

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

of the

**TOWN OF THOMASTON,
CONNECTICUT**

FOR THE YEAR ENDED

JUNE 30, 2004

PREPARED BY:

THE FINANCE DEPARTMENT

SUSAN L. C. WHITNEY, FINANCE DIRECTOR

TOWN OF THOMASTON, CONNECTICUT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

AS OF AND FOR THE YEAR ENDED JUNE 30, 2004

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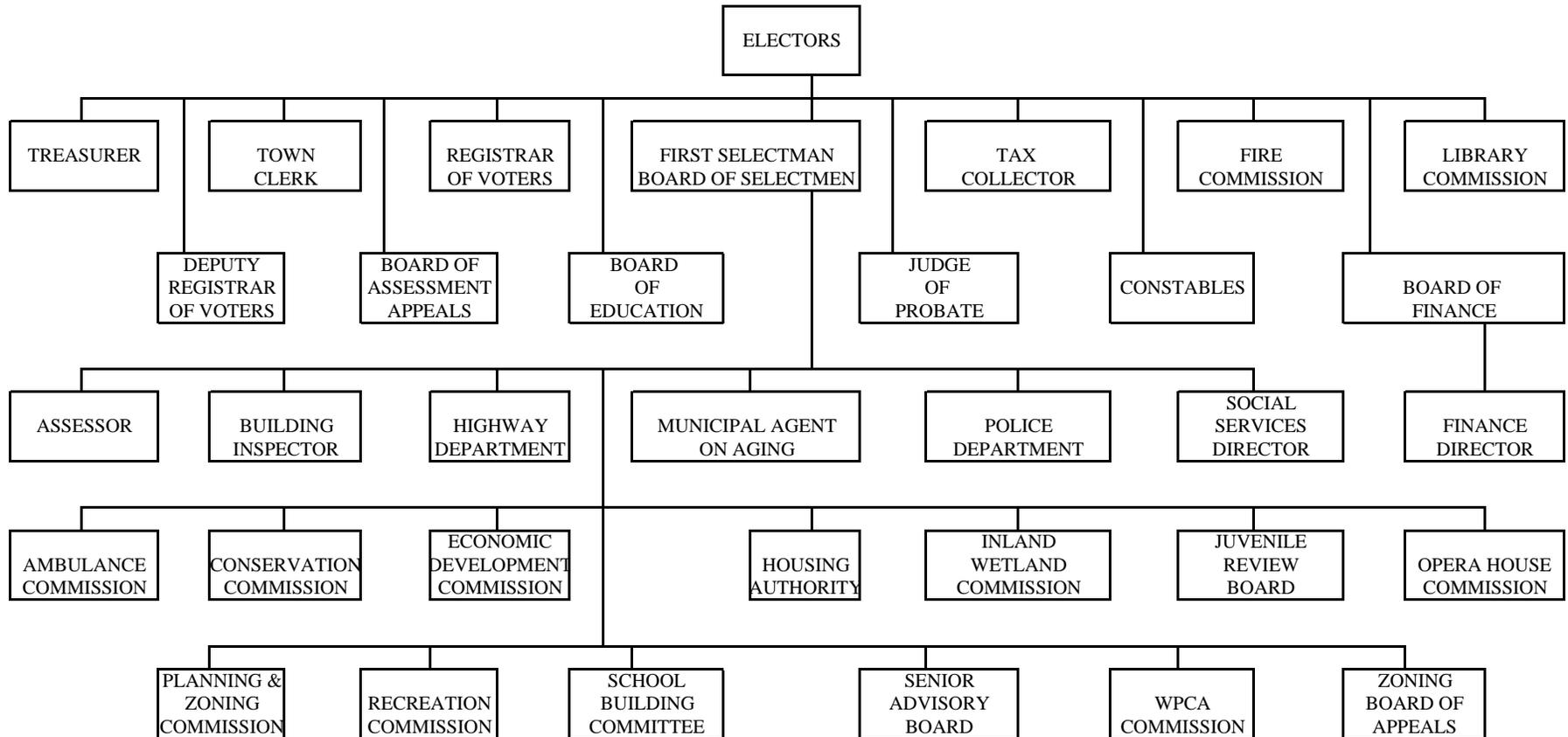
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Introductory Section

TOWN OF THOMASTON, CONNECTICUT

ORGANIZATIONAL CHART





Town of Thomaston
Treasurer's Office
TOWN HALL
158 Main Street
Thomaston, Connecticut 06787

Phone: 860-283-9678

Fax: 860-283-1378

December 22, 2004

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, 2004.

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, 2004, 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, 2004, 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, state mandated "Single Audit" designed to meet the special needs of state grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited Town's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of state awards. These reports are available in the Town of Thomaston's separately issued State Single Audit Report.

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

Profile of the Town

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 July 1, 2003 population of 7,857. 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, 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. The Town continues to be home to many small and medium-sized manufacturers. Since acquiring a local manufacturing site from Risdon-AMS Inc. in December 2001, Rexam Corporation has steadily expanded its operation in Thomaston. Rexam has since embarked upon a \$3 million renovation which may result in the need for additional space. The Thomaston operation regularly employs 300 employees who are part of Rexam's "beauty and closures" division, manufacturing fragrance pumps for customers that include Avon Products Inc., the Estee Lauder Co. and Liz Claiborne Inc.

Two of Thomaston's largest taxpayers and employers, Summit Corporation of America and Whyco Chromium, are currently attempting to recover from financial difficulties. Whyco recently emerged from Chapter 11 bankruptcy protection and has new owners who report success in securing new business commitments. Summit Corporation filed for Chapter 11 in early 2003. It is currently working on plans to reorganize and continues to be a significant employer.

In the past two years, Ward Leonard Corporation has continued to grow and continue to utilize more and more of the former Tech Systems manufacturing site. The company has gradually increased its workforce from approximately 40 about two years ago to nearly 100 today. The company currently occupies 145,000 square feet of the site.

The Town of Thomaston has made changes in its Plan of Development that will permit the creation of an industrial park which would be 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 also plans to construct a 50-unit senior housing complex near the industrial park.

Changes to the Zoning District Map are also intended to slow the pace of residential development, which in the past decade has been more than double the State average, by increasing lot sizes, particularly in those areas not served by municipal water and sewer service.

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.

Additionally, the Town of Thomaston is in the process of completing recently approved bond projects for renovations to the Town's High School and Center School. In addition to providing significant additional facility space, the projects will make significant code and infrastructure improvements which should make the existing schools viable for years to come. The rated capacity of Thomaston High School is expected to reach 680 after the completion of the project. 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 undesignated fund balance of \$1,460,002 decreased by 18% in 2004. The current undesignated fund balance provides the Town with the equivalence of approximately 18 working days of expenditures. This significantly reduces the 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 rates of interest earned on investments range from 1.3% to 10.0%. The highest yields are 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 plans 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 were strong in 2004, based on the improving economic condition and the investment markets. The net assets held in trust increased \$781,729 to \$6,509,350 at June 30, 2004, as a result of current year activity. However, the funding of the actuarially accrued liability has decreased from 67.1% in the prior year to 58.9%.

Additional information on the Town of Thomaston's pension plan can be found in Note 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 postemployment health benefits is funded through an annual appropriation for actual payments.

Awards and Acknowledgements

Thomaston has applied for a Certificate of Achievement for Excellence in Financial Reporting to the Government Finance Officers Association of the United States and Canada (GFOA) for the year ended June 30, 2004. The Certificate of Achievement is a prestigious national award - recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such Comprehensive Annual Financial 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. I believe our current report conforms to the Certificate of Achievement Program requirements and I am submitting it to GFOA.

The Finance Department will continue pursuit of its goals: providing 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.

Respectfully submitted,



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

TOWN OF THOMASTON, CONNECTICUT

LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2004

BOARD OF SELECTMEN

Clifford C. Brammer, Jr., First Selectman
Richard O'Connell, Selectman
John Piscopo, Selectman

BOARD OF FINANCE

Joseph F. Wassong Jr, Chairman
John S. Scheppard
Edmond V. Mone
George Counter
Michael E. Burr
Marie Galbraith

TOWN DEPARTMENTS

William S. Johnston, Treasurer
Susan L.C. Whitney, Finance Director / Business Manager
Rae Ann Walcott, Tax Assessor
Sandra R. Bruscano, Tax Collector
Lynda Mitchell, Superintendent of Schools
Gerald Grohoski, Superintendent of Highway
William Kryzanowski, Superintendent of W.P.C.A.
Catherine P. Dupont, Town Clerk
Edward T. Grabherr, Chief of Police
Henry McGee Jr., Fire Chief
Robert Norton, Fire Marshall
William Fuhrman, Building Inspector
Sam Barto, Town Planner & Land Use Officer
Martin Egan, Park and Recreation Director
Lorraine Babb, Social Services Director

AUDITORS

Kostin, Ruffkess & Company, LLC

Financial Section



**KOSTIN,
RUFFKESS
& COMPANY, LLC**

Business Advisors and Certified Public Accountants

Farmington • New London

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

Main Line: (860) 678-6000
Toll Free: (800) 286-KRCC
Fax: (860) 678-6110
Web: 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, 2004, 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, 2004, and the respective changes in financial position and cash flows, where applicable, 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 December 22, 2004, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 on pages 9 through 19 and page 54, respectively, are not a required part of the basic financial statements but are supplementary 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 supplementary information. However, we did not audit the information and express no opinion on it.



