

Town of Thomaston, Connecticut
Annual Comprehensive Financial Report



For the Year Ended June 30, 2025

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

For the Year Ended

June 30, 2025

Prepared by:

The Finance Department

Tracy A. Decker, Finance Director

Town of Thomaston, Connecticut
Annual Comprehensive Financial Report
For the Year Ended June 30, 2025

Table of Contents

	<u>Page</u>
<u>Introductory Section</u>	
Transmittal Letter	1-5
Organizational Chart	6
Principal Officials	7
Certificate of Achievement for Excellence in Financial Reporting For the Year Ended June 30, 2024	8
<u>Financial Section</u>	
Independent Auditors' Report	9-11
Management's Discussion and Analysis	12-24
<u>Exhibits</u>	
<u>Basic Financial Statements</u>	
<u>Government-Wide Financial Statements</u>	
A Statement of Net Position	25-26
B Statement of Activities	27
<u>Fund Financial Statements</u>	
C Balance Sheet - Governmental Funds and Reconciliation of Fund Balance to Net Position	28-29
D Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	30
E Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	31-32
F Statement of Fiduciary Net Position - Fiduciary Funds	33
G Statement of Changes in Fiduciary Net Position - Fiduciary Funds	34
H Notes to Financial Statements	35-88

Town of Thomaston, Connecticut
Annual Comprehensive Financial Report
For the Year Ended June 30, 2025

Table of Contents

		<u>Page</u>
<u>RSI</u>	<u>Required Supplementary Information</u>	
1A	Schedule of Revenues and Other Financing Sources – Budget and Actual – General Fund	89-90
1B	Schedule of Expenditures and Other Financing Uses – Budget and Actual – General Fund	91-92
1C	Notes to Budgetary Comparison Schedules	93-94
	<u>Town Retirement Plan</u>	
2A	Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Investment Returns	95
2B	Schedule of Contributions	96
2C	Notes to Required Supplementary Information	97
	<u>Connecticut State Teachers' Retirement System</u>	
3A	Schedule of Proportionate Share of the Collective Net Pension Liability and Schedule of Contributions	98
3B	Notes to Required Supplementary Information	99
	<u>Town Other Post-Employment Benefit (OPEB) Plan</u>	
4A	Schedule of Changes in Net OPEB Liability and Related Ratios and Schedule of Investment Returns	100
4B	Schedule of Contributions	101
4C	Notes to Required Supplementary Information	102
	<u>Education Other Post-Employment Benefit (OPEB) Plan</u>	
5A	Schedule of Changes in Total OPEB Liability and Related Ratios	103

Town of Thomaston, Connecticut
Annual Comprehensive Financial Report
For the Year Ended June 30, 2025

Table of Contents

		<u>Page</u>
	<u>Connecticut State Teachers' Retirement Board Retiree Health Insurance Plan</u>	
6A	Schedule of Proportionate Share of the Collective Net OPEB Liability and Schedule of Contributions	104
6B	Notes to Required Supplementary Information	105
<u>Schedules</u>	<u>Supplemental Information</u>	
	<u>General Fund</u>	
1	Report of Tax Collector	106
2	Schedule of Revenues, Expenditures and Changes in Fund Balance Budget and Actual (Budgetary Basis)	107
	<u>Other Governmental Funds</u>	
3	Combining Balance Sheet	108-110
4	Combining Statement of Revenues, Expenditures and Changes in Fund Balances	111-113
5	Sewer Commission Usage Fund Schedule of Sewer Use Charges Receivable	114
	<u>Fiduciary Funds</u>	
6	Combining Statement of Fiduciary Net Position - Private Purpose Trust Funds	115
7	Combining Statement of Changes in Fiduciary Net Position - Private Purpose Trust Funds	116

Town of Thomaston, Connecticut
Annual Comprehensive Financial Report
For the Year Ended June 30, 2025

Table of Contents

<u>Tables</u>	<u>Statistical Section</u>	<u>Page</u>
	<u>Financial Trend</u>	
1	Net Position by Component	117
2	Changes in Net Position	118
3	Fund Balances - Governmental Funds	119
4	Changes in Fund Balances - Governmental Funds	120
	<u>Revenue Capacity</u>	
5	Assessed and Estimated Actual Value of Taxable Property	121
6	Principal Property Taxpayers	122
7	Tax Rates, Levies and Cash Collections	123
	<u>Debt Capacity</u>	
8	Ratios of Outstanding Debt by Type	124
9	Ratios of General Bonded Debt to Net Assessed Value and Bonded Debt Per Capita	125
10	Schedule of Debt Limitation	126
11	Legal Debt Margin Information	127
	<u>Demographic and Economic Information</u>	
12	Demographic and Economic Statistics	128
13	Principal Employers	129
14	Full-Time Equivalent Employees by Function/Program	130
	<u>Operating Information</u>	
15	Operating Indicators by Function/Program	131
16	Capital Asset Statistics by Function/Program	132

Introductory Section



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

December 8, 2025

To the Board of Finance, Board of Selectman and Citizens of the Town of Thomaston, CT

State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, I hereby submit the Annual Comprehensive Financial Report (ACFR) of the Town of Thomaston, CT, for the fiscal year ended June 30, 2025.

This report consists of management's representations concerning the finances of the Town of Thomaston, CT. 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 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'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, CT's financial statements have been audited by PKF O'Connor Davies, LLP. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town for the fiscal year ended June 30, 2025, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town's financial statements for the fiscal year ended June 30, 2025. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

Profile of the Town of Thomaston

The Town of Thomaston, CT located in Litchfield County, is a suburb consisting of 12 square miles and located 10 miles south of Torrington, 23 miles west of Hartford, with a population of 7,442. The Town is easily accessible by an excellent highway system. Route 8, a four-lane State highway, provides north-south interstate connections from Bridgeport to Winsted, where it meets Route 44 and continues north to the Massachusetts border. Interstate 84, the major east-west highway through Connecticut, is located just 11 miles south of the Town. Intra-town traffic is served by U.S. Route 6 and State routes 254, 109, and 262, which pass through the Town. Air transport is available at the Oxford Regional, New Haven-Tweed and Bradley International Airports.

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

The Town 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's financial planning and control. All agencies of the Town 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, CT operates.

Local Economy

The current worldwide financial downturn that began in March 2020 due to the COVID-19 pandemic had long lasting impacts across the state and local economy. Fortunately, Thomaston's unemployment rate which had risen to a high of 8.0% in June of 2020 has dropped to 3.1% which is lower than the national average of 4.1% and below regional and state levels.

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

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

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

Local Economy

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

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

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

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

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

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

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

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

A ten-year Plan of Conservation and Development is underway. Meetings with Town boards and commissions and Town residents have been held to gather information regarding future plans and economic development.

Local Economy

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

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

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

Long-Term Financial Planning

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

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

Relevant Financial Policies

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

Awards and Acknowledgements

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Thomaston, CT for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. This was the 21st 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 Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Awards and Acknowledgements

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

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

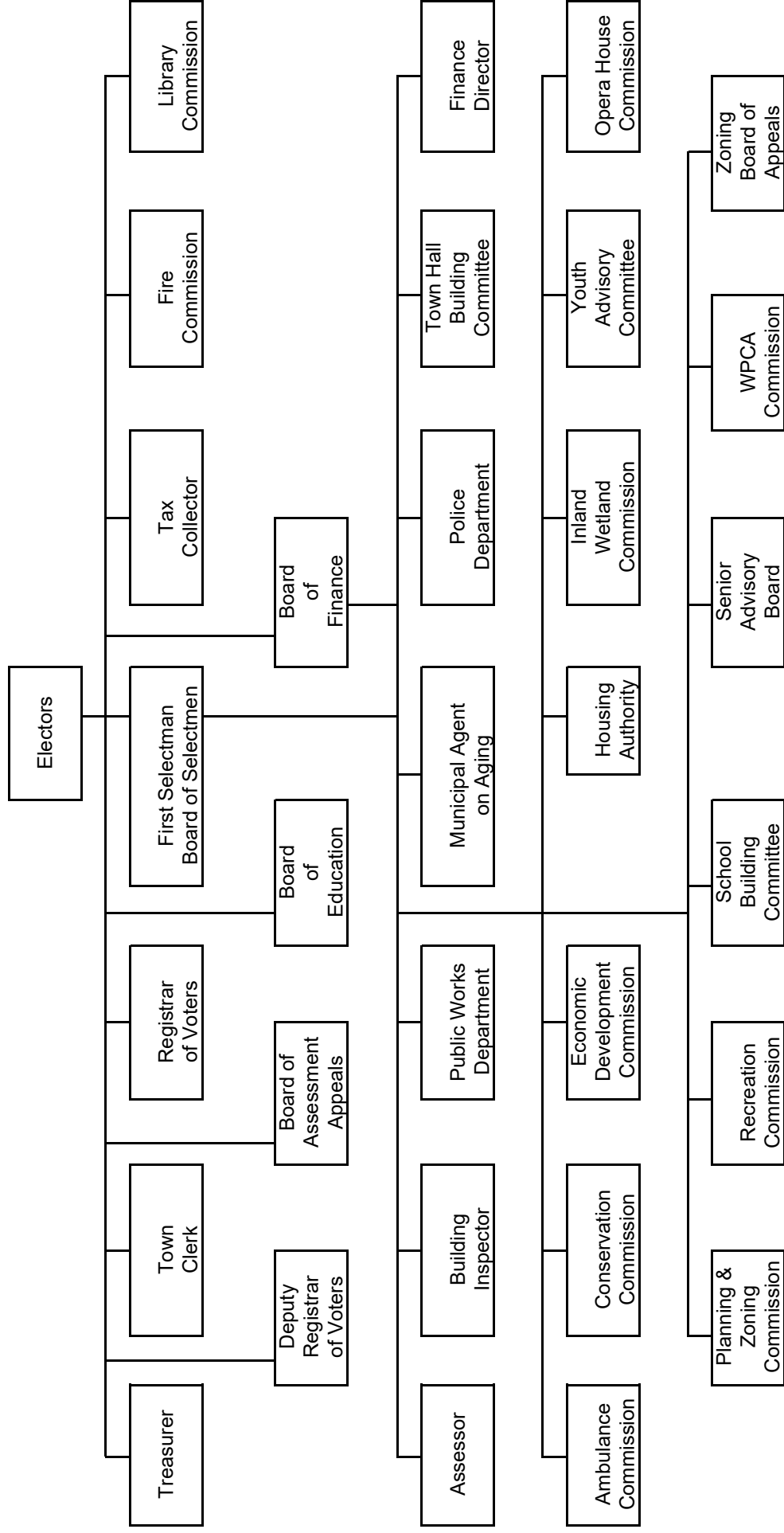
Respectfully submitted,

A handwritten signature in dark ink that reads "Tracy Decker". The script is cursive and fluid, with the first letters of each word being capitalized and prominent.

Tracy A. Decker
Finance Director

Town of Thomaston, Connecticut

Organizational Chart



Town of Thomaston, Connecticut

Principal Officials

June 30, 2025

Board of Selectmen

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

Board of Finance

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

Town Departments

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

Auditors

PKF O'Connor Davies, LLP



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Thomaston
Connecticut**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

Financial Section

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Thomaston, Connecticut ("Town"), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town, as of June 30, 2025, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter – Change in Accounting Principle

As discussed in Note VI to the financial statements the Town implemented the provisions of GASB Statement No. 101, *Compensated Absences*. As a result of the implementation, the Town restated the beginning net position of the governmental activities. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, budgetary comparisons, and the pension and other post-employment benefit schedules as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

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

Page 3

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2025 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

PKF O'Connor Davies, LLP

Wethersfield, Connecticut
December 8, 2025



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

Management's Discussion and Analysis
For the Year Ended June 30, 2025

As management of the Town of Thomaston, Connecticut ("Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2025.

Financial highlights

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$45,823,868 (*net position*). *Unrestricted net position*, the amount that may be used to meet the Town's ongoing obligations to citizens and creditors, was a deficit balance of (\$13,362,220).
- The Town's total net position increased from current year operations by \$5,838,593. This increase is due to:

Governmental funds activity:

➤ negative operations of the capital or nonrecurring fund of	\$ (408,796)
➤ negative operations of the debt service fund of	(637,616)

Conversion to accrual basis on Exhibit E:

➤ capital outlay net of depreciation expense of	4,619,768
➤ net long-term debt activity of	(1,183,189)
➤ change in pension liability of	1,020,062
➤ change in OPEB liability of	3,962,187
➤ change in deferred outflows of resources related to pension and OPEB of	(891,636)
➤ change in deferred inflows of resources related to pension and OPEB of	(590,063)

- At year end year, the Town's governmental funds reported combined ending fund balances of \$11,765,776 a decrease of \$888,939 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$7,241,879, an increase of \$72,926 in comparison with the prior year. This fund balance represents 23.68% of total budgetary actual general fund expenditures and transfers out.
- Net capital assets increased in the current year by \$4,619,768 or 5.94%.
- Long-term debt increased by \$1,157,313 or 5.10%.
- The Town implemented GASB Statement No. 101 "*Compensated Absences*" during the fiscal year. As a result, the Town increased the compensated absences liability and decreased net position by \$2,385,970.

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:

- government-wide financial statements
- fund financial statements
- notes to the financial statements

This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *statement of net position* and *statement of activities* report information about the Town as a whole and about its activities. These statements include *all* assets, liabilities and deferred outflows and inflows of resources using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

Over time, increases or decreases in net position may serve as a useful indicator of whether the *financial* health or position of the Town is improving or deteriorating.

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

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

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

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

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

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

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 each major fund. The funds reported as major funds are as follows:

- General fund
- Capital or nonrecurring fund
- Debt service fund

Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these other governmental funds is provided in the combining schedules in Schedules 3 and 4 of this report.

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

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

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

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

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

Government-wide financial analysis

The Town's total net position increased by \$3,452,623 or 8.15%.

**Summary Statement of Net Position
June 30**

	<u>2025</u>	<u>2024</u>	<u>Change</u>
Current and other assets	\$ 16,355,757	\$ 20,405,600	\$(4,049,843)
Capital assets (net)	<u>82,388,342</u>	<u>77,768,574</u>	<u>4,619,768</u>
Total assets	<u>98,744,099</u>	<u>98,174,174</u>	<u>569,925</u>
Total deferred outflows of resource	<u>1,037,241</u>	<u>1,928,877</u>	<u>(891,636)</u>
Long-term liabilities	42,362,496	43,782,789	(1,420,293)
Other liabilities	<u>7,955,294</u>	<u>10,855,496</u>	<u>(2,900,202)</u>
Total liabilities	<u>50,317,790</u>	<u>54,638,285</u>	<u>(4,320,495)</u>
Total deferred inflows of resources	<u>3,639,682</u>	<u>3,093,521</u>	<u>546,161</u>
Net position:			
Net investment in capital assets	55,681,218	49,740,242	5,940,976
Restricted	3,504,870	3,664,716	(159,846)
Unrestricted	<u>(13,362,220)</u>	<u>(11,033,713)</u>	<u>(2,328,507)</u>
Total net position	<u><u>\$ 45,823,868</u></u>	<u><u>\$ 42,371,245</u></u>	<u><u>\$ 3,452,623</u></u>

The largest portion of net position of the Town reflects its net investment in capital assets, less any related debt and liabilities used to acquire those assets that are 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.

The unrestricted net position is the amount available to meet the Town's ongoing obligations to citizens and creditors.

Management's Discussion and Analysis (continued)

The Town's net position for current year operations increased from current year's operation by \$5,838,593. Details of the change are shown in the table below.

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

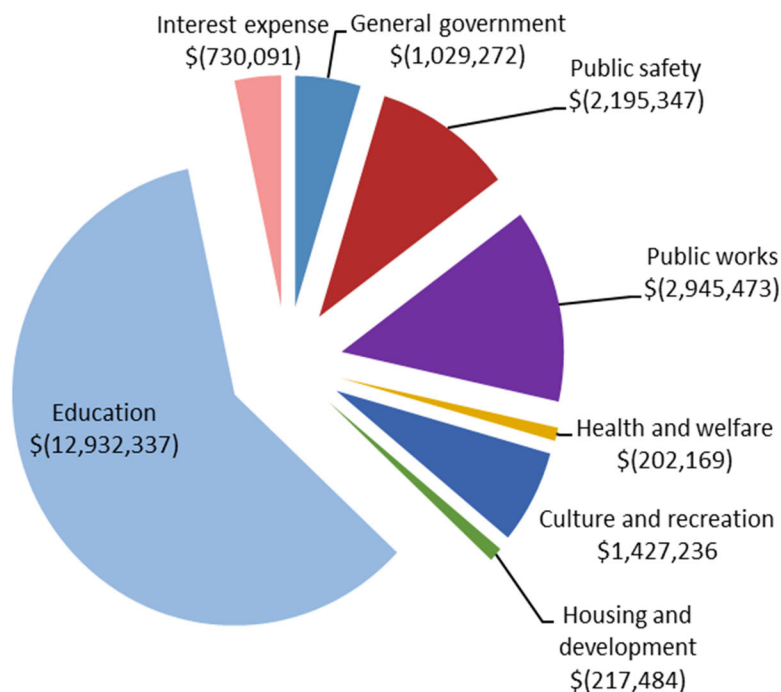
	<u>2025</u>	<u>2024</u>	<u>Dollar Change</u>	<u>% Change</u>
<u>Revenues:</u>				
Program revenues:				
Charges for services	\$ 2,803,620	\$ 2,686,113	\$ 117,507	4.37%
Operating grants and contributions	10,017,882	9,942,845	75,037	0.75%
Capital grants and contributions	4,038,567	2,390,619	1,647,948	68.93%
General revenues:				
Property taxes	23,396,104	22,947,019	449,085	1.96%
Grants and contributions not restricted to specific programs	568,461	643,979	(75,518)	(11.73%)
Income from investments	626,565	718,696	(92,131)	(12.82%)
Other	72,400	1,801	70,599	3,919.99%
Total revenues	<u>41,523,599</u>	<u>39,331,072</u>	<u>2,192,527</u>	<u>5.57%</u>
<u>Expenses:</u>				
General government	1,966,010	2,399,285	(433,275)	(18.06%)
Public safety	2,660,817	3,659,439	(998,622)	(27.29%)
Public works	4,955,106	5,385,266	(430,160)	(7.99%)
Health and welfare	230,184	226,421	3,763	1.66%
Culture and recreation	1,186,298	1,040,587	145,711	14.00%
Housing and development	329,852	338,180	(8,328)	(2.46%)
Education	23,626,648	22,869,002	757,646	3.31%
Interest	730,091	1,062,386	(332,295)	(31.28%)
Total expenses	<u>35,685,006</u>	<u>36,980,566</u>	<u>\$ (1,295,560)</u>	<u>(3.5%)</u>
Change in Net Position	<u>5,838,593</u>	<u>2,350,506</u>		
Net Position - July 1, as previously reported	42,371,245	40,020,739		
Adjustment - change in accounting principle for implementation of GASB No. 101	<u>(2,385,970)</u>	<u>-</u>		
Net position - July 1, as restated	<u>39,985,275</u>	<u>40,020,739</u>		
Net Position - June 30	<u>\$ 45,823,868</u>	<u>\$ 42,371,245</u>		

Revenue category	Amount	Description	
Capital grants and contributions increased by/ due to:	\$1,647,948	Increase due to the Urban Action Bonds grant of:	\$ 2,065,306
		Decrease due to prior year LOTCIP grant of:	(349,120)
Property taxes increased by/ due to:	449,085	Increase due mostly to increase in tax funding necessary to fund increase in education costs for contractual salaries and benefits.	489,605

Key elements of this increase are as follows:

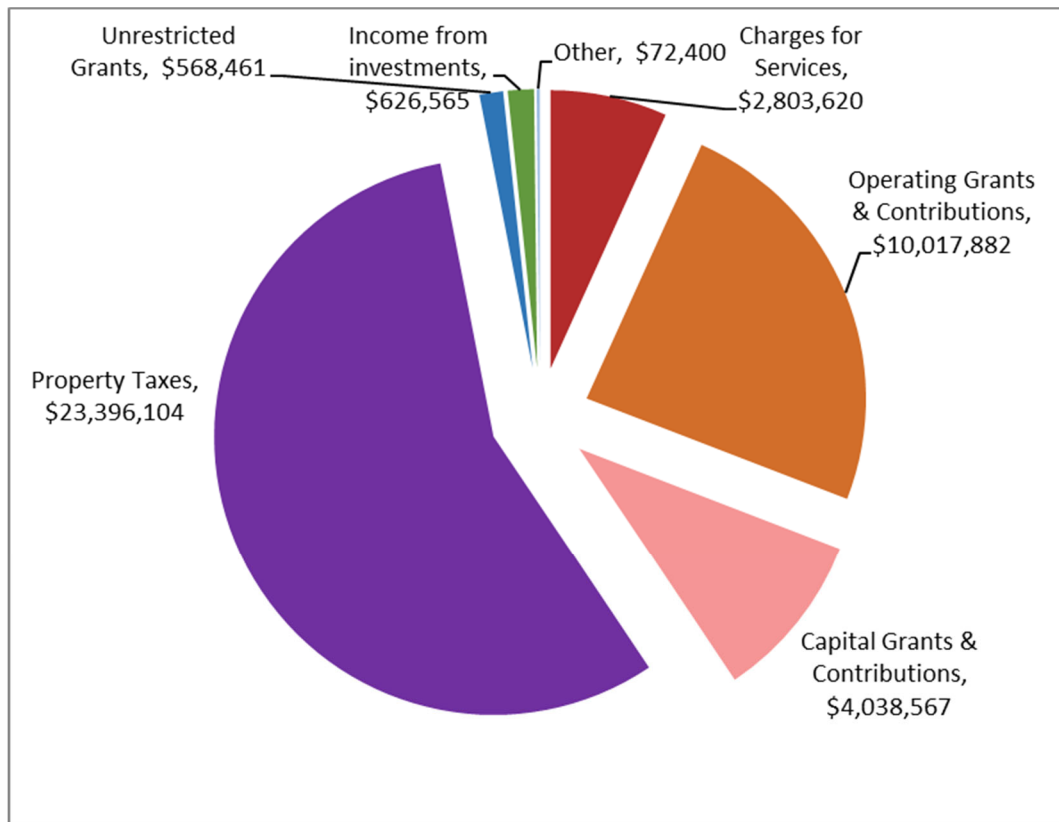
Expense category	Amount	Description	
General government expenses decreased by/ due to:	\$ (433,275)	Decrease in OPEB expense due to change in assumptions of:	\$ (668,313)
Public safety expenses decreased by/ due to:	(998,622)	Decrease in OPEB expense due to change in assumptions of:	(914,404)
Public works expenses decreased by/ due to:	(430,160)	Decrease in OPEB expense due to change in assumptions of:	(949,795)
		Increase in ARPA related project expenses of:	183,703
		Increase in depreciation expense mostly due to Hickory Hill Road infrastructure addition of:	184,292
Education expenses increased by/ due to:	757,646	Increase due mostly to the increase in education costs for contractual salaries and benefits	673,934

Expenses and Program Revenues (Net) - Governmental Activities



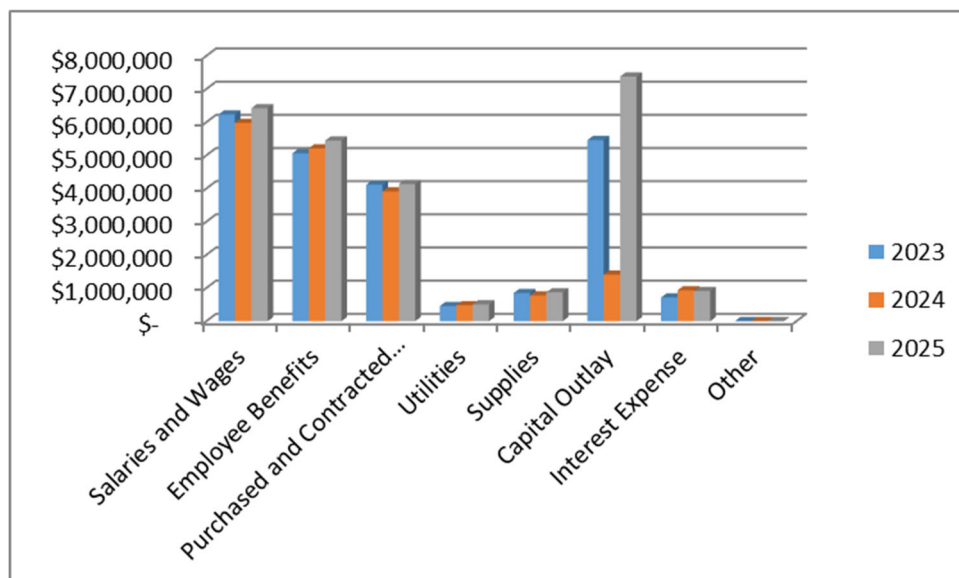
The above represents the percentage of net cost by function as presented in the statement of activities (Exhibit B). In most cases, the above chart represents the true cost of the departments because we have offset the costs by the revenues derived by those departments. For example, the net cost of Education of \$12,932,337 includes expenses of \$23,626,648 offset by charges for services of \$292,560, operating grants and contributions of \$9,935,000 and capital grants and contributions of \$466,751.

