

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

of the

**TOWN OF THOMASTON,
CONNECTICUT**

YEAR ENDED

JUNE 30, 2013

PREPARED BY:

THE FINANCE DEPARTMENT

TRACY A. DECKER, FINANCE DIRECTOR

TOWN OF THOMASTON, CONNECTICUT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2013

TABLE OF CONTENTS

	<u>PAGE</u>
<u>INTRODUCTORY SECTION</u>	
ORGANIZATIONAL CHART	1
LETTER OF TRANSMITTAL	2-6
LIST OF PRINCIPAL OFFICIALS	7
CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING FOR THE YEAR ENDED JUNE 30, 2012	8
<u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITOR'S REPORT	9-11
MANAGEMENT'S DISCUSSION AND ANALYSIS.....	12-23
<u>EXHIBITS</u>	
<u>BASIC FINANCIAL STATEMENTS</u>	
<u>GOVERNMENT-WIDE FINANCIAL STATEMENTS:</u>	
A STATEMENT OF NET POSITION.....	24-25
B STATEMENT OF ACTIVITIES.....	26
<u>FUND FINANCIAL STATEMENTS:</u>	
C BALANCE SHEET - GOVERNMENTAL FUNDS AND RECONCILIATION OF FUND BALANCE TO NET POSITION OF GOVERNMENTAL ACTIVITIES.	27-28
D STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS.....	29
E RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES	30-31
F STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND.....	32
G STATEMENT OF FIDUCIARY NET POSITION	33
H STATEMENT OF CHANGES IN FIDUCIARY NET POSITION	34
<u>NOTES TO FINANCIAL STATEMENTS:</u>	
I NOTES TO FINANCIAL STATEMENTS.....	35-62

TOWN OF THOMASTON, CONNECTICUT
 TABLE OF CONTENTS (CONTINUED)

PAGE

REQUIRED SUPPLEMENTARY INFORMATION

RSI -1 SCHEDULES OF FUNDING PROGRESS - THOMASTON RETIREMENT SYSTEM AND OPEB PLANS.....	63
RSI -2 SCHEDULES OF EMPLOYER CONTRIBUTIONS - THOMASTON RETIREMENT SYSTEM AND OPEB PLANS	64

SCHEDULES

SUPPLEMENTAL SCHEDULES

GENERAL FUND

1 SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL	65-66
2 SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL	67-68
3 REPORT OF TAX COLLECTOR.....	69

NONMAJOR GOVERNMENTAL FUNDS

4 COMBINING BALANCE SHEET.....	70-71
5 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES	72-73
6 SEWER COMMISSION USAGE FUND - SCHEDULE OF SEWER USE CHARGES RECEIVABLE	74

FIDUCIARY FUNDS

7 COMBINING STATEMENT OF FIDUCIARY NET POSITION - PRIVATE-PURPOSE TRUST FUNDS.....	75
8 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - PRIVATE-PURPOSE TRUST FUNDS.....	76
9 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS.....	77

STATISTICAL SECTION

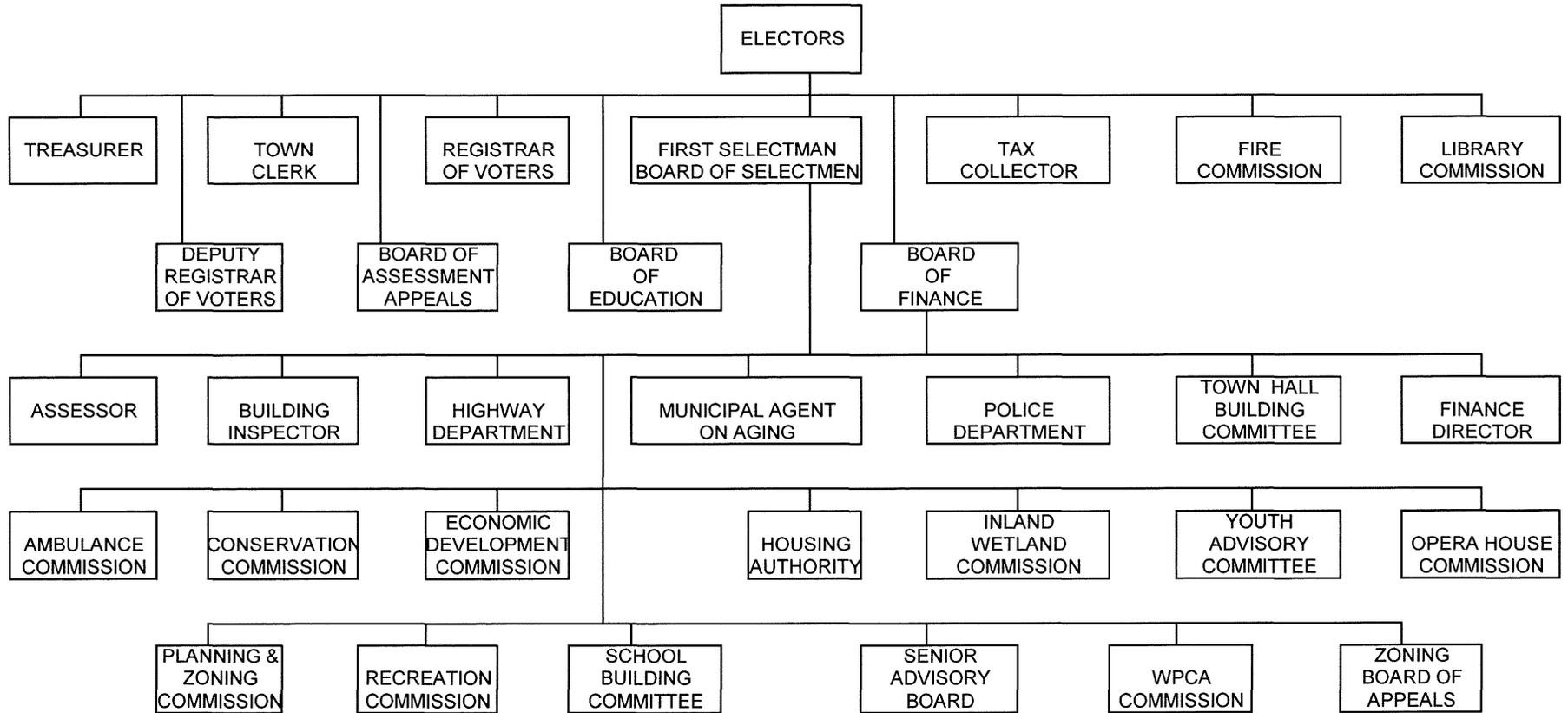
TABLE

1	NET POSITION BY COMPONENT	78
2	CHANGES IN NET POSITION	79
3	FUND BALANCES, GOVERNMENTAL FUNDS	80
4	CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS	81
5	ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY ...	82
6	PRINCIPAL TAXPAYERS.....	83
7	PROPERTY TAX RATES, LEVIES AND COLLECTIONS.....	84
8	RATIOS OF OUTSTANDING DEBT BY TYPE.....	85
9	RATIO OF LONG-TERM DEBT TO NET ASSESSED VALUE AND LONG-TERM DEBT PER CAPITA	86
10	SCHEDULE OF DEBT LIMITATION.....	87
11	LEGAL DEBT MARGIN INFORMATION	88
12	DEMOGRAPHIC STATISTICS	89
13	PRINCIPAL EMPLOYERS	90
14	FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM.....	91
15	OPERATING INDICATORS BY FUNCTION/PROGRAM.....	92
16	CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM	93

Introductory Section

TOWN OF THOMASTON, CONNECTICUT

ORGANIZATIONAL CHART





December 5, 2013

Board of Finance
Town of Thomaston
Thomaston, Connecticut 06787

State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, I hereby submit the Comprehensive Annual Financial Report (CAFR) of the Town of Thomaston, Connecticut, for the fiscal year ended June 30, 2013.

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

The Town of Thomaston's financial statements have been audited by CohnReznick LLP. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Thomaston for the fiscal year ended June 30, 2013, are free from 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, 2013, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Profile of the Town of Thomaston

The Town of Thomaston, located in Litchfield County, is a suburb consisting of 12.0 square miles and located 10 miles south of Torrington, Connecticut, 23 miles west of Hartford, Connecticut, with a population of 7,887. The Town is easily accessible by an excellent highway system. Route 8, a four-lane State highway, provides north-south interstate connections from Bridgeport to Winsted, where it meets Route 44 and continues north to the Massachusetts border. Interstate 84, the major east-west highway through Connecticut, is located just 11 miles south of the Town. Intra-town traffic is served by U.S. Route 6 and State routes 254, 109, and 262, which pass through the Town. Air transport is available at the Oxford Regional, New Haven-Tweed and Bradley International Airports.

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

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

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

Local Economy and Major Initiatives

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

Local Economy

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

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

The Town of Thomaston has made changes in its Plan of Development that permits the creation of an industrial park located on Reynolds Bridge Road adjacent to an area already zoned and in use by many small to medium size manufacturers. Five large lots are proposed for development in the 22.39-acre parcel. 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 50 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 has transformed into a mixed use professional services and office space building. The developer took advantage of a tax assessment abatement ordinance that the Town of Thomaston has in place to assist with development.

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 Town's Opera House Commission plans additional restoration projects. The Thomaston Opera House closed in 2010 but was reopened in January 2012 under a new management company and shows have been ongoing.

The Economic Development Commission's mission is to organize and promote sound economic growth in Thomaston by stimulating the expansion of existing business, attracting new enterprises and assuring a favorable community climate for new ideas and economic growth while respecting the character and history of the community. This nine member commission has been proactive in seeking business growth opportunities in Thomaston since its reestablishment. In 2007, a tax incentive program was established in order to attract, retain, and expand qualified businesses, to create employment opportunities, and to promote responsible economic growth to ensure Thomaston's future as a desirable community in which to live and work. Four developers have since taken advantage of this ordinance.

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

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

A ten year Plan of Conservation and Development is now underway. 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 and \$500,000 towards a town-wide communication system. The Town is currently seeking funding for additional projects including additional sidewalk replacement, a downtown parking area and a Town track.

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 leans toward equipment financing arrangements for fleet replacement and ranks projects based on safety issues and the needs of the departments. 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 through referendum approved a \$10,674,500 appropriation for a Multi-Year Road Program for a full reclamation of many of its roads. The Town has postponed a certain section of town which is known to have sewer infrastructure needs. A more in depth study of the sewer system is underway in anticipation of handling both the roads and sewer needs simultaneously.

The Town through referendum approved \$725,000 for the Water Pollution Control Facility to make mandated upgrades to control phosphorus effluent levels. This mandate is currently being challenged by other municipalities and the WPCA has not begun upgrades.

The Town approved through referendum \$3,975,000 for a Town-wide communication system used by public safety and public works personnel. The current system has failed repeatedly and, due to its age, cannot be repaired.

Most recently, the Town approved through referendum \$3,998,400 for the replacement or reconstruction of the roofs at all three Town schools.

Relevant Financial Position

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

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Thomaston for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2012. This was the ninth consecutive year that the Town has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

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

Respectfully submitted,

A handwritten signature in black ink that reads "Tracy Decker". The signature is written in a cursive style with a long horizontal flourish at the end.

Tracy A. Decker, CPA
Finance Director

TOWN OF THOMASTON, CONNECTICUT

LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2013

BOARD OF SELECTMEN

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

BOARD OF FINANCE

David J. Colavecchio, Chairman
George Seabourne
Kristin Mosimann
Stephen R. Turner
Frank A. Treglia
Michael S. Madow

TOWN DEPARTMENTS

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

AUDITORS

CohnReznick LLP



Government Finance Officers Association

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

Presented to

**Town of Thomaston
Connecticut**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

Financial Section

INDEPENDENT AUDITOR'S REPORT

Board of Finance
Town of Thomaston, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Thomaston, Connecticut, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Thomaston, Connecticut, as of June 30, 2013, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of Funding Progress and Employer Contributions - Thomaston Retirement System and OPEB Plans on pages 12-23 and pages 63 and 64, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 5, 2013, on our consideration of the Town of Thomaston, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Thomaston, Connecticut's internal control over financial reporting and compliance.

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

Farmington, Connecticut
December 5, 2013



Management's Discussion and Analysis Year Ended June 30, 2013

As management of the Town of Thomaston, we offer readers of the Town of Thomaston's financial statements this narrative overview and analysis of the financial activities of the Town of Thomaston for the fiscal year ended June 30, 2013.

Financial Highlights

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$34,413,065 (*net position*). Of this amount, \$1,418,992 (*unrestricted net position*) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net position increased by \$897,149. The Town's total liabilities increased by \$4,618,757 due primarily to the issuance of bonds for the energy project and road reconstruction program. This was offset by the increase in total assets \$5,544,642 due primarily to the construction of new roads and sidewalks, energy efficient upgrades in all Town buildings and the purchase of new equipment related to an ongoing upgrade to the Town-wide communication system.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$6,176,306, an increase of \$3,017,161 in comparison with the prior year. This increase is due primarily to the issuance of the long-term bonds mentioned above offset by the expenditures for the communication system which were financed with bond anticipation notes.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$2,701,438, an increase of \$460,660 in comparison with the prior year. This represents 10.26 percent of total general fund revenues.

Overview of the Basic Financial Statements

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

Government-wide financial statements. One of the most important questions asked about the Town's finances is, "Is the Town as a whole better off or worse off as a result of the year's activities?" The *statement of net position* and *statement of activities* report information about the Town as a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities 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 and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the *financial* health or position of the Town is improving or deteriorating.

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

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

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

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

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

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

The Town maintains 24 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general, debt service, small cities, capital or nonrecurring and the communication system funds, all of which are considered to be major funds. Data from the other 19 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the combining statements in Schedules 4 and 5 of this report.

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

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

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

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

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a Town's financial position. The Town's combined net position increased by 2.7 percent from a year ago – increasing from \$33,515,916 to \$34,413,065.

By far the largest portion of the Town's net position (93.4 percent) 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.

**Town of Thomaston
Net Position**

	2013	2012
Current and other assets.....	\$ 12,992,795	\$ 11,428,807
Capital assets (net).....	58,722,208	54,741,554
Total assets.....	71,715,003	66,170,361
Total deferred outflows of resources.....	287,356	316,092
Long-term liabilities outstanding.....	29,911,035	24,644,785
Other liabilities.....	7,678,259	8,325,752
Total liabilities.....	37,589,294	32,970,537
Net position:		
Net investment in capital assets.....	32,134,289	32,469,999
Restricted.....	859,784	785,310
Unrestricted.....	1,418,992	260,607
TOTAL NET POSITION.....	\$ 34,413,065	\$ 33,515,916

A portion of the Town's net position (2.5 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (4.1 percent) may be used to meet the Town's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town is able to report a positive balance in all the categories of net position. The same situation held true for the prior fiscal year.

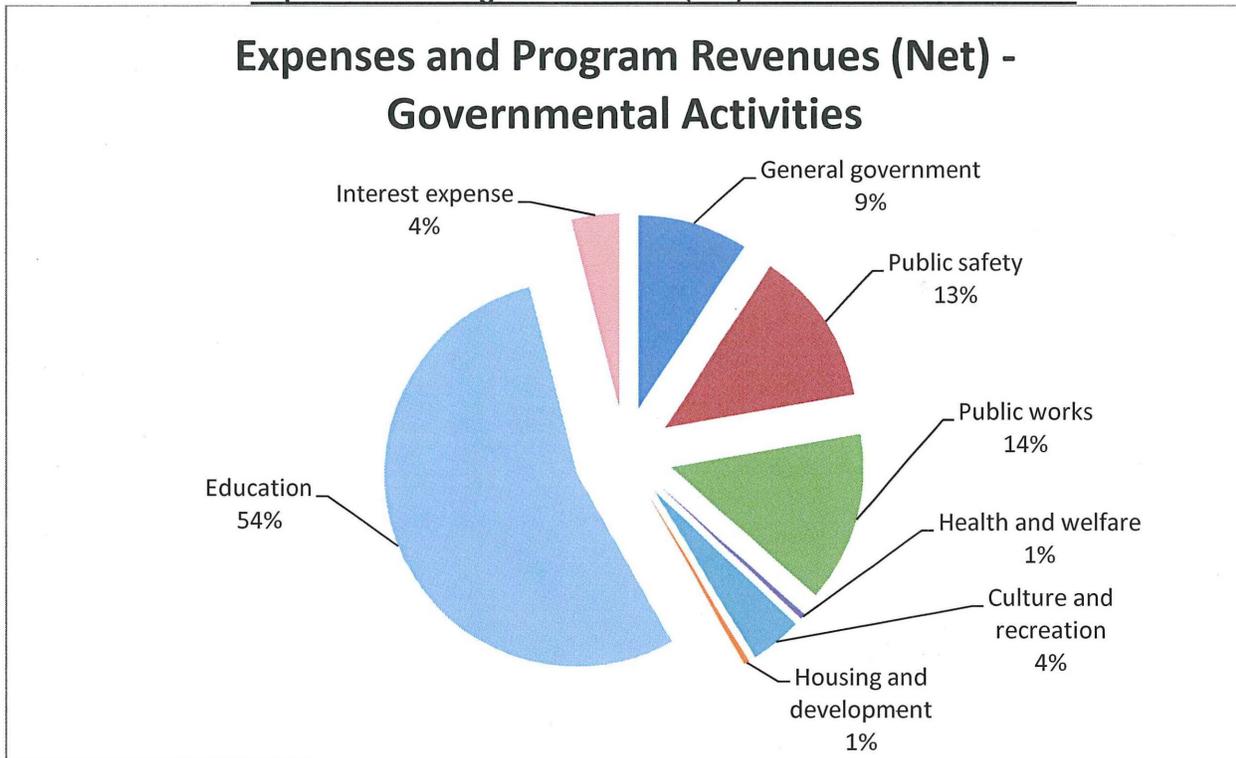
Governmental activities. Governmental activities increased the Town's net position by \$897,149. Key elements of this increase are as follows:

Town of Thomaston		
Changes in Net Position		
	2013	2012
REVENUES:		
Program revenues:		
Charges for services.....	\$ 1,818,822	\$ 1,817,753
Operating grants and contributions.....	9,515,488	8,860,269
Capital grants and contributions.....	299,942	386,186
General revenues:		
Property taxes.....	17,679,388	16,785,654
Grants and contributions not restricted to specific programs.....	509,956	691,072
Investment income.....	47,706	49,314
Miscellaneous.....	71,174	47,102
TOTAL REVENUES.....	29,942,476	28,637,350
EXPENSES:		
General government.....	1,824,272	1,792,675
Public safety.....	2,425,896	2,645,588
Public works.....	4,590,427	4,264,949
Health and welfare.....	142,874	82,192
Culture and recreation.....	873,818	849,888
Housing and development.....	255,635	208,886
Education.....	18,236,951	17,893,897
Interest expense.....	695,454	1,011,416
TOTAL EXPENSES.....	29,045,327	28,749,491
(INCREASE) DECREASE IN NET POSITION.....	897,149	(112,141)
NET POSITION - JULY 1.....	33,515,916	33,628,057
NET POSITION - JUNE 30.....	\$ 34,413,065	\$33,515,916

- Operating grants and contributions increased by \$655,219 (7.4%) due to utility rebates earned as a result of the energy efficiency project. These funds are set aside to be used to pay down the debt associated with those energy upgrades.
- Capital grants and contributions decreased by \$86,244 (22.3 percent). In the prior year there were one-time grants received from Homeland Security and ARRA for road rehabilitation and an energy conservation project.
- Unrestricted grants decreased due to decrease in property tax relief related grants.

- Property tax revenue increased by \$893,734 (5.3 percent) due to increased levy and interest receivable.
- Public works expenses increased by \$325,478 mostly due to the disposed portion of roads related to current year road construction.
- Education expenses increased \$343,054 due to the increase in the budget related primarily to increased salaries and benefits.
- Public safety expenses decreased \$219,692 due to a decrease in compensated absences due to four people retiring during the year.
- Interest expense decreased \$315,962 due to the write off of bond issue costs in the prior year.