December 22, 2004

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

December 22, 2004



Town of Thomaston
Treasurer's Office
TOWN HALL
158 Main Street
Thomaston, Connecticut 06787

Phone: 860-283-9678

Fax: 860-283-1378

Management's Discussion and Analysis
For the Year Ended June 30, 2004

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, 2004.

Financial Highlights

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$27,816,127 (*net assets*). Of this amount, \$677,447 (*unrestricted net assets*) may be used to meet the Town's ongoing obligations to citizens and creditors.
- Unrestricted net assets decreased by \$7,005,990 from the prior year, which was the result of the Town's commitments to contractors associated with the High School renovation and addition project. These commitments will be funded through the issuance of bonds. As of June 30, 2004, only \$2,300,000 of the authorized \$10,000,000 in bonds has been issued.
- The Town's total net assets increased by \$380,786. Substantially all of this increase was due to capital outlay associated with the high school project, as these costs are not expensed, but capitalized.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$6,759,331, an increase of \$821,862 in comparison with the prior year. \$10,207,927 of fund balance is reserved for a specific purpose, leaving a negative (*unreserved fund balance*) in the amount of \$3,448,596.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$2,325,002, an increase of \$92,363 in comparison with the prior year. This represents 12 percent of total general fund expenditures.

Overview of the Basic Financial Statements

This discussion and analysis are 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 a whole and about its activities in a way that helps answer this question. These statements include *all* assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid.

The *statement of net 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.

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 giving rise to the change 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 distinguish 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 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 23 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 19 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in Schedules 4 and 5 in this report.

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

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

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

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

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

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. The Town's combined net assets were virtually unchanged from a year ago – increasing from \$27,435,341 to \$27,816,127.

By far the largest portion of the Town's net assets (68.3 percent) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment and infrastructure), less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

TOWN OF THOMASTON NET ASSETS

	<u>2004</u>	<u>2003</u>
Current and other assets	\$ 12,292,787	\$ 11,003,845
Capital assets	37,587,201	36,515,928
	<u>49,879,988</u>	<u>47,519,773</u>
Long-term liabilities outstanding	20,616,613	19,230,639
Other liabilities	1,447,248	853,793
	<u>22,063,861</u>	<u>20,084,432</u>
Net assets:		
Invested in capital assets, net of related debt	19,001,844	19,162,965
Restricted	8,136,836	588,939
Unrestricted	677,447	7,683,437
	<u>\$ 27,816,127</u>	<u>\$ 27,435,341</u>

An additional portion of the Town's net assets (29.3 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$677,447, may be used to meet the Town's ongoing obligations to citizens and creditors.

Management's Discussion and Analysis (continued)

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

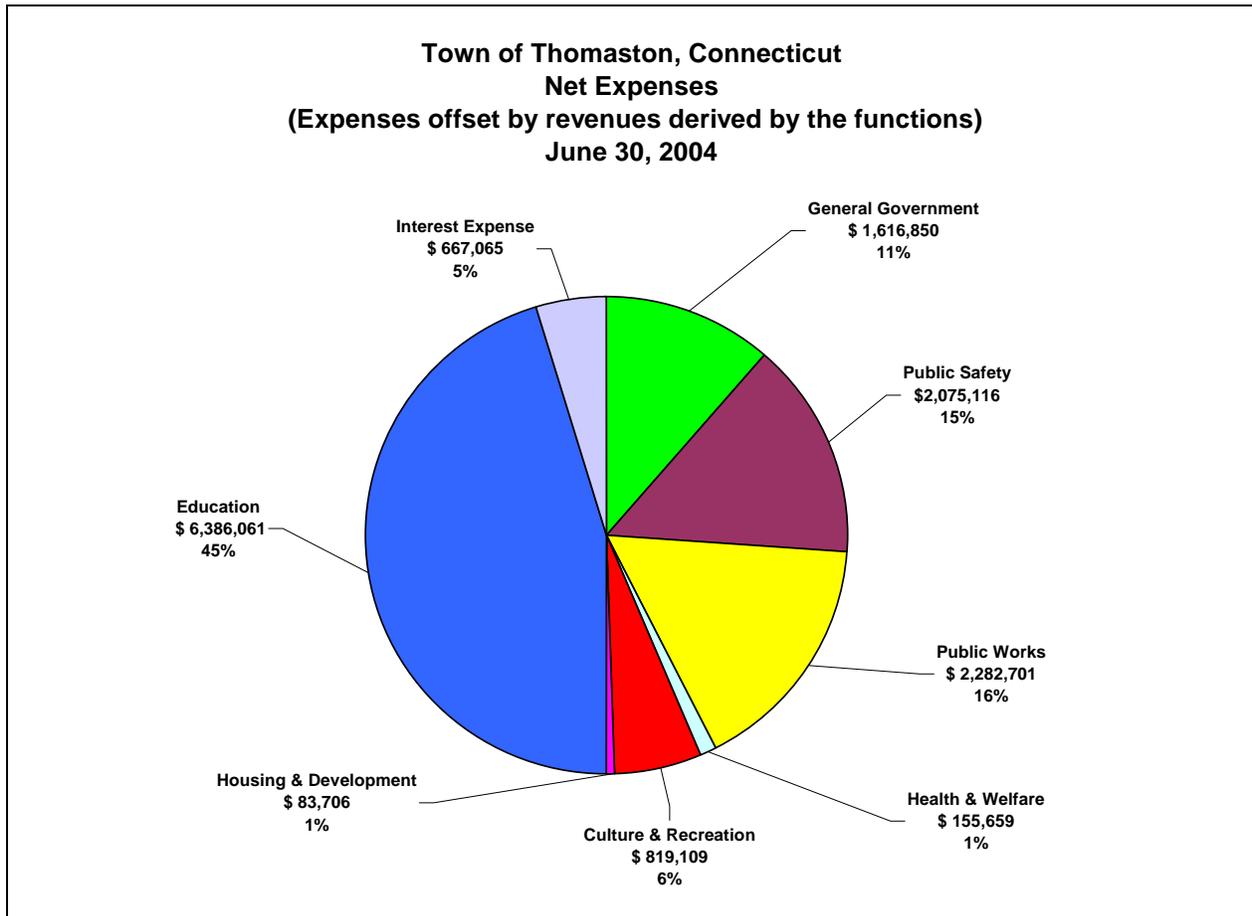
Governmental activities. Governmental activities increased the Town's net assets by \$380,786, thereby accounting for 100 percent of the total growth in the net assets of the Town. Key elements of this increase are as follows:

TOWN OF THOMASTON CHANGES IN NET ASSETS

	2004	2003
Revenues:		
Program revenues:		
Charges for services	\$ 1,623,267	\$ 1,604,644
Operating grants and contributions	5,850,910	5,884,962
Capital grants and contributions	954,076	1,212,754
General revenues:		
Property taxes	13,618,870	12,959,157
Grants and contributions not restricted to specific programs	723,029	774,248
Investment income	108,929	109,791
Other	16,225	45,400
	22,895,306	22,590,956
Program expenses:		
General government	1,771,177	1,008,636
Public safety	2,200,339	2,163,326
Public works	3,145,912	3,296,162
Health and welfare	161,221	142,603
Culture and recreation	1,264,180	1,126,008
Housing and development	177,685	208,807
Education	13,126,941	12,808,758
Interest on long-term debt	667,065	599,717
	22,514,520	21,354,017
Increase in net assets	380,786	1,236,939
Net assets, July 1, 2003	27,435,341	26,198,402
Net assets, June 30, 2004	\$27,816,127	\$ 27,435,341

- The taxable grand list increase of \$4,096,265 (1.10 percent) combined with the increase in the mill rate of 1.70 (a mill rate of 35.5) generated an increase of \$793,039 in the property tax levy. Adjustments to the levy reduced revenue by \$70,829.
- Capital grants for governmental activities decreased by approximately 21.3%, mostly as a result of the cuts in State aid. State aid is anticipated to stay flat for the next fiscal year including Town Aid Road, Mashantucket Pequot and Payment in lieu of taxes (P.I.L.O.T.). Grants which pass through the General Fund from the State Department of Education account for approximately 87% of the Town's intergovernmental revenue.
- Program expenses increased by \$1,160,503 (5.2%) due to the increase in salaries, health insurance premiums, rising fuel oil and diesel costs and other fringe benefits.

