	290	-	21,079	1,763	1,243	3,006	19,316
2013	20,723	-	405	604	-	20,524	991	926	1,917	19,533
2014	21,434	-	104	404	369	20,765	1,672	1,168	2,840	19,093
2015	31,345	-	-	783	462	30,100	6,123	2,656	8,779	23,977
2016	80,485	-	3	2,551	2,816	75,121	38,537	11,895	50,432	36,584
2017	267,959	-	1,794	11,970	8,200	249,583	173,964	35,828	209,792	75,619
Total Prior Years	474,982	-	3,553	16,602	12,014	449,919	224,433	55,653	280,086	225,486
2018	-	20,820,446	27,275	97,110	1,225	20,749,386	20,446,935	59,427	20,506,362	302,451
Total	<u>\$ 474,982</u>	<u>\$20,820,446</u>	<u>\$30,828</u>	<u>\$ 113,712</u>	<u>\$ 13,239</u>	<u>\$ 21,199,305</u>	<u>\$20,671,368</u>	<u>\$ 115,080</u>	<u>\$20,786,448</u>	<u>\$ 527,937</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, 2020

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance with Final Budget
Revenues:					
Property taxes	\$ 20,495,565	\$ -	\$ 20,495,565	\$ 20,826,558	\$ 330,993
Charges for services	356,557	-	356,557	397,598	41,041
Intergovernmental	6,180,084	-	6,180,084	6,329,225	149,141
Income from investments	50,000	-	50,000	78,001	28,001
Other	5,000	-	5,000	48,047	43,047
Total revenues	<u>27,087,206</u>	<u>-</u>	<u>27,087,206</u>	<u>27,679,429</u>	<u>592,223</u>
Expenditures:					
Current:					
General government	3,935,280	(66,905)	3,868,375	3,695,596	172,779
Public safety	1,973,704	3,344	1,977,048	1,802,838	174,210
Public works	1,917,691	27,232	1,944,923	1,897,836	47,087
Health and welfare	97,530	3,095	100,625	96,423	4,202
Culture and recreation	456,105	22,710	478,815	476,815	2,000
Housing and development	209,162	821	209,983	193,529	16,454
Education	15,088,131	(122,053)	14,966,078	14,966,078	-
Total expenditures	<u>23,677,603</u>	<u>(131,756)</u>	<u>23,545,847</u>	<u>23,129,115</u>	<u>416,732</u>
Excess (deficiency) of revenues over expenditures	<u>3,409,603</u>	<u>131,756</u>	<u>3,541,359</u>	<u>4,550,314</u>	<u>1,008,955</u>
Other financing sources (uses):					
Appropriation of fund balance	140,000	171,082	311,082	-	(311,082)
Transfers in	15,000	-	15,000	15,000	-
Transfers out	(3,564,603)	(302,838)	(3,867,441)	(3,867,441)	-
Net other financing sources (uses)	<u>(3,409,603)</u>	<u>(131,756)</u>	<u>(3,541,359)</u>	<u>(3,852,441)</u>	<u>(311,082)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	697,873	<u>\$ 697,873</u>
Fund balance - July 1, 2019				<u>4,340,492</u>	
Fund balance - June 30, 2020				<u>\$ 5,038,365</u>	

Other Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are restricted, committed, or assigned 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, donations, student athletes "pay to play" and school field trips
Town Clerk Preservation Fund	Charges for services	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

Capital Projects Funds

Capital project 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

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, 2020

Special Revenue Funds									
Sewer Commission Usage Fund	Sewer Commission Assessment and Appropriation Fund	School Lunch Fund	Education Funds	Town Clerk Preservation Fund	Transfer Station Fund	Thomaston Opera House Fund	Public Library Funds	Public Safety Funds	Recreation Funds
\$ -	\$ 84,910	\$ 169,258	\$ 585,436	\$ 9,685	\$ -	\$ 20	\$ 12,374	\$ 22,189	\$ 1,482
-	190,395	-	-	-	10,727	-	-	2,846	-
132,607	-	-	-	-	-	-	-	-	-
-	-	-	37,159	-	-	-	-	-	-
147,536	-	-	-	4,000	-	-	-	-	8,800
-	-	9,242	-	-	-	-	-	-	-
<u>\$ 280,143</u>	<u>\$ 275,305</u>	<u>\$ 178,500</u>	<u>\$ 622,595</u>	<u>\$ 13,685</u>	<u>\$ 10,727</u>	<u>\$ 20</u>	<u>\$ 12,374</u>	<u>\$ 25,035</u>	<u>\$ 10,282</u>
\$ 28,783	\$ -	\$ 15,563	\$ 67,129	\$ -	\$ 1,912	\$ -	\$ -	\$ -	\$ 377
12,205	-	-	-	-	70	-	-	-	-
106,548	-	857	337,240	-	19,669	-	4,000	-	-
-	-	-	74,259	-	5,554	-	-	-	-
<u>147,536</u>	<u>-</u>	<u>16,420</u>	<u>478,628</u>	<u>-</u>	<u>27,205</u>	<u>-</u>	<u>4,000</u>	<u>-</u>	<u>377</u>
132,607	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-
-	275,305	162,080	-	13,685	-	-	8,374	25,035	-
-	-	-	143,967	-	-	20	-	-	9,905
-	-	-	-	-	(16,478)	-	-	-	-
<u>-</u>	<u>275,305</u>	<u>162,080</u>	<u>143,967</u>	<u>13,685</u>	<u>(16,478)</u>	<u>20</u>	<u>8,374</u>	<u>25,035</u>	<u>9,905</u>
<u>\$ 280,143</u>	<u>\$ 275,305</u>	<u>\$ 178,500</u>	<u>\$ 622,595</u>	<u>\$ 13,685</u>	<u>\$ 10,727</u>	<u>\$ 20</u>	<u>\$ 12,374</u>	<u>\$ 25,035</u>	<u>\$ 10,282</u>