Revenues by Source



The chart above reflects the sources of revenue for the fiscal year, which provide the services the taxpayers of Thomaston receive. Property taxes of \$23,396,104 (56.34%) is the major source of revenue, followed by operating grants and contributions of \$10,017,882 (24.13%), capital grants and contributions of \$4,038,567 (9.73%), charges for services of \$2,803,620 (6.75%), unrestricted grants of \$568,461 (1.37%), and the remaining \$698,965 (1.68%) is made up of income from investments and other revenue.

Expenditures by Classification



The previous chart was derived directly from the classification of expenditures in the Town's chart of accounts on a government-wide basis excluding the Board of Education operating budget.

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.

Significant changes include:

- Salaries and wages increased due to additional education grants and the Town Clerk and the transfer station activity both being moved to the general fund. Additionally, early voting mandate increased poll workers wages.
- Supplies increased mainly due to an increase in salt and sand.
- Capital outlay increased due to major construction projects such as, town hall roof repairs, pump station upgrades, Opera House restoration, High Street Extension culvert and the Seth Thomas Park revitalization project.

Financial analysis of the Town's funds

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

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$11,765,776. GASB No. 54 requires that fund balance be reported in one of five categories: nonspendable, restricted, committed, assigned or unassigned. At the end of the current fiscal year the fund balance for each category was as follows:

The components of fund balance were as follows:

Nonspendable	\$ 170,200
Restricted	3,334,670
Committed	1,631,811
Assigned	493,639
Unassigned	<u>6,135,456</u>
Total	<u>\$ 11,765,776</u>

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

The total fund balances decreased by (\$888,939).

This decrease is the result of the following:

- | | |
|--|--------------|
| ➤ negative operations of the capital or nonrecurring fund of | \$ (408,796) |
| ➤ negative operations of the debt service fund of | (637,616) |

General Fund. The general fund is the operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general fund was \$7,241,879. As a measure of the general fund's liquidity, it is useful to compare unassigned fund balance to total expenditures and transfers out. Unassigned fund balance represents 23.66% of total budgetary actual general fund expenditures and transfers out.

The fund balance of the Town's general fund increased \$172,926 during the current fiscal year. This was due to the following:

- Revenues were below budget by \$135,255 after the appropriation of fund balance
- Expenditures were below budget by \$308,181.

The details of these variances are discussed under budgetary highlights.

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

General Fund For the Years Ended June 30			
	2025	2024	Increase (Decrease)
Revenues:			
Property taxes	\$ 23,407,682	\$ 23,028,149	\$ 379,533
Charges for services	555,307	514,916	40,391
Intergovernmental	8,829,277	8,906,962	(77,685)
Income from investments	420,516	595,053	(174,537)
Other	72,400	1,801	70,599
Total revenues	33,285,182	33,046,881	238,301
Expenditures:			
General government	4,324,641	4,006,686	317,955
Public safety	2,276,402	2,170,755	105,647
Public works	2,192,752	2,058,079	134,673
Health and welfare	102,700	100,899	1,801
Culture and recreation	532,745	515,890	16,855
Housing and development	206,740	243,086	(36,346)
Education	20,174,411	19,511,147	663,264
Capital outlay	-	29,434	(29,434)
Total expenditures	29,810,391	28,635,976	1,174,415
Excess (deficiency) of revenues over expenditures	3,474,791	4,410,905	(936,114)
Other financing sources (uses):			
Transfers out	(3,301,865)	(3,480,589)	178,724
Net change in fund balances	\$ 172,926	\$ 930,316	\$ (757,390)

Revenues

Revenue category	Amount	Description
Property taxes increased by/ due to:	\$ 379,533	Due mostly to increase in tax funding necessary to fund increase in education costs for contractual salaries and benefits.
Intergovernmental revenues decreased by/due to:	(77,685)	Decrease in on-behalf amount for State Teachers pension and OPEB of:
		\$ (96,721)
Income from investments decreased by/due to:	(174,537)	Decrease in amount of investable resources due to general fund interfund activity and debt service
		(3,312,872)

Expenditures

Expenditure category	Amount	Description
General government increased by/ due to:	\$ 317,955	Increase in Town employees and volunteer firefighter pension contribution amounts of:
		\$ 65,733
		Due to the Town Clerk becoming a Town departments for the current fiscal year:
		61,087
Public works increased by/ due to:	134,673	Increase in medical/life insurance costs of:
		60,550
		Increase in elections costs due to early voting requirements of:
		41,465
Education expenses increased by/ due to:	663,264	Due to transfer station activities being recorded in the general fund budget for the current fiscal year for the first time:
		44,906
		Increase in snow and ice removal costs as compared to prior year of:
		21,650
		Increase in highway costs due to increased road maintenance of:
		16,089

General Fund budgetary highlights

Significant additional appropriations, budget transfers and budget variance were as follows:

Additional appropriations

There were additional appropriations of fund balance totaling \$498,700. Of this total, \$213,850 was transferred to capital and nonrecurring fund for a new ambulance, \$151,000 was transferred for a WPCA engineering project and \$112,500 was transferred for the WPCA roof.

Budget transfers

Medical/life insurance and retiree medical insurance budgets were transferred to other budget lines primarily due to vacancies across police and housing departments	\$ (151,642)
Transfers out budget was increased by the additional appropriation and budget transfers to increase the transfer to the capital reserve fund	533,357

Budget variances

Revenues

Property tax revenue was greater than the budget due to conservative budgeting	\$ 512,321
Income from investments increased due to the continued higher interest rates and conservative budgeting	70,516

Expenditures

Police was lower than budget due to open positions	\$ 99,367
Housing, land use and development was lower than budget due to an open position	57,017

Capital or Nonrecurring Fund. This fund accounts for the financial revenues including resources from borrowing to be used for major capital asset construction and/or purchases and items, which are reserved for special purposes. A summary of the projects can be found in Note II.C. of the notes to financial statements.

The capital or nonrecurring fund's expenditures and other financing uses exceeded its revenues and other financing sources by \$408,796, primarily due to timing of capital project expenditures in the current year.

Debt Service Fund. This fund accounts for financial resources to be used for current and future principal and interest payments for long-term debt. As part of the Town's capital improvement policy, the Town committed to funding a minimum annual appropriation of \$2,300,000 into the Debt Service Fund to minimize a mill rate impact of an expected significant increase in debt service in future budget years.

The assigned fund balance totals \$193,639. The debt service fund had negative operations of \$637,616 due to fiscal year 2025 debt service expenditures in excess of transfers in.

Capital assets and debt administration

Capital assets. Capital assets by type are detailed in the table below.

Capital Assets (Net of Accumulated Depreciation/Amortization) June 30		
Category	2025	2024
Land	\$ 1,341,961	\$ 1,341,961
Construction in progress	8,994,347	11,262,393
Intangible right-to-use assets	1,044,633	1,060,610
Buildings	26,375,885	27,223,660
Land improvements	3,218,899	3,310,388
Machinery and equipment	6,365,247	5,933,672
Vehicles	3,655,753	3,238,223
Infrastructure	31,391,617	24,397,667
Total	<u>\$ 82,388,342</u>	<u>\$ 77,768,574</u>
Dollar change	<u>\$ 4,619,768</u>	
Percentage change	<u>5.94%</u>	

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

Category	Description	Amount
Construction in progress	Opera House restoration	\$ 2,682,805
	High Street culvert	1,291,030
	Town hall roof	1,041,558
Machinery and equipment	WPCA SCADA system	610,000
Vehicles	Public works vehicles	627,318
Infrastructure	Hickory Hill Road improvements	7,673,549

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

Long-term liabilities. Long-term liabilities outstanding by type are detailed in the table below. All debt is backed by the full faith and credit of the Town.

**Long-Term Liabilities
June 30**

<u>Category</u>	<u>2025</u>	<u>2024</u>
General obligation bonds	\$ 18,055,000	\$ 20,140,000
Bond anticipation notes (permanently financed)	3,380,000	-
Notes	1,287,616	1,431,490
Leases	1,087,080	1,023,680
Subscriptions	41,827	99,040
	<u>\$ 23,851,523</u>	<u>\$ 22,694,210</u>
Total		
Dollar change	<u>\$ 1,157,313</u>	
Percentage change	<u>5.10%</u>	

The Town's total debt increased by \$1,157,313 due to additions of permanently financed bond anticipation notes of \$3,380,000 and leases of \$192,519 offset by scheduled principal payments of \$2,415,206.

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

State statutes limit the amount of general obligation debt a governmental entity may issue to seven times total prior year tax collections including interest and lien fees and the tax relief for elderly freeze grant. The current debt limitation for the Town is \$160,794,851, which is significantly in excess of the Town's outstanding general obligation debt.

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

Economic factors and next year's budget and rates

- The unemployment rate for the Town is currently 3.1%, which is up from 2.5% one year ago. The Town's rate is favorable compared to the State rate of 3.8% and the Hartford labor market rate of 3.4%. The Town is below the national average of 4.1%.
- The Town is under even greater fiscal pressure from voter opposition to tax increases. Voter opposition remains regardless of the fact that the Town has no control over its significant revenue sources other than property taxes. The Town faces cost increases from contractual obligations and fixed costs as well as decreases in revenue from the State of Connecticut and failed budgets will only result in loss of services, personnel and infrastructure improvements.

These factors were considered in preparing the Town's budget for the 2025-2026 fiscal year.

Requests for information

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

Basic Financial Statements

Town of Thomaston, Connecticut

Statement of Net Position
Governmental Activities
June 30, 2025

Assets

Current assets:	
Cash	\$ 2,526,148
Investments	10,263,616
Receivables (net):	
Property taxes	307,833
Assessments/use charges	94,685
Loans	63,223
Intergovernmental	820,147
Other	78,976
Leases	88,554
Other	27,548
	<hr/>
Total current assets	14,270,730
Noncurrent assets:	
Restricted assets:	
Temporarily restricted:	
Investments	727,308
Permanently restricted:	
Investments	170,200
	<hr/>
Total restricted assets	897,508
Receivables (net):	
Property taxes	238,004
Assessments/use charges	106,772
Loans	707,401
Leases	135,342
	<hr/>
Total receivables (net)	1,187,519
Capital assets (net of accumulated depreciation/amortization):	
Land	1,341,961
Construction in progress	8,994,347
Intangible right-to-use assets	1,044,633
Buildings	26,375,885
Land improvements	3,218,899
Machinery and equipment	6,365,247
Vehicles	3,655,753
Infrastructure	31,391,617
	<hr/>
Total capital assets (net of accumulated depreciation/amortization)	82,388,342
	<hr/>
Total noncurrent assets	84,473,369
	<hr/>
Total assets	98,744,099
	<hr/>

Deferred Outflows of Resources

OPEB related	1,037,241
	<hr/>

(Continued)

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

Town of Thomaston, Connecticut

Statement of Net Position
Governmental Activities
June 30, 2025

Liabilities

Current liabilities:	
Accounts payable	\$ 1,057,033
Retainage payable	138,286
Accrued payroll	1,286,864
Unearned revenue	202,327
Accrued interest payable	238,499
Bond anticipation notes	940,000
Long-term debt	2,001,999
Compensated absences	726,808
Net OPEB liability	1,363,478
Total current liabilities	<u>7,955,294</u>
Noncurrent liabilities:	
Long-term debt and related liabilities	22,478,835
Compensated absences	2,643,968
Net pension liability	2,125,032
Net OPEB liability	15,114,661
Total noncurrent liabilities	<u>42,362,496</u>
Total liabilities	<u>50,317,790</u>

Deferred Inflows of Resources

Deferred charge on refunding	633,600
Leases related	218,177
Pension related	173,570
OPEB related	2,614,335
Total deferred inflows of resources	<u>3,639,682</u>

Net Position

Net investment in capital assets	55,681,218
Restricted for:	
Endowments:	
Nonexpendable	65,700
Expendable	30,925
Perpetual care:	
Nonexpendable	104,500
Expendable	696,383
Housing rehabilitation	899,175
Public safety	24,046
Sewer operations	133,629
Education	449,207
Library	1,093,819
Other	7,486
Unrestricted	(13,362,220)
Total net position	<u>\$ 45,823,868</u>

(Concluded)

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

Town of Thomaston, Connecticut

Statement of Activities
Governmental Activities
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Net Expenses and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
General government	\$ 1,966,010	\$ 255,636	\$ 5,500	\$ 675,602	\$ (1,029,272)
Public safety	2,660,817	247,309	-	218,161	(2,195,347)
Public works	4,955,106	1,761,742	2,160	245,731	(2,945,473)
Health and welfare	230,184	-	12,045	15,970	(202,169)
Culture and recreation	1,186,298	139,605	63,177	2,410,752	1,427,236
Housing and development	329,852	106,768	-	5,600	(217,484)
Education	23,626,648	292,560	9,935,000	466,751	(12,932,337)
Interest	730,091	-	-	-	(730,091)
Total	<u>\$ 35,685,006</u>	<u>\$ 2,803,620</u>	<u>\$ 10,017,882</u>	<u>\$ 4,038,567</u>	<u>(18,824,937)</u>
General revenues:					
Property taxes					23,396,104
Grants and contributions not restricted to specific programs					568,461
Income from investments					626,565
Other					<u>72,400</u>
Total general revenues					<u>24,663,530</u>
Change in net position					<u>5,838,593</u>
Net position - July 1, 2024, as previously reported					42,371,245
Adjustment - change in accounting principle					<u>(2,385,970)</u>
Net position - July 1, 2024, as restated					<u>39,985,275</u>
Net position - June 30, 2025					<u><u>\$ 45,823,868</u></u>

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

Town of Thomaston, Connecticut

Balance Sheet
Governmental Funds
June 30, 2025

	General	Capital or Nonrecurring	Debt Service	Other Governmental Funds	Total
<u>Assets</u>					
Cash	\$ 1,570,969	\$ -	\$ -	\$ 955,179	\$ 2,526,148
Investments	7,073,456	4,006	1,433,905	2,649,757	11,161,124
Receivables (net):					
Property taxes	518,933	-	-	-	518,933
Assessments/use charges	-	-	-	167,514	167,514
Loans	-	-	-	770,624	770,624
Intergovernmental	-	466,751	-	353,396	820,147
Leases	223,896	-	-	-	223,896
Other	78,976	-	-	-	78,976
Due from other funds	10,207,612	10,754,784	9,324,734	170,807	30,457,937
Other	7,751	-	-	19,797	27,548
Total assets	<u>\$ 19,681,593</u>	<u>\$ 11,225,541</u>	<u>\$ 10,758,639</u>	<u>\$ 5,087,074</u>	<u>\$ 46,752,847</u>
<u>Liabilities</u>					
Accounts payable	\$ 490,981	\$ 514,404	\$ -	\$ 51,648	\$ 1,057,033
Accrued payroll and related liabilities	1,257,386	-	-	29,478	1,286,864
Retainage payable	-	138,286	-	-	138,286
Due to other funds	9,648,683	9,735,680	10,565,000	508,574	30,457,937
Unearned revenue	5,554	188,180	-	8,593	202,327
Bond anticipation notes	-	940,000	-	-	940,000
Total liabilities	<u>11,402,604</u>	<u>11,516,550</u>	<u>10,565,000</u>	<u>598,293</u>	<u>34,082,447</u>
<u>Deferred Inflows of Resources</u>					
Unavailable revenue:					
Property taxes	518,933	-	-	-	518,933
Assessments/use charges	-	-	-	167,514	167,514
Leases related	218,177	-	-	-	218,177
Total deferred inflows of resources	<u>737,110</u>	<u>-</u>	<u>-</u>	<u>167,514</u>	<u>904,624</u>
<u>Fund Balances</u>					
Nonspendable	-	-	-	170,200	170,200
Restricted	-	-	-	3,334,670	3,334,670
Committed	-	815,414	-	816,397	1,631,811
Assigned	300,000	-	193,639	-	493,639
Unassigned	7,241,879	(1,106,423)	-	-	6,135,456
Total fund balances	<u>7,541,879</u>	<u>(291,009)</u>	<u>193,639</u>	<u>4,321,267</u>	<u>11,765,776</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 19,681,593</u>	<u>\$ 11,225,541</u>	<u>\$ 10,758,639</u>	<u>\$ 5,087,074</u>	<u>\$ 46,752,847</u>

(Continued)

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

Town of Thomaston, Connecticut

Reconciliation of Fund Balance to Net Position
June 30, 2025

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

Total fund balance (Exhibit C, page 1)	<u>\$ 11,765,776</u>
--	----------------------

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

Beginning capital assets	77,768,574
Current year additions (net of construction in progress)	7,526,365
Depreciation/amortization expense	<u>(2,906,597)</u>
 Total	 <u>82,388,342</u>

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

Property tax, sewer use and sewer assessment interest and lien accrual	292,847
Allowance for doubtful accounts	(232,000)
Deferred outflows related to OPEB	<u>1,037,241</u>
 Total	 <u>1,098,088</u>

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

Property tax, sewer use and sewer assessment receivable - accrual basis change	<u>686,447</u>
--	----------------

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

Bonds and notes payable	(22,722,616)
Leases payable	(1,087,080)
Subscriptions payable	(41,827)
Premium	(629,311)
Compensated absences	(3,370,776)
Net pension liability	(2,125,032)
Net OPEB liability	(16,478,139)
Accrued interest payable	(238,499)
Deferred charge on refunding	(633,600)
Deferred inflows related to pensions	(173,570)
Deferred inflows related to OPEB	<u>(2,614,335)</u>
 Total	 <u>(50,114,785)</u>

Net position (Exhibit A)	<u><u>\$ 45,823,868</u></u>
--------------------------	-----------------------------

(Concluded)

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

Town of Thomaston, Connecticut

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025**

	General	Capital or Nonrecurring	Debt Service	Other Governmental Funds	Total
Revenues:					
Property taxes	\$ 23,407,682	\$ -	\$ -	\$ -	\$ 23,407,682
Charges for services	555,307	117,391	-	2,179,591	2,852,289
Intergovernmental	8,829,277	3,369,257	-	1,915,772	14,114,306
Contributions	-	252,195	-	258,409	510,604
Income from investments	420,516	52	-	96,810	517,378
Net change in fair value of investments	-	-	-	109,187	109,187
Other	72,400	-	-	-	72,400
Total revenues	<u>33,285,182</u>	<u>3,738,895</u>	<u>-</u>	<u>4,559,769</u>	<u>41,583,846</u>
Expenditures:					
Current:					
General government	4,324,641	123,411	-	17,520	4,465,572
Public safety	2,276,402	87,888	-	29,044	2,393,334
Public works	2,192,752	273,335	-	1,738,857	4,204,944
Health and welfare	102,700	-	-	133,630	236,330
Culture and recreation	532,745	269,933	-	183,847	986,525
Housing and development	206,740	36,702	-	-	243,442
Education	20,174,411	263,765	-	2,407,796	22,845,972
Debt service	-	97,987	3,091,659	-	3,189,646
Capital outlay	-	7,333,846	192,519	-	7,526,365
Total expenditures	<u>29,810,391</u>	<u>8,486,867</u>	<u>3,284,178</u>	<u>4,510,694</u>	<u>46,092,130</u>
Excess (deficiency) of revenues over expenditures	<u>3,474,791</u>	<u>(4,747,972)</u>	<u>(3,284,178)</u>	<u>49,075</u>	<u>(4,508,284)</u>
Other financing sources (uses):					
Issuance of debt	-	3,380,000	192,519	-	3,572,519
Premium	-	-	25,876	-	25,876
Sale of assets	-	20,950	-	-	20,950
Transfers in	-	938,226	2,428,167	255,230	3,621,623
Transfers out	<u>(3,301,865)</u>	<u>-</u>	<u>-</u>	<u>(319,758)</u>	<u>(3,621,623)</u>
Net other financing sources (uses)	<u>(3,301,865)</u>	<u>4,339,176</u>	<u>2,646,562</u>	<u>(64,528)</u>	<u>3,619,345</u>
Net change in fund balances	172,926	(408,796)	(637,616)	(15,453)	(888,939)
Fund balances - July 1, 2024	<u>7,368,953</u>	<u>117,787</u>	<u>831,255</u>	<u>4,336,720</u>	<u>12,654,715</u>
Fund balances - June 30, 2025	<u>\$ 7,541,879</u>	<u>\$ (291,009)</u>	<u>\$ 193,639</u>	<u>\$ 4,321,267</u>	<u>\$ 11,765,776</u>

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

Town of Thomaston, Connecticut

**Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2025**

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

Net change in fund balances - total governmental funds (Exhibit D)	<u>\$ (888,939)</u>
--	---------------------

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

Capital outlay	7,526,365
Depreciation/amortization expense	<u>(2,906,597)</u>
Total	<u>4,619,768</u>

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

Change in property tax, sewer use and sewer assessment receivable - accrual basis change	(60,125)
Change in property tax, sewer use and sewer assessment interest and lien revenue	<u>(122)</u>
Total	<u>(60,247)</u>

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

Debt issued or incurred:	
Bonds and notes	(3,380,000)
Leases	(192,519)
Premium	(25,876)
Principal repayments:	
Bonds	2,085,000
Notes	143,874
Leases	129,119
Subscriptions	<u>57,213</u>
Total	<u>(1,183,189)</u>

(Continued)

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

Town of Thomaston, Connecticut

**Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2025**

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

Change in/amortization of:	
Accrued interest payable	\$ 87,590
Premium	70,516
Compensated absences	(380,031)
Net pension liability	1,020,062
Net OPEB liability	3,962,187
Deferred charges on refunding	72,575
Deferred outflows of resources related to pension and OPEB	(891,636)
Deferred inflows of resources related to pension and OPEB	<u>(590,063)</u>
Total	<u>3,351,200</u>
Change in net position (Exhibit B)	<u>\$ 5,838,593</u>
	(Concluded)

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

Town of Thomaston, Connecticut
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2025

	<u>Pension and OPEB Trust Funds</u>	<u>Private- Purpose Trust Funds</u>	<u>Custodial Fund</u>
<u>Assets</u>			
Cash	\$ -	\$ 261	\$ -
Investments:			
Certificates of deposit	-	1,193	-
Mutual funds:			
Money market	197,502	-	18,883
Equity	13,990,743	-	1,162,687
Bond	8,407,564	-	725,889
Total investments	22,595,809	1,193	1,907,459
Total assets	22,595,809	1,454	1,907,459
<u>Net Position</u>			
Restricted for:			
Pension benefits	21,880,295	-	-
OPEB benefits	715,514	-	-
Individuals and organizations	-	1,454	1,907,459
Total net position	\$ 22,595,809	\$ 1,454	\$ 1,907,459

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

Town of Thomaston, Connecticut

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2025

	Pension and OPEB Trust Funds	Private- Purpose Trust Funds	Custodial Fund
Additions:			
Contributions:			
Employer	\$ 1,509,434	\$ -	\$ 75,000
Plan members	105,447	-	-
Total contributions	<u>1,614,881</u>	<u>-</u>	<u>75,000</u>
Investment income (loss):			
Net change in fair value of investments	1,412,462	-	122,043
Interest and dividends	851,790	41	67,563
Total investment income (loss)	2,264,252	41	189,606
Less investment expenses	<u>54,247</u>	<u>-</u>	<u>4,533</u>
Net investment income (loss)	<u>2,210,005</u>	<u>41</u>	<u>185,073</u>
Total additions	<u>3,824,886</u>	<u>41</u>	<u>260,073</u>
Deductions:			
Benefits	2,427,895	-	108,644
Administration	31,425	-	2,634
Total deductions	<u>2,459,320</u>	<u>-</u>	<u>111,278</u>
Change in net position	1,365,566	41	148,795
Net position - July 1, 2024	<u>21,230,243</u>	<u>1,413</u>	<u>1,758,664</u>
Net position - June 30, 2025	<u><u>\$ 22,595,809</u></u>	<u><u>\$ 1,454</u></u>	<u><u>\$ 1,907,459</u></u>

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025**History and organization**

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

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

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

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

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

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

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

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

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

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

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

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

The Town reports the following major governmental funds:

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

Additionally, the Town reports the following fund types:

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

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

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

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

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

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

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

b. Investments

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

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

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

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

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

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

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

There are also minimum and maximum target levels defined.

c. Method used to value investments

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

Fair value of investments

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

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

d. Risk policies

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

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

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

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

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

b. Property taxes and other receivables

In the government-wide financial statements, all trade, property tax, sewer use, sewer assessment and loan receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 3.00% to 49.00% of outstanding receivable balances and are calculated based upon prior collections.