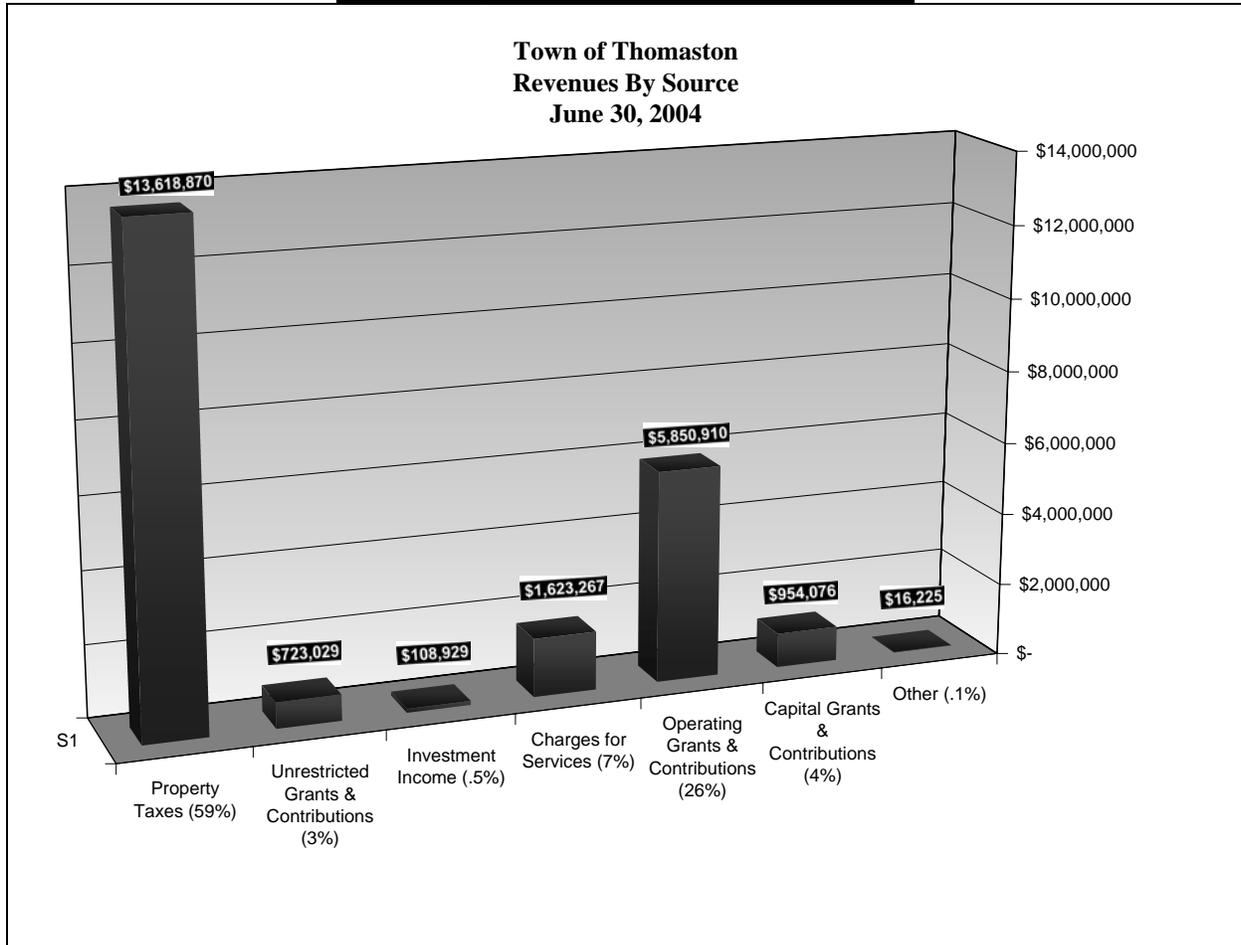
Expenses and Program Revenues (Net) - Governmental Activities



The new reporting model allows us to show the net cost by function. 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 \$6,386,061 includes expenditures of \$13,126,941 offset by charges for services of \$306,863, operating grants and contributions (including the Education Cost sharing grant) of \$5,688,800 and capital grants and contributions of \$745,217.

Budget presentations are geared to show total spending by department and one would normally see Education costs between 60 to 65 percent of the total budget, when in reality the true net costs are only 45 percent.

Revenues by Source - Governmental Activities



This chart reflects the sources of revenue which provide the services the taxpayers of Thomaston receive. Property taxes are the major source of revenue \$13,618,870 (59 percent), followed by operating grants and contributions \$5,850,910 (26 percent) and charges for services \$1,623,267 (7%). The remaining \$1,802,259 (8 percent) is made up of unrestricted grants and contributions, investment income, and capital grants and contributions.

The most significant increase in expenses was driven by increases in insurance, the cost of health care and pension costs. All other costs closely paralleled inflation and growth in the demand for services.

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 government's net resources available for spending at the end of the fiscal year.

Management's Discussion and Analysis (continued)

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$6,759,331. The Town has reserved \$10,207,927 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, \$1,447,253, 2) to liquidate contracts and purchase orders of the prior period and for school construction, \$7,820,022, 3) to generate income to pay for the perpetual care of the municipal cemetery, \$301,114, and 4) for a variety of other restricted purposes, \$639,538.

GAAP requires us to reserve fund balance for the total amount of contractual obligations even though we have not spent the money. Commitments in the amount of \$7,745,022 for the high school project were recorded in the Capital Projects Fund. Because of this, unreserved fund balance resulted in a deficit in the amount of \$3,448,596.

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 \$2,325,002. 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 11.8 percent of total general fund expenditures, however, \$865,000 of unreserved fund balance has been designated for the subsequent year's budget. The balance of unreserved and undesignated fund balance of \$1,460,002 lowers the percentage to 7.4 percent of total general fund expenditures.

The fund balance of the Town's general fund increased only slightly by \$167,363 during the current fiscal year. Key factors in this growth are as follows:

- An increase in the property tax rate 5%, (1.70 mills) increased the tax levy by \$793,039.
- Revenues exceeded budgetary estimates for taxes, town clerk fees, building permits and intergovernmental grants

A comparative analysis of the general fund is shown below.

TOWN OF THOMASTON GENERAL FUND

	2004	2003	Variance
REVENUES:			
Property taxes.....	\$ 13,385,994	\$ 12,865,405	\$ 520,589
Charges for services.....	342,175	253,821	88,354
Intergovernmental.....	6,181,867	6,471,958	(290,091)
Income from investments.....	69,294	48,163	21,131
Other.....	57,975	46,398	11,577
TOTAL REVENUES.....	20,037,305	19,685,745	351,560
EXPENDITURES:			
General government.....	2,906,859	2,539,548	367,311
Public safety.....	1,340,106	1,281,463	58,643
Public works.....	1,266,033	1,294,195	(28,162)
Health and welfare.....	121,680	101,802	19,878
Culture and recreation.....	450,842	434,392	16,450
Housing and development.....	110,743	106,528	4,215
Education.....	11,936,478	11,441,282	495,196
Debt service.....	1,540,367	1,836,526	(296,159)
TOTAL EXPENDITURES.....	19,673,108	19,035,736	637,372
EXCESS OF REVENUES OVER EXPENDITURES.....	364,197	650,009	(285,812)
OTHER FINANCING SOURCES (USES):			
Capital lease - equipment financing.....	166,500	43,559	122,941
Payment to refunding bond escrow.....	(200,000)	-	(200,000)
Premium.....	4,949	-	4,949
Transfers in.....	1,718,242	843,183	875,059
Transfers out.....	(1,886,525)	(1,493,222)	(393,303)
NET OTHER FINANCING SOURCES (USES).....	(196,834)	(606,480)	409,646
NET CHANGE IN FUND BALANCES.....	\$ 167,363	\$ 43,529	\$ 123,834

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were \$523,417, including additional appropriations of \$117,163 from fund balance and \$406,254 from revised revenue appropriations. The increase in budget can be briefly summarized as follows:

Additional appropriations from fund balance:

- \$43,000 for the down payment on two new dump trucks.
- \$23,000 for two new servers and five computers for Assessor and Tax Collector departments, including installation.
- \$15,000 for an environmental study of the Naugatuck River.
- \$22,552 for a new dump truck for Hillside Cemetery operations.
- \$13,611 for departmental overruns.

Revised revenue appropriations:

- An increase in the town aid road grant of \$165.
- Federal grants for Emergency Operations Planning received in the amount of \$20,531, which the Town passed through to the Naugatuck Valley Council of Governments to administer.
- Miscellaneous transfers in from Hillside Cemetery, the Opera House and the WPCA to cover operating budgets of \$219,058.
- Capital lease proceeds of \$166,500 funded the lease-purchase of a two new dump trucks.

During the year, revenues exceeded budgetary estimates and some expenditures were less than budgetary estimates, thus reducing the need to draw upon existing fund balance. Of the \$454,000 of budgeted use of surplus, only \$13,611 was required. Departments which exceeded the original appropriations totaled \$270,119.

Overruns between \$2,001 and \$20,000 are summarized below:

- Audit fees \$4,500
- Legal fees \$5,207
- Property tax refunds \$19,342
- Employer's share of social security and medicare \$13,936
- Pension administrative fees \$2,633
- Highway \$18,788
- Solid Waste and recycling \$12,685
- Planning and Zoning \$2,629

Overruns which exceeded \$20,000 are summarized below:

- Town Hall operation and maintenance \$22,450 – There was an increase in repairs associated with the heating units, an increased price of fuel oil which caused general increases in heat and electricity and the general cost of all purchases.
- Police department \$130,424 – The police budget had to absorb the costs associated with the payout for a retiring police officer that was not anticipated when the budget was originally adopted. In addition, the Police department ran overages in overtime due to contractual reasons.
- Snow and ice removal \$37,524 – Due to the major storms associated with the winter of 2004.

Capital Asset and Debt Administration

Capital assets. The Town's investment in capital assets for its governmental type activities as of June 30, 2004, amounts to \$37,587,201 (net of accumulated depreciation). This investment in capital assets includes land, buildings, land improvements, vehicles, machinery and equipment, sewer lines, roads, bridges, sidewalks and system storm drains. The total increase in the Town's investment in capital assets for the current fiscal year was 3%. This increase is largely due to the addition and renovation to the high 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 initial design stage of the Thomaston High School renovation began in February 2003; construction in progress as of the close of the fiscal year had reached \$2,221,486.
- New vehicles purchased during the year included a Holland Tractor (\$71,035), two new International dump trucks (\$216,054) and a used International truck (\$5,000) for the highway department, a new Ford F350 Dump truck (\$29,552) for Hillside Cemetery, and a new Durango (\$46,027) (grant funded) and cruiser (\$21,523) for the police department.
- A variety of street and sewer construction projects were completed during the year, including rebuilding 188.5 linear feet of the Sanford Avenue sewer line (\$11,234), 546 linear feet of PVC Pipe at Nystrom's bathhouse (\$16,271), 675 linear feet of PVC Pipe on Pleasant Street (\$89,349), 200 linear feet of pipe on Hickory Hill Road (\$ 7,253) and High Street Extension (\$6,831).
- The Town replaced 2,352 feet of sidewalks on Walnut Street (\$11,489) and 1,800 feet of sidewalks on Meadow Street (\$13,694).
- Thomaston Center School replaced its telecommunication and intercom system for \$33,239.
- The Finance Department replaced the Town Hall servers \$21,903.
- A Town wide communication system was purchased for \$53,752, which included new radios and a solution to the no-signal (dead-spot) areas.