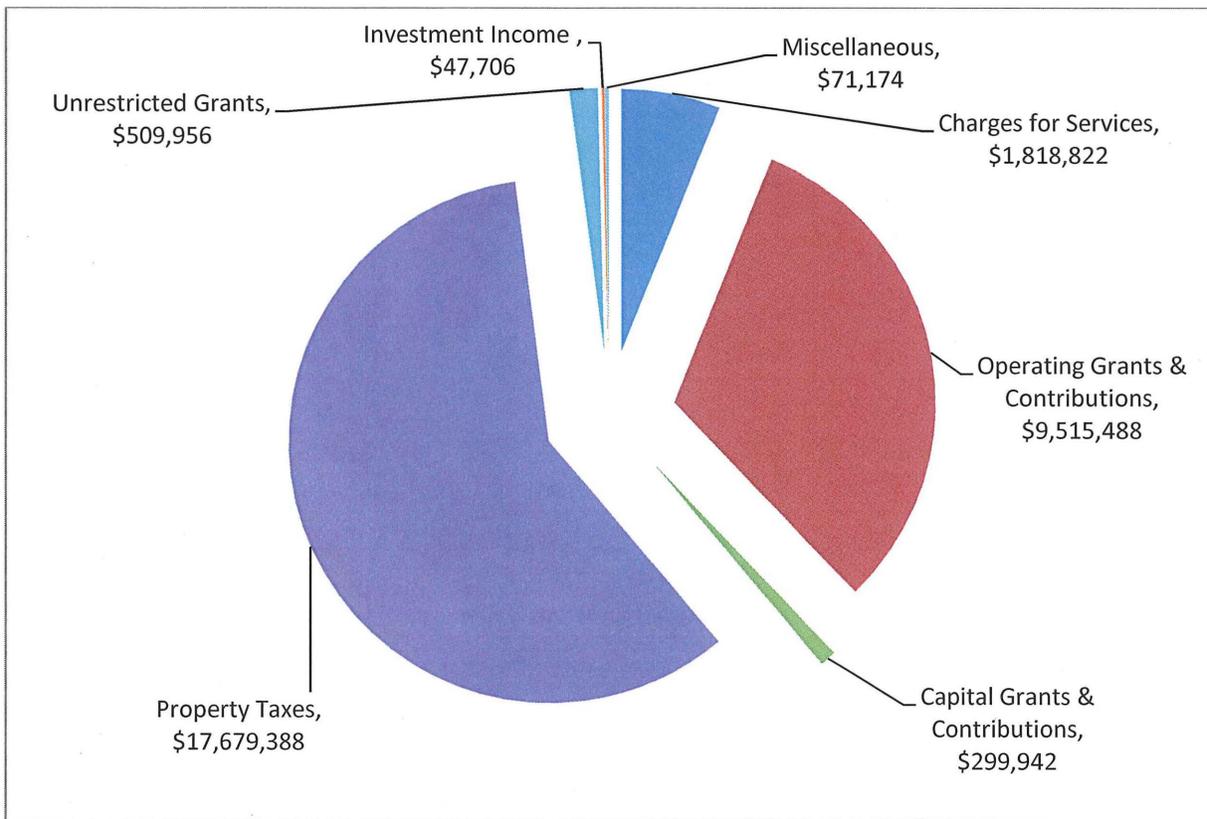
Expenses and Program Revenues (Net) - Governmental Activities



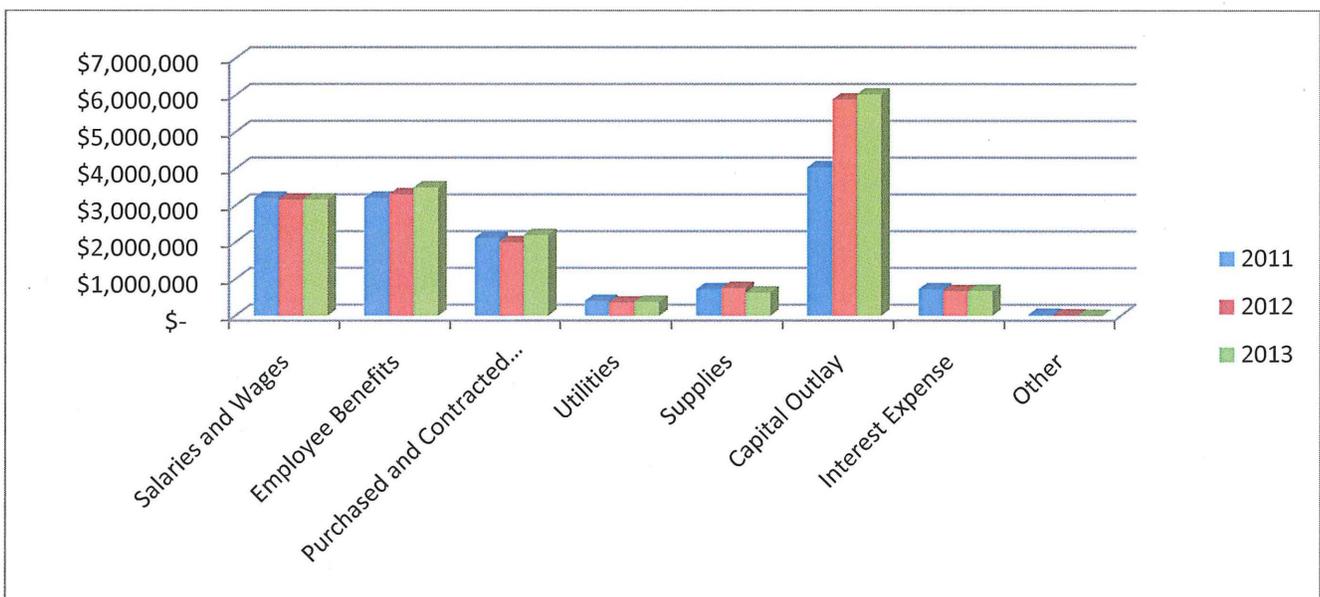
The above represents the percentage of net cost by function as presented in the Statement of Activities (Exhibit B). In most cases, the above chart represents the true cost of the departments because we have offset the costs by the revenues derived by those departments. For example, the net cost of Education of \$9,435,951 includes expenses of \$18,236,951 offset by charges for services of \$221,288 and operating grants and contributions (including the Education Cost sharing grant) of \$8,579,712.

The Statement of Activities requires that we report capital grants, which often offset capital outlay and not operating expenses. Therefore, in this particular case, capital grants tend to distort the net costs in the Statement of Activities. Based on capital grants received in 2013, the net costs above are understated by \$204,506 in Public Works for infrastructure grants (LOCIP and STEAP), which were charged to Capital Outlay.

Revenues by Source - Governmental Activities



The chart above reflects the sources of revenue for 2013, which provide the services the taxpayers of Thomaston receive. Property taxes of \$17,679,388 (59.0 percent) is the major source of revenue, followed by operating grants and contributions of \$9,515,488 (31.8 percent) and charges for services of \$1,818,822 (6.1 percent). The remaining \$928,778 (3.1 percent) is made up of capital grants, unrestricted grants and contributions, investment income, and miscellaneous income.



The above chart was derived directly from the classification of expenses in the Town's chart of accounts on a government-wide basis excluding the Board of Education operating budget and the education grant fund for fiscal years 2013, 2012 and 2011. The overall trend is level spending. The increase in capital outlay is due to the ongoing multi-year road rehabilitation program, an energy conservation project that is upgrading equipment in all town buildings to increase energy efficiencies and the initial purchase of equipment to be used once the construction of the new communication system is complete.

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

Financial Analysis of the Town's Funds

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

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$6,176,306. GASB 54 requires that fund balance be reported in one of five categories: nonspendable, restricted, committed, assigned or unassigned. The Town has a nonspendable balance of \$1,305,819 because it has been reserved as loans to residents and commercial businesses under the Federal Small Cities Economic Development Program (\$1,105,619) and 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 (\$200,200). \$659,584 has been restricted, \$2,520,150 has been committed and \$1,494,720 has been assigned, leaving a balance of \$196,033 as unassigned.

The total fund balances increased by \$3,017,161 to a total of \$6,176,306. This large increase was caused substantially by bonds issued in May for the road reconstruction program and the energy conservation project.

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 \$2,701,438. As a measure of the general fund's liquidity, it is useful to compare unassigned fund balance to total fund revenue. Unassigned fund balance represents 10.26 percent of total general fund revenues.

The fund balance of the Town's general fund increased by \$691,127 during the current fiscal year. The Town had budgeted the use of prior year fund balance of \$84,533 to balance the fiscal 2012-2013 budget, but these key factors defray the use of fund balance and contributed toward a fiscal year end surplus:

- Total revenue exceeded estimates by \$630,826 primarily in property tax revenue which exceeded estimates by \$605,319. Additionally, expenditures came in \$314,524 less than anticipated primarily in general government expenditures.
- The largest contributing departments/line items were in health insurance (\$92,559) and solid waste and recycling (\$32,594) which was the result of a new contract with CRRA.

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

**TOWN OF THOMASTON
GENERAL FUND**

	2013	2012	Increase (Decrease)
REVENUES:			
Property taxes.....	\$ 17,943,306	\$ 16,932,230	\$ 1,011,076
Charges for services.....	244,676	155,434	89,242
Intergovernmental.....	8,104,930	8,001,718	103,212
Income from investments.....	5,262	19,955	(14,693)
Other.....	21,345	116,873	(95,528)
TOTAL REVENUES.....	26,319,519	25,226,210	1,093,309
EXPENDITURES:			
General government.....	3,278,391	3,280,775	(2,384)
Public safety.....	1,475,432	1,451,892	23,540
Public works.....	1,434,937	1,485,602	(50,665)
Health and welfare.....	61,061	56,625	4,436
Culture and recreation.....	398,610	386,343	12,267
Housing and development.....	93,670	98,364	(4,694)
Education.....	15,702,579	15,360,953	341,626
Debt service.....	8,500		8,500
Capital outlay.....	18,491		18,491
TOTAL EXPENDITURES.....	22,471,671	22,120,554	351,117
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	3,847,848	3,105,656	742,192
OTHER FINANCING SOURCES (USES):			
Transfers in.....	20,310	19,000	1,310
Transfers out.....	(3,177,031)	(2,970,021)	(207,010)
NET OTHER FINANCING SOURCES (USES).....	(3,156,721)	(2,951,021)	(205,700)
NET CHANGE IN FUND BALANCES.....	\$ 691,127	\$ 154,635	\$ 536,492

- Tax revenue increased by \$1,011,076 due to an increase in the mill rate from 26.98 to 32.83 generating an increase in the current tax levy of \$440,486. The balance of this increase is due to collections exceeding estimated amounts.
- Intergovernmental revenue increased \$103,212 due to FEMA funds received to help offset the costs of two severe storms that occurred during the year, a municipal video grant and special education excess cost grants that offset special education costs.
- Education expenditures increased due to an increase in this year's budget primarily due to contracted salary increases and related benefit costs.

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 an annual appropriation of \$2,800,000 into Debt Service to minimize a mill rate impact of an expected significant increase in debt service in 2016. During the year, the Town received \$578,390 of utility rebates associated with the energy upgrades which will be used to offset those upcoming debt payments. The assigned fund balance as of June 30, 2013 is \$1,148,052.

Small Cities Fund. The Small Cities fund provides residential loan assistance and commercial economic development loans to qualifying citizens and town businesses. The Town started receiving Federal funds for this program in 1985. The Small Cities funded activities must meet one of three national objectives: (1) benefit low and moderate income persons; (2) aid in the prevention or elimination of slums or blight; or (3) meet community development needs having a particular urgency. The Town provided new residential loans in the amount of \$94,408 and received back \$95,377 in loan principal repayments. The total loan balance at June 30, 2013 was \$1,105,619. Restricted fund balance of \$317,089 is available for future loan assistance.

Capital or Nonrecurring Fund. This fund accounts for the financial revenues including resources from borrowing to be used for major capital asset construction and/or purchases and items, which are reserved for special purposes. There are forty-two separate projects, a summary of which can be found in Note II.F. of the notes to the financial statements. The capital projects fund's revenues exceeded its expenditures and transfers out by \$3,628,534, in large part due to the issuance of long-term debt associated with the road reconstruction project and an energy conservation project aimed at increasing energy efficiencies in all Town owned buildings.

General Fund Budgetary Highlights

There was an additional appropriation during the year of \$175,000 for transfer to the capital nonrecurring fund for a WPCA study of the sewer lines in an area of town referred to as the web.

Transfers from contingency of \$100,000 were made during the year as follows:

- \$5,750 for a security system at the Library.
- \$1,440 for OSHA fines.
- \$17,600 to Capital Nonrecurring for engineering costs related to the school roofs.
- \$75,210 for year end overruns in the following departments: Fire Marshal (\$170), Ambulance (\$921), Elections (\$1,374), Fire Hydrants (\$1,546), Town Clerk (\$1,765), Unemployment Expense (\$3,197), Legal (\$3,394), Fire Protection (\$3,579), Town Aid Road (\$4,116), Communications & Dispatch (\$27,167) and Animal Control (\$27,981).

Additional year end overruns in Town Aid Road (\$136) and Snow & Ice Removal (\$8,361) were transferred from the Highway and Street budget.

Capital Assets and Debt Administration

Capital assets. The Town's investment in capital assets for its governmental type activities as of June 30, 2013, amounts to \$58,722,208 (net of accumulated depreciation). This investment in capital assets includes land, buildings, land improvements, vehicles, machinery and equipment, sewer lines, roads, bridges, sidewalks and system storm drains. The total increase in the Town's investment in capital assets for the current fiscal year was \$3,980,654 (7.2%). This increase is largely due to the Multi-Year Road Improvement Program, the Sidewalk program, the energy efficiency project and the town-wide communication system. Only those assets which cost \$5,000 or more with a useful life exceeding one year are capitalized. Assets costing less than \$5,000 are expensed.

Town of Thomaston Capital Assets - Net

	2013	2012
Land.....	\$ 1,315,620	\$ 1,315,620
Construction in progress.....	5,567,410	3,037,544
Buildings.....	28,307,747	28,930,270
Land improvements.....	494,887	522,168
Machinery and equipment.....	3,456,952	3,636,148
Intangible assets.....	8,459	10,875
Vehicles.....	908,069	1,001,517
Infrastructure.....	18,663,064	16,287,412
TOTAL.....	\$ 58,722,208	\$ 54,741,554

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

- The second phase of the Multi-Year Road Reconstruction Program included reclamation and reconstruction of Valley View, Broadview Heights, Litchfield Street, West Hillside, Grand Street, West Hill Road, Treadwell, Elizabeth a section of Moosehorn Road and a retaining wall on Railroad Street. Total costs of roads capitalized were \$2,203,528 and construction in progress totaled \$267,982.
- The Town received a grant in the amount of \$498,300 in 2008 and an additional \$200,000 in 2010 from STEAP for sidewalk infrastructure replacement. In addition, the Town received approval to allocate \$165,000 of Small Cities funds for sidewalk and street improvements. Sidewalks on Hillside, Gilbert, Union, Oak, Grand, Grove and Elm Street were capitalized at a total cost of \$871,990.
- A new server was installed in the Town Hall for \$5,925.
- Repairs were done at the Town Hall include repairs to the Opera House for \$28,662 (which will be funded by a state grant and donations to the Opera House restoration fund) and trim repair on the Old Firehouse section for \$26,842.
- The Town received a \$100,000 STEAP grant for the purchase of a generator at the High School which will be used as the Town's emergency shelter. Total costs for the generator and installation were \$102,023.
- Additional items capitalized by the Town include computers for the police cars (\$6,150), defibrillators (\$6,480), a paving box (\$16,000) and a fuel management system at the highway department (\$10,970).

Management's Discussion and Analysis (continued)

- Construction in progress for the energy efficiency project ongoing in all Town owned buildings totaled \$2,083,257, for the Town-wide communication system totaled \$2,245,651 and for the school roofs totaled \$29,294.
- The Hillside Cemetery purchased a new lawn mower at a cost of \$8,159.

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

Long-term debt. At the end of the current fiscal year, the Town had total bonded debt outstanding of \$21,290,000. All debt is backed by the full faith and credit of the Town. The remainder of the Town's debt represents notes totaling \$4,100,821 funded by the State of Connecticut Clean Water Fund and unamortized bond premium of \$664,948.

TOWN OF THOMASTON LONG-TERM OBLIGATIONS		
	2013	2012
General obligation bonds.....	\$ 21,290,000	\$ 16,000,000
Notes.....	4,100,821	4,624,694
Bond premium.....	664,948	582,448
Total.....	<u>\$ 26,055,769</u>	<u>\$ 21,207,142</u>

On April 25, 2013, Moody's Investor Service assigned ratings of Aa3 and MIG 1 to the Town's bonds and notes, respectively, and affirmed the Aa3 rating on the Town's parity long-term debt outstanding.

State statutes limit the amount of general obligation debt a governmental entity may issue to seven times total tax collections including interest and lien fees and the tax relief for elderly freeze grant. The current debt limitation for the Town is \$125,550,264, which is significantly in excess of the Town's outstanding general obligation debt.

The Town issued \$6,735,000 of General Obligation Bonds on May 1, 2013 for the Multi-Year Road project (\$3,570,000) and the energy performance contract (\$3,165,000). On May 9, 2013, the Town issued \$3,850,000 of short-term bond anticipation notes for a Town-wide communication system (\$3,797,000) and the balance borrowed for the Thomaston Volunteer Ambulance Corp for an ambulance (\$53,000).

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

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the Town is currently 8.0%, which is a decrease from a rate of 8.5% a year ago. The Town's rate is comparable to the State rate of 8.0% and comparable to the Hartford Labor Market rate of 8.0%. While Connecticut is still in line with the national average of 7.6%, the overall trend has been clearly negative and unemployment rates are expected to stay elevated through 2014.
- The Town is under even greater fiscal pressure from voter opposition in the tax levy. Voter opposition remains regardless of the fact that the Town has no control over its significant revenue sources other than property taxes. The Town faces cost increases from contractual obligations as well as fixed costs, and failed budgets will only result in loss of services, personnel and infrastructure improvements.
- The Town negotiated and settled two bargaining unit contracts in 2013. The White Collar and Highway unions agreed to switch to a High Deductible Health Plan with a Health Savings account for health insurance and all future hires will be eligible for a 457(b) defined contribution plan but not eligible for the Town's pension plan.

All of these factors were considered in preparing the Town's budget for the 2013-2014 fiscal year.

Requests for Information

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

Basic Financial Statements

TOWN OF THOMASTON, CONNECTICUT

STATEMENT OF NET POSITION
JUNE 30, 2013

	GOVERNMENTAL ACTIVITIES
<u>ASSETS</u>	
Current assets:	
Cash.....	\$ 2,598,850
Investments.....	6,617,836
Receivables:	
Property taxes.....	290,023
Assessments/use charges.....	150,843
Loans.....	95,377
Intergovernmental.....	381,649
Notes.....	128,667
Other assets.....	25,262
Total Current assets.....	<u>10,288,507</u>
Noncurrent assets:	
Restricted assets:	
Temporarily restricted:	
Investments.....	84,899
Permanently restricted:	
Investments.....	200,200
Total Restricted assets.....	<u>285,099</u>
Receivables (net):	
Property taxes.....	441,873
Assessments/use charges.....	170,099
Loans.....	985,242
Intergovernmental.....	755,729
Notes.....	66,246
Total Receivables (net).....	<u>2,419,189</u>
Capital assets (net of accumulated depreciation):	
Land.....	1,315,620
Construction in progress.....	5,567,410
Buildings.....	28,307,747
Land improvements.....	494,887
Machinery and equipment.....	3,456,952
Intangible assets.....	8,459
Vehicles.....	908,069
Infrastructure.....	18,663,064
Total capital assets (net of accumulated depreciation).....	<u>58,722,208</u>
Total noncurrent assets.....	<u>61,426,496</u>
TOTAL ASSETS.....	<u>71,715,003</u>

(Continued)

TOWN OF THOMASTON, CONNECTICUT

STATEMENT OF NET POSITION
JUNE 30, 2013

	GOVERNMENTAL ACTIVITIES
<u>DEFERRED OUTFLOWS OF RESOURCES</u>	
Deferred charge on refunding.....	\$ 287,356
<u>LIABILITIES</u>	
Current liabilities:	
Accounts payable.....	853,171
Accrued payroll.....	108,323
Accrued interest payable.....	173,111
Unearned revenue.....	29,507
Bond anticipation notes.....	3,850,000
Bonds and notes payable.....	2,304,447
Capital lease payable.....	41,227
Compensated absences.....	193,639
Other liabilities.....	124,834
Total Current liabilities.....	7,678,259
Noncurrent liabilities:	
Bonds and notes payable and related liabilities.....	23,751,322
Capital lease payable.....	49,893
Net pension and OPEB obligations.....	4,715,695
Compensated absences.....	1,097,289
Other liabilities.....	296,836
Total Noncurrent liabilities.....	29,911,035
TOTAL LIABILITIES.....	37,589,294
<u>NET POSITION</u>	
Net investment in capital assets.....	32,134,289
Restricted for:	
Endowments:	
Nonexpendable.....	95,700
Expendable.....	13,329
Perpetual Care:	
Nonexpendable.....	104,500
Expendable.....	71,570
Public safety.....	58,365
Housing and development.....	317,089
Debt service.....	173,322
Other.....	25,909
Unrestricted.....	1,418,992
TOTAL NET POSITION.....	\$ 34,413,065

(Concluded)

See Notes to Financial Statements.

