

**COMPREHENSIVE**  
**ANNUAL FINANCIAL REPORT**  
*of the*  
**TOWN OF THOMASTON,**  
**CONNECTICUT**

**FOR THE YEAR ENDED**

***JUNE 30, 2009***

**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, 2009

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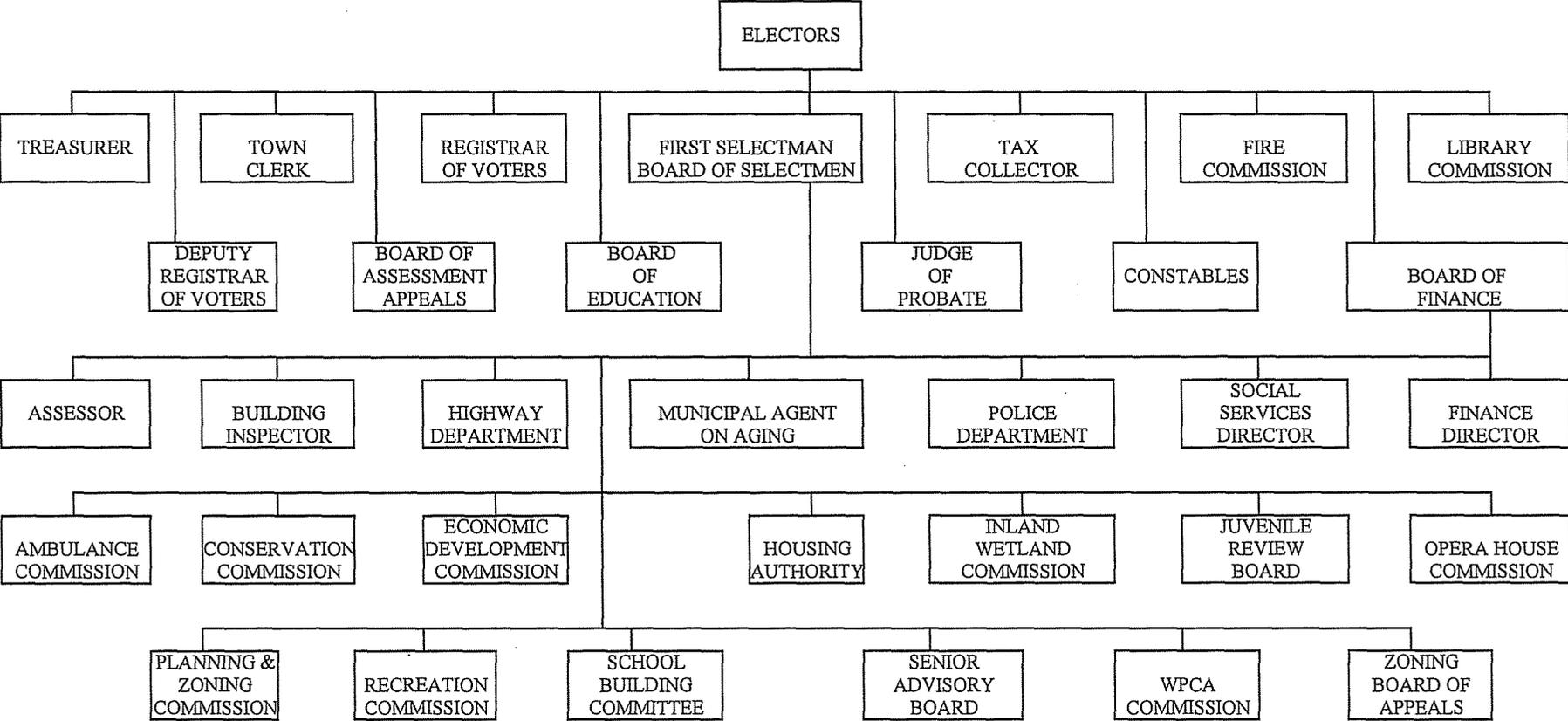
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# Introductory Section

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TOWN OF THOMASTON, CONNECTICUT

ORGANIZATIONAL CHART





November 23, 2009

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, 2009.

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, 2009, 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, 2008, 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 Government**

The Town of Thomaston 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 7,766. 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.

## **Factors Affecting Financial Condition**

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.

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 \$698,340 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.

**General Fund Balance.** The general fund's unreserved and undesignated fund balance of \$1,554,869 decreased by 10% in 2009. The current undesignated fund balance provides the Town with the equivalence of approximately 17 workdays of expenditures compared to 20 workdays in the prior year. The higher the reserve the less likelihood of the Town entering the short-term debt market to pay for current operating expenditures.

**Cash Management.** Cash temporarily idle during the year was invested in demand deposits, obligations of the U.S. Treasury and the State Treasurer's investment fund. The pension trust fund's investment portfolio also includes equities, commercial paper and mutual funds. The return on investments ranged from 0.7% to 4.41%. The highest yields being part of the pension plans due to the long-term character of some of its investment holdings. Investment income includes appreciation of the fair value of investments. Increases in fair value during the current year, however, do not necessarily represent trends that will continue; nor is it always possible to realize such amounts, especially in the case of temporary changes in the fair value of investments that the Town intends to hold to maturity. The Town is limited, except for the pension trust fund, to existing State of Connecticut Statutes as to the investment instruments it can purchase. Therefore, the Town investment policy is to minimize credit and market risks while maintaining a competitive yield on its portfolio within the State's guidelines.

**Pension Trust Fund Operations.** The Town of Thomaston offers a single employer defined benefit pension plan. Each year an independent actuary calculates the amount of the annual contribution that the Town of Thomaston must make to the pension plan to ensure that the plan will be able to fully meet their obligations to retired employees on a timely basis. As a matter of policy, the Town of Thomaston fully funds each year's annual required contribution to the pension plan as determined by the actuary.

The operations of the pension trust fund dropped considerably in 2009 taking into account the state of the U.S. economic condition and the investment markets. The net assets held in trust decreased from \$8,502,715 to \$7,454,809 at June 30, 2009, as a result of current year activity. The funding of the actuarially accrued liability has decreased from 71.5% in the prior year to 65.1%. Pension assets' return on investments for the last quarter of the fiscal year were 11.08% with a total fiscal year return of 4.41% Since the beginning of 2002, the plans portfolio shows a return of 1.95% when we include the credit crisis impact. Recovery will be a long and slow process and as a result, annual contributions may increase in future year budgets.

Additional information on the Town of Thomaston's pension plan can be found in Notes IV.C. in the notes to the basic financial statements.

**Risk Management.** The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. Insurance coverage is purchased from the commercial insurance market with the exception of workers' compensation and heart and hypertension. To provide workers' compensation coverage, the Town participates in the Connecticut Interlocal Risk Management Agency (CIRMA), a risk sharing pool created by a Special Act of the Connecticut General Assembly. Coverage for heart and hypertension and post-employment health benefits is funded through an annual appropriation for actual payments.

## Awards and Acknowledgements

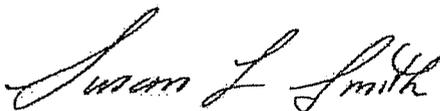
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Thomaston for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2008. This was the fifth consecutive 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, 2009

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**BOARD OF SELECTMEN**

Maura E. Martin, First Selectman  
Jeremiah J. Scully, Selectman  
Kenneth Hopkins, Selectman

**BOARD OF FINANCE**

John S. Scheppard, Chairman  
David Colavecchio  
Edmond V. Mone  
George Seabourne  
Kristin Mosimann O'Sullivan  
Marie Galbraith

**TOWN DEPARTMENTS**

Michael Bruscino, Treasurer  
Susan L. Smith, Finance Director  
Susan Laone, School Business Manager  
RaeAnn Walcott, Tax Assessor  
Sandra R. Bruscino, 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  
Henry McGee Jr., Fire Chief  
Robert Norton, Fire Marshall  
William Boudreau, Building Inspector  
Mary Barton, Land Use Officer  
Martin Egan, Park and Recreation Director  
Lore Webel, Social Services 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, 2008

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 handwritten signature in black ink, appearing to read "M. L. R. M.", written over the printed name.

President

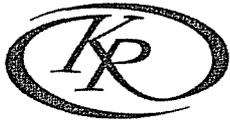
A handwritten signature in black ink, appearing to read "Jeffrey R. Emer", written over the printed name.

Executive Director

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# Financial Section

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**KOSTIN,  
RUFFKESS  
& COMPANY, LLC**

Business Advisors and Certified Public Accountants

Farmington, CT • New London, CT  
Springfield, MA

Pond View Corporate Center  
76 Batterson Park Road  
Farmington, CT 06032-2571

Main Line: (860) 678-6000  
Toll Free: (800) 286-KRCO  
Fax: (860) 678-6110  
Web: [www.kostin.com](http://www.kostin.com)

## 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, 2009, 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, 2009, 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 23, 2009, 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 Schedule of Funding Progress - Thomaston Retirement System and Thomaston Post-employment Benefit System on pages 11 through 23 and page 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.

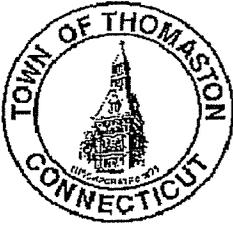


Town of Thomaston, Connecticut  
Page Two

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 23, 2009



**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, 2009**

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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, 2009.

**Financial Highlights**

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$34,648,999 (*net assets*). Of this amount, \$8,332,971 (*unrestricted net assets*) may be used to meet the Town's ongoing obligations to citizens and creditors.
- Unrestricted net assets increased by \$2,047,824 from the prior year, primarily due to the unspent proceeds from the issuance of bond anticipation notes for the Seven Year Road Reconstruction Program.
- The Town's total net assets decreased by \$192,851. Three major factors which offset each other accounts for the minimal change. Current liabilities increased by \$4,759,722 primarily due to the BAN issuance. This is offset by the increase in 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 \$4,200,393, a decrease of \$2,409,009 in comparison with the prior year. This decrease is associated with the Seven Year Road Program. \$2,338,743 of fund balance is reserved for a specific purpose, leaving an *unreserved fund balance* in the amount of \$1,861,650.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$1,827,869, a decrease of \$165,138 in comparison with the prior year. This represents 7.6 percent of total general fund expenditures.

**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)

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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 24 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, small cities, capital projects and the capital or nonrecurring funds, all of which are considered to be major funds. Data from the other 20 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 6 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 .6 percent from a year ago – decreasing from \$34,841,850 to \$34,648,999.

By far the largest portion of the Town's net assets (73.5 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.

Current and other assets	\$ 13,370,167	\$ 10,867,533
Capital assets (net)	48,967,794	47,697,418
Total assets	62,337,961	58,564,951
Long-term liabilities	19,868,167	20,662,028
Other liabilities	7,820,792	3,061,073
Total liabilities	27,688,959	23,723,101
Net assets:		
Invested in capital assets, net of related debt	25,467,102	27,183,637
Restricted	848,926	1,373,066
Unrestricted	8,332,971	6,285,147
TOTAL NET ASSETS	\$ 34,648,999	\$ 34,841,850

A portion of the Town's net assets (2.5 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets (24.0 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 \$180,302. Key elements of this decrease are as follows:

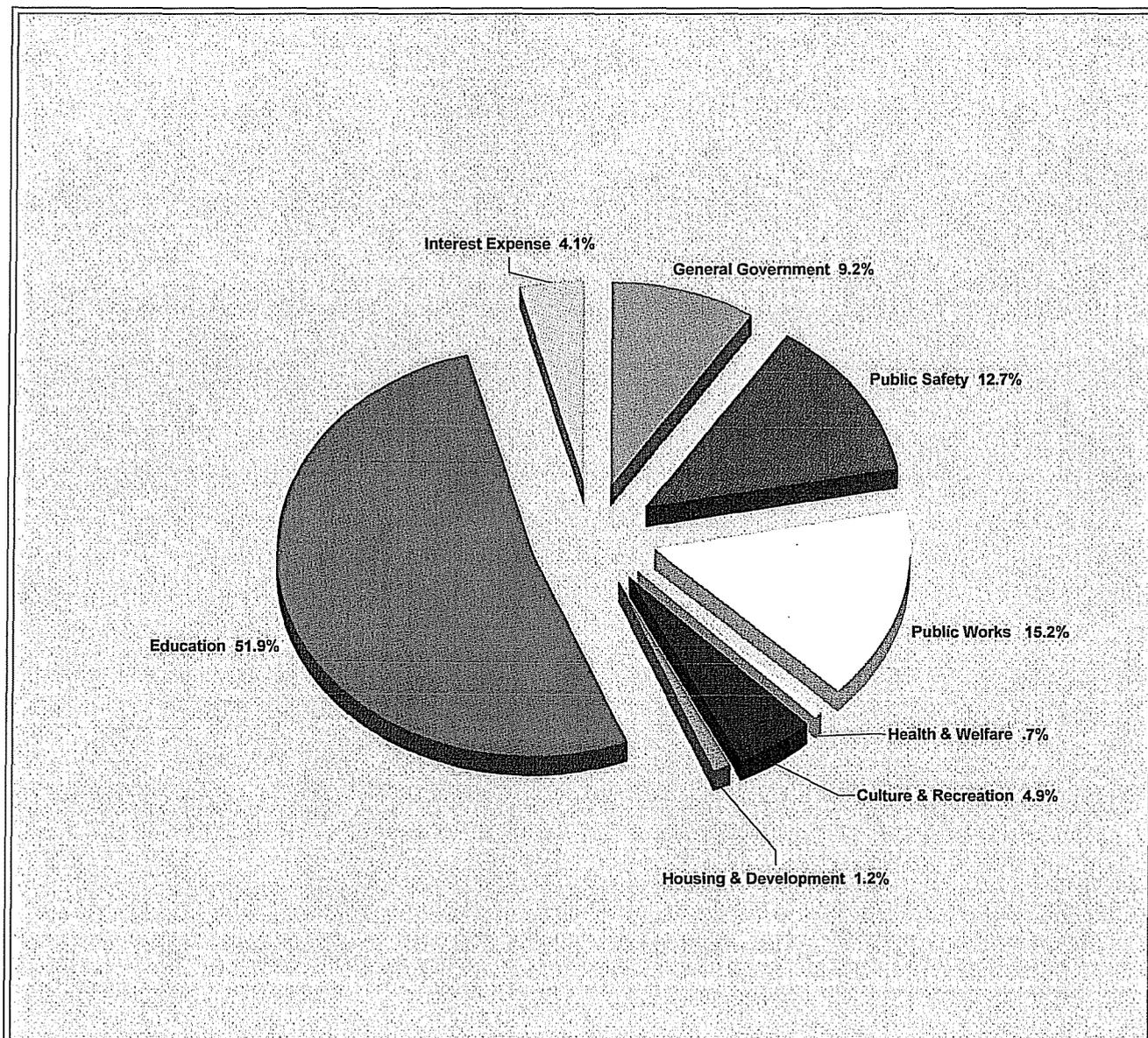
TOWN OF THOMASTON'S CHANGES IN NET ASSETS		
	2009	2008
<b>REVENUES:</b>		
Program revenues:		
Charges for services	\$ 2,173,028	\$ 2,163,276
Operating grants and contributions	8,348,877	10,403,236
Capital grants and contributions	715,950	555,629
<b>GENERAL REVENUE:</b>		
Property taxes	16,444,961	15,506,863
Grants and contributions not restricted to specific programs	514,848	399,510
Investment income	89,454	228,647
Other	107,408	256,730
<b>TOTAL REVENUES</b>	<b>28,394,526</b>	<b>29,513,891</b>
<b>EXPENSES:</b>		
General government	1,667,898	1,697,981
Public safety	2,403,832	2,205,660
Public works	4,345,216	3,953,285
Health and welfare	142,079	176,275
Culture and recreation	1,418,346	1,404,087
Housing and development	271,461	197,298
Education	17,620,403	19,045,383
Interest on long-term debt	718,142	760,841
<b>TOTAL EXPENSES</b>	<b>28,587,377</b>	<b>29,440,810</b>
<b>CHANGE IN NET ASSETS</b>	<b>\$ (192,851)</b>	<b>\$ 73,081</b>

- Charges for services increased by \$9,752 (.5 percent) due to the increase in special traffic duty work and sales at the Opera House. Conveyance tax decreased by \$14,603 due to the economic slowdown and housing crisis while building permits remained stable. Although there were increases in areas such as sewer use fees, these were offset by the closing of the transfer station which reduced sales by \$32,430.
- The most significant decrease in operating grants was related to the in-kind contribution from the State of Connecticut for the State Teachers Retirement Board. The State chose to fund \$3 million more in 2008 than in 2007 and in 2009 returned to a funding level of \$994,416. Education increased in areas of Education Cost Sharing and special education, one time asset forfeiture money was received for \$40,134 and the Opera House saw an increase in contributions. Grants from the State Department of Education account for approximately 96.5% of the Town's operating grants and contributions.
- Capital grants and contributions increased by \$160,321 (28.9 percent). The Town recognized additional revenue due from the State for STEAP and Local Bridge funded projects in the amount of \$279,575. This was offset by a decrease in capital grants for the Opera House.
- In spite of additional cash available for investment due to the issuance of bond anticipation notes, interest income still declined due to the continual fall of interest rates.

