

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

of the

**TOWN OF THOMASTON,
CONNECTICUT**

FOR THE YEAR ENDED

JUNE 30, 2010

PREPARED BY:

THE FINANCE DEPARTMENT

SUSAN L. SMITH, FINANCE DIRECTOR

TOWN OF THOMASTON, CONNECTICUT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED JUNE 30, 2010

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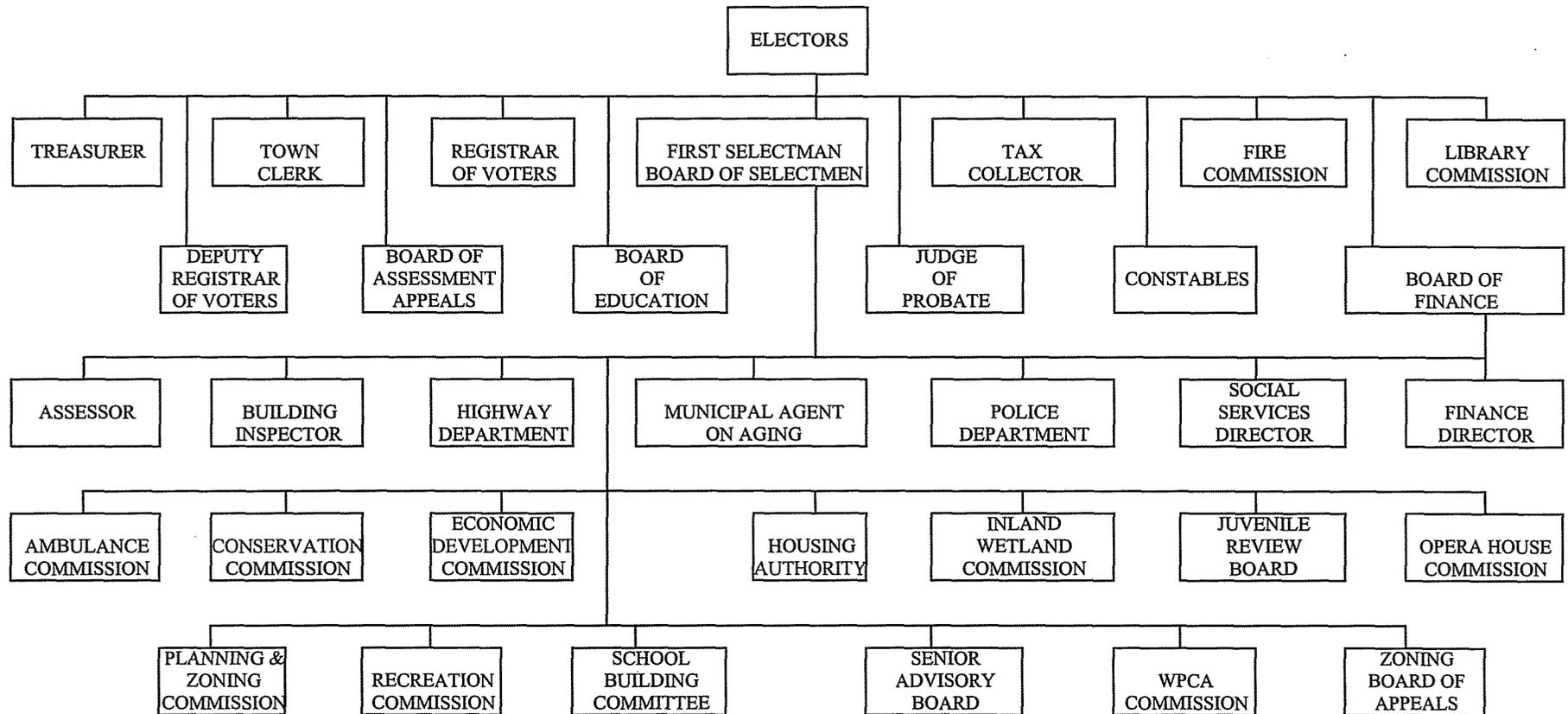
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Introductory Section

TOWN OF THOMASTON, CONNECTICUT

ORGANIZATIONAL CHART





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

November 18, 2010

Board of Finance
Town of Thomaston
Thomaston, Connecticut 06787

State law requires that all local governments publish within six months of the close of each fiscal year a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, I hereby submit the Comprehensive Annual Financial Report (CAFR) of the Town of Thomaston, Connecticut, for the fiscal year ended June 30, 2010.

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

The Town of Thomaston's financial statements have been audited by Kostin, Ruffkess & Company, LLC. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Thomaston for the fiscal year ended June 30, 2010, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Town of Thomaston's financial statements for the fiscal year ended June 30, 2010, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

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

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

Profile of the Town of Thomaston

The Town of Thomaston, located in Litchfield County, is a suburb consisting of 12.0 square miles and located 10 miles south of Torrington, Connecticut, 23 miles west of Hartford, Connecticut, with a population of 7,801. The Town is easily accessible by an excellent highway system. Route 8, a four-lane State highway, provides north-south interstate connections from Bridgeport to Winsted, where it meets Route 44 and continues north to the Massachusetts border. Interstate 84, the major east-west highway through Connecticut, is located just 11 miles south of the Town. Intra-town traffic is served by U.S. Route 6 and State routes 254, 109, and 262, which pass through the Town. Air transport is available at the Oxford Regional, New Haven-Tweed and Bradley International Airports.

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

The Town of Thomaston provides a full range of services, including police and fire protection, the construction and maintenance of streets and other infrastructure, health and welfare, education and recreational activities.

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

Local Economy and Major Initiatives

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

Local Economy:

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

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

The Town of Thomaston has made changes in its Plan of Development that permits the creation of an industrial park located on Reynolds Bridge Road adjacent to an area already zoned and in use by many small to medium size manufacturers. Five large lots are proposed for development in the 22.39-acre parcel. The area is contiguous to Route 8, a divided highway which permits easy access to freight transport. The developer of this industrial park has already constructed a 50 unit senior housing complex near the industrial park. There is currently a 47 unit active adult community under construction at 500 South Main Street by a local developer.

The former Star Manufacturing building located at 254 Main Street has transformed into a mixed use professional services and office space building. The former Model craft building at 471 Jackson Street has been purchased and is occupied by Gaynor Electric, another local business that was renting in the Seth Thomas building.

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

Also economically significant is the ongoing renovations of the town-owned Thomaston Opera House, which is considered to be one of the finest examples of Victorian/Gothic architecture in the state. In the past several years, the theater has undergone many improvements and restorations perpetuating its original function as a multipurpose cultural and recreational center for Litchfield County and Greater Waterbury. The Thomaston Opera House produces a full schedule of theatrical and musical performances each year, including several theater organ concerts. The Town's Opera House Commission oversees its activities and plans additional restoration projects.

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

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

The Department of Economic and Community Development approved the reallocation of certain Small Cities federal funds the town holds, which will benefit low to moderate income families and Americans with Disabilities. \$360,000 has been reallocated for ADA requirements at the Seth Thomas House, renovations at both Green Manor and Grove Manor Senior Housing facilities, and sidewalk improvements.

The Small Town Economic Assistance Program (STEAP) funds economic development, community conservation and quality of life projects for localities that are ineligible to receive Urban Action (CGS Section 4-66c) bonds. Public Act 05-194 allows an Urban Act Town that is not designated as a regional center under the State Plan of Conservation and Development to opt out of the Urban Action program and become a STEAP town for a period of four years. The Town elected this option in 2006 and has since been awarded \$898,340 for sidewalk replacement and \$300,000 for the repair of Altair Avenue Bridge and culvert.

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

Long-Term Financial Planning:

Prepared as part of the annual budget process, a five year plan of capital improvement projects attempts to identify and provide a responsible funding/execution plan for public betterments to ensure a stable community infrastructure. The plan is designed to budget adequate reserves for replacement of obsolete equipment and vehicles and provide for the betterment of town-wide roads. The Town leans toward equipment financing arrangements for fleet replacement and ranks projects based on safety issues and the needs of the departments.

The Town through referendum approved a \$10,674,500 appropriation for a Seven Year Road Program for a full reclamation of most of its roads. The Town has postponed a certain section of Town to Year 7, which is known to have sewer infrastructure needs. A more in depth study of the sewer system is planned in anticipation of handling both the roads and sewer needs simultaneously.

The Town of Thomaston is in the process of completing the approved bond project for renovations to the Center School. The Thomaston Center School project is primarily focused on updating existing infrastructure and does not include new classrooms.

Relevant Financial Position

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

Awards and Acknowledgements

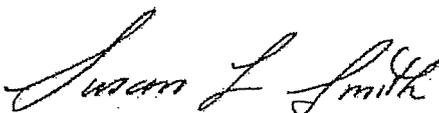
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Thomaston for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2009. This was the sixth consecutive year that the Town has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

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

Respectfully submitted,



Susan L. Smith, C.P.A.
Finance Director

TOWN OF THOMASTON, CONNECTICUT

LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2010

BOARD OF SELECTMEN

Edmond V. Mone, First Selectman
John S. Scheppard, Selectman
Bruce J. Barrett Sr., Selectman

BOARD OF FINANCE

David Colavecchio, Chairman
George Seabourne
Kristin Mosimann O'Sullivan
Marie Galbraith
Stephen R. Turner
Frank A. Treglia

TOWN DEPARTMENTS

Kenneth Hopkins, Treasurer
Susan L. Smith, Finance Director
Susan Laone, School Business Manager
RaeAnn Walcott, Tax Assessor
Peggy K. Duffy, Tax Collector
Lynda Mitchell, Superintendent of Schools
Paul Pronovost, Superintendent of Highway
Richard Tingle, Superintendent of W.P.C.A.
Catherine P. Dupont, Town Clerk
Eugene Torrence, Chief of Police
Jamie Wilson, Fire Chief
Robert Norton, Fire Marshall
William Boudreau, Building Inspector
Mary Barton, Land Use Officer
Martin Egan, Park and Recreation Director

AUDITORS

Kostin, Ruffkess & Company, LLC

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Thomaston
Connecticut

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



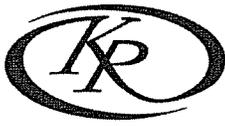
A stylized handwritten signature in black ink.

President

A handwritten signature in black ink that reads "Jeffrey R. Emer".

Executive Director

Financial Section



**KOSTIN,
RUFFKESS
& COMPANY, LLC**

Business Advisors and Certified Public Accountants

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INDEPENDENT AUDITORS' REPORT

Board of Finance
Town of Thomaston, Connecticut

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Thomaston, Connecticut, as of and for the year ended June 30, 2010, which collectively comprise the Town's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Town's management. 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Thomaston, Connecticut, as of June 30, 2010, and the respective changes in financial position, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated November 18, 2010, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Schedules of Funding Progress - Thomaston Retirement System and Thomaston Post-employment Benefit System on pages 10 through 22 and pages 60 and 61, respectively, are not a required part of the basic financial statements but are supplemental information required by Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

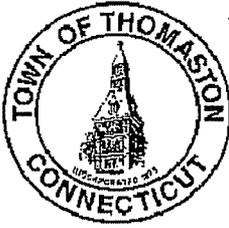


Town of Thomaston, Connecticut
Page Two

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Thomaston, Connecticut's basic financial statements. The introductory section and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining fund financial statements and other schedules as listed in the table of contents have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and the statistical section have not been subjected to the auditing procedures applied to the audit of the basic financial statements and, accordingly, we express no opinion on them.

Kostin, Ruffkess & Company, LLC

Farmington, Connecticut
November 18, 2010



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

Management's Discussion and Analysis
For the Year Ended June 30, 2010

As management of the Town of Thomaston, we offer readers of the Town of Thomaston's financial statements this narrative overview and analysis of the financial activities of the Town of Thomaston for the fiscal year ended June 30, 2010.

Financial Highlights

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$34,215,608 (*net assets*). Of this amount, \$7,669,800 (*unrestricted net assets*) may be used to meet the Town's ongoing obligations to citizens and creditors.
- Unrestricted net assets decreased by \$663,171 from the prior year, primarily due to the increase in long-term liabilities associated with the issuance of bonds for the Seven Year Road Reconstruction Program.
- The Town's total net assets decreased by \$433,391. Three major factors which offset each other accounts for the change. Total liabilities increased by \$1,882,489 primarily due to the bond issuance. This is offset by the increase in liquid cash and the new capital assets associated with the road reconstruction, which are not expensed, but capitalized and depreciated over their useful life.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$9,748,514, an increase of \$5,548,121 in comparison with the prior year. This increase is associated with the Seven Year Road Program. \$4,825,000 of Bond Anticipation notes were permanently financed leaving associated reserves of \$4,615,929 available for the project.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$1,976,920, an increase of \$149,051 in comparison with the prior year. This represents 8.3 percent of total general fund revenues.

Overview of the Basic Financial Statements

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

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

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

Management's Discussion and Analysis (continued)

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

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

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

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

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

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

The Town maintains 26 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, debt service, small cities, and the capital or nonrecurring funds, all of which are considered to be major funds. Data from the other 22 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in Schedules 4 and 5 in this report.

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

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

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

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

The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found in Schedules 4 through 7 of this report.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a Town's financial position. The Town's combined net assets decreased by .1 percent from a year ago – decreasing from \$34,648,999 to \$34,215,608.

By far the largest portion of the Town's net assets (75.6 percent) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

Town of Thomaston Net Assets				
	2010		2009	
Current and other assets	\$	13,947,297	\$	13,370,167
Capital assets (net)		49,839,762		48,967,794
Total assets		<u>63,787,059</u>		<u>62,337,961</u>
Long-term liabilities		26,589,120		19,868,167
Other liabilities		2,982,331		7,820,795
Total liabilities		<u>29,571,451</u>		<u>27,688,962</u>
Net assets:				
Invested in capital assets, net of related debt		25,851,843		25,467,102
Restricted		693,965		848,926
Unrestricted		7,669,800		8,332,971
TOTAL NET ASSETS	\$	<u>34,215,608</u>	\$	<u>34,648,999</u>

A portion of the Town's net assets (2.0 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (22.4 percent) may be used to meet the Town's ongoing obligations to citizens and creditors.

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

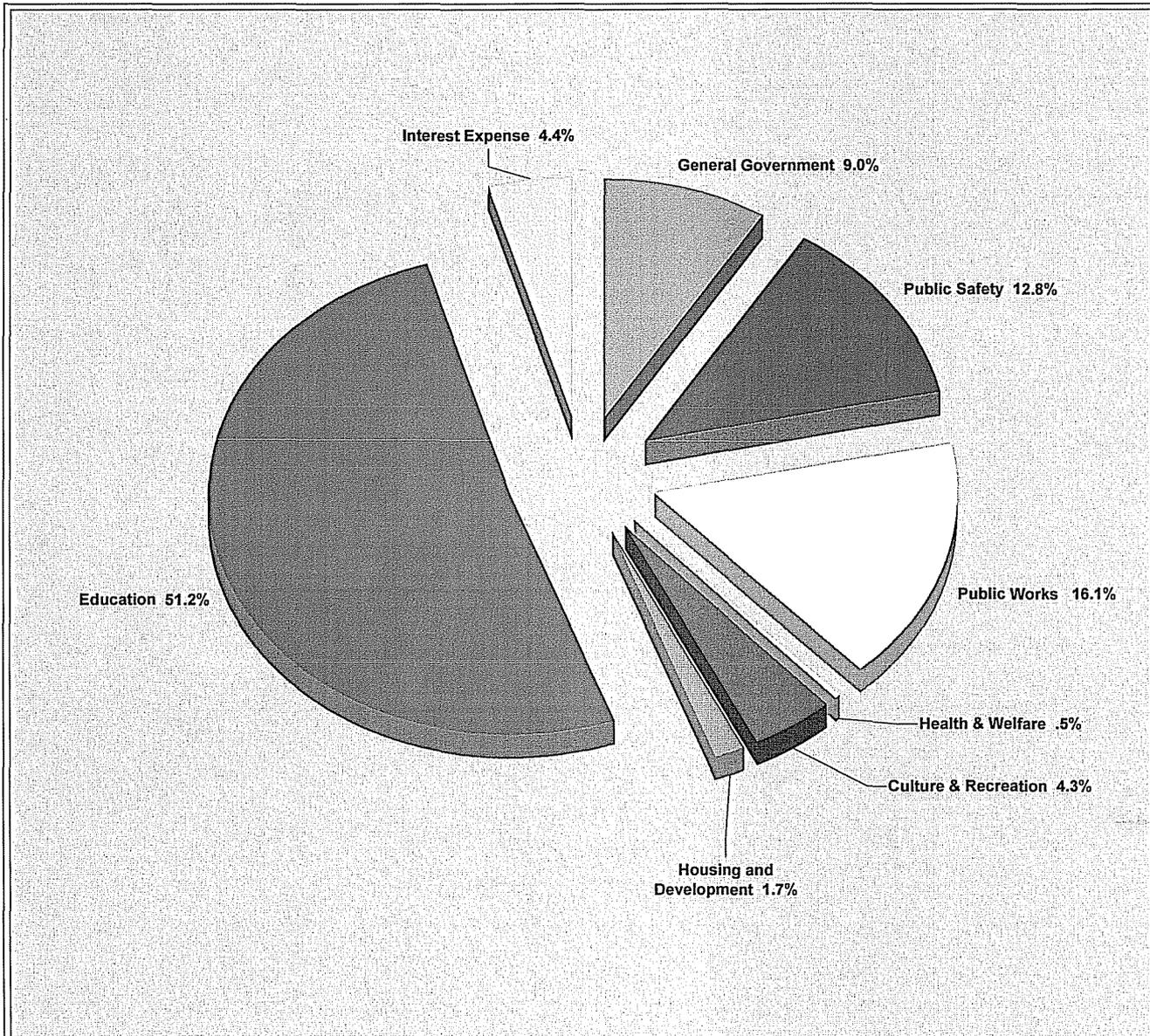
Management's Discussion and Analysis (continued)

Governmental activities. Governmental activities decreased the Town's net assets by \$433,391. Key elements of this decrease are as follows:

	2010	2009
REVENUES:		
Program revenues:		
Charges for services	\$ 2,060,754	\$ 2,173,028
Operating grants and contributions	8,437,791	8,348,877
Capital grants and contributions	311,838	715,950
GENERAL REVENUE:		
Property taxes	16,452,886	16,444,961
Grants and contributions not restricted to specific programs	500,552	514,848
Investment income	90,133	89,454
Other	94,033	107,408
TOTAL REVENUES	27,947,987	28,394,526
EXPENSES:		
General government	1,737,840	1,667,898
Public safety	2,429,014	2,403,832
Public works	4,258,496	4,345,216
Health and welfare	86,991	142,079
Culture and recreation	1,224,333	1,418,346
Housing and development	351,387	271,461
Education	17,516,144	17,620,403
Interest on long-term debt	777,173	718,142
TOTAL EXPENSES	28,381,378	28,587,377
INCREASE (DECREASE) IN NET ASSETS	\$ (433,391)	\$ (192,851)

- Charges for services decreased by \$112,274 (5.0 percent) which is mostly attributable to Culture and Recreation and Education. Sales at the Thomaston Opera House decreased by \$52,874 from the prior year and there was a \$5,700, decrease in revenue with Park programs due to their elimination. School lunch sales decreased by \$35,313 due to the increase in free and reduced lunch applicants. In public safety, while special duty revenue increased, emergency medical service billing revenue decreased \$23,293 from the prior year.
- Operating grants increased by \$88,914 (1.1 percent). The most significant increase was related to special education in the amount of \$163,388. This was offset by the decrease in public safety for a one time asset forfeiture received in the prior year in the amount of \$40,134. Grants from the State Department of Education account for approximately 97.4% of the Town's operating grants and contributions.
- Capital grants and contributions decreased by \$404,112 (56.4 percent). Certain one-time grants received in the prior year include STEAP funding for sidewalks and the Altair Avenue Bridge project. The final progress payment for the High School project was also received in the prior year. Major capital grants received in fiscal year 2010 include \$30,000 under the federal JAG grant for a police cruiser and equipment and \$153,640 for the balance of the STEAP and Altair Avenue Bridge projects.
- In spite of additional cash in banks due to the bond issuance, interest income remained flat due to the continual fall of interest rates.
- Government-wide expenditures decreased in the past two subsequent years by \$205,999 (0.1 percent in 2010) and \$853,433 (2.9 percent in 2009). The largest decreases are in Culture and Recreation due to the downsizing of personnel and operating costs at the Opera House. Be advised that employee benefits, pension, social security and insurances are originally budgeted under the general government function. These costs were removed from general government and allocated to the departmental functions displayed above.