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

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

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

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

The Town recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

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

Key estimates and judgments related to leases include:

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

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

3. Restricted assets

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

4. Capital assets

Capital assets are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost as noted in the table below and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

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

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

Asset Class	Years	Threshold
Intangible right-to-use leased assets	Lease term	\$20,000
Intangible right-to-use subscription assets	Subscription term	20,000
Buildings and improvements	50-75	200,000
Land improvements	20-50	100,000
Machinery and equipment	3-40	20,000
Vehicles	8-15	20,000
Infrastructure:		
Roads and bridges	50-75	200,000
Sewer lines and storm drains	65	200,000

5. Deferred outflows/inflows of resources

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

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

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

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

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

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025**C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)**

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

6. Compensated absences

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

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

7. Termination benefits

Termination benefits represent the present value of future benefits to be paid to former employees. Certain Board of Education employees were granted retirement awards based on years of service and other provisions in their contracts.

8. Long-term liabilities

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

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

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

The Town recognizes a lease/subscription liability and an intangible right-to-use lease/subscription asset (lease/subscription asset) in the government-wide financial statements.

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

Key estimates and judgments related to leases and subscriptions include:

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

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

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

10. Net position and fund balances

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

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

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

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

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

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

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

Minimum fund balance policy

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

Town of Thomaston, Connecticut

**Notes to Financial Statements
As of and for the Year Ended June 30, 2025****C. Assets, liabilities, deferred outflows/inflows of resources and equity (continued)****11. Use of estimates**

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

12. Reclassifications

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

II. Stewardship, compliance and accountability**A. Donor-restricted endowments**

The Town has received certain endowments for the maintenance of Edith Kenea Park, the Hillside Cemetery and fire department operation purposes. The amounts are reflected in net position as restricted for endowments and perpetual care. Investment income (including appreciation) is approved for expenditure by the individual Boards. The amount of appreciation (depreciation) included in fund balance of the Hillside Cemetery Trust was \$329,291.

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

B. Capital or nonrecurring project authorizations

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

The following is a summary of capital or nonrecurring projects:

Project Description	Project Authorization	Cumulative Expenditures	Balance
Assessors projects	\$ 799,137	\$ 736,065	\$ 63,072
Education projects	851,481	474,038	377,443
Bradstreet house repairs	19,746	15,282	4,464
Building department plan of conservation	55,012	51,174	3,838
Christmas lights-reserve	12,000	10,000	2,000
Clocktower	14,500	14,500	-
Economic development	45,606	27,016	18,590
Emergency management projects	28,438	25,704	2,734
Fire department projects	842,372	696,009	146,363
Flag fund	5,500	3,305	2,195
Greenway	482,500	30	482,470
Inland wetland engineering	49,769	39,008	10,761
Kenea park clock restoration	16,000	13,150	2,850
K-9 donation reserves	14,387	13,159	1,228
Library projects	87,506	61,690	25,816
NAA grants	971	-	971
Nips fees	48,467	18,862	29,605
Opera house projects	3,275,423	3,252,703	22,720
Opioid settlement	68,149	-	68,149
Park bench wood repairs	1,125	889	236
Police department projects	1,224,231	931,965	292,266
Public works department projects	20,750,769	20,336,669	414,100
Registrar early voting grant	2,080	2,080	-
Roofs engineering repairs	5,604,599	5,348,455	256,144
Selectmen projects	59,345	32,143	27,202
Senior center	11,999	11,999	-
Seth Thomas park	480,409	465,528	14,881
Skate park proceeds	1,090	-	1,090
Social services reserve	21,172	-	21,172
Street lights	57,879	51,186	6,693
Technology projects	13,000	4,500	8,500
Town-wide sick pay reserve	877,697	873,691	4,006
Track committee	3,469,181	3,399,270	69,911
Town hall projects	604,391	591,683	12,708
Transfer station	5,000	1,861	3,139
TVAC projects	323,861	280,488	43,373
WPCA projects	2,615,632	2,394,311	221,321
Unassigned	13	-	13
Totals	<u>\$42,840,437</u>	<u>\$40,178,413</u>	<u>\$2,662,024</u>

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

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

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

Bank balance	<u>\$ 6,223,423</u>
Uninsured and uncollateralized	\$ 3,680,217
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>1,310,072</u>
Total amount subject to custodial credit risk	<u>\$ 4,990,289</u>

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

2. Investments

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

Type of Investment	Fair Value	Investment Maturities (In Years)			
		N/A	Less Than 1	1-5 Years	5-10 Years
Certificates of deposit	\$ 274,411	\$ -	\$ 274,411	\$ -	\$ -
Bank money market funds	2,938,419	2,938,419	-	-	-
Pooled fixed income	6,111,950	-	6,111,950	-	-
Annuities	998,496	-	-	998,496	-
Mutual funds:					
Money market	216,385	-	216,385	-	-
Equity	15,875,700	15,875,700	-	-	-
Bond	9,133,453	-	-	-	9,133,453
Common stock	116,771	116,771	-	-	-
Total	35,665,585	<u>\$ 18,930,890</u>	<u>\$ 6,602,746</u>	<u>\$ 998,496</u>	<u>\$ 9,133,453</u>
Less fiduciary funds	<u>(24,504,461)</u>				
Other funds	<u>\$ 11,161,124</u>				

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

A. Cash and investments (continued)

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

Investments by fair value level	Amount	Quoted Market Prices in Active Markets	Significant Unobservable Inputs
		Level 1	Level 3
Annuities	\$ 998,496	\$ -	\$ 998,496
Mutual funds:			
Money market	216,385	216,385	-
Equity	15,875,700	15,875,700	-
Bond	9,133,453	9,133,453	-
Common stock	116,771	116,771	-
Total investments by fair value level	26,340,805	\$ 25,342,309	\$ 998,496
<u>Other investments</u>			
Certificates of deposit	274,411		
Bank money market funds	2,938,419		
Pooled fixed income	6,111,950		
Total other investments	9,324,780		
Total investments	<u>\$ 35,665,585</u>		

Level 1: Quoted prices for identical investments in active markets

Level 3: Unobservable inputs. Value is based upon the carrying value or fair value of the underlying investments as available.

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

Average Rating	Pooled Fixed Income	Annuities	Mutual funds	
			Money Market	Bond
AAA	\$6,111,950	\$ -	\$ 216,385	\$ -
A	-	998,496	-	-
Unrated	-	-	-	9,133,453
Totals	<u>\$6,111,950</u>	<u>\$ 998,496</u>	<u>\$ 216,385</u>	<u>\$9,133,453</u>

d. Custodial credit risk

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

B. Receivables

1. Receivable balances have been disaggregated by type and presented separately in the financial statements. Receivables and the related allowances for uncollectible accounts are presented below.

	Property Taxes			
	Taxes	Interest and lien fees	Total	
Current portion	\$ 230,371	\$ 77,462	\$ 307,833	
Long-term portion	288,562	174,442	463,004	
Less allowance for uncollectibles	(100,000)	(125,000)	(225,000)	
Net long-term portion	188,562	49,442	238,004	
Total	<u>\$ 518,933</u>	<u>\$ 251,904</u>	<u>\$ 770,837</u>	
	Sewer Use			CDBG Loans*
	Use	Interest and lien fees	Total	
Current portion	\$ 76,147	\$ 18,538	\$ 94,685	\$ 63,223
Long-term portion	91,367	22,405	113,772	807,401
Less allowance for uncollectibles	(5,500)	(1,500)	(7,000)	(100,000)
Net long-term portion	85,867	20,905	106,772	707,401
Total (net*)	<u>\$ 167,514</u>	<u>\$ 40,943</u>	<u>\$ 208,457</u>	<u>\$ 770,624</u>

2. Leases receivable

The Town reports the following lease balances and activity:

Description	Number of Agreements	Original Term (Years)	Receivable	Deferred Inflows of Resources	Revenue	Interest Revenue
Chapel Street cell tower	1	25	\$ 59,616	\$ 53,897	\$ 107,797	\$ 3,484
Plymouth tower space	1	12	164,280	164,280	27,870	608
Total			223,896	<u>\$ 218,177</u>	<u>\$ 135,667</u>	<u>\$ 4,092</u>
Less current portion			(88,554)			
Long-term portion			<u>\$ 135,342</u>			

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

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

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

	Corresponding Fund	Due From	Due To
General fund:			
Capital or nonrecurring fund	N/A	\$ 9,735,680	\$ 188,180
Debt service fund	N/A	-	9,324,734
Sewer commission usage fund	N/A	-	57,035
Education funds	N/A	304,745	-
Recreation funds	N/A	-	78,284
Gift fund	N/A	-	450
EMS fund	N/A	13,265	-
Hillside cemetery trust fund	N/A	153,922	-
Total general fund		<u>10,207,612</u>	<u>9,648,683</u>
Capital or nonrecurring:			
General fund	N/A	188,180	9,735,680
Debt service fund	N/A	10,565,000	-
Capital projects fund	N/A	1,604	-
Total capital or nonrecurring		<u>10,754,784</u>	<u>9,735,680</u>
Debt service fund:			
General fund	N/A	9,324,734	-
Capital or nonrecurring fund	N/A	-	10,565,000
Total debt service fund		<u>9,324,734</u>	<u>10,565,000</u>

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

C. Interfund accounts (continued)

	Corresponding Fund	Due From	Due To
<hr/>			
Other governmental funds:			
Sewer commission usage fund	General fund	\$ 57,035	\$ -
Sewer commission usage fund	Capital projects fund	-	4,375
Education funds	General fund	-	304,745
Education funds	School lunch fund	30,663	-
School Lunch fund	Education funds	-	30,663
Recreation funds	General fund	78,284	-
Gift fund	General fund	450	-
EMS fund	General fund	-	13,265
Capital projects fund	Sewer commission usage fund	4,375	-
Capital projects fund	Capital or nonrecurring fund	-	1,604
Hillside cemetery trust fund	General fund	-	153,922
		<hr/>	<hr/>
Total other governmental funds		170,807	508,574
		<hr/>	<hr/>
Total		<u>\$30,457,937</u>	<u>\$30,457,937</u>

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

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

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

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

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

	Corresponding Fund	Transfers In	Transfers Out
General fund:			
Capital or nonrecurring fund	N/A	\$ -	\$ 837,198
Debt service fund	N/A	-	2,428,167
Recreation fund	N/A	-	10,500
Hillside cemetery trust fund	N/A	-	26,000
Total general fund		-	3,301,865
Capital or nonrecurring fund:			-
Capital projects fund	General fund	837,198	-
Capital projects fund	Capital projects fund	100,000	-
Capital projects fund	Gift fund	1,028	-
Total capital or nonrecurring		938,226	-
Debt service fund	General fund	2,428,167	-
Other governmental funds:			
Sewer commission usage fund	Capital projects fund	-	2,856
Sewer commission assessment and appropriation fund	Capital projects fund	-	209,000
Education fund	School activity fund	-	6,874
School activity fund	Education fund	6,874	-
Recreation fund	General fund	10,500	-
Capital projects fund	Sewer commission usage fund	2,856	-
Capital projects fund	Sewer commission assessment	209,000	-
Capital projects fund	Capital or nonrecurring	-	100,000
Gift fund	Capital or nonrecurring	-	1,028
Hillside cemetery trust fund	General fund	26,000	-
Total other governmental funds		255,230	319,758
Total		<u>\$ 3,621,623</u>	<u>\$ 3,621,623</u>

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

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

D. Capital assets

Capital asset activity for the year was as follows:

	Balance July 1, 2024	Increases	Decreases	Balance June 30, 2025
<u>Capital assets, not being depreciated/amortized:</u>				
Land	\$ 1,341,961	\$ -	\$ -	\$ 1,341,961
Construction in progress	11,262,393	6,130,593	8,398,639	8,994,347
Total capital assets, not being depreciated/amortized	12,604,354	6,130,593	8,398,639	10,336,308
<u>Capital assets, being depreciated/amortized:</u>				
Intangible right-to-use assets:				
Leases - land improvements	992,889	-	-	992,889
Leases - machinery and equipment	252,288	192,519	-	444,807
Subscription assets	219,096	-	-	219,096
Buildings	46,211,311	112,500	-	46,323,811
Land improvements	4,756,727	-	-	4,756,727
Machinery and equipment	14,813,996	897,546	-	15,711,542
Vehicles	6,252,999	838,273	-	7,091,272
Infrastructure	34,989,131	7,753,573	342,791	42,399,913
Total capital assets, being depreciated/amortized	108,488,437	9,794,411	342,791	117,940,057
Total capital assets	121,092,791	15,925,004	8,741,430	128,276,365
<u>Less accumulated depreciation/amortization for:</u>				
Intangible right-to-use assets:				
Leases - land improvements	165,482	55,160	-	220,642
Leases - machinery and equipment	120,764	94,627	-	215,391
Subscription assets	117,417	58,709	-	176,126
Buildings	18,987,651	960,275	-	19,947,926
Land improvements	1,446,339	91,489	-	1,537,828
Machinery and equipment	8,880,324	465,971	-	9,346,295
Vehicles	3,014,776	420,743	-	3,435,519
Infrastructure	10,591,464	759,623	342,791	11,008,296
Total accumulated depreciation/amortization	43,324,217	2,906,597	342,791	45,888,023
Total capital assets, being depreciated/amortized, net	65,164,220	6,887,814	-	72,052,034
Capital assets, net	<u>\$ 77,768,574</u>	<u>\$ 13,018,407</u>	<u>\$ 8,398,639</u>	<u>\$ 82,388,342</u>

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

D. Capital assets (continued)

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

General government	\$ 182,709
Public safety	465,457
Public works	1,217,852
Culture and recreation	111,673
Education	<u>928,906</u>
Total depreciation/amortization expense	<u><u>\$ 2,906,597</u></u>

E. Construction commitments

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

<u>Project Description</u>	
Black Rock School improvements	\$ 364,847
Thomaston Opera House improvements	344,752
Town Hall improvements	<u>105,815</u>
Total	<u><u>\$ 815,414</u></u>

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

F. Short-term liabilities – bond anticipation notes

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

Short-term liability activity was as follows:

Purpose	Maturity Date	Interest Rate	Balance July 1, 2024	Additions	Reductions	Permanently Financed	Balance June 30, 2025
General purpose	8/7/2024	4.00%	\$ 2,670,000	\$ -	\$ 2,670,000	\$ -	\$ -
WPCA	8/7/2024	4.00%	1,200,000	-	1,200,000	-	-
General Purpose	8/6/2025	4.00%	-	2,945,000	-	2,180,000	765,000
WPCA	8/6/2025	4.00%	-	1,200,000	-	1,200,000	-
Schools	8/6/2025	4.00%	-	175,000	-	-	175,000
Total			<u>\$ 3,870,000</u>	<u>\$ 4,320,000</u>	<u>\$ 3,870,000</u>	<u>\$ 3,380,000</u>	<u>\$ 940,000</u>

Subsequent debt issuances:

Type of Obligation/ Purpose	Issue Date	Maturity Date	Interest Rate	Amount
<u>Bonds:</u>				
General Purpose	7/23/2025	8/1/2045	4.00-5.00%	\$ 2,825,000
WPCA	7/23/2025	8/1/2045	4.00-5.00%	1,200,000
<u>Bond anticipation notes:</u>				
General Purpose	8/6/2025	8/5/2026	4.00%	765,000
Schools	8/6/2025	8/5/2026	4.00%	<u>175,000</u>
Total				<u>\$ 4,965,000</u>

Town of Thomaston, Connecticut
Notes to Financial Statements
As of and for the Year Ended June 30, 2025

G. Changes in long-term liabilities

Bonds, notes, leases, and subscriptions are direct obligations and pledge the full faith and credit of the Town.

1. Summary of changes

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

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2024 (as restated)	Additions	Deductions	Balance June 30, 2025	Current Portion	Long Term Portion
<u>Bonds/Notes</u>										
General purpose:										
Refunding bond	\$ 5,809,500	05/19/15	02/01/30	3.00 - 4.00%	\$ 2,272,500	\$ -	\$ 675,000	\$ 1,597,500	\$ 328,500	\$ 1,269,000
Improvement bond	7,135,000	07/17/18	07/15/38	3.00 - 4.00%	5,078,865	-	411,227	4,667,638	411,227	4,256,411
Refunding bond	2,512,500	06/11/20	05/01/33	2.00 - 5.00%	1,794,725	-	187,829	1,606,896	191,183	1,415,713
Refunding bond	1,892,000	08/10/21	11/01/34	2.00 - 5.00%	1,188,000	-	112,200	1,075,800	103,400	972,400
Improvement bond	4,558,850	08/01/23	08/01/43	3.50 - 5.00%	4,558,850	-	229,950	4,328,900	229,950	4,098,950
Total general purpose	21,907,850				14,892,940	-	1,616,206	13,276,734	1,264,260	12,012,474
Schools:										
Refunding bond	645,500	05/19/15	02/01/30	3.00 - 4.00%	252,500	-	75,000	177,500	36,500	141,000
Refunding bond	1,237,500	06/11/20	05/01/33	2.00 - 5.00%	885,275	-	92,171	793,104	93,817	699,287
Refunding bond	2,193,000	08/10/21	11/01/34	2.00 - 5.00%	1,377,000	-	130,050	1,246,950	119,850	1,127,100
Improvement bond	374,700	08/01/23	08/01/43	3.50 - 5.00%	374,700	-	18,900	355,800	18,900	336,900
Total schools	4,450,700				2,889,475	-	316,121	2,573,354	269,067	2,304,287
Sewer:										
Improvement bond	1,280,000	07/17/18	07/15/38	3.00 - 4.00%	911,135	-	73,773	837,362	73,773	763,589
Refunding bond	215,000	08/10/21	11/01/34	2.00 - 5.00%	135,000	-	12,750	122,250	11,750	110,500
Improvement bond	1,311,450	08/01/23	08/01/43	3.50 - 5.00%	1,311,450	-	66,150	1,245,300	66,150	1,179,150
Total sewer	2,806,450				2,357,585	-	152,673	2,204,912	151,673	2,053,239
Total bonds	29,165,000				20,140,000	-	2,085,000	18,055,000	1,685,000	16,370,000
Bond anticipation notes (permanently financed)					-	3,380,000	-	3,380,000	-	3,380,000

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

G. Changes in long-term liabilities (continued)

Description	Original Amount	Date of Issue	Date of Maturity	Interest Rate	Balance July 1, 2024 (as restated)	Additions	Deductions	Balance June 30, 2025	Current Portion	Long Term Portion
<u>Equipment financing notes (direct borrowings):</u>										
Vehicles	\$ 252,768	01/20/22	06/15/30	2.99 - 4.50%	\$ 355,830	\$ -	\$ 80,948	\$ 274,882	\$ 84,277	\$ 190,605
Clean water note	<u>1,394,449</u>	04/30/20	04/30/39	2.00%	<u>1,075,660</u>	<u>-</u>	<u>62,926</u>	<u>1,012,734</u>	<u>64,196</u>	<u>948,538</u>
Total notes	<u>1,647,217</u>				<u>1,431,490</u>	<u>-</u>	<u>143,874</u>	<u>1,287,616</u>	<u>148,473</u>	<u>1,139,143</u>
Total bonds and notes	30,812,217				21,571,490	3,380,000	2,228,874	22,722,616	1,833,473	20,889,143
Leases	1,404,657				1,023,680	192,519	129,119	1,087,080	126,699	960,381
Subscriptions	<u>219,096</u>				<u>99,040</u>	<u>-</u>	<u>57,213</u>	<u>41,827</u>	<u>41,827</u>	<u>-</u>
Total long-term debt	<u>\$ 32,435,970</u>				22,694,210	3,572,519	2,415,206	23,851,523	2,001,999	21,849,524
Premiums					<u>673,951</u>	<u>25,876</u>	<u>70,516</u>	<u>629,311</u>	<u>-</u>	<u>629,311</u>
Total long-term debt and related liabilities					23,368,161	3,598,395	2,485,722	24,480,834	2,001,999	22,478,835
Compensated absences (net change)					2,990,745	380,031	-	3,370,776	726,808	2,643,968
Net pension liability					3,145,094	1,793,674	2,813,736	2,125,032	-	2,125,032
Net OPEB liability					<u>20,440,326</u>	<u>1,175,036</u>	<u>5,137,223</u>	<u>16,478,139</u>	<u>1,363,478</u>	<u>15,114,661</u>
Total long-term liabilities					<u>\$ 49,944,326</u>	<u>\$ 6,947,136</u>	<u>\$10,436,681</u>	<u>\$ 46,454,781</u>	<u>\$ 4,092,285</u>	<u>\$ 42,362,496</u>

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

G. Changes in long-term liabilities (continued)

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

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

Fiscal Year Ended June 30	Bonds		Notes	
	Principal	Interest	Principal	Interest
2026	\$ 1,685,000	\$ 653,851	\$ 148,473	\$ 33,377
2027	1,690,000	586,475	153,257	28,594
2028	1,680,000	519,850	98,994	23,619
2029	1,690,000	453,200	102,398	20,214
2030	1,620,000	386,375	105,960	16,652
2031	1,270,000	320,500	70,942	12,923
2032	1,275,000	273,900	72,373	11,491
2033	1,270,000	233,850	73,834	10,030
2034	955,000	196,050	75,325	8,540
2035	870,000	167,131	76,844	7,019
2036	625,000	142,044	78,396	5,468
2037	625,000	119,012	79,979	3,886
2038	625,000	95,588	81,592	2,272
2039	625,000	72,938	69,249	636
2040	310,000	55,800	-	-
2041	310,000	43,400	-	-
2042	310,000	31,000	-	-
2043	310,000	18,600	-	-
2044	310,000	6,200	-	-
Totals	<u>\$ 18,055,000</u>	<u>\$ 4,375,764</u>	<u>\$ 1,287,616</u>	<u>\$ 184,721</u>

2. Assets pledged as collateral

The Town's outstanding equipment financing notes of \$274,882 are secured with collateral of the equipment purchased.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

G. Changes in long-term liabilities (continued)**3. Statutory debt limitations**

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

Category	Debit Limit	Net Indebtedness	Balance
General purpose	\$ 51,684,059	\$ 16,221,734	\$ 35,462,325
Schools	103,368,119	2,748,354	100,619,765
Sewers	86,140,099	3,404,912	82,735,187
Urban renewal	74,654,752	-	74,654,752
Pension deficit	68,912,079	-	68,912,079

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

\$ 160,794,851

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued against which bond anticipation notes are issued and outstanding.