TOWN OF THOMASTON, CONNECTICUT

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2013

26

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET EXPENSES AND CHANGES IN NET POSITION
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES
GOVERNMENTAL ACTIVITIES:					
General government.....	\$ 1,824,272	\$ 132,663	\$ 33,246	\$ 57,388	\$ (1,600,975)
Public safety.....	2,425,896	144,636	170	12,345	(2,268,745)
Public works.....	4,590,427	1,207,400	743,823	204,506	(2,434,698)
Health and welfare.....	142,874	596	8,985		(133,293)
Culture and recreation.....	873,818	55,195	31,239	25,703	(761,681)
Housing and development.....	255,635	57,044	118,313		(80,278)
Education.....	18,236,951	221,288	8,579,712		(9,435,951)
Interest expense.....	695,454				(695,454)
TOTAL.....	\$ 29,045,327	\$ 1,818,822	\$ 9,515,488	\$ 299,942	\$ (17,411,075)
GENERAL REVENUES:					
Property taxes.....					\$ 17,679,388
Grants and contributions not restricted to specific programs.....					509,956
Investment income.....					47,706
Miscellaneous.....					71,174
TOTAL GENERAL REVENUES.....					18,308,224
CHANGE IN NET POSITION.....					897,149
NET POSITION - JULY 1, 2012.....					33,515,916
NET POSITION - JUNE 30, 2013.....					\$ 34,413,065

TOWN OF THOMASTON, CONNECTICUT

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

	GENERAL	DEBT SERVICE	SMALL CITIES	CAPITAL OR NONRECURRING	COMMUNICATION SYSTEM	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>							
Cash.....	\$ 2,014,965	\$	\$ 325,156	\$	\$	\$ 258,729	\$ 2,598,850
Investments.....	4,920,012	755,472		36,766		1,190,685	6,902,935
Receivables, net:							
Property taxes.....	681,132						681,132
Assessments/use charges.....						247,998	247,998
Loans.....			1,105,619				1,105,619
Intergovernmental.....	173,458			4,646		24,822	202,926
Other.....	86,284					42,383	128,667
Due from other funds.....	5,288,341	7,286,580		6,810,104	1,557,121	52,638	20,994,784
Other assets.....	9,061					16,201	25,262
TOTAL ASSETS.....	\$ 13,173,253	\$ 8,042,052	\$ 1,430,775	\$ 6,851,516	\$ 1,557,121	\$ 1,833,456	\$ 32,888,173
<u>LIABILITIES</u>							
Accounts payable.....	\$ 563,471	\$ 32,500	\$ 6,210	\$ 129,267	\$ 5,772	\$ 115,951	\$ 853,171
Accrued payroll.....	100,524					7,799	108,323
Due to other funds.....	8,841,532	6,808,500		4,847,637		497,115	20,994,784
Unearned revenue.....			1,857			27,650	29,507
Bond anticipation notes.....		53,000			3,797,000		3,850,000
TOTAL LIABILITIES.....	9,505,527	6,894,000	8,067	4,976,904	3,802,772	648,515	25,835,785
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Unavailable revenue - property taxes.....	651,288						651,288
Unavailable revenue - sewer charges.....						224,794	224,794
TOTAL DEFERRED INFLOWS OF RESOURCES..	651,288	-	-	-	-	224,794	876,082
<u>FUND BALANCES</u>							
Nonspendable.....			1,105,619			200,200	1,305,819
Restricted.....			317,089			342,495	659,584
Committed.....				1,874,612		645,538	2,520,150
Assigned.....	315,000	1,148,052				31,668	1,494,720
Unassigned.....	2,701,438				(2,245,651)	(259,754)	196,033
TOTAL FUND BALANCES.....	3,016,438	1,148,052	1,422,708	1,874,612	(2,245,651)	960,147	6,176,306
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 13,173,253	\$ 8,042,052	\$ 1,430,775	\$ 6,851,516	\$ 1,557,121	\$ 1,833,456	\$ 32,888,173

(Continued)

TOWN OF THOMASTON, CONNECTICUT
RECONCILIATION OF FUND BALANCE
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2013

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION (EXHIBIT A) ARE DIFFERENT FROM THE GOVERNMENTAL FUND BALANCE SHEET. THE DETAILS OF THIS DIFFERENCE ARE AS FOLLOWS:

TOTAL FUND BALANCE (EXHIBIT C, PAGE 1).....	\$	6,176,306
---	----	-----------

CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS:

Beginning capital assets.....		54,741,554
Current year additions.....		5,842,077
Depreciation expense.....		(1,553,565)
Disposal of assets.....		(307,858)

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

Property tax, sewer use and sewer assessment interest and lien accrual.....		430,708
Property tax, sewer use and sewer assessment receivable - accrual basis change.....		876,082
School building grant receivable.....		934,452
Notes receivable.....		66,246
Allowance for doubtful accounts.....		(332,000)

SOME LIABILITIES, INCLUDING BONDS PAYABLE, ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS:

Bonds and notes payable.....		(25,390,821)
Bond premium.....		(664,948)
Deferred charge.....		287,356
Capital lease payable.....		(91,120)
Net pension / OPEB obligations.....		(4,715,695)
Compensated absences.....		(1,290,928)
Other liabilities.....		(421,670)
Accrued interest payable.....		(173,111)

NET POSITION OF GOVERNMENTAL ACTIVITIES.....	\$	<u>34,413,065</u>
--	----	-------------------

(Concluded)

See Notes to Financial Statements.

TOWN OF THOMASTON, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013

	GENERAL	DEBT SERVICE	SMALL CITIES	CAPITAL OR NONRECURRING	COMMUNICATION SYSTEM	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:							
Property taxes.....	\$ 17,943,306	\$	\$	\$	\$	\$	\$ 17,943,306
Charges for services.....	244,676		8,283	14,554		1,558,969	1,826,482
Intergovernmental.....	8,104,930		118,313	200,084		1,392,042	9,815,369
Contributions.....		578,390		35,105		71,305	684,800
Income from investments.....	5,262	1,056	341	66		40,984	47,709
Other.....	21,345			57,367		1,200	79,912
TOTAL REVENUES.....	26,319,519	579,446	126,937	307,176	-	3,064,500	30,397,578
EXPENDITURES:							
Current:							
General government.....	3,278,391			129,642		4,716	3,412,749
Public safety.....	1,475,432			13,241		18,208	1,506,881
Public works.....	1,434,937			150,591		1,172,483	2,758,011
Health and welfare.....	61,061					65,335	126,396
Culture and recreation.....	398,610			19,435		83,985	502,030
Housing and development.....	93,670		43,994	21,840			159,504
Education.....	15,702,579					1,659,167	17,361,746
Debt service.....	8,500	2,772,736		10,610			2,791,846
Capital outlay.....	18,491			3,541,115	2,245,651	36,820	5,842,077
TOTAL EXPENDITURES.....	22,471,671	2,772,736	43,994	3,886,474	2,245,651	3,040,714	34,461,240
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	3,847,848	(2,193,290)	82,943	(3,579,298)	(2,245,651)	23,786	(4,063,662)
OTHER FINANCING SOURCES (USES):							
Capital lease.....				127,645			127,645
Issuance of bonds.....				6,735,000			6,735,000
Bond and BAN premiums.....		218,178					218,178
Transfers in.....	20,310	2,800,000		345,187		81,844	3,247,341
Transfers out.....	(3,177,031)					(70,310)	(3,247,341)
NET OTHER FINANCING SOURCES (USES)....	(3,156,721)	3,018,178	-	7,207,832	-	11,534	7,080,823
NET CHANGE IN FUND BALANCES.....	691,127	824,888	82,943	3,628,534	(2,245,651)	35,320	3,017,161
FUND BALANCES - JULY 1, 2012.....	2,325,311	323,164	1,339,765	(1,753,922)		924,827	3,159,145
FUND BALANCES - JUNE 30, 2013.....	\$ 3,016,438	\$ 1,148,052	\$ 1,422,708	\$ 1,874,612	\$ (2,245,651)	\$ 960,147	\$ 6,176,306

TOWN OF THOMASTON, CONNECTICUT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2013

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

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS (EXHIBIT D)..... \$ 3,017,161

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

Capital outlay.....	5,842,077
Depreciation expense.....	<u>(1,553,565)</u>
Total	<u>4,288,512</u>

The net effect of various miscellaneous transactions involving capital assets (i. e., sales, trade-ins and donations) is to increase net position. In the Statement of Activities, only the *loss* on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold..... (307,858)

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

School building grant receipts.....	(182,954)
Notes receivable.....	(8,868)
Change in property tax, sewer use and sewer assessment receivable - accrual basis change.....	(154,816)
Change in property tax, sewer use and sewer assessment interest and lien revenue.....	(108,565)
Change in property tax and sewer use allowance for doubtful accounts.....	<u>100</u>
Total	<u>(455,103)</u>

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

Debt issued or incurred:	
Issuance of general obligation bonds.....	(6,735,000)
Bond premium.....	(132,089)
Principal repayments:	
General obligation bonds.....	1,445,000
Notes payable.....	523,873
Capital lease.....	<u>(91,120)</u>
Total	<u>(4,989,336)</u>

(Continued)

TOWN OF THOMASTON, CONNECTICUT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2013

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:

Compensated absences.....	\$ 143,392
Net pension obligation.....	77,970
Net OPEB obligation.....	(886,213)
Severance.....	3,719
Accrued interest payable.....	(15,948)
Amortization of bond premium.....	49,589
Amortization of deferred charges.....	<u>(28,736)</u>
Total	<u>(656,227)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (EXHIBIT B)	<u>\$ 897,149</u>

(Concluded)

See Notes to Financial Statements.

TOWN OF THOMASTON, CONNECTICUT

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Property taxes.....	\$ 17,337,987	\$ 17,337,987	\$ 17,943,306	\$ 605,319
Charges for services.....	229,102	229,102	244,676	15,574
Intergovernmental.....	6,711,988	6,711,988	6,740,011	28,023
Income from investments.....	25,000	25,000	5,262	(19,738)
Other.....	19,697	19,697	21,345	1,648
TOTAL REVENUES.....	24,323,774	24,323,774	24,954,600	630,826
EXPENDITURES:				
Current:				
General government.....	3,596,640	3,472,197	3,278,391	193,806
Public safety.....	1,429,933	1,489,752	1,486,423	3,329
Public works.....	1,526,657	1,532,319	1,450,937	81,382
Health and welfare.....	67,653	67,653	61,061	6,592
Culture and recreation.....	392,860	398,610	398,610	-
Housing and development.....	123,085	123,085	93,670	29,415
Education.....	14,337,660	14,337,660	14,337,660	-
TOTAL EXPENDITURES.....	21,474,488	21,421,276	21,106,752	314,524
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	2,849,286	2,902,498	3,847,848	945,350
OTHER FINANCING SOURCES (USES):				
Appropriation of fund balance.....	84,533	259,533		(259,533)
Transfers in.....	15,000	15,000	20,310	5,310
Transfers out.....	(2,948,819)	(3,177,031)	(3,177,031)	-
NET OTHER FINANCING SOURCES (USES).....	(2,849,286)	(2,902,498)	(3,156,721)	(254,223)
NET CHANGE IN FUND BALANCE.....	\$ -	\$ -	691,127	\$ 691,127
FUND BALANCE - JULY 1, 2012.....			2,325,311	
FUND BALANCE - JUNE 30, 2013.....			<u>\$ 3,016,438</u>	

See Notes to Financial Statements.

TOWN OF THOMASTON, CONNECTICUTSTATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2013

	PENSION TRUST FUND	OTHER POST- EMPLOYMENT BENEFITS TRUST FUND	PRIVATE- PURPOSE TRUST FUNDS	AGENCY FUNDS
<u>ASSETS</u>				
Cash.....	\$	\$	\$ 1,263	\$ 293,824
Investments:				
Certificates of Deposit.....			6,691	4,155
Mutual Funds:				
Money Market Funds.....	199,935	490		
Equity.....	7,628,794	59,284		
Bonds.....	4,567,660	33,727		
Total Investments.....	12,396,389	93,501	6,691	4,155
Accounts receivable.....	16,316	51		
TOTAL ASSETS.....	12,412,705	93,552	7,954	297,979
<u>LIABILITY</u>				
Accounts payable.....	4,878			297,979
<u>NET POSITION</u>				
NET POSITION HELD IN TRUST FOR PENSION BENEFITS AND OTHER POST-EMPLOYMENT BENEFITS AND OTHER PURPOSES.....	\$ 12,407,827	\$ 93,552	\$ 7,954	\$ -

See Notes to Financial Statements.

TOWN OF THOMASTON, CONNECTICUTSTATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2013

	PENSION TRUST FUND	OTHER POST- EMPLOYMENT BENEFITS TRUST FUND	PRIVATE- PURPOSE TRUST FUNDS
ADDITIONS:			
Contributions:			
Employer.....	\$ 895,000	\$ 607,716	\$
Employees.....	156,657		
Total contributions.....	1,051,657	607,716	-
Investment income (loss):			
Net change in fair value of investments.....	895,738	6,832	
Interest and dividends.....	325,866	2,250	35
Total investment income (loss).....	1,221,604	9,082	35
TOTAL ADDITIONS.....	2,273,261	616,798	35
DEDUCTIONS:			
Benefits.....	972,095	607,716	
Administration.....	48,684	724	
TOTAL DEDUCTIONS.....	1,020,779	608,440	-
CHANGES IN NET POSITION.....	1,252,482	8,358	35
NET POSITION - JULY 1, 2012.....	11,155,345	85,194	7,919
NET POSITION - JUNE 30, 2013.....	\$ 12,407,827	\$ 93,552	\$ 7,954

See Notes to Financial Statements.

TOWN OF THOMASTON, CONNECTICUTNOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013**HISTORY AND ORGANIZATION**

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

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

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

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

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

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

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Tax revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers tax revenues to be available if they are collected within 60 days of the end of the current fiscal period and intergovernmental revenues if collected within one year. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

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

The Town reports the following major governmental funds:

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

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

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

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

The *Communication System Fund* accounts for the full replacement of the Town-wide radio communication system.

Additionally, the Town reports the following fund types:

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

1. Deposits and Investments

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

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

Pension fund investments may be invested in fixed income, equities and cash. The target asset allocation is 35% fixed income, 60% equities and 5% cash. There are also minimum and maximum target levels defined. Professional investment managers are employed to manage the assets allocated to them. The Retirement Plan Committee, as trustee of the pension plan, is responsible for overall investment policy.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

1. Deposits and Investments (Continued)

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

2. Receivables and Payables

a. Interfunds

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

b. Property Taxes and Other Receivables

In the government-wide financial statements, all trade, property tax, sewer use, sewer assessment and loan receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 2 to 57 percent of outstanding receivable balances and are calculated based upon prior collections.

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

In the fund financial statements, all property taxes receivable at June 30, which have not been collected within 60 days of June 30, have been recorded as a deferred inflows of resources since they are not considered to be available to finance expenditures of the current year. Property taxes are assessed on property as of October 1. Taxes are billed in the following July and are due in two installments, July 1 and January 1. Personal property and motor vehicle taxes are billed in July and are due in one installment, July 1. Liens are effective on the assessment date and are continued by filing before the end of the fiscal year following the due date.

3. Restricted Assets

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

4. Capital Assets

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

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

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

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

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**C. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)****5. Deferred Outflows/Inflows of Resources (Continued)**

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 user charges. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

6. Compensated Absences

All employees are granted vacation and sick time based upon contractual provisions. Employees are not permitted to carry vacation days from one calendar year to the next without prior approval. The Board of Education employees are paid vacation on a fiscal year basis and, therefore, unused vacation lapses at June 30. The Town employees are paid vacation on an anniversary date basis and, therefore, a liability for unused vacation has been recorded. Certified employees at the Board of Education may accumulate up to 165 days of unused sick time or 150 days for employees hired after June 30, 1998. Employees are one-third vested with 20 - 24 years of service and two-thirds vested with 25 or more years of service. Unused sick time does not accumulate for certified employees hired after July 1, 1992. A liability in the amount of \$751,018 has been accrued for certified teachers and \$319,670 has been accrued for severance payments for retirees.

For employees other than certified teachers, sick leave accrues at the rate of 1¼ days per month, cumulative to a maximum of one hundred days. Upon the death or pension retirement of an employee, the estate of, or such employee, shall receive a sum of money equal to the accumulated sick days times the rate of pay per day of such employee at the time of such death or retirement. Employees who resign or are terminated are not entitled to their unused sick days. Police officers hired after July 1, 2005 are entitled to 45 percent up to a maximum of 50 days; public works employees hired after January 1, 2006 are entitled to 50 percent up to a maximum of 50 days; and sewer and white collar employees hired after July 1, 2005 are not entitled to the benefit. A liability in the amount of \$80,222 has been accrued for non-certified Board of Education employees and \$459,688 for Town employees.

7. Net Position Flow Assumption

Sometimes the government 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 government's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**C. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)****8. Long-Term Obligations**

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

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

9. Fund Equity and Net Position

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

Net Investment in Capital Assets

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

Restricted Net Position

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

Unrestricted Net Position

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

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

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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**C. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity (Continued)****9. Fund Equity and Net Position (Continued)****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 a properly approved purchase order.

Unassigned

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

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

The Board of Finance adopted a minimum fund balance policy for the general fund. The policy is that Town Boards shall propose budgets that provide for the unassigned fund balance at fiscal yearend to be not less than 5 percent nor more than 10 percent 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 including disclosures of contingent assets and liabilities and reported revenues, expenses and expenditures during the fiscal year. Accordingly, actual results could differ from those estimates.

11. Comparative Data/Reclassifications

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

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

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

- The Board of Finance submits a proposed operating budget for the fiscal year commencing July 1 to the annual Town Meeting at which taxpayer comments are obtained. The operating budget includes proposed expenditures and the means of financing them.
- Prior to July 1, the budget is legally adopted by vote at the annual Town budget meeting.
- The Board of Selectmen and the Board of Education are authorized to transfer budgeted amounts within departments. Transfers of budgeted amounts between departments must be approved by the Board of Finance.
- The Board of Finance can approve additional appropriations for a department, provided such additional appropriations do not exceed \$20,000. Appropriations in excess of \$20,000 must be approved by vote of a Town Meeting. There was an additional appropriation of \$175,000 from fund balance during the year.
- Formal budgetary integration is employed as a management control device during the year.
- Except for encumbrance accounting and the on-behalf payment, the budget is prepared on the modified accrual basis of accounting.
- The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the department level.
- The Board of Education, which is not a separate legal entity but a function of the Town, is authorized under state law to make any transfers required within their budget at their discretion. Any additional appropriations must have Board of Education and Board of Finance approval and, if over \$20,000, Town Meeting approval.