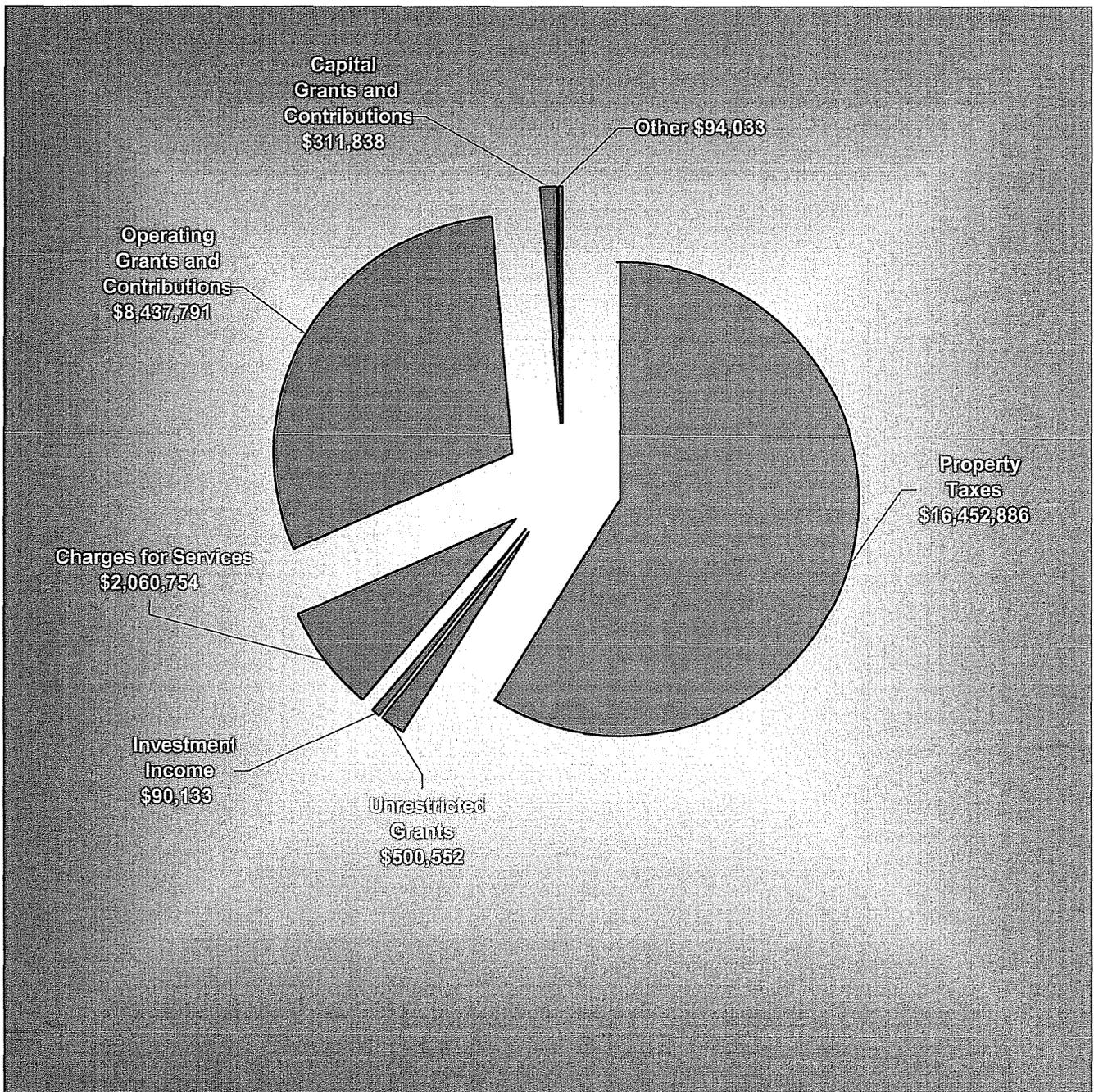
Expenses and Program Revenues (Net) - Governmental Activities



The above represents the percentage of net cost by function as presented in the Statement of Activities (Exhibit B). In most cases, the above chart represents the true cost of the departments because we have offset the costs by the revenues derived by those departments. For example, the net cost of Education of \$9,004,286 includes expenses of \$17,516,144 offset by charges for services of \$297,431 and operating grants and contributions (including the Education Cost sharing grant) of \$8,214,427.

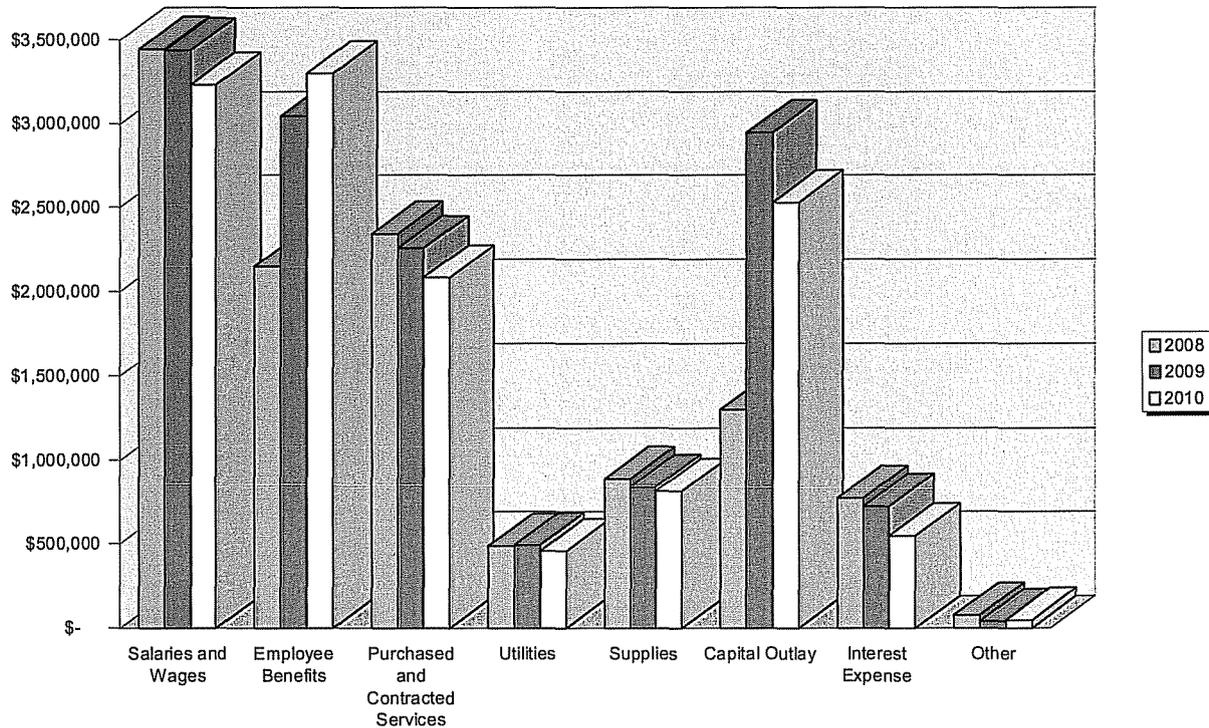
The Statement of Activities requires that we report capital grants which often offset capital outlay and not operating expenditures. Therefore, in this particular case, capital grants tend to distort the net costs in the Statement of Activities. Based on capital grants received in 2010, the net costs above are understated by \$30,000 in Public Safety and \$153,640 in Public Works for infrastructure grants which were charged to Capital Outlay.

Revenues by Source - Governmental Activities



The chart above reflects the sources of revenue for 2010, which provide the services the taxpayers of Thomaston receive. Property taxes of \$16,452,86 (58.9 percent) are the major source of revenue, followed by operating grants and contributions of \$8,437,791 (30.2 percent), and charges for services of \$2,060,754 (7.4 percent). The remaining \$906,423 (3.5 percent) is made up of capital grants, unrestricted grants and contributions, investment income, and miscellaneous income.

**Expenditures By Classification
Fiscal Year ending June 30, 2010, 2009 and 2008**



The above chart was derived directly from the classification of expenditures in the Town's chart of accounts on a government-wide basis excluding the Board of Education operating budget and the Education Grant fund for fiscal years 2010, 2009 and 2008. Salaries decreased 5.9% while employee benefits increased 8.3% due to the increase in pension contribution and increases in health insurance premiums. The overall trend is less spending in all areas from the prior year with the exception of benefits.

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

Financial Analysis of the Town's Funds

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

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

Management's Discussion and Analysis (continued)

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$9,748,514. The Town has reserved \$2,150,354 to indicate that it is not available for new spending because it has already been committed 1) as loans to residents and commercial businesses under the federal Small Cities economic development program (\$1,183,237), 2) to liquidate contracts and purchase orders of the prior period on construction and infrastructure projects (\$308,640), 3) to generate income to pay for the perpetual care of the municipal cemetery and to generate income for various projects at the Fire Department (\$342,608), 4) for compensated absences (\$203,085) and 5) for future debt payments (\$112,784).

The total fund balances increased by \$5,548,121 to a total of \$9,748,514. This large increase was caused substantially by the extra cash reserves on hand as a result of permanently financing prior and future road construction expenditures associated with the seven-year reconstruction project.

The general fund is the operating fund of the Town. At the end of the current fiscal year, unreserved fund balance of the general fund was \$1,976,920. As a measure of the general fund's liquidity, it is useful to compare unreserved fund balance to total fund revenue. Unreserved fund balance represents 8.3 percent of total general fund revenues; however, \$350,000 of unreserved fund balance has been designated for the subsequent year's budget. The balance of unreserved and undesignated fund balance of \$1,626,920 lowers the percentage to 7.2 percent of total general fund revenues.

The fund balance of the Town's general fund increased by \$149,051 during the current fiscal year. The Town had budgeted the use of prior year fund balance of \$298,570 to balance the fiscal 2009-2010 budget, but these key factors defray the use of surplus and contributed toward a fiscal year end surplus:

- Tax revenue collections exceeded estimates by \$213,250 (an increase in the collection rate of 0.8%), however this additional revenue was offset by decreases in interest income (\$62,061 under budget) and state aid (\$64,240 under budget). Interest rates plummeted by 50% during the year and the State reduced the amount for PILOT (Payment in Lieu of Taxes) grants. Not only did the Town see a surplus in revenues, expenditures came in at \$316,545 less than anticipated.
- The Town saved a substantial amount of money in utilities at the Town Hall by installing new high efficiency florescent bulbs, motion sensors for lighting and programmable thermostats. The Town is continuing its efforts in these areas. The surplus in the Town Hall budget was \$31,139.
- The Town introduced a new Health Savings Account medical plan to all employees as an option from the currently bargained medical plans in the prior year. At open enrollment the Town saw an increase in membership into the H.S.A plan which contributed to a surplus in benefits of \$55,517.
- The groundwater remediation efforts at the Town garage which has been ongoing since 1993 is slowly phasing out. It is estimated that two more treatments will be necessary over the next three years and testing will continue for five years. A surplus of \$63,320 was realized.
- There were also substantial surpluses for fire hydrants \$10,167 and Solid Waste \$72,991. Tonnage at the C.R.R.A facility came in less than anticipated in addition to a reduced rate mid-year. The Town encourages recycling which also diminishes the tonnage costs. See other budgetary highlights below.

Management's Discussion and Analysis (continued)

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

TOWN OF THOMASTON'S GENERAL FUND			
	2010	2009	Increase (Decrease)
REVENUES:			
Property taxes.....	\$ 16,525,756	\$ 16,138,322	\$ 387,434
Charges for services.....	238,872	246,891	(8,019)
Intergovernmental.....	6,811,715	7,609,875	(798,160)
Income from investments.....	47,939	95,627	(47,688)
Other.....	88,418	80,835	7,583
TOTAL REVENUES.....	23,712,700	24,171,550	(458,850)
EXPENDITURES:			
General government.....	3,219,200	3,054,606	164,594
Public safety.....	1,416,456	1,378,662	37,794
Public works.....	1,537,571	1,574,549	(36,978)
Health and welfare.....	67,273	90,423	(23,150)
Culture and recreation.....	414,317	452,766	(38,449)
Housing and development.....	139,447	138,694	753
Education.....	13,933,975	14,780,948	(846,973)
Debt service.....	-	2,570,603	(2,570,603)
Capital outlay.....	-	108,446	(108,446)
TOTAL EXPENDITURES.....	20,728,239	24,149,697	(3,421,458)
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	2,984,461	21,853	2,962,608
OTHER FINANCING SOURCES (USES):			
Transfers in.....	32,963	69,524	(36,561)
Transfers out.....	(2,868,373)	(256,515)	(2,611,858)
NET OTHER FINANCING SOURCES (USES).....	(2,835,410)	(186,991)	(2,648,419)
NET CHANGE IN FUND BALANCES.....	\$ 149,051	\$ (165,138)	\$ 314,189

- Tax revenue increased by \$387,434 due to these factors:
- The mill rate increased from 24.99 to 26.28 generating an increase in the current tax levy by \$53,332. In addition, the tax collection rate increased from 96.8% to 97.6% and back taxes and interest collections increased \$134,790.
- Intergovernmental revenue decreased due to accounting requirements associated with the American Recovery and Reinvestment Act (ARRA). The State of Connecticut reduced ECS funding by \$802,882 thereby reducing the Intergovernmental revenue line and Education expenditure line by like amounts. The reduction was supplanted with Federal ARRA money which was accounted for in a Special Revenue fund.
- Investment income decreased due to stagnant economic growth and continually falling interest rates.
- Expenditures decreased in public works, health & welfare and culture & recreation based on the need to hold the line or reduce spending during poor economic times. Police had overages due the Town's contractual agreement to pay down banked compensation time in addition to overages in overtime due to illnesses.
- Annual debt service is now included in Transfers Out in 2009-2010 due to the establishment of a Debt Service Fund. The Town is committed to funding \$2.8 million a year into Debt Service to minimize the impact of an expected spike in principal and interest payments in 2016 when a new bond issuance will take effect.

Small Cities Fund. The Small Cities fund provides residential loan assistance and commercial economic development loans to qualifying citizens and town businesses. The Town started receiving federal funds for this program in 1985. The Small Cities funded activities must meet one of three national objectives: (1) benefit low and moderate income persons; (2) aid in the prevention or elimination of slums or blight; or (3) meet community development needs having a particular urgency. The Town provided \$50,500 in new residential and commercial loans and received back \$57,180 in loan repayments. The total loan balance at June 30, 2010 was \$1,183,237. An unreserved fund balance of \$212,196 is available for future loan assistance.

Debt Service Fund. This fund accounts for financial resources to be used for current and future principal and interest payments for long-term debt. As part of the Town's Capital improvement policy, the Town committed to funding an annual appropriation of \$2.8 million into Debt Service to minimize a mill rate impact of an expected spike in debt service in 2016. The reserved fund balance as of June 30, 2010 is \$112,784.

Capital or Nonrecurring Fund. This fund accounts for the financial revenues including resources from borrowing to be used for major capital asset construction and/or purchases and items, which are reserved for special purposes. There are approximately forty-five separate projects, a summary of which can be found in Note II.F. of the notes to the financial statements. The capital projects fund's expenditures and transfers out exceeded its revenues by \$5,735,534, in large part due to the long-term financing associated with the road project, dump trucks and the Altair Avenue Bridge project.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget was a decrease of \$747,500. The decrease in budget can be briefly summarized as follows:

Revised revenue appropriations of \$747,500:

- The State of Connecticut reduced ECS funding by \$802,882 thereby reducing the Intergovernmental revenue line and Education expense line by like amounts. The reduction was supplanted with Federal ARRA money which had to be accounted for in a Special Revenue fund.
- An increase in appropriation of fund balance in the amount of \$25,570 for a police cruiser purchased through the Capital or Nonrecurring Fund.
- An increase in Town Aid Road of \$29,812 based on State actual dollars received.

Transfers from contingency of \$110,000 were made during the year as follows:

- \$9,000 for the installation of monitoring equipment for the underground tank at the Fire Department.
- \$10,000 for a special audit of the Thomaston Opera House.
- \$4,000 for startup costs to reopen the transfer station.
- \$2,607 for the new First Selectman's wages adjusted by the HR committee.
- \$8,900 for a pump repair and new tires on Engine 3 at the Fire Department.
- \$2,000 for an emergency tree removal.
- \$2,700 for the Fire Department's repair to the air conditioning system.
- \$2,600 to repair the mezzanine at the public library.
- \$53,193 to Police for regular salaries, overtime overages and a contractual pay out for comp time.
- \$10,000 to the Volunteer Ambulance for overages in the per shift stipend.
- \$5,000 to the Volunteer Ambulance to replace an ambulance manifold.

Transfers between operating budgets of \$24,078 were funded primarily by a surplus in the Fringe-Social Security budget. The total police department overage of \$94,143, which was approved at Town meeting, was funded by Contingency \$53,193, Communication & Dispatch \$17,716 and Groundwater remediation \$23,234.

Capital Assets and Debt Administration

Capital assets. The Town's investment in capital assets for its governmental type activities as of June 30, 2010, amounts to \$49,839,762 (net of accumulated depreciation). This investment in capital assets includes land, buildings, land improvements, vehicles, machinery and equipment, sewer lines, roads, bridges, sidewalks and system storm drains. The total increase in the Town's investment in capital assets for the current fiscal year was \$871,968 (1.8%). This increase is largely due to the Seven Year Road Improvement Program and renovations at the Center School. Only those assets which cost \$5,000 or more with a useful life exceeding one year are capitalized. Assets costing less than \$5,000 are expensed.

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

- The second phase of the Seven Year Program included complete reclamation and reconstruction of Smith Road, Walnut Hill Road, Humiston Circle, Hilltop Street, and Senior Avenue. Total costs of roads capitalized were \$1,428,822 and construction in progress totaled \$90,304.
- The Town received a grant in the amount of \$498,300 in 2008 from STEAP for sidewalk infrastructure replacement. In addition, the Town received approval to allocate \$165,000 of Small Cities funds for sidewalk and street improvements. The Goodwin Court sidewalks were replaced at a cost of \$17,864. Construction in progress for sidewalks on Hillside, Gilbert, Union, Oak, Grand, Grove and Elm Street totaled \$219,191.
- The public works department replaced dump trucks no. 9 & 10 for \$309,267 and the police department replaced three police cruisers for \$76,800, of which one was federally funded under the JAG grant. The canine officer replaced her aging van with a used vehicle for \$10,481.
- The initial design stage of the Center School renovation began in November 2004 and renovations are now coming to close. Items capitalized during the year include Heating & Ventilation and HVAC controls \$917,128, renovations to corridors \$72,034; and architect & engineering fees and other owners' costs of \$260,653 were capitalized. Construction in progress as of the close of the fiscal year for the auditorium was \$41,711.
- A new ramp for the disabled was installed at the Seth Thomas House Museum using Small Cities funding in the amount of \$40,702.
- Fire door closures were replaced at the High School for \$19,000.

CAPITAL ASSETS
(NET OF ACCUMULATED DEPRECIATION)

	2010	2009
Land	\$ 1,315,620	\$ 1,315,620
Construction in Progress	428,716	1,187,798
Buildings	29,930,192	29,360,154
Land improvements	576,729	604,149
Machinery & Equipment	4,135,521	4,416,373
Vehicles	1,052,600	828,119
Infrastructure	12,400,384	11,255,581
Total	\$ 49,839,762	\$ 48,967,794

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

Long-term debt. At the end of the current fiscal year, the Town had total bonded debt outstanding of \$18,715,000. All debt is backed by the full faith and credit of the government. The remainder of the Town's debt represents notes totaling \$5,641,550 funded by the State of Connecticut Clean Water Fund and unamortized bond premium of \$353,311.

TOWN OF THOMASTON'S OUTSTANDING DEBT		
LONG - TERM OBLIGATIONS		
	2010	2009
General obligation bonds	\$ 18,715,000	\$ 12,410,000
Notes	5,641,550	6,134,939
Capital lease obligations	-	122,009
Bond premium	353,311	134,374
Total	\$ 24,709,861	\$ 18,801,322

The Town was assigned an "A+" rating from Standard & Poor's Ratings Services with a stable outlook on January 19, 2010. This is an upgrade in the rating from the prior Moody's rating of "A2". On November 15, 2010, Moody's affirmed the rating of "Aa3" but assigned a negative outlook based on the expectation that reserve fund balance reserve levels will continue to weaken due to voter opposition to increasing the property tax levy and potential state aid reductions.

State statutes limit the amount of general obligation debt a governmental entity may issue to seven times total tax collections including interest and lien fees and the tax relief for elderly freeze grant. The current debt limitation for the Town is \$114,583,798, which is significantly in excess of the Town's outstanding general obligation debt.

