

Town of Thomaston, Connecticut
Annual Comprehensive Financial Report



For the Year Ended June 30, 2022

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

For the Year Ended

June 30, 2022

Prepared by:

The Finance Department

Tracy A. Decker, Finance Director

Town of Thomaston, Connecticut
Annual Comprehensive Financial Report
For the Year Ended June 30, 2022

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Introductory Section



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

January 23, 2023

Board of Finance
Town of Thomaston
Thomaston, Connecticut 06787

State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, I hereby submit the Annual Comprehensive Financial Report (ACFR) of the Town of Thomaston, Connecticut, for the fiscal year ended June 30, 2022.

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

The Town of Thomaston's financial statements have been audited by PKF O'Conner Davies, LLP. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Thomaston for the fiscal year ended June 30, 2022, 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, 2022, 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 federal and state awards. These reports are available in the Town of Thomaston's separately issued Single Audit Reports.

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. Fortunately, Thomaston's unemployment rate which had risen to a high of 8.0% in June of 2020 has dropped to 3.4% which is lower than the national average of 3.6% and below regional and state levels.

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

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

Local Economy

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

The former Star Manufacturing building located on Route 254 and the former CPI building on Watertown Road have been transformed into mixed use professional services and office space buildings. The developers took advantage of a tax assessment abatement ordinance that the Town of Thomaston has in place to assist with development.

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

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

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

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

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

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

Local Economy

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

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

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

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

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

Long-Term Financial Planning

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

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

Relevant Financial Policies

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

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Thomaston for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. This was the eighteenth 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.

Awards and Acknowledgements

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.

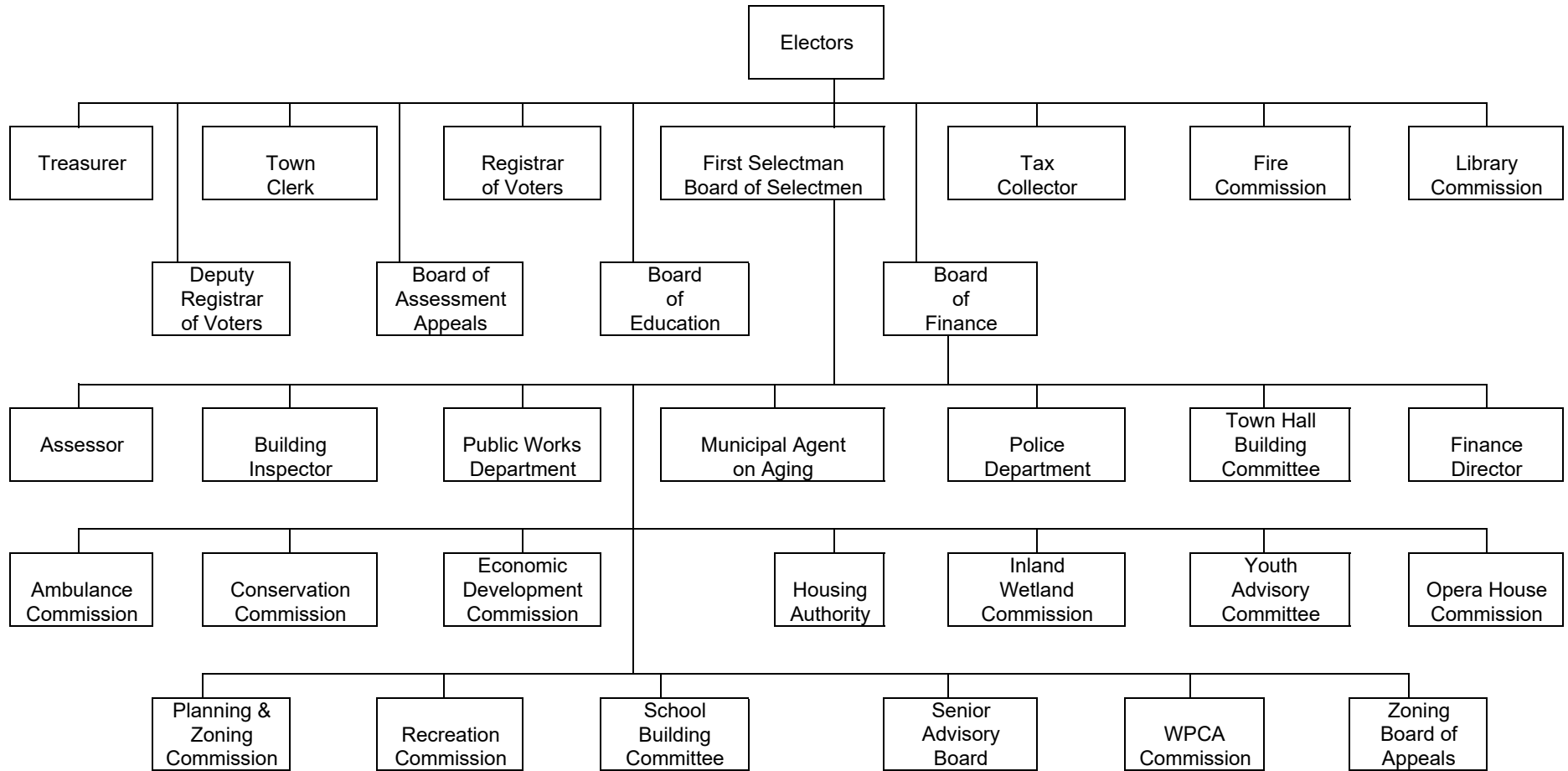
Respectfully submitted,

A handwritten signature in dark ink that reads "Tracy Decker". The script is cursive and fluid, with the first name "Tracy" and last name "Decker" clearly distinguishable.

Tracy A. Decker
Finance Director

Town of Thomaston, Connecticut

Organizational Chart



Town of Thomaston, Connecticut

**Principal Officials
June 30, 2022**

Board of Selectmen

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

Board of Finance

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

Town Departments

Lawrence Duffany, Jr., Treasurer
Tracy A. Decker, Finance Director
Todd Bendtsen, School Business Manager
Robert Dudek, Tax Assessor
Cassie Gorman, Tax Collector
Francine Coss, Superintendent of Schools
Glenn C. Clark, Superintendent of Highway
Robert Galpin, Jr., Superintendent of W.P.C.A.
Catherine P. Dupont, Town Clerk
Jeffrey Madden, Chief of Police
James O'Neil, Fire Chief
Robert V. Norton, Sr., Fire Marshal
Joseph Aniki, Park and Recreation Director

Auditors

PKF O'Connor Davies, LLP



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Thomaston
Connecticut**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO

Financial Section

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Thomaston, Connecticut ("Town"), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

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

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

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Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2023 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 23, 2023



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, 2022

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, 2022.

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 \$37,370,545 (*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 (\$8,746,580).
- The Town's total net position increased by \$6,606,798. This increase is due to:

Governmental funds activity:

- positive operations of the general fund of \$ 416,206
- positive operations of the debt service fund of 447,623

The positive operations were offset by:

- negative operations of the capital or nonrecurring fund of (891,455)

Conversion to accrual basis on Exhibit E:

- capital outlay net of depreciation/amortization expense of 3,915,394
- net principal debt activity of 1,273,643
- change in net pension liability (asset) of (4,438,327)
- change in OPEB liability of 1,342,761
- amortization of premium of 949,482
- amortization of deferred outflows of resources related to pension and OPEB of 660,363
- amortization of deferred inflows of resources related to pension and OPEB of 2,278,686

- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$8,308,754 an increase of \$427,185 in comparison with the prior year. This increase is the result of the items discussed above under governmental funds and the following:
 - positive operations of the school lunch fund of \$ 215,406
 - positive operations of the education funds of 151,350

- At the end of the current fiscal year, unassigned fund balance for the general fund was \$5,906,570, an increase of \$402,767 in comparison with the prior year. This fund balance represents 21.21% of total budgetary actual general fund expenditures and transfers out.

Overview of the basic financial statements

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

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

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

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

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

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

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

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

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

For governmental funds, information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general, capital or nonrecurring, and debt service funds, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these other governmental funds is provided in the combining schedules in Schedules 3 and 4 of this report.

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

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

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

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

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

Government-wide financial analysis

As noted earlier, net position may serve over time as a useful indicator of the Town's financial position. The Town's total net position increased by 21.48% from a year ago – increasing from \$30,763,747 to \$37,370,545.

**Summary Statement of Net Position
June 30**

	<u>2022</u>	<u>2021</u> (as restated)
Current and other assets	\$ 21,285,729	\$ 21,229,022
Capital assets (net)	74,596,123	70,680,729
Total assets	<u>95,881,852</u>	<u>91,909,751</u>
Total deferred outflows of resources	<u>3,864,612</u>	<u>3,204,249</u>
Long-term liabilities outstanding	43,519,706	43,298,889
Other liabilities	<u>14,251,622</u>	<u>15,064,965</u>
Total liabilities	<u>57,771,328</u>	<u>58,363,854</u>
Total deferred inflows of resources	<u>4,604,591</u>	<u>5,986,399</u>
Net position:		
Net investment in capital assets	44,894,704	43,029,812
Restricted	1,222,421	5,765,123
Unrestricted	<u>(8,746,580)</u>	<u>(18,031,188)</u>
Total net position	<u><u>\$ 37,370,545</u></u>	<u><u>\$ 30,763,747</u></u>

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

A portion of the Town's net position (3.27%) 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 \$6,606,798. Key elements of this increase are as follows:

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

	<u>2022</u>	<u>2021</u>
<u>Revenues:</u>		
Program revenues:		
Charges for services	\$ 2,434,972	\$ 2,153,496
Operating grants and contributions	9,950,822	9,560,177
Capital grants and contributions	5,037,216	3,460,998
General revenues:		
Property taxes	21,374,951	21,095,405
Grants and contributions not restricted to specific programs	458,426	473,207
Income from investments	6,666	141,581
Other	66,443	24,558
Total revenues	<u>39,329,496</u>	<u>36,909,422</u>
<u>Expenses:</u>		
General government	2,018,673	1,231,754
Public safety	3,404,236	3,082,932
Public works	5,102,672	4,597,714
Health and welfare	217,936	213,994
Culture and recreation	911,789	981,339
Housing and development	313,049	297,236
Education	20,289,887	19,599,685
Interest	464,456	732,829
Total expenses	<u>32,722,698</u>	<u>30,737,483</u>
Change in net position	6,606,798	6,171,939
Net position - July 1	<u>30,763,747</u>	<u>24,591,808</u>
Net position - June 30	<u>\$ 37,370,545</u>	<u>\$ 30,763,747</u>

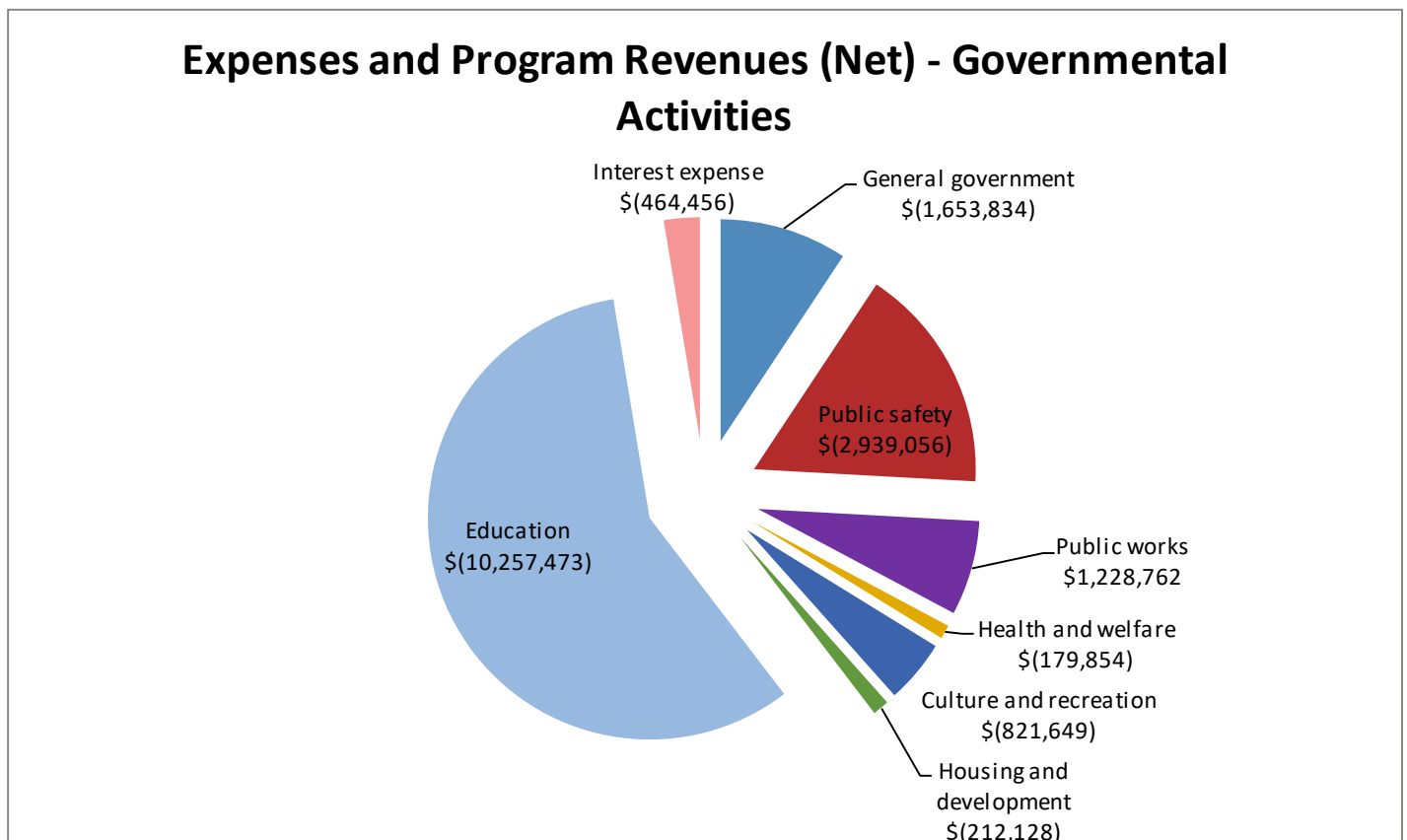
Management's Discussion and Analysis (continued)

Revenues:

- Capital grants and contributions increased by \$1,576,218 mostly due to an increase of \$2,745,531 in the local transportation capital improvement program grant for the Hickory Hill project offset by a decrease in the American Rescue Plan Act grant of \$1,114,994.

Expenses:

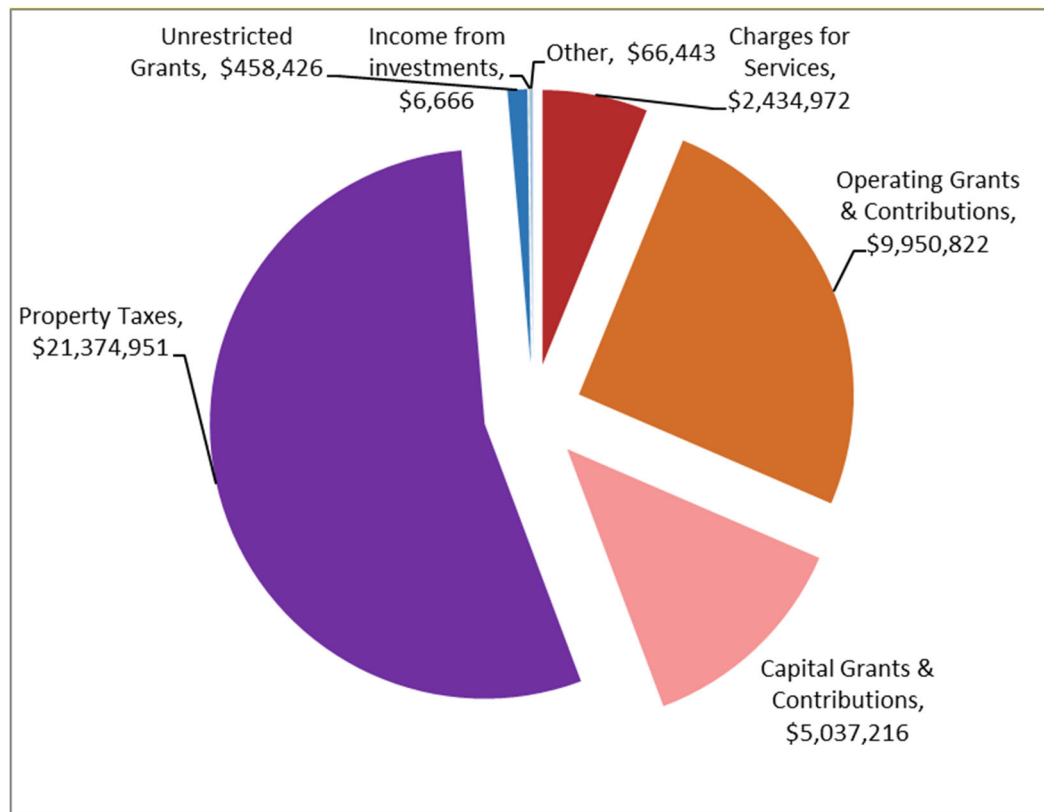
- General government expenses increased by \$786,919 due to an increase in employee benefit costs.
- Public works expenses increased by \$504,958 due to an increase in employee benefit costs of \$312,920 and an increase in pension and OPEB expense of \$263,889.
- Public safety expenses increased by \$321,304 due to an increase in employee benefits costs.
- Education expenses increased by \$690,202 due to an increase in pension and OPEB expense of \$254,702, an increase in the budget of \$255,117 and an increase in school lunch expenditures of \$190,498.



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 \$10,257,473 includes expenses of \$20,289,887 offset by charges for services of \$120,517, operating grants and contributions (including the Education Cost Sharing grant) of \$9,889,958 and capital grants and contributions of \$21,939.

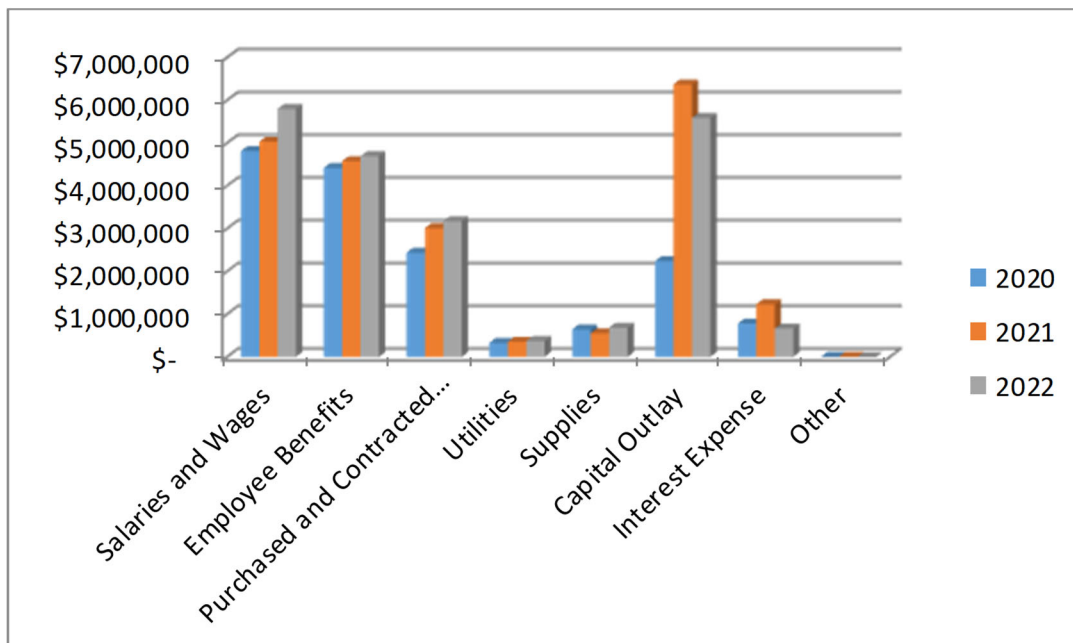
The statement of activities requires that we report capital grants, which often offset capital outlay and not operating expenses. Therefore, in this particular case, capital grants tend to distort the net costs in the statement of activities.

Revenues by Source



The chart above reflects the sources of revenue for the fiscal year, which provide the services the taxpayers of Thomaston receive. Property taxes of \$21,374,951 (54.35%) is the major source of revenue, followed by operating grants and contributions of \$9,950,822 (25.30%), capital grants and contributions of \$5,037,216 (12.81%), charges for services of \$2,434,972 (6.19%), unrestricted grants of \$458,426 (1.17%), and the remaining \$73,109 (0.19%) is made up of income from investments and other revenue.