B. Budget - GAAP Reconciliation

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

	<u>REVENUES</u>	<u>EXPENDITURES</u>
BALANCE, BUDGETARY BASIS, EXHIBIT F - JUNE 30, 2013...	\$ 24,954,600	\$ 21,106,752
State Teachers' Retirement on-behalf payment.....	1,364,919	1,364,919
BALANCE, GAAP BASIS, EXHIBIT D - JUNE 30, 2013.....	\$ 26,319,519	\$ 22,471,671

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

C. Donor-Restricted Endowments

The Town has received certain endowments for the maintenance of the Hillside Cemetery and fire department operation purposes. The amounts are reflected in net position as restricted for endowments. Investment income (including appreciation) is approved for expenditure by the individual Boards. At June 30, 2013, the amount of appreciation (depreciation) included in restricted fund balance of the Hillside Cemetery Trust was \$34,864.

D. Deficit Fund Balance

The following individual funds had a deficit fund balance at June 30, 2013:

Special Revenue Funds

Sewer Commission Usage Fund.....	\$	73,032
School Lunch Fund		13,296
Transfer Station Fund		22,224
Thomaston Opera House.....		202,717

Future charges for services will be used to fund the deficits for each of these funds, except for the Sewer Commission Usage Fund.

The Sewer Commission Usage Fund deficit will be eliminated with a transfer from the WPCA Repair and Replacement Fund

E. Capital Project Authorizations

The following is a summary of certain capital projects at June 30, 2013:

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

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

F. Capital or Nonrecurring Project Authorizations

The following is a summary of capital or nonrecurring projects at June 30, 2013:

	PROJECT AUTHORIZATION	CURRENT YEAR EXPENDITURES	CUMULATIVE EXPENDITURES	BALANCE JUNE 30, 2013
Assessors revaluation.....	\$ 484,875	\$	\$ 478,277	\$ 6,598
Beautification: Seth Thomas Park sign.....	625		171	454
BOE projects.....	4,324,392	29,294	218,974	4,105,418
Christmas lights - reserve.....	12,000			12,000
Emergency generator.....	100,000	102,023	102,023	(2,023)
Energy efficiency project.....	3,165,000	2,100,588	2,999,432	165,568
FEMA: storm repairs.....	26,050	27,730	27,730	(1,680)
Fire Department projects.....	75,518	4,330	74,774	744
Highway Department projects.....	11,781,458	1,166,135	10,435,505	1,345,953
Housing for Economic Growth Grant.....	36,981		40,652	(3,671)
STEAP: Sidewalks.....	698,300	53,945	698,300	-
K-9 donation reserves.....	9,917	1,015	9,904	13
Park bench wood repairs.....	1,125		889	236
Police Department projects.....	193,510	18,164	151,020	42,490
Phone system.....	112,000		85,833	26,167
Property condition assessment.....	50,000	50,000	50,209	(209)
P&Z: Plan of conservation & development....	28,000	21,840	21,840	6,160
Rec: Highwood/Nystroms project.....	332,000	439	332,000	-
Skate park proceeds.....	1,090			1,090
Town-wide sick pay reserve.....	877,162	23,000	840,398	36,764
Track Committee.....	105,960	18,996	72,136	33,824
Town Hall projects.....	485,865	96,564	388,447	97,418
TVAC: defibrillators.....	7,500	6,480	6,480	1,020
WPCA: Web study.....	175,000	111,786	111,786	63,214
	<u>\$ 23,084,328</u>	<u>\$ 3,832,329</u>	<u>\$ 17,146,780</u>	<u>\$ 5,937,548</u>

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

III. DETAILED NOTES

A. Cash and Investments

Deposits – Custodial Credit Risk – Custodial credit risk is risk that, in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2013, \$4,573,832 of the Town's bank balance of \$5,693,828 (including certificates of deposit and money market funds) was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 4,041,449
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>532,383</u>
Total amount subject to custodial credit risk	<u>\$ 4,573,832</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.

At June 30, 2013, the Town's investments (including restricted investments) consisted of the following investment types and maturities. Specific identification was used to determine the maturities.

TYPE OF INVESTMENT	INVESTMENT MATURITIES (IN YEARS)				
	FAIR VALUE	N/A	LESS THAN 1	1-5 YEARS	5-10 YEARS
Mutual Funds:					
Equity.....	\$ 7,688,078	\$ 7,688,078			
Money Market.....	200,425		200,425		
Bond	4,899,109			297,722	4,601,387
Certificates of Deposit.....	231,950		231,950		
Bank Money Market Funds.....	2,346,001		2,346,001		
Pooled Fixed Income	3,976,499		3,976,499		
Common Stock.....	<u>61,609</u>	<u>61,609</u>			
TOTAL.....	<u>\$ 19,403,671</u>	<u>\$ 7,749,687</u>	<u>\$ 6,754,875</u>	<u>\$ 297,722</u>	<u>\$ 4,601,387</u>

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

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

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

III. DETAILED NOTES (CONTINUED)

A. Cash and Investments (Continued)

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

AVERAGE RATING	POOLED FIXED INCOME	BOND MUTUAL FUNDS	MONEY MARKET MUTUAL FUNDS
AAA.....	\$3,976,499	\$ 2,916,256	\$ 200,425
AA.....		297,722	
A.....		848,378	
BBB.....		836,753	
TOTAL.....	\$3,976,499	\$ 4,899,109	\$ 200,425

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

The investments are covered by the Securities Investor Protection Corporation ("SIPC") up to \$500,000, including \$100,000 of cash from sale or for purchase of investments, but not cash held solely for the purpose of earning interest. SIPC protects securities such as notes, stocks, bonds, debentures, certificates of deposit and money market funds.

The Town did not have any investments at June 30, 2013 subject to custodial credit risk since the common stock is held in the Town's name.

B. Receivables

Receivable balances have been disaggregated by type and presented separately in the financial statements. Only receivables for the Town's government-wide financial statements with allowances for uncollectible accounts as of June 30, 2013, including the applicable allowances for uncollectible accounts, are presented below.

	PROPERTY TAXES		
	TAXES	INTEREST & LIEN FEES	TOTAL
Current Portion.....	\$ 225,828	\$ 64,195	\$ 290,023
Long-term Portion	\$ 455,304	\$ 286,569	\$ 741,873
Less Allowance for Uncollectibles	(100,000)	(200,000)	(300,000)
Net Long-term Portion	\$ 355,304	\$ 86,569	\$ 441,873

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

III. **DETAILED NOTES (CONTINUED)**

B. **Receivables (Continued)**

	<u>SEWER USE</u>			<u>CDBG LOANS</u>
	<u>CHARGES</u>	<u>INTEREST & LIEN FEES</u>	<u>TOTAL</u>	
Current Portion.....	<u>\$ 113,974</u>	<u>\$ 36,869</u>	<u>\$ 150,843</u>	<u>\$ 95,377</u>
Long-term Portion	\$ 134,024	\$ 43,075	\$ 177,099	\$ 1,010,242
Less Allowance for Uncollectibles	<u>(5,500)</u>	<u>(1,500)</u>	<u>(7,000)</u>	<u>(25,000)</u>
Net Long-term Portion	<u>\$ 128,524</u>	<u>\$ 41,575</u>	<u>\$ 170,099</u>	<u>\$ 985,242</u>

C. **Capital Assets**

Capital asset activity for the year ended June 30, 2013 was as follows:

	<u>BALANCE JULY 1, 2012</u>	<u>INCREASES</u>	<u>DECREASES</u>	<u>BALANCE JUNE 30, 2013</u>
<u>Capital Assets, not being depreciated:</u>				
Land.....	\$ 1,315,620	\$	\$	\$ 1,315,620
Construction in progress	<u>3,037,544</u>	<u>4,654,846</u>	<u>2,124,980</u>	<u>5,567,410</u>
Total capital assets, not being depreciated	<u>4,353,164</u>	<u>4,654,846</u>	<u>2,124,980</u>	<u>6,883,030</u>
<u>Capital assets, being depreciated:</u>				
Buildings.....	36,942,178	26,841		36,969,019
Land improvements	1,347,004			1,347,004
Machinery and equipment.....	8,246,401	155,708	11,800	8,390,309
Intangible assets	24,165			24,165
Vehicles	2,952,320	54,145		3,006,465
Infrastructure	<u>22,342,625</u>	<u>3,075,517</u>	<u>805,028</u>	<u>24,613,114</u>
Total capital assets, being depreciated	<u>71,854,693</u>	<u>3,312,211</u>	<u>816,828</u>	<u>74,350,076</u>
Total capital assets	<u>76,207,857</u>	<u>7,967,057</u>	<u>2,941,808</u>	<u>81,233,106</u>
<u>Less accumulated depreciation for:</u>				
Buildings.....	8,011,908	649,364		8,661,272
Land improvements	824,836	27,281		852,117
Machinery and equipment.....	4,610,253	334,904	11,800	4,933,357
Intangible assets	13,290	2,416		15,706
Vehicles	1,950,803	147,593		2,098,396
Infrastructure	<u>6,055,213</u>	<u>392,007</u>	<u>497,170</u>	<u>5,950,050</u>
Total accumulated depreciation.....	<u>21,466,303</u>	<u>1,553,565</u>	<u>508,970</u>	<u>22,510,898</u>
Total Capital Assets, being depreciated, net...	<u>50,388,390</u>	<u>1,758,646</u>	<u>307,858</u>	<u>51,839,178</u>
Capital Assets, net	<u>\$ 54,741,554</u>	<u>\$ 6,413,492</u>	<u>\$ 2,432,838</u>	<u>\$ 58,722,208</u>

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

III. DETAILED NOTES (CONTINUED)

C. Capital Assets (Continued)

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

General government	\$ 62,393
Public safety	115,202
Public works	820,196
Culture and recreation.....	35,830
Housing and development.....	1,130
Education	<u>518,814</u>
Total Depreciation Expense.....	<u>\$ 1,553,565</u>

Construction Commitments

The Town has active construction projects as of June 30, 2013. At year end, the Town's commitments with contractors were as follows:

<u>Project Description</u>	<u>Commitment</u>
Communications project	\$ 1,568,399
WPCA Web Study	<u>18,377</u>
Total Commitments	<u>\$ 1,586,776</u>

D. Interfund Accounts

1. Interfund Payables and Receivables

At June 30, 2013, the amounts due from and due to other funds were as follows

INTERFUND PAYABLE FUND	INTERFUND RECEIVABLE FUND						TOTAL
	GENERAL FUND	DEBT SERVICE FUND	CAPITAL OR NON-RECURRING	COMMUNICATION SYSTEM	NONMAJOR SPECIAL REVENUE FUNDS	NONMAJOR CAPITAL PROJECTS FUNDS	
GENERAL FUND.....	\$	\$ 7,233,580	\$	\$ 1,557,121	\$ 30,204	\$ 20,627	\$ 8,841,532
DEBT SERVICE FUND.....			6,808,500				6,808,500
CAPITAL OR NONRECURRING FUND.....	4,847,637						4,847,637
NONMAJOR FUNDS:							
SPECIAL REVENUE FUNDS:							
Sewer commission usage fund.....	50,946						50,946
School lunch fund.....	65,599						65,599
Education grants fund.....					1,807		1,807
Transfer station fund.....	42,389						42,389
Thomaston opera house.....	205,696						205,696
EMS fund.....	23,903	53,000					76,903
CAPITAL PROJECT FUNDS:							
Thomaston Center School.....			1,604				1,604
PERMANENT FUNDS:							
Hillside Cemetery Trust Fund.....	52,171						52,171
TOTAL NONMAJOR FUNDS.....	440,704	53,000	1,604	-	1,807	-	497,115
TOTAL.....	\$ 5,288,341	\$ 7,286,580	\$ 6,810,104	\$ 1,557,121	\$ 32,011	\$ 20,627	\$ 20,994,784

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

III. **DETAILED NOTES (CONTINUED)**

D. **Interfund Accounts (Continued)**

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

All interfund balances resulted from the time lag between the dates payments occurred between funds for short-term internal financing.

2. **Interfund Transfers**

A summary of interfund transfers for the year ended June 30, 2013 is as follows:

	TRANSFERS OUT			TOTAL
	GENERAL FUND	SPECIAL REVENUE FUND	NONMAJOR CAPITAL PROJECTS	
TRANSFERS IN:				
GENERAL FUND.....	\$	\$ 5,310	\$ 15,000	\$ 20,310
DEBT SERVICE FUND.....	2,800,000			2,800,000
CAPITAL OR NONRECURRING FUND.....	345,187			345,187
NONMAJOR FUNDS:				
CAPITAL PROJECTS FUNDS:				
WPCA repair and replacement fund.....		50,000		50,000
Seth Thomas museum fund.....	5,844			5,844
PERMANENT FUNDS:				
Hillside Cemetery Trust Fund.....	26,000			26,000
TOTAL NONMAJOR FUNDS.....	31,844	50,000	-	81,844
TOTAL.....	\$ 3,177,031	\$ 55,310	\$ 15,000	\$ 3,247,341

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

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

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

Short-term obligation activity for the year ended June 30, 2013 was as follows:

PURPOSE	BALANCE JULY 1, 2012	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 2013
Debt Service	\$ 80,000	\$ 53,000	\$ 80,000	\$ 53,000
CNR	3,570,000		3,570,000	-
Capital Projects	100,000	3,797,000	100,000	3,797,000
Total	\$ 3,750,000	\$ 3,850,000	\$ 3,750,000	\$ 3,850,000

The BANs carry an interest rate of 1.5% and mature in May 2014.

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

III. DETAILED NOTES (CONTINUED)

F. Changes in Long-Term Obligations

1. Summary of Changes

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

DESCRIPTION	ORIGINAL AMOUNT	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE JULY 1, 2012	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2013	CURRENT PORTION
BONDS/NOTES									
General Purpose:									
Refunding bond.....	\$ 417,938	02/05/10	08/15/18	1.50-3.00%	\$ 320,420	\$	\$ 51,060	\$ 269,360	\$ 50,320
Improvement bond.	7,520,000	02/05/10	02/01/30	2.00-4.00	6,705,000		405,000	6,300,000	405,000
Refunding bond.....	140,008	12/21/10	12/01/22	2.00-4.00	127,610		14,011	113,599	13,809
Improvement bond.	4,570,571	05/01/13	05/01/33	2.00-4.00		4,570,571		4,570,571	244,645
Total General Purpose					7,153,030	4,570,571	470,071	11,253,530	713,774
Schools:									
Improvement bond.	7,700,000	04/15/05	04/15/25	3.75-4.50%	800,000			800,000	
Refunding bond.....	2,402,062	02/05/10	08/15/18	1.50-3.00	1,844,580		293,940	1,550,640	289,680
Refunding bond.....	6,244,960	12/21/10	12/01/22	2.00-4.00	5,691,951		624,945	5,067,006	615,954
Improvement bond.	2,164,429	05/01/13	05/01/33	2.00-4.00		2,164,429		2,164,429	95,355
Total Schools					8,336,531	2,164,429	918,885	9,582,075	1,000,989
Sewer:									
Clean water.....	1,077,413	04/30/97	04/30/16	2.00%	238,914		60,572	178,342	61,795
Clean water.....	9,091,656	02/28/02	03/31/21	2.00	4,385,780		463,301	3,922,479	472,652
Refunding bond.....	556,000	12/21/10	12/01/22	2.00-4.00	510,439		56,044	454,395	55,237
Total Sewer.....					5,135,133	-	579,917	4,555,216	589,684
TOTAL BONDS/NOTES					20,624,694	6,735,000	1,968,873	25,390,821	2,304,447
PREMIUMS.....					582,448	132,089	49,589	664,948	
TOTAL BOND/NOTES AND RELATED LIABILITIES.....					21,207,142	6,867,089	2,018,462	26,055,769	2,304,447
CAPITAL LEASE OBLIGATIONS.....						127,645	36,525	91,120	41,227
NET PENSION OBLIGATION.....					383,783		77,970	305,813	
NET OPEB OBLIGATION.....					3,523,669	886,213		4,409,882	
COMPENSATED ABSENCES					1,434,319	121,856	265,247	1,290,928	193,639
REMEDIATION OBLIGATIONS					102,000			102,000	25,500
TERMINATION BENEFITS (SEVERANCE)					323,389	116,277	119,996	319,670	99,334
TOTAL LONG-TERM OBLIGATIONS					\$ 26,974,302	\$ 8,119,080	\$ 2,518,200	\$ 32,575,182	\$ 2,664,147

Severance payments were made from the General Fund and the Capital or Nonrecurring Fund.
All long-term liabilities are generally liquidated by the General Fund.

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

III. DETAILED NOTES (CONTINUED)

F. Changes in Long-Term Obligations (Continued)

1. Summary of Changes (Continued)

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

FISCAL YEAR	BONDS		NOTES		STATE REIMBURSEMENT	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2014	\$ 1,770,000	\$ 693,175	\$ 534,447	\$ 77,130	\$ 167,012	\$ 11,711
2015	1,725,000	651,450	545,234	66,343	152,275	9,784
2016	1,710,000	607,025	545,430	55,347	147,363	7,975
2017	1,620,000	556,413	501,854	44,926	144,907	5,993
2018	1,570,000	499,788	511,984	34,796	142,451	3,717
2019	1,535,000	444,525	522,318	24,462	139,995	1,269
2020	1,250,000	390,250	532,861	13,919		
2021	1,245,000	340,250	406,693	3,397		
2022	1,100,000	300,050				
2023	1,095,000	262,850				
2024	1,095,000	233,331				
2025	1,095,000	193,594				
2026	695,000	152,819				
2027	695,000	128,369				
2028	695,000	103,919				
2029	695,000	79,469				
2030	695,000	55,019				
2031	335,000	30,569				
2032	335,000	20,519				
2033	335,000	10,466				
TOTALS	\$21,290,000	\$ 5,753,850	\$ 4,100,821	\$ 320,320	\$ 894,003	\$ 40,449

2. Statutory Debt Limitations

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

CATEGORY	DEBT LIMIT	NET INDEBTEDNESS	BALANCE
General purpose	\$ 40,355,442	\$15,103,530	\$ 25,251,912
Schools.....	80,710,884	8,688,072	72,022,812
Sewers	67,259,070	454,395	66,804,675
Urban renewal.....	58,291,194		58,291,194
Pension deficit.....	53,807,256		53,807,256

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

III. DETAILED NOTES (CONTINUED)

F. Changes in Long-Term Obligations (Continued)

2. Statutory Debt Limitations (Continued)

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$125,550,264.

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued against which bond anticipation notes are issued and outstanding. School building grants receivable of \$894,003 for bond principal is reflected as deductions in the computation of net indebtedness.

3. 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 2017. The benefits were paid from the General Fund Board of Education Department.

4. Environmental Remediation

The Town settled a claim relating to contamination resulting from use of underground storage tanks. The Town is working with the State on a plan of remediation that it filed with the State of Connecticut Department of Environmental Protection. Under terms of the remediation plan, the Town is responsible for annual operation and maintenance costs relating to the remediation system. Monitoring costs are estimated to cost approximately \$256,500 for the next two to four years. Consultants are currently investigating optional treatments to bring the project to closure within three-four years.

5. Authorized/Unissued Bonds

The amount of authorized, unissued bonds is \$11,266,505, as follows:

PROJECT	BONDING AUTHORIZATION	PREVIOUSLY BONDED	AUTHORIZED BUT UNISSUED
Wastewater Treatment plant system upgrade	\$ 13,291,607	\$ 13,117,462	\$ 174,145
Black Rock School renovations.....	6,530,000	6,400,000	130,000
Altair Avenue Bridge project.....	220,000	106,572	113,428
Seven Year Road Program	10,674,500	10,674,112	388
Public works trucks.....	324,460	309,316	15,144
Refunding bonds.....	9,000,000	6,945,000	2,055,000
WPCA Upgrade – Phosphorus effluent limits.....	725,000		725,000
Ambulance.....	80,000		80,000
Energy conservation.....	3,165,000	3,165,000	-
Communication system	3,975,000		3,975,000
School roofs.....	3,998,400		3,998,400
TOTAL	<u>\$ 51,983,967</u>	<u>\$ 40,717,462</u>	<u>\$ 11,266,505</u>

The Wastewater Treatment plant, Black Rock School renovations, Altair Avenue Bridge project and public works trucks are completed, and the Town does not intend to issue any bonds for the amounts authorized and unissued.