The Town approved through referendum on June 4, 2008, to appropriate \$10,674,500 for the reconstruction and repair of various town roads and roadside elements, in accordance with the Town's Seven Year Road Program prepared by the highway department and authorized the issuance of bonds, notes or temporary notes in an amount not to exceed \$10,674,500 to finance the appropriation. \$7,104,112 in bonds were issued on February 5, 2010 towards this project.

The Town also refunded its 1998 bonds totaling \$2,820,000. The Town saved \$235,523 of budgetary savings with present value savings of \$214,772 or 7.67%.

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

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the Town is currently 8.6% which is a decrease from a rate of 9.4% a year ago. The Town's rate is favorable as compared to the State rate of 9.3% and comparable to the Hartford Labor Market rate of 8.7%. While Connecticut is still in line with the national average of 9.6%, the overall trend has been clearly negative and job losses are predicted to increase through 2011.
- Connecticut schools have benefited from \$888.69 million in federal stimulus money since 2009, but as the source begins to run dry, cities and towns across the state are bracing for impact. The largest allocation of federal stimulus funds to the state came in the form of State Fiscal Stabilization Funds. The money was meant to help stabilize state and local government budgets in the hopes of minimizing teacher layoffs, reductions in education and other essential public services. Gov. M. Jodi Rell opted to funnel \$53.6 million toward local Education Cost Sharing grants to flat-fund local school districts. These ARRA dollars run out July 1, 2011 and local cities and towns will be facing some losses and deficits unless other aid is forthcoming.

Economic Factors and Next Year's Budgets and Rates

- The Town is under even greater fiscal pressure from voter opposition in the tax levy. Voter opposition remains regardless of the fact that the Town has no control over its significant revenue sources other than property taxes. The Town faces cost increases from contractual obligations as well as fixed costs and the continued failed budgets will only result in loss of services, personnel and infrastructure improvements.
- The Town negotiated and recently settled four bargaining unit contracts in 2010. The Police, white collar, and supervisory personnel agreed to take a third consecutive wage freeze or furlough for fiscal year 2010-11, and agreed to increases in premium shares for health insurance and increases in contributions to the pension plan over the life of the contracts.

All of these factors were considered in preparing the Town's budget for the 2010-2011 fiscal year.

Requests for Information

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

Basic Financial Statements

TOWN OF THOMASTON, CONNECTICUT

STATEMENT OF NET ASSETS
JUNE 30, 2010

	GOVERNMENTAL ACTIVITIES
<u>ASSETS</u>	
Current assets:	
Cash.....	\$ 1,159,889
Investments.....	7,107,742
Receivables:	
Property taxes.....	569,893
Assessments/use charges.....	134,669
Loans.....	98,835
Intergovernmental.....	367,571
Notes.....	141,255
Other assets.....	37,125
Total Current assets.....	<u>9,616,979</u>
Noncurrent assets:	
Restricted assets:	
Temporarily restricted:	
Investments.....	44,316
Permanently restricted:	
Investments.....	342,608
Total Restricted assets.....	<u>386,924</u>
Receivables (net):	
Property taxes.....	991,618
Assessments/use charges.....	144,100
Loans.....	1,059,402
Intergovernmental.....	1,286,793
Notes.....	92,850
Total Receivables (net).....	<u>3,574,763</u>
Bond issue costs.....	<u>368,631</u>
Capital assets (net of accumulated depreciation):	
Land.....	1,315,620
Construction in progress.....	428,716
Buildings.....	29,930,192
Land improvements.....	576,729
Machinery, equipment and intangibles.....	4,135,521
Vehicles.....	1,052,600
Infrastructure.....	12,400,384
Total capital assets (net of accumulated depreciation).....	<u>49,839,762</u>
Total noncurrent assets.....	<u>54,170,080</u>
TOTAL ASSETS.....	<u>63,787,059</u>

(Continued)

TOWN OF THOMASTON, CONNECTICUTSTATEMENT OF NET ASSETS
JUNE 30, 2010

	GOVERNMENTAL ACTIVITIES
<u>LIABILITIES</u>	
LIABILITIES:	
Current liabilities:	
Accounts payable.....	\$ 409,515
Accrued payroll.....	101,959
Accrued interest payable.....	208,851
Unearned revenue.....	62,748
Bonds and notes payable.....	1,903,389
Compensated absences.....	165,291
Other liabilities.....	130,578
Total Current liabilities.....	<u>2,982,331</u>
Noncurrent liabilities:	
Bonds and notes payable.....	22,453,161
Compensated absences.....	936,651
Other liabilities.....	3,199,308
Total Noncurrent liabilities.....	<u>26,589,120</u>
TOTAL LIABILITIES.....	<u>29,571,451</u>
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt.....	25,851,843
Restricted for:	
Capital projects.....	308,640
Endowments:	
Nonexpendable.....	120,200
Expendable.....	1,823
Perpetual care:	
Nonexpendable.....	222,408
Expendable.....	40,894
Unrestricted.....	7,669,800
TOTAL NET ASSETS.....	<u>\$ 34,215,608</u>

(Concluded)

TOWN OF THOMASTON, CONNECTICUT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET EXPENSES AND CHANGES IN NET ASSETS
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES
GOVERNMENTAL ACTIVITIES:					
General government.....	\$ 1,737,840	\$ 46,806	\$	\$ 110,487	\$ (1,580,547)
Public safety.....	2,429,014	148,106	541	30,975	(2,249,392)
Public works.....	4,258,496	1,155,344	115,767	153,640	(2,833,745)
Health and welfare.....	86,991	885	4,090	236	(81,780)
Culture and recreation.....	1,224,333	354,639	102,966	16,500	(750,228)
Housing and development.....	351,387	57,543			(293,844)
Education.....	17,516,144	297,431	8,214,427		(9,004,286)
Interest expense.....	777,173				(777,173)
TOTAL.....	\$ 28,381,378	\$ 2,060,754	\$ 8,437,791	\$ 311,838	\$ (17,570,995)
GENERAL REVENUES:					
Property taxes.....					\$ 16,452,886
Grants and contributions not restricted to specific programs.....					500,552
Investment income.....					90,133
Miscellaneous.....					94,033
TOTAL GENERAL REVENUES.....					17,137,604
CHANGE IN NET ASSETS.....					(433,391)
NET ASSETS - JULY 1, 2009.....					34,648,999
NET ASSETS - JUNE 30, 2010.....					\$ 34,215,608

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TOWN OF THOMASTON, CONNECTICUT

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

	GENERAL	DEBT SERVICE	SMALL CITIES	CAPITAL OR NONRECURRING	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS						
Cash.....	\$ 813,481	\$	\$ 224,386	\$	\$ 122,022	\$ 1,159,889
Investments.....	6,162,721	112,784		203,085	1,016,076	7,494,666
Due from other funds.....	165,858			4,877,242	244,515	5,287,615
Receivables, net:						
Property taxes.....	1,255,183					1,255,183
Assessments/use charges.....					215,001	215,001
Loans.....			1,183,237			1,183,237
Intergovernmental.....				151,416	24,030	175,446
Other.....	134,517				6,738	141,255
Other assets.....	8,772				28,353	37,125
TOTAL ASSETS.....	\$ 8,540,532	\$ 112,784	\$ 1,407,623	\$ 5,231,743	\$ 1,656,735	\$ 16,949,417
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable.....	\$ 218,262	\$	\$ 12,190	\$ 104,089	\$ 74,974	\$ 409,515
Accrued payroll.....	81,944				20,015	101,959
Due to other funds.....	5,121,757				165,858	5,287,615
Deferred and unearned revenue.....	1,141,649				260,165	1,401,814
Total Liabilities.....	6,563,612	-	12,190	104,089	521,012	7,200,903
Fund Balances:						
Reserved for:						
Receivables.....			1,183,237			1,183,237
Commitments.....				308,640		308,640
Compensated absences.....				203,085		203,085
Endowments.....					120,200	120,200
Perpetual care.....					222,408	222,408
Debt service.....		112,784				112,784
Unreserved, reported in:						
Designated for subsequent year's budget.....	350,000					350,000
General fund.....	1,626,920					1,626,920
Special revenue:						
Designated for improvements.....					175,739	175,739
Unreserved.....			212,196		230,756	442,952
Capital projects funds.....				4,615,929	343,903	4,959,832
Permanent funds.....					42,717	42,717
Total Fund Balances.....	1,976,920	112,784	1,395,433	5,127,654	1,135,723	9,748,514
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 8,540,532	\$ 112,784	\$ 1,407,623	\$ 5,231,743	\$ 1,656,735	\$ 16,949,417

(Continued)

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

TOWN OF THOMASTON, CONNECTICUT

RECONCILIATION OF FUND BALANCE
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2010

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

TOTAL FUND BALANCE (EXHIBIT C, PAGE 1).....		\$ 9,748,514
CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS:		
Beginning capital assets.....		48,967,794
Current year additions.....		2,437,933
Depreciation expense.....		(1,496,978)
Disposal of assets.....		(68,987)
OTHER LONG-TERM ASSETS ARE NOT AVAILABLE TO PAY FOR CURRENT PERIOD EXPENDITURES AND, THEREFORE, ARE DEFERRED IN THE FUNDS:		
Property tax, sewer use and sewer assessment interest and lien accrual.....		756,196
Property tax, sewer use and sewer assessment receivable - accrual basis change.....		1,339,066
School building grant receivable.....		1,478,918
Notes receivable.....		92,850
Allowance for doubtful accounts.....		(411,100)
Bond issue costs.....		368,631
SOME LIABILITIES, INCLUDING BONDS PAYABLE, ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS:		
Bonds and notes payable.....		(24,356,550)
Bond premium.....		(353,311)
Compensated absences.....		(1,101,942)
Net pension / OPEB obligations.....		(2,398,654)
Other liabilities.....		(577,921)
Accrued interest payable.....		(208,851)
NET ASSETS OF GOVERNMENTAL ACTIVITIES.....		<u>\$ 34,215,608</u>

(Concluded)

TOWN OF THOMASTON, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010

	GENERAL	DEBT SERVICE	SMALL CITIES	CAPITAL OR NONRECURRING	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:						
Property taxes.....	\$ 16,525,756	\$	\$	\$	\$	\$ 16,525,756
Charges for services.....	238,872		3,503	5,455	1,801,084	2,048,914
Intergovernmental.....	6,811,715			210,517	2,358,198	9,380,430
Contributions.....				1,751	65,439	67,190
Income from investments.....	47,939	1,926	1,152	4,691	34,425	90,133
Other.....	88,418	4,865		750		94,033
TOTAL REVENUES.....	23,712,700	6,791	4,655	223,164	4,259,146	28,206,456
EXPENDITURES:						
Current:						
General government.....	3,219,200			23,437	8,164	3,250,801
Public safety.....	1,416,456			1,930	70,888	1,489,274
Public works.....	1,537,571			1,126	1,119,539	2,658,236
Health and welfare.....	67,273				5,085	72,358
Culture and recreation.....	414,317			20,182	428,942	863,441
Housing and development.....	139,447		100,766	40,652		280,865
Education.....	13,933,975			97,688	2,592,112	16,623,775
Debt service.....		2,625,766		167,051	10,702	2,803,519
Capital outlay.....			151,452	1,970,737	262,965	2,385,154
TOTAL EXPENDITURES.....	20,728,239	2,625,766	252,218	2,322,803	4,498,397	30,427,423
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	2,984,461	(2,618,975)	(247,563)	(2,099,639)	(239,251)	(2,220,967)
OTHER FINANCING SOURCES (USES):						
Issuance of debt.....		2,820,000		7,520,000		10,340,000
Premium.....		55,514		173,574		229,088
Transfers in.....	32,963	2,656,245		141,599	98,036	2,928,843
Transfers out.....	(2,868,373)				(60,470)	(2,928,843)
Payment to refunded bond escrow agent.....		(2,800,000)				(2,800,000)
NET OTHER FINANCING SOURCES (USES).....	(2,835,410)	2,731,759	-	7,835,173	37,566	7,769,088
NET CHANGE IN FUND BALANCES.....	149,051	112,784	(247,563)	5,735,534	(201,685)	5,548,121
FUND BALANCES - JULY 1, 2009.....	1,827,869	-	1,642,996	(607,880)	1,337,408	4,200,393
FUND BALANCES - JUNE 30, 2010.....	\$ 1,976,920	\$ 112,784	\$ 1,395,433	\$ 5,127,654	\$ 1,135,723	\$ 9,748,514

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

TOWN OF THOMASTON, CONNECTICUT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

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

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS (EXHIBIT D)..... \$ 5,548,121

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

Capital outlay.....	2,437,933
Depreciation expense.....	<u>(1,496,978)</u>
Total	<u>940,955</u>

The net effect of various miscellaneous transactions involving capital assets (i. e., sales, trade-ins and donations) is to increase net assets. In the Statement of Activities, only the *loss* on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets sold..... (68,987)

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

School building grant receipts.....	(197,439)
Notes receivable.....	(8,867)
Change in property tax, sewer use and sewer assessment receivable - accrual basis change.....	(202,539)
Change in property tax, sewer use and sewer assessment interest and lien revenue.....	230,376
Change in property tax and sewer use allowance for doubtful accounts.....	<u>(80,000)</u>
Total	<u>(258,469)</u>

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

Debt issued or incurred:	
Issuance of general obligation bonds.....	(10,340,000)
Bond premium.....	(229,088)
Bond issue costs.....	252,492
Principal repayments:	
General obligation bonds.....	4,035,000
Notes payable.....	493,389
Capital lease.....	<u>122,009</u>
Total	<u>(5,666,198)</u>

(Continued)

TOWN OF THOMASTON, CONNECTICUT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

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

Remediation obligation.....	\$ (215,000)
Compensated absences.....	306,835
Net pension obligation.....	146,043
Net OPEB obligation.....	(897,555)
Severance.....	(192,592)
Accrued interest payable.....	(77,204)
Amortization of bond premium.....	10,151
Amortization of bond issue costs.....	(9,491)
	<hr/>
Total	(928,813)
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES (EXHIBIT B)	<hr/> <u>\$ (433,391)</u>
	(Concluded)

TOWN OF THOMASTON, CONNECTICUT

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Property taxes.....	\$ 16,312,506	\$ 16,312,506	\$ 16,525,756	\$ 213,250
Charges for services.....	224,670	224,670	238,872	14,202
Intergovernmental.....	6,652,918	5,879,848	5,815,608	(64,240)
Income from investments.....	110,000	110,000	47,939	(62,061)
Other.....	60,456	60,456	88,418	27,962
TOTAL REVENUES.....	23,360,550	22,587,480	22,716,593	129,113
EXPENDITURES:				
Current:				
General government.....	3,457,395	3,369,380	3,219,200	150,180
Public safety.....	1,333,312	1,416,772	1,416,456	316
Public works.....	1,666,169	1,686,934	1,537,571	149,363
Health and welfare.....	70,567	70,567	67,273	3,294
Culture and recreation.....	413,702	418,304	414,317	3,987
Housing and development.....	148,852	148,852	139,447	9,405
Education.....	13,740,750	12,937,868	12,937,868	-
TOTAL EXPENDITURES.....	20,830,747	20,048,677	19,732,132	316,545
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	2,529,803	2,538,803	2,984,461	445,658
OTHER FINANCING SOURCES (USES):				
Appropriation of fund balance.....	273,000	298,570		(298,570)
Transfers in.....	31,000	31,000	32,963	1,963
Transfers out.....	(2,833,803)	(2,868,373)	(2,868,373)	-
NET OTHER FINANCING SOURCES (USES).....	(2,529,803)	(2,538,803)	(2,835,410)	(296,607)
NET CHANGE IN FUND BALANCE.....	\$ -	\$ -	149,051	\$ 149,051
FUND BALANCE - JULY 1, 2009.....			1,827,869	
FUND BALANCE - JUNE 30, 2010.....			\$ 1,976,920	

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

TOWN OF THOMASTON, CONNECTICUTSTATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2010

	PENSION TRUST FUND	PRIVATE- PURPOSE TRUST FUNDS	AGENCY FUNDS
<u>ASSETS</u>			
Cash.....	\$	\$ 1,555	\$ 204,447
Investments:			
Money Market Funds.....	146,382		
Certificates of Deposit.....		6,695	3,831
US Government Obligations.....	394,245		
US Government Agency Obligations.....	30,003		
Corporate Bonds.....	914,270		
Mutual Funds.....	3,413,344		
Common Stock.....	3,817,087		
Total Investments.....	8,715,331	6,695	3,831
Accounts receivable.....	21,031		
TOTAL ASSETS.....	8,736,362	8,250	208,278
<u>LIABILITY</u>			
Accounts payable.....	11,934	150	208,278
<u>NET ASSETS</u>			
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS AND OTHER PURPOSES.....	\$ 8,724,428	\$ 8,100	\$ -

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

TOWN OF THOMASTON, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	PENSION TRUST FUND	OTHER POST- EMPLOYMENT BENEFITS TRUST FUND	PRIVATE- PURPOSE TRUST FUNDS
ADDITIONS:			
Contributions:			
Employer.....	\$ 1,015,078	\$ 499,864	\$
Employees.....	113,019		
Total contributions.....	1,128,097	499,864	-
Investment income (loss):			
Net change in fair value of investments.....	685,345		
Interest and dividends.....	249,782		124
Total investment income (loss).....	935,127	-	124
TOTAL ADDITIONS.....	2,063,224	499,864	124
DEDUCTIONS:			
Benefits.....	745,211	499,864	
Administration/awards.....	48,394		200
TOTAL DEDUCTIONS.....	793,605	499,864	200
CHANGES IN NET ASSETS.....	1,269,619	-	(76)
NET ASSETS - JULY 1, 2009.....	7,454,809		8,176
NET ASSETS - JUNE 30, 2010.....	\$ 8,724,428	\$ -	\$ 8,100

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

TOWN OF THOMASTON, CONNECTICUTNOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**HISTORY AND ORGANIZATION**

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

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

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) 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* are normally supported by taxes and intergovernmental revenues.

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

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

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

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers 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 claims and judgments, are recorded only when payment is due.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The Town reports the following major governmental funds:

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

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

The *Small Cities Fund* accounts for the revolving loans for commercial and residential use under the federal program administered by the Department of Economic and Community Development.

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

Additionally, the Town reports the following fund types:

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

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

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

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

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

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

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

Deposits - The Town considers cash equivalents as cash on hand, demand deposits, money market accounts and short-term investments with original maturities of three months or less from the date of acquisition.

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

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

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

2. Receivables and Payables

a. Interfunds

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

b. Property Taxes and Other Receivables

In the government-wide financial statements, all trade, property tax, sewer use, sewer assessment, and loan receivables, are shown net of an allowance for uncollectibles. Allowance percentages range from 2 to 39 percent of outstanding receivable balances, and are calculated based upon prior collections.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, and Net Assets or Equity (Continued)

2. Receivables and Payables (Continued)

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

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

3. Restricted Assets

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

4. Capital Assets

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

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

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

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, and Net Assets or Equity (Continued)

5. Compensated Absences

All employees are granted vacation and sick time based upon contractual provisions. Employees are not permitted to carry vacation days from one calendar year to the next without prior approval. The Board of Education employees are paid vacation on a fiscal year basis and, therefore, unused vacation lapses at June 30. The Town employees are paid vacation on an anniversary date basis and, therefore, a liability for unused vacation has been recorded. Certified employees at the Board of Education may accumulate up to 165 days of unused sick time or 150 days for employees hired after June 30, 1998. Employees are one-third vested with 20 - 24 years of service and two-thirds vested with 25 or more years of service. Unused sick time does not accumulate for certified employees hired after July 1, 1992. A liability in the amount of \$309,112 has been accrued for certified teachers and \$362,921 has been accrued for severance payments for new retirees.

For employees other than certified teachers, sick leave accrues at the rate of 1¼ days per month, cumulative to a maximum of one hundred days. Upon the death or pension retirement of an employee, the estate of, or such employee, shall receive a sum of money equal to the accumulated sick days times the rate of pay per day of such employee at the time of such death or retirement. Employees who resign or are terminated are not entitled to their unused sick days. Police officers hired after July 1, 2005 are entitled to 45 percent up to a maximum of 50 days; public works employees hired after January 1, 2006 are entitled to 50 percent up to a maximum of 50 days; and sewer and white collar employees hired after July 1, 2005 are not entitled to the benefit. A liability in the amount of \$110,216 has been accrued for non-certified Board of Education employees and \$657,935 for Town employees.

The accrued sick time only applies to Board of Education administrators who were hired prior to November 21, 1991. A liability in the amount of \$24,679 has been accrued.

6. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities statement of net assets. 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 the applicable bond premium or discount. 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 sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, and Net Assets or Equity (Continued)

7. Fund Equity and Net Assets

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

In the government-wide financial statements, net assets are classified into the following categories:

Invested in Capital Assets, Net of Related Debt

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

Restricted Net Assets

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

Unrestricted Net Assets

The category presents the net assets of the Town, which are not restricted.