**TOWN OF THOMASTON CAPITAL ASSETS
(NET OF ACCUMULATED DEPRECIATION)**

	2004	2003
Land	\$ 1,315,620	\$ 1,315,620
Construction in progress	2,232,720	592,260
Buildings	20,272,516	20,617,212
Land improvements	745,047	776,568
Machinery and equipment	2,957,746	2,994,069
Vehicles	890,639	929,665
Infrastructure	9,172,913	9,290,534
 Total	 \$ 37,587,201	 \$ 36,515,928

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 \$9,930,000. All debt is backed by the full faith and credit of the Town. The remainder of the Town's debt represents notes totaling \$8,459,267 funded by the State of Connecticut Clean Water Fund, capital lease obligations for the dump trucks and the ambulance totaling \$196,090 and a bond premium of \$101,313.

**TOWN OF THOMASTON OUTSTANDING DEBT
LONG-TERM OBLIGATIONS**

	2004	2003
General obligation bonds	\$ 9,930,000	\$ 6,560,000
Notes	8,459,267	10,711,198
Capital lease obligations	196,090	81,765
Premium	101,313	-
Total	\$ 18,686,670	\$ 17,352,963

On November 5, 2002, the Town, through referendum, authorized the issuance of up to \$10,000,000 in bonds and an appropriation of \$16,280,000 for the purpose of funding certain renovations and/or additions to the Thomaston High School and Thomaston Center School. On September 1, 2003, the Town issued bonds in the principal amount of \$3,915,000, of which \$1,615,000 refinanced some of its existing debt to take advantage of favorable interest rates. The refunding resulted in an economic gain of \$130,150 with a total savings of \$328,174. The remaining \$2,300,000 was used to finance the High School project.

Subsequent to the date of these financial statements, the Town issued \$3,500,000 of General Obligation Bond Anticipation Notes dated October 15, 2004, maturing April 15, 2005, to fund the high school project. The Town anticipates paying off these notes upon maturity and issuing the remaining \$7,700,000 in general obligation bonds.

The result of this bond issue is expected to increase next year's debt service payments by \$445,254.

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 \$92,686,349, which is significantly in excess of the Town's outstanding general obligation debt.

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

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the Town is currently 4.8%, which is a decrease from a rate of 6.1% a year ago. This compares unfavorably to the state's average unemployment rate of 4.2% but favorable to the Waterbury Labor Market rate of 5.6%.
- Thomaston is facing increasing economic burdens based on its own fiscal limitations, such as increasing municipal expenditures and debt service associated with the high school and center school renovations as well as decreasing state aid, upon which the Town relies.
- Thomaston's tax base is predominantly residential, forcing more of tax burden on the homeowner rather than on the commercial sectors.
- Weakness in the Connecticut economy is concentrated in the manufacturing sector which has bottomed out. The nonmanufacturing sector is growing with housing still strong. If the U.S. economy surges or falters, the region will follow in turn. A prolonged international crisis accompanied by high energy prices is the greatest risk to the national economy. Employment growth accelerates in 2005 with only token growth in manufacturing employment. Housing activity slows somewhat in 2005 due to slightly higher interest rates.

All of these factors were considered in preparing the Town's budget for the 2004-05 fiscal year.

Management's Discussion and Analysis (continued)

During the current fiscal year, unreserved and undesignated fund balance in the general fund increased to \$2,400,002. The Town has appropriated \$865,000 of this amount for spending in the 2004-05 fiscal year budget. It is intended that this use of available fund balance will lessen the need to raise taxes or charges during the 2005 fiscal year.

Thomaston's debt service is expected to rise dramatically in the next fiscal budget by \$445,254 for the new bond issue and the use of all the Anthem demutualization proceeds in fiscal 2004 will have a negative impact on next year's budget.

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 government'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. C. Whitney, C.P.A., Town of Thomaston, CT, 158 Main Street, Thomaston, CT 06787.

Basic Financial Statements

TOWN OF THOMASTON, CONNECTICUT

STATEMENT OF NET ASSETS
JUNE 30, 2004

		GOVERNMENTAL ACTIVITIES
<u>ASSETS</u>		
Current assets:		
Cash.....	\$	593,473
Investments.....		5,347,890
Receivables:		
Property taxes.....		477,365
Assessments.....		102,754
Notes.....		35,168
Rehabilitation loans.....		45,578
Intergovernmental.....		372,659
Other.....		28,723
Other assets.....		11,158
Deferred charges.....		5,582
		7,020,350
Total current assets.....		
Noncurrent assets:		
Restricted assets:		
Permanently restricted:		
Investments.....		316,814
Receivables (net):		
Property taxes.....		680,263
Assessments/use charges.....		80,670
Notes.....		123,820
Rehabilitation loans.....		1,213,742
Intergovernmental.....		2,767,816
		4,866,311
Total Receivables (net).....		
		89,312
Deferred charges.....		
Capital assets (net of accumulated depreciation):		
Land.....		1,315,620
Construction in progress.....		2,232,720
Buildings.....		20,272,516
Land improvements.....		745,047
Machinery and equipment.....		2,957,746
Vehicles.....		890,639
Infrastructure.....		9,172,913
		37,587,201
Total capital assets (net of accumulated depreciation).....		
		42,859,638
Total noncurrent assets.....		
		49,879,988
TOTAL ASSETS.....		
		49,879,988

(Continued)

TOWN OF THOMASTON, CONNECTICUT

STATEMENT OF NET ASSETS
JUNE 30, 2004

	GOVERNMENTAL ACTIVITIES
<hr/>	
<u>LIABILITIES</u>	
LIABILITIES:	
Current liabilities:	
Accounts payable.....	\$ 1,131,359
Accrued payroll.....	82,153
Accrued interest payable.....	228,251
Unearned revenue.....	5,485
Long-term liabilities due within one year.....	<u>1,455,159</u>
Total current liabilities.....	2,902,407
Noncurrent liabilities:	
Long-term liabilities due in more than one year.....	<u>19,161,454</u>
TOTAL LIABILITIES.....	<u>22,063,861</u>
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt.....	19,001,844
Restricted for:	
Encumbrances.....	75,000
Capital projects.....	7,745,022
Endowments.....	120,200
Perpetual care.....	196,614
Unrestricted.....	<u>677,447</u>
TOTAL NET ASSETS.....	<u>\$ 27,816,127</u>

(Concluded)

EXHIBIT B

TOWN OF THOMASTON, CONNECTICUT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2004

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET EXPENSES AND CHANGES IN NET ASSETS
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES
GOVERNMENTAL ACTIVITIES:					
General government.....	\$ 1,771,177	\$ 116,588	\$ 28,621	\$ 9,118	\$ (1,616,850)
Public safety.....	2,200,339	46,711	30,009	48,503	(2,075,116)
Public works.....	3,145,912	690,400	59,579	113,232	(2,282,701)
Health and welfare.....	161,221	2,137	3,425		(155,659)
Culture and recreation.....	1,264,180	366,589	40,476	38,006	(819,109)
Housing and development.....	177,685	93,979			(83,706)
Education.....	13,126,941	306,863	5,688,800	745,217	(6,386,061)
Interest expense.....	667,065				(667,065)
TOTAL.....	\$ 22,514,520	\$ 1,623,267	\$ 5,850,910	\$ 954,076	\$ (14,086,267)
GENERAL REVENUES:					
Property taxes.....					\$ 13,618,870
Grants and contributions not restricted to specific programs.....					723,029
Investment income.....					108,929
Miscellaneous.....					16,225
TOTAL GENERAL REVENUES.....					14,467,053
CHANGE IN NET ASSETS.....					380,786
NET ASSETS - JULY 1, 2003.....					27,435,341
NET ASSETS - JUNE 30, 2004.....					\$ 27,816,127