III. DETAILED NOTES (CONTINUED)**F. Changes in Long-Term Obligations (Continued)****5. Authorized/Unissued Bonds (Continued)**

Pursuant to a resolution passed at a Town referendum held on June 4, 2008, the Town authorized \$10,674,500 for the reconstruction and repair of various Town roads and roadside elements, in accordance with the Town's Seven Year Road Program prepared by the Highway Department. The Town issued bonds in the amount of \$7,104,112 on February 5, 2010 for three phases of this project and \$3,570,000 on May 1, 2013 for the remainder of the project.

Pursuant to a resolution adopted at a Special Town Meeting held on May 16, 2007, the Town authorized an appropriation of \$750,000 and a bond authorization not to exceed \$220,000 for reconstruction and repair of the Altair Avenue Bridge. The Town issued bonds in the amount of \$106,572 on February 5, 2010 for this project.

Pursuant to a resolution adopted at a Special Town Meeting held on February 4, 2009, the Town authorized an appropriation of \$324,460 and a bond authorization not to exceed \$324,460 for the purchase of two dump trucks for the Public Works Department. The Town issued bonds in the amount of \$309,316 on February 5, 2010.

Pursuant to a resolution adopted by the Board of Selectmen of the Town at a meeting held on September 21, 2010, the Town authorized the issuance of bonds in an amount not exceeding \$9,000,000 for the purpose of refunding, at or prior to maturity, all or any portion of the Town's outstanding general obligation bonds dated September 1, 2003 and April 15, 2005. The Town issued bonds in the amount of \$6,945,000 on December 21, 2010.

Pursuant to a resolution adopted at a Special Town Meeting held on August 17, 2011, the Town authorized an appropriation of \$725,000 and a bond authorization not to exceed \$725,000 for upgrades to the Water Pollution Control Facility to meet phosphorus effluent limits.

Pursuant to a resolution adopted at a Special Town Meeting held on October 3, 2011, the Town authorized an appropriation of \$187,500 and a bond authorization not to exceed \$80,000 to purchase and equip a 2012 Lifeline Type III Superliner Custom Modular Ambulance.

Pursuant to a resolution adopted at a Special Town Meeting held on May 16, 2012, the Town authorized an appropriation of \$3,165,000 and a bond authorization not to exceed \$3,165,000 for the purchase and installation of energy conservation improvements in Town and school facilities.

Pursuant to a resolution adopted at a Special Town Meeting held on September 12, 2012, the Town authorized an appropriation of \$3,975,000 and a bond authorization not to exceed \$3,975,000 for the full replacement of the Town-wide radio communication system.

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

III. **DETAILED NOTES (CONTINUED)**

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

5. **Authorized/Unissued Bonds (Continued)**

Pursuant to a resolution adopted at a Special Town Meeting held on April 24, 2013, the Town authorized an appropriation of \$3,998,400 and a bond authorization not to exceed \$3,998,400 for the replacement or reconstruction of the roofs at Black Rock School, Thomaston High School and Thomaston Center School.

G. **Restricted Net Position**

The amount of restricted net position, which was restricted by enabling legislation, totaled \$178,849 at June 30, 2013.

H. **Fund Balances**

As of June 30, 2013, fund balances are composed of the following:

	GENERAL FUND	DEBT SERVICE	SMALL CITIES	CAPITAL OR NON- RECURRING	COMM- UNICATION SYSTEM	NONMAJOR FUNDS	TOTAL
<u>NONSPENDABLE:</u>							
Permanent fund principal.....	\$	\$	\$	\$	\$	\$ 200,200	\$ 200,200
Loans.....			1,105,619				1,105,619
TOTAL NONSPENDABLE.....	-	-	1,105,619	-	-	200,200	1,305,819
<u>RESTRICTED:</u>							
General government.....						5,527	5,527
Ambulance purchase.....						58,930	58,930
Cemetery maintenance.....						71,570	71,570
Health and welfare.....						6,787	6,787
Culture and recreation.....						26,359	26,359
Grant program purchases.....			317,089				317,089
Debt service.....						173,322	173,322
TOTAL RESTRICTED.....	-	-	317,089	-	-	342,495	659,584
<u>COMMITTED:</u>							
General government.....						839	839
Public safety - police.....						804	804
Cemetery maintenance.....						272,593	272,593
Culture and recreation.....						17,230	17,230
Approved projects.....				1,874,612		354,072	2,228,684
TOTAL COMMITTED.....	-	-	-	1,874,612	-	645,538	2,520,150
<u>ASSIGNED:</u>							
Subsequent year's budget.....	315,000						315,000
Public safety - police.....						25,725	25,725
Education.....						5,943	5,943
Debt service.....		1,148,052					1,148,052
TOTAL ASSIGNED.....	315,000	1,148,052	-	-	-	31,668	1,494,720
<u>UNASSIGNED</u>	2,701,438			-	(2,245,651)	(259,754)	196,033
TOTAL.....	\$ 3,016,438	\$ 1,148,052	\$ 1,422,708	\$ 1,874,612	\$ (2,245,651)	\$ 960,147	\$ 6,176,306

IV. OTHER INFORMATION

A. Risk Management

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

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

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

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

B. Commitments and Litigation

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

C. Pension Plan

1. Plan Description

Summary

The Town administers one single employer, defined benefit pension plan (Town of Thomaston Retirement Plan). The plan was established through ordinance at a Town Meeting and may be amended by the Board of Selectmen and through union contract negotiation. The Pension Commission makes recommendations for plan provisions, which are approved by the Board of Finance. The pension plan is included in the financial statements as a single pension trust fund since the assets may be used to pay benefits or refunds of any plan member or beneficiary. Separate, stand-alone reports are not issued.

IV. OTHER INFORMATION (CONTINUED)**C. Pension Plan (Continued)****2. Summary of Significant Accounting Policies and Plan Asset Matters****a. Basis of Accounting**

The Town's pension trust fund's financial statement is prepared on the accrual basis of accounting. Contributions are recognized when due, pursuant to formal commitments and contractual requirements and investment income is recognized when earned. Expenses (benefits and administration) are recognized when they are due and payable in accordance with the terms of the plan. Administration costs are budgeted and paid for by the general fund.

b. Valuation of Investments

Investments are valued at fair value. Securities traded on a national exchange are valued at June 30, 2013, reported sales price. There are no investments of 5% or greater in any one organization.

3. Classes of Employees Covered**Plan Participants (January 1, 2013)**

Retirees and beneficiaries currently receiving benefits .	73
Terminated employees entitled to benefits but not yet receiving them.	16
Active plan members	<u>73</u>
Total Plan Participants	<u>162</u>

4. Benefit Provisions**a. Benefit Provisions**

The plan's membership is open to substantially all Town employees with the exception of certified teachers, the First Selectman and non-union employees who are hired after May 1, 2010. Employees are eligible for pension benefits if they have completed or are expected to complete a Year of Participation Service with a minimum of 1,250 hours.

b. Employer Contributions

Recommended contributions to the plan are determined each year as part of the actuarial valuation using the entry age normal method.

The Town's contributions for the plan can be found in Note IV.C.7 - Annual Pension Cost and Net Pension Obligation.

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

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plan (Continued)

4. Benefit Provisions (Continued)

c. Employee Contributions

The following table details the employee contribution requirement as a percentage of annual compensation:

General Town and highway employees	5%
Sewer employees	6%
Police (excluding special duty pay)	8%
Board of Education noncertified	2%

5. Funded Status and Funding Progress

The funded status of the plan as of January 1, 2013 was as follows:

ACTUARIAL VALUATION DATE	(A) ACTUARIAL VALUE OF ASSETS	(B) ACTUARIAL ACCRUED LIABILITY (AAL) ENTRY AGE NORMAL	(A-B) OVER (UNDER) FUNDED AAL	(A/B) FUNDED AAL RATIO	(C) COVERED PAYROLL	[(A-B)/C] OVER (UNDER) FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
January 1, 2013	\$12,055,451	\$17,942,090	\$(5,886,639)	67.2%	\$3,381,120	(174.1%)

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

6. Actuarial Assumptions

The information presented as historical trend information was determined as part of the actuarial valuation as of the date indicated in the tabulation. Additional information as of the latest valuation is as follows:

Actuarial Valuation Date	January 1, 2013
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	5 Year Smoothing
Actuarial Assumptions:	
Investment Rate of Return	7%
Projected Salary Increases:	
Merit	2.5%
Inflation	2.5%
Cost of Living Adjustments	None
Amortization Method	Level Amount. Closed
Remaining Amortization Period	16 Years

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

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plan (Continued)

6. Actuarial Assumptions (Continued)

The accrued liability is determined under the Entry Age actuarial cost method. Under this method, the excess of the entry-age actuarial accrued liability over the actuarial value of plan assets is amortized over closed period, which was 16 years as of January 1, 2013.

7. Annual Pension Cost and Net Pension Obligation (NPO)

The changes in the NPO were as follows:

Annual required contribution.....	\$ 824,021
Interest on net pension obligation.....	26,865
Adjustment to annual required contribution .	<u>(33,856)</u>
Annual pension cost.....	817,030
Contributions made	<u>(895,000)</u>
Decrease in net pension obligation.....	(77,970)
Net pension obligation - July 1, 2012.....	<u>383,783</u>
Net pension obligation - June 30, 2013	<u>\$ 305,813</u>

Three Year Trend Information

YEAR ENDING JUNE 30,	ANNUAL PENSION COST (APC)	PERCENTAGE OF APC CONTRIBUTED	NET PENSION OBLIGATION
2013	\$ 817,030	109.5%	\$ 305,813
2012	844,729	108.1%	383,783
2011	809,490	116.9%	452,054

D. Other Post-Employment Benefits Plan

1. Plan Description

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

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

IV. OTHER INFORMATION (CONTINUED)

D. Other Post-Employment Benefits Plan (Continued)

2. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting

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

3. Benefit Provisions

a. Benefit Provisions

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

b. Employer Contributions

The Town's contributions are actuarially determined on an annual basis using the projected unit credit method. The Town and Board of Education's total plan contributions were \$607,716 and \$181,447, respectively.

c. Employee Contributions

There are no employee contributions to the plans.

4. Funded Status and Funding Progress

The funded status of the plan as of July 1, 2012 was as follows:

	(A) ACTUARIAL VALUATION DATE	(A) ACTUARIAL VALUE OF ASSETS	(B) ACTUARIAL ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	(A-B) OVER (UNDER) FUNDED AAL	(A/B) FUNDED AAL RATIO	(C) COVERED PAYROLL	[(A-B)/C] OVER (UNDER) FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
TOWN							
JULY 1, 2012	\$	85,194	\$15,644,587	\$(15,559,393)	.5%	\$2,243,618	(693.5%)
BOARD OF EDUCATION							
JULY 1, 2012	\$	-	\$ 5,308,995	\$(5,308,995)	0%	\$7,241,489	(73.3%)

IV. OTHER INFORMATION (CONTINUED)**D. Other Post-Employment Benefits Plan (Continued)****4. Funded Status and Funding Progress (Continued)**

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

5. Actuarial Methods and Assumptions

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

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

Valuation Date	July 1, 2012
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Dollar
Remaining Amortization Period	28 years open
Asset Valuation Method	Fair Value

Actuarial Assumptions:

Investment rate of return - Town	5.33%
Investment rate of return - Board of Education	4.5%
Healthcare cost trend rate:	
Initial	8.5%
Ultimate	4.5%
Inflation rate:	3%

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

IV. OTHER INFORMATION (CONTINUED)

D. Other Post-Employment Benefits Plan (Continued)

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

The changes in the NOO were as follows:

	<u>TOWN</u>	<u>BOARD OF EDUCATION</u>
Annual required contribution	\$ 1,225,729	\$ 434,272
Interest on net OPEB obligation	114,455	61,933
Adjustment to annual required contribution.....	<u>(102,351)</u>	<u>(58,662)</u>
Annual OPEB cost.....	1,237,833	437,543
Contributions made	<u>(607,716)</u>	<u>(181,447)</u>
Change in net OPEB obligation.....	630,117	256,096
Net OPEB obligation - July 1, 2012.....	<u>2,147,377</u>	<u>1,376,292</u>
Net OPEB obligation - June 30, 2013	<u>\$ 2,777,494</u>	<u>\$ 1,632,388</u>

7. Three Year Trend Information

YEAR ENDING JUNE 30	ANNUAL OPEB COST (AOC)	PERCENTAGE OF AOC CONTRIBUTED	NET OPEB OBLIGATION
TOWN			
2013	\$1,237,833	49.1%	\$2,777,494
2012	1,068,018	48.1%	2,147,377
2011	1,051,904	55.4%	1,593,555
BOARD OF EDUCATION			
2013	\$ 437,543	41.5%	\$1,632,388
2012	498,303	32.0%	1,376,292
2011	516,622	31.8%	1,037,672

E. On-Behalf Payments

The amount recognized in the general fund intergovernmental revenues and education expenditures for contributions made by the State to the State Teachers' Retirement Plan was \$1,364,919.

**Required
Supplementary
Information**

TOWN OF THOMASTON, CONNECTICUTREQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESSTHOMASTON RETIREMENT SYSTEM

ACTUARIAL VALUATION DATE JANUARY 1,	A ACTUARIAL VALUE OF ASSETS	B ACTUARIAL ACCRUED LIABILITY (AAL) ENTRY AGE NORMAL	(A-B) OVER (UNDER) FUNDED AAL	(A/B) FUNDED AAL RATIO	C COVERED PAYROLL	[(A-B)/C] OVER/UNDER FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
2008	\$ 9,386,277	\$ 13,131,823	\$ (3,745,546)	71.5%	\$ 4,158,634	-(90.1)%
2009	9,645,552	14,817,407	(5,171,855)	65.1%	4,311,802	-(119.9)%
2010	10,231,764	15,753,396	(5,521,632)	64.9%	4,122,857	-(133.9)%
2011	10,908,008	16,280,934	(5,372,926)	67.0%	3,838,262	-(140.0)%
2012	11,432,230	17,148,240	(5,716,010)	66.7%	3,805,200	-(150.2)%
2013	12,055,451	17,942,090	(5,886,639)	67.2%	3,381,120	-(174.1)%

THOMASTON OPEB PLANSTOWN PLAN

ACTUARIAL VALUATION DATE JULY 1,	A ACTUARIAL VALUE OF ASSETS	B ACTUARIAL ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	(A-B) OVER (UNDER) FUNDED AAL	(A/B) FUNDED AAL RATIO	C COVERED PAYROLL	[(A-B)/C] OVER/UNDER FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
2008	\$	\$ 13,728,986	\$ (13,728,986)	0.0%	\$ 2,712,895	-(506.1)%
2009		14,302,699	(14,302,699)	0.0%	2,794,282	-(511.9)%
2010		12,662,763	(12,662,763)	0.0%	2,330,960	-(543.2)%
2011	82,105	12,841,107	(12,759,002)	0.6%	2,400,858	-(531.4)%
2012	85,194	15,644,587	(15,559,393)	0.5%	2,243,618	-(693.5)%

BOARD OF EDUCATION PLAN

ACTUARIAL VALUATION DATE JULY 1,	A ACTUARIAL VALUE OF ASSETS	B ACTUARIAL ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	(A-B) OVER (UNDER) FUNDED AAL	(A/B) FUNDED AAL RATIO	C COVERED PAYROLL	[(A-B)/C] OVER/UNDER FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
2008	\$	\$ 5,038,876	\$ (5,038,876)	0.0%	\$ 7,644,964	-(65.9)%
2009		5,382,969	(5,382,969)	0.0%	7,874,313	-(68.4)%
2010		5,278,926	(5,278,926)	0.0%	7,617,924	-(69.3)%
2011		5,153,488	(5,153,488)	0.0%	7,846,462	-(65.7)%
2012		5,308,995	(5,308,995)	0.0%	7,241,489	-(73.3)%

TOWN OF THOMASTON, CONNECTICUTREQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF EMPLOYER CONTRIBUTIONS**THOMASTON RETIREMENT SYSTEM**

ACTUARIAL VALUATION DATE JANUARY 1,	ANNUAL REQUIRED CONTRIBUTIONS	ACTUAL CONTRIBUTIONS	PERCENTAGE CONTRIBUTED
2008	\$ 703,728	\$ 719,078	102.2%
2009	880,798	753,078	85.5%
2010	882,428	1,015,078	115.0%
2011	820,223	946,555	115.4%
2012	852,964	913,000	107.0%
2013	824,021	895,000	108.6%

THOMASTON OPEB PLANS**TOWN PLAN**

ACTUARIAL VALUATION DATE JULY 1,	ANNUAL REQUIRED CONTRIBUTIONS	ACTUAL CONTRIBUTIONS	PERCENTAGE CONTRIBUTED
2008	\$ 1,026,727	\$ 475,073	46.3%
2009	1,071,050	499,864	46.7%
2010	1,045,568	582,499	55.7%
2011	1,059,036	514,196	48.6%
2012	1,225,729	607,716	49.6%

BOARD OF EDUCATION PLAN

ACTUARIAL VALUATION DATE JULY 1,	ANNUAL REQUIRED CONTRIBUTIONS	ACTUAL CONTRIBUTIONS	PERCENTAGE CONTRIBUTED
2008	\$ 507,023	\$ 171,098	33.7%
2009	534,839	186,177	34.8%
2010	514,993	164,335	31.9%
2011	495,837	159,683	32.2%
2012	434,272	181,447	41.8%

Supplemental Schedules

General Fund

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

TOWN OF THOMASTON, CONNECTICUT

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
PROPERTY TAXES:				
Taxes.....	\$ 16,790,987	\$ 16,790,987	\$ 17,336,819	\$ 545,832
Prior year taxes.....	315,000	315,000	376,073	61,073
Interest and lien fees.....	190,000	190,000	189,582	(418)
Housing authority in lieu of taxes.....	14,000	14,000	15,924	1,924
Telecommunications property tax.....	28,000	28,000	24,908	(3,092)
TOTAL PROPERTY TAXES.....	17,337,987	17,337,987	17,943,306	605,319
CHARGES FOR SERVICES:				
Building permits.....	30,000	30,000	42,881	12,881
Conveyance tax.....	28,000	28,000	34,293	6,293
Special duty police reimbursements.....	36,000	36,000	25,765	(10,235)
Accident reports.....	285	285	66	(219)
Gun permits.....	2,000	2,000	2,000	-
Vendor permits.....	300	300	270	(30)
Zoning and land use fees.....	8,500	8,500	5,879	(2,621)
Minibus fares.....	700	700	596	(104)
Recreation - Nystroms.....	5,500	5,500	3,500	(2,000)
CGS 51-56a (d) Police ticket revenue sharing.....	2,500	2,500	835	(1,665)
Other licenses, fees and permits.....	200	200	553	353
Fingerprinting.....	200	200		(200)
Town of Litchfield - Sewer upgrade.....	8,867	8,867	8,868	1
Dam patrol.....	15,966	15,966	16,685	719
False alarms.....	300	300		(300)
Parking fines.....			1,275	1,275
Dog fines and fees.....	3,500	3,500	6,529	3,029
Rent of Tower.....	71,284	71,284	74,944	3,660
Rent of Opera House.....	15,000	15,000	15,000	-
PA 09-229 LOCIP project funding.....			4,737	4,737
TOTAL CHARGES FOR SERVICES.....	229,102	229,102	244,676	15,574
INTERGOVERNMENTAL:				
Property tax relief - state owned property.....	29,123	29,123	29,810	687
Property tax relief - elderly freeze.....	2,000	2,000	2,000	-
Property tax relief - circuit breaker.....	69,092	69,092	56,706	(12,386)
Property tax relief - Veterans' exemption.....	11,008	11,008	6,613	(4,395)
Property tax relief - Mfg's machinery & equipment..	315,229	315,229	313,747	(1,482)
Property tax relief - totally disabled.....	675	675	822	147
Property tax relief.....	107,539	107,539	57,471	(50,068)
Federal PILOT - land authorization.....	508	508	1,414	906
LOCIP.....	55,537	55,537	55,537	-
Education cost sharing.....	5,712,479	5,712,479	5,685,133	(27,346)
School construction grants.....	166,441	166,441	182,954	16,513
School transportation.....	60,242	60,242	60,478	236
Special education excess.....			54,008	54,008
Boating safety.....	915	915		(915)
Mashantucket Pequot.....	42,609	42,609	41,368	(1,241)
Town Aid Road.....	112,591	112,591	112,399	(192)
Municipal Video Grant.....			29,246	29,246
FEMA Public Assistance.....	26,000	26,000	50,305	24,305
TOTAL INTERGOVERNMENTAL.....	6,711,988	6,711,988	6,740,011	28,023