(Continued)

Town of Thomaston, Connecticut

Combining Balance Sheet
Other Governmental Funds
June 30, 2020

	Special Revenue Funds				Capital Projects Fund	Permanent Funds				Total Other Governmental Funds
	Gift Fund	Social Services Crisis Fund	EMS Fund	Total Special Revenue 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	\$ 51,896	\$ 876	\$ -	\$ 938,126	\$ 6,377	\$ -	\$ -	\$ 35,073	\$ 35,073	\$ 979,576
Investments	4,556	149	345,501	554,174	490,608	89,714	17,826	645,772	753,312	1,798,094
Receivables:										
Assessments/use charges	-	-	-	132,607	-	-	-	-	-	132,607
Other	-	-	12,000	49,159	-	-	-	-	-	49,159
Due from other funds	250	-	-	160,586	106,548	-	-	-	-	267,134
Other	-	-	-	9,242	-	-	-	-	-	9,242
Total assets	\$ 56,702	\$ 1,025	\$ 357,501	\$ 1,843,894	\$ 603,533	\$ 89,714	\$ 17,826	\$ 680,845	\$ 788,385	\$ 3,235,812
<u>Liabilities</u>										
Accounts payable	\$ -	\$ -	\$ -	\$ 113,764	\$ -	\$ -	\$ -	\$ 157	\$ 157	\$ 113,921
Accrued payroll	-	-	-	12,275	-	-	-	1,441	1,441	13,716
Due to other funds	-	-	15,000	483,314	1,604	1,197	-	82,554	83,751	568,669
Unearned revenue	-	-	-	79,813	-	-	-	-	-	79,813
Total liabilities	-	-	15,000	689,166	1,604	1,197	-	84,152	85,349	776,119
<u>Deferred Inflows of Resources</u>										
Unavailable revenue - assessments/use charges	-	-	-	132,607	-	-	-	-	-	132,607
<u>Fund Balances</u>										
Nonspendable	-	-	-	-	-	50,000	15,700	104,500	170,200	170,200
Restricted	-	-	-	484,479	-	38,517	2,126	71,570	112,213	596,692
Committed	56,702	1,025	342,501	554,120	601,929	-	-	420,623	420,623	1,576,672
Unassigned	-	-	-	(16,478)	-	-	-	-	-	(16,478)
Total fund balances	56,702	1,025	342,501	1,022,121	601,929	88,517	17,826	596,693	703,036	2,327,086
Total liabilities, deferred inflows of resources and fund balances	\$ 56,702	\$ 1,025	\$ 357,501	\$ 1,843,894	\$ 603,533	\$ 89,714	\$ 17,826	\$ 680,845	\$ 788,385	\$ 3,235,812

(Concluded)

Town of Thomaston, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For the Year Ended June 30, 2020

	Special Revenue Funds									
	Sewer Commission Usage Fund	Sewer Commission Assessment and Appropriation Fund	School Lunch Fund	Education Funds	Town Clerk Preservation Fund	Transfer Station Fund	Thomaston Opera House Fund	Public Library Funds	Public Safety Funds	Recreation Funds
Revenues:										
Charges for services	\$ 1,362,633	\$ 33,300	\$ 127,594	\$ -	\$ 3,861	\$ 23,033	\$ -	\$ -	\$ 490	\$ 37,633
Intergovernmental	-	-	154,736	1,008,842	-	-	-	2,051	-	-
Contributions	-	-	-	82,710	-	-	490	10,929	22,474	100
Income from investments	-	3,256	-	-	3	52	1	4	51	1
Net change in fair value of investments	-	-	-	-	-	-	-	-	-	-
Total revenues	1,362,633	36,556	282,330	1,091,552	3,864	23,085	491	12,984	23,015	37,734
Expenditures:										
Current:										
General government	-	-	-	-	7,013	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	19,383	-
Public works	1,256,085	-	-	-	-	28,463	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	1,500	18,184	-	81,139
Education	-	-	318,909	1,136,101	-	-	-	-	-	-
Total expenditures	1,256,085	-	318,909	1,136,101	7,013	28,463	1,500	18,184	19,383	81,139
Excess (deficiency) of revenues over expenditures	106,548	36,556	(36,579)	(44,549)	(3,149)	(5,378)	(1,009)	(5,200)	3,632	(43,405)
Other financing sources (uses):										
Transfers in	-	94,467	-	-	-	-	-	-	-	8,000
Transfers out	(106,548)	-	-	-	-	-	-	-	-	-
Net other financing sources (uses)	(106,548)	94,467	-	-	-	-	-	-	-	8,000
Net change in fund balances	-	131,023	(36,579)	(44,549)	(3,149)	(5,378)	(1,009)	(5,200)	3,632	(35,405)
Fund balances, July 1, 2019	-	144,282	198,659	188,516	16,834	(11,100)	1,029	13,574	21,403	45,310
Fund balances, June 30, 2020	\$ -	\$ 275,305	\$ 162,080	\$ 143,967	\$ 13,685	\$ (16,478)	\$ 20	\$ 8,374	\$ 25,035	\$ 9,905

(Continued)

Town of Thomaston, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For the Year Ended June 30, 2020