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

TOWN OF THOMASTON, CONNECTICUT

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2004

	GENERAL	SMALL CITIES	CAPITAL PROJECTS	CAPITAL OR NONRECURRING	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS						
Cash.....	\$ 88,283	\$ 395,312	\$ 9,967	\$ 325	\$ 99,586	\$ 593,473
Investments.....	3,732,371	-	152,627	1,072,809	706,897	5,664,704
Due from other funds.....	199,541	-	1,295,187	-	1,500	1,496,228
Receivables, net:						
Property taxes.....	1,030,858	-	-	-	-	1,030,858
Assessments/use charges.....	-	-	25,496	-	104,827	130,323
Notes.....	-	162,233	-	-	-	162,233
Rehabilitation loans.....	-	1,285,020	-	-	-	1,285,020
Intergovernmental.....	75,899	-	-	5,977	43,191	125,067
Other.....	27,734	-	-	-	989	28,723
Other assets.....	4,926	-	-	-	6,232	11,158
TOTAL ASSETS.....	\$ 5,159,612	\$ 1,842,565	\$ 1,483,277	\$ 1,079,111	\$ 963,222	\$ 10,527,787
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable.....	\$ 431,984	\$ -	\$ 532,648	\$ 137,206	\$ 29,521	\$ 1,131,359
Accrued payroll.....	82,153	-	-	-	-	82,153
Due to other funds.....	1,296,688	-	123,887	1,217	74,436	1,496,228
Unearned revenue.....	948,785	-	24,494	-	85,437	1,058,716
Total Liabilities.....	2,759,610	-	681,029	138,423	189,394	3,768,456
Fund Balances:						
Reserved for:						
Encumbrances.....	75,000	-	-	-	-	75,000
Receivables.....	-	1,447,253	-	-	-	1,447,253
Commitments.....	-	-	7,745,022	-	-	7,745,022
Compensated absences.....	-	-	-	623,838	-	623,838
Endowments.....	-	-	-	-	120,200	120,200
Perpetual care.....	-	-	-	-	196,614	196,614
Unreserved, reported in:						
Designated for subsequent year's budget.....	865,000	-	-	-	-	865,000
Designated for improvements.....	-	-	-	-	88,277	88,277
General fund.....	1,460,002	-	-	-	-	1,460,002
Special revenue funds.....	-	395,312	-	-	234,791	630,103
Capital projects funds.....	-	-	(6,942,774)	316,850	-	(6,625,924)
Permanent funds.....	-	-	-	-	133,946	133,946
Total Fund Balances.....	2,400,002	1,842,565	802,248	940,688	773,828	6,759,331
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 5,159,612	\$ 1,842,565	\$ 1,483,277	\$ 1,079,111	\$ 963,222	\$ 10,527,787

TOWN OF THOMASTON, CONNECTICUT

RECONCILIATION OF FUND BALANCE
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2004

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).....	\$ 6,759,331
----------------------------------------------------	---------------------

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

Beginning capital assets and current additions.....	38,827,334
Depreciation expense.....	(1,028,938)
Disposal of assets.....	(211,195)

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.....	404,675
Property tax, sewer use and sewer assessment receivable - accrual basis change.....	1,053,231
School building grant receivable.....	3,015,408
Allowance for doubtful accounts.....	(253,749)
Bond issue costs.....	94,894

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

Beginning long-term liabilities and current year additions.....	(23,600,195)
Long-term liability payments.....	3,084,895
Bond premium.....	(101,313)
Accrued interest payable.....	(228,251)

NET ASSETS OF GOVERNMENTAL ACTIVITIES.....	\$ 27,816,127
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(Concluded)

EXHIBIT D

TOWN OF THOMASTON, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	GENERAL	SMALL CITIES	CAPITAL PROJECTS	CAPITAL OR NONRECURRING	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:						
Property taxes.....	\$ 13,385,994	\$ -	\$ -	\$ -	\$ -	\$ 13,385,994
Charges for services.....	342,175	-	8,673	-	1,368,324	1,719,172
Intergovernmental.....	6,181,867	-	693,488	62,503	655,951	7,593,809
Income from investments.....	69,294	2,583	1,670	15,393	19,990	108,930
Other.....	57,975	6,461	93,075	1,825	48,833	208,169
TOTAL REVENUES.....	20,037,305	9,044	796,906	79,721	2,093,098	23,016,074
EXPENDITURES:						
Current:						
General government.....	2,906,859	-	-	140,276	20,082	3,067,217
Public safety.....	1,340,106	-	-	48,043	53,204	1,441,353
Public works.....	1,266,033	-	6,422	104,333	709,133	2,085,921
Health and welfare.....	121,680	-	-	-	1,955	123,635
Culture and recreation.....	450,842	-	-	52,481	460,698	964,021
Housing and development.....	110,743	24,613	-	-	-	135,356
Education.....	11,936,478	-	-	52,173	920,844	12,909,495
Debt service.....	1,540,367	-	70,818	-	-	1,611,185
Capital outlay.....	-	-	1,662,465	399,038	130,135	2,191,638
TOTAL EXPENDITURES.....	19,673,108	24,613	1,739,705	796,344	2,296,051	24,529,821
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	364,197	(15,569)	(942,799)	(716,623)	(202,953)	(1,513,747)
OTHER FINANCING SOURCES (USES):						
Capital lease - equipment financing.....	166,500	-	-	-	-	166,500
Issuance of debt.....	-	-	2,300,000	-	-	2,300,000
Issuance of refunding bonds.....	-	-	1,615,000	-	-	1,615,000
Payment to refunding bond escrow.....	(200,000)	-	(1,653,164)	-	-	(1,853,164)
Premium.....	4,949	-	102,324	-	-	107,273
Transfers in.....	1,718,242	-	10,000	634,034	1,250,722	3,612,998
Transfers out.....	(1,886,525)	-	(69,123)	(562,320)	(1,095,030)	(3,612,998)
NET OTHER FINANCING SOURCES (USES).....	(196,834)	-	2,305,037	71,714	155,692	2,335,609
NET CHANGE IN FUND BALANCES.....	167,363	(15,569)	1,362,238	(644,909)	(47,261)	821,862
FUND BALANCES (DEFICIT) - JULY 1, 2003.....	2,232,639	1,858,134	(559,990)	1,585,597	821,089	5,937,469
FUND BALANCES - JUNE 30, 2004.....	\$ 2,400,002	\$ 1,842,565	\$ 802,248	\$ 940,688	\$ 773,828	\$ 6,759,331

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, 2004

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)..... \$ 821,862

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.....	2,311,406
Depreciation expense.....	<u>(1,028,938)</u>

Total	<u>1,282,468</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.....	<u>(211,195)</u>
-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------

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.....	(255,686)
Increase in property tax, sewer use and sewer assessment receivable - accrual basis change.....	160,598
Increase in property tax, sewer use and sewer assessment interest and lien revenue.....	51,903
Increase in property tax and sewer use allowance for doubtful accounts.....	<u>(77,583)</u>

Total	<u>(120,768)</u>
-------------	------------------

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

Debt issued or incurred:	
Issuance of general obligation bonds.....	(2,300,000)
Issuance of general obligation refunding bonds.....	(1,615,000)
Bond premium.....	(107,273)
Bond issue costs.....	100,476
Capital lease proceeds.....	(166,500)
Principal repayments:	
General obligation bonds.....	545,000
Notes payable.....	2,251,931
Capital lease.....	<u>52,175</u>

Total	<u>(1,239,191)</u>
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(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, 2004

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

Compensated absences.....	\$	76,881
Net pension obligation.....		(99,595)
Early retirement.....		5,000
Severance.....		(34,553)
Accrued interest payable.....		(100,501)
Amortization of bond premium.....		5,960
Amortization of bond issue costs.....		(5,582)
		<hr/>
Total		(152,390)
		<hr/>
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES (EXHIBIT B)	\$	380,786
		<hr/>

(Concluded)

TOWN OF THOMASTON, CONNECTICUT

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Property taxes.....	\$ 13,198,421	\$ 13,198,421	\$ 13,385,994	\$ 187,573
Charges for services.....	219,372	219,372	342,175	122,803
Intergovernmental.....	5,530,976	5,551,672	5,853,765	302,093
Investment income.....	45,000	45,000	69,294	24,294
Other.....	30,940	30,940	57,975	27,035
TOTAL REVENUES.....	19,024,709	19,045,405	19,709,203	663,798
EXPENDITURES:				
Current:				
General government.....	2,988,503	2,928,725	2,928,725	-
Public safety.....	1,218,097	1,330,697	1,330,697	-
Public works.....	1,203,216	1,257,699	1,257,699	-
Health and welfare.....	128,040	120,955	120,955	-
Culture and recreation.....	447,244	445,507	445,507	-
Housing and development.....	114,868	108,008	108,008	-
Education.....	11,736,652	11,683,376	11,683,376	-
Debt service.....	1,540,367	1,540,367	1,540,367	-
TOTAL EXPENDITURES.....	19,376,987	19,415,334	19,415,334	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(352,278)	(369,929)	293,869	663,798
OTHER FINANCING SOURCES (USES):				
Appropriation of fund balance.....	454,000	571,163	-	(571,163)
Capital lease - equipment financing.....	-	166,500	166,500	-
Payment to refunding bond escrow.....	(200,000)	(200,000)	(200,000)	-
Premium.....	-	-	4,949	4,949
Transfers in.....	1,499,733	1,718,791	1,718,242	(549)
Transfers out.....	(1,401,455)	(1,886,525)	(1,886,525)	-
NET OTHER FINANCING SOURCES (USES).....	352,278	369,929	(196,834)	(566,763)
NET CHANGE IN FUND BALANCE.....	\$ -	\$ -	97,035	\$ 97,035
FUND BALANCE - JULY 1, 2003.....			2,309,916	
FUND BALANCE - JUNE 30, 2004.....			<u>\$ 2,406,951</u>	

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, 2004

	PENSION TRUST FUND	PRIVATE- PURPOSE TRUST FUNDS	AGENCY FUNDS
<u>ASSETS</u>			
Cash.....	\$ -	\$ 2,000	\$ 140,825
Investments:			
Money Market.....	196,205	5,996	3,125
US Treasury Notes.....	346,454	-	-
US Government Investment Pool.....	531,712	-	-
Corporate Obligations.....	1,124,550	-	-
Mutual Funds.....	558,743	-	-
Equities.....	3,723,707	-	-
Total investments.....	6,481,371	5,996	3,125
Interest receivable.....	27,979	-	-
TOTAL ASSETS.....	6,509,350	7,996	143,950
<u>LIABILITY</u>			
Accounts payable.....	-	-	143,950
<u>NET ASSETS</u>			
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS AND OTHER PURPOSES.....	\$ 6,509,350	\$ 7,996	\$ -