(Continued)

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

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
INCOME FROM INVESTMENTS.....	\$ 25,000	\$ 25,000	\$ 5,262	\$ (19,738)
OTHER REVENUES:				
Miscellaneous.....	19,697	19,697	21,345	1,648
TOTAL REVENUES.....	24,323,774	24,323,774	24,954,600	630,826
OTHER FINANCING SOURCES:				
Appropriation of fund balance.....	84,533	259,533		(259,533)
Transfers in:				
EMS Fund.....	15,000	15,000	15,000	-
Capital projects.....			5,310	5,310
Total Transfers in.....	15,000	15,000	20,310	5,310
TOTAL OTHER FINANCING SOURCES.....	99,533	274,533	20,310	(254,223)
TOTAL REVENUES AND OTHER FINANCING SOURCES.....	\$ 24,423,307	\$ 24,598,307	\$ 24,974,910	\$ 376,603

(Concluded)

TOWN OF THOMASTON, CONNECTICUT

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
GENERAL GOVERNMENT:				
Board of Selectmen.....	\$ 105,226	\$ 106,666	\$ 106,435	\$ 231
Elections.....	19,450	20,824	20,824	-
Board of Finance.....	1,800	1,800	1,539	261
Treasurer.....	175,322	175,322	170,092	5,230
Computer information systems.....	37,570	37,570	27,578	9,992
Independent audit.....	50,775	50,775	46,775	4,000
Legal.....	90,000	93,394	93,394	-
Tax collector.....	107,376	107,376	104,002	3,374
Tax assessor.....	113,438	113,438	112,463	975
Board of Assessment Appeals.....	3,200	3,200	3,000	200
Insurance.....	352,873	352,873	334,601	18,272
Town Hall operations and maintenance.....	235,764	200,152	200,152	-
Town Clerk.....	49,844	51,609	51,609	-
Probate court.....	4,298	4,298	4,298	-
Social security.....	214,745	214,745	198,825	15,920
Unemployment expense.....		3,196	3,196	-
Pension - Town employees.....	613,381	613,381	578,543	34,838
Pension - Volunteer Firefighters and Ambulance...	113,200	113,200	105,295	7,905
Medical / life insurance.....	638,833	638,833	612,030	26,803
Retirees medical insurance.....	561,234	561,234	495,478	65,756
Council of governments.....	3,368	3,368	3,368	-
CT Conference of Municipalities.....	4,943	4,943	4,894	49
Contingency.....	100,000			-
TOTAL GENERAL GOVERNMENT.....	3,596,640	3,472,197	3,278,391	193,806
PUBLIC SAFETY:				
Police.....	923,774	923,774	921,160	2,614
Communications and dispatch.....	233,954	261,121	261,121	-
Fire protection.....	135,274	138,853	138,853	-
Fire marshal.....	22,050	22,220	22,220	-
Ambulance.....	56,000	56,921	56,921	-
Tree removal.....	6,000	6,000	5,285	715
Animal control.....	52,881	80,863	80,863	-
TOTAL PUBLIC SAFETY.....	1,429,933	1,489,752	1,486,423	3,329
PUBLIC WORKS:				
Highways.....	537,000	528,503	489,112	39,391
Town Aid Road.....	112,817	117,069	117,069	-
Snow and ice removal.....	141,000	149,361	149,361	-
Street lighting.....	68,000	68,000	63,242	4,758
Fire hydrants.....	164,905	166,451	166,451	-
Solid waste and recycling.....	477,435	477,435	444,841	32,594
Groundwater remediation.....	25,500	25,500	20,861	4,639
TOTAL PUBLIC WORKS.....	1,526,657	1,532,319	1,450,937	81,382
HEALTH AND WELFARE:				
Medical services.....	7,119	7,119	4,362	2,757
Torrington Area Health District.....	37,645	37,645	37,645	-
Northwest Regional Mental Health Board.....	868	868	868	-
Social services.....	720	720	445	275
Elderly nutrition.....	3,737	3,737	3,737	-
Susan B. Anthony project.....	1,500	1,500	1,500	-
Minibus.....	15,064	15,064	11,504	3,560
Veterans' administration.....	1,000	1,000	1,000	-
TOTAL HEALTH AND WELFARE.....	67,653	67,653	61,061	6,592

(Continued)

SCHEDULE 2
(2 of 2)

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

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
CULTURE AND RECREATION:				
Recreation programs.....	\$ 79,139	\$ 79,139	\$ 79,139	\$ -
Memorial Day.....	1,500	1,500	1,500	-
Nystroms Park.....	12,500	12,500	12,500	-
Public Library.....	299,721	305,471	305,471	-
TOTAL CULTURE AND RECREATION.....	392,860	398,610	398,610	-
HOUSING AND DEVELOPMENT:				
Conservation Commission.....	1,795	1,795	1,795	-
Economic Development Commission.....	400	400	116	284
Housing, Land Use and Development.....	120,890	120,890	91,759	29,131
TOTAL HOUSING AND DEVELOPMENT.....	123,085	123,085	93,670	29,415
EDUCATION.....	14,337,660	14,337,660	14,337,660	-
TOTAL EXPENDITURES.....	21,474,488	21,421,276	21,106,752	314,524
OTHER FINANCING USES:				
Transfers out:				
Debt Service Fund.....	2,800,000	2,800,000	2,800,000	-
Hillside Cemetery Trust Fund.....	26,000	26,000	26,000	-
Capital or Nonrecurring	116,975	345,187	345,187	-
Seth Thomas/Bradstreet House.....	5,844	5,844	5,844	-
TOTAL OTHER FINANCING USES.....	2,948,819	3,177,031	3,177,031	-
TOTAL EXPENDITURES AND OTHER FINANCING USES.....	\$ 24,423,307	\$ 24,598,307	\$ 24,283,783	\$ 314,524

(Concluded)

TOWN OF THOMASTON, CONNECTICUT

GENERAL FUND
REPORT OF TAX COLLECTOR
YEAR ENDED JUNE 30, 2013

GRAND LIST YEAR	UNCOLLECTED TAXES JULY 1, 2012	CURRENT YEAR LEVY	LAWFUL CORRECTIONS		TRANSFERS TO SUSPENSE	ADJUSTED TAXES COLLECTIBLE	COLLECTIONS				UNCOLLECTED TAXES JUNE 30, 2013	
			ADDITIONS	DEDUCTIONS			TAXES	OVER-PAYMENTS & SUSPENSE	NET TAXES COLLECTED	INTEREST & LIENS		TOTAL
1997	-	\$	\$	\$	\$	\$ -	\$ 92	\$ 92	\$ -	\$ 28	\$ 28	\$ -
1999	276					276			-		-	276
2001	59,202					59,202	59,967	765	59,202	20,615	79,817	-
2002	73,931					73,499	1,063		1,063	3,530	4,593	72,436
2003	81,188					81,073	429		429	512	941	80,644
2004	19,556			120		19,436	2,620		2,620	1,737	4,357	16,816
2005	32,633					32,633	5,705	125	5,580	4,127	9,707	27,053
2006	44,101					31,606	7,113	22	7,091	6,943	14,034	24,515
2007	66,639			101		17,453	14,169	109	14,060	3,158	17,218	35,025
2008	76,863			142		13,512	23,342	129	23,213	11,288	34,501	39,996
2009	102,730		531	9,516	5,701	88,044	56,113	110	56,003	19,767	75,770	32,041
2010	301,808		2,771	16,603	5,808	282,168	210,999	1,029	209,970	39,512	249,482	72,198
Total Prior Years	858,927	-	3,302	26,482	55,516	780,231	381,612	2,381	379,231	111,217	490,448	401,000
2011		17,771,192	69,789	195,295	613	17,645,073	17,377,707	12,766	17,364,941	78,363	17,443,304	280,132
TOTAL	\$ 858,927	\$ 17,771,192	\$ 73,091	\$ 221,777	\$ 56,129	\$ 18,425,304	\$ 17,759,319	\$ 15,147	\$ 17,744,172	\$ 189,580	\$ 17,933,752	\$ 681,132

Nonmajor Governmental Funds

Special Revenue Funds

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

Sewer Commission Usage Fund

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

Sewer Commission Assessment & Appropriation Fund

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

School Lunch Fund

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

Education Grant Fund

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

Town Clerk Preservation Fund

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

Transfer Station Fund

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

Fire Marshal Fund

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

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

Special Revenue Funds (Continued)

Neighborhood Assistance Program

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

Thomaston Opera House

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

Public Library

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

Recreation Fund

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

Public Safety

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

Gift Fund

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

Social Services Crisis Fund

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

EMS Fund

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

Capital Project Funds

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

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

Permanent Funds

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

Edith Kenea Park and Tree Fund

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

Fire Department Trust Fund

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

Hillside Cemetery Trust Fund

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

TOWN OF THOMASTON, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

SPECIAL REVENUE FUNDS

	SEWER COMMISSION USAGE FUND	SEWER COMMISSION ASSESSMENT & APPROPRIATION FUND	SCHOOL LUNCH FUND	EDUCATION GRANT FUND	TOWN CLERK PRESERVATION FUND	TRANSFER STATION FUND	FIRE MARSHAL FUND	NEIGHBORHOOD ASSISTANCE PROGRAM	THOMASTON OPERA HOUSE	PUBLIC LIBRARY	RECREATION FUND
<u>ASSETS</u>											
Cash.....	\$ 80	\$ 13,755	\$ 10,198	\$ 98,710	\$ 5,527	\$	\$ 839	\$ 804	\$ 3,979	\$ 13,595	\$
Investments.....		159,567				29,542					
Receivables:											
Assessments/use charges.....	247,998										
Intergovernmental.....			24,822								
Other.....				383							
Due from other funds.....			1,807								19,378
Other assets.....			16,201								
TOTAL ASSETS.....	\$ 248,078	\$ 173,322	\$ 53,028	\$ 99,093	\$ 5,527	\$ 29,542	\$ 839	\$ 804	\$ 3,979	\$ 13,595	\$ 19,378
<u>LIABILITIES</u>											
Accounts payable.....	\$ 38,111	\$	\$ 725	\$ 72,037	\$	\$ 1,033	\$	\$	\$ 1,000	\$	\$ 2,148
Accrued payroll.....	7,259										
Due to other funds.....	50,946		65,599	1,807		42,389			205,696		
Unearned revenue.....				19,306		8,344					
TOTAL LIABILITIES.....	96,316	-	66,324	93,150	-	51,766	-	-	206,696	-	2,148
<u>DEFERRED INFLOWS OF RESOURCES</u>											
Unavailable revenue - sewer charges.....	224,794										
<u>FUND BALANCES</u>											
Nonspendable.....											
Restricted.....		173,322			5,527					13,595	
Committed.....							839	804			17,230
Assigned.....				5,943							
Unassigned.....	(73,032)		(13,296)			(22,224)			(202,717)		
TOTAL FUND BALANCES.....	(73,032)	173,322	(13,296)	5,943	5,527	(22,224)	839	804	(202,717)	13,595	17,230
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES.....	\$ 248,078	\$ 173,322	\$ 53,028	\$ 99,093	\$ 5,527	\$ 29,542	\$ 839	\$ 804	\$ 3,979	\$ 13,595	\$ 19,378

TOWN OF THOMASTON, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

	SPECIAL REVENUE FUNDS				CAPITAL PROJECTS	PERMANENT FUNDS				TOTAL NONMAJOR GOVERNMENTAL FUNDS
	PUBLIC SAFETY	GIFT FUND	SOCIAL SERVICES CRISIS FUND	EMS FUND	TOTAL SPECIAL REVENUE FUNDS	EDITH KENEAN PARK AND TREE FUND	FIRE DEPARTMENT TRUST FUND	HILLSIDE CEMETERY TRUST FUND	TOTAL PERMANENT FUNDS	
ASSETS										
Cash.....	\$ 31	\$ 4,136	\$ 2,255	\$	\$ 153,909	\$ 86,847	\$	\$ 17,973	\$ 17,973	\$ 258,729
Investments.....	25,694		146	144,783	359,732	238,263	92,715	16,265	483,710	1,190,685
Receivables:										
Assessments/use charges.....					247,998					247,998
Intergovernmental.....					24,822					24,822
Other.....				42,000	42,383					42,383
Due from other funds.....		250			21,435	31,154	49		49	52,638
Other assets.....					16,201					16,201
TOTAL ASSETS.....	\$ 25,725	\$ 4,386	\$ 2,401	\$ 186,783	\$ 866,480	\$ 356,264	\$ 92,764	\$ 16,265	\$ 501,683	\$ 1,833,456
LIABILITIES										
Accounts payable.....	\$	\$	\$	\$	\$ 115,054	\$ 588	\$	\$ 309	\$ 309	\$ 115,951
Accrued payroll.....					7,259			540	540	7,799
Due to other funds.....				76,903	443,340	1,604		52,171	52,171	497,115
Unearned revenue.....					27,650					27,650
TOTAL LIABILITIES.....	-	-	-	76,903	593,303	2,192	-	-	53,020	648,515
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenue - sewer charges.....					224,794					224,794
FUND BALANCES										
Nonspendable.....					-		80,000	15,700	104,500	200,200
Restricted.....		4,386	2,401	58,365	257,596		12,764	565	71,570	342,495
Committed.....					18,873	354,072			272,593	645,538
Assigned.....	25,725				31,668					31,668
Unassigned.....				51,515	(259,754)					(259,754)
TOTAL FUND BALANCES.....	25,725	4,386	2,401	109,880	48,383	354,072	92,764	16,265	448,663	960,147
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE:	\$ 25,725	\$ 4,386	\$ 2,401	\$ 186,783	\$ 866,480	\$ 356,264	\$ 92,764	\$ 16,265	\$ 501,683	\$ 1,833,456

(Concluded)

TOWN OF THOMASTON, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013

	SPECIAL REVENUE FUNDS										
	SEWER COMMISSION USAGE FUND	SEWER COMMISSION ASSESSMENT & APPROPRIATION FUND	SCHOOL LUNCH FUND	EDUCATION GRANT FUND	TOWN CLERK PRESERVATION FUND	TRANSFER STATION FUND	FIRE MARSHAL FUND	NEIGHBORHOOD ASSISTANCE PROGRAM	THOMASTON OPERA HOUSE	PUBLIC LIBRARY	RECREATION FUND
REVENUES:											
Charges for services.....	\$ 1,124,668	\$ 9,000	\$ 221,288	\$	\$ 3,136	\$ 24,113	\$ 470	\$	\$	\$	\$ 45,744
Intergovernmental.....			159,149	1,220,773	4,000					5,991	
Contributions.....				35,251						25,248	
Income from investments.....		1,044			5	33	1	1	570		
Other.....									35		
TOTAL REVENUES.....	1,124,668	10,044	380,437	1,256,024	7,141	24,146	471	1	605	31,239	45,744
EXPENDITURES:											
Current:											
General government.....					4,716						
Public safety.....							333				
Public works.....	1,118,038	4,925				24,596					
Culture and recreation.....								498		37,777	40,933
Education.....			403,312	1,255,855							
Capital outlay.....								28,661			
TOTAL EXPENDITURES.....	1,118,038	4,925	403,312	1,255,855	4,716	24,596	333	-	29,159	37,777	40,933
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	6,630	5,119	(22,875)	169	2,425	(450)	138	1	(28,554)	(6,538)	4,811
OTHER FINANCING SOURCES (USES):											
Transfers in.....											
Transfers out.....	(50,000)										
NET OTHER FINANCING SOURCES (USES).....	(50,000)	-	-	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES.....	(43,370)	5,119	(22,875)	169	2,425	(450)	138	1	(28,554)	(6,538)	4,811
FUND BALANCES, JULY 1, 2012.....	(29,662)	168,203	9,579	5,774	3,102	(21,774)	701	803	(174,163)	20,133	12,419
FUND BALANCES, JUNE 30, 2013.....	\$ (73,032)	\$ 173,322	\$ (13,296)	\$ 5,943	\$ 5,527	\$ (22,224)	\$ 839	\$ 804	\$ (202,717)	\$ 13,595	\$ 17,230

(Continued)

TOWN OF THOMASTON, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013

	SPECIAL REVENUE FUNDS				CAPITAL PROJECTS	PERMANENT FUNDS				TOTAL PERMANENT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	PUBLIC SAFETY	GIFT FUND	SOCIAL SERVICES CRISIS FUND	EMS FUND	TOTAL SPECIAL REVENUE FUNDS	CAPITAL PROJECTS	EDITH KENEA PARK AND TREE FUND	FIRE DEPARTMENT TRUST FUND	HILLSIDE CEMETERY TRUST FUND		
REVENUES:											
Charges for services.....	\$	\$	\$	\$ 76,188	\$ 1,504,607	\$ 32,708	\$	\$	\$ 21,654	\$ 21,654	\$ 1,558,969
Intergovernmental.....					1,389,913	2,129				-	1,392,042
Contributions.....		151	8,985		70,205		500		600	1,100	71,305
Income from investments.....	46	5	7	214	1,391	664	138	141	38,650	38,929	40,984
Other.....		1,200			1,200						1,200
TOTAL REVENUES.....	46	1,356	8,992	76,402	2,967,316	35,501	638	141	60,904	61,683	3,064,500
EXPENDITURES:											
Current:											
General government.....					4,716					-	4,716
Public safety.....	8,972			8,903	18,208					-	18,208
Public works.....					1,147,559	24,924				-	1,172,483
Health and welfare.....			11,770		11,770				53,565	53,565	65,335
Culture and recreation.....					79,208	4,555	222			222	83,985
Education.....					1,659,167					-	1,659,167
Capital outlay.....					28,661				8,159	8,159	36,820
TOTAL EXPENDITURES.....	8,972	-	11,770	8,903	2,949,289	29,479	222	-	61,724	61,946	3,040,714
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(8,926)	1,356	(2,778)	67,499	18,027	6,022	416	141	(820)	(263)	23,786
OTHER FINANCING SOURCES (USES):											
Transfers in.....					-	55,844			26,000	26,000	81,844
Transfers out.....				(15,000)	(65,000)	(5,310)			-	-	(70,310)
NET OTHER FINANCING SOURCES (USES).....	-	-	-	(15,000)	(65,000)	50,534	-	-	26,000	26,000	11,534
NET CHANGE IN FUND BALANCES.....	(8,926)	1,356	(2,778)	52,499	(46,973)	56,556	416	141	25,180	25,737	35,320
FUND BALANCES, JULY 1, 2012.....	34,651	3,030	5,179	57,381	95,356	297,516	92,348	16,124	423,483	531,955	924,827
FUND BALANCES, JUNE 30, 2013.....	\$ 25,725	\$ 4,386	\$ 2,401	#####	\$ 48,383	\$ 354,072	\$ 92,764	\$ 16,265	\$ 448,663	\$ 557,692	\$ 960,147

(Concluded)

TOWN OF THOMASTON, CONNECTICUT

SEWER COMMISSION USAGE FUND
 SCHEDULE OF SEWER USE CHARGES RECEIVABLE
 YEAR ENDED JUNE 30, 2013

FISCAL YEAR	UNCOLLECTED BALANCE JULY 1, 2012	CURRENT YEAR BILLING	CORRECTIONS		ADJUSTED USER CHARGES COLLECTIBLE	COLLECTIONS			UNCOLLECTED BALANCE JUNE 30, 2013
			ADDITIONS	DEDUCTIONS		USE CHARGES	INTEREST & LIENS	TOTAL	
1998	\$ 33	\$	\$	\$	\$ 33	\$ 33	\$ 100	\$ 133	\$ -
1999	185				185	185	460	645	-
2000	185				185	185	426	611	-
2001	200				200	200	423	623	-
2002	400				400	200	387	587	200
2003	400				400	200	351	551	200
2004	705				705	235	366	601	470
2005	839				839	234	324	558	605
2006	2,211				2,211	664	619	1,283	1,547
2007	8,251				8,251	4,419	4,033	8,452	3,832
2008	17,493				17,493	7,553	6,150	13,703	9,940
2009	32,381				32,381	11,189	6,834	18,023	21,192
2010	59,545		312		59,857	25,930	11,163	37,093	33,927
2011	155,049		315	623	154,741	97,947	13,811	111,758	56,794
Total Prior Years	277,877	-	627	623	277,881	149,174	45,447	194,621	128,707
2012		1,091,939	650	10,990	1,081,599	962,308	7,542	969,850	119,291
TOTAL	\$ 277,877	\$ 1,091,939	\$ 1,277	\$ 11,613	\$ 1,359,480	\$ 1,111,482	\$ 52,989	\$ 1,164,471	\$ 247,998