Expenditures by Classification



Management's Discussion and Analysis (continued)

The previous chart was derived directly from the classification of expenditures in the Town's chart of accounts on a government-wide basis excluding the Board of Education operating budget, for fiscal years 2022, 2021 and 2020. Salaries and wages increased due to new hires under COVID related grants. Capital outlay also increased due to primarily to the Hickory Hill road reconstruction project. The overall trend for the other categories was level spending.

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

Financial analysis of the Town's funds

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

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$8,308,754. 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	1,052,221
Committed	2,981,333
Assigned	1,273,402
Unassigned	<u>2,831,598</u>
Total	<u><u>\$ 8,308,754</u></u>

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

The total fund balances increased by \$427,185. This was substantially due to positive operations of the debt service fund of \$447,623 and positive operations of the general fund of \$416,206, offset by negative operations of the capital or nonrecurring fund of \$891,455.

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 \$5,906,570. As a measure of the general fund's liquidity, it is useful to compare unassigned fund balance to total expenditures and transfers out. Unassigned fund balance represents 21.21% of total budgetary actual general fund expenditures and transfers out.

The fund balance of the Town's general fund increased \$416,206 during the current fiscal year. This was due to the Town revenues exceeding the amount budgeted by \$706,259, offset by \$608,725 appropriated to balance the budget combined with under expenditure of various departments totaling \$318,672. 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

	2022	2021	Increase (Decrease)
Revenues:			
Property taxes	\$ 21,401,555	\$ 21,145,103	\$ 256,452
Charges for services	566,738	498,041	68,697
Intergovernmental	8,218,077	8,145,014	73,063
Income from investments	34,551	18,850	15,701
Other	31,443	24,558	6,885
Total revenues	30,252,364	29,831,566	420,798
Expenditures:			
General government	3,745,421	3,658,061	87,360
Public safety	1,972,049	1,940,570	31,479
Public works	2,013,358	1,928,297	85,061
Health and welfare	100,619	101,282	(663)
Culture and recreation	473,874	468,623	5,251
Housing and development	207,292	186,019	21,273
Education	17,143,190	16,823,518	319,672
Total expenditures	25,655,803	25,106,370	549,433
Excess (deficiency) of revenues over expenditures	4,596,561	4,725,196	(128,635)
Other financing sources (uses):			
Transfers in	15,000	15,000	-
Transfers out	(4,195,355)	(4,088,197)	(107,158)
Net other financing sources (uses)	(4,180,355)	(4,073,197)	(107,158)
Net change in fund balances	\$ 416,206	\$ 651,999	\$ (235,793)

Revenues:

- Property taxes increased by \$256,452 due to an increase in the adopted budget and, therefore, the related tax levy.

Expenditures

- Education expenditures increased by \$319,672 due to an increase in Education budget and an increase in on behalf payments for State Teachers' pension and OPEB.

General Fund Budgetary Highlights

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

- There were additional appropriations of fund balance totaling \$422,164 for the transfer to capital or nonrecurring fund for police department dash and body cameras, town hall roof engineering, school zone signs and a fire truck. Additional details on budget transfers can be found in RSI 1B.

Capital or Nonrecurring Fund. This fund accounts for the financial revenues including resources from borrowing to be used for major capital asset construction and/or purchases and items, which are reserved for special purposes. A summary of the projects can be found in Note II.C. of the notes to financial statements. The capital or nonrecurring fund's expenditures and other financing uses exceeded its revenues and other financing sources by \$891,455, primarily due to project expenditures being funded with short-term financing (BANS) that will be permanently financed in a subsequent fiscal 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 \$1,073,402. The debt service fund had positive operations of \$447,623 due to transfers in excess of fiscal year 2022 debt service expenditures.

Capital assets and debt administration

Capital assets. The Town's investment in capital assets amounts to \$74,596,123 (net of accumulated depreciation/amortization). This investment in capital assets includes land, construction in progress, buildings, land improvements, machinery and equipment, vehicles, sewer lines, roads, bridges, sidewalks, storm drains and right-to-use leased assets. The total increase in the Town's investment in capital assets for the current fiscal year was \$3,915,394 (5.54%).

Capital Assets (Net of Accumulated Depreciation/Amortization) June 30

	<u>2022</u>	<u>2021</u> (as restated)
Land	\$ 1,341,961	\$ 1,341,961
Construction in progress	10,847,386	6,308,289
Buildings	29,086,885	30,055,339
Land improvements	3,494,253	3,447,320
Right-to-use leased land improvements	937,728	992,889
Machinery and equipment	5,774,704	5,802,669
Right-to-use leased machinery and equipment	19,610	36,903
Vehicles	2,473,244	2,592,359
Infrastructure	20,620,352	20,103,000
Total	<u>\$ 74,596,123</u>	<u>\$ 70,680,729</u>

Management's Discussion and Analysis (continued)

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

➤ Construction in progress:	
○ Hickory Hill Road	\$ 4,503,569
○ Road construction and Woodbridge pump station	291,045
○ WPCA pumps	219,563
➤ Infrastructure:	
○ Walnut Hill Bridge	840,799
○ Old Smith Road	194,495
➤ Machinery and equipment:	
○ Opera House air handlers	136,573
○ Fire department exhaust system	79,260
➤ Vehicles:	
○ Police cars	152,133

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

Long-term liabilities. At the end of the current fiscal year, the Town had total bonded debt outstanding of \$17,435,000. All debt is backed by the full faith and credit of the Town. In addition to bonds, the Town's other long-term liabilities include notes totaling \$1,598,502 funded by the State of Connecticut Clean Water Fund, equipment financing notes, and leases of \$981,763.

Outstanding Long-Term Liabilities June 30

	<u>2022</u>	<u>2021</u> (as restated)
General obligation bonds	\$ 17,435,000	\$ 19,735,000
Notes	1,598,502	1,746,943
Leases	981,763	1,029,792
Total	<u>\$ 20,015,265</u>	<u>\$ 22,511,735</u>

The Town's total debt decreased by \$2,496,470 due to scheduled principal payments of \$2,064,867 and the refunding bonds of \$4,780,000 offset by the issuance of refunding bonds in the amount of \$4,300,000 and notes in the amount of \$48,397.

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

State statutes limit the amount of general obligation debt a governmental entity may issue to seven times total prior year tax collections including interest and lien fees and the tax relief for elderly freeze grant. The current debt limitation for the Town is \$146,767,481, which is significantly in excess of the Town's outstanding general obligation debt.

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

Economic factors and next year's budget and rates

- The unemployment rate for the Town is currently 3.4%, which is down from 5.7% one year ago. The Town's rate is favorable compared to the State rate of 4.1% and the Hartford labor market rate of 4.1%. The Town is slightly below the national average of 3.8%.
- The Town is under even greater fiscal pressure from voter opposition in the tax levy. Voter opposition remains regardless of the fact that the Town has no control over its significant revenue sources other than property taxes. The Town faces cost increases from contractual obligations and fixed costs as well as significant decreases in revenue from the State of Connecticut and failed budgets will only result in loss of services, personnel and infrastructure improvements.

These factors were considered in preparing the Town's budget for the 2022-2023 fiscal year.

Requests for Information

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

Basic Financial Statements

Town of Thomaston, Connecticut

Governmental Activities
Statement of Net Position
June 30, 2022

Assets

Current assets:	
Cash	\$ 1,573,140
Investments	17,156,390
Receivables (net):	
Property taxes	236,340
Assessments/use charges	104,007
Loans	41,318
Intergovernmental	175,888
Other	59,856
Leases	130,489
Other	16,993
Total current assets	19,494,421
Noncurrent assets:	
Restricted assets:	
Temporarily restricted:	
Investments	112,442
Permanently restricted:	
Investments	170,200
Total restricted assets	282,642
Receivables (net):	
Property taxes	255,695
Assessments/use charges	117,284
Loans	793,523
Leases	342,164
Total receivables (net)	1,508,666
Capital assets (net of accumulated depreciation/amortization):	
Land	1,341,961
Construction in progress	10,847,386
Buildings	29,086,885
Land improvements	3,494,253
Right-to-use leased land improvements	937,728
Machinery and equipment	5,774,704
Right-to-use leased machinery and equipment	19,610
Vehicles	2,473,244
Infrastructure	20,620,352
Total capital assets (net of accumulated depreciation/amortization)	74,596,123
Total noncurrent assets	76,387,431
Total assets	95,881,852

Deferred Outflows of Resources

Pension related	2,222,115
OPEB related	1,642,497
Total deferred outflows of resources	3,864,612

(Continued)

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

Town of Thomaston, Connecticut

Governmental Activities
Statement of Net Position
June 30, 2022

Liabilities

Current liabilities:	
Accounts payable	\$ 876,956
Retainage payable	360,470
Accrued payroll	991,195
Unearned revenue	1,419,310
Accrued interest payable	284,954
Bond anticipation notes	8,155,000
Bonds and notes payable	1,957,350
Leases payable	49,346
Compensated absences	91,519
Termination benefits	65,522
Total current liabilities	<u>14,251,622</u>
Noncurrent liabilities:	
Bonds and notes payable and related liabilities	17,424,247
Leases payable	932,417
Net pension liability	4,397,371
Net OPEB liability	20,209,938
Compensated absences	518,605
Termination benefits	37,128
Total noncurrent liabilities	<u>43,519,706</u>
Total liabilities	<u>57,771,328</u>

Deferred Inflows of Resources

Deferred charge on refunding	822,589
Lease related	460,718
OPEB related	3,321,284
Total deferred inflows of resources	<u>4,604,591</u>

Net Position

Net investment in capital assets	44,894,704
Restricted for:	
Endowments:	
Nonexpendable	65,700
Expendable	40,872
Perpetual care:	
Nonexpendable	104,500
Expendable	71,570
Construction contracts	198,525
Housing rehabilitation	921,716
Public safety	24,482
Sewer operations	317,319
Education	369,731
Library	19,238
Other	10,484
Unrestricted	(9,668,296)
Total net position	<u>\$ 37,370,545</u>

(Concluded)

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

Town of Thomaston, Connecticut

**Governmental Activities
Statement of Activities
For the Year Ended June 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net Revenues (Expenses) and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
General government	\$ 2,018,673	\$ 239,950	\$ 5,500	\$ 119,389	\$ (1,653,834)
Public safety	3,404,236	360,696	-	104,484	(2,939,056)
Public works	5,102,672	1,581,158	24,635	4,725,641	1,228,762
Health and welfare	217,936	-	11,333	26,749	(179,854)
Culture and recreation	911,789	31,730	19,396	39,014	(821,649)
Housing and development	313,049	100,921	-	-	(212,128)
Education	20,289,887	120,517	9,889,958	21,939	(10,257,473)
Interest	464,456	-	-	-	(464,456)
Total	<u>\$ 32,722,698</u>	<u>\$ 2,434,972</u>	<u>\$ 9,950,822</u>	<u>\$ 5,037,216</u>	<u>(15,299,688)</u>
General revenues:					
Property taxes					21,374,951
Grants and contributions not restricted to specific programs					458,426
Income from investments					6,666
Other					<u>66,443</u>
Total general revenues					<u>21,906,486</u>
Change in net position					6,606,798
Net position - July 1, 2021					<u>30,763,747</u>
Net position - June 30, 2022					<u>\$ 37,370,545</u>

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

Town of Thomaston, Connecticut

Governmental Funds
Balance Sheet
June 30, 2022

	General	Capital or Nonrecurring	Debt Service	Other Governmental Funds	Total
<u>Assets</u>					
Cash	\$ 420,749	\$ -	\$ -	\$ 1,152,391	\$ 1,573,140
Investments	12,996,294	3,868	2,842,657	1,596,213	17,439,032
Receivables (net):					
Property taxes	430,038	-	-	-	430,038
Assessments/use charges	-	-	-	192,246	192,246
Loans	-	-	-	834,841	834,841
Intergovernmental	23,578	-	-	152,310	175,888
Leases	472,653	-	-	-	472,653
Other	36,834	-	-	23,022	59,856
Due from other funds	2,510,263	9,454,379	6,385,745	660,971	19,011,358
Other	7,751	-	-	9,242	16,993
Total assets	<u>\$ 16,898,160</u>	<u>\$ 9,458,247</u>	<u>\$ 9,228,402</u>	<u>\$ 4,621,236</u>	<u>\$ 40,206,045</u>
<u>Liabilities</u>					
Accounts payable	\$ 723,168	\$ 67,968	\$ -	\$ 85,820	\$ 876,956
Retainage payable	-	360,470	-	-	360,470
Accrued payroll	869,482	-	-	121,713	991,195
Due to other funds	8,308,184	2,436,710	8,155,000	111,464	19,011,358
Unearned revenue	-	1,297,775	-	121,535	1,419,310
Bond anticipation notes	-	8,155,000	-	-	8,155,000
Total liabilities	<u>9,900,834</u>	<u>12,317,923</u>	<u>8,155,000</u>	<u>440,532</u>	<u>30,814,289</u>
<u>Deferred Inflows of Resources</u>					
Unavailable revenue:					
Property taxes	430,038	-	-	-	430,038
Assessments/use charges	-	-	-	192,246	192,246
Lease related	460,718	-	-	-	460,718
Total deferred inflows of resources	<u>890,756</u>	<u>-</u>	<u>-</u>	<u>192,246</u>	<u>1,083,002</u>
<u>Fund Balances</u>					
Nonspendable	-	-	-	170,200	170,200
Restricted	-	198,525	-	1,775,412	1,973,937
Committed	-	-	-	2,059,617	2,059,617
Assigned	200,000	-	1,073,402	-	1,273,402
Unassigned	5,906,570	(3,058,201)	-	(16,771)	2,831,598
Total fund balances	<u>6,106,570</u>	<u>(2,859,676)</u>	<u>1,073,402</u>	<u>3,988,458</u>	<u>8,308,754</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 16,898,160</u>	<u>\$ 9,458,247</u>	<u>\$ 9,228,402</u>	<u>\$ 4,621,236</u>	<u>\$ 40,206,045</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, 2022

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

Total fund balance (Exhibit C, page 1)	<u>\$ 8,308,754</u>
--	---------------------

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

Beginning capital assets (net)	70,680,729
Current year additions (net of construction in progress)	6,178,486
Depreciation/amortization expense	<u>(2,263,092)</u>
 Total	 <u>74,596,123</u>

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

Property tax, sewer use and sewer assessment interest and lien accrual	248,042
Allowance for doubtful accounts	(157,000)
Deferred outflows related to pensions	2,222,115
Deferred outflows related to OPEB	<u>1,642,497</u>
 Total	 <u>3,955,654</u>

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

Property tax, sewer use and sewer assessment receivable - accrual basis change	<u>622,284</u>
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Some liabilities and deferred inflows of resources, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:

Bonds and notes payable	(19,033,502)
Premium	(348,095)
Leases payable	(981,763)
Compensated absences	(610,124)
Termination benefits	(102,650)
Net pension liability	(4,397,371)
Net OPEB liability	(20,209,938)
Accrued interest payable	(284,954)
Deferred charge on refunding	(822,589)
Deferred inflows related to OPEB	<u>(3,321,284)</u>
 Total	 <u>(50,112,270)</u>

Net position (Exhibit A)	<u><u>\$ 37,370,545</u></u>
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(Concluded)

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

Town of Thomaston, Connecticut

Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2022

	General	Capital or Nonrecurring	Debt Service	Other Governmental Funds	Total
Revenues:					
Property taxes	\$ 21,401,555	\$ -	\$ -	\$ -	\$ 21,401,555
Charges for services	566,738	134,569	-	1,664,503	2,365,810
Intergovernmental	8,218,077	4,649,039	-	2,434,116	15,301,232
Contributions	-	8,310	-	136,922	145,232
Income from investments	34,551	4	21	30,253	64,829
Net change in fair value of investments	-	-	-	(58,163)	(58,163)
Other	31,443	-	-	-	31,443
Total revenues	<u>30,252,364</u>	<u>4,791,922</u>	<u>21</u>	<u>4,207,631</u>	<u>39,251,938</u>
Expenditures:					
Current:					
General government	3,745,421	149,142	-	11,558	3,906,121
Public safety	1,972,049	101,608	-	28,965	2,102,622
Public works	2,013,358	209,499	-	1,405,578	3,628,435
Health and welfare	100,619	-	-	79,737	180,356
Culture and recreation	473,874	24,053	-	37,636	535,563
Housing and development	207,292	21,644	-	-	228,936
Education	17,143,190	10,000	-	2,348,737	19,501,927
Debt service	-	158,553	2,674,307	-	2,832,860
Capital outlay	-	6,106,499	48,397	23,591	6,178,487
Total expenditures	<u>25,655,803</u>	<u>6,780,998</u>	<u>2,722,704</u>	<u>3,935,802</u>	<u>39,095,307</u>
Excess (deficiency) of revenues over expenditures	<u>4,596,561</u>	<u>(1,989,076)</u>	<u>(2,722,683)</u>	<u>271,829</u>	<u>156,631</u>
Other financing sources (uses):					
Issuance of notes	-	-	48,397	-	48,397
Issuance of refunding bonds	-	-	4,300,000	-	4,300,000
Payment to refunded bonds escrow agent	-	-	(4,854,501)	-	(4,854,501)
Premium	-	-	741,658	-	741,658
Sale of capital assets	-	35,000	-	-	35,000
Transfers in	15,000	1,062,621	2,934,752	246,289	4,258,662
Transfers out	(4,195,355)	-	-	(63,307)	(4,258,662)
Net other financing sources (uses)	<u>(4,180,355)</u>	<u>1,097,621</u>	<u>3,170,306</u>	<u>182,982</u>	<u>270,554</u>
Net change in fund balances	416,206	(891,455)	447,623	454,811	427,185
Fund balances - July 1, 2021 (as restated)	<u>5,690,364</u>	<u>(1,968,221)</u>	<u>625,779</u>	<u>3,533,647</u>	<u>7,881,569</u>
Fund balances - June 30, 2022	<u>\$ 6,106,570</u>	<u>\$ (2,859,676)</u>	<u>\$ 1,073,402</u>	<u>\$ 3,988,458</u>	<u>\$ 8,308,754</u>

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

Town of Thomaston, Connecticut

**Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2022**

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>\$ 427,185</u>
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation/ amortization expense:

Capital outlay	6,178,486
Depreciation/amortization expense	<u>(2,263,092)</u>
Total	<u>3,915,394</u>

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

Change in property tax, sewer use and sewer assessment receivable - accrual basis change	83,045
Change in property tax, sewer use and sewer assessment interest and lien revenue	<u>(40,487)</u>
Total	<u>42,558</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	(4,348,397)
Premium	(741,658)
Deferred charge on refunding	(480,000)
Principal repayments:	
General obligation bonds	1,820,000
Refunded bonds	4,780,000
Notes payable	196,838
Leases payable	<u>48,029</u>
Total	<u>1,274,812</u>

(Continued)

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

Town of Thomaston, Connecticut

**Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2022**

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

Change in:	
Net pension liability (asset)	\$ (4,438,327)
Net OPEB liability	1,342,761
Compensated absences	74,326
Termination benefits	122,973
Accrued interest payable	(86,086)
Amortization of:	
Premium	948,313
Deferred charges on refunding	43,840
Deferred outflows of resources related to pension and OPEB	660,363
Deferred inflows of resources related to pension and OPEB	<u>2,278,686</u>
Total	<u>946,849</u>
Change in net position (Exhibit B)	<u><u>\$ 6,606,798</u></u>

(Concluded)

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

Town of Thomaston, Connecticut
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2022

<u>Assets</u>	<u>Pension and OPEB Trust Funds</u>	<u>Private- Purpose Trust Funds</u>	<u>Custodial Fund</u>
Cash	\$ -	\$ 461	\$ -
Investments:			
Certificates of deposit	-	6,710	-
Mutual funds/exchange traded funds:			
Money market	392,333	-	20,147
Equity	11,546,614	-	929,322
Bond	7,160,472	-	635,443
Real estate investment trust	48,377	-	-
Total investments	<u>19,147,796</u>	<u>6,710</u>	<u>1,584,912</u>
Total assets	<u>19,147,796</u>	<u>7,171</u>	<u>1,584,912</u>
<u>Net Position</u>			
Restricted for:			
Pension benefits	18,685,741	-	-
OPEB benefits	462,055	-	-
Individuals and organizations	<u>-</u>	<u>7,171</u>	<u>1,584,912</u>
Total net position	<u>\$ 19,147,796</u>	<u>\$ 7,171</u>	<u>\$ 1,584,912</u>

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

Town of Thomaston, Connecticut

Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2022

	<u>Pension and OPEB Trust Funds</u>	<u>Private- Purpose Trust Funds</u>	<u>Custodial Fund</u>
Additions:			
Contributions:			
Employer	\$ 1,206,309	\$ -	\$ 20,000
Plan members	<u>131,700</u>	<u>-</u>	<u>-</u>
Total contributions	<u>1,338,009</u>	<u>-</u>	<u>20,000</u>
Investment income (loss):			
Net change in fair value of investments	(3,547,172)	-	(303,250)
Interest and dividends	<u>439,390</u>	<u>19</u>	<u>53,547</u>
Total investment income (loss)	(3,107,782)	19	(249,703)
Less investment expenses	<u>47,513</u>	<u>-</u>	<u>2,734</u>
Net investment income (loss)	<u>(3,155,295)</u>	<u>19</u>	<u>(252,437)</u>
Total additions	<u>(1,817,286)</u>	<u>19</u>	<u>(232,437)</u>
Deductions:			
Benefits	1,982,862	-	90,467
Administration	42,612	-	4,735
Awards	<u>-</u>	<u>400</u>	<u>-</u>
Total deductions	<u>2,025,474</u>	<u>400</u>	<u>95,202</u>
Changes in net position	(3,842,760)	(381)	(327,639)
Net position - July 1, 2021	<u>22,990,556</u>	<u>7,552</u>	<u>1,912,551</u>
Net position - June 30, 2022	<u><u>\$ 19,147,796</u></u>	<u><u>\$ 7,171</u></u>	<u><u>\$ 1,584,912</u></u>

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

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.