8. Estimates

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

9. Comparative Data/Reclassifications

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

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

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

- The Board of Finance submits a proposed operating budget for the fiscal year commencing July 1 to the annual Town Meeting at which taxpayer comments are obtained. The operating budget includes proposed expenditures and the means of financing them.
- Prior to July 1, the budget is legally adopted by vote at the annual Town budget meeting.
- The Board of Selectmen and the Board of Education are authorized to transfer budgeted amounts within departments. Transfers of budgeted amounts between departments must be approved by the Board of Finance.
- The Board of Finance can approve additional appropriations for a department, provided such additional appropriations do not exceed \$20,000. Appropriations in excess of \$20,000 must be approved by vote of a Town Meeting. There were additional appropriations of \$25,570 from fund balance and \$29,812 from additional revenue sources made during the year. The Board of Education budget and the ECS revenue budgets were decreased by \$802,882 for the Federal Stimulus Grant - State Fiscal Stabilization paid directly to the Board of Education as per the grant requirements.
- Formal budgetary integration is employed as a management control device during the year.
- Except for encumbrance accounting and the on-behalf payment, the budget is prepared on the modified accrual basis of accounting.
- The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the department level.
- Budgeted amounts reported are as amended at a Board of Finance and/or Town Meeting during the course of the year.
- The Board of Education, which is not a separate legal entity but a function of the Town, is authorized under state law to make any transfers required within their budget at their discretion. Any additional appropriations must have Board of Education and Board of Finance approval and, if over \$20,000, Town Meeting approval.
- Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year end are reported in budgetary reports (Exhibit F) as expenditures in the current year. Generally, all unencumbered appropriations lapse at year end, except those for the Capital or Nonrecurring Fund. Appropriations for capital or nonrecurring projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

B. Budget - GAAP Reconciliation

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

	<u>REVENUES</u>	<u>EXPENDITURES</u>
BALANCE, BUDGETARY BASIS, EXHIBIT F - JUNE 30, 2010.....	\$ 22,716,593	\$ 19,732,132
State Teachers' Retirement on-behalf payment	<u>996,107</u>	<u>996,107</u>
BALANCE, GAAP BASIS, EXHIBIT D - JUNE 30, 2010.....	<u>\$ 23,712,700</u>	<u>\$ 20,728,239</u>

C. Donor Restricted Endowments

The Town has received certain endowments for the maintenance of the Hillside Cemetery and fire department operation purposes. The amounts are reflected in net assets as restricted for permanent funds. Investment income (including appreciation) is approved for expenditure by the individual Boards. At June 30, 2010, the amount of appreciation (depreciation) included in unreserved fund balance was as follows:

Hillside Cemetery Trust	\$(52,301)
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D. Deficit Fund Balance

The following individual funds had a deficit fund balance at June 30, 2010:

Special Revenue Funds

Sewer Commission Usage Fund	\$ 2,847
Thomaston Opera House.....	138,821

Future charges for services will be used to fund the deficits in these funds.

E. Capital Project Authorizations

The following is a summary of certain capital projects at June 30, 2010:

<u>Project</u>	<u>Project Authorization</u>	<u>Cumulative Expenditures</u>	<u>Balance</u>
Thomaston High School and Center School	<u>\$ 16,280,000</u>	<u>\$ 15,210,162</u>	<u>\$ 1,069,838</u>

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

F. Capital or Nonrecurring Project Authorizations

The following is a summary of capital or nonrecurring projects at June 30, 2010:

	PROJECT AUTHORIZATION	CURRENT YEAR EXPENDITURES	CUMULATIVE EXPENDITURES	BALANCE JUNE 30, 2010
Assessors revaluation	\$ 464,800	\$ 12,887	\$ 337,157	\$ 127,643
Beautification: Seth Thomas Park sign	625		171	454
BOE technology plan	112,500		112,138	362
BOE TCS gutter replacement	21,200			21,200
BOE TCS soffit repair	8,000			8,000
BOE TCS/BRS grease trap disposal	20,000			20,000
BOE THS fire door closures	19,138	19,000	19,000	138
Christmas lights - reserve	12,000			12,000
Fire Dept: underground tank monitoring	16,000		11,297	4,703
Greenway grant	1,000	1,000	1,000	-
Highway: Altair Ave. bridge	406,482		489,958	(83,476)
Highway: bonded road project	7,125,871	1,458,006	2,516,475	4,609,396
Highway: bonded dump trucks	309,316	309,267	309,267	49
Highway: guiderails	10,000			10,000
Highway: road work	947,976	1,126	944,889	3,087
Highway: sidewalks	25,000		24,146	854
Housing for Economic Growth Grant		40,652	40,652	(40,652)
STEAP: Sidewalks Phase II	35,900	123,688	145,688	(109,788)
K-9 donation reserves	8,561	1,435	6,737	1,824
K-9 vehicle	10,000	10,000	10,000	-
Minibus donation - repairs	236			236
Opera House ceiling study grant	15,250	15,250	15,250	-
PD: Homeland Security	64,515		64,369	146
PD: bullet proof vests	6,070	975	7,045	(975)
PD: vehicle replacement	51,411	50,295	50,295	1,116
Rec: Highwood/Nystroms project	332,000	2,126	329,862	2,138
Seth Thomas House grant match	10,000	1,806	10,000	-
Skate park proceeds	1,090			1,090
Town-wide sick pay reserve	876,453	97,688	673,368	203,085
Town Hall technology	74,000	945	69,945	4,055
Town Hall fire alarm panel	13,000	533	12,525	475
Town Hall HVAC water source heat pum	10,000	3,768	3,768	6,232
Town Hall roof repair	24,486		13,972	10,514
Town Hall paint, rotted wood and railing	30,000	3,200	3,200	26,800
Town Hall building repair fund	160,611	2,105	156,061	4,550
	<u>\$ 11,223,491</u>	<u>\$ 2,155,752</u>	<u>* \$ 6,378,235</u>	<u>\$ 4,845,256</u>

*Does not include debt service costs related to the bond issuance.

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

III. DETAILED NOTES

A. Cash and Investments

Deposits – Custodial Credit Risk – Custodial credit risk is risk that, in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2010, \$6,858,723 of the Town's bank balance of \$9,198,637 (including certificate of deposits and money market funds) was exposed to custodial credit risk as follows:

Uninsured and uncollateralized.....	\$ 837,056
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name.....	<u>6,021,667</u>
Total amount subject to custodial credit risk.....	<u>\$ 6,858,723</u>

TD Bank has issued the Town a surety bond to cover 100% of the cash and investments held with the institution. As of June 30, 2010, the Town held \$6,150,883 with TD Bank.

On October 3, 2008, the Emergency Economic Stabilization Act of 2008 increased the insurance coverage offered by the Federal Deposit Insurance Corporation (FDIC) from \$100,000 to \$250,000 per depositor. This limit is anticipated to return to \$100,000 after December 31, 2013. Additionally, under the FDIC's Temporary Liquidity Guarantee Program (TAG), amounts held in non-interest bearing transaction accounts at participating institutions are fully guaranteed by the FDIC through December 31, 2010. Participation in the TAG program by a financial institution is optional, and therefore, not all financial institutions currently participate in the program. This guarantee is anticipated to be reduced to the \$250,000 limit on January 1, 2011, and the \$100,000 limit on January 1, 2014. The Town had amounts in excess of \$250,000 in a single bank during the year. Amounts over \$250,000 are not insured by the FDIC. These balances fluctuate during the year and can exceed this \$250,000 limit. Management regularly monitors the financial institution, together with its cash balances, and tries to keep this potential risk to a minimum.

At June 30, 2010, the Town's investments (including restricted investments) consisted of the following investment types and maturities. Specific identification was used to determine the maturities.

TYPE OF INVESTMENT	INVESTMENT MATURITIES (IN YEARS)					OVER
	FAIR VALUE	LESS N/ATHAN 1 YEARS	1-5 YEARS	5-10 10		
Mutual Funds:						
Equity.....	\$ 1,676,491	\$ 1,676,491	\$	\$	\$	\$
Bond.....	1,941,002		551,441	692,526	697,035	
Certificates of Deposit.....	1,557,696		1,557,696			
Bank Money Market Funds.....	5,829,029		5,829,029			
Pooled Fixed Income.....	12,889		12,889			
Corporate Bonds.....	914,270		126,290	620,570	137,111	30,299
U.S. Government Obligations.....	394,245					394,245
U.S. Government Agency Obligations.....	30,003			6,935		23,068
Common Stock.....	3,864,898	3,864,898				
TOTAL.....	<u>\$16,220,523</u>	<u>\$ 5,541,389</u>	<u>\$ 8,077,345</u>	<u>\$ 1,320,031</u>	<u>\$ 834,146</u>	<u>\$ 447,612</u>

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

III. DETAILED NOTES (CONTINUED)

A. Cash and Investments (Continued)

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

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

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

AVERAGE RATING	POOLED FIXED INCOME	U.S. GOV'T AGENCY OBLIGATIONS	BOND MUTUAL FUNDS	CORPORATE BONDS
AAA.....	\$ 12,889	\$	\$	\$
AA.....			1,293,889	180,823
A.....				497,591
BBB.....				190,106
BB.....				45,750
CCC.....			95,672	
Unrated / U.S. Government		30,003	551,441	
TOTAL.....	\$ 12,889	\$ 30,003	\$ 1,941,002	\$ 914,270

Custodial credit risk - The Town does not have a formal policy with respect to custodial credit risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The following Town investments are held by the counterparty's trust department or agent but not in the Town's name and, therefore, are subject to credit risk.

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

	TOTAL	LESS INSURED AMOUNTS & SECURITIES IN TOWN'S NAME	AMOUNT SUBJECT TO CUSTODIAL CREDIT RISK
Corporate bonds.....	\$ 914,270	\$ 500,000	\$ 414,270
U.S. Government obligations.....	394,245		394,245
U.S. Government agency obligations	30,003		30,003
Common stock	3,864,898		3,864,898
TOTAL.....	\$ 5,203,416	\$ 500,000	\$ 4,703,416

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

III. DETAILED NOTES (CONTINUED)

B. Receivables

Receivables as of year end for the Town's government-wide financial statements by type, including the applicable allowances for uncollectibles, are as follows:

	<u>PROPERTY TAXES</u>			
	<u>TAXES</u>	<u>INTEREST & LIEN FEES</u>	<u>TOTAL</u>	
Current Portion.....	\$ 357,412	\$ 212,481	\$ 569,893	
Long-term Portion.....	\$ 897,771	\$ 473,847	\$ 1,371,618	
Less Allowance for Uncollectibles	(110,000)	(270,000)	(380,000)	
Net Long-term Portion.....	<u>\$ 787,771</u>	<u>\$ 203,847</u>	<u>\$ 991,618</u>	
	<u>SEWER/WATER USE AND ASSESSMENTS</u>			
	<u>ASSESSMENTS</u>	<u>INTEREST & LIEN FEES</u>	<u>TOTAL</u>	<u>CDBG LOANS</u>
Current Portion	\$ 99,829	\$ 34,840	\$ 134,669	\$ 98,835
Long-term Portion.....	\$ 115,172	\$ 35,028	\$ 150,200	\$ 1,084,402
Less Allowance for Uncollectibles	(4,550)	(1,550)	(6,100)	(25,000)
Net Long-term Portion.....	<u>\$ 110,622</u>	<u>\$ 33,478</u>	<u>\$ 144,100</u>	<u>\$ 1,059,402</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:

DEFERRED REVENUE:

Delinquent property taxes receivable (general fund)	\$ 1,141,649
Sewer usage fees not yet due (special revenue fund)	195,731
Delinquent assessments (capital projects fund).....	1,686

UNEARNED REVENUE:

Grant drawdowns prior to meeting all eligibility requirements	35,125
Prepaid transfer fees	7,786
Opera House gift certificates and flex passes	<u>19,837</u>

TOTAL DEFERRED AND UNEARNED REVENUE

FOR GOVERNMENTAL FUNDS	<u>\$ 1,401,814</u>
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TOWN OF THOMASTON, CONNECTICUT
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

III. DETAILED NOTES (CONTINUED)

C. Capital Assets

Capital asset activity for the year ended June 30, 2010, was as follows:

	BALANCE JULY 1, 2009	INCREASES	DECREASES	BALANCE JUNE 30, 2010
Governmental Activities:				
Capital Assets, not being depreciated:				
Land	\$ 1,315,620	\$	\$	\$ 1,315,620
Construction in progress	1,187,798	351,206	1,110,288	428,716
Total capital assets, not being depreciated	2,503,418	351,206	1,110,288	1,744,336
Capital assets, being depreciated:				
Buildings	35,421,849	1,206,185		36,628,034
Land improvements	1,347,004			1,347,004
Machinery and equipment	8,069,966	109,608	68,906	8,110,668
Intangibles	24,165			24,165
Vehicles	2,641,226	434,535	249,683	2,826,078
Infrastructure	17,824,674	1,446,687	203,736	19,067,625
Total capital assets, being depreciated	65,328,884	3,197,015	522,325	68,003,574
Total capital assets	67,832,302	3,548,221	1,632,613	69,747,910
Less accumulated depreciation for:				
Buildings	6,061,695	636,147		6,697,842
Land improvements	742,855	27,420		770,275
Machinery and equipment	3,671,717	388,043	68,906	3,990,854
Intangibles	6,041	2,417		8,458
Vehicles	1,813,107	142,363	181,992	1,773,478
Infrastructure	6,569,093	300,588	202,440	6,667,241
Total accumulated depreciation	18,864,508	1,496,978	453,338	19,908,148
Total Capital Assets, being depreciated, net	46,464,376	1,700,037	68,987	48,095,426
Governmental Activities Capital Assets, net	\$ 48,967,794	\$ 2,051,243	\$ 1,179,275	\$ 49,839,762

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

General government	\$ 59,921
Public safety	118,425
Public works	734,407
Health and welfare	2,730
Culture and recreation	36,559
Housing and development	1,630
Education	543,306
Total Depreciation Expense	\$ 1,496,978

Construction Commitments

The Town has active construction projects as of June 30, 2010. At year end the Town's commitments with contractors are as follows:

Project Description	Commitment
Assessor's revaluation	\$ 129,220
Sidewalk construction	28,764
Road construction	150,656
Total Commitments	\$ 308,640

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

III. DETAILED NOTES (CONTINUED)

D. Interfund Accounts

1. Interfund Payables and Receivables

At June 30, 2010, the amounts due from and due to other funds were as follows:

INTERFUND PAYABLE FUND	INTERFUND RECEIVABLE FUND				TOTAL	
	GENERAL FUND	CAPITAL OR NON-RECURRING	NONMAJOR SPECIAL REVENUE FUND	NONMAJOR CAPITAL PROJECTS FUND		
GENERAL FUND.....	\$	\$ 4,877,242	\$ 46,530	\$ 197,985	\$ 5,121,757	
NONMAJOR FUNDS:						
SPECIAL REVENUE FUNDS:						
School lunch fund.....		4,469			4,469	
Thomaston opera house.....		156,673			156,673	
Education grant fund.....		1,374			1,374	
EMS fund.....		3,342			3,342	
TOTAL NONMAJOR FUNDS.....		165,858	-	-	165,858	
TOTAL.....	\$	\$ 165,858	\$ 4,877,242	\$ 46,530	\$ 197,985	\$ 5,287,615

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

2. Interfund Transfers

A summary of interfund transfers as of June 30, 2010 is as follows:

TRANSFERS IN:	TRANSFERS OUT		
	GENERAL FUND	SPECIAL REVENUE	TOTAL
GENERAL FUND.....	\$	\$ 32,963	\$ 32,963
DEBT SERVICE FUND.....	2,656,245		2,656,245
CAPITAL OR NONRECURRING FUND.....	141,599		141,599
NONMAJOR FUNDS:			
SPECIAL REVENUE FUNDS:			
Kenea Park Project.....		1,106	1,106
Dog fund.....	52,829		52,829
TOTAL SPECIAL REVENUE FUNDS.....	52,829	1,106	53,935
CAPITAL PROJECT FUNDS:			
Seth Thomas Museum Fund.....	7,700		7,700
WPCA Repair & Replacement Fund.....		26,401	26,401
TOTAL CAPITAL PROJECT FUNDS.....	7,700	26,401	34,101
PERMANENT FUNDS.....	10,000		10,000
TOTAL NONMAJOR FUNDS.....	70,529	27,507	98,036
TOTAL.....	\$ 2,868,373	\$ 60,470	\$ 2,928,843

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

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

III. DETAILED NOTES (CONTINUED)

E. Short-Term Obligations - Bond Anticipation Notes

Short-term obligation activity for the year ended June 30, 2010 was as follows:

PROJECT	BALANCE JULY 1, 2009	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 2010
Altair Avenue.....	\$ 220,000	\$	\$ 220,000	\$ -
Seven year road program.....	4,280,540		4,280,540	-
Public works trucks	324,460		324,460	-
TOTAL BOND ANTICIPATION NOTES	\$ 4,825,000	\$ -	\$ 4,825,000	\$ -

Bond anticipation notes were permanently financed on February 5, 2010.

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

III. DETAILED NOTES (CONTINUED)

F. Changes in Long-Term Obligations

1. Summary of Changes

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

DESCRIPTION	ORIGINAL AMOUNT	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE JULY 1, 2009	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2010	CURRENT PORTION
BONDS/NOTES									
General Purpose:									
Improvement bond	\$ 4,329,000	08/01/89	08/01/09	6.40-6.50	\$ 183,286	\$	\$ 183,286	\$ -	\$
Improvement bond	980,000	09/15/98	09/15/18	3.70-5.70	414,974		414,974	-	
Refunding bond ...	323,000	09/01/03	09/01/20	3.80-4.60	197,000		31,000	166,000	31,000
Refunding bond ...	417,938	02/05/10	08/15/18	1.50-3.00		417,938		417,938	44,400
Improvement bond	7,520,000	02/05/10	02/01/30	2.00-4.00		7,520,000		7,520,000	410,000
Total General Purpose.....					795,260	7,937,938	629,260	8,103,938	485,400
Schools:									
Improvement bond	631,000	08/01/89	08/01/09	6.40-6.50	26,714		26,714	-	
Improvement bond	6,400,000	09/15/98	09/15/18	3.70-5.70	2,710,026		2,710,026	-	
Improvement bond	2,300,000	09/01/03	09/01/20	3.80-4.60	1,620,000		135,000	1,485,000	135,000
Improvement bond	7,700,000	04/15/05	04/15/25	3.75-4.50	6,470,000		410,000	6,060,000	410,000
Refunding bond ...	2,402,062	02/05/10	08/15/18	1.50-3.00		2,402,062		2,402,062	255,600
Total Schools					10,826,740	2,402,062	3,281,740	9,947,062	800,600
Sewer:									
Clean water	1,077,413	04/30/97	04/30/16	2.00	413,534		57,047	356,487	57,047
Clean water	9,091,656	02/28/02	03/31/21	2.00	5,721,405		436,342	5,285,063	436,342
Refunding bond ...	1,292,000	09/01/03	09/01/20	3.80-4.60	788,000		124,000	664,000	124,000
Total Sewer					6,922,939		617,389	6,305,550	617,389
TOTAL BONDS/NOTES.....					18,544,939	10,340,000	4,528,389	24,356,550	1,903,389
Bond premium	107,273	09/01/03	09/01/20	N/A	71,513		5,960	65,553	
Bond premium	83,816	04/15/05	04/15/25	N/A	62,861		4,191	58,670	
Bond premium	173,574	02/05/10	02/01/30	N/A		173,574		173,574	
Bond premium	55,514	02/05/10	08/15/18	N/A		55,514		55,514	
TOTAL BOND PREMIUMS.....					134,374	229,088	10,151	353,311	-
TOTAL BOND/NOTES AND RELATED LIABILITIES.....					18,679,313	10,569,088	4,538,540	24,709,861	1,903,389
CAPITAL LEASE OBLIGATIONS.....					122,009		122,009	-	
NET PENSION OBLIGATION.....					735,162		146,043	589,119	
NET OPEB OBLIGATION.....					911,980	897,555		1,809,535	
REMEDIAION OBLIGATIONS.....						215,000		215,000	64,000
COMPENSATED ABSENCES.....					1,408,777	10,469	317,304	1,101,942	165,291
SEVERANCE PAYMENTS.....					170,329	290,281	97,689	362,921	130,578
TOTAL LONG-TERM OBLIGATIONS.....					\$ 22,027,570	\$ 11,982,393	\$ 5,221,585	\$ 28,788,378	\$ 2,263,258

Severance payments were made from the capital or nonrecurring fund.
 All long-term liabilities are generally liquidated by the General Fund.