4. Authorized/unissued bonds

The amount of authorized, unissued bonds is as follows:

Project	Bonding Authorization	Previously Bonded	Authorized But Unissued
WPCA upgrade - phosphorus effluent limits	\$ 725,000	\$ -	\$ 725,000
Municipal building roofs	3,998,400	2,250,000	1,748,400
Fire truck	600,000	540,000	60,000
Payloader	150,000	130,000	20,000
Reconstruction and repair of roads	3,270,000	2,701,000	569,000
WPCA sewer lines	1,390,000	1,280,000	110,000
Road reconstruction - Phase I	4,836,000	4,390,984	445,016
Education security projects	403,786	348,116	55,670
Woodbridge Lane pump station	900,000	875,000	25,000
Carter Road bridge	91,800	-	91,800
Nystroms dam and dike	1,200,000	-	1,200,000
Opera House air handlers	217,000	180,900	36,100
Town Hall roof	1,200,000	-	1,200,000
WPCA pump station renovations	1,200,000	-	1,200,000
Greenway	445,000	-	445,000
Elm Street engineering	200,000	-	200,000
Old Northfield Road engineering	125,000	-	125,000
Black Rock School air handlers	545,125	-	545,125
WPCA roofs	112,000	-	112,000
Totals	<u>\$ 21,609,111</u>	<u>\$ 12,696,000</u>	<u>\$ 8,913,111</u>

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

G. Changes in long-term liabilities (continued)**5. Leases payable**

Lease agreements are summarized as follows:

Description	Number of Agreements	Original Term (years)	Interest Rate*	Original Amount	Balance
Tower space	2	17	2.00%	\$ 992,889	\$ 857,221
Town copiers	4	6	2.00%/3.00%	27,290	11,457
Education copiers	1	5	3.00%	155,810	69,697
Education hardware	2	3	4.50%	72,403	28,965
Education computers	1	3	4.50%	156,265	119,740
Total				<u>\$ 1,404,657</u>	<u>\$ 1,087,080</u>

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

Year Ending June 30	Principal	Interest
2026	\$ 126,699	\$ 26,265
2027	132,381	22,122
2028	101,569	17,799
2029	49,844	14,529
2030	53,212	13,532
2031	56,736	12,467
2032	60,423	11,333
2033	64,279	10,124
2034	68,311	8,839
2035	72,528	7,472
2036	76,935	6,022
2037	81,542	4,483
2038	86,355	2,852
2039	56,266	1,125
Totals	<u>\$ 1,087,080</u>	<u>\$ 158,964</u>

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

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

Subscription arrangements are summarized as follows:

Description	Number of Agreements	Original Term (years)	Interest Rate*	Original Amount	Balance
Police body camera software	1	4	2.00%	\$ 101,750	\$ 23,771
Phone system	1	4	2.00%	70,130	18,056
Financial software	1	3	3.00%	47,216	-
Total				<u>\$ 219,096</u>	<u>\$ 41,827</u>

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

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

Year Ending June 30	Principal	Interest
2026	<u>\$ 41,827</u>	<u>\$ 837</u>

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

H. Fund balances

Fund balances are composed of the following:

	General	Capital or Nonrecurring	Debt Service	Other Governmental Funds	Total
Nonspendable:					
Permanent fund principal	\$ -	\$ -	\$ -	\$ 170,200	\$ 170,200
Restricted:					
Park maintenance	-	-	-	30,925	30,925
Cemetery maintenance*	-	-	-	696,383	696,383
Housing rehabilitation	-	-	-	899,175	899,175
Public safety programs	-	-	-	24,046	24,046
Sewer operations*	-	-	-	133,629	133,629
School lunch operations*	-	-	-	449,207	449,207
Library operations	-	-	-	1,093,819	1,093,819
Other	-	-	-	7,486	7,486
Total restricted	-	-	-	3,334,670	3,334,670
Committed:					
Construction contracts	-	815,414	-	-	815,414
Education programs	-	-	-	174,653	174,653
Recreation programs	-	-	-	121,230	121,230
Health and welfare	-	-	-	67,355	67,355
Public safety - EMS	-	-	-	75,416	75,416
Approved CNR projects	-	-	-	377,743	377,743
Total committed	-	815,414	-	816,397	1,631,811
Assigned:					
Subsequent year's budget	300,000	-	-	-	300,000
Future debt service payments	-	-	193,639	-	193,639
Total assigned	300,000	-	193,639	-	493,639
Unassigned:	7,241,879	(1,106,423)	-	-	6,135,456
Total	<u>\$ 7,541,879</u>	<u>\$ (291,009)</u>	<u>\$ 193,639</u>	<u>\$ 4,321,267</u>	<u>\$11,765,776</u>

* The amount of restricted net position, which is restricted by enabling legislation, totaled: \$ 1,279,219

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

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

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

The Town is a member of 2 public entity risk pools established under the provisions of the Connecticut General Statutes Section 7-479a et. seq. The Town is liable only for contributions to the pool. Members do not retain the risk of loss, as they have transferred the risk by purchasing pool coverage with no deductible retention. A separate agreement limits the member's obligation to pay indemnification obligations and expenses should the pool be unable to do so.

The Liability-Automobile-Property risk sharing pool provides coverage for general liability, automobile liability, employee benefit liability, law enforcement liability, public officials and property coverage. The premium is subject to these coverages and claims and expense payments falling within the deductible amounts are the responsibility of the Town.

The Workers' Compensation risk sharing pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The coverage is subject to an insured loss retrospective rating plan and losses incurred in the coverage period will be evaluated at 18, 30 and 42 months after the effective date of coverage. The premium is subject to a payroll audit at the close of the coverage period.

The pools' retention, excess insurance, and Town's coverage limits are as follows:

<u>Pool</u>	<u>Pool Retention</u>	<u>Pool Excess Insurance</u>	<u>Town Coverage Limit</u>
Liability	\$1,500,000	\$ 11,000,000	\$ 1,000,000
Property	4,000,000	500,000,000	1,000,000
Boiler and machinery	1,000,000	100% in excess of insurance	
Workers' compensation	1,000,000	100% in excess of insurance	1,000,000

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

IV. Other information (continued)**B. Commitments and litigation**

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

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

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

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

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

b. Plan membership

The membership in the plan as of the date indicated is comprised of the following:

<u>Valuation date: January 1, 2024</u>	<u>Town</u>
Active members	32
Terminated employees entitled to benefits	22
Retirees, disabled employees, and beneficiaries receiving benefits	<u>94</u>
Total	<u>148</u>

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

A. Pension plan (continued)**2. Benefit provisions**

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

3. Contributions

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

Contribution rates to the plan were as follows:

Employer:

Town's average contribution rate	27.14% of pensionable wages
----------------------------------	-----------------------------

Employees:

Average active member contribution rate	5.02% of pensionable wages
---	----------------------------

4. Investments**a. Investment policy and rate of return**

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

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

A. Pension plan (continued)

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

The following was the Town's Retirement Committee's adopted asset allocation policy and long-term expected real rate of return:

Asset Class	Target Allocation	Long-Term Expected Real Rate of
US equity - large cap	25.00%	4.30%
US equity - small/mid cap	10.00%	4.25%
Non-US equity - developed	15.00%	6.10%
Non-US equity - emerging	5.00%	7.20%
US corporate bonds - core	35.00%	2.90%
US corporate bonds - dynamic	5.00%	3.00%
Real estate	5.00%	4.80%
Total/weighted average	<u>100.00%</u>	5.05%
Long-term inflation expectation		<u>2.30%</u>
Long-term expected nominal return		<u>7.30%</u>

Annual money-weighted rate of return

The annual money-weighted rate of return on pension plan investments (net of pension plan investment expense) was : 10.41%

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

b. Concentrations

There were no investments in any one organization that represents 5.00% or more of the pension plan's net position.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

A. Pension plan (continued)**5. Net pension liability**

The components of the net pension liability were as follows:

Total pension liability	\$ 24,005,327
Plan fiduciary net position	<u>21,880,295</u>
Net pension liability	<u>\$ 2,125,032</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>91.15%</u>

6. Actuarial assumptions

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

Valuation date	January 1, 2024
Actuarial cost method	Entry age normal
Asset valuation method	Fair value
Post-retirement increases	None
Inflation	2.60%
Salary increase	4.00%, average, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation
Mortality rates	PUB-2010 mortality table with generation improvements from 2010 with Scale MP-2021

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

There were no changes in assumptions.

b. Changes in benefit terms

There were no changes in benefit terms.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

A. Pension plan (continued)**8. Discount rate**

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

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

9. Changes in the net pension liability

The Town's net pension liability was measured at June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation dated as noted below:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Valuation Date: January 1, 2024	(a)	(b)	(a) - (b)
Balance at July 1, 2024	\$23,755,687	\$20,610,593	\$ 3,145,094
Service cost	142,821	-	142,821
Interest	1,620,280	-	1,620,280
Contributions - employer	-	570,000	(570,000)
Contributions - member	-	105,447	(105,447)
Net investment income	-	2,138,289	(2,138,289)
Benefit payments, including refunds of member contributions	(1,513,461)	(1,513,461)	-
Administrative expenses	-	(30,573)	30,573
Net change	249,640	1,269,702	(1,020,062)
Balance at June 30, 2025	\$24,005,327	\$21,880,295	\$ 2,125,032

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

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

Plan	Discount Rate	1% Decrease	Current Discount Rate	1% Increase
Town	7.00%	\$ 4,467,083	\$ 2,125,032	\$ 131,939

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

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

The Town reported deferred outflows of resources and deferred inflows of resources and pension expense as follows:

Description of Outflows/Inflows	Deferred Inflows of Resources
Net difference between projected and actual earnings on pension plan investments	<u>\$ 173,570</u>
Pension Expense	
The plan recognized pension expense of:	<u>\$ 195,816</u>

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

Year Ending June 30,	
2026	\$ 585,800
2027	(351,078)
2028	(269,530)
2029	<u>(138,762)</u>
Total	<u>\$ (173,570)</u>

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

Plan	Years
Town	1.37

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

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

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

Normal retirement	Age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut
Benefit calculation	2.00% of the average annual salary times the years of credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary)
Minimum benefit	Effective January 1, 1999, Public Act 98-251 provides a minimum monthly completed at least 25 years of full time Connecticut service at retirement.
Early retirement	25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service
Early retirement amount	Benefit amounts are reduced by 6.00% per year for the first 5 years preceding normal retirement age and 4.00% per year for the next 5 years preceding the normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3.00% per year by which retirement precedes normal retirement date
Service connected disability amount	2.00% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary. In addition, disability benefits under this plan (without regard to cost-of-living adjustments) plus any initial award of social security benefits and workers' compensation cannot exceed 75% of annual average salary
Non-service connected disability service requirement	5 years of credited service
Vesting - service	10 years of service
Vesting - amount	100%
Pre-retirement death benefit amount	Lump-sum return of contributions with interest or surviving spouse benefit depending on length of service

3. Contributions**State of Connecticut**

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

B. Connecticut state teachers' retirement system (continued)**Employer (school districts)**

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

Employees

Each teacher is required to contribute 7.00% of their pensionable salary.

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

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

Town's proportionate share of the collective net pension liability	\$ -
State's proportionate share of the collective net pension liability associated with the Town	<u>25,288,509</u>
Total	<u><u>\$25,288,509</u></u>
The plan recognized pension expense and revenue for on-behalf amounts for contributions to the plan by the State of:	<u><u>\$ 2,492,653</u></u>

The collective net pension liability was measured as of June 30, 2024, and the collective total pension liability used to calculate the collective net pension liability was determined by an actuarial valuation as of June 30, 2024.

5. Actuarial assumptions

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

Valuation date	June 30, 2024
Investment rate of return	6.90%
Inflation	2.50%
Salary increases	3.00-6.50%, including inflation
Mortality rates	Mortality rates were based on the PubT-2010 Table, projected generationally with MP-2019

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

B. Connecticut state teachers' retirement system (continued)

Future cost-of-living increases are as follows:

Teachers who retired prior to September 1, 1992	Pension benefit adjustments are made in accordance with increases in the Consumer Price Index, with a minimum of 3.00% and a maximum of 5.00% per annum
Teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992	Pension benefit adjustments are made that are consistent with those provided for social security benefits on January 1 of the year granted, with a maximum of 6.00% per annum. If the return on assets in the previous year was less than 8.50%, the maximum increase is 1.50%
Teachers who were members of the Teachers' Retirement System after July 1, 2007	Pension benefit adjustments are made that are consistent with those provided for social security benefits on January 1 of the year granted, with a maximum of 5.00% per annum. If the return on assets in the previous year was less than 11.50%, the maximum increase is 3.00%, and if the return on the assets in the previous year was less than 8.50%, the maximum increase is 1.00%

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

Changes in assumptions and inputs

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

Long-term expected rate of return

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

B. Connecticut state teachers' retirement system (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Target Expected Real Rate of Return</u>
Global equity	37.00%	6.80%
Public credit	2.00%	2.90%
Core fixed income	13.00%	0.40%
Liquidity fund	1.00%	(0.40%)
Risk mitigation	5.00%	0.10%
Private equity	15.00%	11.20%
Private credit	10.00%	6.10%
Real estate	10.00%	6.20%
Infrastructure and natural resources	7.00%	7.70%
Total	<u>100.00%</u>	

6. Discount rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

8. Plan fiduciary net position

The net pension liability and proportional share of pension expense presented in this report have been determined based on Connecticut State Teachers Retirement Systems' fiduciary net position included in the State of Connecticut ACFR as of and for the year ended June 30, 2024, which was audited by the State of Connecticut Auditors of Public Accounts and is included in the State of Connecticut's ACFR as a pension trust fund.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

C. Defined contribution retirement savings plan

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

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

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

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

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

During the year, the employer contributions were \$81,872 and employee contributions totaled \$142,243. Employee covered payroll totaled \$1,780,703.

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

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

b. Plan membership

The memberships in the plans as of the date indicated are comprised of the following:

<u>Valuation date: July 1, 2023</u>	<u>Town</u>	<u>Education</u>
Active members	7	88
Retirees, disabled employees, and beneficiaries receiving benefits	<u>46</u>	<u>31</u>
Total	<u>53</u>	<u>119</u>

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

D. Other post-employment benefits plan (continued)**2. Benefit provisions**

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

3. Contributions**a. Employer contributions**

The Town's recommended contributions are actuarially determined on an annual basis using the entry age normal method. The Town's total plan contributions were \$939,434.

b. Employee contributions

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

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

c. Retiree contributions

Contribution requirements are as follows:

Town plan

White collar union employees and non-union employees	15.00% of premium
Public works union employees	14.00% of premium
Police employees	0.00% of premium
Sewer union employees	14.00% of premium

Education plan

Teachers and administrators	100.00% of premium
AFSCME, non-union:	
Retired before the age of 65	100.00% of premium
Retired at or after the age of 65:	
Before July 1, 2006	0.00% of premium
Before July 1, 2011	5.00% of premium
On or after July 1, 2011	7.50% of premium

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

D. Other post-employment benefits plan (continued)**4. Investments****a. Investment policy and rate of return**

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

Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation.

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

The following was the Board's adopted asset allocation policy and long-term expected real rate of return:

Asset Class	Target Allocation	Long-Term Expected Real Rate of
US equity - large cap	25.00%	4.30%
US equity - small/mid cap	10.00%	8.50%
Non-US equity - developed	15.00%	6.10%
Non-US equity - emerging	5.00%	7.20%
US corporate bonds - core	35.00%	2.90%
US corporate bonds - dynamic	5.00%	3.00%
Real estate	5.00%	4.80%
Total/weighted average	<u>100.00%</u>	7.00%
Long-term inflation expectation		<u>2.60%</u>
Long-term expected rate of return		<u>9.60%</u>

Annual money-weighted rate of return

The annual money-weighted rate of return on OPEB plan investments (net of OPEB plan investment expense) was :

11.21%

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

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

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

5. OPEB liability**a. Total OPEB liability**

The total OPEB liability for each plan was determined using the actuarial assumptions noted below rolled forward to the measurement date of June 30, 2025.

b. Town plan

The components of the net OPEB liability were measured as of June 30, 2025 and were as follows:

	Town Plan
Total OPEB liability	\$ 11,434,485
Plan fiduciary net position	715,514
Net OPEB liability	\$10,718,971
Plan fiduciary net position as a percentage of the total OPEB liability	6.26%

c. Education plan

The Education total OPEB liability was \$5,759,168.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

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

The actuarial assumptions used to calculate the total OPEB liability were as follows:

Assumption	Town	Education
Valuation date	July 1, 2023	July 1, 2023
Actuarial cost method	Entry age normal	Entry age normal
Asset valuation method	Fair value	Fair value
Investment rate of return	7.00%	5.20%
Initial medical trend rate	6.50%	6.50%
Ultimate medical trend rate	4.50%	4.50%
Inflation	2.20%	2.20%
Mortality	SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021	SOA Pub-2010 General Headcount Weighted Mortality Table fully generational using Scale MP-2021

Discount rate

For the Town plan the discount rate was based upon the projection of cash flows used to determine the discount rate that the Town contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Town Plan's long-term real rate of return is expected to be 9.60%, but the plan investments are insufficient to pay for future benefits. Therefore, the 20-year tax exempt general obligation municipal bond rate as of June 30, 2025 of 5.20% is used once the plan assets are exhausted resulting in the final equivalent rate of 7.00%.

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

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

Town		
	From	To
Discount rate	4.80%	7.00%

Education		
	From	To
Discount rate	3.93%	5.20%

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

D. Other post-employment benefits plan (continued)**b. Changes in benefit terms**

There were no changes in benefit terms.

8. Changes in the OPEB liability

Valuation date: July 1, 2023	Increase (Decrease)		
Town Plan	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a) - (b)
Balance at July 1, 2024	\$ 14,551,036	\$ 619,650	\$ 13,931,386
Service cost	44,089	-	44,089
Interest	678,877	-	678,877
Changes in assumptions	(2,925,083)	-	(2,925,083)
Contributions - employer	-	939,434	(939,434)
Net investment income	-	71,716	(71,716)
Benefit payments, including refunds of member contributions	(914,434)	(914,434)	-
Administrative expenses	-	(852)	852
Net change	(3,116,551)	95,864	(3,212,415)
Balance at June 30, 2025	<u>\$ 11,434,485</u>	<u>\$ 715,514</u>	<u>\$ 10,718,971</u>

Valuation date: July 1, 2023	Total OPEB Liability
Education Plan	
Balance at July 1, 2024	<u>\$ 6,508,940</u>
Service cost	193,718
Interest	257,500
Changes in assumptions	(897,064)
Benefit payments, including refunds of member contributions	(303,926)
Net change	(749,772)
Balance at June 30, 2025	<u>\$ 5,759,168</u>

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

D. Other post-employment benefits plan (continued)**9. Sensitivity of the OPEB liability to changes in the discount rate**

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

<u>Plan</u>	<u>Discount Rate</u>	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Town (net)	<u>7.00%</u>	<u>\$ 11,903,076</u>	<u>\$ 10,718,971</u>	<u>\$ 9,723,538</u>
Education (total)	<u>5.20%</u>	<u>\$ 6,447,833</u>	<u>\$ 5,759,168</u>	<u>\$ 5,181,329</u>

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

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

<u>Plan</u>	<u>Medical Trend Rate</u>	<u>1% Decrease</u>	<u>Current Trend Rate</u>	<u>1% Increase</u>
Town (net)	<u>6.50% decreasing to 4.50%</u>	<u>\$ 9,633,810</u>	<u>\$ 10,718,971</u>	<u>\$ 11,998,154</u>
Education (total)	<u>6.50% decreasing to 4.50%</u>	<u>\$ 5,127,783</u>	<u>\$ 5,759,168</u>	<u>\$ 6,512,274</u>

11. OPEB expense and deferred outflows and inflows of resources

The Town reported deferred outflows of resources, deferred inflows of resources, and OPEB expense as follows:

<u>Town Plan</u>	<u>Deferred Inflows of Resources</u>
<u>Description of Outflows/Inflows</u>	
Changes in assumptions	\$ 85,196
Net difference between projected and actual earnings on plan investments	<u>46,963</u>
Total	<u>\$ 132,159</u>
<u>OPEB Expense</u>	
The plan recognized OPEB expense of:	<u>\$ (2,189,582)</u>

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

D. Other post-employment benefits plan (continued)

<u>Education Plan</u>			
<u>Description of Outflows/Inflows</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Net</u>
Differences between expected and actual experience	\$ 558,433	\$ 793,039	\$ (234,606)
Changes in assumptions	478,808	1,689,137	(1,210,329)
Total	<u>\$ 1,037,241</u>	<u>\$ 2,482,176</u>	<u>\$ (1,444,935)</u>

OPEB Expense

The plan recognized OPEB expense of: \$ 306,576

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

<u>Plan</u>	<u>Years</u>
Town	1.03
Education	8.69

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

<u>Year Ending June 30,</u>	<u>Town Plan</u>	<u>Education Plan</u>
2026	\$ (87,446)	\$ (280,237)
2027	(20,114)	(280,234)
2028	(16,378)	(336,535)
2029	(8,221)	(244,777)
2030	-	(144,571)
Thereafter	-	(158,581)
Total	<u>\$ (132,159)</u>	<u>\$ (1,444,935)</u>

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

D. Other post-employment benefits plan (continued)**12. Total OPEB plans**

Plan	OPEB Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
Town	\$ 10,718,971	\$ -	\$ 132,159	\$ (2,189,582)
Education	<u>5,759,168</u>	<u>1,037,241</u>	<u>2,482,176</u>	<u>306,576</u>
Total	<u>\$ 16,478,139</u>	<u>\$ 1,037,241</u>	<u>\$ 2,614,335</u>	<u>\$ (1,883,006)</u>

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

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

2. Benefit provisions

The Plan provides for retiree health insurance benefits to retired teachers and administrators of public schools. Eligibility is as follows:

Normal retirement	Age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut
Early retirement	25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service
Service connected disability service requirement	No service requirement
Non-service connected disability service requirement	5 years of credited service
Vesting - service	10 years of service

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

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

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

Any member that is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer.

The subsidy amounts are set by State statutes as follows:

Members that are not currently participating in Medicare Parts A & B	A subsidy of up to \$220 per month for a retired member plus an additional \$220 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, any remaining portion is used to offset the district's cost
Members who have attained the normal retirement age to participate in Medicare but are not eligible for Part A of Medicare without cost	A subsidy amount of \$440 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost and contributes at least \$440 per month towards coverage under a local school district plan

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

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

3. Contributions**State of Connecticut**

Per Connecticut General Statutes Section 10-183z, contribution requirements of active employees and the State of Connecticut are amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The State pays for 1/3 of plan costs through an annual appropriation in the General Fund.

Employer (school districts)

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

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

E. Connecticut state teachers' retirement board retiree health insurance plan (continued)**Employees/retirees**

Employees: Each active member is required to contribute 1.25% of their pensionable salary

Retirees: Retirees are required to pay for 1/3 of the plan cost through monthly premiums

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

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

Town's proportionate share of the collective net OPEB liability	\$ -
State's proportionate share of the collective net OPEB liability associated with the Town	<u>5,187,543</u>
Total	<u>\$ 5,187,543</u>
The plan recognized OPEB expense and revenue for on-behalf amounts for contributions to the plan by the State of:	<u>\$ 34,899</u>

The collective net OPEB liability was measured as of June 30, 2024, and the collective total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2024.