	Special Revenue Funds				Capital Projects Fund	Permanent Funds				Total Other Governmental Funds
	Gift Fund	Social Services Crisis Fund	EMS Fund	Total Special Revenue Funds	Capital Projects Fund	Edith Kenea Park and Tree Fund	Fire Department Trust Fund	Hillside Cemetery Trust Fund	Total Permanent Funds	Total Other Governmental Funds
Revenues:										
Charges for services	\$ -	\$ -	\$ 32,000	\$ 1,620,544	\$ 31,154	\$ -	\$ -	\$ 37,994	\$ 37,994	\$ 1,689,692
Intergovernmental	-	-	-	1,165,629	20,000	-	-	-	-	1,185,629
Contributions	15,563	29,900	-	162,166	-	-	-	-	-	162,166
Income from investments	54	5	3,099	6,526	4,272	805	456	7,257	8,518	19,316
Net change in fair value of investments	-	-	-	-	-	-	-	(813)	(813)	(813)
Total revenues	15,617	29,905	35,099	2,954,865	55,426	805	456	44,438	45,699	3,055,990
Expenditures:										
Current:										
General government	-	-	-	7,013	-	-	-	-	-	7,013
Public safety	-	-	-	19,383	-	-	-	-	-	19,383
Public works	580	-	-	1,285,128	71,926	-	-	-	-	1,357,054
Health and welfare	-	32,223	-	32,223	-	-	-	75,424	75,424	107,647
Culture and recreation	10,169	-	-	110,992	53,974	197	-	-	197	165,163
Education	-	-	-	1,455,010	-	-	-	-	-	1,455,010
Total expenditures	10,749	32,223	-	2,909,749	125,900	197	-	75,424	75,621	3,111,270
Excess (deficiency) of revenues over expenditures	4,868	(2,318)	35,099	45,116	(70,474)	608	456	(30,986)	(29,922)	(55,280)
Other financing sources (uses):										
Transfers in	-	1,000	-	103,467	106,548	-	-	26,000	26,000	236,015
Transfers out	-	-	(15,000)	(121,548)	(34,857)	-	-	-	-	(156,405)
Net other financing sources (uses)	-	1,000	(15,000)	(18,081)	71,691	-	-	26,000	26,000	79,610
Net change in fund balances	4,868	(1,318)	20,099	27,035	1,217	608	456	(4,986)	(3,922)	24,330
Fund balances, July 1, 2019	51,834	2,343	322,402	995,086	600,712	87,909	17,370	601,679	706,958	2,302,756
Fund balances, June 30, 2020	\$56,702	\$1,025	\$ 342,501	\$ 1,022,121	\$601,929	\$ 88,517	\$ 17,826	\$ 596,693	\$703,036	\$2,327,086

(Concluded)

Town of Thomaston, Connecticut

**Sewer Commission Usage Fund
Schedule of Sewer Use Charges Receivable
For the Year Ended June 30, 2020**

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Fiscal Year	Uncollected Balance July 1, 2019	Current Year Charges	Corrections		Adjusted User Charges Collectible	Collections			Uncollected Balance June 30, 2020
			Additions	Deductions		Use Charges	Interest and Liens	Total	
2015	\$ 611	\$ -	\$ -	\$ -	\$ 611	\$ 18	\$ 24	\$ 42	\$ 593
2016	1,758	-	-	-	1,758	352	553	905	1,406
2017	7,040	-	-	-	7,040	1,908	1,477	3,385	5,132
2018	28,122	-	352	-	28,474	14,788	5,499	20,287	13,686
2019	<u>90,082</u>	<u>-</u>	<u>369</u>	<u>-</u>	<u>90,451</u>	<u>53,960</u>	<u>13,274</u>	<u>67,234</u>	<u>36,491</u>
Total Prior Years	127,613	-	721	-	128,334	71,026	20,827	91,853	57,308
2020	<u>-</u>	<u>1,338,425</u>	<u>-</u>	<u>870</u>	<u>1,337,555</u>	<u>1,262,256</u>	<u>8,524</u>	<u>1,270,780</u>	<u>75,299</u>
Total	<u>\$ 127,613</u>	<u>\$1,338,425</u>	<u>\$ 721</u>	<u>\$ 870</u>	<u>\$ 1,465,889</u>	<u>\$1,333,282</u>	<u>\$29,351</u>	<u>\$1,362,633</u>	<u>\$ 132,607</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
Student Activity Fund	Activites fees	To account for monies held on-behalf of students and various community organizations

Town of Thomaston, Connecticut

Private-Purpose Trust Funds
Combining Statement of Fiduciary Net Position
June 30, 2020

	Leander Smith Award Fund	Peppie Wagner Fund	Seth Thomas Prize Fund	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Assets</u>				
Cash	\$ -	\$ 870	\$ -	\$ 870
Investments	<u>5,728</u>	<u>-</u>	<u>1,132</u>	<u>6,860</u>
Total assets	<u>5,728</u>	<u>870</u>	<u>1,132</u>	<u>7,730</u>
<u>Net Position</u>				
Net position restricted for individuals	<u><u>\$ 5,728</u></u>	<u><u>\$ 870</u></u>	<u><u>\$ 1,132</u></u>	<u><u>\$ 7,730</u></u>

Town of Thomaston, Connecticut

Private-Purpose Trust Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2020

	Leander Smith Award Fund	Peppie Wagner Fund	Seth Thomas Prize Fund	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Additions:				
Income from investments	\$ 69	\$ 1	\$ 23	\$ 93
Net position, July 1, 2019	<u>5,659</u>	<u>869</u>	<u>1,109</u>	<u>7,637</u>
Net position, June 30, 2020	<u><u>\$ 5,728</u></u>	<u><u>\$ 870</u></u>	<u><u>\$ 1,132</u></u>	<u><u>\$ 7,730</u></u>

Statistical Section

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

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 comprehensive annual financial reports for the fiscal year.