Management's Discussion and Analysis (continued)

- Government-wide expenses decreased by \$853,433 (2.9 percent) compared to an increase of \$3,272,968 (12.5 percent) in the prior year. As explained earlier from 2007 to 2008 \$3 million of the increase is the offset expenditure to the in-kind contribution from the State of Connecticut for the State Teachers Retirement Board. Taking that spike into account, spending remained relatively flat. Be advised that employee benefits, pension, social security and insurances are originally budgeted under the general government function. These costs were reallocated to the correct departmental functions displayed above.
- Town departments are forced to do more with less due to increasing budgetary constraints. While fixed costs continue to increase, departments were asked to hold the line on spending, in spite of unfunded mandates at the state and federal level. All Town unions agreed to a wage freeze in 2008 and 2009.

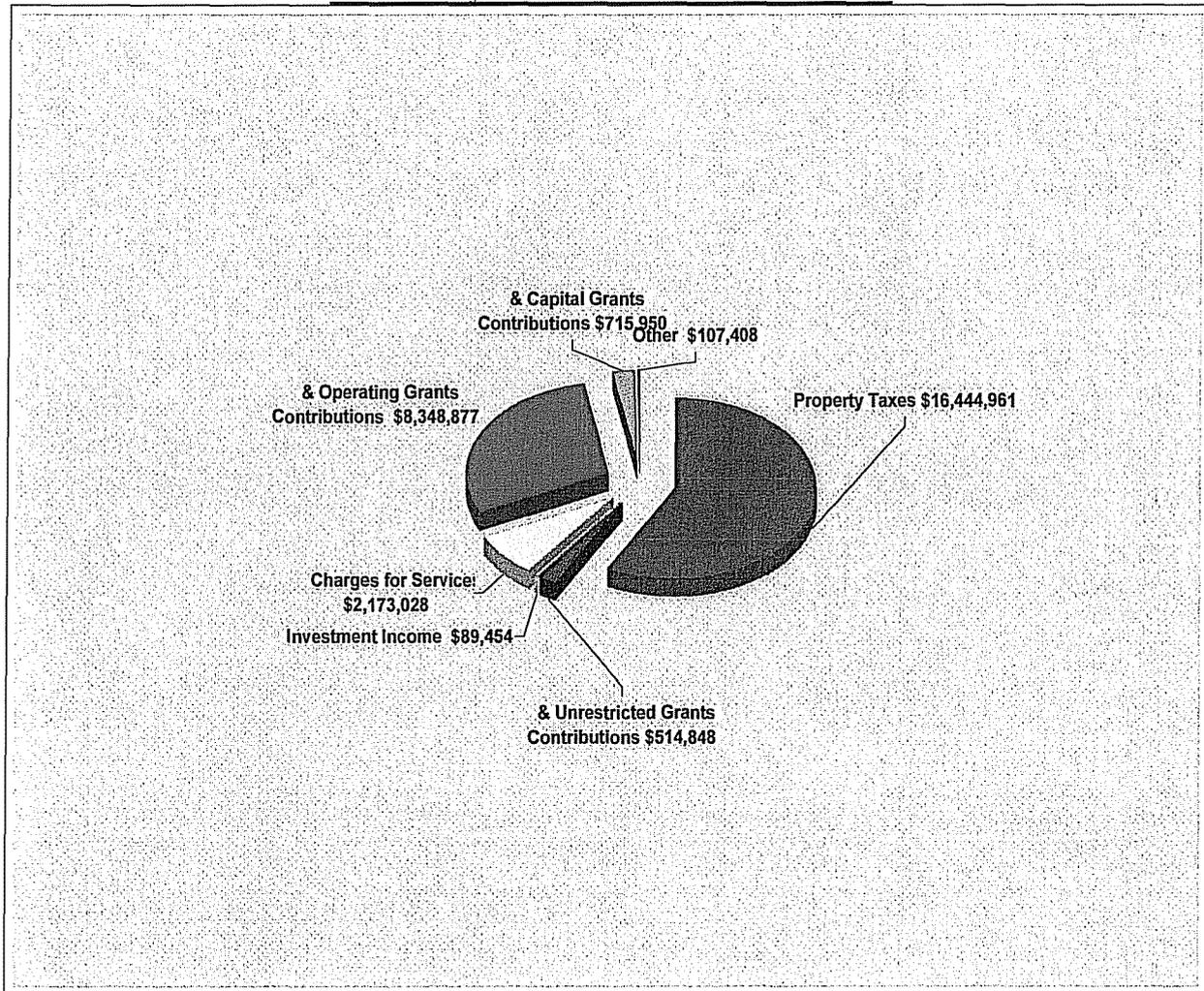
**Expenses and Program Revenues (Net) - Governmental Activities**



Management's Discussion and Analysis (continued)

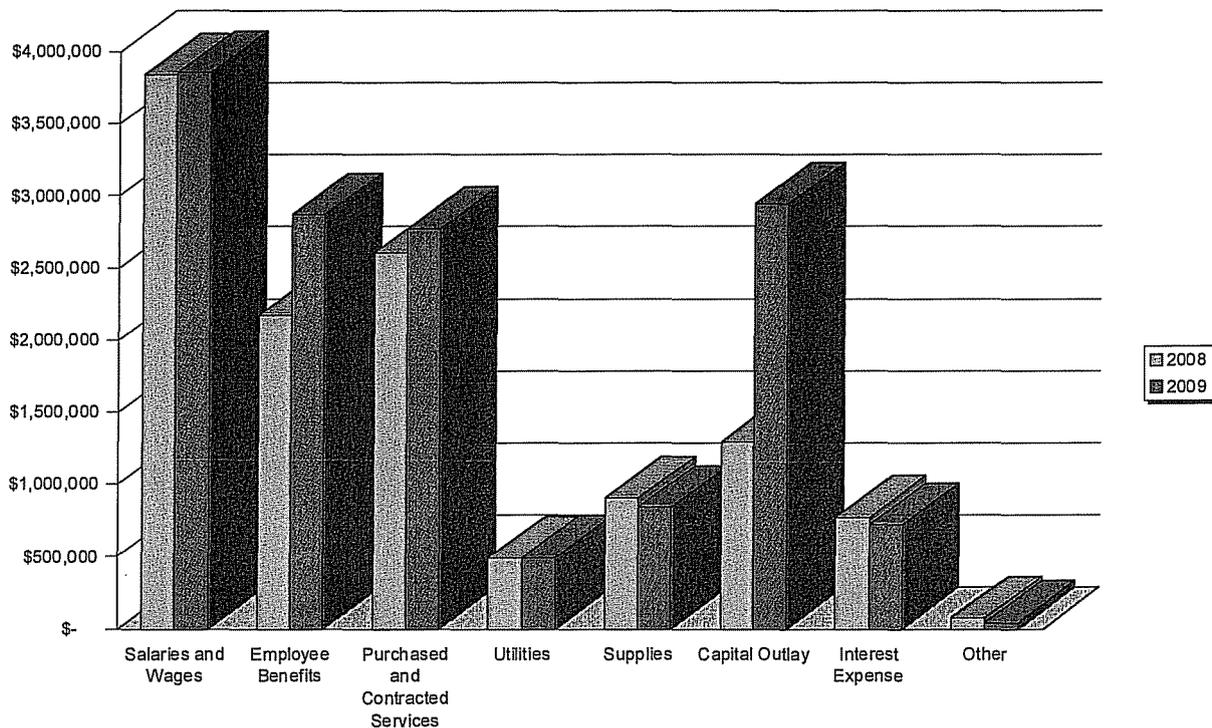
The above represents the net cost by function as presented in the Statement of Activities (Exhibit B). In most cases, the above chart represents the true cost of the departments because we have offset the costs by the revenues derived by those departments. For example, the net cost of Education of \$8,996,609 includes expenses of \$17,620,403 offset by charges for services of \$330,850, operating grants and contributions (including the Education Cost sharing grant) of \$8,051,039 and capital grants and contributions of \$241,905. However, the capital grants ultimately 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 2009, the net costs above are understated by \$241,905 in Education for school construction upgrades and \$431,152 in Public Works for infrastructure grants.

**Revenues by Source - Governmental Activities**



The chart above reflects the sources of revenue for 2009, which provide the services the taxpayers of Thomaston receive. Property taxes of \$16,444,961 (57.9 percent) are the major source of revenue, followed by operating grants and contributions of \$8,348,877 (29.4 percent), and charges for services of \$2,173,028 (7.7 percent). The remaining \$1,427,660 (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, 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 for both fiscal year 2009 and 2008. There was little fluctuation in spending in areas of salaries & wages, contracted services, utilities, supplies and interest expense. However, employee benefits increased \$702,121 due to the increases in health insurance premiums and the increase in contribution required for the pension plan. The most significant change in expenditures was Capital Outlay which increased \$1,649,557 due to the Center School renovation and the Seven year road project. 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)

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As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$4,200,393. The Town has reserved \$2,338,743 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 (\$1,231,572), 2) to liquidate contracts and purchase orders of the prior period on construction and infrastructure projects (\$467,520), 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 (\$340,808), and 4) for compensated absences (\$298,843).

The total unreserved fund balance decreased by \$1,848,993 to \$1,861,650. This was caused substantially by the expenditures associated with the road reconstruction project. Expenditures were funded with short term debt rather than revenue.

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 \$1,827,869. As a measure of the general fund's liquidity, it is useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents 7.6 percent of total general fund expenditures; however, \$273,000 of unreserved fund balance has been designated for the subsequent year's budget. The balance of unreserved and undesignated fund balance of \$1,554,869 lowers the percentage to 6.4 percent of total general fund expenditures.

The fund balance of the Town's general fund decreased by \$165,138 during the current fiscal year. The Town had originally budgeted the use of prior year fund balance of \$250,000 to balance the fiscal 2008-2009 budget, but these key factors defrayed the use of all \$250,000:

- Revenue collections were poor to the amount of \$182,535 below estimates, combined with the planned use of fund balance of \$250,000, totaling \$432,535 of revenues below the amount budgeted, however expenditures came in at \$267,397 less than anticipated. Tax collections, grants and interest income were under-budget by \$168,204, \$37,570 and \$30,373, respectively.
- The Town saved a substantial amount of money in utilities at the Town Hall by installing new green florescent bulbs, motion sensors for lighting and programmable thermostats. The Town is continuing its efforts in these areas. The positive variance (savings) in the Town Hall budget was \$35,761.
- The Town introduced a new Health Savings Account medical plan to all employees as an option from the current bargained medical plans. Only one union agreed to offer it to its members, but most supervisors and non-union employees signed up for the plan. The positive variance (savings) in benefits was \$68,279.
- The groundwater remediation efforts at the Town garage which has been ongoing since 1993 may finally be coming to a close. Pumps were shut down with positive results and testing continues. A positive variance (savings) of \$24,453 was realized.
- There were also substantial positive variance (savings) for fire hydrants \$15,362, Solid Waste \$21,458 and the Visiting Nurse \$8,000. 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			
	2009	2008	Increase (Decrease)
<b>REVENUES:</b>			
Property taxes.....	\$ 16,138,322	\$ 15,488,705	\$ 649,617
Charges for services.....	246,891	248,735	(1,844)
Intergovernmental.....	7,609,875	10,159,724	(2,549,849)
Income from investments.....	95,627	180,319	(84,692)
Other.....	80,835	249,751	(168,916)
<b>TOTAL REVENUES.....</b>	<b>24,171,550</b>	<b>26,327,234</b>	<b>(2,155,684)</b>
<b>EXPENDITURES:</b>			
General government.....	3,054,606	3,016,581	38,025
Public safety.....	1,378,662	1,389,993	(11,331)
Public works.....	1,574,549	1,615,557	(41,008)
Health and welfare.....	90,423	111,928	(21,505)
Culture and recreation.....	452,766	513,362	(60,596)
Housing and development.....	138,694	136,039	2,655
Education.....	14,780,948	17,018,547	(2,237,599)
Debt service.....	2,570,603	2,664,976	(94,373)
Capital outlay.....	108,446	41,249	67,197
<b>TOTAL EXPENDITURES.....</b>	<b>24,149,697</b>	<b>26,508,232</b>	<b>(2,358,535)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>21,853</b>	<b>(180,998)</b>	<b>202,851</b>
<b>OTHER FINANCING SOURCES (USES):</b>			
Transfers in.....	69,524	53,774	15,750
Transfers out.....	(256,515)	(619,123)	362,608
<b>NET OTHER FINANCING SOURCES (USES).....</b>	<b>(186,991)</b>	<b>(565,349)</b>	<b>378,358</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>\$ (165,138)</b>	<b>\$ (746,347)</b>	<b>\$ 581,209</b>

Tax revenue increased by \$649,617 due to these factors:

- The mill rate increased from 24.99 to 26.28 generating an increase in the current tax levy by \$691,655; however, the tax collection rate fell from 97.3% to 96.8%, the lowest rate the Town has seen in ten years.
- Intergovernmental revenue decreased, in large part, due to the reduction in the State of Connecticut's in-kind contribution to the state teacher's retirement board. GAAP requires municipalities to record the contribution as both revenue and expenditure, thus explaining the large decrease in Education expenditures.
- Investment income decreased due to the economic downturn and falling interest rates.
- Other revenue decreased due to a one time CRRA settlement received in the prior year.
- Expenditures decreased in public safety, public works, health & welfare and culture & recreation based on the need to hold the line or reduce spending during poor economic times.
- Capital or nonrecurring fund appropriations average \$500,000 to \$700,000 annually. For the first time, in 2008-2009, the Town was forced to decrease its commitments to less than \$200,000.

**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 \$86,991 in new residential and commercial loans and received back \$61,909 in loan repayments. The total loan balance at June 30, 2009 was \$1,231,572. An unreserved fund balance of \$128,313 is available for future loan assistance and \$283,111 (40,350 commitment and \$242,761 unreserved) has been earmarked for improvements at Green Manor, Grove Manor, sidewalks improvements and ADA improvements at the Seth Thomas House.

**Capital Projects Fund.** This fund accounts for financial resources to be used for the acquisition of major equipment or construction of facilities including the Center School renovation, the purchase of the Seth Thomas Bradstreet House and a sinking fund for the sewer department. The capital projects fund's expenditures and transfers out exceeded its revenues by \$880,781 as a result of various projects funded in prior years.

**Capital or Nonrecurring Fund.** This 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. There are approximately forty-two separate projects, a summary of which can be found in Note II.F. of the notes to the financial statements. The capital projects fund's expenditures and transfers out exceeded its revenues by \$1,253,549 as a result of various projects funded in prior years.

### **General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget were \$37,643. The increase in budget can be briefly summarized as follows:

Revised revenue appropriations of \$37,643:

- State Department of Education School Heating Assistance grant of \$15,143 was transferred to the Board of Education.
- Pay for Play revenue of \$22,575 was transferred to the Board of Education.
- Reduction in Town Aid Road based on State actual (\$75).

Transfers from contingency of \$120,000 were made during the year as follows:

- \$24,000 for the replacement of the Town's network server.
- \$8,000 for legal fees to establish the OPEB Trust Fund in preparation for GASB45 implementation.
- \$13,000 for the replacement of the Town Hall Fire Alarm panel.
- \$2,500 to repair the tennis courts.
- \$201 to Board of Finance supplies.
- \$52,979 for police overtime.
- \$11,256 for legal fees.
- \$8,064 for Education.

Transfers to the Capital or Nonrecurring fund to be used for improvements in 09/10 budget were as follows:

- \$19,000 from the High Street Water Main Fund.
- \$11,491 from the Transfer Station performance bond (deemed Town money)

Transfers between operating budgets of \$29,356 were funded primarily by positive variance (savings) in the Retiree fringe benefits and Communication & Dispatch budgets.

During the year, some expenditures were less than budgetary estimates, thus reducing the need to draw upon existing fund balance. Of the \$250,000 of budgeted use of fund balance, the Town used \$165,138.