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

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

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

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

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

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

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

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

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

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

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

The Town reports the following major governmental funds:

General Fund	Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.
Capital or Nonrecurring Fund	Accounts for the financial resources to be used for major capital asset construction and/or purchases and items, which are reserved for special purposes.
Debt Service Fund	Accounts for the accumulation of resources for, and the payment of, long-term debt, principal, interest and related costs.

Additionally, the Town reports the following fund types:

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

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

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

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

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

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

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

b. Investments

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

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

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

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

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

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

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

There are also minimum and maximum target levels defined.

c. Method used to value investments

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

Fair value of investments

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

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

d. Risk policies

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

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 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 23% of outstanding receivable balances and are calculated based upon prior collections.

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

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

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

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

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

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

Key estimates and judgments related to leases include:

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

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

3. Restricted assets

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

4. Capital assets

Capital assets, which include construction in progress, 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.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

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

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

Asset Class	Years
Buildings	100
Land improvements	20-50
Machinery and equipment	3-40
Vehicles	8-15
Infrastructure:	
Roads	50-75
Sewer lines	65
Storm drains	65
Right-to-use leased assets	Lease term

5. Deferred outflows/inflows of resources

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

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

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

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

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

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)****6. Compensated absences**

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

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

7. Termination benefits

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

8. Long-term liabilities

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

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**9. Fund equity and net position**

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

Net Investment in Capital Assets	This category presents the net position that reflects capital assets net of depreciation/amortization and net of only the debt applicable to the acquisition or construction of these assets. Debt issued for non-capital purposes, and unspent bond proceeds, are excluded.
Restricted Net Position	This category presents the net position restricted by external parties (creditors, grantors, contributors or laws and regulations).
Unrestricted Net Position	The category presents the net position of the Town, which is not classified in the preceding two categories.

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

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

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

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

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

Minimum fund balance policy

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

10. Use of estimates

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

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 \$145,794.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

B. Donor-restricted endowments (continued)

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

C. Capital or nonrecurring project authorizations

The following is a summary of capital or nonrecurring projects:

	Project Authorization	Current Year Expenditures	Cumulative Expenditures	Balance June 30, 2022
Assessors revaluation	\$ 687,137	\$ 80,898	\$ 674,662	\$ 12,475
Beautification: Seth Thomas Park sign	625	-	171	454
Education projects	997,078	10,000	773,800	223,278
Bradstreet house repairs	22,770	-	15,282	7,488
Christmas lights-reserve	12,000	-	10,000	2,000
Emergency management projects	23,939	-	19,546	4,393
Energy efficiency project	3,177,835	-	3,159,857	17,978
Fire department projects	1,146,040	136,123	408,657	737,383
Grove manor chimney swift roost	29,462	-	29,605	(143)
Inland wetland engineering	39,042	21,644	39,008	34
Kenea park clock restoration	16,000	-	13,150	2,850
K-9 donation reserves	14,347	-	11,244	3,103
Library projects	23,916	-	18,895	5,021
NAA grants	28,166	6,107	9,088	19,078
Nips fees	4,848	-	-	4,848
Nystroms Dam	1,200,000	48,904	48,904	1,151,096
Opera house projects	355,572	128,426	137,157	218,415
Park bench wood repairs	1,125	-	889	236
Police department projects	778,419	215,331	571,434	206,985
Public works department projects	26,462,032	5,761,589	23,648,875	2,813,157
Roofs engineering repairs	4,292,099	19,576	4,092,713	199,386
Senior Center - CT Community Foundation grant	1,400	-	1,320	80
Seth Thomas park	46,066	-	8,100	37,966
Skate park proceeds	1,090	-	-	1,090
Social services reserve	21,172	-	-	21,172
Street lights	25,879	874	10,742	15,137
Town-wide sick pay reserve	877,555	-	873,691	3,864
Track committee	3,354,373	10,802	3,332,151	22,222
Town hall projects	652,301	132,355	547,182	105,119
TVAC projects	29,925	-	18,242	11,683
WPCA projects	2,050,000	208,369	1,490,103	559,897
Totals	<u>\$46,372,213</u>	<u>\$ 6,780,998</u>	<u>\$39,964,468</u>	<u>\$ 6,407,745</u>

The Grove manor chimney swift roost project was over expended due to unanticipated costs related to the drafting of bid specifications. The Town will increase 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, 2022

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

At year end, the Town's bank balance of \$8,738,641 (including certificates of deposit and bank money market funds) was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 3,092,168
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>1,197,389</u>
Total amount subject to custodial credit risk	<u><u>\$ 4,289,557</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	\$ 267,126	\$ -	\$ 267,126	\$ -
Bank money market funds	4,522,431	4,522,431	-	-
Pooled fixed income	12,021,228	-	12,021,228	-
Mutual funds/exchange traded funds:				
Money market	412,480	-	412,480	-
Equity	12,989,461	12,989,461	-	-
Bond	7,795,915	-	-	7,795,915
Real estate investment trust	48,377	48,377	-	-
Common stock	121,432	121,432	-	-
Total	<u><u>\$ 38,178,450</u></u>	<u><u>\$ 17,681,701</u></u>	<u><u>\$ 12,700,834</u></u>	<u><u>\$ 7,795,915</u></u>

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

A. Cash and investments (continued)

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

Investments by fair value level	Amount	Quoted Market Prices in Active Markets Level 1
Mutual funds/exchange traded funds:		
Money market	\$ 412,480	\$ 412,480
Equity	12,989,461	12,989,461
Bond	7,795,915	7,795,915
Real estate investment trust	48,377	48,377
Common stock	121,432	121,432
Total investments by fair value level	<u>21,367,665</u>	<u>\$ 21,367,665</u>
Other investments		
Certificates of deposit	267,126	
Bank money market funds	4,522,431	
Pooled fixed income	<u>12,021,228</u>	
Total other investments	<u>16,810,785</u>	
Total investments	<u>\$ 38,178,450</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:

Average Rating	Pooled Fixed Income	Money Market	Mutual funds/exchange traded funds Bond
AAA	\$ 12,021,228	\$ 412,480	\$ 4,100,575
AA	-	-	180,236
A	-	-	978,043
BBB	-	-	1,233,263
BB	-	-	382,422
B	-	-	720,637
Below B	-	-	200,739
Totals	<u>\$ 12,021,228</u>	<u>\$ 412,480</u>	<u>\$ 7,795,915</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, 2022

B. Receivables

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

	Property Taxes		
	Taxes	Interest and lien fees	Total
Current portion	<u>\$ 181,488</u>	<u>\$ 54,852</u>	<u>\$ 236,340</u>
Long-term portion	248,550	157,145	405,695
Less allowance for uncollectibles	<u>(100,000)</u>	<u>(50,000)</u>	<u>(150,000)</u>
Net long-term portion	<u>148,550</u>	<u>107,145</u>	<u>255,695</u>
Totals	<u>\$ 330,038</u>	<u>\$ 161,997</u>	<u>\$ 492,035</u>

	Sewer Use			CDBG Loans
	Use	Interest and lien fees	Total	
Current portion	<u>\$ 87,771</u>	<u>\$ 16,236</u>	<u>\$ 104,007</u>	<u>\$ 41,318</u>
Long-term portion	104,475	19,809	124,284	893,523
Less allowance for uncollectibles	<u>(5,500)</u>	<u>(1,500)</u>	<u>(7,000)</u>	<u>(100,000)</u>
Net long-term portion	<u>98,975</u>	<u>18,309</u>	<u>117,284</u>	<u>793,523</u>
Totals	<u>\$ 186,746</u>	<u>\$ 34,545</u>	<u>\$ 221,291</u>	<u>\$ 834,841</u>

2. Leases receivable

The Town reports the following lease balances and activity as of and for the year ended June 30, 2022:

Description	Lease Receivable	Deferred Inflows of Resources	Lease Revenue	Lease Interest Revenue
Chappel Street cell tower	\$ 386,733	\$ 377,288	\$ 107,797	\$ 9,702
Plymouth tower space	85,920	83,430	27,810	2,225
Total	<u>\$ 472,653</u>	<u>\$ 460,718</u>	<u>\$ 135,607</u>	<u>\$ 11,927</u>

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

B. Receivables

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

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

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

	Corresponding Fund	Due From	Due To
General fund			
Capital or nonrecurring	N/A	\$ 2,436,710	\$ 1,297,775
Debt service	N/A	-	6,385,745
Sewer commission usage fund	N/A	-	82,435
Education funds	N/A	-	508,651
Transfer station fund	N/A	7,421	-
Recreation funds	N/A	-	32,828
Opera House fund	N/A	-	500
Gift fund	N/A	-	250
Edith Kenea park and tree fund	N/A	1,482	-
Hillside cemetery trust fund	N/A	64,650	-
Total general fund		<u>\$ 2,510,263</u>	<u>\$ 8,308,184</u>

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

C. Interfund accounts (continued)

	Corresponding Fund	Due From	Due To
Capital or nonrecurring			
General fund	N/A	\$ 1,297,775	\$ 2,436,710
Debt service	N/A	8,155,000	-
Capital projects fund	N/A	1,604	-
Total capital or nonrecurring		<u>9,454,379</u>	<u>2,436,710</u>
Debt service			
General fund	N/A	6,385,745	-
Capital or nonrecurring	N/A	-	8,155,000
Total debt service		<u>6,385,745</u>	<u>8,155,000</u>
Other governmental funds			
Special revenue funds			
Sewer commission usage fund	General fund	82,435	-
Sewer commission usage fund	Capital projects fund	-	35,608
Education funds	General fund	508,651	-
Education funds	School activity fund	-	699
School activity fund	Education funds	699	-
Transfer station fund	General fund	-	7,421
Opera House fund	General fund	500	-
Recreation funds	General fund	32,828	-
Gift fund	General fund	250	-
Capital project funds			
Capital projects fund	Sewer commission usage fund	35,608	-
Capital projects fund	Capital or nonrecurring	-	1,604
Permanent funds			
Edith Kenea park and tree fund	General fund	-	1,482
Hillside cemetery trust fund	General fund	-	64,650
Total other governmental funds		<u>660,971</u>	<u>111,464</u>
Total		<u><u>\$ 19,011,358</u></u>	<u><u>\$ 19,011,358</u></u>

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

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

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

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

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

	Corresponding Fund	Transfers In	Transfers Out
General fund			
Capital or nonrecurring	N/A	\$ -	\$ 1,062,621
Debt service	N/A	-	2,934,752
Education fund	N/A	-	152,357
Recreation funds	N/A	-	9,625
Social services crisis fund	N/A	-	10,000
EMS fund	N/A	15,000	-
Hillside cemetery trust fund	N/A	-	26,000
Total general fund		15,000	4,195,355
Capital or nonrecurring	General fund	1,062,621	-
Debt service	General fund	2,934,752	-
Other governmental funds			
Special revenue funds			
Sewer commission usage fund	Capital projects fund	-	35,608
Education fund	General fund	152,357	-
Education fund	School activity fund	-	12,699
School activity fund	Education fund	12,699	-
Recreation fund	General fund	9,625	-
Social services crisis fund	General fund	10,000	-
EMS fund	General fund	-	15,000
Capital project funds			
Capital projects fund	Sewer commission usage fund	35,608	-
Permanent funds			
Hillside cemetery trust fund	General fund	26,000	-
Total other governmental funds		246,289	63,307
Total		\$ 4,258,662	\$ 4,258,662

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.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

D. Capital assets

Capital asset activity for the year was as follows:

	Balance July 1, 2021 (as restated)	Increases	Decreases	Balance June 30, 2022
<u>Capital assets, not being depreciated/ amortized:</u>				
Land	\$ 1,341,961	\$ -	\$ -	\$ 1,341,961
Construction in progress	6,308,289	5,374,646	835,549	10,847,386
Total capital assets, not being depreciated/ amortized	7,650,250	5,374,646	835,549	12,189,347
<u>Capital assets, being depreciated/amortized:</u>				
Buildings	46,160,904	-	-	46,160,904
Land improvements	4,618,262	138,465	-	4,756,727
Right-to-use leased land improvements	992,889	-	-	992,889
Machinery and equipment	13,622,206	313,497	-	13,935,703
Right-to-use leased machinery and equipment	36,903	-	-	36,903
Vehicles	4,814,561	152,133	-	4,966,694
Infrastructure	29,431,401	1,035,294	10,080	30,456,615
Total capital assets, being depreciated/ amortized	99,677,126	1,639,389	10,080	101,306,435
Total capital assets	107,327,376	7,014,035	845,629	113,495,782
<u>Less accumulated depreciation/amortization for:</u>				
Buildings	16,105,565	968,454	-	17,074,019
Land improvements	1,170,942	91,532	-	1,262,474
Right-to-use leased land improvements	-	55,161	-	55,161
Machinery and equipment	7,819,537	341,462	-	8,160,999
Right-to-use leased machinery and equipment	-	17,293	-	17,293
Vehicles	2,222,202	271,248	-	2,493,450
Infrastructure	9,328,401	517,942	10,080	9,836,263
Total accumulated depreciation/amortization	36,646,647	2,263,092	10,080	38,899,659
Total capital assets, being depreciated/ amortized, net	63,030,479	(623,703)	-	62,406,776
Capital assets, net	\$ 70,680,729	\$ 4,750,943	\$ 835,549	\$ 74,596,123

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

D. Capital assets (continued)

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

General government	\$ 175,475
Public safety	350,551
Public works	812,575
Culture and recreation	128,309
Education	<u>796,182</u>
 Total depreciation/amortization expense	 <u>\$ 2,263,092</u>

E. Construction commitments

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

<u>Project Description</u>	
Hickory Hill Road Reconstruction	<u>\$ 198,525</u>

F. Short-term liabilities – bond anticipation notes

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

Short-term liability activity was as follows:

Purpose	Maturity Date	Coupon Rate	Balance July 1, 2021	Additions	Reductions	Balance June 30, 2022
General purpose	8/9/2022	0.75%	\$ 3,378,000	\$6,419,684	\$3,378,000	\$ 6,419,684
Schools	8/9/2022	0.75%	372,000	385,316	372,000	385,316
Woodbridge lane pump station	8/9/2022	0.75%	250,000	900,000	250,000	900,000
WPCA	8/9/2022	0.75%	<u>-</u>	<u>450,000</u>	<u>-</u>	<u>450,000</u>
Total			<u>\$ 4,000,000</u>	<u>\$8,155,000</u>	<u>\$4,000,000</u>	<u>\$ 8,155,000</u>

In August 2022, the Town issued \$7,955,000 of BAN's with an interest rate of 3.00% and true interest cost of 2.25%. The notes mature in August 2023.

Town of Thomaston, Connecticut
Notes to Financial Statements
As of and for the Year Ended June 30, 2022

G. Changes in long-term liabilities

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

1. Summary of changes

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

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	July 1, 2021 (as restated)	Additions	Deductions*	June 30, 2022	Current Portion	Long Term Portion
<u>Bonds/Notes</u>										
General Purpose:										
Refunding Bond	\$ 140,008	06/01/11	12/01/22	2.0 - 4.0%	\$ 16,227	\$ -	\$ 16,227	\$ -	\$ -	\$ -
Improvement Bond	5,725,000	11/01/14	11/01/34	3.0 - 4.0%	3,975,000	-	3,975,000	-	-	-
Refunding Bond	5,809,500	05/19/15	02/01/30	3.0 - 4.0%	3,627,000	-	337,500	3,289,500	333,000	2,956,500
Improvement Bond	7,135,000	07/17/18	07/15/38	3.0 - 4.0%	6,312,546	-	411,227	5,901,319	411,227	5,490,092
Refunding Bond	2,512,500	06/11/20	05/01/33	2.0 - 5.0%	2,331,379	-	174,412	2,156,967	177,767	1,979,200
Refunding Bond	1,892,000	08/10/21	11/01/34	2.0 - 5.0%	-	1,892,000	308,000	1,584,000	286,000	1,298,000
Total General Purpose	23,214,008				16,262,152	1,892,000	5,222,366	12,931,786	1,207,994	11,723,792
Schools:										
Refunding Bond	6,244,960	06/01/11	12/01/22	2.0 - 4.0%	723,860	-	723,860	-	-	-
Refunding Bond	645,500	05/19/15	02/01/30	3.0 - 4.0%	403,000	-	37,500	365,500	37,000	328,500
Refunding Bond	1,237,500	06/11/20	05/01/33	2.0 - 5.0%	1,148,621	-	85,588	1,063,033	87,233	975,800
Refunding Bond	2,193,000	08/10/21	11/01/34	2.0 - 5.0%	-	2,193,000	357,000	1,836,000	331,500	1,504,500
Total Schools	10,320,960				2,275,481	2,193,000	1,203,948	3,264,533	455,733	2,808,800
Sewer:										
Refunding Bond	560,032	06/01/11	12/01/22	2.0 - 4.0%	64,913	-	64,913	-	-	-
Improvement Bond	1,280,000	07/17/18	07/15/38	3.0 - 4.0%	1,132,454	-	73,773	1,058,681	73,773	984,908
Refunding Bond	215,000	08/10/21	11/01/34	2.0 - 5.0%	-	215,000	35,000	180,000	32,500	147,500
Total Sewer	1,840,032				1,197,367	215,000	173,686	1,238,681	106,273	1,132,408
Total Bonds	35,375,000				19,735,000	4,300,000	6,600,000	17,435,000	1,770,000	15,665,000

Town of Thomaston, Connecticut
Notes to Financial Statements
As of and for the Year Ended June 30, 2022

G. Changes in long-term liabilities (continued)

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2021 (as restated)	Additions	Deductions*	Balance June 30, 2022	Current Portion	Long Term Portion
<u>Equipment financing notes (direct borrowings):</u>										
Vehicles	\$ 252,768	11/30/17	09/01/23	3.52 - 6.90%	\$ 489,878	\$ 48,397	\$ 137,574	\$ 400,701	\$ 126,890	\$ 273,811
Clean water note	<u>1,394,449</u>	04/30/20	04/30/39	2.00%	<u>1,257,065</u>	<u>-</u>	<u>59,264</u>	<u>1,197,801</u>	<u>60,460</u>	<u>1,137,341</u>
Total notes	<u>1,647,217</u>				<u>1,746,943</u>	<u>48,397</u>	<u>196,838</u>	<u>1,598,502</u>	<u>187,350</u>	<u>1,411,152</u>
Total bonds and notes	<u>37,022,217</u>				<u>21,481,943</u>	<u>4,348,397</u>	<u>6,796,838</u>	<u>19,033,502</u>	<u>1,957,350</u>	<u>17,076,152</u>
Premiums					554,750	741,658	948,313	348,095	-	348,095
Total bonds, notes and related liabilities					22,036,693	5,090,055	7,745,151	19,381,597	1,957,350	17,424,247
Leases payable					1,029,792	-	48,029	981,763	49,346	932,417
Compensated absences					684,450	160,605	234,931	610,124	91,519	518,605
Termination benefits					225,623	-	122,973	102,650	65,522	37,128
Net pension liability					-	5,099,071	701,700	4,397,371	-	4,397,371
Net OPEB liability					<u>21,552,699</u>	<u>1,751,133</u>	<u>3,093,894</u>	<u>20,209,938</u>	<u>-</u>	<u>20,209,938</u>
Total long-term liabilities					<u>\$ 45,529,257</u>	<u>\$ 12,100,864</u>	<u>\$ 11,946,678</u>	<u>\$ 45,683,443</u>	<u>\$ 2,163,737</u>	<u>\$ 43,519,706</u>

* Includes \$4,780,000 of refunded bonds.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

G. Changes in long-term liabilities (continued)

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

The following is a summary of bond and note maturities:

Fiscal Year Ended June 30	Bonds		Notes	
	Principal	Interest	Principal	Interest
2023	\$ 1,770,000	\$ 611,425	\$ 187,350	\$ 37,558
2024	1,770,000	541,475	167,911	31,095
2025	1,770,000	472,900	117,147	25,956
2026	1,370,000	407,175	120,040	23,062
2027	1,375,000	355,550	123,007	20,095
2028	1,365,000	304,675	66,813	17,051
2029	1,375,000	253,775	68,162	15,702
2030	1,305,000	202,700	69,538	14,326
2031	955,000	152,575	70,941	12,923
2032	960,000	120,150	72,373	11,491
2033	955,000	92,700	73,834	10,030
2034	645,000	67,400	75,324	8,540
2035	560,000	50,881	76,845	7,019
2036	315,000	38,194	78,396	5,468
2037	315,000	27,562	79,978	3,886
2038	315,000	16,538	81,592	2,272
2039	315,000	5,513	69,250	636
Totals	<u>\$ 17,435,000</u>	<u>\$ 3,721,188</u>	<u>\$ 1,598,502</u>	<u>\$ 247,109</u>

2. Assets pledged as collateral

The Town's outstanding equipment financing notes of \$400,701 are secured with collateral of the equipment purchased.

