

TOWN OF THOMPSON, CONNECTICUT
FINANCIAL STATEMENTS

JUNE 30, 2013

TOWN OF THOMPSON, CONNECTICUT

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Independent Auditors' Report

To the Board of Finance
Town of Thompson
North Grosvenordale, Connecticut

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Thompson, Connecticut, as of June 30, 2013 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 10, and the budgetary comparison information on pages 41 through 46 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Thompson, Connecticut's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2013 on our consideration of the Town of Thompson, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Thompson, Connecticut's internal control over financial reporting and compliance.

Blum, Shapiro & Company, P.C.

West Hartford, Connecticut
November 14, 2013

**TOWN OF THOMPSON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2013**

This discussion and analysis of the Town of Thompson, Connecticut's (the Town) financial performance is provided by management to provide an overview of the Town's financial activities for the fiscal year ended June 30, 2013. Please read this MD&A in conjunction with the Town's financial statements, Exhibits I to IX.

Financial Highlights

- Net position of our governmental activities decreased by \$219 thousand, or .6%.
- During the year, the Town had expenses that were \$219 thousand more than the \$27.2 million generated in tax and other revenues for governmental programs.
- Total cost of all of the Town's programs was \$27.4 million with no new programs added this year.
- The General Fund reported a fund balance this year of \$2.7 million.
- The resources available for appropriation were \$70 thousand more than budgeted for the General Fund. Expenditures were kept within spending limits.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of a series of financial statements. The statement of net position and the statement of activities (Exhibits I and II, respectively) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements are presented in Exhibits III to IX. For governmental activities, these statements tell how these services were financed in the short term, as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

The analysis of the Town as a whole begins on Exhibits I and II. The statement of net position and the statement of activities report information about the Town as a whole and about its activities for the current period. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's net position and changes in the net position. The Town's net position, the difference between assets and liabilities, is one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net position are one indicator of whether its financial health is improving or deteriorating. The reader needs to consider other non-financial factors, however, such as changes in the Town's property tax base and the condition of the Town's capital assets, to assess the overall health of the Town.

In the statement of net position and the statement of activities, the Town reports its activities as follows:

- *Governmental Activities* - The Town's basic services are reported here, including education, public safety, public works, civic and cultural, and general government. Property taxes, charges for services, and state and federal grants finance most of these activities.

Fund Financial Statements

The fund financial statements begin with Exhibit III and provide detailed information about the most significant funds, not the Town as a whole. Some funds are required to be established by State Statutes. However, the Board of Finance establishes many other funds to help control and manage financial activities for particular purposes (like the Sewer Operating Fund) or to show that it is meeting legal responsibilities for using grants, and other money (like grants received for education from the State and Federal governments). The Town's funds are divided into three categories: governmental, proprietary and fiduciary.

- *Governmental Funds (Exhibits III and IV)* - Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship (or differences) between governmental activities (reported in the statement of net position and the statement of activities) and governmental funds is described in a reconciliation included with the fund financial statements.
- *Proprietary Funds (Exhibits V to VII)* - When the Town charges customers for the services it provides, whether to outside customers or to other units of the Town, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. The Town's proprietary funds consist of the Town's internal service fund, which is used to report activities that provide supplies and services for the Town's other programs and activities, such as the Town's Data Processing Fund and risk management internal service funds.
- *Fiduciary Funds (Exhibits VIII and IX)* - The Town is the trustee, or fiduciary, for its employees' pension plans. All of the Town's fiduciary activities are reported in separate statements of net position - fiduciary funds and changes in net position - fiduciary fund. These activities are excluded 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.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Town's combined net position changed from a year ago decreasing from \$37.7 million to \$37.4 million. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental activities.

TABLE 1
NET POSITION
(In Thousands)

	Governmental Activities	
	2013	2012
Current and other assets	\$ 8,587	\$ 7,589
Capital assets, net of accumulated depreciation	42,677	43,900
Total assets	<u>51,264</u>	<u>51,489</u>
Long-term debt outstanding	13,000	13,273
Other liabilities	821	554
Total liabilities	<u>13,821</u>	<u>13,827</u>
Net Position:		
Net investment in capital assets	31,850	32,565
Restricted for:		
Perpetual care:		
Expendable	247	247
Nonexpendable	2,697	2,647
Unrestricted	<u>2,649</u>	<u>2,203</u>
Total Net Position	<u>\$ 37,443</u>	<u>\$ 37,662</u>

Net position of the Town's governmental activities decreased by .6% (\$37.4 million compared to \$37.7 million). Unrestricted net position - the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - changed from \$2.2 million at June 30, 2012 to \$2.6 million at the end of this year.

TABLE 2
CHANGE IN NET POSITION
(In Thousands)

	Governmental Activities	
	2013	2012
Revenues:		
Program revenues:		
Charges for services	\$ 1,363	\$ 1,357
Operating grants and contributions	10,989	11,455
Capital grants and contributions	431	401
General revenues:		
Property taxes	13,756	12,947
Grants and contributions not restricted to specific purposes	457	454
Unrestricted investment earnings	170	118
Other general revenues	62	60
Total revenues	<u>27,228</u>	<u>26,792</u>
Program expenses:		
General government	1,375	1,446
Public safety	629	520
Public works	2,966	2,751
Human services	224	104
Civic and cultural	1,140	1,138
Development and planning	210	252
Education	20,457	20,868
Interest on long-term debt	446	473
Total program expenses	<u>27,447</u>	<u>27,552</u>
Decrease in Net Position	\$ <u>(219)</u>	\$ <u>(760)</u>

The Town's total revenues were \$27.2 million. The total cost of all programs and services was \$27.4 million. Our analysis below separately considers the operations of governmental activities.

Governmental Activities

- The Town has performed four (4) seasonal applications of chemicals to address the invasive weed issue on Quaddick Lake, spending about \$171,335 of the \$200,000 awarded by the Department of Energy & Environmental Protection to address the issue.
- The Town is administering \$55,000 worth of loans to low-income, small business owners in a micro-enterprise revolving loan program through the Department of Economic Development.

- The Town has received \$632,000 in grants from the United States Department of Agriculture to offset the total cost of \$1,900,000 for a sewer line extension intended to serve Marianapolis School as the sole user. The School will cover 100% of the cost of the sewer extension.
- The Town received \$150,000 in funds from the Small Towns Economic Assistance Program through the State of Connecticut for the re-construction of the West Thompson Fire Department. The project is complete and the Town is awaiting reimbursement from the State.
- The Town is looking into options to help cleanup and encourage redevelopment of the former Belding-Corticelli Mill site. A Town committee has been formed and has been looking into State grants and programs to help remedy the site.
- The Town submitted a pre-application for funds through the Federal-Local Bridge Program for replacement of the Quaddick Road Bridge. The pre-application has been approved for further processing. It is anticipated that, if final approval is awarded, grant funds will total between \$800,000 and \$900,000 for the project, of which the Town will be responsible for 20%.

Table 3 presents the cost of each of the Town's five largest programs, as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions.

TABLE 3
GOVERNMENTAL ACTIVITIES
(In Thousands)

	Total Cost of Services		Net Cost of Services	
	2013	2012	2013	2012
Education	\$ 20,457	\$ 20,868	\$ 9,271	\$ 9,469
Public works	2,966	2,751	2,186	1,655
General government	1,375	1,446	1,139	1,162
Interest on long-term debt	446	473	446	473
Civic and cultural	1,140	1,138	838	745
All others	1,063	876	784	835
Total	<u>\$ 27,447</u>	<u>\$ 27,552</u>	<u>\$ 14,664</u>	<u>\$ 14,339</u>

TOWN FUNDS FINANCIAL ANALYSIS

Governmental Funds

As the Town completed the year, its governmental funds (as presented in the balance sheet - Exhibit III) reported a combined fund balance of \$6.5 million, which is a \$501 thousand increase from last year's total. Included in this year's total change in fund balance is an increase of \$823 thousand in the Town's General Fund. The primary reasons for the General Fund's increase mirror the governmental activities analysis highlighted in Exhibit IV.

In the Capital Projects Fund, the Town funded projects and capital outlays of \$.5 million, most of which was for paving.

General Fund Budgetary Highlights

The original Town expenditure budget of \$23.1 million was not revised during the year.

The Town's General Fund balance of \$2.7 million reported on Exhibit III differs from the General Fund's budgetary fund balance. This is principally because budgetary fund balance does not include \$216 thousand of outstanding encumbrances at year end, which are reported as expenditures for budgetary purposes.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2013, the Town had \$42.7 million invested in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment, and infrastructure (roads, bridges, etc.) - Table 4. This amount represents a net decrease (including additions and deductions) of \$1.2 million, or 2.8%, from last year.

TABLE 4
CAPITAL ASSETS (Net of Depreciation)
(In Thousands)

	Governmental Activities	
	2013	2012
Land	\$ 2,475	\$ 2,475
Construction in progress		622
Buildings and improvements	34,400	34,801
Machinery and equipment	614	525
Infrastructure	5,188	5,477
Total	\$ <u>42,677</u>	\$ <u>43,900</u>

There were no major additions in the fiscal year ended June 30, 2013.

Long-Term Debt

At June 30, 2013, the Town had \$10.6 million in bonds outstanding versus \$11.1 million last year - a decrease of \$510 thousand - as shown in Table 5.

TABLE 5
OUTSTANDING DEBT, AT YEAR END
(In Thousands)

	Governmental Activities	
	2013	2012
General obligation bonds (backed by the Town)	\$ 10,635	\$ 11,145

The Town received a general obligation bond rating of A3 as of November 13, 2007, by a national rating agency. This rating was changed to A1 by the rating agency as of May 2010. The State limits the amount of general obligation debt that cities can issue based on formula determined under State Statutes based on type of debt and tax base. The Town's outstanding general obligation debt is significantly below this \$95.0 million state-imposed limit.