5. Actuarial assumptions

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

Valuation date	June 30, 2024
Investment rate of return	3.75%
Discount rate	3.93%
Inflation	2.50%
Health care cost trend rate (Medicare)	5.125% decreasing to 4.50% by 2031
Salary increases	3.00-6.50%, including inflation
Mortality rates	Mortality rates were based on the PubT-2010 Table, projected generationally with MP-2019
Year fund net position will be depleted	2027

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

F. Connecticut state teachers' retirement board retiree health insurance plan

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the 5-year period ending June 30, 2019.

Changes in assumptions and inputs

The changes in assumptions were as follows:

Assumption	From	To
Discount rate	3.64%	3.93%

- Additionally, expected annual per capita claims costs were updated to better reflect anticipated medical and prescription drug claim experience both before and after the plan change that became effective on January 1, 2019.

Long-term expected rate of return

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

All the plan assets are assumed to be invested in cash equivalents (treasuries). As of June 30, 2024, the expected 10-year geometric rate of return is 1.26% and the long-term real rate of return was 3.75%.

6. Discount rate

The discount rate used to measure the collective total OPEB liability was the Municipal Bond Index rate of 3.93%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that annual State contributions will equal the most recent 5-year average of state contributions.

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

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

8. Plan fiduciary net position

The net pension liability and proportional share of pension expense presented in this report have been determined based on Connecticut State Teachers Retiree Health Insurance Plan's fiduciary net position included in the State of Connecticut ACFR as of and for the year ended June 30, 2024, which was audited by the State of Connecticut Auditors of Public Accounts and is included in the State of Connecticut's ACFR as a OPEB trust fund.

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

G. Pension and other post-employment benefit plan statements

Combining Schedule of Fiduciary Net Position
Pension and Other Post-Employment Benefit Trust Funds
June 30, 2025

	<u>Pension Trust Fund</u>	<u>Other Post- Employment Benefit Trust Fund</u>	<u>Total</u>
<u>Assets</u>			
Investments:			
Mutual funds:			
Money market	\$ 196,150	\$ 1,352	\$ 197,502
Equity	13,540,886	449,857	13,990,743
Bond	8,143,259	264,305	8,407,564
	<u>21,880,295</u>	<u>715,514</u>	<u>22,595,809</u>
Total investments			
	<u>21,880,295</u>	<u>715,514</u>	<u>22,595,809</u>
<u>Net Position</u>			
Restricted for:			
Pension benefits	21,880,295	-	21,880,295
OPEB benefits	<u>-</u>	<u>715,514</u>	<u>715,514</u>
Total net position	<u>\$ 21,880,295</u>	<u>\$ 715,514</u>	<u>\$ 22,595,809</u>

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

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

Combining Schedule of Changes in Fiduciary Net Position
Pension and Other Post-Employment Benefit Trust Funds
For the Year Ended June 30, 2025

	Pension Trust Fund	Other Post- Employment Benefit Trust Fund	Total
Additions:			
Contributions:			
Employer	\$ 570,000	\$ 939,434	\$ 1,509,434
Plan members	105,447	-	105,447
Total contributions	675,447	939,434	1,614,881
Investment income (loss):			
Net change in fair value of investments	1,354,188	58,274	1,412,462
Interest and dividends	836,705	15,085	851,790
Total investment income (loss)	2,190,893	73,359	2,264,252
Less investment expenses	52,604	1,643	54,247
Net investment income (loss)	2,138,289	71,716	2,210,005
Total additions	2,813,736	1,011,150	3,824,886
Deductions:			
Benefits	1,513,461	914,434	2,427,895
Administration	30,573	852	31,425
Total deductions	1,544,034	915,286	2,459,320
Changes in net position	1,269,702	95,864	1,365,566
Net position - July 1, 2024	20,610,593	619,650	21,230,243
Net position - June 30, 2025	\$ 21,880,295	\$ 715,514	\$ 22,595,809

Town of Thomaston, Connecticut

Notes to Financial Statements
As of and for the Year Ended June 30, 2025

VI. Prior period adjustments

The Town implemented the provisions of GASB Statement No. 101, "*Compensated Absences*" for the year ended June 30, 2025. In addition to the value of unused leave time owed to employees upon separation from employment, the Town now also recognizes as part of the compensated absences liability an estimated amount of unused leave earned as of year-end that will be used by employees as time off in future years. As a result, the Town has reported a cumulative effect of change in accounting principle to the July 1, 2024 net position of governmental activities as follows:

	Governmental Activities
Net position/fund balance as previously reported at June 30, 2024	\$ 42,371,245
Change in accounting principle for compensated absences	<u>(2,385,970)</u>
Net position/fund balance as restated at July 1, 2024	<u><u>\$ 39,985,275</u></u>

VII. Recently Issued GASB Pronouncements

GASB Statement No. 103, "*Financial Reporting Model Improvements*", has been issued to improve the management's discussion and analysis, budgetary reporting, and other key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The requirements of this Statement are effective for fiscal year ending June 30, 2026.

Required Supplementary Information

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

Town of Thomaston, Connecticut

Required Supplementary Information

General Fund
Schedule of Revenues and Other Financing Sources
Budget and Actual
For the Year Ended June 30, 2025

	Budgeted Amounts		Variance with Original Budget Over (Under) Final Budget	Actual	Variance with Final Budget
	Original	Final			
Property taxes:					
Taxes	\$ 22,547,434	\$ 22,547,434	\$ -	\$ 22,958,124	\$ 410,690
Prior year taxes	200,000	200,000	-	218,353	18,353
Interest and lien fees	100,000	100,000	-	161,908	61,908
Housing authority in lieu of taxes	33,690	33,690	-	38,997	5,307
Telecommunications property tax	14,237	14,237	-	30,300	16,063
Total property taxes	22,895,361	22,895,361	-	23,407,682	512,321
Charges for services:					
Building permits	90,000	90,000	-	100,834	10,834
Special duty police reimbursements	125,000	125,000	-	112,024	(12,976)
Town Clerk fees	140,000	140,000	-	139,756	(244)
Accident reports	750	750	-	750	-
Gun permits	3,500	3,500	-	1,420	(2,080)
Zoning and land use fees	7,500	7,500	-	5,934	(1,566)
Recreation - Nystroms	5,797	5,797	-	5,797	-
Fingerprinting	100	100	-	180	80
Transfer Station	27,000	27,000	-	40,590	13,590
Parking fines	500	500	-	30	(470)
Dog fines and fees	2,500	2,500	-	5,213	2,713
Rent of tower	120,500	120,500	-	112,765	(7,735)
Rent of opera house	12,500	12,500	-	-	(12,500)
Rent of tower - Town of Plymouth	30,985	30,985	-	28,418	(2,567)
PA 09-229 LOCIP project funding	15,000	15,000	-	1,596	(13,404)
Total charges for services	581,632	581,632	-	555,307	(26,325)
Intergovernmental:					
Property tax relief - veterans' exemption	7,399	7,399	-	5,772	(1,627)
Property tax relief - totally disabled	1,018	1,018	-	1,175	157
Property tax relief - municipal stabilization grant	395,346	395,346	-	395,346	-
Property tax relief - manufacturing	2,730	2,730	-	2,305	(425)
Property tax relief - tiered PILOT	29,980	29,980	-	29,980	-
Federal PILOT - land authorization	1,895	1,895	-	2,082	187
LOCIP	78,060	78,060	-	74,877	(3,183)
Education cost sharing	5,481,226	5,481,226	-	5,425,680	(55,546)
Mashantucket Pequot	16,872	16,872	-	16,872	-
Town aid road	220,662	220,662	-	220,662	-
Elderly services transportation grant	12,045	12,045	-	12,045	-
Motor vehicle tax	114,959	114,959	-	114,929	(30)
Total intergovernmental	6,362,192	6,362,192	-	6,301,725	(60,467)

(Continued)

See Notes to Required Supplementary Information.

Town of Thomaston, Connecticut

Required Supplementary Information

General Fund
Schedule of Revenues and Other Financing Sources
Budget and Actual
For the Year Ended June 30, 2025

	Budgeted Amounts		Variance with Original Budget Over (Under) Final Budget	Actual	Variance with Final Budget
	Original	Final			
Income from investments	\$ 350,000	\$ 350,000	\$ -	\$ 420,516	\$ 70,516
Other	5,000	5,000	-	72,400	67,400
Total revenues	30,194,185	30,194,185	-	30,757,630	563,445
Other financing sources:					
Appropriation of fund balance	200,000	698,700	498,700	-	(698,700)
Total revenues and other financing sources	<u>\$ 30,394,185</u>	<u>\$ 30,892,885</u>	<u>\$ 498,700</u>	<u>\$ 30,757,630</u>	<u>\$ (135,255)</u>

(Concluded)

See Notes to Required Supplementary Information.

Town of Thomaston, Connecticut
Required Supplementary Information
General Fund
Schedule of Expenditures and Other Financing Uses
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2025

	Budgeted Amounts		Variance with Original Budget Over (Under) Final Budget	Actual	Variance with Final Budget
	Original	Final			
General government:					
Board of selectmen	\$ 133,031	\$ 135,141	\$ 2,110	\$ 135,141	\$ -
Elections	41,621	77,791	36,170	77,791	-
Board of finance	2,150	2,150	-	1,840	310
Treasurer	225,593	228,524	2,931	228,524	-
Computer information systems	97,477	97,477	-	91,308	6,169
Independent audit	69,800	69,800	-	69,800	-
Legal	80,000	108,622	28,622	108,622	-
Tax collector	127,808	129,250	1,442	129,250	-
Tax assessor	162,808	162,808	-	136,167	26,641
Insurance	527,928	502,637	(25,291)	502,637	-
Town hall operations and maintenance	261,550	280,407	18,857	280,407	-
Town clerk	113,765	113,765	-	111,716	2,049
Probate court	5,112	5,112	-	5,112	-
Social security	315,000	300,101	(14,899)	300,101	-
Retirement - Town employees	376,717	397,632	20,915	397,632	-
Retirement - volunteer firefighters and ambulance	183,700	183,700	-	174,725	8,975
Medical / life insurance	944,895	849,184	(95,711)	849,184	-
Retirees medical insurance	770,990	715,059	(55,931)	715,059	-
Council of governments	4,731	4,731	-	4,731	-
CT conference of municipalities	4,894	4,894	-	4,894	-
Contingency	100,000	-	(100,000)	-	-
Total general government	4,549,570	4,368,785	(180,785)	4,324,641	44,144
Public safety:					
Police	1,516,844	1,572,359	55,515	1,472,992	99,367
Emergency management	11,201	11,201	-	7,937	3,264
Communications and dispatch	423,562	423,562	-	390,052	33,510
Fire protection	219,675	219,675	-	213,011	6,664
Fire marshal	32,776	34,366	1,590	34,366	-
Ambulance	83,760	92,395	8,635	92,395	-
Tree removal	50,000	50,000	-	43,302	6,698
Animal control	35,225	35,225	-	22,347	12,878
Total public safety	2,373,043	2,438,783	65,740	2,276,402	162,381
Public works:					
Highways	778,286	778,286	-	769,931	8,355
Town aid road	220,662	220,662	-	220,662	-
Snow and ice removal	228,500	228,500	-	217,606	10,894
Street lighting	29,070	29,070	-	26,725	2,345
Fire hydrants	239,000	232,116	(6,884)	227,747	4,369
Solid waste and recycling	677,192	677,192	-	669,022	8,170
Transfer station	45,470	45,470	-	44,906	564
Groundwater remediation	18,000	18,000	-	16,153	1,847
Total public works	2,236,180	2,229,296	(6,884)	2,192,752	36,544

See Notes to Required Supplementary Information.

(Continued)

Town of Thomaston, Connecticut
Required Supplementary Information

General Fund
Schedule of Expenditures and Other Financing Uses
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2025

	Budgeted Amounts		Variance with Original Budget Over (Under) Final Budget	Actual	Variance with Final Budget
	Original	Final			
Health and welfare:					
Medical services	\$ 4,500	\$ 4,500	\$ -	\$ 4,500	\$ -
Torrington area health district	40,842	40,842	-	40,842	-
Social services	21,814	21,814	-	21,310	504
Elderly nutrition	3,005	4,175	1,170	4,175	-
Susan B. Anthony project	2,500	2,500	-	2,500	-
Minibus	23,043	23,094	51	23,094	-
Veterans' administration	2,275	2,275	-	1,825	450
Senior center	4,500	4,500	-	4,454	46
Total health and welfare	102,479	103,700	1,221	102,700	1,000
Culture and recreation:					
Recreation programs	163,015	163,015	-	158,439	4,576
Memorial day	2,500	2,500	-	2,500	-
Public library	373,291	373,291	-	371,806	1,485
Total culture and recreation	538,806	538,806	-	532,745	6,061
Housing and development:					
Conservation commission	1,795	1,795	-	1,795	-
Economic development commission	6,350	6,350	-	5,416	934
Housing, land use and development	255,546	255,546	-	198,529	57,017
Brownfields	1,000	1,000	-	1,000	-
Total housing and development	264,691	264,691	-	206,740	57,951
Education	17,560,808	17,646,859	86,051	17,646,859	-
Total expenditures	27,625,577	27,590,920	(34,657)	27,282,839	308,081
Other financing uses:					
Transfers out:					
Debt service fund	2,300,000	2,300,000	-	2,300,000	-
Debt service fund (education)	128,167	128,167	-	128,167	-
Hillside cemetery trust fund	26,000	26,000	-	26,000	-
Capital or nonrecurring	303,841	837,198	533,357	837,198	-
Seth Thomas/Bradstreet house	10,500	10,500	-	10,500	-
Social service crisis fund	100	100	-	-	100
Total other financing uses	2,768,608	3,301,965	533,357	3,301,865	100
Total expenditures and other financing uses	<u>\$30,394,185</u>	<u>\$30,892,885</u>	<u>\$498,700</u>	<u>\$30,584,704</u>	<u>\$308,181</u>

(Concluded)

See Notes to Required Supplementary Information.

Town of Thomaston, Connecticut

Required Supplementary Information

**Notes to Budgetary Comparison Schedules
For the Year Ended June 30, 2025**

A. Budgetary procedures

The Town operates under State statutes for budgetary procedures. Only the General Fund has a legally adopted annual budget.

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

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

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

<u>Reconciliation to Exhibit D</u>	<u>Revenues</u>	<u>Expenditures</u>
Budgetary Basis - RSI-1	\$ 30,757,630	\$ 27,282,839
State Teachers' pension on behalf amount	2,492,653	2,492,653
State Teachers' OPEB on behalf amount	<u>34,899</u>	<u>34,899</u>
GAAP Basis - Exhibit D	<u>\$ 33,285,182</u>	<u>\$ 29,810,391</u>

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

The Board of Finance submits a proposed operating budget for the fiscal year commencing July 1 to the annual Town Meeting at which taxpayer comments are obtained. The operating budget includes proposed expenditures and the means of financing them.

Prior to July 1, the budget is legally adopted by vote at the annual Town budget meeting.

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

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

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

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

During the year, there were additional appropriations from fund balance of: \$ 498,700

(Continued)

Town of Thomaston, Connecticut

Required Supplementary Information

Notes to Budgetary Comparison Schedules
For the Year Ended June 30, 2025

B. Budget results

1. Budgetary revenues

Differences - original budget to final budget:

Appropriation of fund balance was for transfers out for additional funding of the capital reserve fund.	\$ 498,700
---	------------

Differences - final to actual:

Property tax revenue was greater than the budget due to conservative budgeting	512,321
--	---------

Income from investments increased due to the continued higher interest rates and conservative budgeting	70,516
---	--------

2. Budgetary expenditures

Differences - original budget to final budget:

Medical/life insurance and retiree medical insurance budgets were decreased primarily due to vacancies across police and housing departments	(151,642)
--	-----------

Transfers out budget was increased to fund the capital reserve transfer	533,357
---	---------

Differences - final to actual:

Police department unexpended balance was due to vacancies	99,367
---	--------

Housing department unexpended balance was due to vacancies	57,017
--	--------

(Concluded)

Town of Thomaston, Connecticut
Required Supplementary Information

Town Retirement Plan
Last Ten Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<u>Schedule of Changes in Net Pension Liability and Related Ratios</u>										
Total pension liability:										
Service cost	\$ 142,821	\$ 202,023	\$ 194,253	\$ 201,508	\$ 231,805	\$ 279,997	\$ 296,619	\$ 321,322	\$ 357,930	\$ 387,724
Interest	1,620,280	1,600,435	1,579,586	1,538,263	1,480,035	1,459,716	1,432,379	1,420,327	1,407,359	1,365,722
Differences between expected and actual experience	-	65,030	-	233,328	(394,655)	(116,692)	(151,278)	(419,938)	(414,928)	(110,825)
Changes in assumptions	-	-	-	33,709	848,429	(87,688)	(48,888)	(38,197)	(92,172)	-
Benefit payments, including refunds of member contributions	(1,513,461)	(1,520,547)	(1,448,205)	(1,371,553)	(1,258,627)	(1,135,097)	(1,108,281)	(1,064,984)	(1,007,682)	(1,028,327)
Net change in total pension liability	249,640	346,941	325,634	635,255	906,987	400,236	420,551	218,530	250,507	614,294
Total pension liability - July 1	23,755,687	23,408,746	23,083,112	22,447,857	21,540,870	21,140,634	20,720,083	20,501,553	20,251,046	19,636,752
Total pension liability - June 30 (a)	<u>\$ 24,005,327</u>	<u>\$ 23,755,687</u>	<u>\$ 23,408,746</u>	<u>\$ 23,083,112</u>	<u>\$ 22,447,857</u>	<u>\$ 21,540,870</u>	<u>\$ 21,140,634</u>	<u>\$ 20,720,083</u>	<u>\$ 20,501,553</u>	<u>\$ 20,251,046</u>
Plan fiduciary net position:										
Contributions - employer	\$ 570,000	\$ 498,000	\$ 510,000	\$ 570,000	\$ 640,000	\$ 710,000	\$ 685,000	\$ 775,000	\$ 790,000	\$ 800,000
Contributions - member	105,447	99,039	109,214	131,700	137,447	149,901	147,029	157,619	175,704	159,545
Net investment income	2,138,289	2,019,108	1,714,446	(3,091,906)	4,559,838	519,957	1,203,971	1,186,593	1,739,088	134,539
Benefit payments, including refunds of member contributions	(1,513,461)	(1,520,547)	(1,448,205)	(1,371,553)	(1,258,627)	(1,135,097)	(1,108,281)	(1,064,984)	(1,007,682)	(1,028,327)
Administration	(30,573)	(28,962)	(27,241)	(41,313)	(29,416)	(26,758)	(43,134)	(25,324)	(29,092)	(35,932)
Net change in plan fiduciary net position	1,269,702	1,066,638	858,214	(3,803,072)	4,049,242	218,003	884,585	1,028,904	1,668,018	29,825
Plan fiduciary net position - July 1	20,610,593	19,543,955	18,685,741	22,488,813	18,439,571	18,221,568	17,336,983	16,308,079	14,640,061	14,610,236
Plan fiduciary net position - June 30 (b)	<u>\$ 21,880,295</u>	<u>\$ 20,610,593</u>	<u>\$ 19,543,955</u>	<u>\$ 18,685,741</u>	<u>\$ 22,488,813</u>	<u>\$ 18,439,571</u>	<u>\$ 18,221,568</u>	<u>\$ 17,336,983</u>	<u>\$ 16,308,079</u>	<u>\$ 14,640,061</u>
Net pension liability (asset) - June 30 (a)-(b)	<u>\$ 2,125,032</u>	<u>\$ 3,145,094</u>	<u>\$ 3,864,791</u>	<u>\$ 4,397,371</u>	<u>\$ (40,956)</u>	<u>\$ 3,101,299</u>	<u>\$ 2,919,066</u>	<u>\$ 3,383,100</u>	<u>\$ 4,193,474</u>	<u>\$ 5,610,985</u>
Plan fiduciary net position as a percentage of the total pension liability	91.15%	86.76%	83.49%	80.95%	100.18%	85.60%	86.19%	83.67%	79.55%	72.29%
Covered payroll	<u>\$ 2,100,098</u>	<u>\$ 2,019,325</u>	<u>\$ 2,287,538</u>	<u>\$ 2,323,119</u>	<u>\$ 2,605,167</u>	<u>\$ 2,842,038</u>	<u>\$ 3,029,570</u>	<u>\$ 3,171,283</u>	<u>\$ 3,369,027</u>	<u>\$ 3,415,672</u>
Net pension liability (asset) as a percentage of covered payroll	<u>101.19%</u>	<u>155.75%</u>	<u>168.95%</u>	<u>189.29%</u>	<u>(1.57)%</u>	<u>109.12%</u>	<u>96.35%</u>	<u>106.68%</u>	<u>124.47%</u>	<u>164.27%</u>
<u>Schedule of Investment Returns</u>										
Annual money weighted rate of return, net of investment expense	<u>10.41%</u>	<u>10.39%</u>	<u>9.20%</u>	<u>(14.10)%</u>	<u>25.47%</u>	<u>(0.43)%</u>	<u>6.40%</u>	<u>6.33%</u>	<u>12.71%</u>	<u>0.83%</u>

Town of Thomaston, Connecticut
Required Supplementary Information

Town Retirement Plan
Schedule of Contributions
Last Ten Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contributions	\$ 482,089	\$ 445,839	\$ 428,691	\$ 400,646	\$ 522,281	\$ 522,281	\$ 587,272	\$ 585,540	\$ 657,455	\$ 714,209
Contributions in relation to the actuarially determined contribution	<u>570,000</u>	<u>498,000</u>	<u>510,000</u>	<u>570,000</u>	<u>640,000</u>	<u>710,000</u>	<u>685,000</u>	<u>775,000</u>	<u>790,000</u>	<u>800,000</u>
Contribution excess (deficiency)	<u>\$ 87,911</u>	<u>\$ 52,161</u>	<u>\$ 81,309</u>	<u>\$ 169,354</u>	<u>\$ 117,719</u>	<u>\$ 187,719</u>	<u>\$ 97,728</u>	<u>\$ 189,460</u>	<u>\$ 132,545</u>	<u>\$ 85,791</u>
Covered payroll	<u>\$ 2,100,098</u>	<u>\$ 2,019,325</u>	<u>\$ 2,287,538</u>	<u>\$ 2,323,119</u>	<u>\$ 2,605,167</u>	<u>\$ 2,842,038</u>	<u>\$ 3,029,570</u>	<u>\$ 3,171,283</u>	<u>\$ 3,369,027</u>	<u>\$ 3,415,672</u>
Contributions as a percentage of covered payroll	<u>27.14%</u>	<u>24.66%</u>	<u>22.29%</u>	<u>24.54%</u>	<u>24.57%</u>	<u>24.98%</u>	<u>22.61%</u>	<u>24.44%</u>	<u>23.45%</u>	<u>23.42%</u>

Town of Thomaston, Connecticut
Notes to Required Supplementary Information

Town Retirement Plan
Schedule of Contributions
Last Ten Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Changes of benefit terms	None	None	None	None	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	January 1, 2024	January 1, 2022	January 1, 2022	January 1, 2021	January 1, 2020	January 1, 2020	January 1, 2019	January 1, 2018	January 1, 2017	January 1, 2016
Actuarial methods and assumptions used to determine contribution rates:										
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed	Level dollar, closed
Asset valuation method	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing	5 year smoothing
Inflation rate	2.60%	2.60%	2.60%	2.80%	2.20%	2.20%	2.20%	2.25%	2.25%	2.25%
Salary increases	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
Investment rate of return (net)	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%
Mortality rate	Pub-2010 tables with generation improvements from 2010 with Scale MP-2021	Pub-2010 tables with generation improvements from 2010 with Scale MP-2021	Pub-2010 tables with generation improvements from 2010 with Scale MP-2021	Pub-2010 tables with generation improvements from 2010 with Scale MP-2020	RP-2014 Total mortality table projected from 2006 based on assumptions from the 2019 Social Security Administration Trustee's Report	RP-2014 Total mortality table projected from 2006 based on assumptions from the 2019 Social Security Administration Trustee's Report	RP-2014 Total mortality table projected from 2006 based on assumptions from the 2018 Social Security Administration Trustee's Report	RP 2014+ mortality based on assumptions from the 2017 Social Security Administration Trustee's Report	RP-2014+ mortality with social security generational improvement scale from 2006	Police, public works, WPCA and highway members - RP-2014 blue collar mortality with improvement scale from 2006. All other members - RP-2014 total mortality with social security generational improvement scale from 2006