3. Statutory debt limitations

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

Category	Debit Limit	Net Indebtedness	Balance
General purpose	\$ 47,175,262	\$ 19,351,470	\$ 27,823,792
Schools	94,350,524	3,649,849	90,700,675
Sewers	78,625,436	2,588,681	76,036,755
Urban renewal	68,142,045	-	68,142,045
Pension deficit	62,900,349	-	62,900,349

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

G. Changes in long-term liabilities (continued)

The total overall statutory debt limit for the Town is equal to seven times annual receipts from prior year taxation, \$146,767,481.

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:

Project	Bonding Authorization	Previously Bonded	Authorized But Unissued
WPCA upgrade - phosphorus effluent limits	\$ 662,850	\$ -	\$ 662,850
Municipal building roofs	3,998,400	2,250,000	1,748,400
Fire truck	600,000	540,000	60,000
Payloader	150,000	130,000	20,000
Dump truck	194,900	150,000	44,900
Reconstruction and Repair of Roads	3,270,000	2,701,000	569,000
WPCA sewer lines	1,390,000	1,280,000	110,000
Road Reconstruction - Phase I	4,836,000	3,177,000	1,659,000
BOE Security Projects	403,786	372,000	31,786
Woodbridge Lane Pump Station	900,000	250,000	650,000
Carter Road Bridge	91,800	-	91,800
Refunding bond	5,000,000	-	5,000,000
Nystroms dam and dike	1,200,000	-	1,200,000
Opera House air handlers	217,000	-	217,000
WPCA SCADA computer system	450,000	-	450,000
Total	<u>\$ 23,364,736</u>	<u>\$ 10,850,000</u>	<u>\$ 12,514,736</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 2023. The benefits were paid from the General Fund Education department.

6. Leases

Lease agreements are summarized as follows:

Description	Date	Lease Term* (years)	Interest Rate**	Original Amount*	Balance June 30, 2022
Tractor	6/19/2020	3	2.00%	\$ 33,039	\$ 15,951
Assessor copier	11/12/2020	5	2.00%	3,865	3,066
Tower space	2013-2014	25	2.00%	992,889	962,746
Total				<u>\$ 1,029,793</u>	<u>\$ 981,763</u>

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

G. Changes in long-term liabilities (continued)

*As of GASB No. 87 implementation date of July 1, 2021.

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

Description	Lease Agreement Terms
Tractor	The lease is not renewable and the Town will not acquire the tractor at the end of the term.
Assessor copier	The lease is not renewable and the Town does not expect to exercise the purchase option at the end of the term.
Tower space	These lease terms include four 5-year additional terms that the Town anticipates renewing.

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

Ending June 30	Principal	Interest
2023	\$ 49,346	\$ 19,635
2024	35,965	18,648
2025	38,659	17,929
2026	41,187	17,156
2027	43,551	16,332
2028	46,625	15,461
2029	49,844	14,529
2030	53,212	13,532
2031	56,736	12,467
2032	60,423	11,333
2033	64,279	10,124
2034	68,311	8,839
2035	72,528	7,472
2036	76,935	6,022
2037	81,541	4,483
2038	86,355	2,852
2039	56,265	1,125
Totals	<u>\$ 981,763</u>	<u>\$ 197,941</u>

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

H. Fund Balances

Fund balances are composed of the following:

	General	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*	-	-	-	369,731	369,731
Public safety programs	-	-	-	24,482	24,482
Library operations	-	-	-	19,238	19,238
Park maintenance	-	-	-	38,488	38,488
Other	-	-	-	12,868	12,868
Construction contracts	-	198,525	-	-	198,525
Housing rehabilitation	-	-	-	921,716	921,716
Sewer operations*	-	-	-	317,319	317,319
Total restricted	-	198,525	-	1,775,412	1,973,937
Committed:					
Public safety - EMS	-	-	-	137,378	137,378
Cemetery maintenance	-	-	-	521,610	521,610
Health and welfare	-	-	-	91,623	91,623
Education programs	-	-	-	815,786	815,786
Recreation programs	-	-	-	32,655	32,655
Approved CNR projects	-	-	-	460,565	460,565
Total committed	-	-	-	2,059,617	2,059,617
Assigned:					
Subsequent year's budget	200,000	-	-	-	200,000
Future debt service payments	-	-	1,073,402	-	1,073,402
Total assigned	200,000	-	1,073,402	-	1,273,402
Unassigned:	5,906,570	(3,058,201)	-	(16,771)	2,831,598
Total	<u>\$6,106,570</u>	<u>\$ (2,859,676)</u>	<u>\$ 1,073,402</u>	<u>\$ 3,988,458</u>	<u>\$8,308,754</u>

* The amount of restricted net position, which is restricted by enabling legislation, totaled: \$ 687,050

Town of Thomaston, Connecticut**Notes to Financial Statements
As of and for the Year Ended June 30, 2022****I. Deficit fund balances**

The transfer station fund had a deficit fund balance at year end of \$16,771.

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

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

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

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

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

The Town is also a member of CIRMA's Workers' Compensation Pool, a risk sharing pool. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The coverage is subject to an insured loss retrospective rating plan and losses incurred in the coverage period will be evaluated at 18, 30 and 42 months after the effective date of coverage. The premium is subject to payroll audit at the close of the coverage period. CIRMA's Workers' Compensation Pool retains \$1,000,000 per occurrence and purchases reinsurance above that amount to the limit of liability of \$10,000,000 per occurrence.

B. Commitments and litigation

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

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

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

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

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

b. Plan membership

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

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

2. Benefit provisions

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

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

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

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

The average active member contribution rate was 5.20% of pensionable wages, and the Town's average contribution rate was 24.54% of covered payroll.

4. Investments**a. Investment policy**

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

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

b. Concentrations

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

c. Rate of return

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

A. Pension plan (continued)

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

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed income	4.30%
Domestic equity	9.30%
International equity	7.30%
Real estate	3.80%

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 (14.10)%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

5. Net pension liability

The components of the net pension liability were as follows:

Total pension liability	\$ 23,083,112
Plan fiduciary net position	<u>18,685,741</u>
Net pension liability	<u>\$ 4,397,371</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>80.95%</u>

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

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, 2022
Actuarial cost method	Entry age normal
Asset valuation method	Fair value
Post-retirement increases	None
Inflation	2.80%
Salary increase	4.00%, average, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation
Mortality rates	PUB-2010 mortality table with generational improvements from 2010 with Scale MP-2021

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

	From	To
Inflation rate	2.20%	2.80%
Mortality rate	PUBT-2010 mortality table with generational improvements from 2010 with Scale MP-2019	PUB-2010 mortality table with generational improvements from 2010 with Scale MP-2021

b. Changes in benefit terms

There were no changes in benefit terms.

8. Discount rate

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

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

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

The Town's net pension liability (asset) was measured at June 30, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of January 1, 2022.

The changes in net pension liability were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a) - (b)
Balance at July 1, 2021	<u>\$ 22,447,857</u>	<u>\$ 22,488,813</u>	<u>\$ (40,956)</u>
Service cost	201,508	-	201,508
Interest	1,538,263	-	1,538,263
Differences between expected and actual experience	233,328	-	233,328
Changes in assumptions	33,709	-	33,709
Contributions - employer	-	570,000	(570,000)
Contributions - member	-	131,700	(131,700)
Net investment income	-	(3,091,906)	3,091,906
Benefit payments, including refunds of member contributions	(1,371,553)	(1,371,553)	-
Administrative expenses	<u>-</u>	<u>(41,313)</u>	<u>41,313</u>
Net change	<u>635,255</u>	<u>(3,803,072)</u>	<u>4,438,327</u>
Balance at June 30, 2022	<u><u>\$ 23,083,112</u></u>	<u><u>\$ 18,685,741</u></u>	<u><u>\$ 4,397,371</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 as well as what the Town's net pension liability (asset) 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:

	Discount Rate	1% Decrease	Current Discount Rate	1% Increase
Net pension liability	<u>7.00%</u>	<u>\$ 6,805,348</u>	<u>\$ 4,397,371</u>	<u>\$ 2,357,125</u>

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

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 \$(288,477).

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
Differences between expected and actual experience	\$ 111,167
Changes in assumptions	16,060
Net difference between projected and actual earnings on pension plan investments	<u>2,094,888</u>
Total	<u><u>\$ 2,222,115</u></u>

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

Year Ending June 30,	
2023	\$ 565,083
2024	434,575
2025	285,581
2026	<u>936,876</u>
Total	<u><u>\$ 2,222,115</u></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, 2022

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

Normal retirement	Age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut
Benefit calculation	2.00% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary)
Early retirement	25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service
Early retirement amount	Benefit amounts are reduced by 6.00% per year for the first 5 years preceding normal retirement age and 4.00% per year for the next 5 years preceding the normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3.00% per year by which retirement precedes normal retirement date
Service connected disability amount	2.00% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary. In addition, disability benefits under this plan (without regard to cost-of-living adjustments) plus any initial award of social security benefits and workers' compensation cannot exceed 75% of annual average salary
Non-service connected disability service requirement	Five years of credited service
Vesting - service	10 years of service
Vesting - amount	100%
Pre-retirement death benefit amount	Lump-sum return of contributions with interest or surviving spouse benefit depending on length of service

3. Contributions**State of Connecticut**

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

Employer (school districts)

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

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

Each teacher is required to contribute 7.00% of their salary for the pension benefit.

4. Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions

The Town reports no amounts for its proportionate share of the 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>23,356,915</u>
Total	<u><u>\$23,356,915</u></u>

The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. The Town has no proportionate share of the net pension liability.

During the year, the Town recognized pension expense and revenue of \$1,955,762 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, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

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

Future cost-of-living increases - For teachers who retired prior to September 1, 1992, pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3.00% and a maximum of 5.00% per annum. For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for social security benefits on January 1 of the year granted, with a maximum of 6.00% per annum. If the return on assets in the previous year was less than 8.50%, the maximum increase is 1.50%.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

B. Connecticut state teachers' retirement system (continued)

For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for social security benefits on January 1 of the year granted, with a maximum of 5.00% per annum. If the return on assets in the previous year was less than 11.50%, the maximum increase is 3.00%, and if the return on the assets in the previous year was less than 8.50%, the maximum increase is 1.00%.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

Changes in assumptions and inputs

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

Long-term expected rate of return

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

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity fund	20.00%	5.60%
Developed market international stock fund	11.00%	6.00%
Emerging market international stock fund	9.00%	7.90%
Core fixed income fund	16.00%	2.10%
Inflation linked bond fund	5.00%	1.10%
Emerging market debt fund	5.00%	2.70%
High yield bond fund	6.00%	4.00%
Real estate fund	10.00%	4.50%
Private equity	10.00%	7.30%
Alternative investments	7.00%	2.90%
Liquidity fund	1.00%	0.40%
Total	<u>100.0%</u>	

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

B. Connecticut state teachers' retirement system (continued)**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 Annual Comprehensive Financial Report as of and for the year ended June 30, 2021.

C. Defined contribution retirement savings plan

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

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

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

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

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

During the year, the employer contributions were \$62,004 and employee contributions totaled \$100,171. Employee covered payroll totaled \$1,498,421.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

D. Other post-employment benefits ("OPEB") plan**1. Plan description****a. Plan administration**

The Town administers two single-employer, post-retirement healthcare plans: Town (Police, Sewer, Highway, Non-Union and White Collar) and Education (Administrators, AFSCME, Non-Union, Superintendent, Teachers and Non-Union Cafeteria). The Town plan is accounted for in a trust. The Education plan is not currently accounted for in a trust. The Town plan does not issue a stand-alone financial report. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB statement No. 75 for the Education Plan.

b. Plan membership

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

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

2. Benefit provisions

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

3. Contributions**a. Employer contributions**

The Town's recommended contributions are actuarially determined on an annual basis using the entry age normal method. The Town's total plan contributions were \$636,309.

b. Employee contributions

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

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

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

Contribution requirements are as follows:

Town plan

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

Education plan

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

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

4. Investments**a. Investment policy**

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

<u>Asset Class</u>	<u>Target Allocation</u>
U.S. large cap	37.50%
Fixed income	30.00%
Short duration	10.00%
International developed	8.00%
U.S. mid/small cap	7.50%
Real estate	5.00%
International emerging	2.00%
Cash	0.00%
Total	<u>100.00%</u>

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

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

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

c. Rate of return

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

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

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. large cap	6.30%
Fixed income	2.10%
Short duration	1.70%
International developed	7.90%
U.S. mid/small cap	6.70%
Real estate	6.20%
International emerging	9.40%
Cash	0.72%
 Inflation	 2.50%
 Long term expected nominal rate of return	 7.30%

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 (12.53%) 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.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

D. Other post-employment benefits plan (continued)**5. Total/Net OPEB liability****a. Town Plan**

The components of the net OPEB liability were as follows:

	Town Plan
Total OPEB liability	\$ 14,920,356
Plan fiduciary net position	<u>462,055</u>
Net OPEB liability	<u>\$ 14,458,301</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>3.10%</u>

b. OPEB liability – Education Plan

The Education OPEB liability of \$5,751,637 was measured as of June 30, 2022, and was determined by an actuarial valuation as of July 1, 2021.

6. Actuarial methods and significant assumptions

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

	Town	Education
Valuation date	July 1, 2021	July 1, 2021
Actuarial cost method	Entry age normal	Entry age normal
Asset valuation method	Fair value	Fair value
Investment rate of return	4.80%	3.54%
Initial medical trend rate	8.00%, net of pension plan investment expense, including inflation	8.00%, net of pension plan investment expense, including inflation
Ultimate medical trend rate	4.50%	4.50%
Inflation	2.20%	2.20%
Mortality	SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021	SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

D. Other post-employment benefits plan (continued)**7. Changes from prior year****a. Changes in assumptions**

	Town		Education	
	From	To	From	To
Discount rate	4.43%	4.80%	2.16%	3.54%

b. Changes in benefit terms

There were no changes in benefit terms.

8. Discount rate

The final equivalent discount rate used to measure the total OPEB liability was 4.80% for the Town Plan. The projection of cash flows used to determine the discount rate assumed that the Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Town Plan's long-term real rate of return is expected to be 7.30%, but the plan investments are insufficient to pay for future benefits. Therefore, the 20-year tax exempt general obligation municipal bond rate as of June 30, 2022 of 3.54% is used once the plan assets are exhausted resulting in the final equivalent rate of 4.80%.

The Education plan has no plan assets and therefore the discount rate used to measure the total OPEB liability is the 20-year tax exempt general obligation municipal bond rate as of June 30, 2022 of 3.54%.

9. Changes in the OPEB liability

The Town's OPEB liability was measured at June 30, 2022, and the total OPEB liability used to calculate the OPEB liability was determined by an actuarial valuation as of July 1, 2021.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

D. Other post-employment benefits plan (continued)

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

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Town Plan			
Balance at July 1, 2021	\$ 14,922,243	\$ 501,743	\$ 14,420,500
Service cost	67,101	-	67,101
Interest	650,634	-	650,634
Differences between expected and actual experience	576,355	-	576,355
Changes in assumptions	(684,668)	-	(684,668)
Contributions - employer	-	636,309	(636,309)
Net investment income	-	(63,389)	63,389
Benefit payments, including refunds of member contributions	(611,309)	(611,309)	-
Administrative expenses	-	(1,299)	1,299
Net change	(1,887)	(39,688)	37,801
Balance at June 30, 2022	\$ 14,920,356	\$ 462,055	\$ 14,458,301
Education Plan	Total OPEB Liability		
Balance at July 1, 2021	\$ 7,132,199		
Service cost	239,425		
Interest	152,930		
Differences between expected and actual experience	(287,484)		
Changes in assumptions	(1,282,278)		
Benefit payments, including refunds of member contributions	(203,155)		
Net change	(1,380,562)		
Balance at June 30, 2022	\$ 5,751,637		

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

D. Other post-employment benefits plan (continued)**10. Sensitivity of the OPEB liability to changes in the discount rate**

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

<u>OPEB Liability</u>	<u>Discount Rate</u>	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Town Plan (net)	<u>4.80%</u>	<u>\$16,452,358</u>	<u>\$14,458,301</u>	<u>\$ 12,826,302</u>
Education Plan (total)	<u>3.54%</u>	<u>\$ 6,549,384</u>	<u>\$ 5,751,637</u>	<u>\$ 5,093,293</u>

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

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

<u>OPEB Liability</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Town Plan (net)	<u>8.00% decreasing to 4.50%</u>	<u>\$12,721,602</u>	<u>\$14,458,301</u>	<u>\$ 16,562,382</u>
Education Plan (total)	<u>8.00% decreasing to 4.50%</u>	<u>\$ 5,045,309</u>	<u>\$ 5,751,637</u>	<u>\$ 6,607,730</u>

12. OPEB expense and deferred outflows of resources and deferred inflows of resources related to OPEB

For the fiscal year the Town recognized OPEB expense of \$733,117 for the Town Plan and (\$18,481) for the Education Plan.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

D. Other post-employment benefits plan (continued)

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

<u>Town Plan</u>	Deferred	Deferred	
<u>Description of Outflows/Inflows</u>	<u>Outflows of</u>	<u>Inflows of</u>	<u>Net</u>
	<u>Resources</u>	<u>Resources</u>	
Differences between expected and actual experience	\$ 146,239	\$ -	\$ 146,239
Changes in assumptions	-	173,721	(173,721)
Net difference between projected and actual earnings on plan investments	27,802	-	27,802
Total	<u>\$ 174,041</u>	<u>\$ 173,721</u>	<u>\$ 320</u>

<u>Education Plan</u>	Deferred	Deferred	
<u>Description of Outflows/Inflows</u>	<u>Outflows of</u>	<u>Inflows of</u>	<u>Net</u>
	<u>Resources</u>	<u>Resources</u>	
Differences between expected and actual experience	\$ 252,198	\$ 1,867,231	\$(1,615,033)
Changes in assumptions	1,216,258	1,280,332	(64,074)
Total	<u>\$ 1,468,456</u>	<u>\$ 3,147,563</u>	<u>\$(1,679,107)</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.

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

<u>Year Ending</u> <u>June 30,</u>	<u>Town</u> <u>Plan</u>	<u>Education</u> <u>Plan</u>
2023	\$ (24,915)	\$ (410,833)
2024	3,718	(192,628)
2025	3,652	(85,417)
2026	17,865	(221,012)
2027	-	(221,009)
Thereafter	-	(548,208)
Total	<u>\$ 320</u>	<u>\$ (1,679,107)</u>

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

D. Other post-employment benefits plan (continued)**13. Total OPEB plans**

	OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Town plan	\$ 14,458,301	\$ 174,041	\$ 173,721	\$ 733,117
Education plan	5,751,637	1,468,456	3,147,563	(18,481)
Total	<u>\$ 20,209,938</u>	<u>\$ 1,642,497</u>	<u>\$ 3,321,284</u>	<u>\$ 714,636</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.