Other obligations include accrued vacation pay and sick leave. More detailed information about the Town's long-term liabilities is presented in Note 8 to the financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Town's elected and appointed officials considered many factors when setting the fiscal-year 2014 budget tax rates. One of those factors is the economy. The Town had no employment growth in fiscal year 2013. Unemployment in the Town decreased to 8.6%. This compares with the State's unemployment rate of 8.1% and the national rate of 7.6%.

These indicators were taken into account when adopting the General Fund budget for 2013-14. Amounts available for appropriation in the General Fund budget are \$23.1 million, the same as the final 2013 budget.

The Town has added no major new programs or initiatives to the 2014 budget.

If these estimates are realized, the Town's budgetary General Fund balance is expected to decrease by \$80,000 during fiscal 2014.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, Town of Thompson, 815 Riverside Drive, Thompson, Connecticut 06255.

TOWN OF THOMPSON, CONNECTICUT

STATEMENT OF NET POSITION

JUNE 30, 2013

	<u>Governmental Activities</u>
Assets:	
Cash and cash equivalents	\$ 4,191,140
Investments	2,615,251
Receivables, net	1,770,187
Inventory	11,018
Capital assets not being depreciated	2,475,200
Capital assets being depreciated, net	40,201,583
Total assets	<u>51,264,379</u>
Liabilities:	
Accounts and other payables	616,294
Due to fiduciary funds	26,401
Unearned revenue	178,734
Noncurrent liabilities:	
Due within one year	803,551
Due in more than one year	12,196,360
Total liabilities	<u>13,821,340</u>
Net Position:	
Net investment in capital assets	31,850,186
Restricted for:	
Trust purposes:	
Nonexpendable	247,123
Expendable	2,696,715
Unrestricted	<u>2,649,015</u>
Total Net Position	<u>\$ 37,443,039</u>

The accompanying notes are an integral part of the financial statements

TOWN OF THOMPSON, CONNECTICUT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental activities:					
General government	\$ 1,374,739	\$ 220,726	\$ 14,952	\$	\$ (1,139,061)
Public safety	628,795	15,717		150,000	(463,078)
Public works	2,966,512	602,659	178,098		(2,185,755)
Human services	223,977		2,696	95,807	(125,474)
Civic and cultural	1,139,676	221,979	14,916	65,000	(837,781)
Development and planning	209,983	14,702			(195,281)
Education	20,457,065	286,886	10,778,866	120,455	(9,270,858)
Interest on long-term debt	446,484				(446,484)
Total	\$ 27,447,231	\$ 1,362,669	\$ 10,989,528	\$ 431,262	(14,663,772)
General revenues:					
Property taxes					13,755,598
Grants and contributions not restricted to specific programs					456,483
Unrestricted investment earnings					170,325
Miscellaneous					62,325
Total general revenues					14,444,731
Change in net position					(219,041)
Net Position at Beginning of Year					37,662,080
Net Position at End of Year					\$ 37,443,039

The accompanying notes are an integral part of the financial statements

TOWN OF THOMPSON, CONNECTICUT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2013

	<u>General</u>	<u>Capital Projects</u>	<u>Tourtellotte Trust Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents	\$ 3,836,096	\$	\$ 29,287	\$ 231,995	\$ 4,097,378
Investments			2,615,251		2,615,251
Receivables, net	1,230,015			516,695	1,746,710
Due from other funds	251,760	419,637		635,439	1,306,836
Inventories				11,018	11,018
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 5,317,871</u>	<u>\$ 419,637</u>	<u>\$ 2,644,538</u>	<u>\$ 1,395,147</u>	<u>\$ 9,777,193</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts and other payables	\$ 505,399	\$ 1,901	\$	\$ 69,052	\$ 576,352
Due to other funds	1,100,058		9,884	223,295	1,333,237
Deferred revenue	984,920			367,122	1,352,042
Total liabilities	<u>2,590,377</u>	<u>1,901</u>	<u>9,884</u>	<u>659,469</u>	<u>3,261,631</u>
Fund balances:					
Nonspendable				258,141	258,141
Restricted	426,490		2,634,654	62,061	3,123,205
Committed				421,996	421,996
Assigned	216,220	417,736			633,956
Unassigned	2,084,784			(6,520)	2,078,264
Total fund balances	<u>2,727,494</u>	<u>417,736</u>	<u>2,634,654</u>	<u>735,678</u>	<u>6,515,562</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities and Fund Balances	<u>\$ 5,317,871</u>	<u>\$ 419,637</u>	<u>\$ 2,644,538</u>	<u>\$ 1,395,147</u>	<u>\$ 9,777,193</u>

(Continued on next page)

TOWN OF THOMPSON, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2013

Reconciliation of the Balance Sheet - Governmental Funds
to the Statement of Net Position:

Amounts reported for governmental activities in the statement of net position
(Exhibit I) are different because of the following:

Fund balances - total governmental funds (Exhibit III)	\$ 6,515,562
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Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 69,227,163	
Less accumulated depreciation	<u>(26,550,380)</u>	
Net capital assets		42,676,783

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

Property tax receivables greater than 60 days	679,880
Interest receivable on property taxes	305,040
Housing loans	73,844
Sewer use charges	114,544

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position	113,170
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Long-term liabilities, including bonds payable, are not due and payable
in the current period and, therefore, are not reported in the funds:

Bonds and notes payable	(10,635,000)
Interest payable on bonds and notes	(35,873)
Compensated absences	(947,516)
Capital lease	(191,597)
Net OPEB obligation	<u>(1,225,798)</u>

Net Position of Governmental Activities (Exhibit I)	<u>\$ 37,443,039</u>
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The accompanying notes are an integral part of the financial statements

TOWN OF THOMPSON, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

	General	Capital Projects	Tourtellotte Trust Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 13,613,575	\$	\$	\$	\$ 13,613,575
Intergovernmental revenue	10,242,444	247,218		1,299,131	11,788,793
Charges for services	549,372	5,000		810,874	1,365,246
Interest	4,401		164,912	1,012	170,325
Other revenues	72,050	8,573	4,749	38,769	124,141
Total revenues	<u>24,481,842</u>	<u>260,791</u>	<u>169,661</u>	<u>2,149,786</u>	<u>27,062,080</u>
Expenditures:					
Current:					
General government	900,518			27,033	927,551
Public safety	442,689			162,284	604,973
Public works	1,446,062			437,736	1,883,798
Human services	118,340			118,299	236,639
Civic and cultural	592,446			242,659	835,105
Development and planning	127,733			8,954	136,687
Sundry	1,016,104				1,016,104
Education	17,999,046		25,356	1,193,919	19,218,321
Capital outlay	242,747	501,345			744,092
Debt service	1,032,528				1,032,528
Total expenditures	<u>23,918,213</u>	<u>501,345</u>	<u>25,356</u>	<u>2,190,884</u>	<u>26,635,798</u>
Excess (Deficiency) of Revenues over Expenditures	<u>563,629</u>	<u>(240,554)</u>	<u>144,305</u>	<u>(41,098)</u>	<u>426,282</u>
Other Financing Sources (Uses):					
Transfers in	543,990	341,000		26,049	911,039
Transfers out	(359,649)	(426,490)	(100,000)	(24,900)	(911,039)
Proceeds from capital leases	75,000				75,000
Total other financing sources (uses)	<u>259,341</u>	<u>(85,490)</u>	<u>(100,000)</u>	<u>1,149</u>	<u>75,000</u>
Net Change in Fund Balances	822,970	(326,044)	44,305	(39,949)	501,282
Fund Balances at Beginning of Year	<u>1,904,524</u>	<u>743,780</u>	<u>2,590,349</u>	<u>775,627</u>	<u>6,014,280</u>
Fund Balances at End of Year	<u>\$ 2,727,494</u>	<u>\$ 417,736</u>	<u>\$ 2,634,654</u>	<u>\$ 735,678</u>	<u>\$ 6,515,562</u>

(Continued on next page)

TOWN OF THOMPSON, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund
Balances of Governmental Funds to the Statement of Activities:

Amounts reported for governmental activities in the statement of activities (Exhibit II) are
different because:

Net change in fund balances - total governmental funds (Exhibit IV)	\$ 501,282
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Governmental funds report capital outlays as expenditures. In the statement of activities,
the cost of those assets is allocated over their estimated useful lives and reported as
depreciation expense:

Capital outlay	298,543
Depreciation expense	(1,522,013)

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

Property tax receivable - accrual basis change	92,721
Property tax interest and lien revenue - accrual basis change	49,302
Sewer use receivable	24,087
Housing loans receivable	(6,078)

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

Bond principal payments	510,000
Capital lease	(75,000)
Capital lease payments	74,345

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 the governmental funds.

Compensated absences	5,645
Accrued interest	1,699
Net OPEB obligation	(241,781)

Internal service funds are used by management to charge costs to individual funds. The net
revenue of certain activities of internal services funds is reported with governmental activities.