**Capital Assets and Debt Administration**

**Capital assets.** The Town's investment in capital assets for its governmental type activities as of June 30, 2009, amounts to \$48,967,794 (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 \$1,270,376 (3%). 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 first phase of the Seven Year Program included complete reclamation and reconstruction of High St. Extension, Atwood Heights, Atwood Road, Twin Pond, Center Street, Innes Ave., Smith Road, Bridge Rd and Marine Streets. Total costs of roads capitalized were \$1,118,204 and construction in progress totaled \$27,570.
- The Altair Avenue Culvert Replacement for Bridge No. 140-001 was replaced at a total cost of \$428,386. The Town received a \$300,000 commitment from the State from STEAP funds (Small Town Economic Assistance Program) and the State DOT Local Bridge Program has also committed 32.14% of the total project costs. The Town is still waiting for State reimbursement.
- The Town received a grant in the amount of \$200,040 in 2006 and another grant for \$498,300 in 2008 from STEAP for sidewalk infrastructure replacement. Construction in progress totaled \$66,260 at June 30, 2009.
- The initial design stage of the Center School renovation began in November 2004; construction in progress as of the close of the fiscal year reached \$909,339; new assets recorded on the books for stage flooring, 1200 amp boiler panel, network infrastructure assets and controls and electrical totaled \$165,619.
- Town Hall capital improvements include a new network server, the rebuilding of the old clock-tower stairs, and the replacement of two boilers and a fire alarm panel.
- A grant funded the replacement of the Furnace and Water Heater at the Seth Thomas House.

CAPITAL ASSETS (NET OF ACCUMULATED DEPRECIATION)		
	2009	2008
Land	\$ 1,315,620	\$ 1,315,620
Construction in Progress	1,187,798	226,620
Buildings	29,360,154	29,973,445
Land improvements	604,149	631,708
Machinery & Equipment	4,416,373	4,571,126
Vehicles	828,119	959,612
Infrastructure	11,255,581	10,019,287
Total	\$ 48,967,794	\$ 47,697,418

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 \$12,410,000. All debt is backed by the full faith and credit of the government. The remainder of the Town's debt represents notes totaling \$6,134,939 funded by the State of Connecticut Clean Water Fund, capital lease obligations for dump trucks, a sweep-vac truck and fire truck totaling \$122,009, and unamortized bond premium of \$134,374.

TOWN OF THOMASTON'S OUTSTANDING DEBT				
LONG - TERM OBLIGATIONS				
	2008		2008	
General obligation bonds	\$	12,410,000	\$	13,645,000
Notes		6,134,939		6,618,567
Capital lease obligations		122,009		240,811
Bond premium		134,374		144,525
<b>Total</b>	<b>\$</b>	<b>18,801,322</b>	<b>\$</b>	<b>20,648,903</b>

The Town maintains an "A2" rating from Moody's for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 7 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 \$112,410,347, 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. The Town issued its first bond anticipation notes (BAN) of \$2,280,000 on July 29, 2008, for the first phase of the project. On May 6, 2009 the Town issued its second bond anticipation notes of \$4,825,000, paying down the first BAN. Included in the BAN. issuance is, \$324,460 to replace two highway dump trucks.

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

**Economic Factors and Next Year's Budgets and Rates**

- The unemployment rate for the Town is currently 9.4% which is an increase from a rate of 6.3% a year ago and rate of 4.5% three years ago. This is comparable to the state's average unemployment rate of 8.4% but favorable to the Waterbury Labor Market rate of 10.5%. While Connecticut is still well below the national average of 10.2%, the overall trend has been clearly negative.
- The American Recovery and Reinvestment Act monies received by Connecticut this year has saved or created 6,110 jobs out of the 41,000 jobs the federal government predicted. Of the \$3.1 billion Connecticut is projected to receive in stimulus aid, \$1.9 billion, or 61 percent, will go toward state fiscal relief. Infrastructure spending is expected to only be 17 percent of the total.
- The national financial crisis is barreling down on cities and towns, but no one knows yet how bad the damage could be. The U.S. has been running up debt for more than half a century but never at the current pace. The federal deficit which hovers on top of the ever-increasing trillions puts the country at risk. If investors decide that investing assets in the US has become risky, then interest rate will have to climb to attract overseas capital. Inflation could rear up at the slightest sign of an economic recovery.

**Economic Factors and Next Year's Budgets and Rates**

- GASB45 was implemented for this fiscal year, which requires cities and towns to report the liability associated with post employment health benefits. The Town has begun planning for the funding of post-employment health benefits and will be bringing the establishment of an OPEB Trust fund to Town meeting in 2009-2010.
- The Town negotiated and recently settled four bargaining unit contracts. Unions agreed to take a second wage freeze for fiscal year 2009-2010, agreed to increases in premium shares for health insurance with a Health Savings Account option and increases in contributions to the pension plan over the life of the contracts.
- Thomaston is facing increasing economic burdens based on its own fiscal limitations, such as increasing municipal expenditures and needed infrastructure improvements while having a limited commercial tax base. The driving force of fair and equitable taxation is derived from a complete and accurate grand list. The Town's grand list growth historically averages 1.2% but this growth can not keep up pace with rising fixed costs. Thomaston's tax base is predominantly residential, forcing more of the tax burden on the homeowner rather than on the commercial sectors.

All of these factors were considered in preparing the Town's budget for the 2009-2010 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.

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# Basic Financial Statements

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TOWN OF THOMASTON, CONNECTICUT

STATEMENT OF NET ASSETS  
JUNE 30, 2009

	GOVERNMENTAL ACTIVITIES
<u>ASSETS</u>	
Current assets:	
Cash.....	\$ 1,051,222
Investments.....	6,296,904
Receivables:	
Property taxes.....	533,691
Assessments/use charges.....	129,117
Loans.....	61,907
Intergovernmental.....	682,968
Notes.....	192,099
Other assets.....	40,027
Bond issue costs.....	9,492
Total Current assets.....	<u>8,997,427</u>
Noncurrent assets:	
Restricted assets:	
Temporarily restricted:	
Investments.....	41,650
Permanently restricted:	
Investments.....	340,808
Total Restricted assets.....	<u>382,458</u>
Receivables (net):	
Property taxes.....	1,010,663
Assessments/use charges.....	138,181
Loans.....	1,144,665
Intergovernmental.....	1,478,918
Notes.....	101,717
Total Receivables (net).....	<u>3,874,144</u>
Bond issue costs.....	116,138
Capital assets (net of accumulated depreciation):	
Land.....	1,315,620
Construction in progress.....	1,187,798
Buildings.....	29,360,154
Land improvements.....	604,149
Machinery and equipment.....	4,416,373
Vehicles.....	828,119
Infrastructure.....	11,255,581
Total capital assets (net of accumulated depreciation).....	<u>48,967,794</u>
Total noncurrent assets.....	<u>53,340,534</u>
TOTAL ASSETS.....	<u>62,337,961</u>

(Continued)

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

TOWN OF THOMASTON, CONNECTICUT

STATEMENT OF NET ASSETS  
JUNE 30, 2009

	GOVERNMENTAL ACTIVITIES
<u>LIABILITIES</u>	
LIABILITIES:	
Current liabilities:	
Accounts payable.....	\$ 576,285
Accrued payroll.....	107,694
Accrued interest payable.....	131,647
Unearned revenue.....	9,182
Bond anticipation notes payable.....	4,825,000
Bonds and notes payable.....	1,728,389
Capital lease payable.....	122,009
Compensated absences.....	211,317
Other liabilities.....	109,272
	7,820,795
Total Current liabilities.....	7,820,795
Noncurrent liabilities:	
Bonds and notes payable.....	16,816,550
Compensated absences.....	1,197,460
Other liabilities.....	1,854,157
	19,868,167
Total Noncurrent liabilities.....	19,868,167
TOTAL LIABILITIES.....	27,688,962
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt.....	25,467,102
Restricted for:	
Capital projects.....	467,520
Endowments:	
Nonexpendable.....	120,200
Expendable.....	1,109
Perpetual care:	
Nonexpendable.....	220,608
Expendable.....	39,489
Unrestricted.....	8,332,971
	8,332,971
TOTAL NET ASSETS.....	\$ 34,648,999

(Concluded)

TOWN OF THOMASTON, CONNECTICUT

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2009

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
<b>GOVERNMENTAL ACTIVITIES:</b>					
General government.....	\$ 1,667,898	\$ 47,646	\$ 18,491	\$ 3,661	\$ (1,598,100)
Public safety.....	2,403,832	158,988	43,134	3,981	(2,197,729)
Public works.....	4,345,216	1,161,218	113,249	431,152	(2,639,597)
Health and welfare.....	142,079	1,816	14,832		(125,431)
Culture and recreation.....	1,418,346	411,361	108,132	35,251	(863,602)
Housing and development.....	271,461	61,149			(210,312)
Education.....	17,620,403	330,850	8,051,039	241,905	(8,996,609)
Interest expense.....	718,142				(718,142)
<b>TOTAL.....</b>	<b>\$ 28,587,377</b>	<b>\$ 2,173,028</b>	<b>\$ 8,348,877</b>	<b>\$ 715,950</b>	<b>\$ (17,349,522)</b>
<b>GENERAL REVENUES:</b>					
Property taxes.....					\$ 16,444,961
Grants and contributions not restricted to specific programs.....					514,848
Investment income.....					89,454
Miscellaneous.....					107,408
<b>TOTAL GENERAL REVENUES.....</b>					<b>17,156,671</b>
<b>CHANGE IN NET ASSETS.....</b>					<b>(192,851)</b>
<b>NET ASSETS - JULY 1, 2008.....</b>					<b>34,841,850</b>
<b>NET ASSETS - JUNE 30, 2009.....</b>					<b>\$ 34,648,999</b>

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

TOWN OF THOMASTON, CONNECTICUT

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2009

	GENERAL	SMALL CITIES	CAPITAL PROJECTS	CAPITAL OR NONRECURRING	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>ASSETS</b>						
Cash.....	\$ 500,192	\$ 437,473	\$ 3,676	\$	\$ 109,881	\$ 1,051,222
Investments.....	5,441,690		125,755	308,108	803,809	6,679,362
Due from other funds.....	125,230		593,581	3,513,889	43,752	4,276,452
Receivables, net:						
Property taxes.....	1,377,834					1,377,834
Assessments/use charges.....			1,686		212,412	214,098
Loans.....		1,231,572				1,231,572
Intergovernmental.....	4,283			452,941	28,305	485,529
Other.....	172,619		3,981		15,499	192,099
Other assets.....	6,966				33,061	40,027
<b>TOTAL ASSETS.....</b>	<b>\$ 7,628,814</b>	<b>\$ 1,669,045</b>	<b>\$ 728,679</b>	<b>\$ 4,274,938</b>	<b>\$ 1,246,719</b>	<b>\$ 15,548,195</b>
<b>LIABILITIES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable.....	\$ 307,887	\$ 26,049	\$ 76,465	\$ 49,818	\$ 116,066	\$ 576,285
Accrued payroll.....	91,510				16,184	107,694
Due to other funds.....	4,047,221		104,001		125,230	4,276,452
Deferred and unearned revenue.....	1,354,327		1,686	8,000	186,774	1,550,787
Other liabilities.....					11,584	11,584
Bond anticipation notes.....				4,825,000		4,825,000
<b>Total Liabilities.....</b>	<b>5,800,945</b>	<b>26,049</b>	<b>182,152</b>	<b>4,882,818</b>	<b>455,838</b>	<b>11,347,802</b>
Fund Balances:						
Reserved for:						
Receivables.....		1,231,572				1,231,572
Commitments.....		40,350	119,054	308,116		467,520
Compensated absences.....				298,843		298,843
Endowments.....					120,200	120,200
Perpetual care.....					220,608	220,608
Unreserved, reported in:						
Designated for subsequent year's budget.....	273,000					273,000
General fund.....	1,554,869					1,554,869
Special revenue:						
Designated for improvements.....					145,584	145,584
Unreserved.....		371,074			263,891	634,965
Capital projects funds.....			427,473	(1,214,839)		(787,366)
Permanent funds.....					40,598	40,598
<b>Total Fund Balances.....</b>	<b>1,827,869</b>	<b>1,642,996</b>	<b>546,527</b>	<b>(607,880)</b>	<b>790,881</b>	<b>4,200,393</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 7,628,814</b>	<b>\$ 1,669,045</b>	<b>\$ 728,679</b>	<b>\$ 4,274,938</b>	<b>\$ 1,246,719</b>	<b>\$ 15,548,195</b>

(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, 2009

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)..... \$ 4,200,393

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

Beginning capital assets.....	47,697,418
Current year additions.....	2,957,303
Depreciation expense.....	(1,495,872)
Disposal of assets.....	(191,055)

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.....	525,820
Property tax, sewer use and sewer assessment receivable - accrual basis change.....	1,541,605
School building grant receivable.....	1,676,357
Notes receivable.....	101,717
Allowance for doubtful accounts.....	(331,100)
Bond issue costs.....	125,630

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.....	(18,544,939)
Bond premium.....	(134,374)
Capital lease payable.....	(122,009)
Compensated absences.....	(1,408,777)
Other liabilities.....	(1,817,471)
Accrued interest payable.....	(131,647)

NET ASSETS OF GOVERNMENTAL ACTIVITIES..... \$ 34,648,999

(Concluded)

TOWN OF THOMASTON, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009

	GENERAL	SMALL CITIES	CAPITAL PROJECTS	CAPITAL OR NONRECURRING	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUES:</b>						
Property taxes.....	\$ 16,138,322	\$	\$	\$	\$	\$ 16,138,322
Charges for services.....	246,891	5,117	31,773	3,720	1,876,901	2,164,402
Intergovernmental.....	7,609,875		249,868	439,084	1,328,462	9,627,289
Contributions.....			6,263	11,541	137,271	155,075
Income from investments.....	95,627	5,489	1,654	7,209	7,322	117,301
Net change in fair value of investments.....					(39,572)	(39,572)
Other.....	80,835		1,574		25,000	107,409
<b>TOTAL REVENUES.....</b>	<b>24,171,550</b>	<b>10,606</b>	<b>291,132</b>	<b>461,554</b>	<b>3,335,384</b>	<b>28,270,226</b>
<b>EXPENDITURES:</b>						
Current:						
General government.....	3,054,606			32,647	9,578	3,096,831
Public safety.....	1,378,662			27,753	63,645	1,470,060
Public works.....	1,574,549		19,849		1,116,152	2,710,550
Health and welfare.....	90,423				8,116	98,539
Culture and recreation.....	452,766		11,037		557,797	1,021,600
Housing and development.....	138,694	89,862				228,556
Education.....	14,780,948		8,741	128,163	1,619,067	16,536,919
Debt service.....	2,570,603					2,570,603
Capital outlay.....	108,446	13,216	1,089,287	1,705,851	40,502	2,957,302
<b>TOTAL EXPENDITURES.....</b>	<b>24,149,697</b>	<b>103,078</b>	<b>1,128,914</b>	<b>1,894,414</b>	<b>3,414,857</b>	<b>30,690,960</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>21,853</b>	<b>(92,472)</b>	<b>(837,782)</b>	<b>(1,432,860)</b>	<b>(79,473)</b>	<b>(2,420,734)</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Premium.....				11,725		11,725
Transfers in.....	69,524		21,000	204,086	105,428	400,038
Transfers out.....	(256,515)		(63,999)	(36,500)	(43,024)	(400,038)
<b>NET OTHER FINANCING SOURCES (USES).....</b>	<b>(186,991)</b>	<b>-</b>	<b>(42,999)</b>	<b>179,311</b>	<b>62,404</b>	<b>11,725</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>(165,138)</b>	<b>(92,472)</b>	<b>(880,781)</b>	<b>(1,253,549)</b>	<b>(17,069)</b>	<b>(2,409,009)</b>
<b>FUND BALANCES - JULY 1, 2008.....</b>	<b>1,993,007</b>	<b>1,735,468</b>	<b>1,427,308</b>	<b>645,669</b>	<b>807,950</b>	<b>6,609,402</b>
<b>FUND BALANCES - JUNE 30, 2009.....</b>	<b>\$ 1,827,869</b>	<b>\$ 1,642,996</b>	<b>\$ 546,527</b>	<b>\$ (607,880)</b>	<b>\$ 790,881</b>	<b>\$ 4,200,393</b>

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, 2009

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)..... \$ (2,409,009)

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.....	2,957,303
Depreciation expense.....	<u>(1,495,872)</u>
Total .....	<u>1,461,431</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..... (191,055)

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.....	(202,689)
Notes receivable.....	(8,868)
Change in property tax, sewer use and sewer assessment receivable - accrual basis change.....	243,727
Change in property tax, sewer use and sewer assessment interest and lien revenue.....	122,088
Change in property tax and sewer use allowance for doubtful accounts.....	<u>(41,683)</u>
Total .....	<u>112,575</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:

Principal repayments:	
General obligation bonds.....	1,235,000
Notes payable.....	483,628
Capital lease.....	<u>118,802</u>
Total .....	<u>1,837,430</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, 2009

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:

Claims and judgments.....	\$ 32,500
Compensated absences.....	(159,937)
Net pension obligation.....	(116,449)
Net OPEB obligation.....	(911,980)
Severance.....	136,612
Accrued interest payable.....	14,372
Amortization of bond premium.....	10,151
Amortization of bond issue costs.....	<u>(9,492)</u>
Total .....	<u>(1,004,223)</u>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES (EXHIBIT B) .....	<u>\$ (192,851)</u>

(Concluded)

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

## TOWN OF THOMASTON, CONNECTICUT

GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2009

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>REVENUES:</b>				
Property taxes.....	\$ 16,306,526	\$ 16,306,526	\$ 16,138,322	\$ (168,204)
Charges for services.....	197,063	219,638	246,891	27,253
Intergovernmental.....	6,637,961	6,653,029	6,615,459	(37,570)
Income from investments.....	126,000	126,000	95,627	(30,373)
Other.....	54,000	54,000	80,835	26,835
<b>TOTAL REVENUES.....</b>	<b>23,321,550</b>	<b>23,359,193</b>	<b>23,177,134</b>	<b>(182,059)</b>
<b>EXPENDITURES:</b>				
Current:				
General government.....	3,294,943	3,218,637	3,054,606	164,031
Public safety.....	1,334,179	1,378,872	1,378,662	210
Public works.....	1,635,699	1,640,785	1,574,549	66,236
Health and welfare.....	105,136	105,136	90,423	14,713
Culture and recreation.....	453,891	456,779	452,766	4,013
Housing and development.....	149,578	149,578	138,694	10,884
Education.....	13,740,750	13,786,532	13,786,532	-
Debt service.....	2,577,913	2,577,913	2,570,603	7,310
Capital outlay.....	108,446	108,446	108,446	-
<b>TOTAL EXPENDITURES.....</b>	<b>23,400,535</b>	<b>23,422,678</b>	<b>23,155,281</b>	<b>267,397</b>
<b>EXCESS ( DEFICIENCY ) OF REVENUES OVER EXPENDITURES.....</b>	<b>(78,985)</b>	<b>(63,485)</b>	<b>21,853</b>	<b>85,338</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Appropriation of fund balance.....	250,000	250,000		(250,000)
Transfers in.....	70,000	70,000	69,524	(476)
Transfers out.....	(241,015)	(256,515)	(256,515)	-
<b>NET OTHER FINANCING SOURCES (USES).....</b>	<b>78,985</b>	<b>63,485</b>	<b>(186,991)</b>	<b>(250,476)</b>
<b>NET CHANGE IN FUND BALANCE.....</b>	<b>\$ -</b>	<b>\$ -</b>	<b>(165,138)</b>	<b>\$ (165,138)</b>
<b>FUND BALANCE - JULY 1, 2008.....</b>			<b>1,993,007</b>	
<b>FUND BALANCE - JUNE 30, 2009.....</b>			<b>\$ 1,827,869</b>	

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

**TOWN OF THOMASTON, CONNECTICUT**

STATEMENT OF FIDUCIARY NET ASSETS  
FIDUCIARY FUNDS  
JUNE 30, 2009

	PENSION TRUST FUND	PRIVATE- PURPOSE TRUST FUNDS	AGENCY FUNDS
<b><u>ASSETS</u></b>			
Cash.....	\$	\$ 1,549	\$ 223,607
Investments:			
Money Market Funds.....	374,717		
Certificates of Deposit.....		6,627	3,680
US Government Obligations.....	35,031		
US Government Agency Obligations.....	472,103		
Corporate Bonds.....	957,811		
Mutual Funds.....	2,478,154		
Common Stock.....	3,118,435		
Total Investments.....	7,436,251	6,627	3,680
Accounts receivable.....	29,073		511
TOTAL ASSETS.....	7,465,324	8,176	227,798
<b><u>LIABILITIES</u></b>			
Cash overdraft.....			511
Accounts payable.....	10,515		227,287
TOTAL LIABILITIES.....	10,515	-	227,798
<b><u>NET ASSETS</u></b>			
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS AND OTHER PURPOSES.....	\$ 7,454,809	\$ 8,176	\$ -

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, 2009

	PENSION TRUST FUND	PRIVATE- PURPOSE TRUST FUNDS
ADDITIONS:		
Contributions:		
Employer.....	\$ 753,078	\$
Employees.....	109,977	
Total contributions.....	863,055	-
Investment income (loss):		
Net change in fair value of investments.....	(1,422,671)	
Interest and dividends.....	248,629	181
Total investment income (loss).....	(1,174,042)	181
TOTAL ADDITIONS.....	(310,987)	181
DEDUCTIONS:		
Benefits.....	695,246	
Administration/awards.....	41,673	150
TOTAL DEDUCTIONS.....	736,919	150
CHANGES IN NET ASSETS.....	(1,047,906)	31
NET ASSETS - JULY 1, 2008.....	8,502,715	8,145
NET ASSETS - JUNE 30, 2009.....	\$ 7,454,809	\$ 8,176

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, 2009HISTORY 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)

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**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 *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 Projects Fund* accounts for the financial revenues to be used for major capital asset construction and/or purchases, including the Thomaston High School and Center School Renovation, the Seth Thomas House Museum, the Humiston Hill Water Assessment project and the WPCA Repair and Replacements.

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 *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)

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**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 41 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
Vehicles	8-15
Infrastructure:	
Roads	50-75
Sewer lines	65
Storm drains	65

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

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**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 \$518,993 has been accrued for certified teachers and \$170,329 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 \$99,747 has been accrued for non-certified Board of Education employees and \$700,094 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 \$89,943 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)

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**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)

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**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 \$37,643 from additional revenue sources made during the year.
- Formal budgetary integration is employed as a management control device during the year.
- Except for encumbrance accounting and the on-behalf payment, the budget is prepared on the modified accrual basis of accounting.
- The legal level of control (the level at which expenditures may not legally exceed appropriations) is at the department level.
- 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, 2009 .....	\$ 23,177,134	\$ 23,155,281
State Teachers' Retirement on-behalf payment .....	<u>994,416</u>	<u>994,416</u>
BALANCE, GAAP BASIS, EXHIBIT D - JUNE 30, 2009 .....	<u>\$ 24,171,550</u>	<u>\$ 24,149,697</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, 2009, the amount of appreciation (depreciation) included in unreserved fund balance was as follows:

Hillside Cemetery Trust .....	\$ (71,037)
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**D. Deficit Fund Balance**

The following individual funds had a deficit fund balance at June 30, 2009:

Special Revenue Funds

Thomaston Opera House .....	\$ 114,126
Dog Fund .....	1,434

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, 2009:

<u>Project</u>	<u>Project Authorization</u>	<u>Cumulative Expenditures</u>	<u>Balance June 30, 2009</u>
Thomaston High School and Center School	<u>\$ 16,280,000</u>	<u>\$14,977,197</u>	<u>\$ 1,302,803</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, 2009:

	PROJECT AUTHORIZATION	CURRENT YEAR EXPENDITURES	CUMULATIVE EXPENDITURES	BALANCE JUNE 30, 2009
Assessors revaluation	\$ 443,400	\$	\$ 324,270	\$ 119,130
Assessor/Tax Collector upgrade	28,614	(144)	28,614	-
Beautification: Seth Thomas Park sign	625		171	454
BOE school security	173,153	500	173,153	-
BOE textbooks	450,000	1,140	450,000	-
BOE technology plan	112,500		112,138	362
Christmas lights - reserve	12,000			12,000
DEP town garage	1,938,552	4,620	1,938,552	-
Fire Dept: hepatitis	4,029		4,029	-
Fire Dept: Overhead doors/floor	13,422		13,422	-
Fire Dept: truck reserve	295,000		295,000	-
Fire Dept: underground tank monitoring	7,000	11,297	11,297	(4,297)
Greenway grant	5,000	3,951	5,000	-
Heart and hypertension	65,000	32,500	65,000	-
Highway: Altair Ave. bridge	489,958	468,502	489,958	-
Highway: Pickup truck replacement	38,766		38,766	-
Highway: bonded road project	4,292,265	1,058,469	1,058,469	3,233,796
Highway: bonded dump trucks	324,460			324,460
Highway: road work	947,976	40,316	943,763	4,213
Highway: sand shed	6,800		6,800	-
Highway: sidewalks	25,000	15,736	24,146	854
STEAP: Sidewalks Phase I	200,040	35,634	200,040	-
STEAP: Sidewalks Phase II	22,000	22,000	22,000	-
Interoffice equipment	19,941		19,941	-
K-9 donation reserves	8,046	326	5,302	2,744
Library boiler	3,950	3,950	3,950	-
Library roof	6,880		6,880	-
LOCIP: PA 05-228	18,990			18,990
PD: Homeland Security	64,515	3,647	64,369	146
PD: bullet proof vests	6,070	650	6,070	-
Rec: Highwood/Nystroms project	332,000	10,385	327,736	4,264
Seth Thomas House grant match	10,000	2,750	8,194	1,806
Skate park proceeds	1,090			1,090
Teachers' sick pay reserve	874,523	126,513	575,679	298,844
Tennis courts	27,500	2,500	27,500	-
Town Hall carpet	7,941		7,941	-
Town Hall technology	69,000	2,816	69,000	-
Town Hall furnaces	37,521	9,000	37,521	-
Town Hall chimney relining	17,400		17,400	-
Town Hall fire alarm panel	13,000	11,992	11,992	1,008
Town Hall roof repair	24,486	3,479	13,972	10,514
Town Hall building repair fund	160,611	21,885	153,956	6,655
	\$ 11,599,024	\$ 1,894,414	\$ 7,561,991	\$ 4,037,033

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, 2009, \$5,578,339 of the Town’s bank balance of \$8,109,541 (including certificate of deposits and money market funds) was exposed to custodial credit risk as follows:

Uninsured and uncollateralized.....	\$ 505,989
Uninsured and collateral held by the pledging bank’s trust department, not in the Town’s name .....	<u>5,072,350</u>
Total amount subject to custodial credit risk.....	<u>\$ 5,578,339</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, 2009, the Town held \$5,488,351 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, amounts held in non-interest bearing transaction accounts at participating institutions are fully guaranteed by the FDIC through December 31, 2009. This guarantee is anticipated to be reduced to the \$250,000 limit on January 1, 2010, and the \$100,000 limit on January 1, 2014.

At June 30, 2009, the Town’s investments (including restricted investments) consisted of the following investment types and maturities. Specific identification was used to determine the maturities.

TYPE OF INVESTMENT	INVESTMENT MATURITIES (IN YEARS)					
	FAIR VALUE	N/A	LESS THAN 1	1-5 YEARS	5-10 YEARS	OVER 10
Mutual Funds:						
Equity.....	\$ 1,348,892	\$ 1,348,892				
Money Market .....	374,717		374,717			
Bond.....	1,282,951		9,037	678,293	595,621	
Corporate Bonds.....	957,811		335,152	546,485	49,234	26,941
Certificates of Deposit .....	2,532,430		2,532,430			
Money Market Funds .....	3,823,025		3,823,025			
Pooled Fixed Income.....	103,295		103,295			
U.S. Government Obligations .....	472,103		50,580	51,260		370,263
U.S. Government Agency Obligations.....	35,031		121	9,812		25,097
Common Stock .....	<u>3,159,664</u>	<u>3,159,664</u>				
TOTAL .....	<u>\$14,125,920</u>	<u>\$ 4,544,557</u>	<u>\$ 7,228,357</u>	<u>\$ 1,285,850</u>	<u>\$ 644,855</u>	<u>\$ 422,301</u>

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

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

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

**III. DETAILED NOTES (CONTINUED)**

**A. Cash and Investments (Continued)**

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

<u>AVERAGE RATING</u>	<u>POOLED FIXED INCOME</u>	<u>U.S. GOV'T AGENCY OBLIGATIONS</u>	<u>MONEY MARKET MUTUAL FUNDS</u>	<u>BOND MUTUAL FUNDS</u>	<u>CORPORATE BONDS</u>
AAA.....	\$ 103,295	\$	\$	\$ 120,841	\$
AA .....				981,606	199,875
A .....				180,504	499,498
BBB .....					166,075
BB.....					47,749
CCC.....					44,614
Unrated / U.S. Government.....		35,031	374,717		
<b>TOTAL .....</b>	<b>\$ 103,295</b>	<b>\$ 35,031</b>	<b>\$ 374,717</b>	<b>\$ 1,282,951</b>	<b>\$ 957,811</b>

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.

	<u>TOTAL</u>	<u>LESS INSURED AMOUNTS &amp; SECURITIES IN TOWN'S NAME</u>	<u>AMOUNT SUBJECT TO CUSTODIAL CREDIT RISK</u>
Corporate bonds .....	\$ 957,811	\$ 500,000	\$ 457,811
U.S. Government obligations.....	472,103		472,103
U.S. Government agency obligations.....	35,031		35,031
Common stock.....	3,159,665	41,230	3,118,435
<b>TOTAL.....</b>	<b>\$ 4,624,610</b>	<b>\$ 541,230</b>	<b>\$ 4,083,380</b>

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 &amp; LIEN FEES</u>	<u>TOTAL</u>	
Current Portion .....	<u>\$ 380,731</u>	<u>\$ 152,960</u>	<u>\$ 533,691</u>	
Long-term Portion .....	\$ 997,103	\$ 313,560	\$ 1,310,663	
Less Allowance for Uncollectibles .....	<u>( 110,000)</u>	<u>( 190,000)</u>	<u>( 300,000)</u>	
Net Long-term Portion .....	<u>\$ 887,103</u>	<u>\$ 123,560</u>	<u>\$ 1,010,663</u>	
	<u>SEWER/WATER USE AND ASSESSMENTS</u>			
	<u>ASSESSMENTS</u>	<u>INTEREST &amp; LIEN FEES</u>	<u>TOTAL</u>	<u>CDBG LOANS</u>
Current Portion .....	<u>\$ 99,405</u>	<u>\$ 29,712</u>	<u>\$ 129,117</u>	<u>\$ 61,907</u>
Long-term Portion .....	\$ 114,693	\$ 29,588	\$ 144,281	\$ 1,169,664
Less Allowance for Uncollectibles.....	<u>( 4,550)</u>	<u>( 1,550)</u>	<u>( 6,100)</u>	<u>( 25,000)</u>
Net Long-term Portion .....	<u>\$ 110,143</u>	<u>\$ 28,038</u>	<u>\$ 138,181</u>	<u>\$ 1,144,664</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).....	\$ 1,354,327
Sewer usage fees not yet due (special revenue fund).....	185,592
Delinquent assessments (capital projects fund) .....	1,686

UNEARNED REVENUE:

Grant drawdowns prior to meeting all eligibility requirements.....	<u>9,182</u>
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TOTAL DEFERRED AND UNEARNED REVENUE

FOR GOVERNMENTAL FUNDS.....	<u>\$ 1,550,787</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, 2009, was as follows:

	BALANCE JULY 1, 2008	INCREASES	DECREASES	BALANCE JUNE 30, 2009
<b>Governmental Activities:</b>				
<b>Capital Assets, not being depreciated:</b>				
Land .....	\$ 1,315,620			1,315,620
Construction in progress.....	226,620	1,027,635	66,457	1,187,798
Total capital assets, not being depreciated .....	1,542,240	1,027,635	66,457	2,503,418
<b>Capital assets, being depreciated:</b>				
Buildings .....	35,407,988	13,861		35,421,849
Land improvements .....	1,347,004			1,347,004
Machinery and equipment .....	7,853,389	262,644	21,902	8,094,131
Vehicles .....	2,641,226			2,641,226
Infrastructure.....	16,781,466	1,653,163	609,955	17,824,674
Total capital assets, being depreciated .....	64,031,073	1,929,668	631,857	65,328,884
Total capital assets .....	65,573,313	2,957,303	698,314	67,832,302
<b>Less accumulated depreciation for:</b>				
Buildings .....	5,434,543	627,152		6,061,695
Land improvements .....	715,296	27,559		742,855
Machinery and equipment .....	3,282,263	417,397	21,902	3,677,758
Vehicles .....	1,681,614	131,493		1,813,107
Infrastructure.....	6,762,179	292,271	485,357	6,569,093
Total accumulated depreciation.....	17,875,895	1,495,872	507,259	18,864,508
Total Capital Assets, being depreciated, net .....	46,155,178	433,796	124,598	46,464,376
Governmental Activities Capital Assets, net.....	\$ 47,697,418	1,461,431	191,055	48,967,794

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

General government .....	\$ 59,947
Public safety .....	114,548
Public works .....	722,199
Health and welfare .....	5,460
Culture and recreation .....	34,897
Housing and development.....	1,130
Education .....	557,691
Total Depreciation Expense.....	\$ 1,495,872

**Construction Commitments**

The Town has active construction projects as of June 30, 2009. The projects include renovations and/or alterations to the Thomaston High School and Center School. At year end the Town's commitments with contractors are as follows:

<u>Project Description</u>	<u>Commitment</u>
Thomaston Center School .....	\$ 119,054

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, 2009, the amounts due from and due to other funds were as follows:

INTERFUND PAYABLE FUND	INTERFUND RECEIVABLE FUND				TOTAL
	GENERAL FUND	CAPITAL PROJECTS FUND	CAPITAL OR NON-RECURRING	SPECIAL REVENUE FUND	
GENERAL FUND.....	\$	\$ 489,580	\$ 3,513,889	\$ 43,752	\$ 4,047,221
CAPITAL PROJECTS FUND.....		104,001			104,001
NONMAJOR FUNDS:					
SPECIAL REVENUE FUNDS:					
School lunch fund.....	34,939				34,939
Thomaston opera house.....	89,915				89,915
Kenea Park fund.....	376				376
TOTAL NONMAJOR FUNDS.....	125,230	-	-	-	125,230
TOTAL.....	\$ 125,230	\$ 593,581	\$ 3,513,889	\$ 43,752	\$ 4,276,452

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, 2009 is as follows:

TRANSFERS IN:	TRANSFERS OUT				TOTAL
	GENERAL FUND	CAPITAL PROJECTS	CAPITAL OR NON-RECURRING	SPECIAL REVENUE	
GENERAL FUND.....	\$	\$	\$ 36,500	\$ 33,024	\$ 69,524
CAPITAL PROJECTS FUND.....	11,000			10,000	21,000
CAPITAL OR NONRECURRING FUND.....	185,086	19,000			204,086
NONMAJOR FUNDS:					
SPECIAL REVENUE FUNDS:					
Sewer Commission Usage Fund.....		44,999			44,999
Dog fund.....	50,429				50,429
TOTAL SPECIAL REVENUE FUNDS...	50,429	44,999	-	-	95,428
PERMANENT FUNDS.....	10,000				10,000
TOTAL NONMAJOR FUNDS.....	60,429	44,999			105,428
TOTAL.....	\$ 256,515	\$ 63,999	\$ 36,500	\$ 43,024	\$ 400,038

Transfers are used to account for the financing by the general fund of various programs and activities in the Capital Projects, Capital or Nonrecurring and Dog Funds. In turn the EMS fund offsets its budget by transferring revenue recovery money to the general fund. Cumulative investment income earned in the Capital or Nonrecurring Fund is transferred annually to the General Fund.