Town of Thomaston, Connecticut

Required Supplementary Information

Connecticut State Teachers' Retirement System
Last Ten Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<u>Schedule of Proportionate Share of the Collective Net Pension Liability</u>										
Town's proportion of the collective net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the collective net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the collective net pension liability associated with the Town	25,288,509	27,903,359	28,949,543	23,356,915	29,490,739	27,547,926	21,241,051	21,209,807	22,376,509	18,724,328
Total	\$25,288,509	\$27,903,359	\$28,949,543	\$23,356,915	\$29,490,739	\$27,547,926	\$21,241,051	\$21,209,807	\$22,376,509	\$18,724,328
Town's covered payroll	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Town's proportionate share of the collective net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the collective total pension	62.68%	58.39%	56.06%	60.77%	49.24%	52.00%	57.69%	55.93%	52.86%	59.50%
<u>Schedule of Contributions</u>										
Contractually required contribution (1)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Town's covered payroll	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

Town of Thomaston, Connecticut

Notes to Required Supplementary Information

Connecticut State Teachers' Retirement System
Schedule of Contributions
Last Ten Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Changes of benefit terms	Restoration of 25% wear down of benefits of Plan N to vested members as of June 30, 2019	None	None	None	None	None	Beginning January 1, 2018, member contributions increased from 6.00% to 7.00% of salary	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2022	June 30, 2020	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016	June 30, 2016	June 30, 2014	June 30, 2014	June 30, 2012
Actuarial methods and assumptions used to determine contribution rates:										
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed, grading to a level dollar	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed	Level percent of salary, closed
Remaining amortization period (equivalent single period)	25.9 years	26.8 years	27.8 years	28.8 years	29.8 years	30 years	30 years	20.4 years	21.4 years	22.4 years
Asset valuation method	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing	4 year smoothing
Inflation rate	2.50%	2.50%	2.50%	2.50%	2.50%	2.75%	2.75%	3.00%	3.00%	3.00%
Salary increases	3.00%-6.50%, average, including inflation	3.00%-6.50%, average, including inflation	3.00%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.25%-6.50%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation	3.75%-7.00%, average, including inflation
Cost-of-living adjustments	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	1.75%-3.00% based on retirement date	2.00%-3.00% based on retirement date	2.00%-3.00% based on retirement date	2.00%-3.00% based on retirement date
Investment rate of return (net)	6.90%	6.90%	6.90%	6.90%	6.90%	8.00%	8.00%	8.50%	8.50%	8.50%
Mortality rate	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2000 Combined Mortality Table projected 19 years using scale AA	RP-2000 Combined Mortality Table projected 19 years using scale AA	RP-2000 Combined Mortality Table projected 19 years using scale AA

Town of Thomaston, Connecticut

Required Supplementary Information

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017
Schedule of Changes in Net OPEB Liability and Related Ratios									
Total OPEB liability:									
Service cost	\$ 44,089	\$ 43,014	\$ 61,607	\$ 67,101	\$ 111,128	\$ 125,373	\$ 216,810	\$ 205,034	\$ 219,329
Interest	678,877	686,011	700,677	650,634	746,862	758,496	1,091,922	1,202,380	1,175,639
Difference between expected and actual experience	-	(229,962)	-	576,355	(1,727,106)	(870,529)	(6,504,575)	(1,847,217)	2,266,952
Changes in benefit terms	-	(8,665)	-	-	(29,237)	-	-	-	-
Changes in assumptions	(2,925,083)	-	-	(684,668)	1,963,391	(775,933)	840,426	999,754	(196,530)
Benefit payments, including refunds of member contributions	(914,434)	(843,842)	(778,160)	(611,309)	(724,472)	(656,996)	(839,356)	(844,480)	(875,766)
Net change in total OPEB liability	(3,116,551)	(353,444)	(15,876)	(1,887)	340,566	(1,419,589)	(5,194,773)	(284,529)	2,589,624
Total OPEB liability - July 1	14,551,036	14,904,480	14,920,356	14,922,243	14,581,677	16,001,266	21,196,039	21,480,568	18,890,944
Total OPEB liability - June 30 (a)	<u>\$ 11,434,485</u>	<u>\$ 14,551,036</u>	<u>\$ 14,904,480</u>	<u>\$ 14,920,356</u>	<u>\$ 14,922,243</u>	<u>\$ 14,581,677</u>	<u>\$ 16,001,266</u>	<u>\$ 21,196,039</u>	<u>\$ 21,480,568</u>
Plan fiduciary net position:									
Contributions - employer	\$ 939,434	\$ 868,842	\$ 803,160	\$ 636,309	\$ 749,472	\$ 681,996	\$ 864,356	\$ 869,480	\$ 900,766
Net investment income	71,716	66,867	42,069	(63,389)	95,545	18,038	23,452	18,083	18,590
Benefit payments, including refunds of member contributions	(914,434)	(843,842)	(778,160)	(611,309)	(724,472)	(656,996)	(839,356)	(844,480)	(875,766)
Administration	(852)	(726)	(615)	(1,299)	(560)	(501)	(761)	(500)	(416)
Net change in plan fiduciary net position	95,864	91,141	66,454	(39,688)	119,985	42,537	47,691	42,583	43,174
Plan fiduciary net position - July 1	619,650	528,509	462,055	501,743	381,758	339,221	291,530	248,947	205,773
Plan fiduciary net position - June 30 (b)	<u>\$ 715,514</u>	<u>\$ 619,650</u>	<u>\$ 528,509</u>	<u>\$ 462,055</u>	<u>\$ 501,743</u>	<u>\$ 381,758</u>	<u>\$ 339,221</u>	<u>\$ 291,530</u>	<u>\$ 248,947</u>
Net OPEB liability - June 30 (a)-(b)	<u>\$ 10,718,971</u>	<u>\$ 13,931,386</u>	<u>\$ 14,375,971</u>	<u>\$ 14,458,301</u>	<u>\$ 14,420,500</u>	<u>\$ 14,199,919</u>	<u>\$ 15,662,045</u>	<u>\$ 20,904,509</u>	<u>\$ 21,231,621</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>6.26%</u>	<u>4.26%</u>	<u>3.55%</u>	<u>3.10%</u>	<u>3.36%</u>	<u>2.62%</u>	<u>2.12%</u>	<u>1.38%</u>	<u>1.16%</u>
Covered payroll	<u>\$ 882,423</u>	<u>\$ 860,900</u>	<u>\$ 953,003</u>	<u>\$ 925,246</u>	<u>\$ 898,297</u>	<u>\$ 1,303,639</u>	<u>\$ 1,253,499</u>	<u>\$ 2,770,895</u>	<u>\$ 2,664,322</u>
Net OPEB liability as a percentage of covered payroll	<u>8.23%</u>	<u>6.18%</u>	<u>6.63%</u>	<u>6.40%</u>	<u>6.23%</u>	<u>9.18%</u>	<u>8.00%</u>	<u>13.26%</u>	<u>12.55%</u>
Schedule of Investment Returns									
Annual money weighted rate of return, net	<u>11.21%</u>	<u>12.21%</u>	<u>8.72%</u>	<u>(12.53%)</u>	<u>24.56%</u>	<u>3.26%</u>	<u>4.02%</u>	<u>3.49%</u>	<u>3.97%</u>

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

Town of Thomaston, Connecticut

Required Supplementary Information

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contributions	\$ 738,590	\$ 730,244	\$ 1,048,877	\$ 1,055,511	\$ 828,319	\$ 868,989	\$ 1,215,346	\$ 1,211,597	\$ 1,151,113	\$ 1,558,534
Contributions in relation to the actuarially determined contribution	<u>939,434</u>	<u>868,842</u>	<u>803,160</u>	<u>636,309</u>	<u>749,472</u>	<u>681,996</u>	<u>864,356</u>	<u>869,480</u>	<u>900,766</u>	<u>685,657</u>
Contribution excess (deficiency)	<u>\$ 200,844</u>	<u>\$ 138,598</u>	<u>\$ (245,717)</u>	<u>\$ (419,202)</u>	<u>\$ (78,847)</u>	<u>\$ (186,993)</u>	<u>\$ (350,990)</u>	<u>\$ (342,117)</u>	<u>\$ (250,347)</u>	<u>\$ (872,877)</u>
Covered payroll	<u>\$ 882,423</u>	<u>\$ 860,900</u>	<u>\$ 953,003</u>	<u>\$ 925,246</u>	<u>\$ 898,297</u>	<u>\$ 1,303,639</u>	<u>\$ 1,253,499</u>	<u>\$ 2,770,895</u>	<u>\$ 2,664,332</u>	<u>\$ 2,546,003</u>
Contributions as a percentage of covered payroll	<u>106.46%</u>	<u>100.92%</u>	<u>84.28%</u>	<u>68.77%</u>	<u>83.43%</u>	<u>52.31%</u>	<u>68.96%</u>	<u>31.38%</u>	<u>33.81%</u>	<u>26.93%</u>

Town of Thomaston, Connecticut

Notes to Required Supplementary Information

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Changes of benefit terms	None	For active employees retiring on or after July 1, 2023 and by June 30, 2024, retirees' premium share is 14.50% for white collar, 13.50% for public works, and 14.00% for sewer.	None	None	For active employees retiring on or after July 1, 2020 and by June 30, 2021, retirees' premium share is 13.00% for white collar, 12.50% for public works, and 11.00% for sewer	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	July 1, 2023	July 1, 2023	July 1, 2021	July 1, 2021	July 1, 2020	July 1, 2020	July 1, 2018	July 1, 2018	July 1, 2016	July 1, 2016
Actuarial methods and assumptions used to determine contribution rates:										
Actuarial cost method	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal	Entry age normal
Amortization method	Level percentage of salary	Level percentage of salary	Level percentage of salary	Level percentage of salary	Level percentage of salary	Level percentage of salary	Level percentage of salary	Level percentage of salary	Level percentage of salary	Level percentage of salary
Asset valuation method	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value
Inflation rate	2.20%	2.20%	2.20%	2.20%	2.50%	2.50%	2.20%	2.20%	3.50%	3.50%
Salary increases	3.50%	3.50%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	N/A	N/A
Investment rate of return - Town (net)	7.00%	4.80%	4.80%	4.80%	6.07%	6.07%	6.00%	6.00%	5.60%	5.60%
Mortality rate	SOA Pub-2010 general headcount weighted mortality table projected using the society of actuaries mortality projection Scale MP-2021.	SOA Pub-2010 general headcount weighted mortality table projected using the society of actuaries mortality projection Scale MP-2021.	SOA Pub-2010 general headcount weighted mortality table fully generational using Scale MP-2021	SOA Pub-2010 general headcount weighted mortality table fully generational using Scale MP-2021	SOA Pub-2010 general headcount weighted mortality table fully generational using Scale MP-2021	SOA Pub-2010 general headcount weighted mortality table fully generational using Scale MP-2021	SOA Pub-2010 general headcount weighted mortality table fully generational using Scale MP-2019	SOA Pub-2010 general headcount weighted mortality table fully generational using Scale MP-2019	SOA RPH-2016 total dataset headcount-weighted mortality table fully generational using Scale MP-2016	SOA RPH-2016 total dataset headcount-weighted mortality table fully generational using Scale MP-2016

N/A - Not available.

Town of Thomaston, Connecticut

Required Supplementary Information

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

	2025	2024	2023	2022	2021	2020	2019	2018	2017
<u>Schedule of Changes in Total OPEB Liability and Related Ratios</u>									
Total OPEB liability:									
Service cost	\$ 193,718	\$ 201,075	\$ 168,272	\$ 239,425	\$ 340,201	\$ 278,538	\$ 226,046	\$ 256,700	\$ 342,342
Interest	257,500	241,765	205,714	152,930	206,607	243,931	220,611	220,059	205,769
Difference between expected and actual experience	-	725,379	-	(287,484)	(1,455,969)	(381,988)	588,466	(513,843)	(933,922)
Changes in assumptions	(897,064)	(224,764)	(79,442)	(1,282,278)	721,926	832,351	360,723	(236,655)	(562,365)
Benefit payments, including refunds of member contributions	<u>(303,926)</u>	<u>(261,233)</u>	<u>(219,463)</u>	<u>(203,155)</u>	<u>(213,723)</u>	<u>(219,578)</u>	<u>(179,196)</u>	<u>(173,960)</u>	<u>(174,221)</u>
Net change in total OPEB liability	(749,772)	682,222	75,081	(1,380,562)	(400,958)	753,254	1,216,650	(447,699)	(1,122,397)
Total OPEB liability - July 1	<u>6,508,940</u>	<u>5,826,718</u>	<u>5,751,637</u>	<u>7,132,199</u>	<u>7,533,157</u>	<u>6,779,903</u>	<u>5,563,253</u>	<u>6,010,952</u>	<u>7,133,349</u>
Total OPEB liability - June 30*	<u>\$ 5,759,168</u>	<u>\$ 6,508,940</u>	<u>\$ 5,826,718</u>	<u>\$ 5,751,637</u>	<u>\$ 7,132,199</u>	<u>\$ 7,533,157</u>	<u>\$ 6,779,903</u>	<u>\$ 5,563,253</u>	<u>\$ 6,010,952</u>
Covered employee payroll	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>
Total OPEB liability as a percentage of covered employee payroll	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

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

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

N/A - Not available

Town of Thomaston, Connecticut

Required Supplementary Information

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

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Schedule of Proportionate Share of the Collective Net OPEB Liability</u>								
Town's proportion of the collective net OPEB liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Town's proportionate share of the collective net OPEB liability	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
State of Connecticut's proportionate share of the collective net OPEB liability associated with the Town	<u>5,187,543</u>	<u>2,614,162</u>	<u>2,535,316</u>	<u>2,544,693</u>	<u>4,398,545</u>	<u>4,296,255</u>	<u>4,246,205</u>	<u>5,459,175</u>
Total	<u>\$5,187,543</u>	<u>\$2,614,162</u>	<u>\$2,535,316</u>	<u>\$2,544,693</u>	<u>\$4,398,545</u>	<u>\$4,296,255</u>	<u>\$4,246,205</u>	<u>\$5,459,175</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Town's proportionate share of the collective net OPEB liability as a percentage of its covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the collective total OPEB liability	<u>7.40%</u>	<u>11.92%</u>	<u>9.46%</u>	<u>6.11%</u>	<u>2.50%</u>	<u>2.08%</u>	<u>1.49%</u>	<u>1.79%</u>
<u>Schedule of Contributions</u>								
Contractually required contribution (1)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Contributions in relation to the contractually required contribution	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>
Contributions as a percentage of covered payroll	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

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

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

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

Town of Thomaston, Connecticut

Notes to Required Supplementary Information

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

	2025	2024	2023	2022	2021	2020	2019	2018
Changes of benefit terms	None	Increase in maximum monthly subsidy amount for retiree and dependent from \$110/\$220 to \$220/\$440	None	None	None	None	None	None
The actuarially determined contribution rates are calculated as of	June 30, 2022	June 30, 2022	June 30, 2020	June 30, 2020	June 30, 2018	June 30, 2018	June 30, 2016	June 30, 2016
Actuarial methods and assumptions used to determine contribution rates:								
Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	Level percentage, open	Level percentage, open	Level percentage, closed	Level percentage, closed	Level percentage, closed	Level percentage, open	Level percentage, open	Level percentage, open
Amortization period	30 years	30 years	30 years	30 years	30 years	30 years	30 years	30 years
Asset valuation method	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value	Fair value
Inflation rate	2.50%	2.50%	2.50%	2.50%	2.75%	2.75%	2.75%	2.75%
Healthcare inflation rate	Initial 6.75% decreasing to 4.50% (ultimate) by 2031	Initial 6.75% decreasing to 4.50% (ultimate) by 2031	Initial 5.125% decreasing to 4.50% (ultimate) by 2023	Initial 5.125% decreasing to 4.50% (ultimate) by 2023	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 5.95% decreasing to 4.75% (ultimate) by 2025	Initial 7.25% decreasing to 5.00% (ultimate) by 2022	Initial 7.25% decreasing to 5.00% (ultimate) by 2022
Salary increases	3.00% to 6.50%, including inflation	3.00% to 6.50%, including inflation	3.00% to 6.50%, including inflation	3.00% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation	3.25% to 6.50%, including inflation
Investment rate of return (net)	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	4.25%	4.25%
Mortality rate	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	PubT-2010 Table projected generationally with MP-2019	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale	RP-2014 White Collar table projected to the year 2020 using the BB improvement scale

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

Supplemental Information

General Fund

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

Town of Thomaston, Connecticut

**General Fund
Report of Tax Collector
For the Year Ended June 30, 2025**

Grand List Year	Uncollected Taxes July 1, 2024	Current Year Levy	Lawful Corrections		Transfers to Suspense	Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2025
			Additions	Deductions			Net Taxes Collected	Interest and Liens	Total	
2009	\$ 4,200	\$ -	\$ -	\$ -	\$ 633	\$ 3,567	\$ 141	\$ 375	\$ 516	\$ 3,426
2010	4,865	-	-	73	610	4,182	199	407	606	3,983
2011	8,081	-	16	375	750	6,972	321	760	1,081	6,651
2012	16,194	-	-	823	2,381	12,990	1,047	2,531	3,578	11,943
2013	13,677	-	-	1,273	2,296	10,108	935	1,970	2,905	9,173
2014	10,735	-	-	-	1,416	9,319	687	1,733	2,420	8,632
2015	12,781	-	-	-	1,214	11,567	2,610	3,966	6,576	8,957
2016	16,818	-	-	-	1,244	15,574	3,872	5,233	9,105	11,702
2017	18,430	-	1,406	-	1,398	18,438	4,338	3,862	8,200	14,100
2018	17,026	-	-	-	491	16,535	958	1,014	1,972	15,577
2019	14,341	-	-	229	-	14,112	3,165	2,027	5,192	10,947
2020	25,718	-	-	1,214	-	24,504	3,800	3,015	6,815	20,704
2021	82,786	-	347.00	898	-	82,235	50,768	17,010	67,778	31,467
2022	<u>273,497</u>	<u>-</u>	<u>1,106</u>	<u>44,683</u>	<u>-</u>	<u>229,920</u>	<u>146,920</u>	<u>40,494</u>	<u>187,414</u>	<u>83,000</u>
Subtotal	519,149	-	2,875	49,568	12,433	460,023	219,761	84,397	304,158	240,262
2023	<u>-</u>	<u>23,381,480</u>	<u>10,567</u>	<u>157,392</u>	<u>-</u>	<u>23,234,655</u>	<u>22,955,984</u>	<u>77,511</u>	<u>23,033,495</u>	<u>278,671</u>
Total	<u>\$ 519,149</u>	<u>\$ 23,381,480</u>	<u>\$ 13,442</u>	<u>\$ 206,960</u>	<u>\$ 12,433</u>	<u>\$ 23,694,678</u>	<u>\$ 23,175,745</u>	<u>\$ 161,908</u>	<u>\$ 23,337,653</u>	<u>\$ 518,933</u>

Town of Thomaston, Connecticut

General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2025

	Budgeted Amounts		Variance with Original Budget Over (Under) Final Budget	Actual	Variance with Final Budget
	Original	Final			
Revenues:					
Property taxes	\$ 22,895,361	\$ 22,895,361	\$ -	\$ 23,407,682	\$ 512,321
Charges for services	581,632	581,632	-	555,307	(26,325)
Intergovernmental	6,362,192	6,362,192	-	6,301,725	(60,467)
Income from investments	350,000	350,000	-	420,516	70,516
Other	5,000	5,000	-	72,400	67,400
Total revenues	<u>30,194,185</u>	<u>30,194,185</u>	<u>-</u>	<u>30,757,630</u>	<u>563,445</u>
Expenditures:					
Current:					
General government	4,549,570	4,368,785	(180,785)	4,324,641	44,144
Public safety	2,373,043	2,438,783	65,740	2,276,402	162,381
Public works	2,236,180	2,229,296	(6,884)	2,192,752	36,544
Health and welfare	102,479	103,700	1,221	102,700	1,000
Culture and recreation	538,806	538,806	-	532,745	6,061
Housing and development	264,691	264,691	-	206,740	57,951
Education	17,560,808	17,646,859	86,051	17,646,859	-
Total expenditures	<u>27,625,577</u>	<u>27,590,920</u>	<u>(34,657)</u>	<u>27,282,839</u>	<u>308,081</u>
Excess (deficiency) of revenues over expenditures	<u>2,568,608</u>	<u>2,603,265</u>	<u>34,657</u>	<u>3,474,791</u>	<u>871,526</u>
Other financing sources (uses):					
Appropriation of fund balance	200,000	698,700	498,700	-	(698,700)
Transfers out	<u>(2,768,608)</u>	<u>(3,301,965)</u>	<u>(533,357)</u>	<u>(3,301,865)</u>	<u>100</u>
Net other financing sources (uses)	<u>(2,568,608)</u>	<u>(2,603,265)</u>	<u>(34,657)</u>	<u>(3,301,865)</u>	<u>(698,600)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>172,926</u>	<u>\$ 172,926</u>
Fund balance - July 1, 2024				<u>7,368,953</u>	
Fund balance - June 30, 2025				<u>\$ 7,541,879</u>	

Other Governmental Funds

Special Revenue Funds

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

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

Other Governmental Funds

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

Capital Projects Funds

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

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

Other Governmental Funds

Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes as categorized by the fund title.