Town of Thomaston, Connecticut

Net Position by Component
Last Ten Years
(Unaudited)

June 30

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Net investment in capital assets	\$ 37,728,275	\$ 39,632,659	\$ 38,688,922	\$ 32,655,352	\$ 38,387,002	\$ 35,802,178	\$ 32,848,325	\$ 32,134,289	\$ 32,469,999	\$ 30,913,796
Restricted for:										
Endowments:										
Nonexpendable	65,700	65,700	65,700	65,700	65,700	95,700	95,700	95,700	95,700	95,700
Expendable	40,643	39,579	37,525	42,860	42,860	13,170	13,502	13,329	12,772	12,593
Perpetual care:										
Nonexpendable	104,500	104,500	104,500	104,500	104,500	104,500	104,500	104,500	104,500	104,500
Expendable	71,570	71,570	71,570	71,570	71,570	71,570	71,570	71,570	71,570	71,570
Housing and rehabilitation	936,300	950,170	73,768	-	195,991	169,072	183,242	317,089	233,177	183,905
Public safety	25,035	21,403	29,411	-	-	-	38,365	58,365	58,365	120,000
Sewer operations	275,305	144,282	221,057	206,985	185,494	130,651	177,277	173,322	168,203	189,889
Education	162,080	198,659	152,036	99,382	46,131	-	-	-	-	-
Library	8,374	13,574	18,304	9,860	15,397	-	-	-	-	-
Other	13,685	16,834	10,991	7,272	7,744	47,158	25,960	25,909	41,023	112,944
Unrestricted	<u>(14,974,375)</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>	<u>1,418,992</u>	<u>260,607</u>	<u>1,823,160</u>
Total net position	<u>\$ 24,457,092</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>	<u>\$ 34,413,065</u>	<u>\$ 33,515,916</u>	<u>\$ 33,628,057</u>

Table 2

Town of Thomaston, Connecticut

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

For the Year Ended June 30

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Expenses:										
General government	\$ 781,152	\$ 1,009,995	\$ 1,509,908	\$ 1,417,618	\$ 1,417,021	\$ 1,468,054	\$ 1,662,601	\$ 1,718,977	\$ 1,792,675	\$ 1,668,332
Public safety	1,910,201	2,100,352	3,716,219	3,558,258	3,326,695	3,164,883	2,817,840	2,531,191	2,645,588	2,350,689
Public works	3,474,517	3,697,513	5,217,983	5,126,370	4,781,865	4,907,857	4,523,074	4,590,427	4,264,949	4,297,830
Health and welfare	195,350	174,134	233,960	222,395	209,795	203,022	189,646	142,874	82,192	102,826
Culture and recreation	773,464	678,631	1,098,082	1,015,466	1,084,776	1,034,470	856,538	873,818	849,888	1,054,447
Housing and development	296,520	249,609	276,818	544,178	787,911	460,058	384,582	255,635	208,886	235,491
Education	19,440,731	19,180,664	19,875,111	19,401,777	18,527,836	17,988,363	17,715,754	18,236,951	17,893,897	18,141,755
Interest	709,646	882,574	647,763	750,391	703,177	675,831	778,821	695,454	1,011,416	655,789
Total expenses	<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>	<u>29,045,327</u>	<u>28,749,491</u>	<u>28,507,159</u>
Program revenues:										
Charges for services:										
General government	203,273	188,285	150,294	153,730	145,299	149,298	143,897	132,663	112,966	34,561
Public safety	160,575	194,083	300,032	203,715	219,899	243,508	158,884	144,636	178,532	157,914
Public works	1,475,119	1,434,453	1,345,075	1,363,837	1,378,548	1,314,456	1,216,145	1,207,400	1,174,669	1,167,243
Health and welfare	-	-	209	859	723	473	444	596	915	755
Culture and recreation	43,433	48,830	41,976	62,326	61,159	54,212	50,645	55,195	51,091	156,737
Housing and development	90,344	94,449	60,709	61,176	78,967	68,995	69,425	57,044	55,659	41,689
Education	127,594	180,492	184,912	205,641	189,665	188,604	213,589	221,288	243,921	273,660
Operating grants and contributions	9,269,644	9,681,796	9,207,222	9,596,263	8,923,066	8,450,907	8,781,136	9,515,488	8,860,269	8,342,648
Capital grants and contributions	348,717	838,130	540,038	115,622	605,945	2,230,932	655,034	299,942	386,186	564,196
Total program revenues	<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>	<u>11,634,252</u>	<u>11,064,208</u>	<u>10,739,403</u>
Net expenses	<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>	<u>(17,411,075)</u>	<u>(17,685,283)</u>	<u>(17,767,756)</u>
General revenues:										
Property taxes	20,896,033	20,081,678	19,473,610	18,906,623	18,347,627	18,156,595	18,118,289	17,679,388	16,785,654	16,549,427
Grants and contributions not restricted to specific programs	469,655	453,192	562,109	680,052	516,623	521,843	517,874	509,956	691,072	457,793
Income from investments	99,198	167,124	134,586	86,423	62,240	34,434	64,153	47,706	49,314	89,062
Other	48,047	46,427	88,936	56,172	65,734	30,314	31,362	71,174	47,102	83,923
Total general revenues	<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>	<u>18,308,224</u>	<u>17,573,142</u>	<u>17,180,205</u>
Change in net position	<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>	<u>\$ 897,149</u>	<u>\$ (112,141)</u>	<u>\$ (587,551)</u>

Table 3

Town of Thomaston, Connecticut

Governmental Funds

Fund Balances

Last Ten Years

(Modified Accrual Basis of Accounting)

(Unaudited)