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

**III. DETAILED NOTES (CONTINUED)**

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

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

Short-term obligation activity for the year ended June 30, 2009 was as follows:

PROJECT	BALANCE JULY 1, 2008	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 2009
Altair Avenue .....	\$	\$ 220,000	\$ 220,000	\$
Altair Avenue .....		220,000		220,000
Seven year road program .....		2,280,000	2,280,000	
Seven year road program .....		4,280,540		4,280,540
Public works trucks .....		324,460		324,460
TOTAL BOND ANTICIPATION NOTES.....	\$ -	\$ 7,325,000	\$ 2,500,000	\$ 4,825,000

The BANs carry an interest rate of 1.6223% and mature 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, 2008	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2009	CURRENT PORTION
<b><u>BONDS/NOTES</u></b>									
General Purpose:									
Improvement bond	\$ 4,329,000	08/01/89	08/01/09	6.40-6.50	\$ 366,570	\$	\$ 183,284	\$ 183,286	\$ 183,286
Improvement bond	980,000	09/15/98	09/15/18	3.70-5.70	458,131		43,157	414,974	43,157
Refunding bond....	323,000	09/01/03	09/01/20	3.80-4.60	228,000		31,000	197,000	31,000
Total General Purpose.....					1,052,701		257,441	795,260	257,443
Schools:									
Improvement bond	631,000	08/01/89	08/01/09	6.40-6.50	53,430		26,716	26,714	26,714
Improvement bond	6,400,000	09/15/98	09/15/18	3.70-5.70	2,991,869		281,843	2,710,026	281,843
Improvement bond	2,300,000	09/01/03	09/01/20	3.80-4.60	1,755,000		135,000	1,620,000	135,000
Improvement bond	7,700,000	04/15/05	04/15/25	3.75-4.50	6,880,000		410,000	6,470,000	410,000
Total Schools.....					11,680,299		853,559	10,826,740	853,557
Sewer:									
Clean water .....	1,077,413	04/30/97	04/30/16	2.00	469,453		55,919	413,534	57,047
Clean water .....	9,091,656	02/28/02	03/31/21	2.00	6,149,114		427,709	5,721,405	436,342
Refunding bond....	1,292,000	09/01/03	09/01/20	3.80-4.60	912,000		124,000	788,000	124,000
Total Sewer .....					7,530,567		607,628	6,922,939	617,389
TOTAL BONDS/NOTES.....					20,263,567		1,718,628	18,544,939	1,728,389
Bond premium .....	107,273	09/01/03	09/01/20	N/A	77,473		5,960	71,513	
Bond premium .....	83,816	04/15/05	04/15/25	N/A	67,052		4,191	62,861	
TOTAL BOND PREMIUMS.....					144,525		10,151	134,374	
TOTAL BOND/NOTES AND RELATED LIABILITIES.....					20,408,092		1,728,779	18,679,313	1,728,389
CAPITAL LEASE OBLIGATIONS .....					240,811		118,802	122,009	122,009
CLAIMS AND JUDGMENTS.....					32,500		32,500	-	
COMPENSATED ABSENCES.....					1,248,840	1,383,893	1,223,956	1,408,777	211,317
NET PENSION OBLIGATION .....					618,713	116,449		735,162	
NET OPEB OBLIGATION.....						911,980		911,980	
SEVERANCE PAYMENTS.....					306,941		136,612	170,329	97,688
TOTAL LONG-TERM OBLIGATIONS.....					\$ 22,855,897	2,412,322	3,240,649	22,227,570	2,191,903

Claims and judgments represent heart and hypertension claims. 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
2010	\$ 1,235,000	\$ 508,520	\$ 493,389	\$ 118,188	\$ 146,533	\$ 50,906
2011	1,005,000	459,312	503,348	108,229	146,533	45,592
2012	1,005,000	417,181	513,508	98,069	146,533	40,213
2013	990,000	375,611	523,873	87,704	146,533	34,769
2014	990,000	336,526	534,447	77,130	146,533	29,261
2015	950,000	297,623	545,234	66,343	135,262	23,890
2016	950,000	258,630	545,430	55,347	135,262	18,672
2017	875,000	220,077	501,854	44,926	135,261	13,379
2018	875,000	182,565	511,984	34,796	135,261	8,028
2019	845,000	145,352	522,318	24,462	135,261	2,675
2020	545,000	115,205	532,861	13,919		
2021	545,000	91,335	406,693	3,397		
2022	400,000	70,800				
2023	400,000	53,400				
2024	400,000	35,800				
2025	400,000	18,000				
TOTALS	\$ 12,410,000	\$ 3,585,937	\$ 6,134,939	\$ 732,510	\$ 1,408,972	\$ 267,385

**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.....	\$ 36,131,897	\$ 5,620,260	\$ 30,511,637
Schools .....	72,263,795	9,417,768	62,846,027
Sewers.....	60,219,829	788,000	59,431,829
Urban renewal .....	52,190,518		52,190,518
Pension deficit .....	48,175,863		48,175,863

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$112,410,347.

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 \$1,408,972 for bond principal is reflected as deductions in the computation of net indebtedness.

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

**III. DETAILED NOTES (CONTINUED)**

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

**3. Termination Benefits**

The Board of Education provides severance benefits to 15 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 Teacher's sick pay reserve in the Capital or Nonrecurring Fund and through the Board of Education in the General Fund in the amounts of \$126,513 and \$10,099, respectively, and totaled \$136,612.

**4. Capital Leases**

At June 30, 2009, the Town is committed under various capital leases for a dump truck, a sweep vac truck and a fire truck. These lease agreements qualify as capital leases for accounting purposes (title transfers at the end of the lease term) and; therefore, has been recorded at the present value of the future minimum lease payments as of the date of their inception. Vehicles totaling \$611,429 are recorded under capital leases as of June 30, 2009.

The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments as of June 30, 2009:

YEAR ENDING	
<u>JUNE 30,</u>	
2010	\$ 126,645
Total minimum lease payments	126,645
Less: amount representing interest	( 4,636)
Present value of minimum lease payments	<u>\$ 122,009</u>

**5. Authorized/Unissued Bonds**

The amount of authorized, unissued bonds is \$11,523,105 as follows:

PROJECT	BONDING AUTHORIZATION	PREVIOUSLY BONDED	AUTHORIZED BUT UNISSUED
Wastewater treatment plant system upgrade .....	\$ 13,291,607	\$ 13,117,462	\$ 174,145
Black Rock School renovation .....	6,530,000	6,400,000	130,000
High School/Center School renovations .....	10,000,000	10,000,000	
Altair Avenue bridge project .....	220,000		220,000
Seven year road program .....	10,674,500		10,674,500
Public works trucks .....	324,460		324,460
TOTAL .....	<u>\$ 41,040,567</u>	<u>\$ 29,517,462</u>	<u>\$ 11,523,105</u>

The Wastewater Treatment plant and Black Rock School Renovations are completed, and the Town does not intend to issue any bonds for the amounts authorized and unissued.

The Town of Thomaston approved at Town meeting on May 16, 2007, to appropriate \$750,000 for the reconstruction and repair of the Altair Avenue bridge and authorized the issuance of bonds, notes or temporary notes in the amount not to exceed \$220,000 to finance the appropriation. The Town issued bond anticipation notes of \$220,000 on May 6, 2009, for this project.

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

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**III. DETAILED NOTES (CONTINUED)**

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

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

The Town of Thomaston approved at 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 (the "Road Project") and authorized the issuance of bonds, notes or temporary notes in the amount not to exceed \$10,674,500 to finance the appropriation. The Town issued bond anticipation notes of \$4,280,540 on May 6, 2009, for both phases of this project.

The Town of Thomaston approved at Town meeting on February 4, 2009, to appropriate \$324,460 for the purchase of two Public Works Department dump trucks and authorized the issuance of bonds, notes or temporary notes in the amount not to exceed \$324,460 to finance the appropriation. The Town issued bond anticipation notes of \$324,460 on May 6, 2009, for this purchase.

**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. A final settlement in the amount of \$32,500 was paid during the year.

**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.

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

**IV. OTHER INFORMATION (CONTINUED)**

**B. Commitments and Litigation (Continued)**

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, which is estimated to cost approximately \$100,000 per year. Consultants are currently investigating optional treatments to bring the project to closure within five years.

**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, 2009, 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.....	96
Terminated employees entitled to benefits but not yet receiving them. ....	8
Active plan members .....	<u>65</u>
Total Plan Participants .....	<u>169</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. 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, 2009 was as follows:

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
January 1, 2009	\$9,645,552	\$14,817,407	\$(5,171,855)	65.1%	\$4,311,802	(120)%

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, 2009
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions:	
Investment Rate of Return	7%
Projected Salary Increases:	
Merit	2.5%
Inflation	2.5%
Cost of Living Adjustments	None
Amortization Method	Level amount closed
Remaining Amortization Period	18 Years

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

The changes in the NPO were as follows:

Annual required contribution.....	\$ 880,798
Interest on net pension obligation.....	43,310
Adjustment to annual required contribution.....	<u>( 54,581)</u>
Annual pension cost.....	869,527
Contributions made.....	<u>(753,078)</u>
Increase in net pension obligation.....	(116,449)
Net pension obligation - July 1, 2008.....	<u>618,713</u>
Net pension obligation - June 30, 2009.....	<u>\$ 735,162</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
2009	\$ 869,527	86.6%	\$ 735,162
2008	690,508	104.1%	618,713
2007	715,727	96.7%	647,283

**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. Benefit Provisions**

**a. Benefit Provisions**

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

**b. Employer Contributions**

The Town's contributions are actuarially determined on an annual basis using the projected unit credit method. The Town and Board of Education's total plan contribution were \$475,073 and \$173,563, respectively.

**c. Employee Contributions**

There are no employee contributions to the plans.

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

**IV. OTHER INFORMATION (CONTINUED)**

**D. Other Post-Employment Benefits Plan (Continued)**

**3. Funded Status and Funding Progress**

The funded status of the plan as of July 1, 2008 was as follows:

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, 2008	\$ -	\$13,728,986	\$(13,728,986)	0.0%	\$ 2,712,895	(506.1)%
<u>BOARD OF EDUCATION</u>						
JULY 1, 2008	\$ -	\$ 5,240,689	\$( 5,240,689)	0.0%	\$ 7,644,964	(68.6)%

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.

**4. Actuarial Methods and Assumptions**

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

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

**IV. OTHER INFORMATION (CONTINUED)**

**D. Other Post-Employment Benefits Plan (Continued)**

**4. Actuarial Methods and Assumptions (Continued)**

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, 2008
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%

**5. 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.....	\$ 1,026,727	\$ 533,889
Interest on net OPEB obligation .....	-	-
Adjustment to annual required contribution.....	-	-
Annual OPEB cost .....	1,026,727	533,889
Contributions made .....	<u>475,073</u>	<u>173,563</u>
Change in net OPEB obligation.....	551,654	360,326
Net OPEB obligation - July 1, 2008 .....	_____	_____
Net OPEB obligation - June 30, 2009 .....	<u>\$ 551,654</u>	<u>\$ 360,326</u>

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

**IV. OTHER INFORMATION (CONTINUED)**

**D. Other Post-Employment Benefits Plan (Continued)**

**6. One 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
BOARD OF EDUCATION			
2009	\$ 533,889	32.5%	\$ 360,326

**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 \$994,416.

**TOWN OF THOMASTON, CONNECTICUT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**THOMASTON RETIREMENT SYSTEM**

**SCHEDULE OF FUNDING PROGRESS**

ACTUARIAL VALUATION DATE	A ACTUARIAL VALUE OF ASSETS	B ACTUARILLY 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>						
2004	\$ 6,118,485	\$ 9,739,103	\$ (3,620,618)	62.8%	\$ 3,392,854	-(106.7)%
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)%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

ACTUARIAL VALUATION DATE	ANNUAL REQUIRED CONTRIBUTIONS	ACTUAL CONTRIBUTIONS	PERCENTAGE CONTRIBUTED
<u>JANUARY 1,</u>			
2004	622,473	518,514	83.3%
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%

**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
<u>JULY 1,</u>						
2008	\$ -	\$ 13,728,986	\$ (13,728,986)	0.0%	\$ 2,712,895	-(506.1)%

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
<u>JULY 1,</u>						
2008	\$ -	\$ 5,240,689	\$ (5,240,689)	0.0%	\$ 7,644,964	-(68.6)%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

TOWN PLAN			
ACTUARIAL VALUATION DATE	ANNUAL REQUIRED CONTRIBUTIONS	ACTUAL CONTRIBUTIONS	PERCENTAGE CONTRIBUTED
<u>JULY 1,</u>			
2008	\$ 1,026,727	\$ 475,073	46.3%

BOARD OF EDUCATION PLAN			
ACTUARIAL VALUATION DATE	ANNUAL REQUIRED CONTRIBUTIONS	ACTUAL CONTRIBUTIONS	PERCENTAGE CONTRIBUTED
<u>JULY 1,</u>			
2008	\$ 533,889	\$ 173,563	32.5%

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# **Supplemental Schedules**

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## **General Fund**

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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, 2009