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

Town of Thomaston, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2022**

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

Any member that is currently receiving a retirement or disability benefit is eligible to participate in the Plan. There are two types of the health care benefits offered. 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).

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

Survivor health care coverage

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

3. Contributions**State of Connecticut**

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

E. Connecticut state teachers' retirement board retiree health insurance plan (continued)**Employer (school districts)**

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

Employees

Each member is required to contribute 1.25% of their pensionable wages.

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

The Town reports no amounts for its proportionate share of the 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>2,544,693</u>
Total	<u>\$ 2,544,693</u>

The net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The Town has no proportionate share of the net OPEB liability.

The Town recognized OPEB expense and revenue of \$46,023 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, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	3.00%
Discount rate	2.17%
Inflation	2.50%
Health care cost trend rate (Medicare)	5.125% decreasing to 4.50% by 2023
Salary increases	3.00-6.50%, including inflation
Mortality rates	Mortality rates were based on the PubT-2010 Table, projected generationally with MP-2019
Year fund net position will be depleted	2023

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

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

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

Changes in assumptions and inputs

- The discount rate was decreased from 2.21% to 2.17% to reflect the change in the Municipal Bond Index rate.

Long-term expected rate of return

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

All the plan assets are assumed to be invested in cash equivalents due to the need for liquidity. The expected rate of return is 2.00%. Since there have not been any changes to the asset allocation and the recent economic downturn is expected to be temporary, the funding rate of 3.00% continues to be used for the long-term investment rate of return as of June 30, 2021.

6. Discount rate

The discount rate used to measure the total OPEB liability was 2.17%. 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 annual State contributions will equal the most recent 5-year average of state contributions.

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 and health care cost trend rate would only impact the amount recorded by the State of Connecticut.

8. Plan fiduciary net position

Detailed information about the Connecticut State Teachers' OPEB Plan fiduciary net position is available in the separately issued State of Connecticut Annual Comprehensive Financial Report as of and for the year ended June 30, 2021.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

F. Pension and other post-employment benefit plan statements

Pension and Other Post-Employment Benefit Trust Funds
Combining Schedule of Fiduciary Net Position
June 30, 2022

	Pension Trust Fund	Other Post- Employment Benefit Trust Fund	Total
	<hr/>	<hr/>	<hr/>
<u>Assets</u>			
Investments:			
Mutual funds/exchange traded funds:			
Money market	\$ 392,333	\$ -	\$ 392,333
Equity	11,280,724	265,890	11,546,614
Bond	7,012,684	147,788	7,160,472
Real estate investment trust	-	48,377	48,377
	<hr/>	<hr/>	<hr/>
Total investments	18,685,741	462,055	19,147,796
	<hr/>	<hr/>	<hr/>
<u>Net Position</u>			
Restricted for:			
Pension benefits	18,685,741	-	18,685,741
OPEB benefits	-	462,055	462,055
	<hr/>	<hr/>	<hr/>
Total net position	<u>\$ 18,685,741</u>	<u>\$ 462,055</u>	<u>\$ 19,147,796</u>

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

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

Pension and Other Post-Employment Benefit Trust Funds
Combining Schedule of Changes in Fiduciary Net Position
For the Year Ended June 30, 2022

	Pension Trust Fund	Other Post- Employment Benefit Trust Fund	Total
Additions:			
Contributions:			
Employer	\$ 570,000	\$ 636,309	\$ 1,206,309
Plan members	131,700	-	131,700
Total contributions	701,700	636,309	1,338,009
Investment income (loss):			
Net change in fair value of investments	(3,473,853)	(73,319)	(3,547,172)
Interest and dividends	428,786	10,604	439,390
Total investment income (loss)	(3,045,067)	(62,715)	(3,107,782)
Less investment expenses	46,839	674	47,513
Net investment income (loss)	(3,091,906)	(63,389)	(3,155,295)
Total additions	(2,390,206)	572,920	(1,817,286)
Deductions:			
Benefits	1,371,553	611,309	1,982,862
Administration	41,313	1,299	42,612
Total deductions	1,412,866	612,608	2,025,474
Changes in net position	(3,803,072)	(39,688)	(3,842,760)
Net position - July 1, 2021	22,488,813	501,743	22,990,556
Net position - June 30, 2022	\$ 18,685,741	\$ 462,055	\$ 19,147,796

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2022

VI. Prior period adjustments and fund reclassification**A. Prior period adjustments**

As a result of the implementation of GASB No. 87 lease receivable and deferred inflows of resources and a right-to-use leased assets and lease liability were recorded. There was no impact on beginning net position or fund balance. The amounts recorded are as follows:

	<u>Governmental Activities</u>	<u>General Fund</u>
Lease receivable	\$ 596,325	\$ 596,325
Deferred inflows of resources - lease related	(596,325)	(596,325)
Capital assets:		
Right-to-use leased assets	1,029,792	-
Long-term liabilities:		
Lease liability	(1,029,792)	-

B. Fund reclassification

As of July 1, 2021, the small cities fund was reclassified from a major fund to a nonmajor fund. As a result, beginning fund balance of other governmental funds increased from \$2,610,469 to \$3,533,697.

Required Supplementary Information

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

Town of Thomaston, Connecticut

Required Supplementary Information

General Fund
Schedule of Revenues and Other Financing Sources
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2022

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance with Final Budget
Property taxes:					
Taxes	\$ 20,515,698	\$ -	\$ 20,515,698	\$ 21,031,050	\$ 515,352
Prior year taxes	200,000	-	200,000	188,982	(11,018)
Interest and lien fees	100,000	-	100,000	135,810	35,810
Housing authority in lieu of taxes	29,502	-	29,502	33,468	3,966
Telecommunications property tax	13,095	-	13,095	12,245	(850)
Total property taxes	20,858,295	-	20,858,295	21,401,555	543,260
Charges for services:					
Building permits	70,000	-	70,000	89,930	19,930
Conveyance tax	75,000	-	75,000	110,534	35,534
Special duty police reimbursements	75,000	-	75,000	141,496	66,496
Accident reports	250	-	250	363	113
Gun permits	10,000	-	10,000	6,190	(3,810)
Vendor permits	-	-	-	200	200
Zoning and land use fees	10,000	-	10,000	8,033	(1,967)
Recreation - Nystroms	5,305	-	5,305	5,305	-
Fingerprinting	100	-	100	213	113
Town of Litchfield - sewer upgrade	10,105	-	10,105	10,105	-
Dam patrol	19,926	-	19,926	19,829	(97)
Parking fines	500	-	500	20	(480)
Dog fines and fees	4,000	-	4,000	5,162	1,162
Rent of tower	99,000	-	99,000	117,499	18,499
Rent of tower - Town of Plymouth	27,545	-	27,545	30,034	2,489
Rent of Opera House	-	-	-	6,809	6,809
PA 09-229 LOCIP project funding	10,000	-	10,000	15,016	5,016
Total charges for services	416,731	-	416,731	566,738	150,007
Intergovernmental:					
Property tax relief - Veterans' exemption	9,641	-	9,641	11,002	1,361
Property tax relief - totally disabled	1,020	-	1,020	1,170	150
Property tax relief - municipal stabilization grant	395,346	-	395,346	395,346	-
Property tax relief - manufacturing	9,790	-	9,790	-	(9,790)
Property tax relief - tiered	30,645	-	30,645	30,645	-
Federal PILOT - land authorization	1,660	-	1,660	1,769	109
LOCIP	54,383	-	54,383	53,179	(1,204)
Education cost sharing	5,461,463	-	5,461,463	5,448,452	(13,011)
Mashantucket Pequot	16,872	-	16,872	16,872	-
Town aid road	222,141	-	222,141	222,072	(69)
Elderly services transportation grant	11,333	-	11,333	11,333	-
CARES Act DOL Unemployment Grant	-	-	-	1,617	1,617
FEMA disaster grants - public assistance	-	-	-	22,835	22,835
Total intergovernmental	6,214,294	-	6,214,294	6,216,292	1,998

(Continued)

See Notes to Required Supplementary Information.

Town of Thomaston, Connecticut

Required Supplementary Information

General Fund
Schedule of Revenues and Other Financing Sources
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2022

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance with Final Budget
Income from investments	\$ 50,000	\$ -	\$ 50,000	\$ 34,551	\$ (15,449)
Other:					
Miscellaneous	5,000	-	5,000	31,443	26,443
Total revenues	27,544,320	-	27,544,320	28,250,579	706,259
Other financing sources:					
Appropriation of fund balance	186,561	422,164	608,725	-	(608,725)
Transfers in:					
EMS Fund	15,000	-	15,000	15,000	-
Total other financing sources	201,561	422,164	623,725	15,000	(608,725)
Total revenues and other financing sources	\$ 27,745,881	\$ 422,164	\$ 28,168,045	\$ 28,265,579	\$ 97,534

(Concluded)

See Notes to Required Supplementary Information.

Town of Thomaston, Connecticut
Required Supplementary Information
General Fund
Schedule of Expenditures and Other Financing Uses
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2022

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance with Final Budget
General government:					
Board of Selectmen	\$ 127,217	\$ -	\$ 127,217	\$ 126,844	\$ 373
Elections	32,250	-	32,250	24,591	7,659
Board of Finance	2,000	-	2,000	1,756	244
Treasurer	206,196	7,497	213,693	213,693	-
Computer information systems	57,220	5,048	62,268	62,268	-
Independent audit	59,775	-	59,775	59,775	-
Legal	85,500	-	85,500	76,574	8,926
Tax collector	113,802	3,484	117,286	117,286	-
Tax assessor	150,238	-	150,238	144,168	6,070
Insurance	481,789	-	481,789	473,796	7,993
Town Hall operations and maintenance	240,972	-	240,972	228,037	12,935
Town Clerk	51,865	-	51,865	46,412	5,453
Probate court	4,213	-	4,213	4,212	1
Social security	270,000	-	270,000	266,402	3,598
Unemployment expense	-	3,394	3,394	3,394	-
Pension - Town employees	424,396	(21,115)	403,281	391,132	12,149
Pension - Volunteer Firefighters and Ambulance	80,000	-	80,000	79,090	910
Medical / life insurance	744,333	-	744,333	723,354	20,979
Retirees medical insurance	739,024	-	739,024	693,307	45,717
Council of governments	4,436	-	4,436	4,436	-
CT Conference of Municipalities	4,894	-	4,894	4,894	-
Contingency	100,000	(100,000)	-	-	-
Total general government	3,980,120	(101,692)	3,878,428	3,745,421	133,007
Public safety:					
Police	1,345,978	-	1,345,978	1,235,172	110,806
Emergency management	11,604	-	11,604	10,539	1,065
Communications and dispatch	397,851	-	397,851	365,748	32,103
Fire protection	188,907	6,463	195,370	195,370	-
Fire marshal	28,681	4,423	33,104	33,104	-
Ambulance	64,500	-	64,500	60,113	4,387
Tree removal	50,000	-	50,000	48,840	1,160
Animal control	27,070	-	27,070	23,163	3,907
Total public safety	2,114,591	10,886	2,125,477	1,972,049	153,428
Public works:					
Highways	646,744	22,008	668,752	668,752	-
Town aid road	222,141	-	222,141	222,141	-
Snow and ice removal	202,500	10,576	213,076	213,076	-
Street lighting	20,000	-	20,000	19,035	965
Fire hydrants	206,000	1,822	207,822	207,822	-
Solid waste and recycling	613,093	23,422	636,515	636,515	-
Groundwater remediation	37,938	8,079	46,017	46,017	-
Total public works	1,948,416	65,907	2,014,323	2,013,358	965

(Continued)

See Notes to Required Supplementary Information.

Town of Thomaston, Connecticut
Required Supplementary Information

General Fund
Schedule of Expenditures and Other Financing Uses
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2022

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance with Final Budget
Health and welfare:					
Medical services	\$ 4,500	\$ -	\$ 4,500	\$ 4,500	\$ -
Torrington Area Health District	41,292	-	41,292	41,292	-
Social services	20,657	351	21,008	21,008	-
Elderly nutrition	6,486	-	6,486	6,486	-
Susan B. Anthony project	2,500	-	2,500	2,500	-
Housatonic Valley Coalition	1,140	-	1,140	-	1,140
Minibus	18,308	1,482	19,790	19,790	-
Veterans' administration	2,225	-	2,225	1,900	325
Senior Center	3,150	-	3,150	3,143	7
Total health and welfare	100,258	1,833	102,091	100,619	1,472
Culture and recreation:					
Recreation programs	133,694	13,057	146,751	146,751	-
Memorial day	2,500	-	2,500	2,500	-
Public library	353,522	-	353,522	324,623	28,899
Total culture and recreation	489,716	13,057	502,773	473,874	28,899
Housing and development:					
Conservation commission	1,795	-	1,795	1,795	-
Economic development commission	2,250	-	2,250	1,349	901
Housing, land use and development	193,139	10,009	203,148	203,148	-
Brownfields	1,000	-	1,000	1,000	-
Total housing and development	198,184	10,009	208,193	207,292	901
Education	15,141,405	-	15,141,405	15,141,405	-
Total expenditures	23,972,690	-	23,972,690	23,654,018	318,672
Other financing uses:					
Transfers out:					
Debt service fund	2,800,000	-	2,800,000	2,800,000	-
Debt service fund (education)	134,752	-	134,752	134,752	-
Hillside cemetery trust fund	26,000	-	26,000	26,000	-
Capital or nonrecurring	640,457	422,164	1,062,621	1,062,621	-
Seth Thomas/Bradstreet house	9,625	-	9,625	9,625	-
Social service crisis fund	10,000	-	10,000	10,000	-
Education fund	152,357	-	152,357	152,357	-
Total other financing uses	3,773,191	422,164	4,195,355	4,195,355	-
Total expenditures and other financing uses	\$ 27,745,881	\$ 422,164	\$ 28,168,045	\$ 27,849,373	\$ 318,672

(Concluded)

See Notes to Required Supplementary Information.

Town of Thomaston, Connecticut
Notes to Required Supplementary Information

Budgets and Budgetary Accounting
For the Year Ended June 30, 2022

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' pension 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	\$ 28,250,579	\$ 23,654,018
State Teachers' pension on behalf amount	1,955,762	1,955,762
State Teachers' OPEB on behalf amount	<u>46,023</u>	<u>46,023</u>
GAAP Basis - Exhibit D	<u>\$ 30,252,364</u>	<u>\$ 25,655,803</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 \$422,164.

Town of Thomaston, Connecticut
Required Supplementary Information

Town Retirement Plan
Last Nine Years (1)

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

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

See Notes to Required Supplementary Information.

Town of Thomaston, Connecticut

Required Supplementary Information

Town Retirement Plan
Schedule of Contributions
Last Ten Years

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Actuarially determined contributions	\$ 400,646	\$ 522,281	\$ 522,281	\$ 587,272	\$ 585,540	\$ 657,455	\$ 714,209	\$ 741,399	\$ 734,912	\$ 824,021
Contributions in relation to the actuarially determined contribution	<u>570,000</u>	<u>640,000</u>	<u>710,000</u>	<u>685,000</u>	<u>775,000</u>	<u>790,000</u>	<u>800,000</u>	<u>830,000</u>	<u>924,999</u>	<u>895,000</u>
Contribution excess (deficiency)	<u>\$ 169,354</u>	<u>\$ 117,719</u>	<u>\$ 187,719</u>	<u>\$ 97,728</u>	<u>\$ 189,460</u>	<u>\$ 132,545</u>	<u>\$ 85,791</u>	<u>\$ 88,601</u>	<u>\$ 190,087</u>	<u>\$ 70,979</u>
Covered payroll	<u>\$ 2,323,119</u>	<u>\$ 2,605,167</u>	<u>\$ 2,842,038</u>	<u>\$ 3,029,570</u>	<u>\$ 3,171,283</u>	<u>\$ 3,369,027</u>	<u>\$ 3,415,672</u>	<u>\$ 3,309,461</u>	<u>\$ 3,285,183</u>	<u>\$ 3,381,120</u>
Contributions as a percentage of covered payroll	<u>24.54%</u>	<u>24.57%</u>	<u>24.98%</u>	<u>22.61%</u>	<u>24.44%</u>	<u>23.45%</u>	<u>23.42%</u>	<u>25.08%</u>	<u>28.16%</u>	<u>26.47%</u>

Town of Thomaston, Connecticut
Notes to Required Supplementary Information

Town Retirement Plan
Schedule of Contributions
Last Nine Years (1)

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

(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 Eight Years (3)

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

Schedule of Contributions

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

(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 Eight Years (1)

	2022	2021	2020	2019	2018	2017	2016	2015
Changes of Benefit Terms	None	None	None	Beginning January 1, 2018, member contributions increased from 6.00% to 7.00% of salary	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2020	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016	June 30, 2016	June 30, 2014	June 30, 2014
Actuarial methods and assumptions used to determine contribution rates:								
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed
Remaining Amortization Period	27.8 years	27.8 years	30 years	30 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	4 year smoothing	4 year smoothing
Inflation	2.50%	2.50%	2.50%	2.75%	2.75%	2.75%	3.00%	3.00%
Salary Increases	3.00%-6.50%, average, including inflation	3.00%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation
Cost-of-Living Adjustments	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	2.00%-3.00% based on retirement date	2.00%-3.00% based on retirement date
Investment Rate of Return (Net)	6.90%	6.90%	6.90%	8.00%	8.00%	8.00%	8.50%	8.50%
Mortality Rate	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2000 Combined Mortality Table projected 19 years using scale AA	RP-2000 Combined Mortality Table projected 19 years using scale AA

(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 Six Years (1)

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

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Actuarially determined contributions	\$ 1,055,511	\$ 828,319	\$ 868,989	\$ 1,215,346	\$ 1,211,597	\$ 1,151,113	\$ 1,558,534	\$ 1,480,136	\$ 1,249,797	\$ 1,225,729
Contributions in relation to the actuarially determined contribution	<u>636,309</u>	<u>749,472</u>	<u>681,996</u>	<u>864,356</u>	<u>869,480</u>	<u>900,766</u>	<u>685,657</u>	<u>631,108</u>	<u>652,571</u>	<u>607,716</u>
Contribution excess (deficiency)	<u>\$ (419,202)</u>	<u>\$ (78,847)</u>	<u>\$ (186,993)</u>	<u>\$ (350,990)</u>	<u>\$ (342,117)</u>	<u>\$ (250,347)</u>	<u>\$ (872,877)</u>	<u>\$ (849,028)</u>	<u>\$ (597,226)</u>	<u>\$ (618,013)</u>
Covered payroll	<u>\$ 925,246</u>	<u>\$ 898,297</u>	<u>\$ 1,303,639</u>	<u>\$ 1,253,499</u>	<u>\$ 2,770,895</u>	<u>\$ 2,664,332</u>	<u>\$ 2,546,003</u>	<u>\$ 2,471,848</u>	<u>\$ 2,310,927</u>	<u>\$ 2,243,618</u>
Contributions as a percentage of covered payroll	<u>68.77%</u>	<u>83.43%</u>	<u>52.31%</u>	<u>68.96%</u>	<u>31.38%</u>	<u>33.81%</u>	<u>26.93%</u>	<u>25.53%</u>	<u>28.24%</u>	<u>27.09%</u>

Town of Thomaston, Connecticut

Notes to Required Supplementary Information

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

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Changes of Benefit Terms	None	For active employees retiring on or after July 1, 2020 and by June 30, 2021, retirees' premium share is 13.00% for white collar, 12.50% for public works, and 11.00% for sewer	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	January 1, 2020	January 1, 2020	January 1, 2018	January 1, 2018	January 1, 2016	January 1, 2016	January 1, 2014	January 1, 2014	January 1, 2012
Actuarial methods and assumptions used to determine contribution rates:									
Actuarial Cost Method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Projected unit credit	Projected unit credit	Projected unit credit
Amortization Method	Level percentage of salary	Level percentage of salary	Level percentage of salary	Level percentage of salary	Level percentage of salary	Level percentage of salary	Level dollar	Level dollar	Level dollar
Asset Valuation Method	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	N/A
Inflation	2.50%	2.50%	2.20%	2.20%	3.50%	3.50%	3.00%	3.00%	N/A
Salary Increases	4.00%	4.00%	4.00%	4.00%	N/A	N/A	N/A	N/A	N/A
Investment Rate of Return - Town (Net)	6.07%	6.07%	6.00%	6.00%	5.60%	5.60%	5.33%	5.33%	5.33%
Investment Rate of Return - Education (Net)	2.66%	2.66%	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-2021	SOA Pub-2010 general headcount weighted mortality table fully generational using Scale MP-2021	SOA Pub-2010 general headcount weighted mortality table fully generational using Scale MP-2019	SOA Pub-2010 general headcount weighted mortality table fully generational using Scale MP-2019	SOA RPH-2016 Total Dataset Headcount-Weighted Mortality Table fully generational using Scale MP-2016	SOA RPH-2016 Total Dataset Headcount-Weighted Mortality Table fully generational using Scale MP-2016	N/A	N/A	N/A

(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 Six Years (1)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
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Schedule of Changes in Total OPEB Liability and Related Ratios

Total OPEB liability:

Service cost	\$ 239,425	\$ 340,201	\$ 278,538	\$ 226,046	\$ 256,700	\$ 342,342
Interest	152,930	206,607	243,931	220,611	220,059	205,769
Difference between expected and actual experience	(287,484)	(1,455,969)	(381,988)	588,466	(513,843)	(933,922)
Changes in assumptions	(1,282,278)	721,926	832,351	360,723	(236,655)	(562,365)
Benefit payments, including refunds of member contributions	<u>(203,155)</u>	<u>(213,723)</u>	<u>(219,578)</u>	<u>(179,196)</u>	<u>(173,960)</u>	<u>(174,221)</u>

Net change in total OPEB liability	(1,380,562)	(400,958)	753,254	1,216,650	(447,699)	(1,122,397)
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Total OPEB liability - July 1	<u>7,132,199</u>	<u>7,533,157</u>	<u>6,779,903</u>	<u>5,563,253</u>	<u>6,010,952</u>	<u>7,133,349</u>
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Total OPEB liability - June 30*	<u><u>\$ 5,751,637</u></u>	<u><u>\$ 7,132,199</u></u>	<u><u>\$ 7,533,157</u></u>	<u><u>\$ 6,779,903</u></u>	<u><u>\$ 5,563,253</u></u>	<u><u>\$ 6,010,952</u></u>
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Covered employee payroll	<u>N/A</u>	<u>N/A</u>	<u>\$ 8,094,378</u>	<u>\$ 7,783,056</u>	<u>N/A</u>	<u>N/A</u>
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Total OPEB liability as a percentage of covered employee payroll	<u>N/A</u>	<u>N/A</u>	<u>107.45%</u>	<u>114.80%</u>	<u>N/A</u>	<u>N/A</u>
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(1) This schedule is intended to present information for 10 years. Additional years will be presented as they become available.