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

III. DETAILED NOTES (CONTINUED)

F. Changes in Long-Term Obligations (Continued)

1. Summary of Changes (Continued)

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

FISCAL YEAR	BONDS		NOTES		STATE REIMBURSEMENT	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2011	\$ 1,390,000	\$ 650,706	\$ 503,348	\$ 108,229	\$ 146,533	\$ 45,592
2012	1,440,000	606,782	513,508	98,069	146,533	40,213
2013	1,415,000	565,593	523,873	87,704	146,533	34,769
2014	1,410,000	526,313	534,447	77,130	146,533	29,261
2015	1,365,000	486,360	545,235	66,343	135,262	23,890
2016	1,355,000	446,330	545,429	55,347	135,262	18,672
2017	1,275,000	402,290	501,854	44,926	135,261	13,379
2018	1,225,000	358,453	511,984	34,796	135,261	8,028
2019	1,190,000	315,677	522,318	24,462	135,261	2,675
2020	905,000	273,605	532,861	13,919		
2021	905,000	235,335	406,693	3,397		
2022	760,000	200,400				
2023	760,000	168,600				
2024	760,000	136,600				
2025	760,000	104,400				
2026	360,000	72,000				
2027	360,000	57,600				
2028	360,000	43,200				
2029	360,000	28,800				
2030	360,000	14,400				
TOTALS	<u>\$ 18,715,000</u>	<u>\$ 5,693,444</u>	<u>\$ 5,641,550</u>	<u>\$ 614,322</u>	<u>\$ 1,262,439</u>	<u>\$ 216,479</u>

2. Statutory Debt Limitations

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

CATEGORY	DEBT LIMIT	NET	
		INDEBTEDNESS	BALANCE
General purpose	\$ 36,830,507	\$ 8,103,938	\$ 28,726,569
Schools	73,661,013	8,684,623	64,976,390
Sewers	61,384,178	664,000	60,720,178
Urban renewal	53,199,621		53,199,621
Pension deficit	49,107,342		49,107,342

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

III. DETAILED NOTES (CONTINUED)

F. Changes in Long-Term Obligations (Continued)

2. Statutory Debt Limitations (Continued)

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$114,583,798.

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued against which bond anticipation notes are issued and outstanding. School building grants receivable of \$1,262,439 for bond principal is reflected as deductions in the computation of net indebtedness.

3. Termination Benefits

The Board of Education provided severance benefit payments to 7 former employees. Benefits are paid annually based on the retirement agreement for each employee and are payable through 2010. Benefits paid during the year were made from the Town-wide sick pay reserve in the Capital or Nonrecurring Fund in the amount of \$97,689.

4. Environmental Remediation

In 1998 the Town settled a claim relating to contamination resulting from use of underground storage tanks. The Town is working with the State on a plan of remediation that it filed with the State of Connecticut Department of Environmental Protection. Under terms of the remediation plan, the Town is responsible for annual operation and maintenance costs relating to the remediation system. Remediation injections are estimated to cost \$58,000 for two years and monitoring costs are estimated to cost approximately \$25,000 for the next two to four years. Consultants are currently investigating optional treatments to bring the project to closure within three-four years.

5. Authorized/Unissued Bonds

The amount of authorized, unissued bonds is \$11,183,105 as follows:

<u>PROJECT</u>	<u>BONDING AUTHORIZATION</u>	<u>PREVIOUSLY BONDED</u>	<u>AUTHORIZED BUT UNISSUED</u>
Wastewater treatment plant system upgrade	\$ 13,291,607	\$ 13,117,462	\$ 174,145
Black Rock School renovation	6,530,000	6,400,000	130,000
Altair Avenue bridge project	220,000	106,572	113,428
Seven year road program	10,674,500	7,104,112	3,570,388
Public works trucks	324,460	309,316	15,144
Refunding Bonds	10,000,000	2,820,000	7,180,000
TOTAL	<u>\$ 41,040,567</u>	<u>\$ 29,857,462</u>	<u>\$ 11,183,105</u>

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

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

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

III. DETAILED NOTES (CONTINUED)

F. Changes in Long-Term Obligations (Continued)

5. Authorized/Unissued Bonds (Continued)

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

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

Pursuant to a resolution adopted by the Board of Selectmen of the Town at a meeting held on April 21, 2009, the Town authorized the issuance of bonds in an amount not exceeding \$10,000,000 for the purpose of refunding, at or prior to maturity, all or any portion of the Town's outstanding general obligation bonds dated September 15, 1998 and dated and issued April 15, 2005. The Town issued bonds in the amount of \$2,820,000 on February 5, 2010.

6. Current Year Advance Refunding

On February 5, 2010, the Town issued \$2,820,000 of general obligation refunding bonds with interest rates of 1.5% to 3.0%. These refunding bonds were issued to advance refund and defease bonds issued in September 1998. The refunding resulted in an economic gain of \$214,773 with a total savings of \$235,523.

IV. OTHER INFORMATION

A. Risk Management

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

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

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

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

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

IV. OTHER INFORMATION (CONTINUED)

B. Commitments and Litigation

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

C. Pension Plan

1. Plan Description

Summary

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

2. Summary of Significant Accounting Policies and Plan Asset Matters

a. Basis of Accounting

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

b. Valuation of Investments

Investments are valued at fair value. Securities traded on a national exchange are valued at June 30, 2010, reported sales price. There are no investments of 5% or greater in any one organization.

3. Classes of Employees Covered

Plan Participants (January 1, 2009)

Retirees and beneficiaries currently receiving benefits.....	66
Terminated employees entitled to benefits but not yet receiving them.	14
Active plan members	<u>86</u>
Total Plan Participants.....	<u>166</u>

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

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plan (Continued)

4. Benefit Provisions

a. Benefit Provisions

The plan's membership is open to substantially all Town employees with the exception of certified teachers, the First Selectman and non-union employees who are hired after May 1, 2010. Employees are eligible for pension benefits after one year of service with a minimum of 1,250 hours.

b. Employer Contributions

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

The Town's contributions for the plan can be found in IV.C.6. - Schedule of Employer Contributions and Net Pension Obligation.

c. Employee Contributions

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

General Town, highway and sewer employees	2%
Police (excluding special duty pay)	5%
Board of Education noncertified	2%
Superintendent of Highway	6%

Employees' contributions to the Plan will increase by 3% over the next four years as a result of the recently settled contract with all four bargaining units.

5. Funded Status and Funding Progress

The funded status of the plan as of January 1, 2010 was as follows:

	(A)	(B) ACTUARIALY ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	(A-B) OVER/ (UNDER) FUNDED AAL	(A/B) FUNDED AAL RATIO	(C) COVERED PAYROLL	[(A-B)/C] OVER (UNDER) FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
January 1, 2010	\$10,231,764	\$15,753,396	\$(5,521,632)	64.9%	\$4,122,857	(133.9)%

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

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

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plan (Continued)

6. Actuarial Assumptions

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

Actuarial Valuation Date	January 1, 2010
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	5 Year Smoothing
Actuarial Assumptions:	
Investment Rate of Return	7%
Projected Salary Increases:	
Merit	2.5%
Inflation	2.5%
Cost of Living Adjustments	None
Amortization Method	Level Amount. Open
Remaining Amortization Period	19 Years

The accrued liability is determined under the Entry Age actuarial cost method. Under this method, the excess of the entry-age actuarial accrued liability over the actuarial value of plan assets is amortized over an open period, which was 20 years as of January 1, 2009.

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

The changes in the NPO were as follows:

Annual required contribution	\$ 882,428
Interest on net pension obligation	51,461
Adjustment to annual required contribution	<u>(64,854)</u>
Annual pension cost	869,035
Contributions made	<u>(1,015,078)</u>
Increase in net pension obligation.....	(146,043)
Net pension obligation - July 1, 2009	<u>735,162</u>
Net pension obligation - June 30, 2010.....	<u>\$ 589,119</u>

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

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plan (Continued)

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

Three Year Trend Information

YEAR ENDING JUNE 30,	ANNUAL PENSION COST (APC)	PERCENTAGE OF APC CONTRIBUTED	NET PENSION OBLIGATION
2010	\$ 869,035	116.8%	\$ 589,119
2009	869,527	86.6%	735,162
2008	690,508	104.1%	618,713

D. Other Post-Employment Benefits Plan

1. Plan Description

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

2. Summary of Significant Accounting Policies and Plan Asset Matters

a. Basis of Accounting

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

3. Benefit Provisions

a. Benefit Provisions

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

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

IV. OTHER INFORMATION (CONTINUED)

D. Other Post-Employment Benefits Plan (Continued)

3. Benefit Provisions (continued)

b. Employer Contributions

The Town's contributions are actuarially determined on an annual basis using the projected unit credit method. The Town and Board of Education's total plan contribution were \$499,864 and \$186,117, respectively.

c. Employee Contributions

There are no employee contributions to the plans.

4. Funded Status and Funding Progress

The funded status of the plan as of July 1, 2010 was as follows:

	(A) ACTUARIAL VALUATION DATE	(A) ACTUARIAL VALUE OF ASSETS	(B) ACTUARIALLY ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	(A-B) OVER/ (UNDER) FUNDED AAL	(A/B) FUNDED AAL RATIO	(C) COVERED PAYROLL	[(A-B)/C] OVER (UNDER) FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
<u>TOWN</u>							
JULY 1, 2010	\$	-	\$ 14,302,699	\$(14,302,699)	0%	\$ 2,794,282	(511.9%)
<u>BOARD OF EDUCATION</u>							
JULY 1, 2010	\$	-	\$ 5,382,969	\$(5,382,969)	0%	\$ 7,874,313	(68.4%)

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

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

IV. OTHER INFORMATION (CONTINUED)

D. Other Post-Employment Benefits Plan (Continued)

5. Actuarial Methods and Assumptions

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

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

VALUATION DATE	July 1, 2010
ACTUARIAL COST METHOD	Projected Unit Credit
AMORTIZATION METHOD	Level Dollar
REMAINING AMORTIZATION PERIOD	30 years open
ASSET VALUATION METHOD	Fair Value

ACTUARIAL ASSUMPTIONS:

Investment rate of return – Town	4.5%
Investment rate of return – Board of Education	4.5%
Healthcare inflation rate:	
Initial	10%
Ultimate	5%

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

The changes in the NOO were as follows:

	<u>TOWN</u>	<u>BOARD OF EDUCATION</u>
Annual required contribution.....	\$ 1,071,050	\$ 534,839
Interest on net OPEB obligation	24,824	15,117
Adjustment to annual required contribution.....	<u>(23,514)</u>	<u>(14,319)</u>
Annual OPEB cost.....	1,072,360	535,637
Contributions made	<u>(499,864)</u>	<u>(186,177)</u>
Change in net OPEB obligation	572,496	349,460
Net OPEB obligation - July 1, 2009	<u>551,654</u>	<u>335,925</u>
Net OPEB obligation - June 30, 2010.....	<u>\$ 1,124,150</u>	<u>\$ 685,385</u>

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

IV. OTHER INFORMATION (CONTINUED)

D. Other Post-Employment Benefits Plan (Continued)

7. Two Year Trend Information

YEAR ENDING JUNE 30	ANNUAL OPEB COST (AOC)	PERCENTAGE OF AOC CONTRIBUTED	NET OPEB OBLIGATION
TOWN			
2009	\$ 1,026,727	46.3%	\$ 551,654
2010	1,072,360	46.6%	1,124,150
BOARD OF EDUCATION			
2009	\$ 507,023	33.7%	\$ 335,925
2010	535,637	34.8%	685,385

E. On-Behalf Payments

The amount recognized in the general fund intergovernmental revenues and education expenditures for contributions made by the State to the State Teachers' Retirement Plan was \$ 996,107.

TOWN OF THOMASTON, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION
THOMASTON RETIREMENT SYSTEM

SCHEDULE OF FUNDING PROGRESS

ACTUARIAL VALUATION DATE	A ACTUARIAL VALUE OF ASSETS	B ACTUARIALY ACCRUED LIABILITY (AAL) ENTRY AGE NORMAL	(A-B) OVER (UNDER) FUNDED AAL	(A/B) FUNDED AAL RATIO	C COVERED PAYROLL	[(A-B)/C] OVER/UNDER FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
<u>JANUARY 1,</u>						
2005	\$ 7,432,057	\$ 10,954,377	\$ (3,522,320)	67.8%	\$ 3,339,667	-(105.5)%
2006	7,862,318	12,301,206	(4,438,888)	63.9%	3,700,000	-(120.0)%
2007	8,612,789	12,829,544	(4,216,755)	67.1%	3,945,508	-(106.9)%
2008	9,386,277	13,131,823	(3,745,546)	71.5%	4,158,634	-(90.1)%
2009	9,645,552	14,817,407	(5,171,855)	65.1%	4,311,802	-(119.9)%
2010	10,231,764	15,753,396	(5,521,632)	64.9%	4,122,857	-(133.9)%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

ACTUARIAL VALUATION DATE	ANNUAL REQUIRED CONTRIBUTIONS	ACTUAL CONTRIBUTIONS	PERCENTAGE CONTRIBUTED
<u>JANUARY 1,</u>			
2005	741,234	610,922	82.4%
2006	713,064	642,000	90.0%
2007	728,462	692,000	95.0%
2008	703,728	719,078	102.2%
2009	880,798	753,078	85.5%
2010	882,428	1,015,078	115.0%

TOWN OF THOMASTON, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION
THOMASTON OPEB PLANS

SCHEDULE OF FUNDING PROGRESS

TOWN PLAN						
ACTUARIAL VALUATION DATE	A ACTUARIAL VALUE OF ASSETS	B ACTUARIALY ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	(A-B) OVER (UNDER) FUNDED AAL	(A/B) FUNDED AAL RATIO	C COVERED PAYROLL	[(A-B)/C] OVER/UNDER FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
JULY 1,						
2008	\$ -	\$ 13,728,986	\$ (13,728,986)	0.0%	\$ 2,712,895	-(506.1)%
2009	-	14,302,699	(14,302,699)	0.0%	2,794,282	-(511.9)%

BOARD OF EDUCATION PLAN						
ACTUARIAL VALUATION DATE	A ACTUARIAL VALUE OF ASSETS	B ACTUARIALY ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	(A-B) OVER (UNDER) FUNDED AAL	(A/B) FUNDED AAL RATIO	C COVERED PAYROLL	[(A-B)/C] OVER/UNDER FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
JULY 1,						
2008	\$ -	\$ 5,038,876	\$ (5,038,876)	0.0%	\$ 7,644,964	-(65.9)%
2009	-	5,382,969	(5,382,969)	0.0%	7,874,313	-(68.4)%

SCHEDULE OF EMPLOYER CONTRIBUTIONS

TOWN PLAN			
ACTUARIAL VALUATION DATE	ANNUAL REQUIRED CONTRIBUTIONS	ACTUAL CONTRIBUTIONS	PERCENTAGE CONTRIBUTED
JULY 1,			
2008	\$ 1,026,727	\$ 475,073	46.3%
2009	1,071,050	499,864	46.7%

BOARD OF EDUCATION PLAN			
ACTUARIAL VALUATION DATE	ANNUAL REQUIRED CONTRIBUTIONS	ACTUAL CONTRIBUTIONS	PERCENTAGE CONTRIBUTED
JULY 1,			
2008	\$ 507,023	\$ 171,098	33.7%
2009	534,839	186,177	34.8%

Supplemental Schedules

General Fund

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

TOWN OF THOMASTON, CONNECTICUT

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
PROPERTY TAXES:				
Taxes.....	\$ 15,705,239	\$ 15,705,239	\$ 15,787,844	\$ 82,605
Prior year taxes.....	380,000	380,000	465,128	85,128
Interest and lien fees.....	165,000	165,000	226,617	61,617
Housing authority in lieu of taxes.....	17,000	17,000	14,512	(2,488)
Telecommunications property tax.....	45,267	45,267	31,655	(13,612)
TOTAL PROPERTY TAXES.....	16,312,506	16,312,506	16,525,756	213,250
CHARGES FOR SERVICES:				
Conveyance tax.....	40,000	40,000	42,360	2,360
Zoning and land use fees.....	11,000	11,000	10,187	(813)
Gun permits.....	1,700	1,700	1,925	225
Parking tickets.....	500	500	703	203
Meter Money.....	2,700	2,700	843	(1,857)
Accident reports.....	400	400	215	(185)
Vendor permits.....	300	300	300	-
Fingerprinting.....	100	100	55	(45)
Special duty police reimbursements.....	40,000	40,000	59,816	19,816
Dam patrol.....	14,803	14,803	15,388	585
Transfer station fees.....	1,000	1,000	875	(125)
Building permits.....	45,000	45,000	43,853	(1,147)
Minibus fares.....	800	800	885	85
Recreation - programs.....	29,000	29,000	19,000	(10,000)
Recreation - Nystroms.....	5,500	5,500	5,500	-
False alarms.....	2,500	2,500	4,175	1,675
Other licenses, fees and permits.....	1,000	1,000	1,589	589
Town of Litchfield -Sewer upgrade.....	8,867	8,867	8,868	1
Pay for Play.....	15,000	15,000	19,855	4,855
Social services fees.....	800	800	-	(800)
CGS 51-56a (d) Police ticket revenue sharing.....	3,700	3,700	2,480	(1,220)
TOTAL CHARGES FOR SERVICES.....	224,670	224,670	238,872	14,202
INTERGOVERNMENTAL REVENUES:				
Property tax relief - state owned property.....	31,849	31,849	31,903	54
Property tax relief - elderly freeze.....	2,000	2,000	2,000	-
Property tax relief - circuit breaker.....	64,081	64,081	59,789	(4,292)
Property tax relief - Veterans' exemption.....	11,983	11,983	12,036	53
Property tax relief - Mfg's machinery & equipment.....	411,419	411,419	353,142	(58,277)
Property tax relief - totally disabled.....	1,051	1,051	1,143	92
Federal PILOT - land authorization.....	819	819	1,408	589
LOCIP.....	54,387	54,387	109,387	55,000
Education cost sharing.....	5,630,307	4,827,425	4,804,296	(23,129)
School construction grants.....	197,439	197,439	197,439	-
School transportation.....	106,924	106,924	66,429	(40,495)
Special education excess.....			24,686	24,686
Boating safety.....	1,131	1,131	579	(552)
Mashantucket Pequot.....	56,523	56,523	38,554	(17,969)
Town Aid Road.....	83,005	112,817	112,817	-
TOTAL INTERGOVERNMENTAL REVENUES.....	6,652,918	5,879,848	5,815,608	(64,240)

(Continued)

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

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
INCOME FROM INVESTMENTS.....	\$ 110,000	\$ 110,000	\$ 47,939	\$ (62,061)
OTHER REVENUES:				
Rent of Tower.....	55,728	55,728	66,444	10,716
Recyclable rebate.....			2,111	2,111
Miscellaneous.....	4,728	4,728	19,863	15,135
TOTAL OTHER REVENUES.....	60,456	60,456	88,418	27,962
TOTAL REVENUES.....	23,360,550	22,587,480	22,716,593	129,113
OTHER FINANCING SOURCES:				
Appropriation of fund balance.....	273,000	298,570		(298,570)
Transfers in:				
EMS Fund.....	27,500	27,500	27,500	-
Dog Fund.....	3,500	3,500	5,463	1,963
Total Transfers in.....	31,000	31,000	32,963	1,963
TOTAL OTHER FINANCING SOURCES.....	304,000	329,570	32,963	(296,607)
TOTAL REVENUES AND OTHER FINANCING SOURCES.....	\$ 23,664,550	\$ 22,917,050	\$ 22,749,556	\$ (167,494)

(Concluded)