Fiduciary Funds

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

Pension Trust Fund

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

OPEB Trust Fund

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

Private-Purpose Trust Funds

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

Leander Smith Award

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

Peppie Wagner Fund

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

Seth Thomas Prize Fund

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

Agency Funds

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

FIDUCIARY FUNDS (CONTINUED)

Agency Funds (Continued)

School Activities Fund

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

High School Athletic Council

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

Athletic Pay to Participate

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

Public School Internal Account

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

Public Library Staff Fund

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

Join Against Insensible Lawlessness

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

Class Reunions

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

Christmas Lights Fund

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

Police Recreation and Educational Fund

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

Railroad Museum Commission

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

FIDUCIARY FUNDS (CONTINUED)

Agency Funds (Continued)

Recreation Commission

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

Thomaston Police Explorers

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

Car Show

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

TRIAD

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

Christmas Committee

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

Noah Rogozinski Playground Fund

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

Tri-centennial Committee

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

TOWN OF THOMASTON, CONNECTICUT

PRIVATE-PURPOSE TRUST FUNDS
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2013

	LEANDER SMITH AWARD	PEPPIE WAGNER FUND	SETH THOMAS PRIZE FUND	TOTAL
<u>ASSETS</u>				
Cash.....	\$	\$ 1,263	\$	\$ 1,263
Investments:				
Certificates of deposit.....	5,657		1,034	6,691
TOTAL ASSETS.....	5,657	1,263	1,034	7,954
<u>NET POSITION</u>				
Net Position Held in Trust.....	\$ 5,657	\$ 1,263	\$ 1,034	\$ 7,954

TOWN OF THOMASTON, CONNECTICUT

PRIVATE-PURPOSE TRUST FUNDS
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 YEAR ENDED JUNE 30, 2013

	LEANDER SMITH AWARD	PEPPIE WAGNER FUND	SETH THOMAS PRIZE FUND	TOTAL
ADDITIONS:				
Income from investments.....	\$ 25	\$ 2	\$ 8	35
NET POSITION, JULY 1, 2012.....	5,632	1,261	1,026	7,919
NET POSITION, JUNE 30, 2013.....	<u>\$ 5,657</u>	<u>\$ 1,263</u>	<u>\$ 1,034</u>	<u>\$ 7,954</u>

TOWN OF THOMASTON, CONNECTICUT

AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 YEAR ENDED JUNE 30, 2013

	BALANCE JULY 1, 2012	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2013
<u>ASSETS</u>				
CASH:				
School Activities Fund.....	\$ 99,318	\$ 96,175	\$ 101,418	\$ 94,075
High School Athletic Council.....	434	80,541	79,655	1,320
Athletics Pay to Participate.....	18,873	8,374	9,100	18,147
Public School Internal Account.....	75,277	93,167	86,260	82,184
Public Library Staff Fund.....	2,289	3,980	4,607	1,662
Join Against Insensible Lawlessness.....	5,313	8	5	5,316
Class Reunions.....	917	1	60	858
Christmas Lights Fund.....	17,415	9,424	9,627	17,212
Police Recreation and Educational Fund.....	176	4,101	29	4,248
Railroad Museum Commission.....	2,686	604	126	3,164
Recreation Commission.....	3,383	67,564	55,961	14,986
Thomaston Police Explorers.....	2,112	1,466	2,073	1,505
Car Show.....	25,169	11,651	9,286	27,534
TRIAD.....	1,814	2		1,816
Christmas Committee.....	6,804	2,161	976	7,989
Noah Rogozinski Playground Fund.....	13,429	18	1,639	11,808
TOTAL CASH.....	275,409	379,237	360,822	293,824
INVESTMENTS:				
Tri-centennial Committee.....	4,070	85		4,155
TOTAL ASSETS.....	\$ 279,479	\$ 379,322	\$ 360,822	\$ 297,979
<u>LIABILITIES</u>				
ACCOUNTS PAYABLE:				
School Activities Fund.....	\$ 99,318	\$ 96,175	\$ 101,418	\$ 94,075
High School Athletic Council.....	434	80,541	79,655	1,320
Athletics Pay to Participate.....	18,873	8,374	9,100	18,147
Public School Internal Account.....	75,277	93,167	86,260	82,184
Public Library Staff Fund.....	2,289	3,980	4,607	1,662
Join Against Insensible Lawlessness.....	5,313	8	5	5,316
Class Reunions.....	917	1	60	858
Christmas Lights Fund.....	17,415	9,424	9,627	17,212
Police Recreation and Educational Fund.....	176	4,101	29	4,248
Railroad Museum Commission.....	2,686	604	126	3,164
Recreation Commission.....	3,383	67,564	55,961	14,986
Thomaston Police Explorers.....	2,112	1,466	2,073	1,505
Car Show.....	25,169	11,651	9,286	27,534
TRIAD.....	1,814	2		1,816
Christmas Committee.....	6,804	2,161	976	7,989
Noah Rogozinski Playground Fund.....	13,429	18	1,639	11,808
Tri-centennial Committee.....	4,070	85		4,155
TOTAL LIABILITIES.....	\$ 279,479	\$ 379,322	\$ 360,822	\$ 297,979

Statistical Section

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

CONTENTS

FINANCIAL TRENDS (TABLES 1 - 4)

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

REVENUE CAPACITY (TABLES 5 - 7)

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

DEBT CAPACITY (TABLES 8 - 11)

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

DEMOGRAPHIC AND ECONOMIC INFORMATION (TABLES 12 - 13)

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

OPERATING INFORMATION (TABLES 14 - 16)

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

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

TABLE 1

TOWN OF THOMASTON, CONNECTICUT

**NET POSITION BY COMPONENT
LAST TEN YEARS (1)
(UNAUDITED)**

	FISCAL YEAR ENDED									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Net investment in capital assets.....	\$ 32,134,289	\$ 32,469,999	\$ 30,913,796	\$ 25,851,843	\$ 25,467,102	\$ 27,183,637	\$ 25,534,737	\$ 22,865,552	\$ 19,449,596	\$ 19,001,844
Restricted for:										
Endowments:										
Nonexpendable.....	95,700	95,700	95,700	200,200	200,200	200,200	200,200	200,200	200,200	200,200
Expendable.....	13,329	12,772	12,593	1,823	1,109	425	1,314	1,314	1,314	881
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	40,894						
Public safety.....	58,365	58,365	120,000	90,000	60,000	30,000				
Housing and development.....	317,089	233,177	183,905	212,196						
Debt service.....	173,322	168,203	189,889	237,002	211,000	217,229	212,929	204,139	201,489	196,614
Other.....	25,909	41,023	112,944	77,495						
Unrestricted.....	1,418,992	260,607	1,823,160	7,399,655	8,605,088	7,105,859	8,715,089	10,732,985	11,971,162	8,312,088
TOTAL NET POSITION.....	\$ 34,413,065	\$ 33,515,916	\$ 33,628,057	\$ 34,215,608	\$ 34,648,999	\$ 34,841,850	\$ 34,768,769	\$ 34,108,690	\$ 31,928,261	\$ 27,816,127

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

TOWN OF THOMASTON, CONNECTICUT

CHANGES IN NET POSITION
LAST TEN YEARS
(UNAUDITED)

	FISCAL YEAR ENDED									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
EXPENSES:										
General government.....	\$ 1,824,272	\$ 1,792,675	\$ 1,668,332	\$ 1,737,840	\$ 1,667,898	\$ 1,697,981	\$ 1,493,290	\$ 1,318,822	\$ 1,659,892	\$ 1,771,177
Public safety.....	2,425,896	2,645,588	2,350,689	2,429,014	2,403,832	2,205,660	2,252,002	2,313,428	1,943,257	2,200,339
Public works.....	4,590,427	4,264,949	4,297,830	4,258,496	4,345,216	3,953,285	3,785,089	3,695,376	3,346,625	3,145,912
Health and welfare.....	142,874	82,192	102,826	86,991	142,079	176,275	174,341	151,226	196,049	161,221
Culture and recreation.....	873,818	849,888	1,054,447	1,224,333	1,418,346	1,404,087	1,372,057	1,250,946	1,243,253	1,264,180
Housing and development.....	255,635	208,886	235,491	351,387	271,461	197,298	255,595	221,051	204,261	177,685
Education.....	18,236,951	17,893,897	18,141,755	17,516,144	17,620,403	19,045,383	16,011,966	14,937,047	13,624,717	13,126,941
Interest expense.....	695,454	1,011,416	655,789	777,173	718,142	760,841	823,502	868,833	713,760	667,065
TOTAL EXPENSES.....	29,045,327	28,749,491	28,507,159	28,381,378	28,587,377	29,440,810	26,167,842	24,756,729	22,931,814	22,514,520
PROGRAM REVENUES:										
Charges for services:										
General government.....	132,663	112,966	34,561	46,806	47,646	113,248	145,710	146,781	148,871	116,588
Public safety.....	144,636	178,532	157,914	148,106	158,988	130,819	198,027	81,746	37,524	46,711
Public works.....	1,207,400	1,174,669	1,167,243	1,155,344	1,161,218	1,154,767	1,108,832	882,825	1,038,705	690,400
Health and welfare.....	596	915	755	885	1,816	1,866	1,938	2,289	1,669	2,137
Culture and recreation.....	55,195	51,091	156,737	354,639	411,361	393,855	454,209	350,430	398,806	366,589
Housing and development.....	57,044	55,659	41,689	57,543	61,149	56,508	69,453	84,417	108,679	93,979
Education.....	221,288	243,921	273,660	297,431	330,850	312,213	328,342	332,542	331,359	306,863
Operating grants and contributions.....	9,515,488	8,860,269	8,342,648	8,437,791	8,348,877	10,403,236	6,813,623	6,590,309	6,156,094	5,850,910
Capital grants and contributions.....	299,942	386,186	564,196	311,838	715,950	555,629	307,086	1,863,703	3,743,257	954,076
TOTAL PROGRAM REVENUES.....	11,634,252	11,064,208	10,739,403	10,810,383	11,237,855	13,122,141	9,427,220	10,335,042	11,964,964	8,428,253
NET EXPENSES.....	(17,411,075)	(17,685,283)	(17,767,756)	(17,570,995)	(17,349,522)	(16,318,669)	(16,740,622)	(14,421,687)	(10,966,850)	(14,086,267)
GENERAL REVENUES:										
Property taxes.....	17,679,388	16,785,654	16,549,427	16,452,886	16,444,961	15,506,863	16,066,609	15,368,327	14,065,657	13,618,870
Grants and contributions not restricted to specific programs.....	509,956	691,072	457,793	500,552	514,848	399,510	779,885	742,520	748,179	723,029
Investment income.....	47,706	49,314	89,062	90,133	89,454	228,647	520,009	438,209	200,395	108,929
Miscellaneous.....	71,174	47,102	83,923	94,033	107,408	256,730	34,198	53,060	64,753	16,225
TOTAL GENERAL REVENUES.....	18,308,224	17,573,142	17,180,205	17,137,604	17,156,671	16,391,750	17,400,701	16,602,116	15,078,984	14,467,053
CHANGE IN NET POSITION.....	\$ 897,149	\$ (112,141)	\$ (587,551)	\$ (433,391)	\$ (192,851)	\$ 73,081	\$ 660,079	\$ 2,180,429	\$ 4,112,134	\$ 380,786

TABLE 3

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

	FISCAL YEAR ENDED JUNE 30									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
GENERAL FUND:										
Nonspendable.....	\$	\$	\$ 250,932	\$	\$	\$	\$	\$	\$	\$
Committed.....										75,000
Assigned.....	315,000	84,533	153,207	350,000	273,000	250,000	1,185,800	587,800	670,000	865,000
Unassigned.....	2,701,438	2,240,778	1,766,537	1,626,920	1,554,869	1,743,007	1,553,554	2,384,337	1,741,694	1,460,002
TOTAL GENERAL FUND.....	3,016,438	2,325,311	2,170,676	1,976,920	1,827,869	1,993,007	2,739,354	2,972,137	2,411,694	2,400,002
ALL OTHER GOVERNMENTAL FUNDS:										
Nonspendable.....	1,305,819	1,306,788	1,366,650	1,303,437	1,351,772	1,326,688	1,326,955	1,364,569	1,385,347	1,567,453
Restricted.....	659,584	585,110	690,901	573,765	728,726	1,252,866	964,020	615,319	2,159,884	8,075,582
Committed.....	2,520,150	558,852	3,047,788	5,578,523	780,549	899,188	919,398	850,968	875,797	718,380
Assigned.....	1,179,720	363,589	309,413	112,784						
Unassigned.....	(2,505,405)	(1,980,505)	(179,998)	203,085	(488,523)	1,137,653	2,240,330	3,970,335	3,739,578	(6,002,086)
TOTAL ALL OTHER GOVERNMENTAL FUNDS	3,159,868	833,834	5,234,754	7,771,594	2,372,524	4,616,395	5,450,703	6,801,191	8,160,606	4,359,329
GRAND TOTAL.....	\$ 6,176,306	\$ 3,159,145	\$ 7,405,430	\$ 9,748,514	\$ 4,200,393	\$ 6,609,402	\$ 8,190,057	\$ 9,773,328	\$ 10,572,300	\$ 6,759,331

TOWN OF THOMASTON, CONNECTICUT

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(UNAUDITED)

	FISCAL YEAR ENDED JUNE 30									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
REVENUES:										
Property taxes.....	\$ 17,943,306	\$ 16,932,230	\$ 16,858,253	\$ 16,525,756	\$ 16,138,322	\$ 15,488,705	\$ 16,027,666	\$ 15,353,444	\$ 13,980,389	\$ 13,385,994
Charges for services.....	1,826,482	1,817,625	1,840,244	2,048,914	2,164,402	2,125,660	2,259,932	1,834,142	1,917,267	1,719,172
Intergovernmental.....	9,815,369	9,730,818	9,496,291	9,380,430	9,627,289	11,424,372	8,247,795	9,283,405	10,145,178	7,593,809
Contributions.....	684,800	129,773	46,019	67,190	155,075	129,857	93,471	154,955	59,295	
Income from investments.....	47,709	49,314	89,061	90,133	117,301	260,567	520,007	438,209	200,395	108,930
Net change in fair value of investments.....					(39,572)					
Other.....	79,912	47,104	83,923	94,033	107,409	268,748	86,115	105,203	77,153	208,169
TOTAL REVENUES.....	30,397,578	28,706,864	28,413,791	28,206,456	28,270,226	29,697,909	27,234,986	27,169,358	26,379,677	23,016,074
EXPENDITURES:										
Current:										
General government.....	3,412,749	3,343,498	3,390,754	3,250,801	3,096,831	3,176,283	3,149,242	3,118,103	2,990,309	3,067,217
Public safety.....	1,506,881	1,536,180	1,345,780	1,489,274	1,470,060	1,513,799	1,419,646	1,379,520	1,400,427	1,441,353
Public works.....	2,758,011	2,686,572	2,637,989	2,658,236	2,710,550	2,754,083	2,548,694	2,374,480	2,191,308	2,085,921
Health and welfare.....	126,396	64,551	88,257	72,358	98,539	118,260	120,849	116,505	137,479	123,635
Culture and recreation.....	502,030	494,639	623,821	863,441	1,021,600	1,045,793	1,002,376	1,002,115	906,865	964,021
Housing and development.....	159,504	115,834	145,477	280,865	228,556	153,805	200,834	171,770	154,875	135,356
Education.....	17,361,746	17,148,470	16,781,904	16,623,775	16,536,919	18,514,871	15,397,354	14,416,639	13,369,915	12,909,495
Debt service:										
Principal.....	1,777,286	1,604,385	1,663,002	1,788,959	1,556,043	1,650,416	1,699,680	1,280,487	1,192,696	1,034,978
Interest.....	1,014,560	1,014,560	1,014,560	1,014,560	1,014,560	1,014,560	1,014,560	931,902	784,773	576,207
Capital outlay.....	5,842,077	4,960,660	3,176,564	2,385,154	2,957,302	1,304,774	2,408,022	3,548,126	7,221,877	2,191,638
TOTAL EXPENDITURES.....	34,461,240	32,969,349	30,868,108	30,427,423	30,690,960	31,246,644	28,961,257	28,339,647	30,350,524	24,529,821
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(4,063,662)	(4,262,485)	(2,454,317)	(2,220,967)	(2,420,734)	(1,548,735)	(1,726,271)	(1,170,289)	(3,970,847)	(1,513,747)
OTHER FINANCING SOURCES (USES):										
Capital lease.....	127,645						143,000	371,317		166,500
Issuance of bonds.....	6,735,000			7,520,000					7,700,000	2,300,000
Issuance of refunding bonds.....			6,945,000	2,820,000						1,615,000
Payment to refunding bond escrow.....			(7,239,828)	(2,800,000)						(1,853,164)
Premium.....	218,178	16,200	406,061	229,088	11,725				83,816	107,273
Transfers in.....	3,247,341	3,059,313	3,113,769	2,928,843	400,038	687,897	3,538,490	3,166,372	2,743,736	3,612,998
Transfers out.....	(3,247,341)	(3,059,313)	(3,113,769)	(2,928,843)	(400,038)	(687,897)	(3,538,490)	(3,166,372)	(2,743,736)	(3,612,998)
NET OTHER FINANCING SOURCES (USES).....	7,080,823	16,200	111,233	7,769,088	11,725	-	143,000	371,317	7,783,816	2,335,609
NET CHANGE IN FUND BALANCES.....	\$ 3,017,161	\$ (4,246,285)	\$ (2,343,084)	\$ 5,548,121	\$ (2,409,009)	\$ (1,548,735)	\$ (1,583,271)	\$ (798,972)	\$ 3,812,969	\$ 821,862
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES.....	9.76%	9.40%	9.67%	10.02%	9.27%	8.88%	10.22%	8.92%	8.55%	7.21%

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
		ASSESSED VALUE	ESTIMATED ACTUAL VALUE	MOTOR VEHICLE ASSESSED VALUE	PERSONAL PROPERTY ASSESSED VALUE	TOTAL ASSESSED VALUE	ESTIMATED ACTUAL VALUE	GROSS ASSESSED VALUE	ESTIMATED ACTUAL VALUE		
2013	* 2011	\$ 452,163,616	\$ 645,948,023	\$ 54,202,556	\$ 59,821,474	\$ 114,024,030	\$ 162,891,471	\$ 566,187,646	\$ 808,839,494	70.00%	32.83
2012	2010	537,525,240	767,893,200	50,253,419	55,234,100	105,487,519	150,696,456	643,012,759	918,589,656	70.00%	26.98
2011	2009	534,211,167	763,158,810	49,483,309	48,600,045	98,083,354	140,119,077	632,294,521	903,277,887	70.00%	26.54
2010	2008	533,956,500	762,795,000	50,028,393	49,300,103	99,328,496	141,897,851	633,284,996	904,692,851	70.00%	26.28
2009	2007	534,050,143	762,928,776	46,307,505	52,696,749	99,004,254	141,434,649	633,054,397	904,363,425	70.00%	26.28
2008	* 2006	535,758,290	765,368,986	51,810,436	47,824,927	99,635,363	142,336,233	635,393,653	907,705,219	70.00%	24.99
2007	2005	310,737,220	443,910,314	53,061,256	50,272,468	103,333,724	147,619,606	414,070,944	591,529,920	70.00%	39.62
2006	2004	306,571,130	437,958,757	49,776,370	49,209,162	98,985,532	141,407,903	405,556,662	579,366,660	70.00%	38.66
2005	2003	301,626,770	430,895,386	46,025,767	49,844,828	95,870,595	136,957,993	397,497,365	567,853,379	70.00%	37.18
2004	2002	299,255,170	427,507,386	47,867,321	52,447,580	100,314,901	143,307,001	399,570,071	570,814,387	70.00%	35.50

* Revaluation performed

TABLE 6

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

TAXPAYER	2013			2004		
	(1) ASSESSMENT	RANK	PERCENT OF NET TAXABLE GRAND LIST	ASSESSMENT	RANK	PERCENT OF NET TAXABLE GRAND LIST
Connecticut Light & Power Co.	\$ 7,734,360	1	1.47%	\$ 4,229,267	2	1.12%
Albea	5,978,250	2	1.14%		N/A	0.00%
Connecticut Water Company	3,759,900	3	0.71%	3,489,093	3	0.93%
Tyler Properties	3,441,160	4	0.65%		N/A	0.00%
Yankee Gas Services Company	3,355,040	5	0.64%	1,754,383	10	0.47%
Thomaston Savings Bank	2,988,780	6	0.57%	2,152,096	8	0.57%
Subs Realty	2,823,820	7	0.54%		N/A	0.00%
GLC Associates One, LLC	2,812,440	8	0.53%	2,451,440	7	0.65%
Summit Corp of America	2,711,780	9	0.52%	6,173,512	1	1.64%
W L Real Estate Company	2,170,000	10	0.41%	1,853,060	9	0.49%
	<u>\$ 37,775,530</u>		<u>7.18%</u>	<u>\$ 22,102,851</u>		<u>5.87%</u>

Source: Town Assessor Department.