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

N/A - Not available

Town of Thomaston, Connecticut

Required Supplementary Information

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

	<u>2022</u>	<u>2021</u>	<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>	<u>0.00%</u>	<u>0.00%</u>
Town's proportionate share of the net OPEB liability	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
State of Connecticut's proportionate share of the net OPEB liability associated with the Town	<u>2,544,693</u>	<u>4,398,545</u>	<u>4,296,255</u>	<u>4,246,205</u>	<u>5,459,175</u>
Total	<u>\$ 2,544,693</u>	<u>\$ 4,398,545</u>	<u>\$ 4,296,255</u>	<u>\$ 4,246,205</u>	<u>\$ 5,459,175</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
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>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>6.11%</u>	<u>2.50%</u>	<u>2.08%</u>	<u>1.49%</u>	<u>1.79%</u>

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Schedule of Contributions

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

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

(2) Not applicable since 0% proportional share of the net 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 Five Years (1)

	2022	2021	2020	2019	2018
Changes of Benefit Terms	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2020	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016
Actuarial methods and assumptions used to determine contribution rates:					
Actuarial Cost Method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization Method	Level percentage, closed	Level percentage, closed	Level percentage, open	Level percentage, open	Level percentage, open
Amortization Period	30 years	30 years	30 years	30 years	30 years
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value	Fair Value
Inflation	2.50%	2.50%	2.75%	2.75%	2.75%
Healthcare Inflation Rate	Initial 5.125% decreasing to 4.50% (ultimate) by 2023	Initial 5.125% decreasing to 4.50% (ultimate) by 2023	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 7.25% decreasing to 5.00% (ultimate) by 2022
Salary Increases	3.00% to 6.50%, including inflation	3.00% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation
Investment Rate of Return (Net)	3.00%	3.00%	3.00%	3.00%	4.25%
Mortality Rate	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale

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

Supplemental 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, 2022**

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Grand List Year	Uncollected Taxes July 1,	Current Year Levy	Lawful Corrections		Transfers to Suspense	Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2022
			Additions	Deductions			Net Taxes Collected	Interest and Liens	Total	
2006	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,278	\$ 1,278	\$ -
2007	-	-	-	-	-	-	-	569	569	-
2008	-	-	-	-	-	-	-	864	864	-
2009	6,160	-	-	-	-	6,160	1,732	3,348	5,080	4,428
2010	5,795	-	-	127	-	5,668	411	883	1,294	5,257
2011	9,384	-	-	-	-	9,384	574	1,423	1,997	8,810
2012	18,625	-	-	226	-	18,399	1,121	2,117	3,238	17,278
2013	16,769	-	-	-	-	16,769	2,554	3,385	5,939	14,215
2014	17,717	-	3,666	-	892	20,491	6,587	4,014	10,601	13,904
2015	21,911	-	-	-	822	21,089	3,596	3,293	6,889	17,493
2016	30,976	-	-	175	-	30,801	8,436	6,312	14,748	22,365
2017	38,054	-	469	1,578	-	36,945	9,981	5,577	15,558	26,964
2018	71,904	-	2,155	1,563	1,547	70,949	39,753	11,920	51,673	31,196
2019	<u>178,061</u>	<u>-</u>	<u>5,915</u>	<u>6,779</u>	<u>2,127</u>	<u>175,070</u>	<u>118,104</u>	<u>23,852</u>	<u>141,956</u>	<u>56,966</u>
Subtotal	415,356	-	12,205	10,448	5,388	411,725	192,849	68,835	261,684	218,876
2020	<u> </u>	<u>21,304,601</u>	<u>216,495</u>	<u>283,230</u>	<u>1,147</u>	<u>21,236,719</u>	<u>21,025,557</u>	<u>66,975</u>	<u>21,092,532</u>	<u>211,162</u>
Total	<u>\$ 415,356</u>	<u>\$ 21,304,601</u>	<u>\$ 228,700</u>	<u>\$ 293,678</u>	<u>\$ 6,535</u>	<u>\$ 21,648,444</u>	<u>\$ 21,218,406</u>	<u>\$ 135,810</u>	<u>\$ 21,354,216</u>	<u>\$ 430,038</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, 2022

	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual	Variance with Final Budget
Revenues:					
Property taxes	\$ 20,858,295	\$ -	\$ 20,858,295	\$ 21,401,555	\$ 543,260
Charges for services	416,731	-	416,731	566,738	150,007
Intergovernmental	6,214,294	-	6,214,294	6,216,292	1,998
Income from investments	50,000	-	50,000	34,551	(15,449)
Other	5,000	-	5,000	31,443	26,443
Total revenues	<u>27,544,320</u>	<u>-</u>	<u>27,544,320</u>	<u>28,250,579</u>	<u>706,259</u>
Expenditures:					
Current:					
General government	3,980,120	(101,692)	3,878,428	3,745,421	133,007
Public safety	2,114,591	10,886	2,125,477	1,972,049	153,428
Public works	1,948,416	65,907	2,014,323	2,013,358	965
Health and welfare	100,258	1,833	102,091	100,619	1,472
Culture and recreation	489,716	13,057	502,773	473,874	28,899
Housing and development	198,184	10,009	208,193	207,292	901
Education	15,141,405	-	15,141,405	15,141,405	-
Total expenditures	<u>23,972,690</u>	<u>-</u>	<u>23,972,690</u>	<u>23,654,018</u>	<u>318,672</u>
Excess (deficiency) of revenues over expenditures	<u>3,571,630</u>	<u>-</u>	<u>3,571,630</u>	<u>4,596,561</u>	<u>1,024,931</u>
Other financing sources (uses):					
Appropriation of fund balance	186,561	422,164	608,725	-	(608,725)
Transfers in	15,000	-	15,000	15,000	-
Transfers out	(3,773,191)	(422,164)	(4,195,355)	(4,195,355)	-
Net other financing sources (uses)	<u>(3,571,630)</u>	<u>-</u>	<u>(3,571,630)</u>	<u>(4,180,355)</u>	<u>(608,725)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	416,206	<u>\$ 416,206</u>
Fund balance - July 1, 2021				<u>5,690,364</u>	
Fund balance - June 30, 2022				<u>\$ 6,106,570</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	Sewer operations
Sewer Commission Assessment and Appropriation Fund	Charges for services	Connection fees to the sewer system
School Lunch Fund	Sale of meals and grants	Operations of the school lunch program
Education Funds	Grants and contributions	Federal and State education grants, local grants and donations
School Activity Fund	Fees and contributions	Education programs
Town Clerk Preservation Fund	Charges for services and grants	Fees charged for land records to be used for historical document preservation
Transfer Station Fund	Charges for services	Operations of the transfer station
Thomaston Opera House Fund	Contributions	Performance related scholarship program
Public Library Funds	Grants and contributions	Library programs and other library sponsored activities
Public Safety Funds	Charges for services, grants and contributions	Public safety programs including fire marshal fees and permits, substance abuse grants, and forfeiture monies
Recreation Funds	Charges for services and contributions	Recreation programs

Other Governmental Funds

Fund	Funding Source	Function
Gift Fund	Contributions	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	Social service programs
EMS Fund	Charges for services	Volunteer Ambulance operations
Small Cities Fund	Grants and loan repayments	Small Cities loan program

Capital Projects Funds

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

Fund	Funding Source	Function
Capital Projects Fund	Charges for services, grants and transfers in	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	Money bequeathed for the purpose of replacing flowers and trees and beautification of Town parks
Fire Department Trust Fund	Income from investments	Money endowed to the Fire Department from Edith Kenea
Hillside Cemetery Trust Fund	Charges for services and income from investments	Endowments, perpetual care assets and operations of the Hillside Cemetery

Town of Thomaston, Connecticut

Other Governmental Funds
Combining Balance Sheet
June 30, 2022

Special Revenue Funds

	Sewer Commission Usage Fund	Sewer Commission Assessment and Appropriation Fund	School Lunch Fund	Education Funds	School Activity Fund	Town Clerk Preservation Fund	Transfer Station Fund	Thomaston Opera House Fund
<u>Assets</u>								
Cash	\$ -	\$ 124,910	\$ 265,192	\$ 361,253	\$ 130,441	\$ 10,484	\$ -	\$ -
Investments	-	192,409	-	-	-	-	-	-
Receivables (net):								
Assessments/use charges	192,246	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Intergovernmental	-	-	101,417	50,893	-	-	-	-
Other	-	-	-	23,022	-	-	-	-
Due from other funds	82,435	-	-	508,651	699	-	-	500
Other	-	-	9,242	-	-	-	-	-
Total assets	<u>\$ 274,681</u>	<u>\$ 317,319</u>	<u>\$ 375,851</u>	<u>\$ 943,819</u>	<u>\$ 131,140</u>	<u>\$ 10,484</u>	<u>\$ -</u>	<u>\$ 500</u>
<u>Liabilities</u>								
Accounts payable	\$ 30,018	\$ -	\$ -	\$ 46,245	\$ -	\$ -	\$ 3,444	\$ -
Accrued payroll	16,809	-	-	102,368	-	-	352	-
Due to other funds	35,608	-	-	699	-	-	7,421	-
Unearned revenue	-	-	6,120	109,861	-	-	5,554	-
Total liabilities	<u>82,435</u>	<u>-</u>	<u>6,120</u>	<u>259,173</u>	<u>-</u>	<u>-</u>	<u>16,771</u>	<u>-</u>
<u>Deferred Inflows of Resources</u>								
Unavailable revenue - assessments/use charges	<u>192,246</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances</u>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	317,319	369,731	-	-	10,484	-	-
Committed	-	-	-	684,646	131,140	-	-	500
Unassigned	-	-	-	-	-	-	(16,771)	-
Total fund balances	<u>-</u>	<u>317,319</u>	<u>369,731</u>	<u>684,646</u>	<u>131,140</u>	<u>10,484</u>	<u>(16,771)</u>	<u>500</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 274,681</u>	<u>\$ 317,319</u>	<u>\$ 375,851</u>	<u>\$ 943,819</u>	<u>\$ 131,140</u>	<u>\$ 10,484</u>	<u>\$ -</u>	<u>\$ 500</u>

(Continued)

Town of Thomaston, Connecticut

Other Governmental Funds
Combining Balance Sheet
June 30, 2022

Special Revenue Funds

	Public Library Funds	Public Safety Funds	Recreation Funds	Gift Fund	Social Services Crisis Fund	EMS Fund	Small Cities Fund	Total Special Revenue Funds
<u>Assets</u>								
Cash	\$ 19,238	\$21,624	\$ -	\$ 50,835	\$ 35,801	\$ -	\$ 71,395	\$ 1,091,173
Investments	-	2,858	-	4,587	150	137,378	15,480	352,862
Receivables (net):								
Assessments/use charges	-	-	-	-	-	-	-	192,246
Loans	-	-	-	-	-	-	834,841	834,841
Intergovernmental	-	-	-	-	-	-	-	152,310
Other	-	-	-	-	-	-	-	23,022
Due from other funds	-	-	32,828	250	-	-	-	625,363
Other	-	-	-	-	-	-	-	9,242
Total assets	<u>\$ 19,238</u>	<u>\$24,482</u>	<u>\$ 32,828</u>	<u>\$55,672</u>	<u>\$ 35,951</u>	<u>\$ 137,378</u>	<u>\$ 921,716</u>	<u>\$ 3,281,059</u>
<u>Liabilities</u>								
Accounts payable	\$ -	\$ -	\$ 673	\$ -	\$ -	\$ -	\$ -	\$ 80,380
Accrued payroll	-	-	-	-	-	-	-	119,529
Due to other funds	-	-	-	-	-	-	-	43,728
Unearned revenue	-	-	-	-	-	-	-	121,535
Total liabilities	<u>-</u>	<u>-</u>	<u>673</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>365,172</u>
<u>Deferred Inflows of Resources</u>								
Unavailable revenue - assessments/use charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>192,246</u>
<u>Fund Balances</u>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	19,238	24,482	-	-	-	-	921,716	1,662,970
Committed	-	-	32,155	55,672	35,951	137,378	-	1,077,442
Unassigned	-	-	-	-	-	-	-	(16,771)
Total fund balances	<u>19,238</u>	<u>24,482</u>	<u>32,155</u>	<u>55,672</u>	<u>35,951</u>	<u>137,378</u>	<u>921,716</u>	<u>2,723,641</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 19,238</u>	<u>\$24,482</u>	<u>\$ 32,828</u>	<u>\$55,672</u>	<u>\$ 35,951</u>	<u>\$ 137,378</u>	<u>\$ 921,716</u>	<u>\$ 3,281,059</u>

(Continued)

Town of Thomaston, Connecticut

Other Governmental Funds
Combining Balance Sheet
June 30, 2022

	Capital Projects Fund	Permanent Funds				Total Other Governmental Funds
	Capital Projects Fund	Edith Kenea Park and Tree Fund	Fire Department Trust Fund	Hillside Cemetery Trust Fund	Total Permanent Funds	
<u>Assets</u>						
Cash	\$ 20,565	\$ -	\$ -	\$ 40,653	\$ 40,653	\$ 1,152,391
Investments	405,996	89,970	18,084	729,301	837,355	1,596,213
Receivables (net):						
Assessments/use charges	-	-	-	-	-	192,246
Loans	-	-	-	-	-	834,841
Intergovernmental	-	-	-	-	-	152,310
Other	-	-	-	-	-	23,022
Due from other funds	35,608	-	-	-	-	660,971
Other	-	-	-	-	-	9,242
Total assets	<u>\$ 462,169</u>	<u>\$ 89,970</u>	<u>\$ 18,084</u>	<u>\$ 769,954</u>	<u>\$ 878,008</u>	<u>\$ 4,621,236</u>
<u>Liabilities</u>						
Accounts payable	\$ -	\$ -	\$ -	\$ 5,440	\$ 5,440	\$ 85,820
Accrued payroll	-	-	-	2,184	2,184	121,713
Due to other funds	1,604	1,482	-	64,650	66,132	111,464
Unearned revenue	-	-	-	-	-	121,535
Total liabilities	<u>1,604</u>	<u>1,482</u>	<u>-</u>	<u>72,274</u>	<u>73,756</u>	<u>440,532</u>
<u>Deferred Inflows of Resources</u>						
Unavailable revenue - assessments/use charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>192,246</u>
<u>Fund Balances</u>						
Nonspendable	-	50,000	15,700	104,500	170,200	170,200
Restricted	-	38,488	2,384	71,570	112,442	1,775,412
Committed	460,565	-	-	521,610	521,610	2,059,617
Unassigned	-	-	-	-	-	(16,771)
Total fund balances	<u>460,565</u>	<u>88,488</u>	<u>18,084</u>	<u>697,680</u>	<u>804,252</u>	<u>3,988,458</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 462,169</u>	<u>\$ 89,970</u>	<u>\$ 18,084</u>	<u>\$ 769,954</u>	<u>\$ 878,008</u>	<u>\$ 4,621,236</u>

(Concluded)

Town of Thomaston, Connecticut

Other Governmental Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2022

	Special Revenue Funds							
	Sewer Commission Usage Fund	Sewer Commission Assessment and Appropriation Fund	School Lunch Fund	Education Funds	School Activity Fund	Town Clerk Preservation Fund	Transfer Station Fund	Thomaston Opera House Fund
Revenues:								
Charges for services	\$ 1,408,589	\$ 6,000	\$ 13,683	\$ -	\$ 106,835	\$ 5,107	\$ 31,934	\$ -
Intergovernmental	-	-	642,827	1,780,937	-	5,500	-	-
Contributions	-	-	-	37,907	-	-	-	500
Income from investments	-	608	-	-	-	7	-	-
Net change in fair value of investments	-	-	-	-	-	-	-	-
Total revenues	<u>1,408,589</u>	<u>6,608</u>	<u>656,510</u>	<u>1,818,844</u>	<u>106,835</u>	<u>10,614</u>	<u>31,934</u>	<u>500</u>
Expenditures:								
Current:								
General government	-	-	-	-	-	11,538	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	1,372,981	-	-	-	-	-	31,727	-
Health and welfare	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	10
Education	-	-	441,104	1,807,152	100,481	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>1,372,981</u>	<u>-</u>	<u>441,104</u>	<u>1,807,152</u>	<u>100,481</u>	<u>11,538</u>	<u>31,727</u>	<u>10</u>
Excess (deficiency) of revenues over expenditures	<u>35,608</u>	<u>6,608</u>	<u>215,406</u>	<u>11,692</u>	<u>6,354</u>	<u>(924)</u>	<u>207</u>	<u>490</u>
Other financing sources (uses):								
Transfers in	-	-	-	152,357	12,699	-	-	-
Transfers out	(35,608)	-	-	(12,699)	-	-	-	-
Net other financing sources (uses)	<u>(35,608)</u>	<u>-</u>	<u>-</u>	<u>139,658</u>	<u>12,699</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	6,608	215,406	151,350	19,053	(924)	207	490
Fund balances, July 1, 2021 (as restated)	-	310,711	154,325	533,296	112,087	11,408	(16,978)	10
Fund balances, June 30, 2022	<u>\$ -</u>	<u>\$ 317,319</u>	<u>\$ 369,731</u>	<u>\$ 684,646</u>	<u>\$ 131,140</u>	<u>\$ 10,484</u>	<u>\$ (16,771)</u>	<u>\$ 500</u>

(Continued)