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

TOWN OF THOMASTON, CONNECTICUTSTATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	PENSION TRUST FUND	PRIVATE- PURPOSE TRUST FUNDS
ADDITIONS:		
Contributions:		
Employer.....	\$ 518,514	\$ -
Employees.....	91,791	-
Other.....	13,078	2,000
Total contributions.....	623,383	2,000
Investment income:		
Net appreciation in fair value of investments.....	360,408	-
Interest and dividends.....	168,635	93
Total investment income.....	529,043	93
TOTAL ADDITIONS.....	1,152,426	2,093
DEDUCTIONS:		
Benefits.....	354,358	-
Refunds.....	16,102	-
Other.....	237	50
TOTAL DEDUCTIONS.....	370,697	50
CHANGES IN NET ASSETS.....	781,729	2,043
NET ASSETS - JULY 1, 2003.....	5,727,621	5,953
NET ASSETS - JUNE 30, 2004.....	\$ 6,509,350	\$ 7,996

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

TOWN OF THOMASTON, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2004

HISTORY AND ORGANIZATION

The Town of Thomaston, Connecticut (the "Town") was incorporated July 6, 1875, and operates under the provisions of the General Statutes of the State of Connecticut. The legislative power of the Town is vested in a Board of Selectmen and the Town Meeting. The Town provides the following services: Public Safety (police and fire), Public Works (streets and highways), Public Health and Social Services, 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. 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*. Agency funds do not have a measurement focus, but are reported using the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

The Town reports the following major governmental funds:

The *General Fund* is the government'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, Humiston Hill Water Assessment project and the WPCA Repair and Replacement project.

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 government reports the following fund types:

The Leander Smith, Peppie Wagner and Seth Thomas funds are *Private-Purpose Trust Funds*, used to account for resources legally held in trust for educational purposes.

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.

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The Town has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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.

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

2. Receivables and Payables

a. Interfunds

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

b. Property Taxes and Other Receivables

In the government-wide financial statements, all trade, property tax, sewer use, sewer assessment, and loan receivables, are shown net of an allowance for uncollectibles. Allowance percentages range from 2 to 39 percent of outstanding receivable balances at June 30, 2004, 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 Community Development Block Grant loans. The Town provides low interest loans for residential rehabilitation and to local businesses for facility improvements.

In the fund financial statements, all property taxes receivable at 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 is 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)

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 \$531,634 has been accrued for certified teachers.

For employees other than certified teachers, sick leave accrues at the rate of 1 ¼ 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. A liability in the amount of \$443,382 has been accrued for employees other than certified teachers.

The accrued sick time varies for Board of Education administrators. A liability in the amount of \$87,600 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.

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.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

7. Fund Equity and Net Assets (Continued)

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 represents 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.

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.

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

A. Budgets and Budgetary Accounting (Continued)

- 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 \$117,163 made during the year from fund balance and \$406,254 from revised revenue appropriations.
- 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.

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>	<u>FUND BALANCE</u>
BALANCE, BUDGETARY BASIS, EXHIBIT F - JUNE 30, 2004	\$ 19,709,203	\$ 19,415,334	\$ 2,406,951
Unliquidated encumbrances.....		(75,000)	75,000
Payroll (accrual) change.....		4,672	(81,949)
State Teachers' Retirement on-behalf payment	328,102	328,102	
BALANCE, GAAP BASIS, EXHIBIT D - JUNE 30, 2004	<u>\$ 20,037,305</u>	<u>\$ 19,673,108</u>	<u>\$ 2,400,002</u>

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

C. Donor Restricted Endowments

The Town has received certain endowments for the maintenance of the Hillside Cemetery and fire department operation purposes. The amounts are reflected in net assets as restricted for permanent funds. Investment income is approved for expenditure by the individual Board of Finance.

D. Deficit Fund Equity

The following individual funds had a deficit fund balance at June 30, 2004:

Special Revenue Funds

Thomaston Opera House	\$	47,992
Public Library		3,890

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

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

E. Capital or Nonrecurring Project Authorizations

The following is a summary of Capital or Nonrecurring projects at June 30, 2004:

	PROJECT AUTHORIZATION	CURRENT YEAR EXPENDITURES	CUMULATIVE EXPENDITURES	BALANCE JUNE 30, 2004
Ambulance Reserve	\$ 123,059	\$ -	\$ 118,059	\$ 5,000
Anthem Demutualization Proceeds	545,348	545,348	545,348	-
Assessors' Revaluation	273,900	60,933	259,470	14,430
BOE Band Uniforms	11,075	-	10,886	189
BOE Textbooks	270,000	34,746	269,338	662
BOE THS HVAC Improvements	69,300	-	69,143	157
BOE THS Lavatories	6,500	6,500	6,500	-
BOE THS Plumbing	9,500	2,097	9,363	137
BOE THS Metal Roof Sealing	15,000	-	-	15,000
BOE THS Roof Flashing	40,000	-	34,400	5,600
BOE THS/TCS Computers	92,500	11,996	92,500	-
BOE TCS Gym Floor, Doors & Clock	25,000	445	24,990	10
BOE TCS HVAC System	2,544	2,544	2,544	-
BOE TCS Infrastructure	39,456	345	39,452	4
BOE TCS Sidewalks	10,000	-	-	10,000
Cemetery New Road Section	5,000	-	-	5,000
Cemetery Used Dump Truck	7,000	7,000	7,000	-
Communication Radio Upgrade	58,955	36,267	56,267	2,688
Christmas Lights-Operating	10,000	2,000	10,000	-
Christmas Lights-Reserve	12,000	-	-	12,000
DEP Town Garage	1,558,553	62,422	1,562,464	(3,911)
Environmental Study	15,000	-	-	15,000
Fire Dept: Vestibule & Painting	17,344	-	16,939	405
Fire Dept: Hepatitis	8,408	900	3,919	4,489
Highway Dump Trucks	216,500	216,054	216,054	446
Highway Equipment Trade	5,000	650	4,865	135
Highway Garage Move	8,000	-	-	8,000
Highway Roadside Mower	72,000	71,035	71,035	965
Highway Road Work	322,976	104,070	221,080	101,896
Highway Sand Shed	10,000	-	6,800	3,200
Interoffice Equipment	20,000	-	19,241	759
K-9 Donation Reserves	1,610	41	590	1,020
PD: Durango	71,675	46,027	71,022	653
PD: Vehicle Replacement Program	21,523	21,523	21,523	-
PD: Weapons	9,722	-	9,681	41
PD: Assault Rifles	5,978	5,978	5,978	-
PD: Traffic Enforcement Grant	4,853	4,853	4,853	-
PD: Bullet Proof Vests	1,675	-	825	850
Recreation Highwood Fields	50,000	197	50,000	-
Rec: Highwood / Nystroms Project	267,000	49,945	187,872	79,128
School Building Committee	3,000	62	3,000	-
Skate Park Proceeds	1,090	-	-	1,090
TAYAC	147,400	21,000	147,000	400
Teachers' Sick Pay Reserve	774,803	-	150,964	623,839
Tennis Courts	20,000	3,739	19,279	721
Town Hall Technology	47,000	29,973	47,000	-
Town Hall Roof Repair	10,000	-	-	10,000
Town Hall Building Repair Fund	105,611	-	91,805	13,806
TOTALS	\$ 5,422,858	\$ 1,348,690	* \$ 4,489,049	\$ 933,808

* Includes \$562,320 of operating transfers out and excludes \$9,972 of interest reported as interest income in the General Fund.

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

III. DETAILED NOTES

A. Cash and Investments

1. 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, 2004, \$5,962,484 of the Town's bank balance of \$6,386,187 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 5,324,436
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>638,048</u>
Total amount subject to custodial credit risk	<u>\$ 5,962,484</u>

2. The investments classified under Risk Category 3 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.

At June 30, 2004, 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:						
Corporate Bonds	\$ 1,124,550	\$	\$ 66,559	\$ 710,349	\$ 321,273	\$ 26,369
Equity Mutual Funds	558,742	558,742				
Money Market Mutual Funds.....	136,168	136,168				
Certificates of Deposit	25,703		25,703			
Money Market Funds	5,460,948	5,460,948				
Pooled Fixed Income	33,509	33,509				
U.S. Government Obligations	406,454		60,000	65,006		281,448
U.S. Government Agency Obligations.....	531,712			293,381	151,116	87,215
Common Stock	3,877,410	3,877,410				
TOTAL	<u>\$12,155,234</u>	<u>\$10,066,815</u>	<u>\$152,262</u>	<u>\$1,068,736</u>	<u>\$ 472,389</u>	<u>\$ 395,032</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 other than State Statues governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision.

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

III. DETAILED NOTES (CONTINUED)

A. Cash and Investments (Continued)

2. Investments (Continued)

The Town's investments in pooled fixed income, U.S. Government agency obligations, money market mutual funds and bond mutual funds had average ratings as follows by Standard & Poor's:

<u>AVERAGE RATING</u>	<u>POOLED FIXED INCOME</u>	<u>U.S. GOV'T AGENCY OBLIGATION</u>	<u>MONEY MARKET MUTUAL FUNDS</u>	<u>BOND MUTUAL FUNDS</u>
AAA.....	\$ 33,509	\$ 458,744	\$ 136,168	\$
AA.....				249,793
A.....				561,163
BAA.....				47,623
BBB.....				113,540
Unrated.....		72,968		152,431
TOTAL.....	<u>\$ 33,509</u>	<u>\$ 531,712</u>	<u>\$ 136,168</u>	<u>\$ 1,124,550</u>

Custodial credit risk - Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The Town's investment in U.S. government obligations and U.S. government agency obligations are held by the counterparty's trust department or agent but not in the Town's name and is not insured for amounts greater than \$1,000,000.