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

Town of Thomaston, Connecticut

Combining Balance Sheet
Other Governmental Funds
June 30, 2025

Special Revenue Funds

	Sewer Commission Usage Fund	Sewer Commission Assessment and Appropriation Fund	School Lunch Fund	Education Funds	School Activity Fund	Town Clerk Preservation Fund
<u>Assets</u>						
Cash	\$ -	\$ 2,910	\$ 437,043	\$ 34,999	\$ 114,596	\$ 7,486
Investments	-	130,719	-	-	-	-
Receivables (net):						
Assessments/use charges	167,514	-	-	-	-	-
Loans	-	-	-	-	-	-
Intergovernmental	-	-	36,812	316,584	-	-
Due from other funds	57,035	-	-	30,663	-	-
Other	-	-	13,775	6,022	-	-
Total assets	<u>\$ 224,549</u>	<u>\$ 133,629</u>	<u>\$ 487,630</u>	<u>\$ 388,268</u>	<u>\$ 114,596</u>	<u>\$ 7,486</u>
<u>Liabilities</u>						
Accounts payable	\$ 26,167	\$ -	\$ -	\$ 22,633	\$ -	\$ -
Accrued payroll	26,493	-	-	-	-	-
Due to other funds	4,375	-	30,663	304,745	-	-
Unearned revenue	-	-	7,760	833	-	-
Total liabilities	<u>57,035</u>	<u>-</u>	<u>38,423</u>	<u>328,211</u>	<u>-</u>	<u>-</u>
<u>Deferred Inflows of Resources</u>						
Unavailable revenue - assessments/use charges	<u>167,514</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances</u>						
Nonspendable	-	-	-	-	-	-
Restricted	-	133,629	449,207	-	-	7,486
Committed	-	-	-	60,057	114,596	-
Total fund balances	<u>-</u>	<u>133,629</u>	<u>449,207</u>	<u>60,057</u>	<u>114,596</u>	<u>7,486</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 224,549</u>	<u>\$ 133,629</u>	<u>\$ 487,630</u>	<u>\$ 388,268</u>	<u>\$ 114,596</u>	<u>\$ 7,486</u>

(Continued)

Town of Thomaston, Connecticut

Combining Balance Sheet
Other Governmental Funds
June 30, 2025

Special Revenue Funds

	Public Library Funds	Public Safety Funds	Recreation Funds	Gift Fund	Social Services Crisis Fund	EMS Fund	Small Cities	Total Special Revenue Funds
<u>Assets</u>								
Cash	\$ 61,471	\$ 21,805	\$ -	\$ 45,224	\$ 67,200	\$ -	\$ 113,067	\$ 905,801
Investments	1,032,348	2,241	-	-	155	88,681	15,484	1,269,628
Receivables (net):								
Assessments/use charges	-	-	-	-	-	-	-	167,514
Loans	-	-	-	-	-	-	770,624	770,624
Intergovernmental	-	-	-	-	-	-	-	353,396
Due from other funds	-	-	78,284	450	-	-	-	166,432
Other	-	-	-	-	-	-	-	19,797
Total assets	<u>\$ 1,093,819</u>	<u>\$ 24,046</u>	<u>\$ 78,284</u>	<u>\$ 45,674</u>	<u>\$ 67,355</u>	<u>\$ 88,681</u>	<u>\$ 899,175</u>	<u>\$ 3,653,192</u>
<u>Liabilities</u>								
Accounts payable	\$ -	\$ -	\$ 2,728	\$ -	\$ -	\$ -	\$ -	\$ 51,528
Accrued payroll	-	-	-	-	-	-	-	26,493
Due to other funds	-	-	-	-	-	13,265	-	353,048
Unearned revenue	-	-	-	-	-	-	-	8,593
Total liabilities	<u>-</u>	<u>-</u>	<u>2,728</u>	<u>-</u>	<u>-</u>	<u>13,265</u>	<u>-</u>	<u>439,662</u>
<u>Deferred Inflows of Resources</u>								
Unavailable revenue - assessments/use charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>167,514</u>
<u>Fund Balances</u>								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	1,093,819	24,046	-	-	-	-	899,175	2,607,362
Committed	-	-	75,556	45,674	67,355	75,416	-	438,654
Total fund balances	<u>1,093,819</u>	<u>24,046</u>	<u>75,556</u>	<u>45,674</u>	<u>67,355</u>	<u>75,416</u>	<u>899,175</u>	<u>3,046,016</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,093,819</u>	<u>\$ 24,046</u>	<u>\$ 78,284</u>	<u>\$ 45,674</u>	<u>\$ 67,355</u>	<u>\$ 88,681</u>	<u>\$ 899,175</u>	<u>\$ 3,653,192</u>

(Continued)

Town of Thomaston, Connecticut

Combining Balance Sheet
Other Governmental Funds
June 30, 2025

	Capital Projects Fund	Permanent Funds			Total Other Governmental Funds
	Capital Projects Fund	Edith Kenea Park and Tree Fund	Fire Department Trust Fund	Hillside Cemetery Trust Fund	Total Permanent Funds
<u>Assets</u>					
Cash	\$ 521	\$ -	\$ -	\$ 48,857	\$ 48,857
Investments	374,451	77,954	18,671	909,053	1,005,678
Receivables (net):					
Assessments/use charges	-	-	-	-	-
Loans	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Due from other funds	4,375	-	-	-	-
Other	-	-	-	-	-
Total assets	<u>\$ 379,347</u>	<u>\$ 77,954</u>	<u>\$ 18,671</u>	<u>\$ 957,910</u>	<u>\$ 1,054,535</u>
<u>Liabilities</u>					
Accounts payable	\$ -	\$ -	\$ -	\$ 120	\$ 120
Accrued payroll	-	-	-	2,985	2,985
Due to other funds	1,604	-	-	153,922	153,922
Unearned revenue	-	-	-	-	-
Total liabilities	<u>1,604</u>	<u>-</u>	<u>-</u>	<u>157,027</u>	<u>157,027</u>
<u>Deferred Inflows of Resources</u>					
Unavailable revenue - assessments/use charges	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>Fund Balances</u>					
Nonspendable	-	50,000	15,700	104,500	170,200
Restricted	-	27,954	2,971	696,383	727,308
Committed	<u>377,743</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>377,743</u>	<u>77,954</u>	<u>18,671</u>	<u>800,883</u>	<u>897,508</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 379,347</u>	<u>\$ 77,954</u>	<u>\$ 18,671</u>	<u>\$ 957,910</u>	<u>\$ 1,054,535</u>

(Concluded)

Town of Thomaston, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue Funds					
	Sewer Commission Usage Fund	Sewer Commission Assessment and Appropriation Fund	School Lunch Fund	Education Funds	School Activity Fund	Town Clerk Preservation Fund
Revenues:						
Charges for services	\$ 1,740,381	\$ 2,000	\$ 187,743	\$ -	\$ 104,817	\$ 3,116
Intergovernmental	-	-	290,566	1,615,870	-	5,500
Contributions	-	-	-	75,335	-	-
Income from investments	-	2,565	-	-	1	5
Net change in fair value of investments	-	-	-	-	-	-
Total revenues	1,740,381	4,565	478,309	1,691,205	104,818	8,621
Expenditures:						
Current:						
General government	-	-	-	-	-	17,520
Public safety	-	-	-	-	-	-
Public works	1,737,525	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Education	-	-	564,864	1,728,654	114,278	-
Total expenditures	1,737,525	-	564,864	1,728,654	114,278	17,520
Excess (deficiency) of revenues over expenditures	2,856	4,565	(86,555)	(37,449)	(9,460)	(8,899)
Other financing sources (uses):						
Sale of assets	-	-	-	-	-	-
Transfers in	-	-	-	-	6,874	-
Transfers out	(2,856)	(209,000)	-	(6,874)	-	-
Net other financing sources (uses)	(2,856)	(209,000)	-	(6,874)	6,874	-
Net change in fund balances	-	(204,435)	(86,555)	(44,323)	(2,586)	(8,899)
Fund balances - July 1, 2024	-	338,064	535,762	104,380	117,182	16,385
Fund balances - June 30, 2025	\$ -	\$ 133,629	\$ 449,207	\$ 60,057	\$ 114,596	\$ 7,486

(Continued)

Town of Thomaston, Connecticut
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For the Year Ended June 30, 2025

	Special Revenue Funds						
	Public Library Funds	Public Safety Funds	Recreation Funds	Gift Fund	Social Services Crisis Fund	EMS Fund	Total Special Revenue Funds
Revenues:							
Charges for services	\$ -	\$ 210	\$ 113,884	\$ -	\$ -	\$ -	\$ 2,152,151
Intergovernmental	3,836	-	-	-	-	-	1,915,772
Contributions	58,641	24,286	691	15,200	15,006	-	189,159
Income from investments	29,859	30	-	3	2	-	34,150
Net change in fair value of investments	56,184	-	-	-	-	-	56,184
Total revenues	148,520	24,526	114,575	15,203	15,008	-	4,347,416
Expenditures:							
Current:							
General government	-	-	-	-	-	-	17,520
Public safety	-	29,014	-	-	-	30	29,044
Public works	-	-	-	-	-	-	1,737,525
Health and welfare	-	-	-	-	6,997	-	13,712
Culture and recreation	39,546	-	101,410	22,891	-	-	163,847
Education	-	-	-	-	-	-	2,407,796
Total expenditures	39,546	29,014	101,410	22,891	6,997	30	4,369,444
Excess (deficiency) of revenues over expenditures	108,974	(4,488)	13,165	(7,688)	8,011	(30)	(22,028)
Other financing sources (uses):							
Transfers in	-	-	10,500	-	-	-	17,374
Transfers out	-	-	-	(1,028)	-	-	(219,758)
Net other financing sources (uses)	-	-	10,500	(1,028)	-	-	(202,384)
Net change in fund balances	108,974	(4,488)	23,665	(8,716)	8,011	(30)	(224,412)
Fund balances - July 1, 2024	984,845	28,534	51,891	54,390	59,344	75,446	3,270,428
Fund balances - June 30, 2025	\$ 1,093,819	\$ 24,046	\$ 75,556	\$ 45,674	\$ 67,355	\$ 75,416	\$ 3,046,016

(Continued)

Town of Thomaston, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For the Year Ended June 30, 2025

	Capital Projects Fund	Permanent Funds				Total Other Governmental Funds
	Capital Projects Fund	Edith Kenea Park and Tree Fund	Fire Department Trust Fund	Hillside Cemetery Trust Fund	Total Permanent Funds	
Revenues:						
Charges for services	\$ 1,519	\$ -	\$ -	\$ 25,921	\$ 25,921	\$ 2,179,591
Intergovernmental	-	-	-	-	-	1,915,772
Contributions	67,090	-	-	2,160	2,160	258,409
Income from investments	7,907	1,884	487	52,382	54,753	96,810
Net change in fair value of investments	-	-	-	53,003	53,003	109,187
Total revenues	<u>76,516</u>	<u>1,884</u>	<u>487</u>	<u>133,466</u>	<u>135,837</u>	<u>4,559,769</u>
Expenditures:						
Current:						
General government	-	-	-	-	-	17,520
Public safety	-	-	-	-	-	29,044
Public works	-	1,332	-	-	1,332	1,738,857
Health and welfare	-	-	-	119,918	119,918	133,630
Culture and recreation	20,000	-	-	-	-	183,847
Education	-	-	-	-	-	2,407,796
Total expenditures	<u>20,000</u>	<u>1,332</u>	<u>-</u>	<u>119,918</u>	<u>121,250</u>	<u>4,510,694</u>
Excess (deficiency) of revenues over expenditures	<u>56,516</u>	<u>552</u>	<u>487</u>	<u>13,548</u>	<u>14,587</u>	<u>49,075</u>
Other financing sources (uses):						
Transfers in	211,856	-	-	26,000	26,000	255,230
Transfers out	(100,000)	-	-	-	-	(319,758)
Net other financing sources (uses)	<u>111,856</u>	<u>-</u>	<u>-</u>	<u>26,000</u>	<u>26,000</u>	<u>(64,528)</u>
Net change in fund balances	168,372	552	487	39,548	40,587	(15,453)
Fund balances - July 1, 2024	<u>209,371</u>	<u>77,402</u>	<u>18,184</u>	<u>761,335</u>	<u>856,921</u>	<u>4,336,720</u>
Fund balances - June 30, 2025	<u>\$ 377,743</u>	<u>\$ 77,954</u>	<u>\$ 18,671</u>	<u>\$ 800,883</u>	<u>\$ 897,508</u>	<u>\$ 4,321,267</u>

(Concluded)

Town of Thomaston, Connecticut
Sewer Commission Usage Fund
Schedule of Sewer Use Charges Receivable
For the Year Ended June 30, 2025

114

Fiscal Year	Uncollected Balance July 1, 2024	Current Year Charges	Corrections		Adjusted User Charges Collectible	Collections			Uncollected Balance June 30, 2025
			Additions	Deductions		Use Charges	Interest and Liens	Total	
2015	\$ 241	\$ -	\$ -	\$ -	\$ 241	\$ -	\$ -	\$ -	\$ 241
2016	-	-	-	-	-	-	-	-	-
2017	703	-	-	-	703	-	-	-	703
2018	1,339	-	-	-	1,339	-	-	-	1,339
2019	2,536	-	-	-	2,536	288	258	546	2,248
2020	2,099	-	-	-	2,099	748	669	1,417	1,351
2021	4,812	-	-	-	4,812	1,705	1,555	3,260	3,107
2022	9,834	-	23	-	9,857	3,787	7,876	11,663	6,070
2023	33,004	-	-	-	33,004	20,042	11,625	31,667	12,962
2024	<u>172,855</u>	<u>-</u>	<u>340</u>	<u>-</u>	<u>173,195</u>	<u>144,422</u>	<u>14,911</u>	<u>159,333</u>	<u>28,773</u>
Subtotal	227,423	-	363	-	227,786	170,992	36,894	207,886	56,794
2025	<u>-</u>	<u>1,627,156</u>	<u>-</u>	<u>-</u>	<u>1,627,156</u>	<u>1,516,436</u>	<u>12,180</u>	<u>1,528,616</u>	<u>110,720</u>
Total	<u>\$ 227,423</u>	<u>\$ 1,627,156</u>	<u>\$ 363</u>	<u>\$ -</u>	<u>\$ 1,854,942</u>	<u>\$ 1,687,428</u>	<u>\$ 49,074</u>	<u>\$ 1,736,502</u>	<u>\$ 167,514</u>

Fiduciary Funds

Fiduciary Funds

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

Pension and OPEB Trust Funds

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

Private-Purpose Trust Funds

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

Fund	Funding Source	Function
Peppie Wagner Fund	Income from investments	To account for a \$2,000 donation, which will be used to award \$50 annually for an exceptional 8th grade student
Seth Thomas Prize Fund	Income from investments	To account for a \$1,000 endowment from which the interest is used to award exceptional students

Custodial Funds

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

Town of Thomaston, Connecticut

Private Purpose Trust Funds
Combining Statement of Fiduciary Net Position
June 30, 2025

	Peppie Wagner Fund	Seth Thomas Prize Fund	Total
	<u> </u>	<u> </u>	<u> </u>
<u>Assets</u>			
Cash	\$ 261	\$ -	\$ 261
Investments	<u>-</u>	<u>1,193</u>	<u>1,193</u>
Total assets	<u>261</u>	<u>1,193</u>	<u>1,454</u>
<u>Net Position</u>			
Net position restricted for individuals	<u>\$ 261</u>	<u>\$ 1,193</u>	<u>\$ 1,454</u>

Town of Thomaston, Connecticut

Private Purpose Trust Funds
Combining Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2025

	Peppie Wagner Fund	Seth Thomas Prize Fund	Total
Additions:			
Income from investments	\$ -	\$ 41	\$ 41
Net position - July 1, 2024	<u>261</u>	<u>1,152</u>	<u>1,413</u>
Net position - June 30, 2025	<u><u>\$ 261</u></u>	<u><u>\$ 1,193</u></u>	<u><u>\$ 1,454</u></u>

Statistical Section

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

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

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

Table 1

Town of Thomaston, Connecticut

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

	June 30									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Net investment in capital assets	\$ 55,681,218	\$ 49,740,242	\$ 50,415,010	\$ 44,894,704	\$ 43,029,812	\$ 37,728,275	\$ 39,632,659	\$ 38,688,922	\$ 32,655,352	\$ 38,387,002
Restricted for:										
Endowments:										
Nonexpendable	65,700	65,700	65,700	65,700	65,700	65,700	65,700	65,700	65,700	65,700
Expendable	30,925	29,886	32,185	40,872	40,631	40,643	39,579	37,525	42,860	42,860
Perpetual care:										
Nonexpendable	104,500	104,500	104,500	104,500	104,500	104,500	104,500	104,500	104,500	104,500
Expendable	696,383	656,835	598,851	71,570	71,570	71,570	71,570	71,570	71,570	71,570
Housing and rehabilitation	899,175	904,205	914,578	921,716	923,178	936,300	950,170	73,768	-	195,991
Public safety	24,046	28,534	26,798	24,482	30,117	25,035	21,403	29,411	-	-
Sewer operations	133,629	338,064	317,737	317,319	310,711	275,305	144,282	221,057	206,985	185,494
Education	449,207	535,762	523,243	369,731	154,325	162,080	198,659	152,036	99,382	46,131
Library	1,093,819	984,845	29,270	19,238	5,490	8,374	13,574	18,304	9,860	15,397
Other	7,486	16,385	17,031	10,484	11,408	13,685	16,834	10,991	7,272	7,744
Unrestricted	<u>(13,362,220)</u>	<u>(11,033,713)</u>	<u>(13,024,164)</u>	<u>(9,469,771)</u>	<u>(13,983,695)</u>	<u>(14,839,659)</u>	<u>(22,451,889)</u>	<u>(26,102,210)</u>	<u>(19,669,339)</u>	<u>(6,562,121)</u>
Total net position	<u>\$ 45,823,868</u>	<u>\$ 42,371,245</u>	<u>\$ 40,020,739</u>	<u>\$ 37,370,545</u>	<u>\$ 30,763,747</u>	<u>\$ 24,591,808</u>	<u>\$ 18,807,041</u>	<u>\$ 13,371,574</u>	<u>\$ 13,594,142</u>	<u>\$ 32,560,268</u>

Source: Current and prior financial statements.

Table 2

Town of Thomaston, Connecticut

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

For the Year Ended June 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Expenses:										
General government	\$ 1,966,010	\$ 2,399,285	\$ 2,521,692	\$ 2,018,673	\$ 1,231,754	\$ 781,152	\$ 1,009,995	\$ 1,509,908	\$ 1,417,618	\$ 1,417,021
Public safety	2,660,817	3,659,439	3,557,418	3,404,236	3,082,932	1,910,201	2,100,352	3,716,219	3,558,258	3,326,695
Public works	4,955,106	5,385,266	5,245,575	5,102,672	4,597,714	3,474,517	3,697,513	5,217,983	5,126,370	4,781,865
Health and welfare	230,184	226,421	242,892	217,936	213,994	195,350	174,134	233,960	222,395	209,795
Culture and recreation	1,186,298	1,040,587	988,601	911,789	981,339	773,464	678,631	1,098,082	1,015,466	1,084,776
Housing and development	329,852	338,180	362,916	313,049	297,236	296,520	249,609	276,818	544,178	787,911
Education	23,626,648	22,869,002	21,622,027	20,289,887	19,599,685	19,440,731	19,180,664	19,875,111	19,401,777	18,527,836
Interest	730,091	1,062,386	437,837	464,456	732,829	709,646	882,574	647,763	750,391	703,177
Total expenses	<u>35,685,006</u>	<u>36,980,566</u>	<u>34,978,958</u>	<u>32,722,698</u>	<u>30,737,483</u>	<u>27,581,581</u>	<u>27,973,472</u>	<u>32,575,844</u>	<u>32,036,453</u>	<u>30,839,076</u>
Program revenues:										
Charges for services:										
General government	255,636	205,699	232,787	239,950	248,467	203,273	188,285	150,294	153,730	145,299
Public safety	247,309	318,434	327,281	360,696	260,540	160,575	194,083	300,032	203,715	219,899
Public works	1,761,742	1,641,433	1,661,617	1,581,158	1,504,333	1,475,119	1,434,453	1,345,075	1,363,837	1,378,548
Health and welfare	-	-	-	-	-	-	-	209	859	723
Culture and recreation	139,605	103,543	111,831	31,730	9,181	43,433	48,830	41,976	62,326	61,159
Housing and development	106,768	122,250	116,704	100,921	87,790	90,344	94,449	60,709	61,176	78,967
Education	292,560	294,754	176,031	120,517	43,185	127,594	180,492	184,912	205,641	189,665
Operating grants and contributions	10,017,882	9,942,854	10,034,715	9,950,822	9,560,177	9,269,644	9,681,796	9,207,222	9,596,263	8,923,066
Capital grants and contributions	4,038,567	2,390,619	1,870,150	5,037,216	3,460,998	348,717	838,130	540,038	115,622	605,945
Total program revenues	<u>16,860,069</u>	<u>15,019,586</u>	<u>14,531,116</u>	<u>17,423,010</u>	<u>15,174,671</u>	<u>11,718,699</u>	<u>12,660,518</u>	<u>11,830,467</u>	<u>11,763,169</u>	<u>11,603,271</u>
Net expenses	<u>(18,824,937)</u>	<u>(21,960,980)</u>	<u>(20,447,842)</u>	<u>(15,299,688)</u>	<u>(15,562,812)</u>	<u>(15,862,882)</u>	<u>(15,312,954)</u>	<u>(20,745,377)</u>	<u>(20,273,284)</u>	<u>(19,235,805)</u>
General revenues:										
Property taxes	23,396,104	22,947,019	21,725,162	21,374,951	21,095,405	20,896,033	20,081,678	19,473,610	18,906,623	18,347,627
Grants and contributions not restricted to specific programs	568,461	643,979	874,226	458,426	473,207	469,655	453,192	562,109	680,052	516,623
Income from investments	626,565	718,696	487,625	6,666	141,581	99,198	167,124	134,586	86,423	62,240
Other	72,400	1,801	11,023	66,443	24,558	48,047	46,427	88,936	56,172	65,734
Total general revenues	<u>24,663,530</u>	<u>24,311,495</u>	<u>23,098,036</u>	<u>21,906,486</u>	<u>21,734,751</u>	<u>21,512,933</u>	<u>20,748,421</u>	<u>20,259,241</u>	<u>19,729,270</u>	<u>18,992,224</u>
Change in net position	<u>\$ 5,838,593</u>	<u>\$ 2,350,515</u>	<u>\$ 2,650,194</u>	<u>\$ 6,606,798</u>	<u>\$ 6,171,939</u>	<u>\$ 5,650,051</u>	<u>\$ 5,435,467</u>	<u>\$ (486,136)</u>	<u>\$ (544,014)</u>	<u>\$ (243,581)</u>

Source: Current and prior financial statements.

Table 3

Town of Thomaston, Connecticut

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

	June 30									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General fund:										
Assigned	\$ 300,000	\$ 200,000	\$ 228,000	\$ 200,000	\$ 186,561	\$ -	\$ 140,000	\$ 100,000	\$ 675,000	\$ 102,266
Unassigned	7,241,879	7,168,953	6,193,584	5,906,570	5,503,803	5,038,365	4,200,492	3,502,786	2,956,906	3,340,323
Total general fund	7,541,879	7,368,953	6,421,584	6,106,570	5,690,364	5,038,365	4,340,492	3,602,786	3,631,906	3,442,589
All other governmental funds:										
Nonspendable	170,200	170,200	170,200	170,200	170,200	170,200	170,200	1,051,114	170,200	170,200
Restricted	3,334,670	3,494,516	2,459,693	2,297,022	1,547,430	1,667,708	1,456,071	614,662	1,393,058	1,361,668
Committed	1,631,811	1,539,430	1,373,962	1,736,532	2,947,627	1,576,672	1,637,755	1,560,187	1,210,838	1,016,604
Assigned	193,639	831,255	969,224	1,073,402	625,779	819,460	1,061,834	921,708	916,931	1,259,874
Unassigned	(1,106,423)	(749,639)	(101,510)	(3,074,972)	(3,099,831)	(398,959)	(690,113)	(5,481)	(2,274,592)	(494,329)
Total all other governmental funds	4,223,897	5,285,762	4,871,569	2,202,184	2,191,205	3,835,081	3,635,747	4,142,190	1,416,435	3,314,017
Grand total	<u>\$ 11,765,776</u>	<u>\$ 12,654,715</u>	<u>\$ 11,293,153</u>	<u>\$ 8,308,754</u>	<u>\$ 7,881,569</u>	<u>\$ 8,873,446</u>	<u>\$ 7,976,239</u>	<u>\$ 7,744,976</u>	<u>\$ 5,048,341</u>	<u>\$ 6,756,606</u>

Source: Current and prior financial statements.