June 30

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General fund:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,932
Assigned	-	140,000	100,000	675,000	102,266	160,000	250,000	315,000	84,533	153,207
Unassigned	5,038,365	4,200,492	3,502,786	2,956,906	3,340,323	3,007,183	2,890,109	2,701,438	2,240,778	1,766,537
Total general fund	5,038,365	4,340,492	3,602,786	3,631,906	3,442,589	3,167,183	3,140,109	3,016,438	2,325,311	2,170,676
All other governmental funds:										
Nonspendable	170,200	170,200	1,051,114	170,200	170,200	1,050,267	1,279,423	1,305,819	1,306,788	1,366,650
Restricted	1,532,992	1,456,071	614,662	1,393,058	1,361,668	531,621	509,916	659,584	585,110	690,901
Committed	1,576,672	1,637,755	1,560,187	1,210,838	1,016,604	1,037,766	930,964	2,520,150	558,852	3,047,788
Assigned	819,460	1,061,834	921,708	916,931	1,259,874	1,380,309	1,086,043	1,179,720	363,589	309,413
Unassigned	(398,959)	(690,113)	(5,481)	(2,274,592)	(494,329)	-	(109,805)	(2,505,405)	(1,980,505)	(179,998)
Total all other governmental funds	3,700,365	3,635,747	4,142,190	1,416,435	3,314,017	3,999,963	3,696,541	3,159,868	833,834	5,234,754
Grand total	\$ 8,738,730	\$7,976,239	\$7,744,976	\$5,048,341	\$6,756,606	\$7,167,146	\$6,836,650	\$6,176,306	\$3,159,145	\$7,405,430

Notes:

General fund:

Unassigned

Increased due to positive operations and decrease in assigned fund balance for subsequent year's budget

All other governmental funds:

Assigned

Decreased due to negative operations of the debt service fund

Unassigned

Increased mostly due to positive operations of the capital or nonrecurring fund

Table 4

Town of Thomaston, Connecticut

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

For the Year Ended June 30

	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues:										
Property taxes	\$ 20,826,558	\$ 20,033,981	\$ 19,357,281	\$ 18,880,582	\$ 18,477,767	\$ 18,337,484	\$ 18,134,271	\$ 17,943,306	\$ 16,932,230	\$ 16,858,253
Charges for services	2,120,672	2,154,081	2,071,836	2,143,933	2,140,092	2,064,253	1,864,263	1,826,482	1,817,625	1,840,244
Intergovernmental	9,886,147	10,864,252	10,156,081	10,451,748	10,053,041	11,090,040	10,023,755	9,815,369	9,730,818	9,496,291
Contributions	201,869	250,129	299,456	91,089	148,692	275,701	109,013	684,800	129,773	46,019
Income from investments	100,011	148,405	113,408	55,553	28,086	20,924	19,144	47,709	49,314	89,061
Net change in fair value of investments	(813)	18,719	21,178	30,870	34,154	13,510	45,009	-	-	-
Other	48,047	46,427	88,936	55,369	57,426	30,314	31,361	79,912	47,104	83,923
Total revenues	<u>33,182,491</u>	<u>33,515,994</u>	<u>32,108,176</u>	<u>31,709,144</u>	<u>30,939,258</u>	<u>31,832,226</u>	<u>30,226,816</u>	<u>30,397,578</u>	<u>28,706,864</u>	<u>28,413,791</u>
Expenditures:										
Current:										
General government	3,727,824	3,740,840	3,873,266	3,814,056	3,678,660	3,737,170	3,517,321	3,412,749	3,343,498	3,390,754
Public safety	1,832,090	1,861,910	1,703,190	1,768,195	1,626,723	1,618,411	1,562,456	1,506,881	1,536,180	1,345,780
Public works	3,318,312	3,320,887	3,154,183	3,049,696	2,786,773	2,995,295	3,000,019	2,758,011	2,686,572	2,637,989
Health and welfare	204,070	180,023	174,465	170,466	152,747	153,566	150,984	126,396	64,551	88,257
Culture and recreation	683,797	542,749	589,386	513,582	541,350	532,772	504,198	502,030	494,639	623,821
Housing and development	211,570	161,703	152,173	417,337	658,758	319,731	294,715	159,504	115,834	145,477
Education	18,617,311	18,424,641	19,007,633	18,394,057	17,368,884	16,903,635	17,181,062	17,361,746	17,148,470	16,781,904
Debt service:										
Principal	2,788,717	2,458,000	2,497,191	2,528,909	2,730,826	2,330,597	2,364,762	2,054,987	1,959,360	2,237,348
Interest	900,831	782,313	689,533	807,120	729,413	930,238	824,059	736,859	659,585	440,214
Capital outlay	<u>1,932,020</u>	<u>2,787,469</u>	<u>5,487,777</u>	<u>2,007,611</u>	<u>1,176,861</u>	<u>2,399,439</u>	<u>6,258,365</u>	<u>5,842,077</u>	<u>4,960,660</u>	<u>3,176,564</u>
Total expenditures	<u>34,216,542</u>	<u>34,260,535</u>	<u>37,328,797</u>	<u>33,471,029</u>	<u>31,450,995</u>	<u>31,920,854</u>	<u>35,657,941</u>	<u>34,461,240</u>	<u>32,969,349</u>	<u>30,868,108</u>
Excess (deficiency) of revenues over expenditures	<u>(1,034,051)</u>	<u>(744,541)</u>	<u>(5,220,621)</u>	<u>(1,761,885)</u>	<u>(511,737)</u>	<u>(88,628)</u>	<u>(5,431,125)</u>	<u>(4,063,662)</u>	<u>(4,262,485)</u>	<u>(2,454,317)</u>
Other financing sources (uses):										
Capital lease	-	-	33,947	39,758	73,298	-	54,085	127,645	-	-
Issuance of bonds (BANS)	1,647,217	795,000	7,620,000	-	-	-	6,025,000	6,735,000	-	-
Issuance of refunding bonds	3,750,000	-	-	-	-	6,455,000	-	-	-	6,945,000
Payment to refunding bond escrow agent	(4,378,450)	-	-	-	-	(6,654,127)	-	-	-	(7,239,828)
Premium	777,775	168,134	-	13,059	19,591	618,251	12,384	218,178	16,200	406,061
Sale of capital assets	-	12,670	-	803	8,308	-	-	-	-	-
Transfers in	4,118,313	3,702,209	3,428,503	3,410,476	3,727,326	3,843,788	3,679,843	3,247,341	3,059,313	3,113,769
Transfers out	<u>(4,118,313)</u>	<u>(3,702,209)</u>	<u>(3,428,503)</u>	<u>(3,410,476)</u>	<u>(3,727,326)</u>	<u>(3,843,788)</u>	<u>(3,679,843)</u>	<u>(3,247,341)</u>	<u>(3,059,313)</u>	<u>(3,113,769)</u>
Net other financing sources (uses)	<u>1,796,542</u>	<u>975,804</u>	<u>7,653,947</u>	<u>53,620</u>	<u>101,197</u>	<u>419,124</u>	<u>6,091,469</u>	<u>7,080,823</u>	<u>16,200</u>	<u>111,233</u>
Net change in fund balances	<u>\$ 762,491</u>	<u>\$ 231,263</u>	<u>\$ 2,433,326</u>	<u>\$ (1,708,265)</u>	<u>\$ (410,540)</u>	<u>\$ 330,496</u>	<u>\$ 660,344</u>	<u>\$ 3,017,161</u>	<u>\$ (4,246,285)</u>	<u>\$ (2,343,084)</u>
Debt service as a percentage of noncapital expenditures	<u>11.43%</u>	<u>10.30%</u>	<u>10.01%</u>	<u>10.55%</u>	<u>11.05%</u>	<u>11.05%</u>	<u>10.85%</u>	<u>9.76%</u>	<u>9.40%</u>	<u>9.67%</u>