(1) The net taxable grand list as of October 1, 2011 totaled \$525,998,215.

TOWN OF THOMASTON, CONNECTICUT
 PROPERTY TAX RATES, LEVIES AND COLLECTIONS
 LAST TEN YEARS
 (UNAUDITED)

YEAR ENDED JUNE 30	(1) (2) TOTAL TAX RATE IN MILLS	GRAND LIST OF OCTOBER 1,	TOTAL ADJUSTED TAX LEVY	NET CURRENT TAX COLLECTIONS	PERCENT OF CURRENT LEVY COLLECTED	TOTAL COLLECTIONS TO DATE				
						COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS	PERCENTAGE OF LEVY COLLECTED	CURRENT DELINQUENT BALANCE	
2013	*	32.83	2011	\$ 17,645,073	\$ 17,364,941	98.4%	\$	\$ 17,364,941	98.4%	\$ 280,132
2012		26.98	2010	16,626,776	16,324,968	98.2%	229,610	16,324,968	98.2%	72,198
2011		26.54	2009	16,462,140	16,192,962	98.4%	237,137	16,430,099	99.8%	32,041
2010		26.28	2008	16,070,948	15,687,137	97.6%	343,815	16,030,952	99.8%	39,996
2009		26.28	2007	16,017,616	15,511,321	96.8%	471,270	15,982,591	99.8%	35,025
2008	*	24.99	2006	15,325,961	14,907,955	97.3%	393,491	14,907,955	97.3%	24,515
2007		39.62	2005	15,758,093	15,384,998	97.6%	346,042	15,384,998	97.6%	27,053
2006		38.66	2004	15,003,165	14,679,512	97.8%	306,837	14,986,349	99.9%	16,816
2005		37.18	2003	14,043,736	13,487,766	96.0%	475,326	13,963,092	99.4%	80,644
2004		35.50	2002	13,439,939	12,901,856	96.0%	465,647	13,367,503	99.5%	72,436

Source: Town Audit Reports.

* Revaluation performed

(1) There are no overlapping of tax rates.

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

TABLE 8

TOWN OF THOMASTON, CONNECTICUT

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

YEAR ENDED JUNE 30	GENERAL BONDED DEBT OUTSTANDING					PERCENTAGE OF PERSONAL INCOME	DEBT PER CAPITA
	GENERAL OBLIGATION BONDS	PREMIUM	CLEAN WATER NOTES	CAPITAL LEASE PAYABLE	TOTAL		
2013	\$ 21,290,000	\$ 664,948	\$ 4,100,821	\$ 91,120	\$ 26,146,889	N/A	\$ 3,324
2012	16,000,000	582,448	4,624,694	-	21,207,142	N/A	2,586
2011	17,425,000	632,036	5,138,202	-	23,195,238	N/A	2,941
2010	18,715,000	353,311	5,641,550	-	24,709,861	N/A	3,122
2009	12,410,000	134,374	6,134,939	122,009	18,801,322	0.36%	2,388
2008	13,645,000	144,525	6,618,567	240,811	20,648,903	N/A	2,592
2007	14,880,000	154,676	7,092,626	421,704	22,549,006	N/A	2,774
2006	16,115,000		7,557,306		23,672,306	N/A	2,982
2005	16,940,000		8,012,793		24,952,793	N/A	3,158
2004	9,930,000		8,459,267		18,389,267	N/A	2,340

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

N/A Information not available.

TABLE 9**TOWN OF THOMASTON, CONNECTICUT**

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

YEAR ENDED JUNE 30	(1) POPULATION	(2) NET ASSESSED VALUE	(3) BONDS/NOTES AND RELATED LIABILITIES	RATIO OF BONDED DEBT/NOTES TO NET ASSESSED VALUE	DEBT PER CAPITA
2013	7,838	\$ 525,998,215	\$ 26,055,769	4.95%	\$ 3,324
2012	7,975	599,951,403	21,207,142	3.44%	2,586
2011	7,887	607,818,174	23,195,238	3.82%	2,941
2010	7,801	612,278,500	24,709,861	4.04%	3,168
2009	7,766	613,301,069	18,679,313	3.05%	2,405
2008	7,818	615,374,875	20,408,092	3.32%	2,610
2007	7,922	395,518,561	22,127,302	5.59%	2,793
2006	7,938	385,160,536	23,672,306	6.15%	2,982
2005	7,901	375,351,717	24,952,793	6.65%	3,158
2004	7,857	376,809,605	18,389,267	4.88%	2,340

Sources:

- (1) CT Health Department.
- (2) Town Assessor's Department.
- (3) From Table 8.

TOWN OF THOMASTON, CONNECTICUT

SCHEDULE OF DEBT LIMITATION
CONNECTICUT GENERAL STATUTES, SECTION 7-374 (b)
YEAR ENDED JUNE 30, 2013
(UNAUDITED)

Total tax collections (including interest and lien fees) for current year.....	\$ 17,933,752
Reimbursement for revenue loss on:	
Tax relief for elderly freeze.....	<u>2,000</u>
BASE FOR DEBT LIMITATION COMPUTATION.....	<u>\$ 17,935,752</u>

DEBT LIMITATION:	GENERAL PURPOSE	SCHOOLS	SEWERS	URBAN RENEWAL	PENSION DEFICIT
2 1/4 times base.....	\$ 40,355,442	\$	\$	\$	\$
4 1/2 times base.....		80,710,884			
3 3/4 times base.....			67,259,070		
3 1/4 times base.....				58,291,194	
3 times base.....					53,807,256
TOTAL DEBT LIMITATION.....	<u>40,355,442</u>	<u>80,710,884</u>	<u>67,259,070</u>	<u>58,291,194</u>	<u>53,807,256</u>
INDEBTEDNESS:					
Bonds payable.....	11,253,530	9,582,075	454,395		
Bond anticipation notes.....	3,850,000				
Less: School building grants.....		(894,003)			
TOTAL INDEBTEDNESS.....	<u>15,103,530</u>	<u>8,688,072</u>	<u>454,395</u>	<u>-</u>	<u>-</u>
DEBT LIMITATION IN EXCESS OF OUTSTANDING DEBT	<u>\$ 25,251,912</u>	<u>\$ 72,022,812</u>	<u>\$ 66,804,675</u>	<u>\$ 58,291,194</u>	<u>\$ 53,807,256</u>

The total net indebtedness above amounts to: \$ 24,245,997

In no event shall total indebtedness exceed seven time the base for debt limitation computation: \$ 125,550,264

There is no overlapping debt.

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

YEAR ENDED JUNE 30	DEBT LIMIT	NET DEBT APPLICABLE TO LIMIT	LEGAL DEBT MARGIN	TOTAL NET DEBT APPLICABLE
2013	\$ 125,550,264	\$ 24,245,997	\$ 101,304,267	19.31%
2012	117,980,709	18,686,529	99,294,180	6.62%
2011	118,368,957	16,296,459	102,072,498	13.77%
2010	274,182,661	17,452,561	256,730,100	6.37%
2009	268,981,902	15,826,028	253,155,874	5.88%
2008	257,887,020	12,089,494	245,797,526	4.69%
2007	266,994,129	13,177,964	253,816,165	4.94%
2006	254,959,825	14,113,425	240,846,400	5.54%
2005	243,114,241	14,779,764	228,334,477	6.08%
2004	221,785,193	7,611,103	214,174,090	3.43%

TOWN OF THOMASTON, CONNECTICUT

DEMOGRAPHIC STATISTICS
LAST TEN YEARS
(UNAUDITED)

YEAR ENDED JUNE 30	(1) POPULATION	(2) PERSONAL INCOME	(3) PER CAPITA INCOME	(2) MEDIAN AGE	EDUCATION LEVEL IN YEARS OF SCHOOLING	(3) SCHOOL ENROLLMENT	(4) UNEMPLOYMENT PERCENTAGE
2013	7,883	\$ 66,197	(5)	44	High School 35% Some College 58%	1,004	8.0%
2012	7,975	66,197	(5)	44	High School 35% Some College 58%	1,010	8.5%
2011	7,887	(5)	(5)	(5)	(5)	1,114	8.2%
2010	7,801	(5)	(5)	(5)	(5)	1,186	8.6%
2009	7,766	67,558	(5)	(5)	(5)	1,216	9.4%
2008	7,818	(5)	(5)	(5)	(5)	1,259	6.3%
2007	7,922	(5)	(5)	(5)	(5)	1,295	4.5%
2006	7,938	(5)	(5)	(5)	(5)	1,306	4.2%
2005	7,901	(5)	(5)	(5)	(5)	1,298	5.2%
2004	7,857	(5)	(5)	(5)	(5)	1,318	4.8%

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

(2) Connecticut Economic Resource Center, Inc.

(3) Thomaston Board of Education.

(4) Connecticut Labor Department - Research and Statistics.

(5) Information not available.

TABLE 13

TOWN OF THOMASTON, CONNECTICUT

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)**

EMPLOYER	2013			2004		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT
Albea	367	1	9%	270	2	6%
Town of Thomaston	314	2	7%	328	1	7%
Thomaston Savings Bank	166	3	4%	120	6	3%
UniMetal	159	4	4%	144	3	3%
Ward Leonard Electric, Inc.	140	5	3%	128	5	3%
Stewart Eyelets for Industry, Inc.	129	6	3%		N/A	0%
State of Connecticut	100	7	2%		N/A	N/A
Summit Corporation of America	76	8	2%	119	7	3%
Stevens Co., Inc.	42	9	1%		N/A	0%
WHYCO Chromium, Inc	31	10	1%	139	4	3%
TOTAL.....	<u>1,524</u>		<u>36%</u>	<u>1,248</u>		<u>28%</u>
Total Town Employment	<u>4,296</u>			<u>4,468</u>		

SOURCE: Annual Town survey.

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

TABLE 14

TOWN OF THOMASTON, CONNECTICUT

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

FUNCTION / PROGRAM	FULL -TIME EQUIVALENT EMPLOYEES AS OF JUNE 30									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
GENERAL GOVERNMENT:										
Selectmen.....	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.7	2.2	2.2
Elections.....	0.2	0.2	0.2	0.2	0.3	0.3	0.3	0.7	1.3	0.4
Treasurer.....	3.0	3.9	3.9	2.9	3.3	3.5	3.3	3.3	3.4	3.4
Tax Collector.....	2.0	2.0	2.0	1.9	2.0	2.0	2.0	2.0	2.0	2.0
Assessor/Assessment appeals.....	1.0	1.0	1.0	1.0	1.0	1.5	2.3	1.6	1.4	1.1
Town Hall maintenance.....	1.4	1.5	1.0	1.0	1.1	1.0	0.8	0.6	0.6	0.6
Town Clerk.....	1.5	1.7	1.6	1.6	1.7	1.7	1.7	1.5	1.5	1.7
PUBLIC SAFETY:										
Police officers.....	11.6	11.7	11.4	12.3	12.5	13.2	13.4	13.8	13.7	14.8
Inmate supervision.....	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.0	1.0	1.0
Dispatch.....	4.8	4.0	4.6	4.7	4.8	5.1	5.0	4.1	3.8	3.9
Fire Marshall.....	0.1	0.6	0.6	0.6	0.6	0.6	0.6	0.5	0.5	0.6
Animal control.....	1.2	1.1	1.1	1.1	1.1	1.2	1.2	1.1	1.1	1.1
PUBLIC WORKS:										
Highway.....	8.0	6.0	7.0	8.1	8.8	9.0	8.6	10.0	8.5	10.0
Solid waste and recycling.....	0.3	0.2	0.2	0.2	0.2	0.3	0.3	0.5	0.3	0.3
Sewer plant.....	7.0	5.0	7.0	7.0	7.0	7.0	6.9	7.0	8.3	9.0
Hillside Cemetery.....	1.9	1.7	1.5	1.0	1.6	1.3	1.5	1.7	1.8	0.8
HEALTH AND WELFARE:										
Social services.....	0.0	0.0	0.0	0.0	1.0	1.7	1.5	1.6	1.3	1.2
Minibus.....	0.4	0.4	0.4	0.4	0.4	0.4	0.4	0.2	0.1	0.2
Veterans administration.....	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
CULTURE AND RECREATION:										
Recreation.....	1.6	3.5	2.4	2.3	2.4	2.8	3.1	2.1	1.9	2.1
Public library.....	6.1	5.8	5.8	6.2	6.2	7.4	6.6	5.9	5.9	6.2
Opera House.....	0.0	0.0	0.0	2.5	4.0	3.7	3.7	3.2	3.3	3.7
HOUSING AND DEVELOPMENT:										
Housing, land use & development....	2.1	2.5	2.0	2.3	2.3	2.1	1.9	2.7	2.0	1.7
EDUCATION.....	163.5	165.9	164.1	160.7	161.1	180.8	195.0	186.3	190.3	187.3
TOTAL.....	220.0	221.0	220.1	220.3	225.7	248.9	262.4	254.2	256.3	255.4

SOURCE: Actual payroll data.

TOWN OF THOMASTON, CONNECTICUT

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST NINE YEARS (1)
(UNAUDITED)

FUNCTION / PROGRAM	FISCAL YEAR ENDED JUNE 30								
	2013	2012	2011	2010	2009	2008	2007	2006	2005
GENERAL GOVERNMENT									
PUBLIC SAFETY:									
Fire:									
Emergency responses.....	266	436	367	268	240	338	360	335	269
Fires extinguished.....	17	43	26	27	40	57	29	146	116
Police:									
Incidents.....	32,646	33,503	33,523	33,299	34,946	35,162	35,191	35,641	N/A
Accidents.....	195	217	230	206	248	216	262	232	N/A
Physical arrests.....	236	258	161	165	257	155	198	115	N/A
Traffic violations.....	841	949	952	1,001	867	922	742	878	N/A
PUBLIC WORKS:									
Street resurfacing (miles).....	0.0	0.0	0.0	0.0	2.38	5.00	0.0	0.73	N/A
Streets rebuilt (miles).....	4.86	4.86	4.31	3.12	0.66	1.14	1.14	2.16	N/A
PARKS AND RECREATION:									
Athletic field permits issued.....	41	46	51	44	55	55	76	66	N/A
Number of recreation programs.....	36	34	29	27	26	25	27	29	29
HEALTH AND WELFARE:									
Number of elderly serviced.....	N/A	N/A	N/A	N/A	N/A	1,012	1,410	3,639	N/A
Number of families serviced.....	N/A	N/A	N/A	N/A	N/A	2,612	2,650	5,477	N/A
Number of disabled serviced.....	N/A	N/A	N/A	N/A	N/A	626	672	1,410	N/A
LIBRARY:									
Total print items.....	40,637	41,243	40,137	42,804	44,541	46,260	46,533	47,769	50,184
Total non-print items.....	5,991	5,775	8,095	6,366	11,578	8,221	7,652	5,407	4,862
Circulation.....	80,528	80,371	86,380	95,354	93,826	89,305	92,997	95,145	89,382
Interlibrary borrows.....	3,537	3,662	3,210	3,429	3,432	2,408	1,984	1,841	924
Interlibrary loans.....	3,003	3,391	3,467	3,298	3,289	2,392	2,308	1,675	1,018
EDUCATION:									
Enrollment:									
High School.....	438	460	518	559	547	582	600	593	598
Middle School.....	256	227	256	267	278	296	298	300	320
Elementary Schools.....	310	323	340	360	391	381	397	413	394
Total.....	1,004	1,010	1,114	1,186	1,216	1,259	1,295	1,306	1,312
SEWER FUND:									
Average daily sewage treatment									
(million gallons).....	0.924	0.871	0.937	0.992	0.982	0.864	1.067	1.001	N/A
Residential customers.....	2,695	2,619	2,613	2,600	2,600	2,594	2,587	2,169	N/A
Commercial & Industrial Customers.....	130	130	128	134	131	136	130	136	N/A
Manhole repair as part of I/I reduction.....	42	48	80	80	62	6	8	11	N/A
SOLID WASTE & RECYCLING:									
CRRA tonnage (annual).....	3,645	3,817	4,226	4,284	4,724	4,961	5,024	5,140	5,580

SOURCES: Various Town Departments.

(1) Data prior to 2005 is not available.

N/A - Data not available.

TABLE 16

TOWN OF THOMASTON, CONNECTICUT
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST NINE YEARS (1)
(UNAUDITED)

FUNCTION / PROGRAM	FISCAL YEAR ENDED JUNE 30								
	2013	2012	2011	2010	2009	2008	2007	2006	2005
GENERAL GOVERNMENT:									
Election voting machines.....	2	2	2	2	2	2	2	7	7
Vehicles.....	2	2	1	1	1	1	1	1	1
PUBLIC SAFETY:									
Fire and ambulance stations.....	2	2	2	2	2	2	2	2	2
Police stations.....	1	1	1	1	1	1	1	1	1
Police vehicles.....	8	8	10	10	10	10	10	10	10
Fire trucks.....	7	7	7	7	7	7	7	7	7
Ambulances.....	2	2	2	2	2	2	2	2	2
Other emergency vehicles.....	6	6	6	6	6	6	6	6	5
PUBLIC WORKS:									
Miles of Streets:									
Paved.....	41.25	41.25	41.00	41.00	41.00	41.00	41.00	40.58	40.17
Accepted.....	41.25	41.25	41.00	41.00	41.00	41.00	41.00	40.58	40.17
Private.....	0.30	0.30	0.30	0.30	0.03	0.03	0.03	0.03	0.03
State Highway.....	64.89	64.89	64.89	64.89	64.89	64.89	64.89	64.89	64.89
Miles of Sidewalks.....	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	95.00	95.00	85.50	85.00	70.00
Sanitation.....	50.50	50.50	50.50	50.50	50.50	50.50	50.50	50.00	50.00
Dump trucks.....	10	10	10	10	10	10	9	8	8
Other public works vehicles & heavy equipment.....	27	27	27	27	27	27	26	24	24
HEALTH AND WELFARE:									
Minibus.....	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
Hardball baseball diamonds.....	1	1	1	1	1	1	1	1	1
Youth baseball diamonds.....	5	5	5	5	5	5	5	5	5
Basketball courts.....	3	3	3	3	3	3	3	3	3
Soccer fields.....	3	3	3	3	3	3	3	3	3
Nature areas.....	1	1	1	1	1	1	1	1	1
Picnic areas.....	1	1	1	1	1	1	1	1	1
Playgrounds.....	7	7	7	7	7	7	7	7	7
Public beach.....	1	1	1	1	1	1	1	1	1
Public greens.....	3	3	3	3	3	3	3	3	3
Tennis courts.....	3	3	3	3	3	3	3	3	3
Public indoor theatres.....	1	1	1	1	1	1	1	1	1
Public library.....	1	1	1	1	1	1	1	1	1
EDUCATION:									
Number of high schools.....	1	1	1	1	1	1	1	1	1
Number of middle schools.....	1	1	1	1	1	1	1	1	1
Number of elementary schools.....	1	1	1	1	1	1	1	1	1

SOURCES: Various Town Departments.

(1) Data prior to 2005 is not available.