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

III. DETAILED NOTES (CONTINUED)

B. Receivables

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

	<u>PROPERTY TAXES</u>		
	<u>TAXES</u>	<u>INTEREST & LIEN FEES</u>	<u>TOTAL</u>
Current Portion	\$ 406,163	\$ 71,202	\$ 477,365
Long-term Portion	\$ 624,695	\$ 276,628	\$ 901,323
Less Allowance for Uncollectibles	(85,634)	(135,426)	(221,060)
Net Long-term Portion	<u>\$ 539,061</u>	<u>\$ 141,202</u>	<u>\$ 680,263</u>

	<u>SEWER AND WATER USE AND ASSESSMENTS</u>				
	<u>ASSESSMENTS</u>	<u>INTEREST & LIEN FEES</u>	<u>TOTAL</u>	<u>CDBG NOTES</u>	<u>LOANS</u>
Current Portion	\$ 73,779	\$ 28,975	\$ 102,754	\$ 35,168	\$ 45,578
Long-term Portion	\$ 56,544	\$ 27,870	\$ 84,414	\$ 127,065	\$ 1,239,442
Less Allowance for Uncollectibles	(2,607)	(1,137)	(3,744)	(3,245)	(25,700)
Net Long-term Portion	<u>\$ 53,937</u>	<u>\$ 26,733</u>	<u>\$ 80,670</u>	<u>\$ 123,820</u>	<u>\$ 1,213,742</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)	\$ 930,185
Special assessments not yet due (special revenue fund)	79,952
Settlement receivable not yet earned	18,600
Delinquent assessments (capital projects fund)	24,494

UNEARNED REVENUE:

Grant drawdowns prior to meeting all eligibility requirements	<u>5,485</u>
---------------------------------------------------------------------	--------------

TOTAL UNEARNED REVENUE FOR GOVERNMENTAL FUNDS \$1,058,716

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, 2004, was as follows:

	Balance July 1, 2003	Increases	Decreases	Balance June 30, 2004
<u>Governmental Activities:</u>				
<u>Capital Assets, not being Depreciated:</u>				
Land.....	\$ 1,315,620	\$ -	\$ -	\$ 1,315,620
Construction in progress.....	592,260	1,640,460	-	2,232,720
Total Capital Assets, not being Depreciated.....	<u>1,907,880</u>	<u>1,640,460</u>	<u>-</u>	<u>3,548,340</u>
<u>Capital Assets, being Depreciated:</u>				
Buildings.....	23,773,055	-	-	23,773,055
Land improvements.....	1,347,004	-	-	1,347,004
Machinery and equipment.....	4,862,721	207,903	25,736	5,044,888
Vehicles.....	2,236,260	318,156	204,000	2,350,416
Infrastructure.....	14,957,811	144,887	-	15,102,698
Total Capital Assets, being Depreciated.....	<u>47,176,851</u>	<u>670,946</u>	<u>229,736</u>	<u>47,618,061</u>
Total Capital Assets.....	<u>49,084,731</u>	<u>2,311,406</u>	<u>229,736</u>	<u>51,166,401</u>
<u>Less Accumulated Depreciation for:</u>				
Buildings.....	3,155,843	344,696	-	3,500,539
Land improvements.....	570,436	31,521	-	601,957
Machinery and equipment.....	1,868,652	237,031	18,541	2,087,142
Vehicles.....	1,306,595	153,182	-	1,459,777
Infrastructure.....	5,667,277	262,508	-	5,929,785
Total Accumulated Depreciation.....	<u>12,568,803</u>	<u>1,028,938</u>	<u>18,541</u>	<u>13,579,200</u>
Total Capital Assets, being Depreciated, net.....	<u>34,608,048</u>	<u>(357,992)</u>	<u>211,195</u>	<u>34,038,861</u>
Governmental Activities Capital Assets, net.....	<u>\$ 36,515,928</u>	<u>\$ 1,282,468</u>	<u>\$ 211,195</u>	<u>\$ 37,587,201</u>

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

<u>Governmental Activities:</u>	
General government.....	\$ 44,538
Public safety.....	141,733
Public works.....	666,617
Health and welfare.....	5,461
Culture and recreation.....	16,118
Education.....	<u>154,471</u>
Total Depreciation Expense.....	<u>\$ 1,028,938</u>

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

III. DETAILED NOTES (CONTINUED)

C. Capital Assets (Continued)

Construction Commitments

The Town has active construction projects as of June 30, 2004. 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 High School and Center School	<u>\$ 7,745,022</u>

D. Interfund Accounts

1. Interfund Payables and Receivables

At June 30, 2004, the amounts due from and due to other funds were as follows:

<u>INTERFUND PAYABLE FUND</u>	<u>INTERFUND RECEIVABLE FUND</u>		
	<u>GENERAL FUND</u>	<u>CAPITAL PROJECT</u> High School Project 140-0034	<u>SPECIAL REVENUE</u> Social Services Crisis Fund
GENERAL FUND.....	\$ -	\$ 1,295,187	\$ 1,500
CAPITAL PROJECTS FUNDS:			
Humiston Hill Water System.....	21,525		
Thomaston Center School Renovation.....	33,239		
WPCA Repair & Replacement Fund.....	69,123		
TOTAL CAPITAL PROJECT FUNDS.....	<u>123,887</u>	<u>-</u>	<u>-</u>
SPECIAL REVENUE FUNDS:			
Education Grant Fund.....	870		
Thomaston Opera House.....	73,566		
TOTAL SPECIAL REVENUE FUNDS.....	<u>74,436</u>	<u>-</u>	<u>-</u>
TOTAL.....	<u>\$ 198,323</u>	<u>\$ 1,295,187</u>	<u>\$ 1,500</u>

All interfund balances resulted from the time lag between the dates payments occurred between funds for various activities.

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

III. DETAILED NOTES (CONTINUED)

D. Interfund Accounts (Continued)

2. Interfund Transfers

A summary of interfund transfers as of June 30, 2004 is as follows:

	TRANSFERS OUT					
	GENERAL FUND	CAPITAL PROJECTS	CAPITAL OR NONRECURRING	OTHER GOVERNMENTAL FUNDS		TOTAL
				SPECIAL REVENUE	PERMANENT FUNDS	
TRANSFERS IN:						
GENERAL FUND	\$ -	\$ 69,123	\$ 555,320	\$ 1,079,397	\$ 14,402	\$ 1,718,242
CAPITAL PROJECTS:						
Sewer Equipment Repair and Replacement Fund	10,000	-	-	-	-	10,000
CAPITAL OR NONRECURRING:						
Capital or Nonrecurring Fund	634,034	-	-	-	-	634,034
SPECIAL REVENUE FUNDS:						
Sewer Commission Usage Fund	716,502	-	-	-	-	716,502
Kenea Tree Fund	-	-	-	1,231	-	1,231
Thomaston Opera House	422,018	-	-	-	-	422,018
Dog Fund	41,517	-	-	-	-	41,517
TOTAL SPECIAL REVENUE FUNDS	1,180,037	-	-	1,231	-	1,181,268
PERMANENT FUNDS:						
Hillside Cemetery Fund	62,454	-	7,000	-	-	69,454
TOTAL	\$ 1,886,525	\$ 69,123	\$ 562,320	\$ 1,080,628	\$ 14,402	\$ 3,612,998

Transfers are used to account for the financing by the general fund of various program and activities in other funds.

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

III. DETAILED NOTES (CONTINUED)

E. 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, 2003	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2004	CURRENT PORTION
BONDS/NOTES									
General Purpose:									
Improvement bond	\$ 4,329,000	08/01/89	08/01/09	6.40-6.50	\$ 1,291,718	\$	\$ 187,648	\$ 1,104,070	\$ 187,648
Improvement bond	980,000	09/15/98	09/15/18	3.70-5.70	674,580		43,821	630,759	43,157
USDA Note –									
Ambulance	488,300	02/21/96	02/21/16	5.00	366,800		366,800	--	--
Refunding bond	323,000	09/01/03	09/01/20	3.80-4.60		323,000		323,000	2,000
Bond premium	8,586	09/01/03	09/01/20	N/A		8,586	477	8,109	--
Total General Purpose					2,333,098	331,586	598,746	2,065,938	232,805
Schools:									
Improvement bond	631,000	08/01/89	08/01/09	6.40-6.50	188,282		27,352	160,930	27,352
Improvement bond	6,400,000	09/15/98	09/15/18	3.70-5.70	4,405,420		286,179	4,119,241	281,843
Refunding bond	2,300,000	09/01/03	09/01/20	3.80-4.60		2,300,000		2,300,000	140,000
Bond premium	63,288	09/01/03	09/01/20	N/A		63,288	3,516	59,772	--
Total Schools					4,593,702	2,363,288	317,047	6,639,943	449,195
Sewer:									
USDA Sewer note	350,000	05/24/91	05/24/21	5.00	209,600		209,600	--	--
USDA Sewer note	540,000	06/23/81	06/23/10	5.00	130,340		130,340	--	--
USDA Sewer note	475,000	12/27/82	12/27/11	5.00	147,400		147,400	--	--
USDA Sewer note	450,000	06/26/84	06/26/14	5.00	165,000		165,000	--	--
USDA Sewer note	770,000	12/24/86	12/24/15	5.00	345,150		345,150	--	--
USDA Sewer note	900,000	06/28/88	06/28/18	5.00	450,000		450,000	--	--
Clean water	1,077,413	04/30/97	04/30/16	2.00	732,883		50,602	682,281	51,623
Clean water	9,091,656	02/28/02	03/31/21	2.00	8,164,025		387,039	7,776,986	394,851
Refunding bond	1,292,000	09/01/03	09/01/20	3.80-4.60		1,292,000		1,292,000	8,000
Bond premium	35,399	09/01/03	09/01/20	N/A		35,399	1,967	33,432	--
Total Sewer					10,344,398	1,327,399	1,887,098	9,784,699	454,474
TOTAL BONDS/NOTES					17,271,198	4,022,273	2,802,891	18,490,580	1,136,474
CAPITAL LEASE OBLIGATIONS:									
Fire Department Pumper					38,206		38,206	--	--
Equipment Financing Obligations.....					43,559	166,500	13,969	196,090	56,222
TOTAL CAPITAL LEASE OBLIGATIONS.....					81,765	166,500	52,175	196,090	56,222
CLAIMS AND JUDGEMENTS					245,000			245,000	--
COMPENSATED ABSENCES					1,139,497	72,448	149,329	1,062,616	212,523
NET PENSION OBLIGATION					338,055	99,595		437,650	--
EARLY RETIREMENT INCENTIVES.....					10,000		5,000	5,000	5,000
SEVERANCE PAYMENTS					145,124	116,013	81,460	179,677	44,940
TOTAL GENERAL LONG-TERM OBLIGATIONS.....					\$ 19,230,639	\$4,476,829	\$3,090,855	\$ 20,616,613	\$ 1,455,159