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>PROPERTY TAXES:</b>				
Taxes.....	\$ 15,721,026	\$ 15,721,026	\$ 15,518,735	\$ (202,291)
Prior year taxes.....	380,000	380,000	380,155	155
Interest and lien fees.....	150,000	150,000	176,800	26,800
Housing authority in lieu of taxes.....	17,500	17,500	17,335	(165)
Telecommunications property tax.....	38,000	38,000	45,297	7,297
<b>TOTAL PROPERTY TAXES.....</b>	<b>16,306,526</b>	<b>16,306,526</b>	<b>16,138,322</b>	<b>(168,204)</b>
<b>CHARGES FOR SERVICES:</b>				
Conveyance tax.....	50,000	50,000	39,908	(10,092)
Zoning and land use fees.....	8,000	8,000	11,655	3,655
Gun permits.....	800	800	2,590	1,790
Parking tickets.....	1,950	1,950	1,115	(835)
Meter Money.....	2,700	2,700	1,185	(1,515)
Accident reports.....	400	400	291	(109)
Vendor permits.....	300	300	160	(140)
Fingerprinting.....	200	200	65	(135)
Special duty police reimbursements.....	30,000	30,000	48,578	18,578
Dam patrol.....	14,346	14,346	14,802	456
Transfer station fees.....	5,000	5,000	10,995	5,995
Building permits.....	40,000	40,000	44,376	4,376
Minibus fares.....	1,800	1,800	796	(1,004)
Recreation - programs.....	25,000	25,000	25,000	-
Recreation - Nystroms.....	5,200	5,200	5,200	-
False alarms.....			2,300	2,300
Other licenses, fees and permits.....	2,500	2,500	2,263	(237)
Town of Litchfield -Sewer upgrade.....	8,867	8,867	8,868	1
Pay for Play.....		22,575	22,575	-
CGS 51-56a (d) Police ticket revenue sharing.....			4,169	4,169
<b>TOTAL CHARGES FOR SERVICES.....</b>	<b>197,063</b>	<b>219,638</b>	<b>246,891</b>	<b>27,253</b>
<b>INTERGOVERNMENTAL REVENUES:</b>				
Property tax relief - state owned property.....	40,175	40,175	36,495	(3,680)
Property tax relief - elderly freeze.....	2,182	2,182	2,000	(182)
Property tax relief - circuit breaker.....	59,310	59,310	61,237	1,927
Property tax relief - Veterans' exemption.....	11,132	11,132	11,163	31
Property tax relief - Mfg's machinery & equipment.....	322,599	322,599	329,709	7,110
Property tax relief - totally disabled.....	945	945	972	27
Federal PILOT - land authorization.....	819	819	1,884	1,065
LOCIP.....	55,000	55,000		(55,000)
Education cost sharing.....	5,630,307	5,630,307	5,648,270	17,963
School construction grants.....	202,689	202,689	202,689	-
School transportation.....	128,516	128,516	119,121	(9,395)
Education of handicapped Blind Children.....			699	699
Boating safety.....	1,131	1,131	1,131	-
Mashantucket Pequot.....	69,892	69,892	70,257	365
Town Aid Road.....	113,264	113,189	113,189	-
Election Grant.....			1,500	1,500
OPM-School Heating Assistance.....		15,143	15,143	-
<b>TOTAL INTERGOVERNMENTAL REVENUES.....</b>	<b>6,637,961</b>	<b>6,653,029</b>	<b>6,615,459</b>	<b>(37,570)</b>

(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.....	\$ 126,000	\$ 126,000	\$ 95,627	\$ (30,373)
OTHER REVENUES:				
Rent of Tower.....	54,000	54,000	57,892	3,892
CT Resource Recovery settlement.....			681	681
Recyclable rebate.....			4,320	4,320
Miscellaneous.....			17,942	17,942
TOTAL OTHER REVENUES.....	54,000	54,000	80,835	26,835
TOTAL REVENUES.....	23,321,550	23,359,193	23,177,134	(182,059)
OTHER FINANCING SOURCES:				
Appropriation of fund balance.....	250,000	250,000		(250,000)
Transfers in:				
Capital or nonrecurring fund.....	36,500	36,500	36,500	-
EMS Fund.....	30,000	30,000	30,000	-
Dog Fund.....	3,500	3,500	3,024	(476)
Total Transfers in.....	70,000	70,000	69,524	(476)
TOTAL OTHER FINANCING SOURCES.....	320,000	320,000	69,524	(250,476)
TOTAL REVENUES AND OTHER FINANCING SOURCES.....	\$ 23,641,550	\$ 23,679,193	\$ 23,246,658	\$ (432,535)

(Concluded)

**TOWN OF THOMASTON, CONNECTICUT**

GENERAL FUND  
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2009

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
<b>GENERAL GOVERNMENT:</b>				
Board of Selectmen.....	\$ 97,312	\$ 97,806	\$ 97,747	\$ 59
Elections.....	19,782	19,227	18,028	1,199
Board of Finance.....	600	801	801	-
Treasurer.....	159,914	160,873	160,873	-
Computer Information Systems.....	16,800	40,800	39,281	1,519
Independent audit.....	47,500	47,500	47,500	-
Legal.....	80,000	103,667	103,667	-
Tax Collector.....	101,781	100,049	99,063	986
Property Tax Rebates.....	22,000	25,321	25,321	-
Tax Assessor.....	99,625	99,625	87,807	11,818
Board of Assessment Appeals.....	3,450	3,450	3,000	450
Insurance.....	376,197	376,197	364,060	12,137
Town Hall Operations & Maintenance.....	236,000	236,000	200,239	35,761
Town Clerk.....	51,526	51,526	49,092	2,434
Probate court.....	5,750	5,750	5,109	641
Social security.....	235,522	235,522	214,575	20,947
Pension - Town Employees.....	498,097	498,097	497,635	462
Pension - Volunteer Firefighters and Ambulance.....	96,703	96,703	95,221	1,482
Medical / Life insurance.....	629,543	629,543	561,264	68,279
Retirees Medical Insurance.....	388,566	381,905	376,103	5,802
Council of governments.....	3,375	3,375	3,374	1
CT Conference of Municipalities.....	4,900	4,900	4,846	54
Contingency.....	120,000			-
<b>TOTAL GENERAL GOVERNMENT.....</b>	<b>3,294,943</b>	<b>3,218,637</b>	<b>3,054,606</b>	<b>164,031</b>
<b>PUBLIC SAFETY:</b>				
Police.....	908,629	962,163	962,104	59
Communications & dispatch.....	231,383	218,971	218,971	-
Fire Protection.....	117,775	121,270	121,270	-
Fire Marshal.....	18,837	18,913	18,913	-
Ambulance.....	45,555	45,555	45,543	12
Tree Removal.....	12,000	12,000	11,861	139
<b>TOTAL PUBLIC SAFETY.....</b>	<b>1,334,179</b>	<b>1,378,872</b>	<b>1,378,662</b>	<b>210</b>
<b>PUBLIC WORKS:</b>				
Highways.....	461,931	467,092	467,033	59
Town Aid Road.....	113,264	113,189	113,189	-
Snow & ice removal.....	193,999	193,999	192,082	1,917
Street lighting.....	88,000	88,000	85,013	2,987
Fire hydrants.....	157,120	157,120	141,758	15,362
Solid Waste & Recycling.....	512,705	512,705	491,247	21,458
St Thomas Cemetery.....	1,680	1,680	1,680	-
Groundwater Remediation.....	107,000	107,000	82,547	24,453
<b>TOTAL PUBLIC WORKS.....</b>	<b>1,635,699</b>	<b>1,640,785</b>	<b>1,574,549</b>	<b>66,236</b>
<b>HEALTH AND WELFARE:</b>				
Visiting nurse.....	8,000	8,000		8,000
Torrington Area Health District.....	37,392	37,392	37,392	-
Northwest Regional Mental Health Board.....	873	873	871	2
Social Services.....	35,318	35,318	31,154	4,164
Elderly Nutrition.....	3,066	3,066	3,065	1
Susan B Anthony Project.....	2,000	2,000	2,000	-
Minibus.....	17,487	17,487	14,941	2,546
Veterans' Administration.....	1,000	1,000	1,000	-
<b>TOTAL HEALTH AND WELFARE.....</b>	<b>105,136</b>	<b>105,136</b>	<b>90,423</b>	<b>14,713</b>

(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
<b>CULTURE AND RECREATION:</b>				
Recreation programs.....	\$ 121,128	\$ 121,332	\$ 121,332	\$ -
Memorial Day.....	1,500	1,500	1,500	-
Nystroms Park.....	13,187	13,187	9,174	4,013
Public Library.....	318,076	320,760	320,760	-
<b>TOTAL CULTURE AND RECREATION.....</b>	<b>453,891</b>	<b>456,779</b>	<b>452,766</b>	<b>4,013</b>
<b>HOUSING AND DEVELOPMENT:</b>				
Conservation Commission.....	1,725	1,725	1,725	-
Economic Development Commission.....	600	600		600
Housing, Land Use & Development.....	147,253	147,253	136,969	10,284
<b>TOTAL HOUSING AND DEVELOPMENT.....</b>	<b>149,578</b>	<b>149,578</b>	<b>138,694</b>	<b>10,884</b>
<b>EDUCATION.....</b>	<b>13,740,750</b>	<b>13,786,532</b>	<b>13,786,532</b>	<b>-</b>
<b>DEBT SERVICE.....</b>	<b>2,577,913</b>	<b>2,577,913</b>	<b>2,570,603</b>	<b>7,310</b>
<b>CAPITAL OUTLAY.....</b>	<b>108,446</b>	<b>108,446</b>	<b>108,446</b>	<b>-</b>
<b>TOTAL EXPENDITURES.....</b>	<b>23,400,535</b>	<b>23,422,678</b>	<b>23,155,281</b>	<b>267,397</b>
<b>OTHER FINANCING USES:</b>				
Transfers out:				
Animal Control Officer-Dog fund.....	50,429	50,429	50,429	-
Hillside Cemetery.....	10,000	10,000	10,000	-
Capital or Nonrecurring .....	169,586	185,086	185,086	-
Seth Thomas/Bradstreet House.....	11,000	11,000	11,000	-
<b>TOTAL OTHER FINANCING USES.....</b>	<b>241,015</b>	<b>256,515</b>	<b>256,515</b>	<b>-</b>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES.....</b>	<b>\$ 23,641,550</b>	<b>\$ 23,679,193</b>	<b>\$ 23,411,796</b>	<b>\$ 267,397</b>

(Concluded)

TOWN OF THOMASTON, CONNECTICUT

GENERAL FUND  
REPORT OF TAX COLLECTOR  
FOR THE YEAR ENDED JUNE 30, 2009

GRAND LIST YEAR	UNCOLLECTED TAXES JULY 1, 2008	CURRENT YEAR LEVY	LAWFUL CORRECTIONS		TRANSFERS TO SUSPENSE	ADJUSTED TAXES COLLECTIBLE	COLLECTIONS				UNCOLLECTED TAXES JUNE 30, 2009	
			ADDITIONS	DEDUCTIONS			TAXES	OVER-PAYMENTS & SUSPENSE	NET TAXES COLLECTED	INTEREST & LIENS		TOTAL
1992	\$ 947	\$	\$	\$ 945	\$ 2	\$ -	\$	\$	\$ -	\$	\$ -	\$ -
1993	5,424				1,407	4,017			-		-	4,017
1994	4,173				440	3,733	29	29	-		-	3,733
1995	4,017				441	3,576			-		-	3,576
1996	10,351				267	10,084			-		-	10,084
1997	11,175				47	11,128			-		-	11,128
1998	12,451				319	12,132	970	366	604	163	767	11,528
1999	13,915			196	442	13,277	621		621	944	1,565	12,656
2000	18,144			1,176	863	16,105	1,036		1,036	1,150	2,186	15,069
2001	87,729			576	365	86,788	1,171	205	966	1,388	2,354	85,822
2002	161,682				507	161,175	67,851	86	67,765	8,195	75,960	93,410
2003	288,269		41		1,664	286,646	14,932	287	14,645	23,861	38,506	272,001
2004	80,180				1,006	79,174	21,212		21,212	12,271	33,483	57,962
2005	147,497		658	2,636	4,190	141,329	51,546	1,396	50,150	17,447	67,597	91,179
2006	418,006		4,543	4,100	5,493	412,956	220,787	7,205	213,582	42,325	255,907	199,374
Total Prior Years	1,263,960		5,242	9,629	17,453	1,242,120	380,155	9,574	370,581	107,744	478,325	871,539
2007		16,078,511	12,073	70,236	2,732	16,017,616	15,528,042	16,721	15,511,321	66,975	15,578,296	506,295
TOTAL	\$ 1,263,960	\$ 16,078,511	\$ 17,315	\$ 79,865	\$ 20,185	\$ 17,259,736	\$ 15,908,197	\$ 26,295	\$ 15,881,902	\$ 174,719	\$ 16,056,621	\$ 1,377,834

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# Nonmajor Governmental Funds

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## 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.

### 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.

### Kenea Park Project Fund

To account for the grants and donations received to improve Kenea Park.

### Fire Marshall

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

# NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

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## Special Revenue Funds (Continued)

### Neighborhood Assistance Program

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

### Thomaston Opera House

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

### Public Library

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

### 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.

### 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.

## 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, 2009

SPECIAL REVENUE FUNDS

	SEWER COMMISSION USAGE FUND	SEWER COMMISSION ASSESSMENT & APPROPRIATION FUND	SCHOOL LUNCH FUND	EDUCATION GRANT FUND	TOWN CLERK PRESERVATION FUND	EDITH KENEA PARK FUND	EDITH KENEA TREE FUND	KENEA PARK PROJECT FUND	FIRE MARSHALL FUND	NEIGHBORHOOD ASSISTANCE PROGRAM	THOMASTON OPERA HOUSE
<b>ASSETS</b>											
Cash.....	\$ 526	\$ 4,038	\$ 18,068	\$ 2,059	\$ 6,768	\$ 43,401	\$ 48,560	\$ 1,106	\$ 395	\$ 797	\$ 22,994
Investments.....		206,962									
Due from other funds.....	38,349										
Receivables:											
Sewer assessments and usage.....	212,412										
Intergovernmental.....			23,377	4,928							
Other.....			4,322	383							10,794
Other assets.....			23,466								9,595
<b>TOTAL ASSETS.....</b>	<b>\$ 251,287</b>	<b>\$ 211,000</b>	<b>\$ 69,233</b>	<b>\$ 7,370</b>	<b>\$ 6,768</b>	<b>\$ 43,401</b>	<b>\$ 48,560</b>	<b>\$ 1,106</b>	<b>\$ 395</b>	<b>\$ 797</b>	<b>\$ 43,383</b>
<b>LIABILITIES AND FUND BALANCES</b>											
<b>LIABILITIES:</b>											
Accounts payable.....	\$ 43,657		\$ 7,598	\$ 51		\$ 716					\$ 51,880
Accrued payroll.....	8,931										4,130
Due to other funds.....			34,939			376					89,915
Deferred and unearned revenue.....	185,592			1,182							
Other liabilities.....											11,584
<b>TOTAL LIABILITIES.....</b>	<b>238,180</b>	<b>-</b>	<b>42,537</b>	<b>1,233</b>	<b>-</b>	<b>1,092</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>157,509</b>
<b>FUND BALANCES:</b>											
Unreserved:											
Designated for improvements.....						42,753	42,831				
Unreserved and undesignated.....	13,107	211,000	26,696	6,137	6,768	( 444)	5,729	1,106	395	797	(114,126)
<b>TOTAL FUND BALANCES.....</b>	<b>13,107</b>	<b>211,000</b>	<b>26,696</b>	<b>6,137</b>	<b>6,768</b>	<b>42,309</b>	<b>48,560</b>	<b>1,106</b>	<b>395</b>	<b>797</b>	<b>(114,126)</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 251,287</b>	<b>\$ 211,000</b>	<b>\$ 69,233</b>	<b>\$ 7,370</b>	<b>\$ 6,768</b>	<b>\$ 43,401</b>	<b>\$ 48,560</b>	<b>\$ 1,106</b>	<b>\$ 395</b>	<b>\$ 797</b>	<b>\$ 43,383</b>

(Continued)

TOWN OF THOMASTON, CONNECTICUT

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2009

	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	TOTAL SPECIAL REVENUE FUNDS	FIRE DEPT. TRUST FUND	HILLSIDE CEMETERY TRUST FUND		TOTAL PERMANENT FUNDS
<u>ASSETS</u>												
Cash.....	\$ 28,829	\$	\$ 4,814	\$ 645	\$ 8,912	\$ 9,728	\$	\$ 109,679	\$	\$ 202	\$ 202	\$ 109,881
Investments.....				40,153		3,057	79,218	421,351	16,809	365,649	382,458	803,809
Due from other funds.....		5,394		9				43,752			-	43,752
Receivables:												
Sewer assessments and usage.....								212,412			-	212,412
Intergovernmental.....								28,305			-	28,305
Other.....								15,499			-	15,499
Other assets.....								33,061			-	33,061
<b>TOTAL ASSETS.....</b>	<b>\$ 28,829</b>	<b>\$ 5,394</b>	<b>\$ 4,814</b>	<b>\$ 40,807</b>	<b>\$ 8,912</b>	<b>\$ 12,785</b>	<b>\$ 79,218</b>	<b>\$ 864,059</b>	<b>\$ 16,809</b>	<b>\$ 365,851</b>	<b>\$ 382,660</b>	<b>\$ 1,246,719</b>
<u>LIABILITIES AND FUND BALANCES</u>												
<u>LIABILITIES:</u>												
Accounts payable.....	\$	\$ 4,409	\$	\$	\$	\$	\$ 7,205	\$ 115,516	\$	\$ 550	\$ 550	\$ 116,066
Accrued payroll.....		2,419						15,480		704	704	16,184
Due to other funds.....								125,230			-	125,230
Deferred and unearned revenue.....								186,774				186,774
Other liabilities.....								11,584				11,584
<b>TOTAL LIABILITIES.....</b>	<b>-</b>	<b>6,828</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,205</b>	<b>454,584</b>	<b>-</b>	<b>1,254</b>	<b>1,254</b>	<b>455,838</b>
<u>FUND BALANCES:</u>												
Reserved for:												
Endowments.....								-	15,700	104,500	120,200	120,200
Perpetual care.....								-		220,608	220,608	220,608
Unreserved:												
Designated for improvements.....							60,000	145,584			-	145,584
Unreserved and undesignated.....	28,829	(1,434)	4,814	40,807	8,912	12,785	12,013	263,891	1,109	39,489	40,598	304,489
<b>TOTAL FUND BALANCES.....</b>	<b>28,829</b>	<b>(1,434)</b>	<b>4,814</b>	<b>40,807</b>	<b>8,912</b>	<b>12,785</b>	<b>72,013</b>	<b>409,475</b>	<b>16,809</b>	<b>364,597</b>	<b>381,406</b>	<b>790,881</b>
<b>TOTAL LIABILITIES AND FUND BALANCES.....</b>	<b>\$ 28,829</b>	<b>\$ 5,394</b>	<b>\$ 4,814</b>	<b>\$ 40,807</b>	<b>\$ 8,912</b>	<b>\$ 12,785</b>	<b>\$ 79,218</b>	<b>\$ 864,059</b>	<b>\$ 16,809</b>	<b>\$ 365,851</b>	<b>\$ 382,660</b>	<b>\$ 1,246,719</b>