Notes:

All other governmental funds:

Assigned	Decreased due to negative operations of the debt service fund
Unassigned	Decreased due to increase in commitments for the capital or nonrecurring fund

Table 4

Town of Thomaston, Connecticut

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

For the Year Ended June 30

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues:										
Property taxes	\$ 23,407,682	\$ 23,028,149	\$ 21,578,652	\$ 21,401,555	\$ 21,145,103	\$ 20,826,558	\$ 20,033,981	\$ 19,357,281	\$ 18,880,582	\$ 18,477,767
Charges for services	2,852,289	2,617,779	2,665,750	2,365,810	2,168,963	2,120,672	2,154,081	2,071,836	2,143,933	2,140,092
Intergovernmental	14,114,306	11,653,898	12,509,112	15,301,232	13,317,913	9,886,147	10,864,252	10,156,081	10,451,748	10,053,041
Contributions	510,604	1,323,545	269,979	145,232	176,469	201,869	250,129	299,456	91,089	148,692
Income from investments	517,378	663,570	459,789	64,829	49,062	100,011	148,405	113,408	55,553	28,086
Net change in fair value of investments	109,187	55,126	27,836	(58,163)	92,519	(813)	18,719	21,178	30,870	34,154
Other	72,400	1,801	11,023	31,443	24,558	48,047	46,427	88,936	55,369	57,426
Total revenues	41,583,846	39,343,868	37,522,141	39,251,938	36,974,587	33,182,491	33,515,994	32,108,176	31,709,144	30,939,258
Expenditures:										
Current:										
General government	4,465,572	4,078,766	4,122,470	3,906,121	3,725,907	3,727,824	3,740,840	3,873,266	3,814,056	3,678,660
Public safety	2,393,334	2,565,293	2,306,164	2,102,622	2,046,847	1,832,090	1,861,910	1,703,190	1,768,195	1,626,723
Public works	4,204,944	3,903,824	3,809,639	3,628,435	3,579,356	3,318,312	3,320,887	3,154,183	3,049,696	2,786,773
Health and welfare	236,330	199,697	211,365	180,356	182,299	204,070	180,023	174,465	170,466	152,747
Culture and recreation	986,525	683,918	589,984	535,563	599,869	683,797	542,749	589,386	513,582	541,350
Housing and development	243,442	254,474	282,563	228,936	201,947	211,570	161,703	152,173	417,337	658,758
Education	22,845,972	22,016,140	20,888,425	19,501,927	19,137,352	18,617,311	18,424,641	19,007,633	18,394,057	17,368,884
Debt service:										
Principal	2,415,206	2,100,222	2,581,380	2,016,838	2,581,380	2,788,717	2,458,000	2,497,191	2,528,909	2,730,826
Interest	774,440	960,125	148,108	816,022	849,798	900,831	782,313	689,533	807,120	729,413
Capital outlay	7,526,365	1,979,870	6,124,068	6,178,487	5,493,788	1,932,020	2,787,469	5,487,777	2,007,611	1,176,861
Total expenditures	46,092,130	38,742,329	41,064,166	39,095,307	38,398,543	34,216,542	34,260,535	37,328,797	33,471,029	31,450,995
Excess (deficiency) of revenues over expenditures	(4,508,284)	601,539	(3,542,025)	156,631	(1,423,956)	(1,034,051)	(744,541)	(5,220,621)	(1,761,885)	(511,737)
Other financing sources (uses):										
Issuance of debt	3,572,519	213,371	6,507,600	48,397	432,079	1,647,217	795,000	7,653,947	39,758	73,298
Issuance of refunding bonds	-	-	-	4,300,000	-	3,750,000	-	-	-	-
Payment to refunding bond escrow agent	-	-	-	(4,854,501)	-	(4,378,450)	-	-	-	-
Premium	25,876	427,594	35,877	741,658	3,598,395	777,775	168,134	-	13,059	19,591
Sale of assets	20,950	102,005	-	35,000	-	-	12,670	-	803	8,308
Transfers in	3,621,623	3,703,045	3,798,879	4,258,662	4,346,354	4,118,313	3,702,209	3,428,503	3,410,476	3,727,326
Transfers out	(3,621,623)	(3,703,045)	(3,798,879)	(4,258,662)	(4,346,354)	(4,118,313)	(3,702,209)	(3,428,503)	(3,410,476)	(3,727,326)
Net other financing sources (uses)	3,619,345	742,970	6,543,477	270,554	4,030,474	1,796,542	975,804	7,653,947	53,620	101,197
Net change in fund balances	\$ (888,939)	\$ 1,344,509	\$ 3,001,452	\$ 427,185	\$ 2,606,518	\$ 762,491	\$ 231,263	\$ 2,433,326	\$ (1,708,265)	\$ (410,540)
Debt service as a percentage of expenditures	8.27%	8.32%	7.81%	8.61%	10.43%	11.43%	10.30%	10.01%	10.55%	11.05%

Source: Current and prior financial statements.

Table 5

Town of Thomaston, Connecticut

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

Year Ended June 30	Grand List	Real Estate		Personal Property				Totals		Ratio of Total Assessed Value to Total Estimated Actual Value	Total Direct Tax Rate
		Net Assessed Value	Estimated Actual Value	Net Motor Vehicle Assessed Value	Net Personal Property Assessed Value	Total Assessed Value	Estimated Actual Value	Net Assessed Value	Estimated Actual Value		
2025	2023	\$523,947,340	\$748,496,200	\$86,368,923	\$64,082,685	\$150,451,608	\$214,930,869	\$674,398,948	\$963,427,069	70.00%	34.36
2024	2022	522,782,100	746,831,571	89,155,875	60,714,831	149,870,706	214,101,009	672,652,806	960,932,580	70.00%	33.63
2023	* 2021	522,418,210	746,311,729	84,489,255	56,962,920	141,452,175	202,074,536	663,870,385	948,386,265	70.00%	32.11
2022	2020	460,222,110	657,460,157	66,226,136	52,478,123	118,704,259	169,577,513	578,926,369	827,037,670	70.00%	36.13
2021	2019	457,264,604	653,235,148	61,172,578	53,721,950	114,894,528	164,135,040	572,159,132	817,370,188	70.00%	36.13
2020	2018	454,543,240	649,347,486	60,190,394	49,362,638	109,553,032	156,504,331	564,096,272	805,851,817	70.00%	36.53
2019	2017	453,773,020	648,247,171	58,510,914	39,218,985	97,729,899	139,614,141	551,502,919	787,861,312	70.00%	35.79
2018	* 2016	451,278,920	644,684,171	57,862,428	38,534,860	96,397,288	137,710,411	547,676,208	782,394,582	70.00%	35.05
2017	2015	450,597,961	643,711,373	57,313,798	38,226,764	95,540,562	136,486,517	546,138,523	780,197,890	70.00%	34.07
2016	2014	448,599,342	640,856,203	55,901,286	35,731,216	91,632,502	130,903,574	540,231,844	771,759,777	70.00%	33.63

Source: Office of Tax Assessor.

Note:

* Revaluation performed

Table 6

Town of Thomaston, Connecticut

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

Taxpayer	2025			2016		
	Assessment	Rank	Percent of Net Taxable Grand List	Assessment	Rank	Percent of Net Taxable Grand List
Connecticut Light & Power Co.	\$ 22,864,890	1	3.39%	\$ 8,545,620	2	1.58%
Silgon Dispension (formerly Albea/Rexam)	11,916,600	2	1.77%	8,922,130	1	1.65%
Yankee Gas Services Company	5,870,870	3	0.87%	3,458,470	3	0.64%
Connecticut Water Company	4,203,160	4	0.62%	2,898,720	5	0.54%
Thomaston Savings Bank	3,889,420	5	0.58%	3,177,330	4	0.59%
Thomaston Valley Village	3,446,290	6	0.51%	N/A	N/A	N/A
Summit Corp of America	2,821,200	7	0.42%	2,464,210	7	0.46%
GLC Associates One, LLC	2,257,730	8	0.33%	2,800,280	6	0.52%
Stewart EFI Realty, LLC	2,230,410	9	0.33%	N/A	N/A	N/A
Pinbro Associates, LLC	2,148,910	10	0.32%	N/A	N/A	N/A
Tyler Properties	N/A	N/A	N/A	2,395,303	8	0.44%
Subs Realty	N/A	N/A	N/A	2,283,820	9	0.42%
WL Real Estate Company	N/A	N/A	N/A	2,170,000	10	0.40%
Totals	<u>\$ 61,649,480</u>		<u>9.14%</u>	<u>\$ 39,115,883</u>		<u>7.24%</u>
Net taxable grand list:	<u>\$674,398,948</u>			<u>\$540,231,844</u>		

Source: Town Assessor Department.

N/A - Not available and/or not applicable

Table 7

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

Year Ended June 30	(1) (2) (3) Total Tax Rate in Mills	Grand List of October 1,	Total Adjusted Tax Levy	Net Current Tax Collections	Percent of Current Levy Collected	Total Collections			
						Collections in Subsequent Years	Total Collections	Percentage of Levy Collected	Current Delinquent Balance
2025	34.36	2023	\$ 23,234,655	\$ 22,955,984	98.8%	\$ -	\$ 22,955,984	98.8%	\$ 278,671
2024	33.63	2022	22,780,689	22,507,192	98.8%	190,497	22,507,192	98.8%	83,000
2023	*	2021	21,512,455	21,218,143	98.6%	262,845	21,218,143	98.6%	31,467
2022		2020	21,236,719	21,025,557	99.0%	190,458	20,692,205	97.4%	20,704
2021		2019	20,870,266	20,692,205	99.1%	167,114	20,692,205	99.1%	10,947
2020		2018	20,749,386	20,446,935	98.5%	286,874	20,446,935	98.5%	15,577
2019		2017	19,894,653	19,626,694	98.7%	253,859	19,626,694	98.7%	14,100
2018	*	2016	19,320,944	19,036,595	98.5%	272,647	19,036,595	98.5%	11,702
2017		2015	18,744,659	18,537,433	98.9%	198,269	18,537,433	98.9%	8,957
2016		2014	18,294,050	18,081,176	98.8%	204,242	18,285,418	100.0%	8,632

Source: Current and prior financial statements.

Notes:

(1) There are no overlapping tax rates

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

(3) Motor vehicle tax rate is capped at 32.46 beginning in fiscal year 2023.

* Revaluation performed

Table 8

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

124	Year Ended June 30	(1) General Obligation Bonds	Notes	Premium	Leases	Subscriptions	Total	Percentage of Personal Income	Debt per Capita
	2025	\$ 21,435,000	\$ 1,287,616	\$ 629,311	\$ 1,087,080	\$ 41,827	\$ 24,480,834	0.30%	\$ 3,286
	2024	20,140,000	1,431,490	673,951	1,023,680	99,040	23,368,161	0.32%	3,115
	2023	21,910,000	1,411,152	290,997	1,104,932	154,977	24,872,058	0.30%	3,342
	2022	17,435,000	1,598,502	348,095	981,763	171,881	20,535,241	0.30%	2,755
	2021	19,735,000	1,746,943	554,750	1,029,792	-	23,066,485	0.30%	3,061
	2020	21,715,000	1,916,244	626,508	-	-	24,257,752	0.30%	3,096
	2019	24,425,000	952,744	697,335	-	-	26,075,079	0.28%	3,328
	2018	25,540,000	1,500,744	607,060	-	-	27,647,804	0.27%	3,516
	2017	19,860,000	2,023,988	676,512	-	-	22,560,500	0.33%	7,595
	2016	21,850,000	2,523,139	745,964	-	-	25,119,103	0.29%	3,296

Source: Current and prior financial statements

Notes:

(1) Includes permanently financed bond anticipation notes

There is no overlapping debt

Town of Thomaston, Connecticut

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

Year Ended June 30	General Obligation Debt Outstanding			Percentage of Actual Taxable Value of Property	Debt per Capita
	(1) General Obligation Bonds	Premium	Total		
2025	\$21,435,000	\$ 629,311	\$ 22,064,311	2.29%	\$2,961
2024	20,140,000	673,951	20,813,951	2.17%	2,775
2023	21,910,000	290,997	22,200,997	2.34%	2,983
2022	17,435,000	348,095	17,783,095	2.15%	2,386
2021	19,735,000	554,750	20,289,750	2.48%	2,693
2020	21,715,000	626,508	22,341,508	2.77%	2,851
2019	24,425,000	697,335	25,122,335	3.19%	3,206
2018	25,540,000	607,060	26,147,060	3.34%	3,325
2017	19,860,000	676,512	20,536,512	2.63%	2,704
2016	21,850,000	745,964	22,595,964	2.93%	2,965

Source: Current and prior year financial statements.

Notes:

(1) Includes permanently financed bond anticipation notes.

There is no overlapping debt for the Town.

Town of Thomaston, Connecticut
Schedule of Debt Limitation
Connecticut General Statutes, Section 7-374 (b)
As of and for the Year Ended June 30, 2025
(Unaudited)

Total tax collections (including interest and lien fees) for prior year						<u>\$ 22,970,693</u>
Debt Limitation:	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit	
2 1/4 times base	\$ 51,684,059	\$ -	\$ -	\$ -	\$ -	
4 1/2 times base	-	103,368,119	-	-	-	
3 3/4 times base	-	-	86,140,099	-	-	
3 1/4 times base	-	-	-	74,654,752	-	
3 times base	-	-	-	-	68,912,079	
Total debt limitation	<u>51,684,059</u>	<u>103,368,119</u>	<u>86,140,099</u>	<u>74,654,752</u>	<u>68,912,079</u>	
Indebtedness:						
Bonds payable	13,276,734	2,573,354	2,204,912	-	-	
Bond anticipation notes - long-term	2,180,000	-	1,200,000	-	-	
Bond anticipation notes - short term	<u>765,000</u>	<u>175,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	
Total indebtedness	<u>16,221,734</u>	<u>2,748,354</u>	<u>3,404,912</u>	<u>-</u>	<u>-</u>	
Debt limitation in excess of outstanding debt	<u>\$ 35,462,325</u>	<u>\$ 100,619,765</u>	<u>\$ 82,735,187</u>	<u>\$ 74,654,752</u>	<u>\$ 68,912,079</u>	
The total net indebtedness above amounts to:						<u>\$ 22,375,000</u>
In no event shall total indebtedness exceed seven times the base for debt limitation computation:						<u>\$ 160,794,851</u>

Source: Current and prior financial statements

Note:

There is no overlapping debt

Table 11

Town of Thomaston, Connecticut

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

<u>Year Ended June 30</u>	<u>Debt Limit</u>	<u>Net Debt Applicable to Limit</u>	<u>Legal Debt Margin</u>	<u>Total Net Debt Applicable</u>
2025	\$ 160,794,851	\$ 22,375,000	\$ 138,419,851	13.92%
2024	150,705,877	24,010,000	126,695,877	15.93%
2023	149,479,512	23,620,000	125,859,512	15.80%
2022	146,767,481	25,590,000	121,177,481	17.44%
2021	145,505,136	21,910,000	123,595,136	15.06%
2020	139,930,329	23,735,000	116,195,329	16.96%
2019	134,490,097	24,425,000	110,065,097	18.16%
2018	131,863,949	31,751,390	100,112,559	24.08%
2017	131,863,949	27,377,554	104,486,395	20.76%
2016	127,094,254	24,477,554	102,616,700	19.26%

Source: Current and prior financial statements.

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

Year Ended June 30	(1) Population	(2) Personal Income	(2) Median Age	(2) Education Level in Years of Schooling	(3) School Enrollment	(4) Unemployment Percentage
2025	7,451	\$104,074	43	High School 26% Some College 43%	775	3.1%
2024	7,501	91,967	41	High School 33% Some College 50%	776	2.5%
2023	7,442	68,539	44	High School 32% Some College 30%	820	3.0%
2022	7,453	67,639	44	High School 37% Some College 36%	846	3.4%
2021	7,535	67,639	44	High School 37% Some College 36%	828	5.7%
2020	7,836	67,639	44	High School 37% Some College 36%	848	8.0%
2019	7,836	65,901	44	High School 37% Some College 32%	845	4.3%
2018	7,863	65,901	43	High School 37% Some College 32%	875	3.9%
2017	7,595	67,191	43	High School 37% Some College 32%	897	3.9%
2016	7,621	73,679	44	High School 35% Some College 36%	895	4.9%

Sources:

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

(2) Advance CT

(3) Thomaston Board of Education

(4) Connecticut Labor Department - Research and Statistics

Table 13

Town of Thomaston, Connecticut

Principal Employers
Current Year and Nine Years Ago
(Unaudited)

Employer	2025			2016		
	Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Total Town Employment
Thomaston Savings Bank	256	1	5.66%	183	4	3.92%
Silgon Dispension (formerly Albea/Rexam)	243	2	5.37%	383	1	8.20%
Town of Thomaston (including Thomaston Public Schools)	227	3	5.02%	202	3	4.32%
UniMetal/ Quality Rolling & Deburring	115	4	2.54%	144	6	3.08%
Ward Leonard Electric, Inc.	105	5	2.32%	145	5	3.10%
Stewart Eyelets for Industry, Inc.	101	6	2.23%	120	7	2.57%
State of Connecticut *	100	7	2.21%	N/A	2	N/A
Summit Corporation of America	48	8	1.06%	61	8	1.31%
Stevens Co., Inc.	28	9	0.62%	37	10	0.79%
WHYCO Chromium, Inc.	21	10	0.46%	38	9	0.81%
Total	1,244		27.49%	1,313		28.10%
Total Town employment	4,524			4,671		

Source: Annual Town survey

Note:

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

Table 14

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

Function / Program	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General government:										
Selectmen	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2	2.2
Elections	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Treasurer	3.2	3.2	3.2	3.2	3.9	3.9	3.9	3.9	3.9	3.9
Tax collector	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Assessor/assessment appeals	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	1.0	1.0
Town hall maintenance	1.5	1.5	1.5	1.5	1.3	1.3	1.3	1.4	1.3	1.3
Town clerk	1.4	1.4	1.4	1.4	1.4	1.4	1.4	1.6	1.7	1.7
Public safety:										
Police officers	14.6	14.9	15.4	14.6	15.7	15.7	12.7	13.0	13.5	13.3
Dispatch	4.8	5.2	5.4	4.8	4.7	4.9	4.9	5.0	4.5	4.8
Fire marshal	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Animal control	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.1	1.1	1.1
Public works:										
Highway	9.8	9.2	9.2	9.0	8.6	8.4	8.7	8.6	7.2	8.0
Solid waste and recycling	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.3
Sewer plant	7.7	8.0	8.0	7.0	8.1	7.0	7.0	6.4	7.0	6.0
Hillside cemetery	1.4	2.0	2.0	2.0	2.0	2.0	2.2	2.0	1.8	1.9
Health and welfare:										
Social services	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Minibus	0.5	0.5	0.5	0.5	0.5	0.5	0.4	0.3	0.2	0.4
Veterans administration	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Culture and recreation:										
Recreation	1.0	1.0	1.0	1.0	1.7	1.6	1.6	1.6	1.6	1.8
Public library	5.3	5.9	5.9	5.9	6.1	6.1	6.1	5.9	5.7	6.8
Housing and development:										
Housing, land use and development	2.5	2.5	2.5	2.5	2.4	2.3	2.5	2.5	2.3	2.5
Education	164.4	164.4	167.0	168.0	165.0	133.0	135.0	132.0	158.5	141.7
Total	226.3	227.9	231.2	229.6	229.6	196.3	195.9	192.5	216.5	201.5

Source: Town and Education payroll data.

Table 15

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

Function / Program	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Public safety:										
Fire:										
Emergency responses	174	190	194	339	323	286	304	336	298	270
Fires extinguished	48	29	33	27	47	37	27	29	30	38
Police:										
Incidents	22,379	21,524	34,682	30,121	35,004	34,098	31,252	35,892	36,136	35,807
Accidents	195	183	272	265	286	252	362	309	296	307
Physical arrests	77	178	215	167	222	131	317	367	380	385
Traffic violations	426	67	897	462	1,846	1,576	2,014	1,544	1,201	922
Public works:										
Street resurfacing (miles)	0.0	0.0	6.0	8.0	0.0	5.0	3.0	0.0	0.0	0.0
Streets rebuilt (miles)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2.2	0.0	0.0
Parks and recreation:										
Athletic field permits issued	59	79	72	56	33	44	41	44	31	38
Number of recreation programs	26	37	45	3	-	31	33	29	29	34
Health and welfare:										
Number of elderly serviced	267	267	N/A	N/A	N/A	N/A	N/A	98	98	146
Number of families serviced	150	150	N/A	N/A	N/A	N/A	N/A	274	274	185
Number of disabled serviced	8	8	N/A	N/A	N/A	N/A	N/A	82	82	98
Library:										
Total print items	33,958	33,947	38,788	38,602	38,886	38,707	38,571	38,982	39,253	39,327
Total non-print items	6,672	6,374	7,515	7,420	7,300	7,320	7,347	7,370	7,102	7,060
Circulation	36,053	35,619	42,885	40,111	40,448	39,459	47,725	52,652	58,218	63,700
Interlibrary borrows	2,435	3,012	2,014	1,876	1,984	1,690	2,328	2,331	2,698	3,497
Interlibrary loans	2,820	2,765	1,578	1,954	2,068	1,740	2,353	2,513	2,068	2,259
Education:										
Enrollment:										
High school	333	305	337	363	364	361	376	405	428	408
Middle school	202	200	190	204	199	196	189	190	205	216
Elementary school	263	274	293	279	265	291	280	280	264	271
Total	798	779	820	846	828	848	845	875	897	895
Sewer fund:										
Average daily sewage treatment (million gallons)	0.930	1.088	0.988	1.007	0.868	0.920	1.174	0.898	0.810	0.834
Residential customers	2,714	2,714	2,723	2,690	2,758	2,783	2,767	2,679	2,635	2,635
Commercial and industrial customers	157	145	132	133	129	129	131	75	134	131
Manhole repair as part of I/I reduction	-	20	-	-	4	7	3	4	-	20
Solid waste and recycling:										
MIRA/CRRA tonnage (annual)	2,925	2,873	2,820	5,412	5,306	4,756	4,623	4,372	2,534	2,400

Sources: Various Town Departments

N/A - Data not available

Table 16

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

Function / Program	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General government:										
Election voting machines	8	2	2	2	2	2	2	2	2	2
Vehicles	3	3	2	1	1	1	1	1	1	1
Public safety:										
Fire and ambulance stations	2	2	2	2	2	2	2	2	2	2
Police stations	1	1	1	1	1	1	1	1	1	1
Police vehicles	15	13	11	11	11	11	11	11	11	11
Fire trucks	4	4	4	4	4	4	4	4	4	4
Ambulances	2	2	2	2	2	2	2	2	2	2
Other emergency vehicles	5	5	5	5	5	5	5	5	5	5
Public works:										
Miles of streets:										
Paved	41.25	41.25	41.25	41.25	41.25	41.25	41.25	41.25	41.25	41.25
Accepted	41.25	41.25	41.25	41.25	41.25	41.25	41.25	41.25	41.25	41.25
Private	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
State highway	64.89	64.89	64.89	64.89	64.89	64.89	64.89	64.89	64.89	64.89
Miles of sidewalks	10.88	10.88	10.88	10.88	10.88	10.88	10.88	10.88	10.88	10.88
Miles of sewer:										
Storm	95.25	95.25	95.25	95.25	95.25	95.25	95.25	95.25	95.25	95.25
Sanitation	50.50	50.50	50.50	50.50	50.50	50.50	50.50	50.50	50.50	50.50
Dump trucks	9	9	9	9	9	9	9	9	9	10
Other public works vehicles and heavy equipment	28	28	28	28	28	28	28	28	28	28
Health and welfare:										
Minibus	1	1	1	1	1	1	1	1	1	1
Culture and recreation:										
Acres of park land	56.00	56.00	56.00	56.00	56.00	56.00	56.00	56.00	56.00	56.00
Hardball baseball diamonds	1	1	1	1	1	1	1	1	1	1
Youth baseball diamonds	5	5	5	5	5	5	5	5	5	5
Basketball courts	1	1	1	1	1	1	1	1	1	1
Soccer fields	3	3	3	3	3	3	3	3	3	3
Nature areas	1	1	1	1	1	1	1	1	1	1
Picnic areas	1	1	1	1	1	1	1	1	1	1
Playgrounds	4	4	4	4	4	4	4	4	4	4
Public beach	1	1	1	1	1	1	1	1	1	1
Public greens	3	3	3	3	3	3	3	3	3	3
Public indoor theatres	1	1	1	1	1	1	1	1	1	1
Public library	1	1	1	1	1	1	1	1	1	1
Tennis courts	6	6	6	6	6	6	6	6	6	6
Tracks	1	1	1	1	1	1	1	1	1	1
Education:										
Number of high schools	1	1	1	1	1	1	1	1	1	1
Number of middle schools	1	1	1	1	1	1	1	1	1	1
Number of elementary schools	1	1	1	1	1	1	1	1	1	1

Sources: Various Town Departments