Internal service funds are used by management to charge costs of medical insurance to individual departments	<u>68,207</u>
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Change in Net Position of Governmental Activities (Exhibit II)	<u>\$ (219,041)</u>
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The accompanying notes are an integral part of the financial statements

TOWN OF THOMPSON, CONNECTICUT

PROPRIETARY FUNDS

STATEMENT OF NET POSITION

JUNE 30, 2013

	Governmental Activities
	Internal Service Fund
Assets:	
Cash and cash equivalents	\$ 93,762
Accounts receivable	<u>23,477</u>
Total assets	117,239
Liabilities:	
Claims payable	<u>4,069</u>
Net Position:	
Unrestricted	\$ <u><u>113,170</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF THOMPSON, CONNECTICUT

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION

FOR THE YEAR ENDED JUNE 30, 2013

	Governmental Activities
	Internal Service Fund
Operating Revenues:	
Charges for services	\$ 180,869
Operating Expenses:	
Claims incurred	98,549
Administration	14,113
Total operating expenses	112,662
Change in Net Position	68,207
Net Position at Beginning of Year	44,963
Net Position at End of Year	\$ 113,170

The accompanying notes are an integral part of the financial statements

TOWN OF THOMPSON, CONNECTICUT

PROPRIETARY FUNDS

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2013

	Governmental Activities Internal Service Fund
Cash Flows from Operating Activities:	
Cash received from charges for services	\$ 55,718
Cash received for interfund services used	101,674
Cash paid for benefits	(100,175)
Cash paid for administration	(14,113)
Net cash provided by operating activities	<u>43,104</u>
Net Increase in Cash and Cash Equivalents	43,104
Cash and Cash Equivalents at Beginning of Year	<u>50,658</u>
Cash and Cash Equivalents at End of Year	<u>\$ 93,762</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating income	\$ 68,207
Adjustments to reconcile operating income to net cash provided by operating activities:	
(Increase) decrease in accounts receivable	(23,477)
Increase (decrease) accounts payable	
Increase (decrease) in claims payable	<u>(1,626)</u>
Net Cash Provided by Operating Activities	<u>\$ 43,104</u>

The accompanying notes are an integral part of the financial statements

TOWN OF THOMPSON, CONNECTICUT

STATEMENT OF NET POSITION - FIDUCIARY FUNDS

JUNE 30, 2013

	Pension Trust Fund	Agency Funds
	<u> </u>	<u> </u>
Assets:		
Cash and cash equivalents	\$	\$ 206,387
Investments - mutual funds	4,652,967	
Due from other funds	<u> </u>	<u>26,401</u>
Total assets	4,652,967	\$ <u><u>232,788</u></u>
Liabilities:		
Deposits and amounts due to student groups and others	<u> </u>	\$ <u><u>232,788</u></u>
Net Position:		
Held in trust for pension benefits	\$ <u><u>4,652,967</u></u>	

The accompanying notes are an integral part of the financial statements

TOWN OF THOMPSON, CONNECTICUT

STATEMENT OF CHANGES IN NET POSITION

FIDUCIARY FUND

FOR THE YEAR ENDED JUNE 30, 2013

Additions:

Contributions:

Plan members	\$ 90,761
Employer	<u>170,931</u>
Total contributions	261,692

Investment income:

Net appreciation in fair value of investments	<u>494,533</u>
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Total additions	<u>756,225</u>
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Deductions:

Benefits	160,289
Administration	<u>17,149</u>
Total deductions	<u>177,438</u>

Net Increase	578,787
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Net Position at Beginning of Year	<u>4,074,180</u>
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Net Position at End of Year	<u><u>\$ 4,652,967</u></u>
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The accompanying notes are an integral part of the financial statements

TOWN OF THOMPSON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2013

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Thompson, Connecticut (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant policies of the Town are described below.

A. Reporting Entity

The Town operates under the provisions of the General Statutes of the State of Connecticut. The form of government includes an elected Board of Selectmen consisting of a First Selectman and two other members, an elected Board of Education and an elected Board of Finance.

The legislative power of the Town is vested with the Board of Selectmen and the Town Meeting. The Board of Selectmen may enact, amend or repeal ordinances and resolutions. The administration of the Town offices and agencies, with the exception of the Board of Education, is the responsibility of the First Selectman.

The Board of Finance is responsible for financial and taxation matters as prescribed by Connecticut General Statutes, and is responsible for presenting fiscal operating budgets for Town Meeting approval.

The Town has the power to incur indebtedness by issuing bonds or notes as provided by the Connecticut General Statutes.

The Town provides the following services: general government, education, public safety, public works, sewer, human services, parks, civic and cultural, and development and planning.

B. 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. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments 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 funds 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.

C. 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 revenue 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 revenues to be available if they are collected within 60 days of the end of the current fiscal period. 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, are recorded only when payment is due.

Property taxes, charges for services, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received.

The Town reports the following major governmental funds:

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

The Capital Projects Fund accounts for the construction or acquisition of major capital facilities and assets. The major sources of revenues for this fund are capital grants, and the proceeds from the issuance of general obligation bonds.

The Tourtellotte Trust Fund accounts for donated funds provided for the maintenance and educational efforts of Free Memorial High School. The major sources of revenues for this fund are donations and investment income.

Additionally, the Town reports the following fund types:

The Internal Service Fund accounts for the self-insurance activities related to health benefits and deductibles on commercial insurance policies.

The Pension Trust Fund accounts for the activities of the Board of Education nonteacher retirement system, which accumulates resources for pension benefit payments to qualified Board of Education employees.

The Agency Funds account for the various student activities and contractor deposits.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between certain Town functions because the 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, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include property taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's Internal Service Fund are charges for medical insurance premiums. Operating expenses for the Internal Service Fund include the cost of medical claims and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Town does not have a formal policy in regard to the use of fund balance. In accordance with GASB 54, the Town will use restricted resources first, then unrestricted resources as needed. Unrestricted resources are used in the following order: committed, assigned then unassigned.

D. Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the Town to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and certain other investments as described in Note 3.

Investments for the Town are reported at fair value.

E. Receivables and Payables

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 noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." All trade and property tax receivables are shown net of an allowance for uncollectibles. The property tax receivable allowance of \$10,000 is equal to 1.3% of outstanding taxes as of June 30, 2013. The allowance for uncollectible housing loans is \$591,000 or 89% of total loans.

Property taxes are assessed as of October 1 and billed the following July. Payments not received within one month after the due date become delinquent, with interest charged at the rate of 1-1/2% per month. Property tax revenues are recognized when they become available. Available means due or past due and receivable within the current period or expected to be collected soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. Property taxes receivable not expected to be collected during the available period are reflected as a deferred revenue. Liens are filed on real property, which have unpaid property taxes as of June 30.

F. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

G. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant and equipment of the primary government is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	40
Improvements other than buildings	10-25
Machinery and equipment	3-10
Infrastructure	25-50

H. Compensated Absences

Employees may accumulate a limited amount of vested vacation and unused sick leave. Additionally, the Board of Education offers employees, by contract, certain retirement incentives.

Vacation, sick pay and other compensated absences are recorded as a liability in the government-wide financial statements.

I. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of any significant applicable bond premium or discount. Significant bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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 uses, 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.

J. Equity

Equity in the government-wide financial statements is defined as “net position” and is classified in the following categories:

Net Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted Net Position - Net position is restricted because of externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The Town currently has assets under restriction for trust purposes.

Unrestricted Net Position - This component consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

The equity of the fund financial statements is defined as “fund balance” and is classified in the following categories:

Nonspendable Fund Balance - This represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts).

Restricted Fund Balance - This represents amounts constrained for a specific purpose by external parties, such as grantors, creditors, contributors or laws and regulations of their governments.

Committed Fund Balance - This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Town of Thompson Board of Finance).

Assigned Fund Balance - For all governmental funds other than the General Fund, this represents any remaining positive amounts not classified as nonspendable, restricted or committed. For the General Fund, this includes amounts constrained for the intent to be used for a specific purpose by a governing board or a body or official that has been delegated authority to assign amounts by the Town Charter.

Unassigned Fund Balance - This represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

K. Accounting Estimates

The preparation of 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 and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgetary Information

General Fund

The First Selectman compiles preliminary estimates for all departments and agencies, with the exception of the Board of Education, for the annual budget for presentation to the Board of Selectmen. After making such alterations or changes as it deems necessary, the Board of Selectmen presents the compiled budget to the Board of Finance. The Board of Education submits its estimates directly to the Board of Finance.

The Board of Finance may make such revisions to the Selectmen's and Education budget estimates as it deems desirable, holds one or more public hearings and presents a proposed budget to the Annual Town Meeting.

Additional appropriations may be approved by the Board of Finance upon recommendation of the Board of Selectmen. Town Meeting approval may be required as determined by State Statute. There was \$0- of additional appropriations made during the year. Unexpended appropriations of the General Fund lapse at fiscal year end.

The General Fund budget is prepared on a modified accrual basis of accounting. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued, and, accordingly, encumbrances outstanding at year end are reflected in budgetary reports as expenditures in the current year.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a "qualified public depository" as defined by Statute or in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit in an "out of state bank," as defined by the Statutes, which is not a "qualified public depository."

The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: 1) obligations of the United States and its agencies, 2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof, and 3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF) and the State Tax Exempt Proceeds Fund (TEPF). These investment pools are under the control of the State Treasurer, with oversight provided by the Treasurer's Cash Management Advisory Board, and are regulated under the State Statutes and subject to annual audit by the Auditors of Public Accounts. Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate of return throughout budgetary and economic cycles. Investors accrue interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the fair value of the position in the pool is the same as the value of the pool shares.

Deposits

Deposit Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposit will not be returned. The Town does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes. Deposits may be placed with any qualified public depository that has its main place of business in the State of Connecticut. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository's risk-based capital ratio.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$1,638,146 of the Town's bank balance of \$2,332,501 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 188,815
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>1,449,331</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 1,638,146</u>

Cash Equivalents

At June 30, 2013, the Town's cash equivalents amounted to \$2,374,590. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools all have maturities of less than one year.