TOWN OF THOMASTON, CONNECTICUT

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
GENERAL GOVERNMENT:				
Board of Selectmen.....	\$ 97,312	\$ 100,665	\$ 100,665	\$ -
Elections.....	19,782	19,782	16,060	3,722
Board of Finance.....	900	900	513	387
Treasurer.....	178,699	179,446	179,446	-
Computer Information Systems.....	18,684	19,128	19,128	-
Independent audit.....	47,000	57,000	57,000	-
Legal.....	80,000	81,594	81,594	-
Tax Collector.....	102,004	102,004	99,207	2,797
Property Tax Rebates.....	22,000	25,521	25,521	-
Tax Assessor.....	82,625	83,374	83,374	-
Board of Assessment Appeals.....	3,450	3,450	3,150	300
Insurance.....	384,400	384,400	364,846	19,554
Town Hall Operations & Maintenance.....	234,492	234,492	203,353	31,139
Town Clerk.....	51,526	51,526	50,093	1,433
Probate court.....	4,600	4,600	1,235	3,365
Social security.....	235,522	211,443	210,210	1,233
Pension - Town Employees.....	666,052	666,708	666,708	-
Pension - Volunteer Firefighters and Ambulance.....	110,873	135,873	131,034	4,839
Medical / Life insurance.....	599,454	599,454	543,937	55,517
Retirees Medical Insurance.....	399,800	399,800	373,906	25,894
Council of governments.....	3,374	3,374	3,374	-
CT Conference of Municipalities.....	4,846	4,846	4,846	-
Contingency.....	110,000			-
TOTAL GENERAL GOVERNMENT.....	3,457,395	3,369,380	3,219,200	150,180
PUBLIC SAFETY:				
Police.....	892,629	986,773	986,773	-
Communications & dispatch.....	231,383	213,666	213,666	-
Fire Protection.....	126,775	135,544	135,544	-
Fire Marshal.....	20,970	20,970	20,677	293
Ambulance.....	55,555	51,819	51,819	-
Tree Removal.....	6,000	8,000	7,977	23
TOTAL PUBLIC SAFETY.....	1,333,312	1,416,772	1,416,456	316
PUBLIC WORKS:				
Highways.....	518,237	526,716	526,716	-
Town Aid Road.....	83,005	112,817	112,817	-
Snow & ice removal.....	190,837	192,545	192,545	-
Street lighting.....	88,000	88,000	85,115	2,885
Fire hydrants.....	164,320	164,320	154,153	10,167
Solid Waste & Recycling.....	509,570	513,570	440,579	72,991
Groundwater Remediation.....	112,200	88,966	25,646	63,320
TOTAL PUBLIC WORKS.....	1,666,169	1,686,934	1,537,571	149,363
HEALTH AND WELFARE:				
Torrington Area Health District.....	37,292	37,292	37,292	-
Northwest Regional Mental Health Board.....	860	860	860	-
Social Services.....	8,723	8,723	8,372	351
Elderly Nutrition.....	3,255	3,255	3,255	-
Susan B Anthony Project.....	2,000	2,000	2,000	-
Minibus.....	17,437	17,437	14,494	2,943
Veterans' Administration.....	1,000	1,000	1,000	-
TOTAL HEALTH AND WELFARE.....	70,567	70,567	67,273	3,294

(Continued)

SCHEDULE 2

(2 of 2)

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

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
CULTURE AND RECREATION:				
Recreation programs.....	\$ 111,239	\$ 113,241	\$ 113,241	\$ -
Memorial Day.....	1,500	1,500	1,500	-
Nystroms Park.....	12,887	12,887	9,212	3,675
Public Library.....	288,076	290,676	290,364	312
TOTAL CULTURE AND RECREATION.....	413,702	418,304	414,317	3,987
HOUSING AND DEVELOPMENT:				
Conservation Commission.....	1,725	1,725	1,725	-
Economic Development Commission.....	600	600	473	127
Housing, Land Use & Development.....	146,527	146,527	137,249	9,278
TOTAL HOUSING AND DEVELOPMENT.....	148,852	148,852	139,447	9,405
EDUCATION.....	13,740,750	12,937,868	12,937,868	-
TOTAL EXPENDITURES.....	20,830,747	20,048,677	19,732,132	316,545
OTHER FINANCING USES:				
Transfers out:				
Debt Service Fund.....	2,656,245	2,656,245	2,656,245	-
Animal Control Officer-Dog fund.....	52,829	52,829	52,829	-
Hillside Cemetery.....	10,000	10,000	10,000	-
Capital or Nonrecurring	107,029	141,599	141,599	-
Seth Thomas/Bradstreet House.....	7,700	7,700	7,700	-
TOTAL OTHER FINANCING USES.....	2,833,803	2,868,373	2,868,373	-
TOTAL EXPENDITURES AND OTHER FINANCING USES.....	\$ 23,664,550	\$ 22,917,050	\$ 22,600,505	\$ 316,545

(Concluded)

TOWN OF THOMASTON, CONNECTICUT

GENERAL FUND
REPORT OF TAX COLLECTOR
FOR THE YEAR ENDED JUNE 30, 2010

GRAND LIST YEAR	UNCOLLECTED TAXES JULY 1, 2009	CURRENT YEAR LEVY	LAWFUL CORRECTIONS		TRANSFERS TO SUSPENSE	ADJUSTED TAXES COLLECTIBLE	COLLECTIONS					UNCOLLECTED TAXES JUNE 30, 2010	
			ADDITIONS	DEDUCTIONS			TAXES	OVER-PAYMENTS & SUSPENSE	NET TAXES COLLECTED	INTEREST & LIENS	TOTAL		
1993	\$ 4,017	\$	\$	\$ 4,017	\$	\$ -	\$	\$	\$ -	\$	\$ -	\$ -	
1994	3,733				1,515	2,218			-		-	2,218	
1995	3,576				1,248	2,328	267	219	48	635	683	2,280	
1996	10,084				2,216	7,868	265	265	-	584	584	7,868	
1997	11,128				3,252	7,876	232	232	-	471	471	7,876	
1998	11,528				3,540	7,988	273		273	504	777	7,715	
1999	12,656			141	5,038	7,477	922	922	-	1,484	1,484	7,477	
2000	15,069			224	8,061	6,784	891	891	-	1,323	1,323	6,784	
2001	85,822			263	3,710	81,849	599	545	54	783	837	81,795	
2002	93,410			612	1,037	91,761	270	270	-	130	130	91,761	
2003	272,001			702	880	270,419	83,251	504	82,747	23,883	106,630	187,672	
2004	57,962			1,622	1,402	54,938	8,623	934	7,689	6,739	14,428	47,249	
2005	91,179			2,201	1,787	87,191	16,239	1,295	14,944	9,993	24,937	72,247	
2006	199,374		298	2,826	351	196,495	63,789	1,568	62,221	29,214	91,435	134,274	
2007	506,295		445	6,869	331	499,540	289,506	4,122	285,384	65,385	350,769	214,156	
Total Prior Years	1,377,834			743	19,477	34,368	1,324,732	465,127	11,767	453,360	141,128	594,488	871,372
2008		16,108,815		22,805	60,262	410	16,070,948	15,706,685	19,548	15,687,137	85,489	15,772,626	383,811
TOTAL	\$ 1,377,834	\$ 16,108,815	\$ 23,548	\$ 79,739	\$ 34,778	\$ 17,395,680	\$ 16,171,812	\$ 31,315	\$ 16,140,497	\$ 226,617	\$ 16,367,114	\$ 1,255,183	

Nonmajor Governmental Funds

Special Revenue Funds

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

Sewer Commission Usage Fund

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

Sewer Commission Assessment & Appropriation Fund

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

School Lunch Fund

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

Education Grant Fund

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

Town Clerk Preservation Fund

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

Transfer Station Fund

To account for all revenues and expenses associated the reopening and operations of the town transfer station.

Edith Kenea Park Fund

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

Edith Kenea Tree Fund

To account for money bequested to the Town of Thomaston for the purpose of providing new trees to be planted in Town.

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

Special Revenue Funds (Continued)

Kenea Park Project Fund

To account for the grants and donations received to improve Kenea Park. This account was closed during fiscal year 2010.

Fire Marshall

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

Neighborhood Assistance Program

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

Thomaston Opera House

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

Public Library

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

Dog Fund

To account for dog license revenue and the expenditures associated with running the kennel including the salary for the canine officer.

School Drug Abuse

To account for the revenues and expenditures associated with the D.A.R.E. program and other substance abuse grants.

Drug Law Enforcement

To account for the revenues associated with the Town's participation in the Statewide Narcotics Task Force.

Gift Fund

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

Social Services Crisis Fund

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

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

Special Revenue Funds (Continued)

EMS Fund

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

Federal Grant Fund

A fund was opened to track any federal stimulus money in accordance with contract specifications or agreements. This fund will track the Federal JAG grant and ERRP retiree subsidy reimbursements.

Capital Project Funds

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

Permanent Funds

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

Fire Department Trust Fund

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

Hillside Cemetery Trust Fund

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

TOWN OF THOMASTON, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

	SPECIAL REVENUE FUNDS										
	SEWER COMMISSION USAGE FUND	SEWER COMMISSION ASSESSMENT & APPROPRIATION FUND	SCHOOL LUNCH FUND	EDUCATION GRANT FUND	TOWN CLERK PRESERVATION FUND	TRANSFER STATION FUND	EDITH KENEA PARK FUND	EDITH KENEA TREE FUND	FIRE MARSHALL FUND	NEIGHBORHOOD ASSISTANCE PROGRAM	THOMASTON OPERA HOUSE
ASSETS											
Cash.....	\$ 207	\$ 184	\$ 1,776	\$ 41,623	\$ 3,087		\$	\$	\$ 486	\$ 800	\$ 26,743
Investments.....		236,818				456	43,263	48,885			
Due from other funds.....	25,613					12,444	25				
Receivables:											
Sewer assessments and usage.....	213,315										
Intergovernmental.....			16,530								
Other.....			429	1,163							5,146
Other assets.....			16,620								11,733
TOTAL ASSETS.....	\$ 239,135	\$ 237,002	\$ 35,355	\$ 42,786	\$ 3,087	\$ 12,900	\$ 43,288	\$ 48,885	\$ 486	\$ 800	\$ 43,622
LIABILITIES AND FUND BALANCES											
LIABILITIES:											
Accounts payable.....	\$ 35,153		\$ 76	\$ 505		\$ 240	\$ 214		\$		\$ 3,718
Accrued payroll.....	11,098					2,153					2,215
Due to other funds.....			4,469	1,374							156,673
Deferred and unearned revenue.....	195,731			35,125		7,786					19,837
TOTAL LIABILITIES.....	241,982	-	4,545	37,004	-	10,179	214	-	-	-	182,443
FUND BALANCES:											
Unreserved:											
Designated for improvements.....						42,827	42,912				
Unreserved and undesignated.....	(2,847)	237,002	30,810	5,782	3,087	2,721	247	5,973	486	800	(138,821)
TOTAL FUND BALANCES.....	(2,847)	237,002	30,810	5,782	3,087	2,721	43,074	48,885	486	800	(138,821)
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 239,135	\$ 237,002	\$ 35,355	\$ 42,786	\$ 3,087	\$ 12,900	\$ 43,288	\$ 48,885	\$ 486	\$ 800	\$ 43,622

(Continued)

TOWN OF THOMASTON, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010

	SPECIAL REVENUE FUNDS								PERMANENT FUNDS					TOTAL NONMAJOR GOVERNMENTAL FUNDS
	PUBLIC LIBRARY	DOG FUND	SCHOOL DRUG ABUSE	DRUG LAW ENFORCEMENT	GIFT FUND	SOCIAL SERVICES CRISIS FUND	EMS FUND	FEDERAL GRANT FUND	TOTAL SPECIAL REVENUE FUNDS	CAPITAL PROJECTS	FIRE DEPT. TRUST FUND	HILLSIDE CEMETERY TRUST FUND	TOTAL PERMANENT FUNDS	
ASSETS														
Cash.....	\$ 32,562	\$	\$ 2,713	\$	\$ 8,568	\$ 1,742	\$	\$	\$ 120,491	\$ 1,380	\$	\$ 151	\$ 151	\$ 122,022
Investments.....				34,866		10,118	95,980		470,386	158,766	17,523	369,401	386,924	1,016,076
Due from other funds.....		8,426		22					46,530	197,985			-	244,515
Receivables:														
Assessments/use charges.....									213,315	1,686			-	215,001
Intergovernmental.....								7,500	24,030				-	24,030
Other.....									6,738				-	6,738
Other assets.....									28,353				-	28,353
TOTAL ASSETS.....	\$ 32,562	\$ 8,426	\$ 2,713	\$ 34,888	\$ 8,568	\$ 11,860	\$ 95,980	\$ 7,500	\$ 909,843	\$ 359,817	\$ 17,523	\$ 369,552	\$ 387,075	\$ 1,656,735
LIABILITIES AND FUND BALANCES														
LIABILITIES:														
Accounts payable.....	\$ 5,075	\$ 5,060	\$	\$	\$	\$	\$ 2,638	\$ 7,500	\$ 60,179	\$ 14,228	\$	\$ 567	\$ 567	\$ 74,974
Accrued payroll.....		3,366							18,832		1,183		1,183	20,015
Due to other funds.....							3,342		165,858				-	165,858
Deferred and unearned revenue.....									258,479	1,686			-	260,165
TOTAL LIABILITIES.....	5,075	8,426	-	-	-	-	5,980	7,500	503,348	15,914	-	1,750	1,750	521,012
FUND BALANCES:														
Reserved for:														
Endowments.....									-		15,700	104,500	120,200	120,200
Perpetual care.....									-			222,408	222,408	222,408
Unreserved:														
Designated for improvements.....							90,000		175,739				-	175,739
Unreserved and undesignated.....	27,487	-	2,713	34,888	8,568	11,860	-	-	230,756	343,903	1,823	40,894	42,717	617,376
TOTAL FUND BALANCES.....	27,487	-	2,713	34,888	8,568	11,860	90,000	-	406,495	343,903	17,523	367,802	385,325	1,135,723
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 32,562	\$ 8,426	\$ 2,713	\$ 34,888	\$ 8,568	\$ 11,860	\$ 95,980	\$ 7,500	\$ 909,843	\$ 359,817	\$ 17,523	\$ 369,552	\$ 387,075	\$ 1,656,735

(Concluded)

TOWN OF THOMASTON, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	SPECIAL REVENUE FUNDS											
	SEWER COMMISSION USAGE FUND	SEWER COMMISSION ASSESSMENT & APPROPRIATION FUND	SCHOOL LUNCH FUND	EDUCATION GRANT FUND	TOWN CLERK PRESERVATION FUND	TRANSFER STATION FUND	EDITH KENE PARK FUND	EDITH KENE TREE FUND	KENE PARK PROJECT FUND	FIRE MARSHALL FUND	NEIGHBORHOOD ASSISTANCE PROGRAM	THOMASTON OPERA HOUSE
REVENUES:												
Charges for services.....	\$ 1,055,808	\$ 29,825	\$ 272,962	\$	\$ 2,860	\$ 12,448	\$	\$	\$	\$ 90	\$	\$ 325,865
Intergovernmental.....			120,543	2,191,729								6,221
Contributions.....		2,925		10,637			700					22,609
Income from investments.....		482			20	1	296	325		1	3	390
TOTAL REVENUES.....	1,055,808	33,232	393,505	2,202,366	2,880	12,449	996	325	-	91	3	355,085
EXPENDITURES:												
Current:												
General government.....					6,561		1,337					
Public works.....	1,045,361	7,230				9,728						
Culture and recreation.....												379,780
Education.....			389,391	2,202,721								
TOTAL EXPENDITURES.....	1,045,361	7,230	389,391	2,202,721	6,561	9,728	1,337	-	-	-	-	379,780
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	10,447	26,002	4,114	(355)	(3,681)	2,721	(341)	325	-	91	3	(24,695)
OTHER FINANCING SOURCES (USES):												
Transfers in.....							1,106					
Transfers out.....	(26,401)							(1,106)				
NET OTHER FINANCING SOURCES (USES).....	(26,401)	-	-	-	-	-	1,106	-	(1,106)	-	-	-
NET CHANGE IN FUND BALANCES.....	(15,954)	26,002	4,114	(355)	(3,681)	2,721	765	325	(1,106)	91	3	(24,695)
FUND BALANCES, JULY 1, 2009.....	13,107	211,000	26,696	6,137	6,768	-	42,309	48,560	1,106	395	797	(114,126)
FUND BALANCES, JUNE 30, 2010.....	\$ (2,847)	\$ 237,002	\$ 30,810	\$ 5,782	\$ 3,087	\$ 2,721	\$ 43,074	\$ 48,885	\$ -	\$ 486	\$ 800	\$ (138,821)

(Continued)

TOWN OF THOMASTON, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010

	SPECIAL REVENUE FUNDS							PERMANENT FUNDS						
	PUBLIC LIBRARY	DOG FUND	SCHOOL DRUG ABUSE	DRUG LAW ENFORCEMENT	GIFT FUND	SOCIAL SERVICES CRISIS FUND	EMS FUND	FEDERAL GRANT FUND	TOTAL SPECIAL REVENUE FUNDS	CAPITAL PROJECTS	FIRE DEPT. TRUST FUND	HILLSIDE CEMETERY TRUST FUND	TOTAL PERMANENT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUES:														
Charges for services.....	\$ 4,271	\$ 7,943	\$	\$	\$	\$	\$ 53,331	\$	\$ 1,765,403	\$ 16,241	\$	\$ 19,440	\$ 19,440	\$ 1,801,084
Intergovernmental.....	9,705							30,000	2,358,198				-	2,358,198
Contributions.....	24,028		12	13	400	4,090			65,414		25	25	25	65,439
Income from investments.....			16	260	41	70	329		2,234	517	714	30,960	31,674	34,425
TOTAL REVENUES.....	38,004	7,943	28	273	441	4,160	53,660	30,000	4,191,249	16,758	714	50,425	51,139	4,259,146
EXPENDITURES:														
Current:														
General government.....					266				8,164				-	8,164
Public safety.....		53,875	2,129	6,192	519		8,173		70,888				-	70,888
Public works.....									1,062,319		57,220	57,220	57,220	1,119,539
Health and welfare.....						5,085			5,085				-	5,085
Culture and recreation.....	39,346								419,126	9,816			-	428,942
Education.....									2,592,112				-	2,592,112
Debt Service.....										10,702			-	10,702
Capital outlay.....								30,000	30,000	232,965			-	262,965
TOTAL EXPENDITURES.....	39,346	53,875	2,129	6,192	785	5,085	8,173	30,000	4,187,694	253,483	-	57,220	57,220	4,498,397
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(1,342)	(45,932)	(2,101)	(5,919)	(344)	(925)	45,487	-	3,555	(236,725)	714	(6,795)	(6,081)	(239,251)
OTHER FINANCING SOURCES (USES):														
Transfers in.....		52,829							53,935	34,101		10,000	10,000	98,036
Transfers out.....		(5,463)					(27,500)		(60,470)			-	-	(60,470)
NET OTHER FINANCING SOURCES (USES)....	-	47,366	-	-	-	-	(27,500)	-	(6,535)	34,101	-	10,000	10,000	37,566
NET CHANGE IN FUND BALANCES.....	(1,342)	1,434	(2,101)	(5,919)	(344)	(925)	17,987	-	(2,980)	(202,624)	714	3,205	3,919	(201,685)
FUND BALANCES, JULY 1, 2009.....	28,829	(1,434)	4,814	40,807	8,912	12,785	72,013	-	409,475	546,527	16,809	364,597	381,406	1,337,408
FUND BALANCES, JUNE 30, 2010.....	\$ 27,487	\$ -	\$ 2,713	\$ 34,888	\$ 8,568	\$ 11,860	\$ 90,000	\$ -	\$ 406,495	\$ 343,903	\$ 17,523	\$ 367,802	\$ 385,325	\$ 1,135,723

(Concluded)

TOWN OF THOMASTON, CONNECTICUT
 SEWER COMMISSION USAGE FUND
 SCHEDULE OF SEWER USE CHARGES RECEIVABLE
 FOR THE YEAR ENDED JUNE 30, 2010

GRAND LIST YEAR	UNCOLLECTED BALANCE JULY 1, 2009	CURRENT YEAR LEVY	LAWFUL CORRECTIONS		ADJUSTED TAXES COLLECTIBLE	COLLECTIONS			UNCOLLECTED BALANCE JUNE 30, 2010
			ADDITIONS	DEDUCTIONS		USE CHARGES	INTEREST & LIENS	TOTAL	
1993	\$ 160	\$	\$	\$ 160	\$ -	\$	\$	\$ -	\$ -
1994	185				185			-	185
1995	185				185			-	185
1996	185				185			-	185
1997	185				185			-	185
1998	218				218			-	218
1999	370				370			-	370
2000	370				370			-	370
2001	600				600	200	321	521	400
2002	942				942	342	333	675	600
2003	1,800				1,800	1,000	1,078	2,078	800
2004	3,396				3,396	1,653	1,546	3,199	1,743
2005	7,225				7,225	3,088	2,233	5,321	4,137
2006	26,962				26,962	14,381	8,719	23,100	12,581
2007	54,665				54,665	24,581	10,757	35,338	30,084
2008	114,964				114,964	57,381	13,043	70,424	57,583
Total Prior Years	212,412			160	212,252	102,626	38,030	140,656	109,626
2009		991,798	620	4,753	987,665	883,976	40,411	924,387	103,689
TOTAL	\$ 212,412	\$ 991,798	\$ 620	\$ 4,913	\$ 1,199,917	\$ 986,602	\$ 78,441	\$ 1,065,043	\$ 213,315