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		
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
2013	* 2011	449,210,250	641,728,929	53,773,376	35,292,409	89,065,785	127,236,836	538,276,035	768,965,765	70.00%	32.83
2012	2010	534,078,455	762,969,221	49,779,666	31,009,992	80,789,658	115,413,797	614,868,113	878,383,018	70.00%	26.98
2011	2009	531,306,915	759,009,879	48,395,826	28,115,433	76,511,259	109,301,799	607,818,174	868,311,678	70.00%	26.54

* Revaluation performed

Table 6

Town of Thomaston, Connecticut

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

Taxpayer	2020			2011		
	(1) Assessment	Rank	Percent of Net Taxable Grand List	(1) Assessment	Rank	Percent of Net Taxable Grand List
Connecticut Light & Power Co.	\$ 18,983,130	1	3.37%	\$ 5,633,080	2	0.93%
Silgon Dispension (formerly Albea/Rexam)	9,435,280	2	1.67%	6,049,928	1	1.00%
Yankee Gas Services Company	3,985,950	3	0.71%	2,640,410	6	0.43%
Thomaston Savings Bank	3,858,590	4	0.68%	3,035,090	4	0.50%
Connecticut Water Company	3,446,300	5	0.61%	N/A	N/A	-
Summit Corp of America	3,333,700	6	0.59%	2,481,850	9	0.41%
Thomaston Valley Village	3,137,750	7	0.56%	N/A	N/A	-
Tyler Properties	2,933,160	8	0.52%	2,636,630	7	0.43%
GLC Associates One, LLC	2,723,340	9	0.48%	3,081,500	3	0.51%
Subs Realty LLC	2,172,730	10	0.39%	2,470,500	10	0.41%
WL Real Estate Company	-	N/A	0.00%	2,824,520	5	0.46%
Whyco Technologies, Inc.	-	N/A	0.00%	2,544,628	8	0.42%
Totals	<u>\$ 54,009,930</u>		<u>9.58%</u>	<u>\$ 33,398,136</u>		<u>5.50%</u>

Source: Town Assessor Department.

(1) The net taxable grand list: \$564,096,272 \$607,818,174

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
2020	36.53	2018	\$ 20,749,386	\$ 20,446,935	98.5%	\$ -	\$ 20,446,935	98.5%	\$ 302,451
2019	35.79	2017	19,894,653	19,626,694	98.7%	224,433	19,626,694	98.7%	75,619
2018	* 35.05	2016	19,320,944	19,036,595	98.5%	247,765	19,036,595	98.5%	36,584
2017	34.07	2015	18,744,659	18,537,433	98.9%	183,249	18,537,433	98.9%	23,977
2016	33.63	2014	18,294,050	18,081,176	98.8%	193,781	18,274,957	99.9%	19,093
2015	33.63	2013	18,080,787	17,844,146	98.7%	217,108	18,061,254	99.9%	19,533
2014	33.13	2012	17,879,100	17,614,927	98.5%	244,857	17,859,784	99.9%	19,316
2013	* 32.83	2011	17,645,073	17,364,941	98.4%	269,909	17,634,850	99.9%	10,223
2012	26.98	2010	16,626,776	16,324,968	98.2%	295,450	16,620,418	100.0%	6,358
2011	26.54	2009	16,462,140	16,192,962	98.4%	261,660	16,454,622	100.0%	7,518

Source: Town Audit Reports.

* Revaluation performed

(1) There are no overlapping tax rates

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

Table 8

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

<u>Year Ended June 30</u>	<u>General Obligation Bonds (1)</u>	<u>Notes</u>	<u>Premium</u>	<u>Total</u>	<u>Percentage of Personal Income</u>	<u>Debt per Capita</u>
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%	2,970
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
2013	21,290,000	4,191,941	664,948	26,146,889	0.25%	3,336
2012	16,000,000	4,624,694	582,448	21,207,142	0.31%	2,659
2011	17,425,000	5,138,202	632,036	23,195,238	N/A	2,941

(1) Includes permanently financed bond anticipation notes

N/A - Information not available

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

Note: There is no overlapping debt

Table 9

Town of Thomaston, Connecticut

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

Year Ended June 30	(1) Population	(2) Net Assessed Value	(3) Long-Term Debt and Related Liabilities	Ratio of Bonded Debt/Notes to Net Assessed Value	Debt per Capita
2020	7,836	\$ 564,096,272	24,257,752	4.30%	\$ 3,096
2019	7,836	551,502,919	26,075,079	4.73%	3,328
2018	7,863	547,676,208	27,647,804	5.05%	3,516
2017	7,595	546,138,523	22,560,500	4.13%	2,970
2016	7,621	540,231,844	25,119,103	4.65%	3,296
2015	7,683	533,917,497	27,846,084	5.22%	3,624
2014	7,862	539,424,184	29,805,020	5.53%	3,791
2013	7,838	538,276,035	26,146,889	4.86%	3,336
2012	7,975	614,868,113	21,207,142	3.45%	2,659
2011	7,887	607,818,174	23,195,238	3.82%	2,941