	<u>Standard & Poor's</u>
State Short-Term Investment Fund (STIF)	AAAm

Investments

As of June 30, 2013, the Town had the following investments:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Investment Maturities (Years)</u>		
			<u>Less Than 1</u>	<u>1 - 10</u>	<u>More Than 10</u>
Interest-bearing investments:					
Corporate bonds	A	\$ 434,406	\$	\$ 434,406	\$
Corporate bonds	AA	82,643		82,643	
Corporate bonds	AAA	79,423		79,423	
Corporate bonds	BBB	<u>80,303</u>		<u>80,303</u>	
		676,775	\$ <u>-</u>	\$ <u>676,775</u>	\$ <u>-</u>
Other investments:					
Equity securities		1,064,176			
Mutual funds		<u>5,527,267</u>			
Total Investments		<u>\$ 7,268,218</u>			

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

Credit Risk - Investments - As indicated above, State Statutes limit the investment options of cities and towns. The Town has no investment policy that would further its investment choices.

Concentration of Credit Risk - The Town has no policy limiting an investment in any one issuer that is in excess of 5% of the Town's total investments.

Custodial Credit Risk - Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. At June 30, 2013, the Town did not have any uninsured and unregistered securities held by the counterparty or by its trust department or agent that were not in the Town's name.

4. RECEIVABLES

Receivables as of year end for the Town's individual major funds and nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:			
Interest	\$ 305,040	\$	\$ 305,040
Taxes	759,995		759,995
Accounts and other	46,448	139,894	186,342
Intergovernmental	128,532	327,597	456,129
Housing and development loans		663,681	663,681
Gross receivables	<u>1,240,015</u>	<u>1,131,172</u>	<u>2,371,187</u>
Less allowance for uncollectibles	<u>(10,000)</u>	<u>(591,000)</u>	<u>(601,000)</u>
Net Total Receivables	\$ <u><u>1,230,015</u></u>	\$ <u><u>540,172</u></u>	\$ <u><u>1,770,187</u></u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable	\$ 679,880	\$
Accrued interest on delinquent property tax	305,040	
Mortgage loans	73,844	
Sewer use charges	114,544	
Grant drawdowns prior to meeting all eligibility requirements		95,433
Prepaid fees		<u>83,301</u>
Total Deferred/Unearned Revenue for Governmental Funds	\$ <u><u>1,173,308</u></u>	\$ <u><u>178,734</u></u>

5. CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,475,200	\$	\$	\$ 2,475,200
Construction in progress	621,836		621,836	
Total capital assets not being depreciated	<u>3,097,036</u>	<u>-</u>	<u>621,836</u>	<u>2,475,200</u>
Capital assets being depreciated:				
Buildings	53,162,290	652,070		53,814,360
Building improvements	58,350			58,350
Machinery and equipment	3,335,708	268,309		3,604,017
Infrastructure	9,275,236			9,275,236
Total capital assets being depreciated	<u>65,831,584</u>	<u>920,379</u>	<u>-</u>	<u>66,751,963</u>
Less accumulated depreciation for:				
Buildings	(18,402,979)	(1,051,861)		(19,454,840)
Building improvements	(16,321)	(1,680)		(18,001)
Machinery and equipment	(2,811,052)	(178,576)		(2,989,628)
Infrastructure	(3,798,015)	(289,896)		(4,087,911)
Total accumulated depreciation	<u>(25,028,367)</u>	<u>(1,522,013)</u>	<u>-</u>	<u>(26,550,380)</u>
Total capital assets being depreciated, net	<u>40,803,217</u>	<u>(601,634)</u>	<u>-</u>	<u>40,201,583</u>
Governmental Activities Capital Assets, Net	<u>\$ 43,900,253</u>	<u>\$ (601,634)</u>	<u>\$ 621,836</u>	<u>\$ 42,676,783</u>

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

Governmental activities:	
General government	\$ 13,982
Public safety	1,806
Public works	399,248
Human services	16,302
Civic and cultural	85,940
Education	<u>1,004,735</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,522,013</u>

Construction Commitments

A summary of capital projects at June 30, 2013 is as follows:

<u>Project</u>	<u>Spent-to-Date</u>	<u>Remaining Commitment</u>
School building project	\$ 35,000,000	\$
Paving/resurfacing	1,536,079	185,256
Other	<u>773,332</u>	<u>185,856</u>
Total	\$ <u>37,309,411</u>	\$ <u>371,112</u>

The commitments are being financed by bonds, state and federal grants, and General Fund appropriations.

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

During the course of operations, transactions are processed through a fund on behalf of another fund. Additionally, revenues received in one fund are transferred to another fund. A summary of interfund balances as of June 30, 2013 is presented below:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 251,760	\$ 1,100,058
Capital Projects Fund	419,637	
Tourtellotte Trust Fund		9,884
Nonmajor Governmental Funds	635,439	223,295
Fiduciary Funds - Agency Funds: Escrow Account	<u>26,401</u>	
Total	\$ <u>1,333,237</u>	\$ <u>1,333,237</u>

Balances generally reflect recurring reimbursement type transactions to be repaid in the subsequent period.

Interfund transfers:

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Transfers Out</u>
Transfers out:				
General	\$	\$ 333,600	\$ 26,049	\$ 359,649
Capital Projects	426,490			426,490
Tourtellotte Trust Fund	100,000			100,000
Nonmajor Governmental	<u>17,500</u>	<u>7,400</u>		<u>24,900</u>
Total Transfers In	\$ <u>543,990</u>	\$ <u>341,000</u>	\$ <u>26,049</u>	\$ <u>911,039</u>

All transfers represent routine transactions moving resources from one fund to another.

7. CAPITAL LEASE OBLIGATIONS

The Town has entered into capital lease agreements for a payloader, a truck, an air sweeper and tax software. The following is a schedule of the future minimum lease payments under the capitalized leases together with the present value of the net minimum lease payments as of June 30, 2013.

Year Ending June 30,

2014	\$	98,257
2015		58,305
2016		16,775
2017		16,775
2018		16,775
Total minimum lease payments		206,887
Less amount representing interest		15,290
Present Value of Net Minimum Lease Payments	\$	<u>191,597</u>

8. LONG-TERM DEBT

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2013 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
General obligation bonds	\$ 11,145,000	\$	\$ 510,000	\$ 10,635,000	\$ 535,000
Capital leases	190,942	75,000	74,345	191,597	90,687
Net OPEB obligation	984,017	241,781		1,225,798	
Compensated absences	<u>953,161</u>	<u>17,475</u>	<u>23,120</u>	<u>947,516</u>	<u>177,864</u>
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 13,273,120</u>	<u>\$ 334,256</u>	<u>\$ 607,465</u>	<u>\$ 12,999,911</u>	<u>\$ 803,551</u>

General Obligation Bonds

A schedule of bonds outstanding at June 30, 2013 is presented below:

<u>Description</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Interest Rate (%)</u>	<u>Amount of Original Issue</u>	<u>Balance Outstanding June 30, 2013</u>
Bonds:					
School Bonds	2008	2028	3.6-5.0	\$ 13,000,000	\$ <u>10,635,000</u>

The following is a schedule of bond maturities as of June 30, 2013:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 535,000	\$ 420,439	\$ 955,439
2015	550,000	399,408	949,408
2016	575,000	376,908	951,908
2017	595,000	353,508	948,508
2018	620,000	329,208	949,208
2019-2023	3,495,000	1,245,539	4,740,539
2024-2028	4,265,000	462,338	4,727,338
Total	\$ <u>10,635,000</u>	\$ <u>3,587,348</u>	\$ <u>14,222,348</u>

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

<u>Category</u>	<u>Debt Limit</u>	<u>Indebtedness</u>	<u>Balance</u>
General purpose	\$ 30,550	\$	\$ 30,550
Schools	61,101	10,635	50,466
Sewers	50,917		50,917
Urban renewal	44,128		44,128
Pension deficit	40,734		40,734

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation or \$95.0 million. The indebtedness reflected above includes long-term debt outstanding in addition to the amount of bonds authorized and unissued against which bond anticipation notes or bonds are issued.

9. FUND BALANCES

A. Components

The components of fund balance for the governmental funds at June 30, 2013 are as follows:

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Tourtellotte Trust Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:					
Nonspendable:					
Inventory	\$	\$	\$	\$ 11,018	\$ 11,018
Permanent fund principal				247,123	247,123
Restricted for:					
Civic and cultural				62,061	62,061
Education			2,634,654		2,634,654
Debt service	426,490				426,490
Committed to:					
General government				154,209	154,209
Public safety				44,122	44,122
Sewer operating				96,459	96,459
Human services				32,609	32,609
Civic and cultural				57,221	57,221
Education				37,376	37,376
Assigned to:					
General government	20,335				20,335
Public safety	7,003				7,003
Public works	142				142
Human services	20,735				20,735
Civic and cultural	8,211				8,211
Development and planning	1,930				1,930
Sundry	2,234				2,234
Education	139,029				139,029
Capital outlay	16,601	417,736			434,337
Unassigned	<u>2,084,784</u>			<u>(6,520)</u>	<u>2,078,264</u>
Total Fund Balances	\$ <u>2,727,494</u>	\$ <u>417,736</u>	\$ <u>2,634,654</u>	\$ <u>735,678</u>	\$ <u>6,515,562</u>

Encumbrances at June 30, 2013 are contained in the above table in the assigned category of the General Fund, and in the committed category of the Nonmajor Governmental Funds, in amounts of \$216,220 and \$192 respectively.

B. Fund Deficit

The following fund had a fund deficit as of June 30, 2013:

Nonmajor Governmental Funds:

 Youth Center \$ 6,041

The Town plans to fund the Youth Center deficit through charges and fees.

10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

Municipal Employees' Retirement Fund

All Town of Thompson full-time employees, except teachers who are eligible to participate in the State of Connecticut Teachers' Retirement System and other Board of Education employees who participate in the Board's Pension Trust Fund, participate in the Municipal Employees' Retirement Fund (MERF), a cost-sharing multiple-employer public employee retirement system (PERS) established by the State of Connecticut and administered by the State Retirement Commission to provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to the employees and beneficiaries of participating municipalities. Chapter 113 Part II of the General Statutes of Connecticut, which can be amended by legislative action, establishes PERS benefits, member contribution rates, and other plan provisions. MERF is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106 or by calling 860-702-3480.