(Concluded)

TOWN OF THOMASTON, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009

	SPECIAL REVENUE FUNDS										
	SEWER COMMISSION USAGE FUND	SEWER COMMISSION ASSESSMENT & APPROPRIATION FUND	SCHOOL LUNCH FUND	EDUCATION GRANT FUND	TOWN CLERK PRESERVATION FUND	EDITH KENEA PARK FUND	EDITH KENEA TREE FUND	KENEA PARK PROJECT FUND	FIRE MARSHALL FUND	NEIGHBORHOOD ASSISTANCE PROGRAM	THOMASTON OPERA HOUSE
REVENUES:											
Charges for services.....	\$ 1,059,975	\$ 18,000	\$ 308,275	\$ 1,155,590	\$ 2,774	\$	\$	\$	\$ 401	\$	\$ 380,667
Intergovernmental.....			117,800		7,000						
Contributions.....								1,391			99,704
Income from investments.....		2,987			38	416	466	3		3	236
Other.....											25,000
TOTAL REVENUES.....	1,059,975	20,987	426,075	1,155,590	9,812	416	466	1,394	401	3	505,607
EXPENDITURES:											
Current:											
General government.....					8,061	1,092		425			
Public safety.....									6		
Public works.....	1,043,574	29,976									
Culture and recreation.....											543,813
Education.....			461,917	1,155,327							
Capital outlay.....											24,501
TOTAL EXPENDITURES.....	1,043,574	29,976	461,917	1,155,327	8,061	1,092	-	425	6	-	568,314
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	16,401	(8,989)	(35,842)	263	1,751	(676)	466	969	395	3	(62,707)
OTHER FINANCING SOURCES (USES):											
Transfers in.....	44,999										
Transfers out.....	(10,000)										
NET OTHER FINANCING SOURCES (USES).....	34,999	-	-	-	-	-	-	-	-	-	-
NET CHANGE IN FUND BALANCES.....	51,400	(8,989)	(35,842)	263	1,751	(676)	466	969	395	3	(62,707)
FUND BALANCES, JULY 1, 2008.....	(38,293)	219,989	62,538	5,874	5,017	42,985	48,094	137		794	(51,419)
FUND BALANCES, JUNE 30, 2009.....	\$ 13,107	\$ 211,000	\$ 26,696	\$ 6,137	\$ 6,768	\$ 42,309	\$ 48,560	\$ 1,106	\$ 395	\$ 797	\$ (114,126)

(Continued)

TOWN OF THOMASTON, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2009

	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	TOTAL SPECIAL REVENUE FUNDS	FIRE DEPT. TRUST FUND	HILLSIDE CEMETERY TRUST FUND		TOTAL PERMANENT FUNDS
REVENUES:												
Charges for services.....	\$ 494	\$ 6,706	\$	\$	\$	\$	\$ 76,625	\$ 1,853,917	\$	\$ 22,984	\$ 22,984	\$ 1,876,901
Intergovernmental.....	7,938			40,134				1,328,462			-	1,328,462
Contributions.....	17,564		2,950		2,270	13,332		137,211	60	60	137,271	
Income from investments.....			16	630	73	66	1,073	6,007	684	631	1,315	7,322
Net change in fair value of investments.....										(39,572)	(39,572)	(39,572)
Other.....								25,000			-	25,000
TOTAL REVENUES.....	25,996	6,706	2,966	40,764	2,343	13,398	77,698	3,350,597	684	(15,897)	(15,213)	3,335,384
EXPENDITURES:												
Current:												
General government.....								9,578			-	9,578
Public safety.....		54,111		590			8,938	63,645			-	63,645
Public works.....								1,073,550	42,602	42,602	-	1,116,152
Health and welfare.....						8,116		8,116			-	8,116
Culture and recreation.....	13,984							557,797			-	557,797
Education.....			1,823					1,619,067			-	1,619,067
Capital outlay.....					7,480			31,981	8,521	8,521	-	40,502
TOTAL EXPENDITURES.....	13,984	54,111	1,823	590	7,480	8,116	8,938	3,363,734	-	51,123	51,123	3,414,857
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	12,012	(47,405)	1,143	40,174	(5,137)	5,282	68,760	(13,137)	684	(67,020)	(66,336)	(79,473)
OTHER FINANCING SOURCES (USES):												
Transfers in.....		50,429						95,428		10,000	10,000	105,428
Transfers out.....		(3,024)					(30,000)	(43,024)			-	(43,024)
NET OTHER FINANCING SOURCES (USES).....	-	47,405	-	-	-	-	(30,000)	52,404	-	10,000	10,000	62,404
NET CHANGE IN FUND BALANCES.....	12,012	-	1,143	40,174	(5,137)	5,282	38,760	39,267	684	(57,020)	(56,336)	(17,069)
FUND BALANCES, JULY 1, 2008.....	16,817	(1,434)	3,671	633	14,049	7,503	33,253	370,208	16,125	421,617	437,742	807,950
FUND BALANCES, JUNE 30, 2009.....	\$ 28,829	\$ (1,434)	\$ 4,814	\$ 40,807	\$ 8,912	\$ 12,785	\$ 72,013	\$ 409,475	\$ 16,809	\$ 364,597	\$ 381,406	\$ 790,881

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(Concluded)

TOWN OF THOMASTON, CONNECTICUT

SEWER COMMISSION USAGE FUND  
 SCHEDULE OF SEWER USE CHARGES RECEIVABLE  
 FOR THE YEAR ENDED JUNE 30, 2009

GRAND LIST YEAR	UNCOLLECTED BALANCE JULY 1, 2008	CURRENT YEAR LEVY	LAWFUL CORRECTIONS	ADJUSTED TAXES COLLECTIBLE	COLLECTIONS			UNCOLLECTED BALANCE JUNE 30, 2009
			DEDUCTIONS		USE CHARGES	INTEREST & LIENS	TOTAL	
1992	\$ 174	\$	\$ 174	\$ -	\$	\$	\$ -	\$ -
1993	320			320	160	444	604	160
1994	370			370	185	476	661	185
1995	370			370	185	443	628	185
1996	370			370	185	410	595	185
1997	740			740	555	1,132	1,687	185
1998	773			773	555	1,035	1,590	218
1999	1,110			1,110	740	1,258	1,998	370
2000	1,110			1,110	740	1,134	1,874	370
2001	2,464			2,464	1,864	2,231	4,095	600
2002	4,495			4,495	3,553	4,093	7,646	942
2003	6,502			6,502	4,702	4,484	9,186	1,800
2004	9,201			9,201	5,805	5,025	10,830	3,396
2005	18,279			18,279	11,054	6,845	17,899	7,225
2006	48,010			48,010	21,048	9,283	30,331	26,962
2007	109,355		1,276	108,079	53,414	10,863	64,277	54,665
Total Prior Years	203,643		1,450	202,193	104,745	49,156	153,901	97,448
2008		994,133	4,227	989,906	874,942	8,147	883,089	114,964
TOTAL	\$ 203,643	\$ 994,133	\$ 5,677	\$ 1,192,099	\$ 979,687	\$ 57,303	\$ 1,036,990	\$ 212,412

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# Fiduciary Funds

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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 Funds

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.

## 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 8<sup>th</sup> 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)

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## Agency Funds (Continued)

### Recreation Commission

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

### 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.

### Performance Bond Fund

To account for the performance bond posted related to the transfer station.

### Tri-Centennial Committee

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

### 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.

# FIDUCIARY FUNDS (CONTINUED)

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## Agency Funds (Continued)

### Railroad Museum Commission

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

### Thomaston Police Explorers

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

### Car Show

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

### TRIAD

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

### Christmas Committee

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

### Noah Rogozinski Playground Fund

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

TOWN OF THOMASTON, CONNECTICUT

PRIVATE-PURPOSE TRUST FUNDS  
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS  
 JUNE 30, 2009

	LEANDER SMITH AWARD	PEPIE WAGNER FUND	SETH THOMAS PRIZE FUND	TOTAL
<u>ASSETS</u>				
Cash.....	\$	\$ 1,549	\$	\$ 1,549
Investments:				
Certificates of deposit.....	5,565		1,062	6,627
<b>TOTAL ASSETS.....</b>	<b>5,565</b>	<b>1,549</b>	<b>1,062</b>	<b>8,176</b>
<u>NET ASSETS</u>				
Net Assets Held in Trust.....	\$ 5,565	\$ 1,549	\$ 1,062	\$ 8,176

**TOWN OF THOMASTON, CONNECTICUT**

PRIVATE-PURPOSE TRUST FUNDS  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
 FOR THE YEAR ENDED JUNE 30, 2009

	LEANDER SMITH AWARD	PEPIE WAGNER FUND	SETH THOMAS PRIZE FUND	TOTAL
ADDITIONS:				
Income from investments.....	\$ 147	\$ 5	\$ 29	\$ 181
DEDUCTIONS:				
Awards.....	50	100		150
CHANGE IN NET ASSETS.....	97	(95)	29	31
NET ASSETS, JULY 1, 2008.....	5,468	1,644	1,033	8,145
NET ASSETS, JUNE 30, 2009.....	\$ 5,565	\$ 1,549	\$ 1,062	\$ 8,176

TOWN OF THOMASTON, CONNECTICUT

AGENCY FUNDS  
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE YEAR ENDED JUNE 30, 2009

	BALANCE JULY 1, 2008	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2009
<u>ASSETS</u>				
CASH:				
School Activities Fund.....	\$ 91,955	\$ 149,887	\$ 130,783	\$ 111,059
Recreation Commission.....	1,342	53,793	55,135	-
High School Athletic Council.....	635	64,765	63,839	1,561
Public School Internal Account.....	32,192	105,070	96,901	40,361
Performance Bond Fund.....	11,360	131	11,491	-
Public Library Staff Fund.....	1,931	11,950	12,746	1,135
Join Against Insensible Lawlessness.....	5,243	26		5,269
Class Reunions.....	1,628	308		1,936
Christmas Lights Fund.....	5,073	9,293	7,700	6,666
Police Recreation and Educational Fund.....	1,225	1,561	1,864	922
Railroad Museum Commission.....	4,709	366	160	4,915
Thomaston Police Explorers.....	5,910	755	1,333	5,332
Car Show.....	23,106	12,767	8,741	27,132
TRIAD.....	1,792	9		1,801
Christmas Committee.....	1,309	10,255	7,694	3,870
Noah Rogozinski Playground Fund.....		11,648		11,648
TOTAL CASH.....	189,410	432,584	398,387	223,607
INVESTMENTS:				
Tri-centennial Committee.....	3,536	144		3,680
ACCOUNTS RECEIVABLE:				
Recreation Commission.....		511		511
TOTAL ASSETS.....	\$ 192,946	\$ 433,239	\$ 398,387	\$ 227,798
<u>LIABILITIES</u>				
CASH OVERDRAFT:				
Recreation Commission.....	\$	\$ 511	\$	\$ 511
ACCOUNTS PAYABLE:				
School Activities Fund.....	91,955	149,887	130,783	111,059
Recreation Commission.....	1,342	53,793	55,135	-
High School Athletic Council.....	635	64,765	63,839	1,561
Public School Internal Account.....	32,192	105,070	96,901	40,361
Performance Bond Fund.....	11,360	131	11,491	-
Tri-centennial Committee.....	3,536	144		3,680
Public Library Staff Fund.....	1,931	11,950	12,746	1,135
Join Against Insensible Lawlessness.....	5,243	26		5,269
Class Reunions.....	1,628	308		1,936
Christmas Lights Fund.....	5,073	9,293	7,700	6,666
Police Recreation and Educational Fund.....	1,225	1,561	1,864	922
Railroad Museum Commission.....	4,709	366	160	4,915
Thomaston Police Explorers.....	5,910	755	1,333	5,332
Car Show.....	23,106	12,767	8,741	27,132
TRIAD.....	1,792	9		1,801
Christmas Committee.....	1,309	10,255	7,694	3,870
Noah Rogozinski Playground Fund.....		11,648		11,648
TOTAL ACCOUNTS PAYABLE.....	192,946	432,728	398,387	227,287
TOTAL LIABILITIES.....	\$ 192,946	\$ 433,239	\$ 398,387	\$ 227,798

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

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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, 2009

FUNCTION/ACTIVITY	BALANCE JULY 1, 2008	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2009
<b>GENERAL GOVERNMENT:</b>				
General government.....	\$ 798,714	\$	\$	\$ 798,714
Finance.....	108,516	21,140	21,902	107,754
Town hall.....	3,581,601	16,480		3,598,081
<b>TOTAL GENERAL GOVERNMENT.....</b>	<b>4,488,831</b>	<b>37,620</b>	<b>21,902</b>	<b>4,504,549</b>
<b>PUBLIC SAFETY:</b>				
Police department.....	544,896	11,992		556,888
Fire department.....	2,150,612	11,297		2,161,909
Communication.....	53,752			53,752
Ambulance.....	837,802			837,802
Canine control.....	54,343			54,343
<b>TOTAL PUBLIC SAFETY.....</b>	<b>3,641,405</b>	<b>23,289</b>	<b>-</b>	<b>3,664,694</b>
<b>PUBLIC WORKS:</b>				
Highway department.....	12,860,141	1,772,425	676,412	13,956,154
Hillside Cemetery.....	203,037	8,521		211,558
Sewer Department.....	16,775,845			16,775,845
<b>TOTAL PUBLIC WORKS.....</b>	<b>29,839,023</b>	<b>1,780,946</b>	<b>676,412</b>	<b>30,943,557</b>
<b>HEALTH AND WELFARE:</b>				
Minibus.....	43,724			43,724
<b>CULTURE AND RECREATION:</b>				
Library.....	365,368			365,368
Opera House.....	107,210	24,501		131,711
Seth Thomas/Bradstreet House.....	446,616	15,988		462,604
Parks and recreation.....	484,684			484,684
<b>TOTAL CULTURE AND RECREATION.....</b>	<b>1,403,878</b>	<b>40,489</b>	<b>-</b>	<b>1,444,367</b>
<b>HOUSING AND DEVELOPMENT:</b>				
Building Department.....	57,762			57,762
<b>EDUCATION.....</b>	<b>26,098,690</b>	<b>1,074,959</b>		<b>27,173,649</b>
<b>GRAND TOTALS.....</b>	<b>\$ 65,573,313</b>	<b>\$ 2,957,303</b>	<b>\$ 698,314</b>	<b>\$ 67,832,302</b>

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# Statistical Section

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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 SEVEN YEARS (1)  
(UNAUDITED)**

	FISCAL YEAR ENDED						
	2009	2008	2007	2006	2005	2004	2003
<b>GOVERNMENTAL ACTIVITIES:</b>							
Invested in capital assets, net of related debt.....	\$ 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.....	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	15,700
Expendable.....	1,109	425	1,314	1,314	1,314	881	437
Perpetual care:							
Nonexpendable.....	220,608	217,229	212,929	204,139	201,489	196,614	295,038
Expendable.....	39,489	99,888	156,774	156,774	156,774	133,065	106,849
Unrestricted.....	8,332,971	6,285,147	8,112,146	10,530,832	10,198,581	618,501	7,576,151
<b>TOTAL NET ASSETS.....</b>	<b>\$ 34,648,999</b>	<b>\$ 34,841,850</b>	<b>\$ 34,768,769</b>	<b>\$ 34,108,690</b>	<b>\$ 31,928,261</b>	<b>\$ 27,816,127</b>	<b>\$ 27,435,341</b>