Town of Thomaston, Connecticut

Other Governmental Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2022

Special Revenue Funds

	Public Library Funds	Public Safety Funds	Recreation Funds	Gift Fund	Social Services Crisis Fund	EMS Fund	Small Cities Fund	Total Special Revenue Funds
Revenues:								
Charges for services	\$ -	\$ 500	\$ 21,327	\$ -	\$ -	\$ 15,000	\$ -	\$ 1,608,975
Intergovernmental	4,852	-	-	-	-	-	-	2,434,116
Contributions	22,426	22,824	-	15,092	21,835	-	-	120,584
Income from investments	1	6	-	17	-	-	3	642
Net change in fair value of investments	-	-	-	-	-	-	-	-
Total revenues	<u>27,279</u>	<u>23,330</u>	<u>21,327</u>	<u>15,109</u>	<u>21,835</u>	<u>15,000</u>	<u>3</u>	<u>4,164,317</u>
Expenditures:								
Current:								
General government	-	-	-	20	-	-	-	11,558
Public safety	-	28,965	-	-	-	-	-	28,965
Public works	-	-	-	870	-	-	-	1,405,578
Health and welfare	-	-	-	-	5,067	-	1,465	6,532
Culture and recreation	13,531	-	12,716	11,379	-	-	-	37,636
Education	-	-	-	-	-	-	-	2,348,737
Capital outlay	-	-	-	-	-	-	-	-
Total expenditures	<u>13,531</u>	<u>28,965</u>	<u>12,716</u>	<u>12,269</u>	<u>5,067</u>	<u>-</u>	<u>1,465</u>	<u>3,839,006</u>
Excess (deficiency) of revenues over expenditures	<u>13,748</u>	<u>(5,635)</u>	<u>8,611</u>	<u>2,840</u>	<u>16,768</u>	<u>15,000</u>	<u>(1,462)</u>	<u>325,311</u>
Other financing sources (uses):								
Transfers in	-	-	9,625	-	10,000	-	-	184,681
Transfers out	-	-	-	-	-	(15,000)	-	(63,307)
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>9,625</u>	<u>-</u>	<u>10,000</u>	<u>(15,000)</u>	<u>-</u>	<u>121,374</u>
Fund balances, July 1, 2021 (as restated)	13,748	(5,635)	18,236	2,840	26,768	-	(1,462)	446,685
Fund balances, July 1, 2021	<u>5,490</u>	<u>30,117</u>	<u>13,919</u>	<u>52,832</u>	<u>9,183</u>	<u>137,378</u>	<u>923,178</u>	<u>2,276,956</u>
Fund balances, June 30, 2022	<u>\$ 19,238</u>	<u>\$ 24,482</u>	<u>\$ 32,155</u>	<u>\$ 55,672</u>	<u>\$ 35,951</u>	<u>\$ 137,378</u>	<u>\$ 921,716</u>	<u>\$ 2,723,641</u>

(Continued)

Town of Thomaston, Connecticut

Other Governmental Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 2022

	Capital Projects Fund	Permanent Funds				Total Other Governmental Funds
	Capital Projects Fund	Edith Kenea Park and Tree Fund	Fire Department Trust Fund	Hillside Cemetery Trust Fund	Total Permanent Funds	
Revenues:						
Charges for services	\$ 8,793	\$ -	\$ -	\$ 46,735	\$ 46,735	\$1,664,503
Intergovernmental	-	-	-	-	-	2,434,116
Contributions	14,538	-	-	1,800	1,800	136,922
Income from investments	439	160	81	28,931	29,172	30,253
Net change in fair value of investments	-	-	-	(58,163)	(58,163)	(58,163)
Total revenues	<u>23,770</u>	<u>160</u>	<u>81</u>	<u>19,303</u>	<u>19,544</u>	<u>4,207,631</u>
Expenditures:						
Current:						
General government	-	-	-	-	-	11,558
Public safety	-	-	-	-	-	28,965
Public works	-	-	-	-	-	1,405,578
Health and welfare	-	-	-	73,205	73,205	79,737
Culture and recreation	-	-	-	-	-	37,636
Education	-	-	-	-	-	2,348,737
Capital outlay	<u>23,591</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,591</u>
Total expenditures	<u>23,591</u>	<u>-</u>	<u>-</u>	<u>73,205</u>	<u>73,205</u>	<u>3,935,802</u>
Excess (deficiency) of revenues over expenditures	<u>179</u>	<u>160</u>	<u>81</u>	<u>(53,902)</u>	<u>(53,661)</u>	<u>271,829</u>
Other financing sources (uses):						
Transfers in	35,608	-	-	26,000	26,000	246,289
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(63,307)</u>
Net other financing sources (uses)	<u>35,608</u>	<u>-</u>	<u>-</u>	<u>26,000</u>	<u>26,000</u>	<u>182,982</u>
Net change in fund balances	35,787	160	81	(27,902)	(27,661)	454,811
Fund balances, July 1, 2021 (as restated)	<u>424,778</u>	<u>88,328</u>	<u>18,003</u>	<u>725,582</u>	<u>831,913</u>	<u>3,533,647</u>
Fund balances, June 30, 2022	<u>\$460,565</u>	<u>\$ 88,488</u>	<u>\$ 18,084</u>	<u>\$697,680</u>	<u>\$804,252</u>	<u>\$3,988,458</u>

(Concluded)

Town of Thomaston, Connecticut
Sewer Commission Usage Fund
Schedule of Sewer Use Charges Receivable
For the Year Ended June 30, 2022

Fiscal Year	Uncollected Balance July 1, 2021	Current Year Charges	Corrections		Adjusted User Charges Collectible	Collections			Uncollected Balance June 30, 2022
			Additions	Deductions		Use Charges	Interest and Liens	Total	
2015	\$ 593	\$ -	\$ -	\$ -	\$ 593	\$ 352	\$ 496	\$ 848	\$ 241
2016	692	-	-	-	692	692	807	1,499	-
2017	2,169	-	-	-	2,169	1,114	1,236	2,350	1,055
2018	8,652	-	-	-	8,652	4,479	3,772	8,251	4,173
2019	16,394	-	-	-	16,394	9,804	4,934	14,738	6,590
2020	26,901	-	-	371	26,530	16,364	6,869	23,233	10,166
2021	<u>68,483</u>	<u>-</u>	<u>-</u>	<u>372</u>	<u>68,111</u>	<u>37,305</u>	<u>9,272</u>	<u>46,577</u>	<u>30,806</u>
Total Prior Years	123,884	-	-	743	123,141	70,110	27,386	97,496	53,031
2022	<u>-</u>	<u>1,380,002</u>	<u>58,115</u>	<u>-</u>	<u>1,438,117</u>	<u>1,298,902</u>	<u>12,246</u>	<u>1,311,148</u>	<u>139,215</u>
Total	<u>\$ 123,884</u>	<u>\$ 1,380,002</u>	<u>\$ 58,115</u>	<u>\$ 743</u>	<u>\$ 1,561,258</u>	<u>\$ 1,369,012</u>	<u>\$ 39,632</u>	<u>\$ 1,408,644</u>	<u>\$ 192,246</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	Pension benefits for Town and Education non certified employees
OPEB Trust Fund	Contributions	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	Endowment for awarding exceptional teachers
Peppie Wagner Fund	Income from investments	\$2,000 donation, which will be used to award \$50 annually for an exceptional 8th grade student
Seth Thomas Prize Fund	Income from investments	\$1,000 endowment from which the interest is used to award exceptional students

Custodial Funds

Fund	Funding Source	Function
Volunteer Firemen Award Fund	Contributions	Investment activity and monies held for volunteer firemen awards

Town of Thomaston, Connecticut

Private-Purpose Trust Funds
Combining Schedule of Fiduciary Net Position
June 30, 2022

	Leander Smith Award Fund	Peppie Wagner Fund	Seth Thomas Prize Fund	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u>Assets</u>				
Cash	\$ -	\$ 461	\$ -	\$ 461
Investments	<u>5,567</u>	<u>-</u>	<u>1,143</u>	<u>6,710</u>
Total assets	<u>5,567</u>	<u>461</u>	<u>1,143</u>	<u>7,171</u>
<u>Net Position</u>				
Net position restricted for individuals	<u>\$ 5,567</u>	<u>\$ 461</u>	<u>\$ 1,143</u>	<u>\$ 7,171</u>

Town of Thomaston, Connecticut

Private-Purpose Trust Funds
Combining Schedule of Changes in Fiduciary Net Position
For the Year Ended June 30, 2022

	Leander Smith Award Fund	Peppie Wagner Fund	Seth Thomas Prize Fund	Total
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Additions:				
Income from investments	\$ 13	\$ 1	\$ 5	\$ 19
Deductions:				
Awards	<u>200</u>	<u>200</u>	<u>-</u>	<u>400</u>
Changes in net position	(187)	(199)	5	(381)
Net position, July 1, 2021	<u>5,754</u>	<u>660</u>	<u>1,138</u>	<u>7,552</u>
Net position, June 30, 2022	<u><u>\$ 5,567</u></u>	<u><u>\$ 461</u></u>	<u><u>\$ 1,143</u></u>	<u><u>\$ 7,171</u></u>

Statistical Section

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

Table	Description
Financial Trend (Tables 1-4)	These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.
Revenue Capacity (Tables 5-7)	These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.
Debt Capacity (Tables 8-11)	These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.
Demographic and Economic Information (Tables 12-14)	These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.
Operating Information (Tables 15-16)	These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

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

Table 1

Town of Thomaston, Connecticut

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

	June 30									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
			(as restated)							
Net investment in capital assets	\$ 44,894,704	\$ 43,029,812	\$ 37,728,275	\$ 39,632,659	\$ 38,688,922	\$ 32,655,352	\$ 38,387,002	\$ 35,802,178	\$ 32,848,325	\$ 32,134,289
Restricted for:										
Endowments:										
Nonexpendable	65,700	65,700	65,700	65,700	65,700	65,700	65,700	95,700	95,700	95,700
Expendable	40,872	40,631	40,643	39,579	37,525	42,860	42,860	13,170	13,502	13,329
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
Construction contracts	198,525	4,047,493	-	-	-	-	-	-	-	-
Housing and rehabilitation	921,716	923,178	936,300	950,170	73,768	-	195,991	169,072	183,242	317,089
Public safety	24,482	30,117	25,035	21,403	29,411	-	-	-	38,365	58,365
Sewer operations	317,319	310,711	275,305	144,282	221,057	206,985	185,494	130,651	177,277	173,322
Education	369,731	154,325	162,080	198,659	152,036	99,382	46,131	-	-	-
Library	19,238	5,490	8,374	13,574	18,304	9,860	15,397	-	-	-
Other	10,484	11,408	13,685	16,834	10,991	7,272	7,744	47,158	25,960	25,909
Unrestricted	(9,668,296)	(18,031,188)	(14,839,659)	(22,451,889)	(26,102,210)	(19,669,339)	(6,562,121)	(3,630,183)	(2,296,658)	1,418,992
Total net position	<u>\$ 37,370,545</u>	<u>\$ 30,763,747</u>	<u>\$ 24,591,808</u>	<u>\$ 18,807,041</u>	<u>\$ 13,371,574</u>	<u>\$ 13,594,142</u>	<u>\$ 32,560,268</u>	<u>\$ 32,803,816</u>	<u>\$ 31,261,783</u>	<u>\$ 34,413,065</u>

Source: Current and prior financial statements.

Table 2

Town of Thomaston, Connecticut

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

For the Year Ended June 30

	2022	2021	2020 (as restated)	2019	2018	2017	2016	2015	2014	2013
Expenses:										
General government	\$ 2,018,673	\$ 1,231,754	\$ 781,152	\$ 1,009,995	\$ 1,509,908	\$ 1,417,618	\$ 1,417,021	\$ 1,468,054	\$ 1,662,601	\$ 1,718,977
Public safety	3,404,236	3,082,932	1,910,201	2,100,352	3,716,219	3,558,258	3,326,695	3,164,883	2,817,840	2,531,191
Public works	5,102,672	4,597,714	3,474,517	3,697,513	5,217,983	5,126,370	4,781,865	4,907,857	4,523,074	4,590,427
Health and welfare	217,936	213,994	195,350	174,134	233,960	222,395	209,795	203,022	189,646	142,874
Culture and recreation	911,789	981,339	773,464	678,631	1,098,082	1,015,466	1,084,776	1,034,470	856,538	873,818
Housing and development	313,049	297,236	296,520	249,609	276,818	544,178	787,911	460,058	384,582	255,635
Education	20,289,887	19,599,685	19,440,731	19,180,664	19,875,111	19,401,777	18,527,836	17,988,363	17,715,754	18,236,951
Interest	464,456	732,829	709,646	882,574	647,763	750,391	703,177	675,831	778,821	695,454
Total expenses	<u>32,722,698</u>	<u>30,737,483</u>	<u>27,581,581</u>	<u>27,973,472</u>	<u>32,575,844</u>	<u>32,036,453</u>	<u>30,839,076</u>	<u>29,902,538</u>	<u>28,928,856</u>	<u>29,045,327</u>
Program revenues:										
Charges for services:										
General government	239,950	248,467	203,273	188,285	150,294	153,730	145,299	149,298	143,897	132,663
Public safety	360,696	260,540	160,575	194,083	300,032	203,715	219,899	243,508	158,884	144,636
Public works	1,581,158	1,504,333	1,475,119	1,434,453	1,345,075	1,363,837	1,378,548	1,314,456	1,216,145	1,207,400
Health and welfare	-	-	-	-	209	859	723	473	444	596
Culture and recreation	31,730	9,181	43,433	48,830	41,976	62,326	61,159	54,212	50,645	55,195
Housing and development	100,921	87,790	90,344	94,449	60,709	61,176	78,967	68,995	69,425	57,044
Education	120,517	43,185	127,594	180,492	184,912	205,641	189,665	188,604	213,589	221,288
Operating grants and contributions	9,950,822	9,560,177	9,269,644	9,681,796	9,207,222	9,596,263	8,923,066	8,450,907	8,781,136	9,515,488
Capital grants and contributions	5,037,216	3,460,998	348,717	838,130	540,038	115,622	605,945	2,230,932	655,034	299,942
Total program revenues	<u>17,423,010</u>	<u>15,174,671</u>	<u>11,718,699</u>	<u>12,660,518</u>	<u>11,830,467</u>	<u>11,763,169</u>	<u>11,603,271</u>	<u>12,701,385</u>	<u>11,289,199</u>	<u>11,634,252</u>
Net expenses	<u>(15,299,688)</u>	<u>(15,562,812)</u>	<u>(15,862,882)</u>	<u>(15,312,954)</u>	<u>(20,745,377)</u>	<u>(20,273,284)</u>	<u>(19,235,805)</u>	<u>(17,201,153)</u>	<u>(17,639,657)</u>	<u>(17,411,075)</u>
General revenues:										
Property taxes	21,374,951	21,095,405	20,896,033	20,081,678	19,473,610	18,906,623	18,347,627	18,156,595	18,118,289	17,679,388
Grants and contributions not restricted to specific programs	458,426	473,207	469,655	453,192	562,109	680,052	516,623	521,843	517,874	509,956
Income from investments	6,666	141,581	99,198	167,124	134,586	86,423	62,240	34,434	64,153	47,706
Other	66,443	24,558	48,047	46,427	88,936	56,172	65,734	30,314	31,362	71,174
Total general revenues	<u>21,906,486</u>	<u>21,734,751</u>	<u>21,512,933</u>	<u>20,748,421</u>	<u>20,259,241</u>	<u>19,729,270</u>	<u>18,992,224</u>	<u>18,743,186</u>	<u>18,731,678</u>	<u>18,308,224</u>
Change in net position	<u>\$ 6,606,798</u>	<u>\$ 6,171,939</u>	<u>\$ 5,650,051</u>	<u>\$ 5,435,467</u>	<u>\$ (486,136)</u>	<u>\$ (544,014)</u>	<u>\$ (243,581)</u>	<u>\$ 1,542,033</u>	<u>\$ 1,092,021</u>	<u>\$ 897,149</u>

Source: Current and prior financial statements.

Table 3

Town of Thomaston, Connecticut

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

	June 30									
	2022	2021	2020 (as restated)	2019	2018	2017	2016	2015	2014	2013
General fund:										
Assigned	\$ 200,000	\$ 186,561	\$ -	\$ 140,000	\$ 100,000	\$ 675,000	\$ 102,266	\$ 160,000	\$ 250,000	\$ 315,000
Unassigned	5,906,570	5,503,803	5,038,365	4,200,492	3,502,786	2,956,906	3,340,323	3,007,183	2,890,109	2,701,438
Total general fund	6,106,570	5,690,364	5,038,365	4,340,492	3,602,786	3,631,906	3,442,589	3,167,183	3,140,109	3,016,438
All other governmental funds:										
Nonspendable	170,200	170,200	170,200	170,200	1,051,114	170,200	170,200	1,050,267	1,279,423	1,305,819
Restricted	1,973,937	5,594,923	1,667,708	1,456,071	614,662	1,393,058	1,361,668	531,621	509,916	659,584
Committed	2,059,617	2,947,627	1,576,672	1,637,755	1,560,187	1,210,838	1,016,604	1,037,766	930,964	2,520,150
Assigned	1,073,402	625,779	819,460	1,061,834	921,708	916,931	1,259,874	1,380,309	1,086,043	1,179,720
Unassigned	(3,074,972)	(7,147,324)	(398,959)	(690,113)	(5,481)	(2,274,592)	(494,329)	-	(109,805)	(2,505,405)
Total all other governmental funds	2,202,184	2,191,205	3,835,081	3,635,747	4,142,190	1,416,435	3,314,017	3,999,963	3,696,541	3,159,868
Total	<u>\$ 8,308,754</u>	<u>\$ 7,881,569</u>	<u>\$ 8,873,446</u>	<u>\$ 7,976,239</u>	<u>\$ 7,744,976</u>	<u>\$ 5,048,341</u>	<u>\$ 6,756,606</u>	<u>\$ 7,167,146</u>	<u>\$ 6,836,650</u>	<u>\$ 6,176,306</u>

Source: Current and prior financial statements.

Notes:

General fund:

Unassigned

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

All other governmental funds:

Restricted

Decrease in restrictions for construction contracts

Assigned

Increased due to positive operations of the debt service fund

Unassigned

Increased due to the decrease in restricted fund balance

Table 4

Town of Thomaston, Connecticut

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

For the Year Ended June 30

	2022	2021	2020 (as restated)	2019	2018	2017	2016	2015	2014	2013
Revenues:										
Property taxes	\$ 21,401,555	\$ 21,145,103	\$ 20,826,558	\$ 20,033,981	\$ 19,357,281	\$ 18,880,582	\$ 18,477,767	\$ 18,337,484	\$ 18,134,271	\$ 17,943,306
Charges for services	2,365,810	2,168,963	2,120,672	2,154,081	2,071,836	2,143,933	2,140,092	2,064,253	1,864,263	1,826,482
Intergovernmental	15,301,232	13,317,913	9,886,147	10,864,252	10,156,081	10,451,748	10,053,041	11,090,040	10,023,755	9,815,369
Contributions	145,232	176,469	201,869	250,129	299,456	91,089	148,692	275,701	109,013	684,800
Income from investments	64,829	49,062	100,011	148,405	113,408	55,553	28,086	20,924	19,144	47,709
Net change in fair value of investments	(58,163)	92,519	(813)	18,719	21,178	30,870	34,154	13,510	45,009	-
Other	31,443	24,558	48,047	46,427	88,936	55,369	57,426	30,314	31,361	79,912
Total revenues	39,251,938	36,974,587	33,182,491	33,515,994	32,108,176	31,709,144	30,939,258	31,832,226	30,226,816	30,397,578
Expenditures:										
Current:										
General government	3,906,121	3,725,907	3,727,824	3,740,840	3,873,266	3,814,056	3,678,660	3,737,170	3,517,321	3,412,749
Public safety	2,102,622	2,046,847	1,832,090	1,861,910	1,703,190	1,768,195	1,626,723	1,618,411	1,562,456	1,506,881
Public works	3,628,435	3,579,356	3,318,312	3,320,887	3,154,183	3,049,696	2,786,773	2,995,295	3,000,019	2,758,011
Health and welfare	180,356	182,299	204,070	180,023	174,465	170,466	152,747	153,566	150,984	126,396
Culture and recreation	535,563	599,869	683,797	542,749	589,386	513,582	541,350	532,772	504,198	502,030
Housing and development	228,936	201,947	211,570	161,703	152,173	417,337	658,758	319,731	294,715	159,504
Education	19,501,927	19,137,352	18,617,311	18,424,641	19,007,633	18,394,057	17,368,884	16,903,635	17,181,062	17,361,746
Debt service:										
Principal	2,016,838	2,581,380	2,788,717	2,458,000	2,497,191	2,528,909	2,730,826	2,330,597	2,364,762	2,054,987
Interest	816,022	849,798	900,831	782,313	689,533	807,120	729,413	930,238	824,059	736,859
Capital outlay	6,178,487	5,493,788	1,932,020	2,787,469	5,487,777	2,007,611	1,176,861	2,399,439	6,258,365	5,842,077
Total expenditures	39,095,307	38,398,543	34,216,542	34,260,535	37,328,797	33,471,029	31,450,995	31,920,854	35,657,941	34,461,240
Excess (deficiency) of revenues over expenditures	156,631	(1,423,956)	(1,034,051)	(744,541)	(5,220,621)	(1,761,885)	(511,737)	(88,628)	(5,431,125)	(4,063,662)
Other financing sources (uses):										
Issuance of notes	48,397	432,079	-	-	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	4,300,000	-	3,750,000	-	-	-	-	6,455,000	-	-
Payment to refunding bond escrow agent	(4,854,501)	-	(4,378,450)	-	-	-	-	(6,654,127)	-	-
Premium	741,658	-	777,775	168,134	-	13,059	19,591	618,251	12,384	218,178
Sale of capital assets	35,000	-	-	12,670	-	803	8,308	-	-	-
Transfers in	4,258,662	4,346,354	4,118,313	3,702,209	3,428,503	3,410,476	3,727,326	3,843,788	3,679,843	3,247,341
Transfers out	(4,258,662)	(4,346,354)	(4,118,313)	(3,702,209)	(3,428,503)	(3,410,476)	(3,727,326)	(3,843,788)	(3,679,843)	(3,247,341)
Net other financing sources (uses)	270,554	432,079	1,796,542	975,804	7,653,947	53,620	101,197	419,124	6,091,469	7,080,823
Net change in fund balances	\$ 427,185	\$ (991,877)	\$ 762,491	\$ 231,263	\$ 2,433,326	\$ (1,708,265)	\$ (410,540)	\$ 330,496	\$ 660,344	\$ 3,017,161
Debt service as a percentage of noncapital expenditures	8.61%	10.43%	11.43%	10.30%	10.01%	10.55%	11.05%	11.05%	10.85%	9.76%

Source: Current and prior financial statements.