Funding Policy - Plan members are required by State Statute to contribute 2-1/4% of earnings upon which Social Security tax is paid plus 5% of earnings on which no Social Security tax is paid. Each participating municipality is required to contribute at an actuarially determined rate. The current rate is 7% of annual covered payroll. The contribution requirements of the Town are established and may be amended by the State Retirement Commission. The Town's contributions to MERF for the years ended June 30, 2013, 2012 and 2011 were \$206,680, \$203,003 and \$170,212, respectively, equal to the required contributions for each year.

Teachers' Retirement System

All Town certified teachers participate in the State of Connecticut Teachers' Retirement System under Section 10.183 of the General Statutes of the State of Connecticut. A teacher is eligible to receive a normal retirement benefit if he or she has: 1) attained age 60 and has accumulated 20 years of credited service in the public schools of Connecticut, or 2) attained any age and has accumulated 35 years of credited service, at least 25 years of which are service in the public schools of Connecticut.

The Board of Education withholds 7.25% of all teachers' annual salaries and transmits the funds to the State Teachers' Retirement Board.

The retirement system for teachers is funded by the State based upon the recommendation of the Teachers' Retirement Board. Such contribution includes amortization of actuarially computed unfunded liability. The Town does not have any liability for teacher pensions. For the year ended June 30, 2013, the Town has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$1,386,207 as payments made by the State of Connecticut on behalf of the Town.

Pension Trust Fund

A. Plan Description

The Board of Education Retirement System (BERS) is a single-employer retirement system established and administered by the Board to provide pension benefits to substantially all full-time employees, except certified personnel covered under the State Teachers' Retirement System. The BERS is considered to be part of the Town's financial reporting entity and is included in the Town's financial reports as a pension trust fund.

The BERS provides retirement and death benefits to plan members and their beneficiaries. Plan members vest in accrued service benefits after 5 years of eligible service, are eligible for normal retirement at age 65 and early retirement at age 55, and are eligible for benefit payments of a maximum of 50% of average monthly earning (final 5 years), reduced by the percentage of credited service under the maximum service period of 20 years.

The membership of the plan consisted of the following at July 1, 2012, the date of the latest actuarial valuation:

Retired	11
Terminated plan members entitled to benefits but not yet receiving them	3
Current plan members	<u>49</u>
Total	<u><u>63</u></u>

B. Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting: BERS financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefit payments and refunds are payable when due and payable in accordance with the terms of the BERS.

Method Used to Value Investments: All funds are invested through various portfolio management plans of the Travelers Insurance Company Asset Management and are reported at fair value.

C. Funding Policy

The contribution requirements of plan members are established and may be amended by the Board of Education, subject to union contract negotiation. Plan members are required to contribute a variable rate equal to one-half of the ratio of normal cost to covered payroll, with no contributions required after 20 years of service. Plan members' contributions are 8.36% of annual covered payroll. The Board is required to contribute at an actuarially determined rate; the current rate is 11.45% of annual covered payroll.

D. Annual Pension Cost and Net Pension Obligations

The Board of Education's annual pension cost and required contribution to the BERS for the current year was \$170,931. There is no net pension obligation as of June 30, 2013.

The following is a summary of certain significant actuarial assumptions and other BERS information:

Actuarial valuation date	July 1, 2012
Actuarial cost method	Aggregate Actuarial Cost Method
Amortization method	Average Future Service
Remaining amortization period	10.9 Years
Asset valuation method	Market value
Actuarial assumptions: Investment rate of return	6.75% per annum 5.0% per annum at age 20, scaling down to 3% at age 60 and beyond
Projected salary increases	

E. Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/11	\$ 206,774	100%	\$ -
6/30/12	156,172	100%	-
6/30/13	170,931	100%	-

F. Pension Plan Required Supplementary Information

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Liability (AAL) - Aggregate Actuarial Cost (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a % of Covered Payroll ((b-a)/c)</u>
6/30/07	\$ 3,268,426	\$ 3,931,934	\$ 663,508	83.13%	\$ 1,224,076	54.2%
6/30/08	2,719,438	3,436,597	717,159	79.10%	1,336,086	53.7%
6/30/09	2,478,233	3,590,879	1,112,646	69.00%	1,473,941	75.5%
6/30/10	3,093,635	4,122,328	1,028,693	75.05%	1,469,290	70.0%
6/30/11	3,882,189	4,356,271	474,082	89.12%	1,363,421	34.8%
6/30/12	4,074,180	4,670,211	596,031	87.24%	1,435,768	41.5%

Schedule of Employer Contributions

	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
6/30/08	\$ 185,736	100.0%
6/30/09	195,065	100.0%
6/30/10	217,089	100.0%
6/30/11	206,774	100.0%
6/30/12	156,172	100.0%
6/30/13	170,931	100.0%

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation is presented in Section D above. For purposes of this schedule, the AAL is determined using the aggregate actuarial cost method. Note per Section D above the ARC is calculated using the aggregate actuarial cost method.

11. OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description

The Town, in accordance with various collective bargaining agreements, is committed to providing medical benefits to certain eligible retirees and their spouses. The Post-Retirement Medical Program (RMP) covers Town and Board of Education employees. Retired program members and beneficiaries currently receiving benefits are required to contribute active employee premiums if under 65 years of age and premiums for Medicare supplement if over 65 years of age. The percentage contribution of the employees and retirees for these benefits vary and are detailed within the Town's various bargaining agreements. The Town does not issue a separate stand-alone financial statement for this program.

At January 1, 2012, plan membership consisted of the following:

	<u>Post- Retirement Medical Program</u>
Retired participants and spouses	22
Active plan members	<u>196</u>
Total Participants	<u><u>218</u></u>

B. Funding Policy

The Town funding and payment of postemployment benefits are accounted for in the General Fund on a pay-as-you-go basis. The Town has not established a trust fund to irrevocably segregate assets to fund the liability associated with postemployment benefits in accordance with GASB guidelines. The Town is currently developing a funding strategy to provide for normal cost and the amortization of the accrued liability. Although a trust fund may not be established in the future to exclusively control the funding and reporting of postemployment benefits, the Town anticipates a commitment to fund normal cost and a long-term approach to the amortization of the actuarial accrued liability. The goal is to absorb, within the budgetary process, the actual cost of benefits in the determination of the costs of providing services to taxpayers.

The Town's funding strategy for postemployment obligations is based upon characteristics of benefits on ten distinct groups of employees established within their respective collective bargaining units and/or contracts and includes the following:

- Full-time employees of the Town or the Board of Education who retire from the Town are eligible if they meet the following criteria by bargaining group:
 - Town employees and Secretaries: Age 55 with 10 years of service
 - Business Manager, Technicians and Teachers: Age 55 with 20 years of service or Age 60 with 10 years
 - Paraprofessional, Cafeteria, Nurses and Media: 25 years of service
 - Facilities Manager: 10 years of service
- Retirees who are under 65 years of age pay the active employee premium.
- Retirees who are over 65 pay the premium for a Medicare Supplement.
- Life insurance is only available to active employees. Upon retirement, no life insurance is available.
- Spouses of retirees are eligible for postretirement medical coverage and contribute the full premium for medical benefits.
- Dental insurance is available to both employee and spouse and contribute the full cost of the dental insurance.

C. Annual OPEB Cost and Net OPEB Obligations

The Town's annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation:

		Post- Retirement Medical Program
Annual required contribution (ARC)	\$	346,300
Interest on net OPEB obligation		44,281
Adjustment to annual required contribution		(57,815)
Annual OPEB cost		332,766
Contributions made		90,985
Increase in net OPEB obligation		241,781
Net OPEB obligation, beginning of year		984,017
Net OPEB Obligation, End of Year	\$	<u>1,225,798</u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal years ended June 30, 2013, 2012 and 2011, is presented below.

Fiscal Year Ending		Annual OPEB Cost (AOC)	Actual Contribution	Percentage of AOC Contributed	Net OPEB Obligation
6/30/11	\$	295,993	\$ 114,529	38.69%	\$ 784,475
6/30/12		296,778	97,236	32.76%	984,017
6/30/13		332,766	90,985	27.34%	1,225,798

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as accrual results are compared with past expectations and new estimates are made about the future. Projections for benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Accrued Liabilities (AAL)	Unfunded AAL	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
January 1, 2008	\$ 5,310,199	\$ 5,310,199	\$ 0.00%	\$ 8,801,155	\$ 60.00%
January 1, 2010	3,769,873	3,769,873	0.00%	10,956,781	34.00%
January 1, 2012	4,423,800	4,423,800	0.00%	9,723,292	45.50%

Schedule of Employer Contributions

Year Ended	Annual Required Contribution	Actual Contribution	Percentage Contributed
6/30/09	\$ 383,355	\$ 81,621	21%
6/30/10	398,572	93,145	23%
6/30/11	304,288	114,529	38%
6/30/12	307,568	97,236	32%
6/30/13	346,300	90,985	26%

In the January 1, 2012 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.5% investment rate of return, which is the rate of the expected long-term investment returns of plan assets calculated based on the funding policy of the plan at the valuation date. The actuarial value of assets was determined using the closed group method. The UAAL is being amortized on a level dollar basis with a remaining amortization period at January 1, 2012 of 30 years.

12. CONTINGENT LIABILITIES

The Town is a defendant in various lawsuits. It is the opinion of Town officials that such pending litigation will not be finally determined so as to result individually or in the aggregate in a final judgment against the Town that would materially adversely affect its financial position.