(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 SEVEN YEARS (1)  
(UNAUDITED)

	FISCAL YEAR ENDED						
	2009	2008	2007	2006	2005	2004	2003
<b>EXPENSES:</b>							
Governmental activities:							
General government.....	\$ 1,667,898	\$ 1,697,981	\$ 1,493,290	\$ 1,318,822	\$ 1,659,892	\$ 1,771,177	\$ 1,008,636
Public safety.....	2,403,832	2,205,660	2,252,002	2,313,428	1,943,257	2,200,339	2,163,326
Public works.....	4,345,216	3,953,285	3,785,089	3,695,376	3,346,625	3,145,912	3,296,162
Health and welfare.....	142,079	176,275	174,341	151,226	196,049	161,221	142,603
Culture and recreation.....	1,418,346	1,404,087	1,372,057	1,250,946	1,243,253	1,264,180	1,126,008
Housing and development.....	271,461	197,298	255,595	221,051	204,261	177,685	208,807
Education.....	17,620,403	19,045,383	16,011,966	14,937,047	13,624,717	13,126,941	12,808,758
Interest expense.....	718,142	760,841	823,502	868,833	713,760	667,065	599,717
<b>TOTAL EXPENSES.....</b>	<b>28,587,377</b>	<b>29,440,810</b>	<b>26,167,842</b>	<b>24,756,729</b>	<b>22,931,814</b>	<b>22,514,520</b>	<b>21,354,017</b>
<b>PROGRAM REVENUES:</b>							
Governmental activities:							
Charges for services:							
General government.....	47,646	113,248	145,710	146,781	148,871	116,588	52,433
Public safety.....	158,988	130,819	198,027	81,746	37,524	46,711	43,328
Public works.....	1,161,218	1,154,767	1,108,832	882,825	1,038,705	690,400	807,994
Health and welfare.....	1,816	1,866	1,938	2,289	1,669	2,137	1,553
Culture and recreation.....	411,361	393,855	454,209	350,430	398,806	366,589	311,954
Housing and development.....	61,149	56,508	69,453	84,417	108,679	93,979	88,575
Education.....	330,850	312,213	328,342	332,542	331,359	306,863	298,807
Operating grants and contributions.....	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.....	715,950	555,629	307,086	1,863,703	3,743,257	954,076	1,212,754
<b>TOTAL PROGRAM REVENUES.....</b>	<b>11,237,855</b>	<b>13,122,141</b>	<b>9,427,220</b>	<b>10,335,042</b>	<b>11,964,964</b>	<b>8,428,253</b>	<b>8,702,360</b>
<b>NET EXPENSES:</b>							
Governmental activities.....	(17,349,522)	(16,318,669)	(16,740,622)	(14,421,687)	(10,966,850)	(14,086,267)	(12,651,657)
<b>GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS:</b>							
Governmental activities:							
Property taxes.....	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.....	514,848	399,510	779,885	742,520	748,179	723,029	774,248
Investment income.....	89,454	228,647	520,009	438,209	200,395	108,929	109,791
Miscellaneous.....	107,408	256,730	34,198	53,060	64,753	16,225	45,400
<b>TOTAL GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS.....</b>	<b>17,156,671</b>	<b>16,391,750</b>	<b>17,400,701</b>	<b>16,602,116</b>	<b>15,078,984</b>	<b>14,467,053</b>	<b>13,888,596</b>
<b>CHANGE IN NET ASSETS.....</b>	<b>\$ (192,851)</b>	<b>\$ 73,081</b>	<b>\$ 660,079</b>	<b>\$ 2,180,429</b>	<b>\$ 4,112,134</b>	<b>\$ 380,786</b>	<b>\$ 1,236,939</b>

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

TABLE 3

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

	FISCAL YEAR ENDED JUNE 30									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
<b>GENERAL FUND:</b>										
Reserved.....	\$	\$	\$	\$	\$	\$ 75,000	\$	\$ 152,982	\$	\$
Unreserved:										
Designated .....	273,000	250,000	1,185,800	587,800	670,000	865,000	454,000	813,000	500,000	396,000
Undesignated .....	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	1,789,921
Total unreserved.....	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	2,185,921
TOTAL GENERAL FUND.....	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	2,185,921
<b>ALL OTHER GOVERNMENTAL FUNDS:</b>										
Reserved:										
Receivables.....	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	1,555,386
Commitments.....	467,520	935,324	630,669	229,879	1,800,307	7,745,022	278,201			
Compensated absences.....	298,843	419,518	540,177	610,016	637,960	623,838	612,323	636,739	617,385	559,690
Endowments.....	120,200	120,200	120,200	120,200	120,200	120,200	118,200	118,200	115,700	65,700
Perpetual care.....	220,608	217,229	212,929	204,139	201,489	196,614	192,538	184,539	181,238	179,288
Unreserved reported in:										
Special revenue funds.....	780,549	899,188	919,398	850,968	875,797	718,380	722,800	1,485,874	1,046,846	920,379
Capital projects funds.....	(787,366)	718,135	1,700,153	3,360,319	3,101,618	(6,625,924)	135,083	285,780	(8,324,964)	(6,771,217)
Permanent funds.....	40,598	100,313	120,422	181,301	158,088	133,946	107,286	54,827	136,377	119,943
TOTAL ALL OTHER GOVERNMENTAL FUNDS...	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)	(3,370,831)
GRAND TOTAL.....	\$ 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)	\$ (1,184,910)

TABLE 4

## TOWN OF THOMASTON, CONNECTICUT

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

	FISCAL YEAR ENDED JUNE 30									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
<b>REVENUES:</b>										
Property taxes.....	\$ 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	\$ 10,464,817
Charges for services.....	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	1,391,648
Intergovernmental.....	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	7,018,444
Contributions.....	155,075	129,857	93,471	154,955	59,295			77,640	50,000	25,360
Income from investments.....	117,301	260,567	520,007	438,209	200,395	108,930	109,791	391,662	355,441	292,577
Net change in fair value of investments.....	(39,572)									
Other.....	107,409	268,748	86,115	105,203	77,153	208,169	115,194	401,204	595,329	309,591
<b>TOTAL REVENUES.....</b>	<b>28,270,226</b>	<b>29,697,909</b>	<b>27,234,986</b>	<b>27,169,358</b>	<b>26,379,677</b>	<b>23,016,074</b>	<b>22,072,301</b>	<b>22,883,853</b>	<b>20,648,524</b>	<b>19,502,437</b>
<b>EXPENDITURES:</b>										
<b>Current:</b>										
General government.....	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	1,854,453
Public safety.....	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	1,103,511
Public works.....	2,710,350	2,754,083	2,548,694	2,374,480	2,191,308	2,085,921	2,171,175	729,179	856,857	701,637
Sanitation and conservation of health.....								1,095,393	1,055,809	1,121,615
Health and welfare.....	98,539	118,260	120,849	116,505	137,479	123,635	105,563			
Culture and recreation.....	1,021,600	1,045,793	1,002,376	1,002,115	906,865	964,021	869,685	452,081	426,561	344,491
Housing and development.....	228,556	153,805	200,834	171,770	154,875	135,356	161,400			
Education.....	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	10,489,451
Other.....							106,427	513,942	525,640	599,115
<b>Debt service:</b>										
Principal.....	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	1,208,598
Interest.....	1,014,560	1,014,560	1,014,560	931,902	784,773	576,207	612,768	978,545	540,102	594,147
Capital outlay.....	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	5,612,600
<b>TOTAL EXPENDITURES.....</b>	<b>30,690,960</b>	<b>31,246,644</b>	<b>28,961,257</b>	<b>28,339,647</b>	<b>30,350,524</b>	<b>24,529,821</b>	<b>22,810,498</b>	<b>22,997,813</b>	<b>21,809,203</b>	<b>23,629,618</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....</b>	<b>(2,420,734)</b>	<b>(1,548,735)</b>	<b>(1,726,271)</b>	<b>(1,170,289)</b>	<b>(3,970,847)</b>	<b>(1,513,747)</b>	<b>(738,197)</b>	<b>(113,960)</b>	<b>(1,160,679)</b>	<b>(4,127,181)</b>
<b>OTHER FINANCING SOURCES (USES):</b>										
Capital lease - equipment financing.....			143,000	371,317		166,500	43,559			195,000
Issuance of debt.....					7,700,000	2,300,000		9,091,656		
Issuance of refunding bonds.....						1,615,000				
Payment to refunding bond escrow.....						(1,853,164)				
Premium.....	11,725				83,816	107,273				
Legal settlement.....										
Transfers in.....	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	2,575,073
Transfers out.....	(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)	(2,575,073)
<b>NET OTHER FINANCING SOURCES (USES).....</b>	<b>11,725</b>	<b>-</b>	<b>143,000</b>	<b>371,317</b>	<b>7,783,816</b>	<b>2,335,609</b>	<b>43,559</b>	<b>9,091,656</b>	<b>-</b>	<b>195,000</b>
<b>NET CHANGE IN FUND BALANCES.....</b>	<b>\$ (2,409,009)</b>	<b>\$ (1,548,735)</b>	<b>\$ (1,583,271)</b>	<b>\$ (798,972)</b>	<b>\$ 3,812,969</b>	<b>\$ 821,862</b>	<b>\$ (694,638)</b>	<b>\$ 8,977,696</b>	<b>\$ (1,160,679)</b>	<b>\$ (3,932,181)</b>
<b>DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES.....</b>	<b>9.27%</b>	<b>8.88%</b>	<b>10.22%</b>	<b>8.92%</b>	<b>8.55%</b>	<b>7.21%</b>	<b>8.41%</b>	<b>11.64%</b>	<b>10.03%</b>	<b>10.01%</b>

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.

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			
2009	** 2007	\$ 534,050,143	\$ 762,928,776	\$ 46,307,505	\$ 52,696,749	\$ 99,004,254	\$ 141,434,649	\$ 633,054,397	\$ 904,363,425	70.00%	26.28	
2008	** 2006	\$ 535,758,290	\$ 765,368,986	\$ 51,810,436	\$ 47,824,927	\$ 99,635,363	\$ 142,336,233	\$ 635,393,653	\$ 907,705,219	70.00%	24.99	
	2007	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	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	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	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	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	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
	2000	1998	311,710,846	445,301,209	36,495,608	49,274,801	85,770,409	122,529,156	397,481,255	567,830,365	70.00%	27.25

\* 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	2009			2000		
	(1) ASSESSMENT	RANK	PERCENT OF NET TAXABLE GRAND LIST	ASSESSMENT	RANK	PERCENT OF NET TAXABLE GRAND LIST
Connecticut Light & Power Co.	\$ 4,898,560	1	0.80%	3,647,560	3	0.97%
Connecticut Water Company	3,127,410	2	0.51%	2,848,749	8	0.76%
GLC Associates	3,081,500	3	0.50%	2,892,670	6	0.77%
Thomaston Savings Bank	2,979,110	4	0.49%			0.00%
W L Real Estate Company	2,824,520	5	0.46%			0.00%
Tyler Propoerties	2,636,630	6	0.43%			0.00%
Whyco Technologies, Inc.	2,517,740	7	0.41%			0.00%
Rexam Cosmetic Packaging	2,514,706	8	0.41%			0.00%
Summit Corporation of America	2,490,030	9	0.41%	4,916,571	1	1.31%
Yankee Gas Services Company	2,387,960	10	0.39%	1,532,117	11	0.41%
Risdon	N/A	N/A	N/A	3,914,913	2	1.04%
Eyelets for Industry	N/A	N/A	N/A	3,552,866	4	0.94%
Oneglia	N/A	N/A	N/A	3,010,980	5	0.80%
Crossroad	N/A	N/A	N/A	2,004,500	9	0.53%
IBM	N/A	N/A	N/A	1,999,177	10	0.53%
	<u>\$ 29,458,166</u>		<u>4.81%</u>	<u>\$ 30,320,103</u>		<u>4.22%</u>

Source: Town Assessor Department.

(1) The net taxable grand list as of October 1, 2007 and 1998 totaled \$613,301,069 and \$376,291,980, respectively.

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			CURRENT DELINQUENT BALANCE
						COLLECTIONS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS	PERCENTAGE OF LEVY COLLECTED	
2009	26.28	2007	\$ 16,017,616	\$ 15,511,321	96.8%	\$ -	\$ 15,511,321	96.8%	\$ 506,295
2008	**	2006	15,325,961	14,907,955	97.3%	218,632	14,907,955	97.3%	199,374
2007	39.62	2005	15,758,093	15,384,998	97.6%	281,916	15,384,998	97.6%	91,179
2006	38.66	2004	15,003,165	14,679,512	97.8%	265,691	14,945,203	99.6%	57,962
2005	37.18	2003	14,043,736	13,487,766	96.0%	283,969	13,771,735	98.1%	272,001
2004	35.50	2002	13,439,939	12,901,856	96.0%	444,673	13,346,529	99.3%	93,410
2003	33.80	2001	12,695,152	12,262,233	96.6%	347,097	12,609,330	99.3%	85,822
2002	32.20	2000	11,780,931	11,517,712	97.8%	248,150	11,765,862	99.9%	15,069
2001	*	1999	10,904,055	10,642,688	97.6%	248,711	10,891,399	99.9%	12,656
2000	27.25	1998	10,286,990	10,049,750	97.7%	225,712	10,275,462	99.9%	11,528

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		
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
2000	8,705,000	3,105,156	11,810,156	N/A	1,588

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
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
2000	7,437	376,291,980	11,810,156	3.14%	1,588

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, 2009  
 (UNAUDITED)

Total tax collections (including interest and lien fees) for current year.....	\$ 16,056,621
Reimbursement for revenue loss on:	
Tax relief for elderly freeze.....	2,000
BASE FOR DEBT LIMITATION COMPUTATION.....	<u>\$ 16,058,621</u>

DEBT LIMITATION:	GENERAL PURPOSES	SCHOOLS	SEWERS	URBAN RENEWAL	PENSION DEFICIT
2 1/4 times base.....	\$ 36,131,897	\$	\$	\$	\$
4 1/2 times base.....		72,263,795			
3 3/4 times base.....			60,219,829		
3 1/4 times base.....				52,190,518	
3 times base.....					48,175,863
TOTAL DEBT LIMITATION.....	<u>36,131,897</u>	<u>72,263,795</u>	<u>60,219,829</u>	<u>52,190,518</u>	<u>48,175,863</u>
INDEBTEDNESS:					
Bonds payable.....	795,260	10,826,740	788,000		
Bond anticipation notes.....	4,825,000				
Less: School Building grants.....		(1,408,972)			
TOTAL INDEBTEDNESS.....	<u>5,620,260</u>	<u>9,417,768</u>	<u>788,000</u>	<u>-</u>	<u>-</u>
DEBT LIMITATION IN EXCESS OF OUTSTANDING AND AUTHORIZED DEBT.....	<u>\$ 30,511,637</u>	<u>\$ 62,846,027</u>	<u>\$ 59,431,829</u>	<u>\$ 52,190,518</u>	<u>\$ 48,175,863</u>

The total net indebtedness above amounts to: \$ 15,826,028

In no event shall total indebtedness exceed seven time the base for debt limitation computation: \$ 112,410,347

There is no overlapping debt.

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

<b>YEAR ENDED JUNE 30</b>	<b>DEBT LIMIT</b>	<b>NET DEBT APPLICABLE TO LIMIT</b>	<b>LEGAL DEBT MARGIN</b>	<b>TOTAL NET DEBT APPLICABLE</b>
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%
2000	186,507,683	15,240,507	171,267,176	8.17%

**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
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%
2000	7,437	(6)	\$ 24,799	37.40	(6)	1,257	2.6%

(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	2009			2000		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT
Town of Thomaston	324	1	11%	N/A		N/A
Rexam Corporation	290	2	10%	N/A		N/A
Thomaston Savings Bank	129	3	4%	93	3	2%
Ward Leonard Electric, Inc.	128	4	4%	N/A		N/A
Eyelets for Industry, Inc.	80	5	3%	N/A		N/A
Summit Corporation of America	76	6	3%	174	1	4%
Quality Rolling & Deburring	68	7	2%	115	2	3%
State of Connecticut	50	8	2%	N/A		N/A
Stevens Co., Inc.	43	9	1%	N/A		N/A
WHYCO Chromium, Inc	35	10	1%	N/A		N/A
TOTAL.....	<u>1,223</u>		<u>41%</u>	<u>382</u>		<u>9%</u>
Total Town Employment	<u>3,026</u>			<u>4,146</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 SEVEN YEARS (1)**  
**(UNAUDITED)**

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

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

TABLE 15

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

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

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

SOURCES: Various Town Departments