Fiduciary Funds

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

Pension Trust Fund

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

OPEB Trust Fund

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

Private-Purpose Trust Funds

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

Leander Smith Award

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

Peppie Wagner Fund

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

Seth Thomas Prize Fund

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

Agency Funds

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

School Activities Fund

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

FIDUCIARY FUNDS (CONTINUED)

Agency Funds (Continued)

High School Athletic Council

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

Public School Internal Account

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

Public Library Staff Fund

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

Join Against Insensible Lawlessness

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

Class Reunions

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

Christmas Lights Fund

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

Police Recreation and Educational Fund

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

Railroad Museum Commission

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

Recreation Commission

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

Thomaston Police Explorers

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

FIDUCIARY FUNDS (CONTINUED)

Agency Funds (Continued)

Car Show

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

TRIAD

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

Christmas Committee

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

Noah Rogozinski Playground Fund

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

Tri-Centennial Committee

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

TOWN OF THOMASTON, CONNECTICUT

PRIVATE-PURPOSE TRUST FUNDS
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 JUNE 30, 2010

	LEANDER SMITH AWARD	PEPPIE WAGNER FUND	SETH THOMAS PRIZE FUND	TOTAL
<u>ASSETS</u>				
Cash.....	\$	\$ 1,555	\$	\$ 1,555
Investments:				
Certificates of deposit.....	5,654		1,041	6,695
TOTAL ASSETS.....	5,654	1,555	1,041	8,250
<u>LIABILITY</u>				
Accounts Payable.....	50	100		150
<u>NET ASSETS</u>				
Net Assets Held in Trust.....	\$ 5,604	\$ 1,455	\$ 1,041	\$ 8,100

TOWN OF THOMASTON, CONNECTICUT

PRIVATE-PURPOSE TRUST FUNDS
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FOR THE YEAR ENDED JUNE 30, 2010

	LEANDER SMITH AWARD	PEPIE WAGNER FUND	SETH THOMAS PRIZE FUND	TOTAL
ADDITIONS:				
Income from investments.....	\$ 89	\$ 6	\$ 29	\$ 124
DEDUCTIONS:				
Awards.....	50	100	50	200
CHANGE IN NET ASSETS.....	39	(94)	(21)	(76)
NET ASSETS, JULY 1, 2009.....	5,565	1,549	1,062	8,176
NET ASSETS, JUNE 30, 2010.....	\$ 5,604	\$ 1,455	\$ 1,041	\$ 8,100

TOWN OF THOMASTON, CONNECTICUT

AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2010

	BALANCE JULY 1, 2009	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2010
<u>ASSETS</u>				
CASH:				
School Activities Fund.....	\$ 111,059	\$ 116,156	\$ 144,831	\$ 82,384
High School Athletic Council.....	1,561	63,326	64,036	851
Public School Internal Account.....	40,361	77,009	77,464	39,906
Public Library Staff Fund.....	1,135	9,214	8,566	1,783
Join Against Insensible Lawlessness.....	5,269	26		5,295
Class Reunions.....	1,936		155	1,781
Christmas Lights Fund.....	6,666	10,350	9,778	7,238
Police Recreation and Educational Fund.....	922	1,163	1,270	815
Railroad Museum Commission.....	4,915	319	68	5,166
Recreation Commission.....		51,908	46,478	5,430
Thomaston Police Explorers.....	5,332	553	2,469	3,416
Car Show.....	27,132	13,337	11,346	29,123
TRIAD.....	1,801	5		1,806
Christmas Committee.....	3,870	6,744	4,482	6,132
Noah Rogozinski Playground Fund.....	11,648	3,389	1,716	13,321
TOTAL CASH.....	223,607	353,499	372,659	204,447
INVESTMENTS:				
Tri-centennial Committee.....	3,680	151		3,831
ACCOUNTS RECEIVABLE:				
Recreation Commission.....	511		511	-
TOTAL ASSETS.....	\$ 227,798	\$ 353,650	\$ 373,170	\$ 208,278
<u>LIABILITIES</u>				
CASH OVERDRAFT:				
Recreation Commission.....	\$ 511	\$	\$ 511	\$ -
ACCOUNTS PAYABLE:				
School Activities Fund.....	111,059	116,156	144,831	82,384
High School Athletic Council.....	1,561	63,326	64,036	851
Public School Internal Account.....	40,361	77,009	77,464	39,906
Tri-centennial Committee.....	3,680	151		3,831
Public Library Staff Fund.....	1,135	9,214	8,566	1,783
Join Against Insensible Lawlessness.....	5,269	26		5,295
Class Reunions.....	1,936		155	1,781
Christmas Lights Fund.....	6,666	10,350	9,778	7,238
Police Recreation and Educational Fund.....	922	1,163	1,270	815
Railroad Museum Commission.....	4,915	319	68	5,166
Recreation Commission.....		51,908	46,478	5,430
Thomaston Police Explorers.....	5,332	553	2,469	3,416
Car Show.....	27,132	13,337	11,346	29,123
TRIAD.....	1,801	5		1,806
Christmas Committee.....	3,870	6,744	4,482	6,132
Noah Rogozinski Playground Fund.....	11,648	3,389	1,716	13,321
TOTAL ACCOUNTS PAYABLE.....	227,287	353,650	372,659	208,278
TOTAL LIABILITIES.....	\$ 227,798	\$ 353,650	\$ 373,170	\$ 208,278

**Capital Assets Used
in the Operation of
Governmental
Funds**

TOWN OF THOMASTON, CONNECTICUT

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
 FOR THE YEAR ENDED JUNE 30, 2010

FUNCTION/ACTIVITY	BALANCE JULY 1, 2009	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2010
GENERAL GOVERNMENT:				
General government.....	\$ 798,714	\$ 6,603	\$	\$ 805,317
Finance.....	107,754		31,989	75,765
Town hall.....	3,598,081	20,385		3,618,466
TOTAL GENERAL GOVERNMENT.....	4,504,549	26,988	31,989	4,499,548
PUBLIC SAFETY:				
Police department.....	556,888	83,076	67,654	572,310
Fire department.....	2,161,909		82,443	2,079,466
Communication.....	53,752			53,752
Ambulance.....	837,802			837,802
Canine control.....	54,343	10,481	18,542	46,282
TOTAL PUBLIC SAFETY.....	3,664,694	93,557	168,639	3,589,612
PUBLIC WORKS:				
Highway department.....	13,956,154	2,071,449	314,363	15,713,240
Hillside Cemetery.....	211,558			211,558
Sewer Department.....	16,775,845			16,775,845
TOTAL PUBLIC WORKS.....	30,943,557	2,071,449	314,363	32,700,643
HEALTH AND WELFARE:				
Minibus.....	43,724			43,724
CULTURE AND RECREATION:				
Library.....	365,368			365,368
Opera House.....	131,711			131,711
Seth Thomas/Bradstreet House.....	462,604	40,702	1,659	501,647
Parks and recreation.....	484,684			484,684
TOTAL CULTURE AND RECREATION.....	1,444,367	40,702	1,659	1,483,410
HOUSING AND DEVELOPMENT:				
Building Department.....	57,762	5,000	46,461	16,301
EDUCATION.....	27,173,649	1,310,525	1,069,502	27,414,672
GRAND TOTALS.....	\$ 67,832,302	\$ 3,548,221	\$ 1,632,613	\$ 69,747,910

Statistical Section

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

CONTENTS

FINANCIAL TRENDS (TABLES 1 - 4)

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

REVENUE CAPACITY (TABLES 5 - 7)

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

DEBT CAPACITY (TABLES 8 - 11)

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

DEMOGRAPHIC AND ECONOMIC INFORMATION (TABLES 12 - 13)

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

OPERATING INFORMATION (TABLES 14 - 16)

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

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

TABLE 1

TOWN OF THOMASTON, CONNECTICUT

**NET ASSETS BY COMPONENT
LAST EIGHT YEARS (1)
(UNAUDITED)**

	FISCAL YEAR ENDED							
	2010	2009	2008	2007	2006	2005	2004	2003
GOVERNMENTAL ACTIVITIES:								
Invested in capital assets, net of related debt.....	\$ 25,851,843	\$ 25,467,102	\$ 27,183,637	\$ 25,534,737	\$ 22,865,552	\$ 19,449,596	\$ 19,001,844	\$ 19,162,965
Restricted for:								
Capital projects.....	308,640	467,520	935,324	630,669	229,879	1,800,307	7,745,022	278,201
Endowments:								
Nonexpendable.....	120,200	120,200	120,200	120,200	120,200	120,200	120,200	15,700
Expendable.....	1,823	1,109	425	1,314	1,314	1,314	881	437
Perpetual care:								
Nonexpendable.....	222,408	220,608	217,229	212,929	204,139	201,489	196,614	295,038
Expendable.....	40,894	39,489	99,888	156,774	156,774	156,774	133,065	106,849
Unrestricted.....	7,669,800	8,332,971	6,285,147	8,112,146	10,530,832	10,198,581	618,501	7,576,151
TOTAL NET ASSETS.....	\$ 34,215,608	\$ 34,648,999	\$ 34,841,850	\$ 34,768,769	\$ 34,108,690	\$ 31,928,261	\$ 27,816,127	\$ 27,435,341

(1) Less than ten years of data due to the implementation date of GASB 34.

TABLE 2

TOWN OF THOMASTON, CONNECTICUT

CHANGES IN NET ASSETS
LAST EIGHT YEARS (1)
(UNAUDITED)

	FISCAL YEAR ENDED							
	2010	2009	2008	2007	2006	2005	2004	2003
EXPENSES:								
Governmental activities:								
General government.....	\$ 1,737,840	\$ 1,667,898	\$ 1,697,981	\$ 1,493,290	\$ 1,318,822	\$ 1,659,892	\$ 1,771,177	\$ 1,008,636
Public safety.....	2,429,014	2,403,832	2,205,660	2,252,002	2,313,428	1,943,257	2,200,339	2,163,326
Public works.....	4,258,496	4,345,216	3,953,285	3,785,089	3,695,376	3,346,625	3,145,912	3,296,162
Health and welfare.....	86,991	142,079	176,275	174,341	151,226	196,049	161,221	142,603
Culture and recreation.....	1,224,333	1,418,346	1,404,087	1,372,057	1,250,946	1,243,253	1,264,180	1,126,008
Housing and development.....	351,387	271,461	197,298	255,595	221,051	204,261	177,685	208,807
Education.....	17,516,144	17,620,403	19,045,383	16,011,966	14,937,047	13,624,717	13,126,941	12,808,758
Interest expense.....	777,173	718,142	760,841	823,502	868,833	713,760	667,065	599,717
TOTAL EXPENSES.....	28,381,378	28,587,377	29,440,810	26,167,842	24,756,729	22,931,814	22,514,520	21,354,017
PROGRAM REVENUES:								
Governmental activities:								
Charges for services:								
General government.....	46,806	47,646	113,248	145,710	146,781	148,871	116,588	52,433
Public safety.....	148,106	158,988	130,819	198,027	81,746	37,524	46,711	43,328
Public works.....	1,155,344	1,161,218	1,154,767	1,108,832	882,825	1,038,705	690,400	807,994
Health and welfare.....	885	1,816	1,866	1,938	2,289	1,669	2,137	1,553
Culture and recreation.....	354,639	411,361	393,855	454,209	350,430	398,806	366,589	311,954
Housing and development.....	57,543	61,149	56,508	69,453	84,417	108,679	93,979	88,575
Education.....	297,431	330,850	312,213	328,342	332,542	331,359	306,863	298,807
Operating grants and contributions.....	8,437,791	8,348,877	10,403,236	6,813,623	6,590,309	6,156,094	5,850,910	5,884,962
Capital grants and contributions.....	311,838	715,950	555,629	307,086	1,863,703	3,743,257	954,076	1,212,754
TOTAL PROGRAM REVENUES.....	10,810,383	11,237,855	13,122,141	9,427,220	10,335,042	11,964,964	8,428,253	8,702,360
NET EXPENSES:								
Governmental activities.....	(17,570,995)	(17,349,522)	(16,318,669)	(16,740,622)	(14,421,687)	(10,966,850)	(14,086,267)	(12,651,657)
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS:								
Governmental activities:								
Property taxes.....	16,452,886	16,444,961	15,506,863	16,066,609	15,368,327	14,065,657	13,618,870	12,959,157
Grants and contributions not restricted to specific programs..	500,552	514,848	399,510	779,885	742,520	748,179	723,029	774,248
Investment income.....	90,133	89,454	228,647	520,009	438,209	200,395	108,929	109,791
Miscellaneous.....	94,033	107,408	256,730	34,198	53,060	64,753	16,225	45,400
TOTAL GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS.....	17,137,604	17,156,671	16,391,750	17,400,701	16,602,116	15,078,984	14,467,053	13,888,596
CHANGE IN NET ASSETS.....	\$ (433,391)	\$ (192,851)	\$ 73,081	\$ 660,079	\$ 2,180,429	\$ 4,112,134	\$ 380,786	\$ 1,236,939

(1) Less than ten years of data due to the implementation date of GASB 34.

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

	FISCAL YEAR ENDED JUNE 30										
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001	
GENERAL FUND:											
Reserved.....	\$	\$	\$	\$	\$	\$	\$	75,000	\$	\$ 152,982	\$
Unreserved:											
Designated	350,000	273,000	250,000	1,185,800	587,800	670,000	865,000	454,000	813,000	500,000	
Undesignated	1,626,920	1,554,869	1,743,007	1,553,554	2,384,337	1,741,694	1,460,002	1,778,639	1,223,128	1,791,664	
Total unreserved.....	1,976,920	1,827,869	1,993,007	2,739,354	2,972,137	2,411,694	2,325,002	2,232,639	2,036,128	2,291,664	
TOTAL GENERAL FUND.....	1,976,920	1,827,869	1,993,007	2,739,354	2,972,137	2,411,694	2,400,002	2,232,639	2,189,110	2,291,664	
ALL OTHER GOVERNMENTAL FUNDS:											
Reserved:											
Receivables.....	1,183,237	1,231,572	1,206,488	1,206,755	1,244,369	1,265,147	1,447,253	1,538,399	1,677,038	1,590,165	
Commitments.....	308,640	467,520	935,324	630,669	229,879	1,800,307	7,745,022	278,201			
Compensated absences.....	203,085	298,843	419,518	540,177	610,016	637,960	623,838	612,323	636,739	617,385	
Endowments.....	120,200	120,200	120,200	120,200	120,200	120,200	120,200	118,200	118,200	115,700	
Perpetual care.....	222,408	220,608	217,229	212,929	204,139	201,489	196,614	192,538	184,539	181,238	
Debt service.....	112,784										
Unreserved reported in:											
Special revenue funds.....	618,691	780,549	899,188	919,398	850,968	875,797	718,380	722,800	1,485,874	1,046,846	
Capital projects funds.....	4,959,832	(787,366)	718,135	1,700,153	3,360,319	3,101,618	(6,625,924)	135,083	285,780	(8,324,964)	
Permanent funds.....	42,717	40,598	100,313	120,422	181,301	158,088	133,946	107,286	54,827	136,377	
TOTAL ALL OTHER GOVERNMENTAL FUNDS...	7,771,594	2,372,524	4,616,395	5,450,703	6,801,191	8,160,606	4,359,329	3,704,830	4,442,997	(4,637,253)	
GRAND TOTAL.....	\$ 9,748,514	\$ 4,200,393	\$ 6,609,402	\$ 8,190,057	\$ 9,773,328	\$ 10,572,300	\$ 6,759,331	\$ 5,937,469	\$ 6,632,107	\$ (2,345,589)	

TOWN OF THOMASTON, CONNECTICUT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(UNAUDITED)

	FISCAL YEAR ENDED JUNE 30									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
REVENUES:										
Property taxes.....	\$ 16,525,756	\$ 16,138,322	\$ 15,488,705	\$ 16,027,666	\$ 15,353,444	\$ 13,980,389	\$ 13,385,994	\$ 12,865,405	\$ 12,035,417	\$ 10,985,990
Charges for services.....	2,048,914	2,164,402	2,125,660	2,259,932	1,834,142	1,917,267	1,719,172	1,833,406	1,408,635	1,297,450
Intergovernmental.....	9,380,430	9,627,289	11,424,372	8,247,795	9,283,405	10,145,178	7,593,809	7,148,505	8,569,295	7,364,314
Contributions.....	67,190	155,075	129,857	93,471	154,955	59,295			77,640	50,000
Income from investments.....	90,133	117,301	260,567	520,007	438,209	200,395	108,930	109,791	391,662	355,441
Net change in fair value of investments.....		(39,572)								
Other.....	94,033	107,409	268,748	86,115	105,203	77,153	208,169	115,194	401,204	595,329
TOTAL REVENUES.....	28,206,456	28,270,226	29,697,909	27,234,986	27,169,358	26,379,677	23,016,074	22,072,301	22,883,853	20,648,524
EXPENDITURES:										
Current:										
General government.....	3,250,801	3,096,831	3,176,283	3,149,242	3,118,103	2,990,309	3,067,217	2,546,947	2,304,724	1,863,584
Public safety.....	1,489,274	1,470,060	1,513,799	1,419,646	1,379,520	1,400,427	1,441,353	1,520,926	1,169,042	1,113,362
Public works.....	2,658,236	2,710,550	2,754,083	2,548,694	2,374,480	2,191,308	2,085,921	2,171,175	729,179	856,857
Sanitation and conservation of health.....									1,095,393	1,055,809
Health and welfare.....	72,358	98,539	118,260	120,849	116,505	137,479	123,635	105,563		
Culture and recreation.....	863,441	1,021,600	1,045,793	1,002,376	1,002,115	906,865	964,021	869,685	452,081	426,561
Housing and development.....	280,865	228,556	153,805	200,834	171,770	154,875	135,356	161,400		
Education.....	16,623,775	16,536,919	18,514,871	15,397,354	14,416,639	13,369,915	12,909,495	12,529,113	11,849,230	10,956,542
Other.....								106,427	513,942	525,640
Debt service:										
Principal.....	1,788,959	1,556,043	1,650,416	1,699,680	1,280,487	1,192,696	1,034,978	1,223,758	1,407,467	1,331,687
Interest.....	1,014,560	1,014,560	1,014,560	1,014,560	931,902	784,773	576,207	612,768	978,545	540,102
Capital outlay.....	2,385,154	2,957,302	1,304,774	2,408,022	3,548,126	7,221,877	2,191,638	962,736	2,498,210	3,139,059
TOTAL EXPENDITURES.....	30,427,423	30,690,960	31,246,644	28,961,257	28,339,647	30,350,524	24,529,821	22,810,498	22,997,813	21,809,203
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(2,220,967)	(2,420,734)	(1,548,735)	(1,726,271)	(1,170,289)	(3,970,847)	(1,513,747)	(738,197)	(113,960)	(1,160,679)
OTHER FINANCING SOURCES (USES):										
Capital lease - equipment financing.....				143,000	371,317		166,500	43,559		
Issuance of debt.....	7,520,000					7,700,000	2,300,000		9,091,656	
Issuance of refunding bonds.....	2,820,000						1,615,000			
Payment to refunding bond escrow.....	(2,800,000)						(1,853,164)			
Premium.....	229,088	11,725				83,816	107,273			
Transfers in.....	2,928,843	400,038	687,897	3,538,490	3,166,372	2,743,736	3,612,998	2,336,405	2,656,319	2,643,309
Transfers out.....	(2,928,843)	(400,038)	(687,897)	(3,538,490)	(3,166,372)	(2,743,736)	(3,612,998)	(2,336,405)	(2,656,319)	(2,643,309)
NET OTHER FINANCING SOURCES (USES).....	7,769,088	11,725	-	143,000	371,317	7,783,816	2,335,609	43,559	9,091,656	-
NET CHANGE IN FUND BALANCES.....	\$ 5,548,121	\$ (2,409,009)	\$ (1,548,735)	\$ (1,583,271)	\$ (798,972)	\$ 3,812,969	\$ 821,862	\$ (694,638)	\$ 8,977,696	\$ (1,160,679)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES.....	10.02%	9.27%	8.88%	10.22%	8.92%	8.55%	7.21%	8.41%	11.64%	10.03%

NOTE: The Town revised the chart of accounts for fiscal year ended June 30, 2003, thereby eliminating categories for "Sanitation and Conservation of health" and "Other". These categories contained expenditures associated with general government, public safety, health and welfare and housing & development.