Sources:

(1) CT Health Department

(2) Table 5

(3) Table 8

Town of Thomaston, Connecticut

Schedule of Debt Limitation
Connecticut General Statutes, Section 7-374 (b)
As of and for the Year Ended June 30, 2020
(Unaudited)

Total tax collections (including interest and lien fees) for prior year					<u><u>\$ 19,990,047</u></u>
Debt Limitation:	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
2 1/4 times base	\$44,977,606	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	89,955,212	-	-	-
3 3/4 times base	-	-	74,962,676	-	-
3 1/4 times base	-	-	-	64,967,653	-
3 times base	-	-	-	-	59,970,141
Total Debt Limitation	<u>44,977,606</u>	<u>89,955,212</u>	<u>74,962,676</u>	<u>64,967,653</u>	<u>59,970,141</u>
Indebtedness:					
Bonds payable	17,503,088	2,896,421	1,315,491	-	-
Bond anticipation notes - short-term	<u>3,378,000</u>	<u>372,000</u>	<u>250,000</u>	<u>-</u>	<u>-</u>
Total Indebtedness	<u>20,881,088</u>	<u>3,268,421</u>	<u>1,565,491</u>	<u>-</u>	<u>-</u>
Debt Limitation in excess of outstanding debt	<u><u>\$24,096,518</u></u>	<u><u>\$86,686,791</u></u>	<u><u>\$73,397,185</u></u>	<u><u>\$64,967,653</u></u>	<u><u>\$ 59,970,141</u></u>
The total net indebtedness above amounts to:					<u><u>\$ 25,715,000</u></u>
In no event shall total indebtedness exceed seven times the base for debt limitation computation:					<u><u>\$139,930,329</u></u>
Note: There is no overlapping debt					

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>
2020	\$ 139,930,329	\$ 25,715,000	\$ 114,215,329	18.38%
2019	134,490,097	24,425,000	110,065,097	18.16%
2018	131,863,949	31,751,390	100,112,559	24.08%
2017	131,863,949	27,377,554	104,486,395	20.76%
2016	127,094,254	24,477,554	103,876,768	19.26%
2015	128,082,052	24,205,284	103,876,768	18.90%
2014	126,610,372	25,993,009	100,617,363	20.53%
2013	125,550,264	24,245,997	101,304,267	19.31%
2012	117,980,709	18,686,529	99,294,180	15.84%
2011	118,368,957	16,296,459	102,072,498	13.77%

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
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%
2013	7,838	66,197	44	High School 35% Some College 58%	1,004	8.0%
2012	7,975	66,197	44	High School 35% Some College 58%	1,010	8.5%
2011	7,887	(5)	(5)	(5)	1,114	8.2%

Sources:

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

Table 13

Town of Thomaston, Connecticut

Principal Employers
Current Year and Nine Years ago
(Unaudited)

Employer	2020			2011		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Silgon Dispension (formerly Albea/Rexam)	314	1	7%	352	1	8%
State of Connecticut	N/A	2	-	100	7	2%
Thomaston Savings Bank	222	3	5%	138	3	3%
Town of Thomaston	189	4	4%	229	2	5%
Ward Leonard Electric, Inc.	157	5	3%	134	4	3%
UniMetal/ Quality Rolling & Deburring	120	6	3%	80	9	2%
Stewart Eyelets for Industry, Inc.	116	7	3%	122	5	3%
Summit Corporation of America	76	8	2%	83	8	2%
WHYCO Chromium, Inc.	38	9	1%	32	10	1%
Stevens Co., Inc.	32	10	1%	103	6	2%
Total	1,264		29%	1,373		31%
Total Town Employment	4,589			4,281		

Source: Annual Town survey

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

Table 14

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

Function / Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
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	3.9	3.9	3.9	3.9	3.9	3.9	3.0	3.0	3.9	3.9
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	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Town Hall maintenance	1.3	1.3	1.4	1.3	1.3	1.5	1.5	1.4	1.5	1.0
Town Clerk	1.4	1.4	1.6	1.7	1.7	1.7	1.7	1.5	1.7	1.6
Public Safety:										
Police officers	15.7	12.7	13.0	13.5	13.3	13.1	13.4	11.6	11.7	11.4
Dispatch	4.9	4.9	5.0	4.5	4.8	4.9	4.5	4.8	4.0	4.6
Fire Marshal	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.6	0.6
Animal control	1.0	1.0	1.1	1.1	1.1	1.1	1.1	1.2	1.1	1.1
Public Works:										
Highway	8.4	8.7	8.6	7.2	8.0	7.0	7.0	8.0	6.0	7.0
Solid waste and recycling	0.2	0.2	0.2	0.2	0.3	0.2	0.2	0.3	0.2	0.2
Sewer plant	7.0	7.0	6.4	7.0	6.0	7.0	7.0	7.0	5.0	7.0
Hillside Cemetery	2.0	2.2	2.0	1.8	1.9	1.8	1.7	1.9	1.7	1.5
Health and Welfare:										
Social services	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.0	0.0	0.0
Minibus	0.5	0.4	0.3	0.2	0.4	0.2	0.2	0.4	0.4	0.4
Veterans administration	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1	0.1	0.1
Culture and Recreation:										
Recreation	1.6	1.6	1.6	1.6	1.8	2.0	1.6	1.6	3.5	2.4
Public library	6.1	6.1	5.9	5.7	6.8	6.1	5.4	6.1	5.8	5.8
Housing and Development:										
Housing, land use & development	2.3	2.5	2.5	2.3	2.5	2.5	2.1	2.1	2.5	2.0
Education	133.0	135.0	132.0	158.5	141.7	136.5	162.8	163.5	165.9	164.1
Total	196.3	195.9	192.5	216.5	201.5	195.6	219.3	220.0	221.0	220.1