TOWN OF THOMPSON, CONNECTICUT

GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>			<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Favorable</u> <u>(Unfavorable)</u>
Property taxes:				
Current taxes levies	\$ 13,264,670	\$ 13,264,670	\$ 13,087,687	\$ (176,983)
Prior year's levies	250,000	250,000	229,994	(20,006)
Interest and liens	110,000	110,000	166,992	56,992
Motor vehicle supplement	105,000	105,000	128,902	23,902
Total property taxes	<u>13,729,670</u>	<u>13,729,670</u>	<u>13,613,575</u>	<u>(116,095)</u>
Intergovernmental revenues:				
General government:				
State of Connecticut:				
Elderly Homeowner	78,000	78,000	85,898	7,898
Disability exemption	2,700	2,700	2,652	(48)
Grant in lieu of taxes	11,212	11,212	13,270	2,058
In lieu of taxes - Federal	2,500	2,500	4,265	1,765
Boating	2,500	2,500		(2,500)
Veterans	20,000	20,000	19,731	(269)
Pequot Indian Grant	70,141	70,141	72,340	2,199
State revenue sharing	62,400	62,400	144,646	82,246
Miscellaneous	10,500	10,500	18,180	7,680
Total general government	<u>259,953</u>	<u>259,953</u>	<u>360,982</u>	<u>101,029</u>
Education:				
State of Connecticut and Federal government:				
Education Cost Sharing	7,674,408	7,674,408	7,715,863	41,455
Special education	550,000	550,000	550,000	-
Transportation	99,602	99,602	117,727	18,125
Special Health Grant	7,500	7,500		(7,500)
Non-public transportation	3,888	3,888	3,660	(228)
Magnet School Transportation	10,000	10,000	8,292	(1,708)
Total education	<u>8,345,398</u>	<u>8,345,398</u>	<u>8,395,542</u>	<u>50,144</u>
Total intergovernmental revenues	<u>8,605,351</u>	<u>8,605,351</u>	<u>8,756,524</u>	<u>151,173</u>

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TOWN OF THOMPSON, CONNECTICUT

GENERAL FUND

**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>			<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Favorable (Unfavorable)</u>
Local revenues:				
Finance:				
Telephone Access Line	\$ 20,000	\$ 20,000	\$ 19,063	\$ (937)
Investment income	3,200	3,200	4,401	1,201
Cell Town Rent	22,000	22,000	23,014	1,014
Miscellaneous	12,500	12,500	49,037	36,537
Housing Authority	8,000	8,000	8,186	186
Three Rows PILOT	28,000	28,000	29,588	1,588
PILOT - Justice Institute			38,664	38,664
Reimbursement Shared Employee	45,300	45,300	45,160	(140)
Total finance	<u>139,000</u>	<u>139,000</u>	<u>217,113</u>	<u>78,113</u>
Town Clerk and Treasurer:				
Licenses and permits	9,700	9,700	13,766	4,066
Conveyance tax	55,000	55,000	41,470	(13,530)
Town Clerk fees	54,000	54,000	56,683	2,683
Driveways	650	650	350	(300)
Total Town Clerk and Treasurer	<u>119,350</u>	<u>119,350</u>	<u>112,269</u>	<u>(7,081)</u>
Education:				
Tuition payments	33,000	33,000	36,027	3,027
Total education	<u>33,000</u>	<u>33,000</u>	<u>36,027</u>	<u>3,027</u>
Library:				
Fines and lost books	1,900	1,900	1,733	(167)
Copier	750	750	618	(132)
Total library	<u>2,650</u>	<u>2,650</u>	<u>2,351</u>	<u>(299)</u>
Development and planning:				
Planning hearings	9,000	9,000	5,629	(3,371)
Conservation	1,000	1,000	126	(874)
Building fees	42,500	42,500	43,607	1,107
Total development and planning	<u>52,500</u>	<u>52,500</u>	<u>49,362</u>	<u>(3,138)</u>
Recycling	<u>78,000</u>	<u>78,000</u>	<u>47,336</u>	<u>(30,664)</u>
Tipping fees	<u>40,000</u>	<u>40,000</u>	<u>34,201</u>	<u>(5,799)</u>

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TOWN OF THOMPSON, CONNECTICUT

GENERAL FUND

**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>			<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Transfer station permits	\$ 149,000	\$ 149,000	\$ 146,227	\$ (2,773)
Prior year encumbrances cancelled			3,464	3,464
Total local revenues	613,500	613,500	648,350	34,850
Total budgeted revenues	22,948,521	22,948,521	23,018,449	69,928
Other financing sources:				
Proceeds from capital lease	75,000	75,000	75,000	-
Transfers from other funds:				
Dog License Fund	2,000	2,000		(2,000)
Tourtellotte Trust Fund	100,000	100,000	100,000	-
Sewer Operating Fund	17,500	17,500	17,500	-
Total other financing sources	194,500	194,500	192,500	(2,000)
Total	\$ 23,143,021	\$ 23,143,021	23,210,949	\$ 67,928
Budgetary revenues are different than GAAP revenues because:				
State of Connecticut on-behalf contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.			1,386,207	
Excess cost grant receipts over the amount budgeted for revenue are credited to the education expenditure line for budgetary purposes, but are recorded as revenue for financial statement reporting purposes.			80,650	
The Town does not budget for transfers to the debt service fund.			426,490	
Cancellation of prior year encumbrances are recognized as budgetary revenue.			(3,464)	
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds Exhibit IV			\$ 25,100,832	

TOWN OF THOMPSON, CONNECTICUT

GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Total</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>Favorable</u>
			<u>Expenditures</u>	<u>(Unfavorable)</u>
General government:				
Board of Finance	\$ 23,132	\$ 23,132	\$ 22,459	\$ 673
Board of Selectmen	25,860	25,860	25,201	659
First Selectman	126,374	126,374	124,999	1,375
Finance and Treasurer	137,052	137,052	136,596	456
Tax Collector	142,632	142,632	135,194	7,438
Assessors	97,130	103,130	101,285	1,845
Board of Tax Review	4,320	4,320	3,573	747
Elections and registrations	59,450	59,450	46,537	12,913
Town Clerk	141,844	141,844	132,117	9,727
Town Counsel	30,000	30,000	31,192	(1,192)
Probate Court	4,088	4,088	4,142	(54)
Maintenance of municipal buildings	100,193	100,193	97,489	2,704
Data processing	46,752	46,752	46,067	685
Total	<u>938,827</u>	<u>944,827</u>	<u>906,851</u>	<u>37,976</u>
Public safety:				
Fire Marshal	14,599	14,599	13,367	1,232
Fire Departments	427,747	427,747	407,308	20,439
Civil Defense	1,975	1,975	2,262	(287)
Canine Control	26,495	26,495	25,713	782
Total	<u>470,816</u>	<u>470,816</u>	<u>448,650</u>	<u>22,166</u>
Public works:				
Roads and drainage	814,689	814,689	807,828	6,861
Grounds	16,550	16,550	13,862	2,688
Transfer station	318,350	318,350	275,380	42,970
Cemeteries	1,500	1,500		1,500
Snow removal	202,500	202,500	225,366	(22,866)
Building official	91,165	91,165	90,082	1,083
Building Board of Appeals	10	10		10
Town Garage	35,150	35,150	34,392	758
Total	<u>1,479,914</u>	<u>1,479,914</u>	<u>1,446,910</u>	<u>33,004</u>

(Continued on next page)

TOWN OF THOMPSON, CONNECTICUT

GENERAL FUND

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Total</u>	<u>Variance</u>
	<u>Original</u>	<u>Final</u>	<u>Budgetary</u>	<u>Favorable</u>
			<u>Expenditures</u>	<u>(Unfavorable)</u>
Human services:				
General assistance	\$ 69,580	\$ 75,530	\$ 75,435	\$ 95
Veterans service	4,610	4,610	4,383	227
Public Health Nursing	37,896	37,896	37,896	
Total	<u>112,086</u>	<u>118,036</u>	<u>117,714</u>	<u>322</u>
Civic and cultural:				
Library administration	368,286	368,286	368,009	277
Celebrations	2,365	2,365	2,365	-
Recreation Commission	84,460	84,460	83,090	1,370
Community Center Building	141,887	141,887	142,087	(200)
Total	<u>596,998</u>	<u>596,998</u>	<u>595,551</u>	<u>1,447</u>
Development and planning:				
Zoning and Wetlands				
Enforcement officer	28,873	28,873	28,865	8
Zoning Board of Appeals	3,079	3,079	2,256	823
Conservation Commission	17,340	17,340	17,231	109
Historical society	975	975	975	-
Economic and community				
development	62,536	62,536	57,228	5,308
Inland Wetland Commission	23,448	23,448	21,979	1,469
Economic development	2,433	2,433	1,130	1,303
Total	<u>138,684</u>	<u>138,684</u>	<u>129,664</u>	<u>9,020</u>
Sundry:				
Fringe benefits	1,027,700	1,027,700	959,192	68,508
Municipal insurance	61,500	61,500	56,868	4,632
Contingency	35,000	23,050		23,050
Total	<u>1,124,200</u>	<u>1,112,250</u>	<u>1,016,060</u>	<u>96,190</u>
Board of Education	<u>16,623,413</u>	<u>16,623,413</u>	<u>16,620,401</u>	<u>3,012</u>

(Continued on next page)

TOWN OF THOMPSON, CONNECTICUT

GENERAL FUND

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2013

	<u>Budgeted Amounts</u>		<u>Total Budgetary Expenditures</u>	<u>Variance Favorable (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
Capital outlay	\$ 265,906	\$ 265,906	\$ 241,948	\$ 23,958
Debt Service Fund	1,032,528	1,032,528	1,032,528	-
Total expenditures	<u>22,783,372</u>	<u>22,783,372</u>	<u>22,556,277</u>	<u>227,095</u>
Other financing uses:				
Education Grants Fund	26,049	26,049	26,049	-
Capital Projects Fund	333,600	333,600	333,600	-
Total other financing uses	<u>359,649</u>	<u>359,649</u>	<u>359,649</u>	<u>-</u>
Total	\$ <u>23,143,021</u>	\$ <u>23,143,021</u>	22,915,926	\$ <u>227,095</u>

Budgetary expenditures are different than GAAP expenditures because:

State of Connecticut on-behalf payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.