Table 5

Town of Thomaston, Connecticut

Assessed and Estimated Actual Value of Taxable Property
Last Ten Years
(Unaudited)

Year Ended June 30	Grand List	Real Estate		Personal Property				Totals		Ratio of Total Assessed Value to Total Estimated Actual Value	Total Direct Tax Rate
		Net Assessed Value	Estimated Actual Value	Net Motor Vehicle Assessed Value	Net Personal Property Assessed Value	Total Assessed Value	Estimated Actual Value	Net Assessed Value	Estimated Actual Value		
2022	2020	\$460,222,110	\$657,460,157	\$66,226,136	\$52,478,123	\$118,704,259	\$169,577,513	\$578,926,369	\$827,037,670	70.00%	36.13
2021	2019	457,264,604	653,235,148	61,172,578	53,721,950	114,894,528	164,135,040	572,159,132	817,370,188	70.00%	36.13
2020	2018	454,543,240	649,347,486	60,190,394	49,362,638	109,553,032	156,504,331	564,096,272	805,851,817	70.00%	36.53
2019	2017	453,773,020	648,247,171	58,510,914	39,218,985	97,729,899	139,614,141	551,502,919	787,861,312	70.00%	35.79
2018	* 2016	451,278,920	644,684,171	57,862,428	38,534,860	96,397,288	137,710,411	547,676,208	782,394,582	70.00%	35.05
2017	2015	450,597,961	643,711,373	57,313,798	38,226,764	95,540,562	136,486,517	546,138,523	780,197,890	70.00%	34.07
2016	2014	448,599,342	640,856,203	55,901,286	35,731,216	91,632,502	130,903,574	540,231,844	771,759,777	70.00%	33.63
2015	2013	447,896,489	639,852,127	54,890,395	31,130,613	86,021,008	122,887,154	533,917,497	762,739,281	70.00%	33.63
2014	2012	449,149,304	641,641,863	54,777,754	35,497,126	90,274,880	128,964,114	539,424,184	770,605,977	70.00%	33.13
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

Source: Office of Tax Assessor.

Note:

* Revaluation performed

Table 6

Town of Thomaston, Connecticut

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

Taxpayer	2022			2013		
	Assessment	Rank	Percent of Net Taxable Grand List	Assessment	Rank	Percent of Net Taxable Grand List
Connecticut Light & Power Co.	\$ 18,731,320	1	3.24%	\$ 7,734,360	1	1.44%
Silgon Dispension (formerly Albea/Rexam)	10,754,810	2	1.86%	5,978,250	2	1.11%
Yankee Gas Services Company	4,167,480	3	0.72%	3,355,040	5	0.62%
Thomaston Savings Bank	3,926,400	4	0.68%	2,988,780	6	0.56%
Connecticut Water Company	3,360,950	5	0.58%	3,759,900	3	0.70%
Summit Corp of America	3,026,320	6	0.52%	2,711,780	9	0.50%
Thomaston Valley Village	3,025,890	7	0.52%	N/A	N/A	-
GLC Associates One, LLC	2,422,900	8	0.42%	2,812,440	8	0.52%
DLM Services, LLC	2,317,410	9	0.40%	N/A	N/A	-
Stewart EFI Realty, LLC	2,176,200	10	0.38%	N/A	N/A	-
Tyler Properties	N/A	N/A	-	3,441,160	4	0.64%
Subs Realty	N/A	N/A	-	2,823,820	7	0.52%
WL Real Estate Company	N/A	N/A	-	2,170,000	10	0.40%
Totals	<u>\$ 53,909,680</u>		<u>9.32%</u>	<u>\$ 37,775,530</u>		<u>7.01%</u>
Net taxable grand list:	<u>\$578,926,369</u>			<u>\$538,276,035</u>		

Source: Town Assessor Department.

N/A - Not available and/or not applicable

Table 7

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

Year Ended June 30	(1) (2) Total Tax Rate in Mills	Grand List of October 1,	Total Adjusted Tax Levy	Net Current Tax Collections	Percent of Current Levy Collected	Total Collections			
						Collections in Subsequent Years	Total Collections	Percentage of Levy Collected	Current Delinquent Balance
2022	36.13	2020	\$ 21,236,719	\$ 21,025,557	99.0%	\$ -	\$ 21,025,557	99.0%	\$ 211,162
2021	36.13	2019	20,870,266	20,692,205	99.1%	121,095	20,692,205	99.1%	56,966
2020	36.53	2018	20,749,386	20,446,935	98.5%	271,255	20,446,935	98.5%	31,196
2019	35.79	2017	19,894,653	19,626,694	98.7%	240,995	19,626,694	98.7%	26,964
2018	* 35.05	2016	19,320,944	19,036,595	98.5%	261,984	19,036,595	98.5%	22,365
2017	34.07	2015	18,744,659	18,537,433	98.9%	189,733	18,537,433	98.9%	17,493
2016	33.63	2014	18,294,050	18,081,176	98.8%	198,970	18,280,146	99.9%	13,904
2015	33.63	2013	18,080,787	17,844,146	98.7%	222,426	18,066,572	99.9%	14,215
2014	33.13	2012	17,879,100	17,614,927	98.5%	246,895	17,861,822	99.9%	17,278
2013	* 32.83	2011	17,645,073	17,364,941	98.4%	271,322	17,636,263	100.0%	8,810

Source: Current and prior financial statements.

Notes:

(1) There are no overlapping tax rates

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

* Revaluation performed

Table 8

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

119	Year Ended June 30	(1) General Obligation Bonds	Notes	Premium	Leases	Total	Percentage of Personal Income	Debt per Capita
	2022	\$ 17,435,000	\$ 1,598,502	\$ 348,095	\$ 981,763	\$ 20,363,360	0.36%	\$ 2,732
	2021	19,735,000	1,746,943	554,750	1,029,792	23,066,485	0.30%	3,061
	2020	21,715,000	1,916,244	626,508	-	24,257,752	0.30%	3,096
	2019	24,425,000	952,744	697,335	-	26,075,079	0.28%	3,328
	2018	25,540,000	1,500,744	607,060	-	27,647,804	0.27%	3,516
	2017	19,860,000	2,023,988	676,512	-	22,560,500	0.33%	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

Source: Current and prior financial statements

Notes:

There is no overlapping debt

(1) Includes permanently financed bond anticipation notes

Table 9

Town of Thomaston, Connecticut
Ratios of General Bonded Debt Outstanding
Last Ten Years
(Unaudited)

Year Ended June 30	General Obligation Debt Outstanding			Percentage of Actual Taxable Value of Property	Debt Per Capita
	(1) General Obligation Bonds	Premium	Total		
2022	\$ 17,435,000	\$ 348,095	\$ 17,783,095	2.15%	\$ 2,386
2021	19,735,000	554,750	20,289,750	2.48%	2,693
2020	21,715,000	626,508	22,341,508	2.77%	2,851
2019	24,425,000	697,335	25,122,335	3.19%	3,206
2018	25,540,000	607,060	26,147,060	3.34%	3,325
2017	19,860,000	676,512	20,536,512	2.63%	2,704
2016	21,850,000	745,964	22,595,964	2.93%	2,965
2015	23,985,000	815,417	24,800,417	3.25%	3,228
2014	25,545,000	608,756	26,153,756	3.39%	3,327
2013	21,290,000	348,095	21,638,095	2.81%	2,761

Source: Current and prior year financial statements.

Notes:

(1) Includes permanently financed bond anticipation notes.

There is no overlapping debt for the Town.

Town of Thomaston, Connecticut
Schedule of Debt Limitation
Connecticut General Statutes, Section 7-374 (b)
As of and for the Year Ended June 30, 2022
(Unaudited)

Total tax collections (including interest and lien fees) for prior year					<u>\$ 20,966,783</u>
Debt Limitation:	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
2 1/4 times base	\$47,175,262	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	94,350,524	-	-	-
3 3/4 times base	-	-	78,625,436	-	-
3 1/4 times base	-	-	-	68,142,045	-
3 times base	-	-	-	-	62,900,349
Total Debt Limitation	<u>47,175,262</u>	<u>94,350,524</u>	<u>78,625,436</u>	<u>68,142,045</u>	<u>62,900,349</u>
Indebtedness:					
Bonds payable	12,931,786	3,264,533	1,238,681	-	-
Bond anticipation notes - short-term	<u>6,419,684</u>	<u>385,316</u>	<u>1,350,000</u>	<u>-</u>	<u>-</u>
Total Indebtedness	<u>19,351,470</u>	<u>3,649,849</u>	<u>2,588,681</u>	<u>-</u>	<u>-</u>
Debt Limitation in excess of outstanding debt	<u>\$27,823,792</u>	<u>\$90,700,675</u>	<u>\$76,036,755</u>	<u>\$68,142,045</u>	<u>\$ 62,900,349</u>
The total net indebtedness above amounts to:					<u>\$ 25,590,000</u>
In no event shall total indebtedness exceed seven times the base for debt limitation computation					<u>\$ 146,767,481</u>

Source: Current and prior financial statements

Note:

There is no overlapping debt

Table 11

Town of Thomaston, Connecticut

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

Year Ended June 30	Debt Limit	Net Debt Applicable to Limit	Legal Debt Margin	Percentage of Net Debt Applicable to Limit
2022	\$ 146,767,481	\$ 25,590,000	\$ 121,177,481	17.44%
2021	145,505,136	21,910,000	123,595,136	15.06%
2020	139,930,329	23,735,000	116,195,329	16.96%
2019	134,490,097	24,425,000	110,065,097	18.16%
2018	131,863,949	31,751,390	100,112,559	24.08%
2017	131,863,949	27,377,554	104,486,395	20.76%
2016	127,094,254	24,477,554	103,876,768	19.26%
2015	128,082,052	24,205,284	103,876,768	18.90%
2014	126,610,372	25,993,009	100,617,363	20.53%
2013	125,550,264	24,245,997	101,304,267	19.31%

Source: Current and prior financial statements.

Table 12

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

Year Ended June 30	(1) Population	(2) Personal Income	(2) Median Age	(2) Education Level in Years of Schooling	(3) School Enrollment	(4) Unemployment Percentage
2022	7,453	\$ 67,639	44	High School 37% Some College 36%	846	3.4%
2021	7,535	67,639	44	High School 37% Some College 36%	828	5.7%
2020	7,836	67,639	44	High School 37% Some College 36%	848	8.0%
2019	7,836	65,901	44	High School 37% Some College 32%	845	4.3%
2018	7,863	65,901	43	High School 37% Some College 32%	875	3.9%
2017	7,595	67,191	43	High School 37% Some College 32%	897	3.9%
2016	7,621	73,679	44	High School 35% Some College 36%	895	4.9%
2015	7,683	67,426	43	High School 35% Some College 35%	856	4.5%
2014	7,862	64,982	43	High School 35% Some College 35%	941	5.8%
2013	7,838	66,197	44	High School 35% Some College 58%	1,004	8.0%

Sources:

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

(2) Advance CT

(3) Thomaston Board of Education

(4) Connecticut Labor Department - Research and Statistics

Table 13

Town of Thomaston, Connecticut

Principal Employers
Current Year and Nine Years ago
(Unaudited)

Employer	2022			2013		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Silgon Dispersion (formerly Albea/Rexam)	275	1	6%	367	1	9%
Thomaston Savings Bank	243	2	5%	166	3	4%
Town of Thomaston (including Thomaston Public Schools)	230	3	5%	221	2	5%
UniMetal/ Quality Rolling & Deburring	138	4	3%	159	4	4%
Stewart Eyelets for Industry, Inc.	117	5	3%	129	6	3%
Ward Leonard Electric, Inc.	114	6	2%	140	5	3%
State of Connecticut *	100	7	2%	100	7	2%
Summit Corporation of America	50	8	1%	76	8	2%
Stevens Co., Inc.	32	9	1%	42	9	1%
WHYCO Chromium, Inc.	30	10	1%	31	10	1%
Total	1,329		29%	1,431		34%
Total Town Employment	4,593			4,296		

Source: Annual Town survey

Note:

* Company did not respond or information was unavailable, but number of employees in prior years supports ranking

Table 14

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

Function / Program	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Government:										
Selectmen	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Elections	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Treasurer	3.2	3.9	3.9	3.9	3.9	3.9	3.9	3.9	3.0	3.0
Tax Collector	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Assessor/Assessment appeals	2.0	2.0	2.0	2.0	2.0	1.0	1.0	1.0	1.0	1.0
Town Hall maintenance	1.5	1.3	1.3	1.3	1.4	1.3	1.3	1.5	1.5	1.4
Town Clerk	1.4	1.4	1.4	1.4	1.6	1.7	1.7	1.7	1.7	1.5
Public Safety:										
Police officers	14.6	15.7	15.7	12.7	13.0	13.5	13.3	13.1	13.4	11.6
Dispatch	4.8	4.7	4.9	4.9	5.0	4.5	4.8	4.9	4.5	4.8
Fire Marshal	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Animal control	1.0	1.0	1.0	1.0	1.1	1.1	1.1	1.1	1.1	1.2
Public Works:										
Highway	9.0	8.6	8.4	8.7	8.6	7.2	8.0	7.0	7.0	8.0
Solid waste and recycling	0.2	0.2	0.2	0.2	0.2	0.2	0.3	0.2	0.2	0.3
Sewer plant	7.0	8.1	7.0	7.0	6.4	7.0	6.0	7.0	7.0	7.0
Hillside Cemetery	2.0	2.0	2.0	2.2	2.0	1.8	1.9	1.8	1.7	1.9
Health and Welfare:										
Social services	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.0
Minibus	0.5	0.5	0.5	0.4	0.3	0.2	0.4	0.2	0.2	0.4
Veterans administration	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.1
Culture and Recreation:										
Recreation	1.0	1.7	1.6	1.6	1.6	1.6	1.8	2.0	1.6	1.6
Public library	5.9	6.1	6.1	6.1	5.9	5.7	6.8	6.1	5.4	6.1
Housing and Development:										
Housing, land use & development	2.5	2.4	2.3	2.5	2.5	2.3	2.5	2.5	2.1	2.1
Education	168.0	165.0	133.0	135.0	132.0	158.5	141.7	136.5	162.8	163.5
Total	229.6	229.6	196.3	195.9	192.5	216.5	201.5	195.6	219.3	220.0

Source: Town and Education payroll data.

Table 15

Town of Thomaston, Connecticut

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

Function / Program	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Public Safety:										
Fire:										
Emergency responses	339	323	286	304	336	298	270	265	239	266
Fires extinguished	27	47	37	27	29	30	38	39	26	17
Police:										
Incidents	30,121	35,004	34,098	31,252	35,892	36,136	35,807	39,126	37,715	32,646
Accidents	265	286	252	362	309	296	307	353	347	195
Physical arrests	167	222	131	317	367	380	385	629	565	236
Traffic violations	462	1,846	1,576	2,014	1,544	1,201	922	898	853	841
Public Works:										
Street resurfacing (miles)	8.0	0.0	5.0	3.0	0.0	0.0	0.0	3.0	2.0	0.0
Streets rebuilt (miles)	0.0	0.0	0.0	0.0	2.2	0.0	0.0	0.0	0.0	4.86
Parks and Recreation:										
Athletic field permits issued	56	33	44	41	44	31	38	42	40	41
Number of recreation programs	3	-	31	33	29	29	34	32	34	36
Health and Welfare:										
Number of elderly serviced	N/A	N/A	N/A	N/A	98	98	146	109	86	N/A
Number of families serviced	N/A	N/A	N/A	N/A	274	274	185	162	150	N/A
Number of disabled serviced	N/A	N/A	N/A	N/A	82	82	98	87	60	N/A
Library:										
Total print items	38,602	38,886	38,707	38,571	38,982	39,253	39,327	40,285	40,885	40,637
Total non-print items	7,420	7,300	7,320	7,347	7,370	7,102	7,060	6,876	6,291	5,991
Circulation	40,111	40,448	39,459	47,725	52,652	58,218	63,700	70,396	75,418	80,528
Interlibrary borrows	1,876	1,984	1,690	2,328	2,331	2,698	3,497	3,346	3,605	3,537
Interlibrary loans	1,954	2,068	1,740	2,353	2,513	2,068	2,259	2,275	2,427	3,003
Education:										
Enrollment:										
High School	363	364	361	376	405	428	408	417	412	438
Middle School	204	199	196	189	190	205	216	206	237	256
Elementary School	279	265	291	280	280	264	271	233	292	310
Total	846	828	848	845	875	897	895	856	941	1,004
Sewer Fund:										
Average daily sewage treatment (million gallons)	1.007	0.868	0.920	1.174	0.898	0.810	0.834	0.980	0.989	0.924
Residential customers	2,690	2,758	2,783	2,767	2,679	2,635	2,635	2,635	2,700	2,695
Commercial and industrial customers	133	129	129	131	75	134	131	129	128	130
Manhole repair as part of I/I reduction	-	4	7	3	4	-	20	6	9	42
Solid Waste & Recycling:										
MIRA/CRRRA tonnage (annual)	5,412	5,306	4,756	4,623	4,372	2,534	2,400	2,462	2,506	3,069

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	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
General Government:										
Election voting machines	2	2	2	2	2	2	2	2	2	2
Vehicles	2	1	1	1	1	1	1	1	2	2
Public Safety:										
Fire and ambulance stations	2	2	2	2	2	2	2	2	2	2
Police stations	1	1	1	1	1	1	1	1	1	1
Police vehicles	11	11	11	11	11	11	11	11	11	8
Fire trucks	4	4	4	4	4	4	4	5	5	7
Ambulances	2	2	2	2	2	2	2	2	2	2
Other emergency vehicles	5	5	5	5	5	5	5	5	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	41.25
Accepted	41.25	41.25	41.25	41.25	41.25	41.25	41.25	41.25	41.25	41.25
Private	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
State Highway	64.89	64.89	64.89	64.89	64.89	64.89	64.89	64.89	64.89	64.89
Miles of Sidewalks	10.88	10.88	10.88	10.88	10.88	10.88	10.88	10.88	10.88	10.88
Miles of Sewer:										
Storm	95.25	95.25	95.25	95.25	95.25	95.25	95.25	95.25	95.25	95.25
Sanitation	50.50	50.50	50.50	50.50	50.50	50.50	50.50	50.50	50.50	50.50
Dump trucks	9	9	9	9	9	9	10	10	10	10
Other public works vehicles and heavy equipment	28	28	28	28	28	28	28	28	28	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	1	1	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	4	4	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	6	6	3	3
Tracks	1	1	1	1	1					
Education:										
Number of high schools	1	1	1	1	1	1	1	1	1	1
Number of middle schools	1	1	1	1	1	1	1	1	1	1
Number of elementary schools	1	1	1	1	1	1	1	1	1	1

Sources: Various Town Departments