Source: Actual payroll data

Table 15

Town of Thomaston, Connecticut

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

Function / Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Public Safety:										
Fire:										
Emergency responses	286	304	336	298	270	265	239	266	436	367
Fires extinguished	37	27	29	30	38	39	26	17	43	26
Police:										
Incidents	34,098	31,252	35,892	36,136	35,807	39,126	37,715	32,646	33,503	33,523
Accidents	252	362	309	296	307	353	347	195	217	230
Physical arrests	131	317	367	380	385	629	565	236	258	161
Traffic violations	1,576	2,014	1,544	1,201	922	898	853	841	949	952
Public Works:										
Street resurfacing (miles)	5.0	3.0	0.0	0.0	0.0	3.0	2.0	0.0	0.0	0.0
Streets rebuilt (miles)	0.0	0.0	2.2	0.0	0.0	0.0	0.0	4.86	4.86	4.31
Parks and Recreation:										
Athletic field permits issued	44	41	44	31	38	42	40	41	46	51
Number of recreation programs	31	33	29	29	34	32	34	36	34	29
Health and Welfare:										
Number of elderly serviced	N/A	N/A	98	98	146	109	86	N/A	N/A	N/A
Number of families serviced	N/A	N/A	274	274	185	162	150	N/A	N/A	N/A
Number of disabled serviced	N/A	N/A	82	82	98	87	60	N/A	N/A	N/A
Library:										
Total print items	38,707	38,571	38,982	39,253	39,327	40,285	40,885	40,637	41,243	40,137
Total non-print items	7,320	7,347	7,370	7,102	7,060	6,876	6,291	5,991	5,775	8,095
Circulation	39,459	47,725	52,652	58,218	63,700	70,396	75,418	80,528	80,371	86,380
Interlibrary borrows	1,690	2,328	2,331	2,698	3,497	3,346	3,605	3,537	3,662	3,210
Interlibrary loans	1,740	2,353	2,513	2,068	2,259	2,275	2,427	3,003	3,391	3,467
Education:										
Enrollment:										
High School	361	376	405	428	408	417	412	438	460	518
Middle School	196	189	190	205	216	206	237	256	227	256
Elementary School	291	280	280	264	271	233	292	310	323	340
Total	848	845	875	897	895	856	941	1,004	1,010	1,114
Sewer Fund:										
Average daily sewage treatment (million gallons)	0.920	1.174	0.898	0.810	0.834	0.980	0.989	0.924	0.871	0.937
Residential customers	2,783	2,767	2,679	2,635	2,635	2,635	2,700	2,695	2,619	2,613
Commercial and industrial customers	129	131	75	134	131	129	128	130	130	128
Manhole repair as part of I/I reduction	7	3	4	-	20	6	9	42	48	80
Solid Waste & Recycling:										
MIRA/CRRA tonnage (annual)	4,756	4,623	4,372	2,534	2,400	2,462	2,506	3,069	3,817	4,226

Sources: Various Town Departments

N/A - Data not available

Table 16

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

Function / Program	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
General Government:										
Election voting machines	2	2	2	2	2	2	2	2	2	2
Vehicles	1	1	1	1	1	1	2	2	2	1
Public Safety:										
Fire and ambulance stations	2	2	2	2	2	2	2	2	2	2
Police stations	1	1	1	1	1	1	1	1	1	1
Police vehicles	11	11	11	11	11	11	11	8	8	10
Fire trucks	4	4	4	4	4	5	5	7	7	7
Ambulances	2	2	2	2	2	2	2	2	2	2
Other emergency vehicles	5	5	5	5	5	5	6	6	6	6
Public Works:										
Miles of Streets:										
Paved	41.25	41.25	41.25	41.25	41.25	41.25	41.25	41.25	41.25	41.00
Accepted	41.25	41.25	41.25	41.25	41.25	41.25	41.25	41.25	41.25	41.00
Private	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
State Highway	64.89	64.89	64.89	64.89	64.89	64.89	64.89	64.89	64.89	64.89
Miles of Sidewalks	10.88	10.88	10.88	10.88	10.88	10.88	10.88	10.88	10.88	10.88
Miles of Sewer:										
Storm	95.25	95.25	95.25	95.25	95.25	95.25	95.25	95.25	95.25	95.25
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	10	10	10	10	10	10
Other public works vehicles and heavy equipment	28	28	28	28	28	28	28	27	27	27
Health and Welfare:										
Minibus	1	1	1	1	1	1	1	1	1	1
Culture and Recreation:										
Acres of park land	56.0	56.0	56.0	56.0	56.0	56.0	56.0	56.0	56.0	56.0
Hardball baseball diamonds	1	1	1	1	1	1	1	1	1	1
Youth baseball diamonds	5	5	5	5	5	5	5	5	5	5
Basketball courts	1	1	1	1	1	1	3	3	3	3
Soccer fields	3	3	3	3	3	3	3	3	3	3
Nature areas	1	1	1	1	1	1	1	1	1	1
Picnic areas	1	1	1	1	1	1	1	1	1	1
Playgrounds	4	4	4	4	4	4	7	7	7	7
Public beach	1	1	1	1	1	1	1	1	1	1
Public greens	3	3	3	3	3	3	3	3	3	3
Public indoor theatres	1	1	1	1	1	1	1	1	1	1
Public library	1	1	1	1	1	1	1	1	1	1
Tennis courts	6	6	6	6	6	6	3	3	3	3
Tracks	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