1,386,207

Excess cost grant receipts over the amount budgeted for revenue are credited to the education expenditure line for budgetary purposes, but are recorded as revenue for financial statement reporting purposes.

80,650

Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial statement reporting purposes.

(192,700)

Encumbrances for purchases and commitments ordered in the previous year that were received and liquidated in the current year are reported for financial statement reporting purposes.

87,779

Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV

\$ 24,277,862

TOWN OF THOMPSON, CONNECTICUT

GENERAL FUND

COMPARATIVE BALANCE SHEET

JUNE 30, 2013 AND 2012

	<u>2013</u>	<u>2012</u>
ASSETS		
Cash and cash equivalents	\$ 3,836,096	\$ 2,425,323
Property taxes receivable, net of allowance of \$10,000 for 2013 and 2012	749,995	621,697
Grants and other receivables	480,020	459,323
Due from other funds	<u>251,760</u>	<u>594,542</u>
Total Assets	<u>\$ 5,317,871</u>	<u>\$ 4,100,885</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable and accrued liabilities	\$ 505,399	\$ 268,511
Due to other funds	1,100,058	1,084,953
Deferred revenues	<u>984,920</u>	<u>842,897</u>
Total liabilities	<u>2,590,377</u>	<u>2,196,361</u>
Fund balance:		
Restricted	426,490	
Assigned	216,220	114,487
Unassigned	<u>2,084,784</u>	<u>1,790,037</u>
Total fund balance	<u>2,727,494</u>	<u>1,904,524</u>
Total Liabilities and Fund Balance	<u>\$ 5,317,871</u>	<u>\$ 4,100,885</u>

TOWN OF THOMPSON, CONNECTICUT

GENERAL FUND

REPORT OF TAX COLLECTOR

FOR THE YEAR ENDED JUNE 30, 2013

Grand List	Uncollected Taxes July 1, 2012	Current Year Levy	Assessor's Additions	Assessor's Deductions	Net Amount Collectible	Suspended Accounts	Collections			Uncollected Taxes June 30, 2013
							Taxes	Interest, Liens and Other Fees	Total	
2011	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2010	240,446	13,551,248	50,883	358	13,602,131	121,275	13,181,012	56,206	13,237,218	299,844
2009	136,660			186	240,088		66,852	17,929	84,781	173,236
2008	82,595				136,474		42,891	19,258	62,149	93,583
2007	59,819		152		82,595		25,494	14,156	39,650	57,101
2006	38,296		164		59,971		15,083	9,688	24,771	44,888
2005	24,774		173		38,460		8,094	9,783	17,877	30,366
2004	17,094				24,947		3,476	6,502	9,978	21,471
2003	12,256				17,094		4,786	1,102	5,888	12,308
2002	8,105				12,256			921	921	12,256
2001	2,847				8,105		2,337	3,933	6,270	5,768
2000	1,947				2,847		960	68	1,028	1,887
1999	1,924				1,947				-	1,947
1998	1,780				1,924				-	1,924
1997	1,636				1,780				-	1,780
					1,636				-	1,636
Total	\$ 630,179	\$ 13,551,248	\$ 51,372	\$ 544	\$ 14,232,255	\$ 121,275	13,350,985	139,546	13,490,531	\$ 759,995
Suspense collections: 1997-2011							60,021	27,446	87,467	
Total							\$ 13,411,006	\$ 166,992	13,577,998	
Property taxes receivable considered June 30, 2012										(34,537)
Property taxes receivable considered available June 30, 2013										70,114
Total Taxes									\$ 13,613,575	

TOWN OF THOMPSON, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET

JUNE 30, 2013

	Special Revenue Funds					
	<u>Sewer Operating</u>	<u>Dog License</u>	<u>Probate Court</u>	<u>School Cafeteria</u>	<u>Educational Grants</u>	<u>Open Space</u>
ASSETS						
Cash and cash equivalents	\$ 213,043	\$	\$	\$ 520	\$	\$
Accounts receivable	116,357			60		
Due from other governments				40,456	9,330	
Inventory				11,018		
Due from other funds		53,427	11,333	8,002	7,468	78,829
Total Assets	<u>\$ 329,400</u>	<u>\$ 53,427</u>	<u>\$ 11,333</u>	<u>\$ 60,056</u>	<u>\$ 16,798</u>	<u>\$ 78,829</u>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 44,988	\$ 9,305	\$ 136	\$ 4,803	\$ 4,418	\$
Due to other funds	73,409					
Deferred revenue	114,544			6,859	12,380	
Total liabilities	<u>232,941</u>	<u>9,305</u>	<u>136</u>	<u>11,662</u>	<u>16,798</u>	<u>-</u>
Fund Balances:						
Nonspendable				11,018		
Restricted						
Committed	96,459	44,122	11,197	37,376		78,829
Unassigned						
Total fund balances	<u>96,459</u>	<u>44,122</u>	<u>11,197</u>	<u>48,394</u>	<u>-</u>	<u>78,829</u>
Total Liabilities and Fund Balances	<u>\$ 329,400</u>	<u>\$ 53,427</u>	<u>\$ 11,333</u>	<u>\$ 60,056</u>	<u>\$ 16,798</u>	<u>\$ 78,829</u>

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TOWN OF THOMPSON, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)

JUNE 30, 2013

	Special Revenue Funds					
	Youth Center	Medicaid	Recreation	Other Grants	Small Cities	Total
ASSETS						
Cash and cash equivalents	\$	\$	\$	16,800	\$ 1,632	\$ 231,995
Accounts receivable					72,681	189,098
Due from other governments				277,811		327,597
Inventory						11,018
Due from other funds		32,609	135,066			326,734
Total Assets	\$ -	\$ 32,609	\$ 135,066	\$ 294,611	\$ 74,313	\$ 1,086,442
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$	\$	\$ 1,403	\$ 3,999	\$	\$ 69,052
Due to other funds	6,041			143,845		223,295
Deferred revenue			76,442	82,584	74,313	367,122
Total liabilities	6,041	-	77,845	230,428	74,313	659,469
Fund Balances:						
Nonspendable						11,018
Restricted						-
Committed		32,609	57,221	64,183		421,996
Unassigned	(6,041)			-	-	(6,041)
Total fund balances	(6,041)	32,609	57,221	64,183	-	426,973
Total Liabilities and Fund Balances	\$ -	\$ 32,609	\$ 135,066	\$ 294,611	\$ 74,313	\$ 1,086,442

(Continued on next page)

TOWN OF THOMPSON, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET (CONTINUED)

JUNE 30, 2013

	Permanent Funds				Total Nonmajor Funds
	Library Trust	Cemetery Trust	Scholarship	Total	
ASSETS					
Cash and cash equivalents	\$	\$	\$	\$	\$ 231,995
Accounts receivable					189,098
Due from other governments					327,597
Inventory					11,018
Due from other funds	<u>87,299</u>	<u>10,226</u>	<u>211,180</u>	<u>308,705</u>	<u>635,439</u>
Total Assets	<u>\$ 87,299</u>	<u>\$ 10,226</u>	<u>\$ 211,180</u>	<u>\$ 308,705</u>	<u>\$ 1,395,147</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$	\$	\$	\$	\$ 69,052
Due to other funds					223,295
Deferred revenue					367,122
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>659,469</u>
Fund Balances:					
Nonspendable	25,238	10,226	211,659	247,123	258,141
Restricted	62,061			62,061	62,061
Committed					421,996
Unassigned			(479)	(479)	(6,520)
Total fund balances	<u>87,299</u>	<u>10,226</u>	<u>211,180</u>	<u>308,705</u>	<u>735,678</u>
Total Liabilities and Fund Balances	<u>\$ 87,299</u>	<u>\$ 10,226</u>	<u>\$ 211,180</u>	<u>\$ 308,705</u>	<u>\$ 1,395,147</u>

TOWN OF THOMPSON, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2013

	Special Revenue Funds					
	<u>Sewer Operating</u>	<u>Dog License</u>	<u>Probate Court</u>	<u>School Cafeteria</u>	<u>Educational Grants</u>	<u>Open Space</u>
Revenues:						
Intergovernmental	\$	\$	\$	\$ 249,283	\$ 662,435	\$
Charges for services	327,495	15,732	19,690	228,329		
Income on investments	402			12		128
Miscellaneous				3,961	18,568	
Total revenues	<u>327,897</u>	<u>15,732</u>	<u>19,690</u>	<u>481,585</u>	<u>681,003</u>	<u>128</u>
Expenditures:						
Current:						
General government			16,344			6,126
Public safety		11,264				
Public works	405,073					
Human services						
Civic and cultural						
Development and planning						
Education				486,867	707,052	
Total expenditures	<u>405,073</u>	<u>11,264</u>	<u>16,344</u>	<u>486,867</u>	<u>707,052</u>	<u>6,126</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(77,176)</u>	<u>4,468</u>	<u>3,346</u>	<u>(5,282)</u>	<u>(26,049)</u>	<u>(5,998)</u>
Other Financing Sources (Uses):						
Transfers in					26,049	
Transfers out	(17,500)					
Net other financing sources (uses)	<u>(17,500)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,049</u>	<u>-</u>
Net Change in Fund Balance	(94,676)	4,468	3,346	(5,282)	-	(5,998)
Fund Balances - Beginning of Year	<u>191,135</u>	<u>39,654</u>	<u>7,851</u>	<u>53,676</u>	<u>-</u>	<u>84,827</u>
Fund Balances - End of Year	<u>\$ 96,459</u>	<u>\$ 44,122</u>	<u>\$ 11,197</u>	<u>\$ 48,394</u>	<u>\$ -</u>	<u>\$ 78,829</u>