TABLE 5

TOWN OF THOMASTON, CONNECTICUT

**ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(UNAUDITED)**

YEAR ENDED JUNE 30	GRAND LIST	REAL ESTATE		PERSONAL PROPERTY				TOTALS		RATIO OF TOTAL ASSESSED VALUE TO TOTAL ESTIMATED ACTUAL VALUE	TOTAL DIRECT RATE
		ASSESSED VALUE	ESTIMATED ACTUAL VALUE	MOTOR VEHICLE ASSESSED VALUE	PERSONAL PROPERTY ASSESSED VALUE	TOTAL ASSESSED VALUE	ESTIMATED ACTUAL VALUE	GROSS ASSESSED VALUE	ESTIMATED ACTUAL VALUE		
2010	2008	\$ 533,956,500	\$ 762,795,000	\$ 50,028,393	\$49,300,103	\$99,328,496	\$ 141,897,851	\$ 633,284,996	\$904,692,851	70.00%	26.28
2009	2007	534,050,143	762,928,776	46,307,505	52,696,749	99,004,254	141,434,649	633,054,397	904,363,425	70.00%	24.99
2008	** 2006	535,758,290	765,368,986	51,810,436	47,824,927	99,635,363	142,336,233	635,393,653	907,705,219	70.00%	24.99
2007	2005	310,737,220	443,910,314	53,061,256	50,272,468	103,333,724	147,619,606	414,070,944	591,529,920	70.00%	39.62
2006	2004	306,571,130	437,958,757	49,776,370	49,209,162	98,985,532	141,407,903	405,556,662	579,366,660	70.00%	38.66
2005	2003	301,626,770	430,895,386	46,025,767	49,844,828	95,870,595	136,957,993	397,497,365	567,853,379	70.00%	37.18
2004	2002	299,255,170	427,507,386	47,867,321	52,447,580	100,314,901	143,307,001	399,570,071	570,814,387	70.00%	35.50
2003	2001	295,263,695	421,805,279	45,815,638	52,499,062	98,314,700	140,449,571	393,578,395	562,254,850	70.00%	33.80
2002	2000	289,911,945	414,159,921	44,241,852	57,020,516	101,262,368	144,660,526	391,174,313	558,820,447	70.00%	32.20
2001	* 1999	284,038,596	405,769,423	40,916,172	48,631,019	89,547,191	127,924,559	373,585,787	533,693,982	70.00%	30.60

* Revaluation Grand List of October 1, 1999

** Revaluation Grand List of October 1, 2006

TABLE 6

TOWN OF THOMASTON, CONNECTICUT

PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

TAXPAYER	2010			2001		
	(1) ASSESSMENT	RANK	PERCENT OF NET TAXABLE GRAND LIST	ASSESSMENT	RANK	PERCENT OF NET TAXABLE GRAND LIST
Rexam Cosmetic Packaging	\$ 6,049,928	1	0.99%	N/A	N/A	N/A
Connecticut Light & Power Co.	5,841,600	2	0.95%	N/A	N/A	N/A
Connecticut Water Company	3,900,240	3	0.64%	N/A	N/A	N/A
Thomaston Savings Bank	3,362,750	4	0.55%	N/A	N/A	N/A
Summit Corporation of America	3,207,354	5	0.52%	N/A	N/A	N/A
GLC Associates	3,081,500	6	0.50%	N/A	N/A	N/A
Tyler Propoerties	2,944,667	7	0.48%	N/A	N/A	N/A
W L Real Estate Company	2,824,520	8	0.46%	N/A	N/A	N/A
Yankee Gas Services Company	2,640,410	9	0.43%	N/A	N/A	N/A
Whyco Technologies, Inc.	2,517,740	10	0.41%	N/A	N/A	N/A
	<u>\$ 36,370,709</u>		<u>5.93%</u>	<u>\$ -</u>		<u>0.00%</u>

Source: Town Assessor Department.

(1) The net taxable grand list as of October 1, 2008 totaled \$612,278,500.

N/A Information not available.

TABLE 7

TOWN OF THOMASTON, CONNECTICUT

**PROPERTY TAX RATES, LEVIES AND COLLECTIONS
LAST TEN YEARS
(UNAUDITED)**

YEAR ENDED JUNE 30	(1) (2) TAX RATE IN MILLS	GRAND LIST OF OCTOBER 1,	TOTAL ADJUSTED TAX LEVY	NET CURRENT TAX COLLECTIONS	PERCENT OF CURRENT LEVY COLLECTED	TOTAL COLLECTIONS TO DATE			
						COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS	PERCENTAGE OF LEVY COLLECTED	CURRENT DELINQUENT BALANCE
2010	26.28	2008	\$ 16,070,948	\$ 15,687,137	97.6%	\$ -	\$ 15,687,137	97.6%	\$ 383,811
2009	24.99	2007	16,017,616	15,511,321	96.8%	292,139	15,803,460	98.7%	214,156
2008	** 24.99	2006	15,325,961	14,907,955	97.3%	283,732	14,907,955	97.3%	134,274
2007	39.62	2005	15,758,093	15,384,998	97.6%	300,848	15,384,998	97.6%	72,247
2006	38.66	2004	15,003,165	14,679,512	97.8%	276,404	14,955,916	99.7%	47,249
2005	37.18	2003	14,043,736	13,487,766	96.0%	368,298	13,856,064	98.7%	187,672
2004	35.50	2002	13,439,939	12,901,856	96.0%	446,322	13,348,178	99.3%	91,761
2003	33.80	2001	12,695,152	12,262,233	96.6%	351,124	12,613,357	99.4%	81,795
2002	32.20	2000	11,780,931	11,517,712	97.8%	256,435	11,774,147	99.9%	6,784
2001	* 30.60	1999	10,904,055	10,642,688	97.6%	253,890	10,896,578	99.9%	7,477

Source: Town Audit Reports.

* Revaluation Grand List of October 1, 1999

** Revaluation Grand List of October 1, 2006

(1) There are no overlapping of tax rates.

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

TABLE 8**TOWN OF THOMASTON, CONNECTICUT****RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS
(UNAUDITED)**

YEAR ENDED JUNE 30	GENERAL BONDED DEBT OUTSTANDING			PERCENTAGE OF PERSONAL INCOME	DEBT PER CAPITA
	GENERAL OBLIGATION BONDS	CLEAN WATER NOTES	TOTAL		
2010	\$ 18,715,000	\$ 5,641,550	\$ 24,356,550	N/A	\$ 3,122
2009	12,410,000	6,134,939	18,544,939	0.36%	2,388
2008	13,645,000	6,618,567	20,263,567	N/A	2,592
2007	14,880,000	7,092,626	21,972,626	N/A	2,774
2006	16,115,000	7,557,306	23,672,306	N/A	2,982
2005	16,940,000	8,012,793	24,952,793	N/A	3,158
2004	9,930,000	8,459,267	18,389,267	N/A	2,340
2003	6,560,000	10,711,780	17,271,780	N/A	2,224
2002	7,125,000	11,278,867	18,403,867	N/A	2,441
2001	7,690,000	12,012,896	19,702,896	N/A	2,623

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

N/A Information not available

TABLE 9

TOWN OF THOMASTON, CONNECTICUT

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

YEAR ENDED JUNE 30	(1) POPULATION	(2) NET ASSESSED VALUE	(3) GENERAL OBLIGATION BONDED DEBT/ NOTES	RATIO OF BONDED DEBT/NOTES TO NET ASSESSED VALUE	DEBT PER CAPITA
2010	7,801	\$ 612,278,500	\$ 24,356,550	3.98%	\$ 3,122
2009	7,766	613,301,069	18,544,939	3.02%	2,388
2008	7,818	615,374,875	20,263,567	3.29%	2,592
2007	7,922	395,518,561	21,972,626	5.56%	2,774
2006	7,938	385,160,536	23,672,306	6.15%	2,982
2005	7,901	375,351,717	24,952,793	6.65%	3,158
2004	7,857	376,809,605	18,389,267	4.88%	2,340
2003	7,766	372,473,370	17,271,780	4.64%	2,224
2002	7,538	368,379,608	18,403,867	5.00%	2,441
2001	7,511	353,486,564	19,702,896	5.57%	2,623

Sources:

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

TOWN OF THOMASTON, CONNECTICUT

SCHEDULE OF DEBT LIMITATION
 CONNECTICUT GENERAL STATUTES, SECTION 7-374 (b)
 FOR THE YEAR ENDED JUNE 30, 2010
 (UNAUDITED)

Total tax collections (including interest and lien fees) for current year.....	\$ 16,367,114
Reimbursement for revenue loss on:	
Tax relief for elderly freeze.....	<u>2,000</u>
BASE FOR DEBT LIMITATION COMPUTATION.....	<u>\$ 16,369,114</u>

DEBT LIMITATION:	GENERAL PURPOSES	SCHOOLS	SEWERS	URBAN RENEWAL	PENSION DEFICIT
2 1/4 times base.....	\$ 36,830,507	\$	\$	\$	\$
4 1/2 times base.....		73,661,013			
3 3/4 times base.....			61,384,178		
3 1/4 times base.....				53,199,621	
3 times base.....					49,107,342
TOTAL DEBT LIMITATION.....	<u>36,830,507</u>	<u>73,661,013</u>	<u>61,384,178</u>	<u>53,199,621</u>	<u>49,107,342</u>
INDEBTEDNESS:					
Bonds payable.....	8,103,938	9,947,062	664,000		
Less: School Building grants.....		(1,262,439)			
TOTAL INDEBTEDNESS.....	<u>8,103,938</u>	<u>8,684,623</u>	<u>664,000</u>	-	-
DEBT LIMITATION IN EXCESS OF OUTSTANDING AND AUTHORIZED DEBT.....	<u>\$ 28,726,569</u>	<u>\$ 64,976,390</u>	<u>\$ 60,720,178</u>	<u>\$ 53,199,621</u>	<u>\$ 49,107,342</u>

The total net indebtedness above amounts to: \$ 17,452,561

In no event shall total indebtedness exceed seven time the base for debt limitation computation: \$ 114,583,798

There is no overlapping debt.

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

YEAR ENDED JUNE 30	DEBT LIMIT	NET DEBT APPLICABLE TO LIMIT	LEGAL DEBT MARGIN	TOTAL NET DEBT APPLICABLE
2010	\$ 274,182,661	\$ 17,452,561	\$ 256,730,100	6.37%
2009	268,981,902	15,826,028	253,155,874	5.88%
2008	257,887,020	12,089,494	245,797,526	4.69%
2007	266,994,129	13,177,964	253,816,165	4.94%
2006	254,959,825	14,113,425	240,846,400	5.54%
2005	243,114,241	14,779,764	228,334,477	6.08%
2004	221,785,193	7,611,103	214,174,090	3.43%
2003	213,359,592	4,080,001	209,279,591	1.91%
2002	198,888,160	16,192,523	182,695,637	8.14%
2001	195,152,391	16,188,182	178,964,209	8.30%

TOWN OF THOMASTON, CONNECTICUT

DEMOGRAPHIC STATISTICS
LAST TEN YEARS
(UNAUDITED)

YEAR ENDED JUNE 30	(1) POPULATION	(2) PERSONAL INCOME	(3) PER CAPITA INCOME	(3) MEDIAN AGE	EDUCATION LEVEL IN YEARS OF SCHOOLING	(4) SCHOOL ENROLLMENT	(5) UNEMPLOYMENT PERCENTAGE
2010	7,801	(6)	(6)	(6)	(6)	1,186	8.6%
2009	7,766	\$ 67,558	(6)	(6)	(6)	1,216	9.4%
2008	7,818	(6)	(6)	40	(6)	1,259	6.3%
2007	7,922	(6)	(6)	(6)	(6)	1,295	4.5%
2006	7,938	(6)	(6)	(6)	(6)	1,306	4.2%
2005	7,901	(6)	(6)	(6)	(6)	1,298	5.2%
2004	7,857	(6)	(6)	(6)	(6)	1,318	4.8%
2003	7,766	(6)	(6)	(6)	(6)	1,310	6.1%
2002	7,538	(6)	(6)	(6)	(6)	1,257	5.5%
2001	7,511	(6)	(6)	(6)	(6)	1,258	4.0%

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

(2) Connecticut Economic Resource Center, Inc.

(3) U.S Department of Commerce, Bureau of Census.

(4) Connecticut Department of Education.

(5) Connecticut Labor Department - Research and Statistics.

(6) Information not available

TABLE 13

TOWN OF THOMASTON, CONNECTICUT

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

EMPLOYER	2010			2001		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT
Town of Thomaston	295	1	6%	296		7%
Rexam Corporation	140	2	3%	110		3%
Thomaston Savings Bank	138	3	3%	110		3%
Ward Leonard Electric, Inc.	134	4	3%	N/A		N/A
Eyelets for Industry, Inc.	104	5	2%	139		3%
Stevens Co., Inc.	104	6	2%	139		3%
Summit Corporation of America	76	7	2%	217		5%
State of Connecticut	100	8	2%	N/A		N/A
Quality Rolling & Deburring	75	9	2%	130		3%
WHYCO Chromium, Inc	37	10	1%	210		5%
TOTAL.....	1,203		26%	1,351		32%
Total Town Employment	<u>4,654</u>			<u>4,382</u>		

SOURCE: Annual survey

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

TABLE 14

TOWN OF THOMASTON, CONNECTICUT
FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM
LAST EIGHT YEARS (1)
(UNAUDITED)

FUNCTION / PROGRAM	FULL -TIME EQUIVALENT EMPLOYEES AS OF JUNE 30							
	2010	2009	2008	2007	2006	2005	2004	2003
GENERAL GOVERNMENT:								
Selectmen.....	2.2	2.2	2.2	2.2	2.7	2.2	2.2	2.2
Elections.....	0.2	0.3	0.3	0.3	0.7	1.3	0.4	0.4
Treasurer.....	2.9	3.3	3.5	3.3	3.3	3.4	3.4	3.3
Tax Collector.....	1.9	2.0	2.0	2.0	2.0	2.0	2.0	2.5
Assessor/Assessment appeals.....	1.0	1.0	1.5	2.3	1.6	1.4	1.1	1.0
Town Hall maintenance.....	1.0	1.1	1.0	0.8	0.6	0.6	0.6	0.6
Town Clerk.....	1.6	1.7	1.7	1.7	1.5	1.5	1.7	1.5
PUBLIC SAFETY:								
Police officers.....	12.3	12.5	13.2	13.4	13.8	13.7	14.8	14.6
Inmate supervision.....		-			1.0	1.0	1.0	1.0
Dispatch.....	4.7	4.8	5.1	5.0	4.1	3.8	3.9	4.4
Fire Marshall.....	0.6	0.6	0.6	0.6	0.5	0.5	0.6	0.6
Animal control.....	1.1	1.1	1.2	1.2	1.1	1.1	1.1	1.1
PUBLIC WORKS:								
Highway.....	8.1	8.8	9.0	8.6	10.0	8.5	10.0	10.0
Solid waste and recycling.....	0.2	0.2	0.3	0.3	0.5	0.3	0.3	0.3
Sewer plant.....	7.0	7.0	7.0	6.9	7.0	8.3	9.0	7.0
Hillside Cemetery.....	1.0	1.6	1.3	1.5	1.7	1.8	0.8	1.8
HEALTH AND WELFARE:								
Social services.....	-	1.0	1.7	1.5	1.6	1.3	1.2	1.2
Minibus.....	0.4	0.4	0.4	0.4	0.2	0.1	0.2	0.2
Veterans administration.....	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
CULTURE AND RECREATION:								
Recreation.....	2.3	2.4	2.8	3.1	2.1	1.9	2.1	2.2
Public library.....	6.2	6.2	7.4	6.6	5.9	5.9	6.2	6.3
Opera House.....	2.5	4.0	3.7	3.7	3.2	3.3	3.7	2.1
HOUSING AND DEVELOPMENT:								
Housing, land use & development.....	2.3	2.3	2.1	1.9	2.7	2.0	1.7	2.0
EDUCATION.....	160.7	161.1	180.8	195.0	186.3	190.3	187.3	200.7
TOTAL.....	220.3	225.7	248.9	262.4	254.2	256.3	255.4	267.1

SOURCE: Actual payroll data.
(1) Data prior to 2003 is not available.

TABLE 15

TOWN OF THOMASTON, CONNECTICUT
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST SIX YEARS (1)
(UNAUDITED)

FUNCTION / PROGRAM	FISCAL YEAR ENDED JUNE 30					
	2010	2009	2008	2007	2006	2005
<u>GENERAL GOVERNMENT</u>						
PUBLIC SAFETY:						
Fire:						
Emergency responses.....	268	240	338	360	335	269
Fires extinguished.....	27	40	57	29	146	116
Police:						
Incidents.....	33,299	34,946	35,162	35,191	35,641	N/A
Accidents.....	206	248	216	262	232	N/A
Physical arrests.....	165	257	155	198	115	N/A
Traffic violations.....	1,001	867	922	742	878	N/A
PUBLIC WORKS:						
Street resurfacing (miles).....		2.38	5.00		0.73	N/A
Streets rebuilt (miles).....	3.12	0.66	1.14	1.14	2.16	N/A
PARKS AND RECREATION:						
Athletic field permits issued.....	44	55	55	76	66	N/A
No. of recreation programs.....	27	26	25	27	29	29
HEALTH AND WELFARE:						
Number of elderly serviced.....	N/A	N/A	1,012	1,410	3,639	N/A
Number of families serviced.....	N/A	N/A	2,612	2,650	5,477	N/A
Number of disabled serviced.....	N/A	N/A	626	672	1,410	N/A
LIBRARY:						
Total print items.....	42,804	44,541	46,260	46,533	47,769	50,184
Total non-print items.....	6,366	11,578	8,221	7,652	5,407	4,862
Circulation.....	95,354	93,826	89,305	92,997	95,145	89,382
Interlibrary borrows.....	3,429	3,432	2,408	1,984	1,841	924
Interlibrary loans.....	3,298	3,289	2,392	2,308	1,675	1,018
EDUCATION:						
Enrollment:						
High School.....	559	547	582	600	593	598
Middle School.....	267	278	296	298	300	320
Elementary Schools.....	360	391	381	397	413	394
Total.....	1,186	1,216	1,259	1,295	1,306	1,312
SEWER FUND:						
Average daily sewage treatment						
(million gallons).....	0.992	0.982	0.864	1.067	1.001	N/A
Residential customers.....	2,600	2,600	2,594	2,587	2,169	N/A
Commercial & Industrial Customers.....	134	131	136	130	136	N/A
Manhole repair as part of I/I reduction.....	80	62	6	8	11	N/A
SOLID WASTE & RECYCLING:						
CRRRA tonnage (annual).....	4,284	4,724	4,961	5,024	5,140	5,580

SOURCES: Various Town Departments

(1) Data prior to 2005 is not available

N/A - Data not available

TABLE 16

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

FUNCTION / PROGRAM	FISCAL YEAR ENDED JUNE 30					
	2010	2009	2008	2007	2006	2005
GENERAL GOVERNMENT:						
Election voting machines.....	2	2	2	2	7	7
Vehicles.....	1	1	1	1	1	1
PUBLIC SAFETY:						
Fire and ambulance stations.....	2	2	2	2	2	2
Police stations.....	1	1	1	1	1	1
Police vehicles.....	10	10	10	10	10	10
Fire trucks.....	7	7	7	7	7	7
Ambulances.....	2	2	2	2	2	2
Other emergency vehicles.....	6	6	6	6	6	5
PUBLIC WORKS:						
Miles of Streets:						
Paved.....	41.00	41.00	41.00	41.00	40.58	40.17
Accepted.....	41.00	41.00	41.00	41.00	40.58	40.17
Private.....	0.30	0.03	0.03	0.03	0.03	0.03
State Highway.....	64.89	64.89	64.89	64.89	64.89	64.89
Miles of Sidewalks.....	10.88	10.88	10.88	10.88	10.88	10.88
Miles of Sewer:						
Storm.....	95.25	95.00	95.00	85.50	85.00	70.00
Sanitation.....	50.50	50.50	50.50	50.50	50.00	50.00
Dump trucks.....	10	10	10	9	8	8
Other public works vehicles & heavy equipment.....	27	27	27	26	24	24
HEALTH AND WELFARE:						
Minibus.....	1	1	1	1	1	1
CULTURE AND RECREATION:						
Acres of park land.....	56.0	56.0	56.0	56.0	56.0	56.0
Hardball baseball diamonds.....	1	1	1	1	1	1
Youth baseball diamonds.....	5	5	5	5	5	5
Basketball courts.....	3	3	3	3	3	3
Soccer fields.....	3	3	3	3	3	3
Nature areas.....	1	1	1	1	1	1
Picnic areas.....	1	1	1	1	1	1
Playgrounds.....	7	7	7	7	7	7
Public beach.....	1	1	1	1	1	1
Public greens.....	3	3	3	3	3	3
Tennis courts.....	3	3	3	3	3	3
Public indoor theatres.....	1	1	1	1	1	1
Public library.....	1	1	1	1	1	1
EDUCATION:						
Number of high schools.....	1	1	1	1	1	1
Number of middle schools.....	1	1	1	1	1	1
Number of elementary schools.....	1	1	1	1	1	1

SOURCES: Various Town Departments