(Continued on next page)

TOWN OF THOMPSON, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

	Special Revenue Funds					
	Youth Center	Medicaid	Recreation	Other Grants	Small Cities	Total
Revenues:						
Intergovernmental	\$	\$	\$	\$ 387,413	\$	\$ 1,299,131
Charges for services			219,628			810,874
Income on investments			18		7	567
Miscellaneous					8,947	31,476
Total revenues	<u>-</u>	<u>-</u>	<u>219,646</u>	<u>387,413</u>	<u>8,954</u>	<u>2,142,048</u>
Expenditures:						
Current:						
General government				4,563		27,033
Public safety				151,020		162,284
Public works				32,663		437,736
Human services		2,088		114,911		116,999
Civic and cultural			203,083	37,685		240,768
Development and planning					8,954	8,954
Education						1,193,919
Total expenditures	<u>-</u>	<u>2,088</u>	<u>203,083</u>	<u>340,842</u>	<u>8,954</u>	<u>2,187,693</u>
Excess (Deficiency) of Revenues over Expenditures	<u>-</u>	<u>(2,088)</u>	<u>16,563</u>	<u>46,571</u>	<u>-</u>	<u>(45,645)</u>
Other Financing Sources (Uses):						
Transfers in						26,049
Transfers out			(7,400)			(24,900)
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(7,400)</u>	<u>-</u>	<u>-</u>	<u>1,149</u>
Net Change in Fund Balance	-	(2,088)	9,163	46,571	-	(44,496)
Fund Balances - Beginning of Year	(6,041)	34,697	48,058	17,612	-	471,469
Fund Balances - End of Year	<u>\$ (6,041)</u>	<u>\$ 32,609</u>	<u>\$ 57,221</u>	<u>\$ 64,183</u>	<u>\$ -</u>	<u>\$ 426,973</u>

(Continued on next page)

TOWN OF THOMPSON, CONNECTICUT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

	Permanent Funds				Total Nonmajor Governmental Funds
	Library Trust	Cemetery Trust	Scholarship	Total	
Revenues:					
Intergovernmental	\$	\$	\$	\$ -	\$ 1,299,131
Charges for services				-	810,874
Income on investments	124		321	445	1,012
Miscellaneous	6,993		300	7,293	38,769
Total revenues	<u>7,117</u>	<u>-</u>	<u>621</u>	<u>7,738</u>	<u>2,149,786</u>
Expenditures:					
Current:					
General government				-	27,033
Public safety				-	162,284
Public works				-	437,736
Human services			1,300	1,300	118,299
Civic and cultural	1,891			1,891	242,659
Development and planning				-	8,954
Education				-	1,193,919
Total expenditures	<u>1,891</u>	<u>-</u>	<u>1,300</u>	<u>3,191</u>	<u>2,190,884</u>
Excess (Deficiency) of Revenues over Expenditures	<u>5,226</u>	<u>-</u>	<u>(679)</u>	<u>4,547</u>	<u>(41,098)</u>
Other Financing Sources (Uses):					
Transfers in				-	26,049
Transfers out				-	(24,900)
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,149</u>
Net Change in Fund Balance	5,226	-	(679)	4,547	(39,949)
Fund Balances - Beginning of Year	<u>82,073</u>	<u>10,226</u>	<u>211,859</u>	<u>304,158</u>	<u>775,627</u>
Fund Balances - End of Year	<u>\$ 87,299</u>	<u>\$ 10,226</u>	<u>\$ 211,180</u>	<u>\$ 308,705</u>	<u>\$ 735,678</u>

TOWN OF THOMPSON, CONNECTICUT

CAPITAL PROJECTS FUND

SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS

FOR THE YEAR ENDED JUNE 30, 2013

	Appropriations			Expenditures			Encumbrances	Uncommitted Balance
	Balance July 1, 2012	Current Year	Balance June 30, 2013	Balance July 1, 2012	Current Year	Balance June 30, 2013		
Capital Projects Funds:								
Paving mat/resurfacing - prior years	\$ 1,354,572	\$	\$ 1,354,572	\$ 1,185,266	\$	\$ 1,185,266	\$	\$ 169,306
Paving mat/resurfacing - current year		366,763	366,763		350,813	350,813		15,950
Revaluation - prior years	473,650		473,650	401,196	32,081	433,277		40,373
Little League Complex	55,600		55,600	54,893		54,893		707
Skateboard park renovations	30,000	(24,000)	6,000	1,142		1,142		4,858
Soccer fields	7,000		7,000					7,000
Trails expense	6,441	8,573	15,014		8,748	8,748		6,266
Town Hall Review	23,500		23,500	22,643		22,643		857
Mairanapolis Preparatory School	18,424		18,424	18,249		18,249		175
Salt shed	20,000		20,000	4,950.00		4,950		15,050
Tourtellotte Building Fund	120,000	100,000	220,000	103,566	55,640	159,206		60,794
Library repairs	50,000	25,000	75,000	25,224		25,224		49,776
Rolling stock	45,000		45,000		45,000	45,000		
School building project	35,000,000		35,000,000	34,990,937	9,063	35,000,000		
Total	\$ 37,204,187	\$ 476,336	\$ 37,680,523	\$ 36,808,066	\$ 501,345	\$ 37,309,411	\$ -	\$ 371,112

TOWN OF THOMPSON, CONNECTICUT

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2013</u>
TOURTELLOTTE MEMORIAL HIGH SCHOOL				
Assets:				
Cash and cash equivalents	\$ <u>55,351</u>	\$ <u>54,522</u>	\$ <u>49,348</u>	\$ <u>60,525</u>
Liabilities:				
Due to student groups	\$ <u>55,351</u>	\$ <u>54,522</u>	\$ <u>49,348</u>	\$ <u>60,525</u>
THOMPSON MIDDLE SCHOOL				
Assets:				
Cash and cash equivalents	\$ <u>18,424</u>	\$ <u>63,082</u>	\$ <u>68,658</u>	\$ <u>12,848</u>
Liabilities:				
Due to student groups	\$ <u>18,424</u>	\$ <u>63,082</u>	\$ <u>68,658</u>	\$ <u>12,848</u>
THOMPSON MEMORIAL SCHOOL				
Assets:				
Cash and cash equivalents	\$ <u>9,012</u>	\$ <u>26,727</u>	\$ <u>27,707</u>	\$ <u>8,032</u>
Liabilities:				
Due to student groups	\$ <u>9,012</u>	\$ <u>26,727</u>	\$ <u>27,707</u>	\$ <u>8,032</u>

(Continued on next page)

TOWN OF THOMPSON, CONNECTICUT

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS
AND LIABILITIES (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2013</u>
ATHLETIC				
Assets:				
Cash and cash equivalents	\$ <u>16,249</u>	\$ <u>9,385</u>	\$ <u>9,946</u>	\$ <u>15,688</u>
Liabilities:				
Due to student groups	\$ <u>16,249</u>	\$ <u>9,385</u>	\$ <u>9,946</u>	\$ <u>15,688</u>
ESCROW				
Assets:				
Cash and cash equivalents	\$ 109,130	\$ 164	\$	\$ 109,294
Due from other funds	<u>24,401</u>	<u>2,000</u>		<u>26,401</u>
Total Assets	\$ <u>133,531</u>	\$ <u>2,164</u>	\$ <u>-</u>	\$ <u>135,695</u>
Liabilities:				
Due to others	\$ <u>133,531</u>	\$ <u>2,164</u>	\$ <u>-</u>	\$ <u>135,695</u>
TOTAL AGENCY FUNDS				
Assets:				
Cash and cash equivalents	\$ 208,166	\$ 153,880	\$ 155,659	\$ 206,387
Due from other funds	<u>24,401</u>	<u>2,000</u>		<u>26,401</u>
Total Assets	\$ <u>232,567</u>	\$ <u>155,880</u>	\$ <u>155,659</u>	\$ <u>232,788</u>
Liabilities:				
Due to student groups	\$ 99,036	\$ 153,716	\$ 155,659	\$ 97,093
Due to others	<u>133,531</u>	<u>2,164</u>		<u>135,695</u>
Total Liabilities	\$ <u>232,567</u>	\$ <u>155,880</u>	\$ <u>155,659</u>	\$ <u>232,788</u>

TOWN OF THOMPSON, CONNECTICUT

STATEMENT OF DEBT LIMITATION

JUNE 30, 2013

(In Thousands)

Total tax collections (including interest and lien fees) received by Treasurer
for the year ended June 30, 2013

\$ 13,578

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt limitation:					
2-1/4 times base	\$ 30,550	\$	\$	\$	\$
4-1/2 times base		61,101			
3-3/4 times base			50,917		
3-1/4 times base				44,128	
3 times base					40,734
Total debt limitation	<u>30,550</u>	<u>61,101</u>	<u>50,917</u>	<u>44,128</u>	<u>40,734</u>
Indebtedness:					
Bonds payable		10,635			
Bonds authorized - unissued					
Total indebtedness	<u>-</u>	<u>10,635</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt Limitation in Excess of Outstanding and Authorized Indebtedness	<u>\$ 30,550</u>	<u>\$ 50,466</u>	<u>\$ 50,917</u>	<u>\$ 44,128</u>	<u>\$ 40,734</u>

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation (\$95.0 million).