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)

E. 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
2005	\$ 690,000	\$ 509,063	\$ 446,475	\$ 165,103	\$ 158,661	\$ 88,930
2006	825,000	392,511	455,486	156,091	158,661	83,167
2007	825,000	354,062	464,680	146,897	158,661	77,255
2008	825,000	315,449	474,059	137,518	158,661	71,267
2009	825,000	276,756	483,628	127,949	158,661	65,243
2010	825,000	237,899	493,389	118,188	158,661	59,143
2011	595,000	206,117	503,348	108,229	158,661	52,968
2012	595,000	181,411	513,508	98,069	158,661	46,719
2013	580,000	157,266	523,873	87,704	158,661	40,395
2014	580,000	133,556	534,447	77,130	158,661	33,996
2015	540,000	110,233	545,235	66,343	146,457	27,755
2016	540,000	87,230	545,429	55,347	146,457	21,693
2017	475,000	65,078	501,854	44,926	146,457	15,544
2018	475,000	43,965	511,984	34,796	146,457	9,327
2019	445,000	23,353	522,318	24,462	146,459	3,109
2020	145,000	10,005	532,861	13,919		
2021	145,000	3,335	406,693	3,397		
Totals	\$ 9,930,000	\$ 3,107,289	\$ 8,459,267	\$ 1,466,068	\$ 2,318,897	\$ 696,511

2. Advanced Refundings

Current Year Advance Refunding

At September 1, 2003, the Town issued \$1,615,000 of general obligation refunding bonds with interest rates of 3.80% to 4.60%. These refunding bonds were issued to advance refund and defease notes issued in 1990 through 1998. The refunding resulted in an economic gain of \$130,150 with a total savings of \$328,174.

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

III. DETAILED NOTES (CONTINUED)

E. Changes in Long-Term Obligations (Continued)

3. Statutory Debt Limitations

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

CATEGORY	DEBT LIMIT	NET INDEBTEDNESS	BALANCE
General purpose	\$ 29,792,041	\$2,057,829	\$ 27,734,212
Schools	59,584,082	4,261,274	55,322,808
Sewers	49,653,401	1,292,000	48,361,401
Urban renewal	43,032,948		43,032,948
Pension deficit	39,722,721		39,722,721

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$92,686,349.

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 \$2,318,897 for bond principal is reflected as deductions in the computation of net indebtedness.

4. Capital Leases

At June 30, 2004, the Town is committed under various capital leases for two dump trucks and an ambulance. These lease agreements qualify as a capital lease 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.

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, 2004:

YEAR ENDING <u>JUNE 30,</u>	
2005	\$ 59,401
2006	59,401
2007	43,737
2008	<u>43,737</u>
Total minimum lease payments	206,276
Less: amount representing interest	<u>(10,186)</u>
Present value of minimum lease payments	<u>\$ 196,090</u>

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

III. DETAILED NOTES (CONTINUED)

E. Changes in Long-Term Obligations (Continued)

5. Authorized/Unissued Bonds

The amount of authorized, unissued bonds is \$8,004,145 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	2,300,000	7,700,000
Total.....	\$ 29,821,607	\$ 21,817,462	\$ 8,004,145

Pursuant to a vote taken by the Board of Selectmen of the Town at a meeting on July 8, 2004, the Town authorized the issuance of bonds in an amount up to \$2,200,000 for the purpose of refunding, at or prior to maturity, certain maturities on the Town's outstanding U.S.D.A. notes.

Pursuant to a resolution passed at a Town referendum on November 5, 2002, the Town authorized the issuance of up to \$10,000,000 in bonds and an appropriation of \$16,280,000 for the purpose of funding certain renovations and/or additions to Thomaston High School and Thomaston Center School.

The Town issued bonds on September 1, 2003, in the principal amount of \$3,915,000, of which \$1,615,000 was used to refund the outstanding U.S.D.A notes, and of which \$2,300,000 will be used to finance certain renovations and/or additions to Thomaston High School and Thomaston Center School.

6. Subsequent Events

On October 6, 2004, the Town issued General Obligation Bond Anticipation Notes dated October 15, 2004, maturing April 15, 2005, at an interest rate of 1.59% to finance certain renovations and/or additions to Thomaston High School and Thomaston Center School.

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 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.

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

IV. OTHER INFORMATION (CONTINUED)**A. Risk Management (Continued)**

The Town is a member of CIRMA's workers' compensation pool, a risk sharing pool, which was begun 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 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.

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.

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 it filed with the State of Connecticut Department of Environmental Protection. Under terms of the remediation plan, the Town will be responsible for annual operation and maintenance costs relating to the remediation system, which is estimated to cost approximately \$100,000 per year and be completed within 10 years.

The Town is a self-insured provider of claims under C.G.S. 7-433c, the Heart and Hypertension Act. Claims arising during the fiscal year, for which an amount of settlement has not been determined, remain as a contingency at year end, pending final settlement.

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 Selectman 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.

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

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plan (Continued)

2. Summary of Significant Accounting Policies and Plan Asset Matters

a. Basis of Accounting

The Town's pension trust fund financial statement is prepared on the accrual basis of accounting. Revenues (contributions and investment income) are recognized when they are earned and expenses (benefits and administration) are recognized when they are incurred. 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, 2004, reported sales price. There are no investments of 5% or greater in any one organization.

3. Classes of Employees Covered

Plan Participants (January 1, 2003)

Retirees and beneficiaries currently receiving benefits.....	46
Terminated employees entitled to benefits but not yet receiving them.....	7
Active plan members	<u>87</u>
Total Plan Participants	<u>140</u>

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. 5. – 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	5%
Board of Education noncertified	2%

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

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plan (Continued)

5. Schedule of Employer Contributions and Net Pension Obligation

YEAR ENDED JUNE 30,	ANNUAL REQUIRED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENTAGE CONTRIBUTED
1999	\$ 334,444	\$ 263,098	78.7%
2000	327,756	334,444	102.0%
2001	332,165	336,475	101.3%
2002	410,022	314,727	76.8%
2003	518,514	401,303	77.4%
2004	622,473	518,514	83.3%

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	01/01/2003
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market
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	23 Years

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

The changes in the NPO were as follows:

Annual required contribution	\$ 622,473
Interest on net pension obligation	23,664
Adjustment to annual required contribution	(28,028)
Annual pension cost	618,109
Contributions made	<u>518,514</u>
Increase in net pension obligation	99,595
Net pension obligation - July 1, 2003	<u>338,055</u>
Net pension obligation - June 30, 2004	<u>\$ 437,650</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
2004	\$ 618,109	83.9%	\$ 437,650
2003	515,949	77.8%	338,055
2002	408,702	77.0%	223,409
2001	330,946	101.7%	129,434

D. Other Postemployment Benefits

In addition to pension benefits, certain health care benefits for retired employees and their spouses are provided by the Town. Substantially all Town employees may become eligible for those benefits, if they reach normal retirement age while working for the Town. The Town recognizes the cost of providing those benefits on a pay-as-you-go basis. Expenditures totaled \$224,234 for health care for the year ended June 30, 2004, for the 33 retired participants.

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 \$328,102.

TOWN OF THOMASTON, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION

THOMASTON RETIREMENT SYSTEM
SCHEDULE OF FUNDING PROGRESS

	A	B	(A-B)	(A/B)	C	[(B-A)/C]
ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ACTUARIALLY ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	OVER (UNDER) FUNDED AAL	FUNDED AAL RATIO	COVERED PAYROLL	OVER/UNDER FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
<u>JANUARY 1,</u>						
1998	\$ 4,420,857	\$ 6,061,951	\$ (1,641,094)	72.9%	\$ 2,191,910	74.9%
1999	4,990,009	6,477,998	(1,487,989)	77.0%	2,309,338	64.4%
2000	5,607,510	6,970,034	(1,362,524)	80.5%	2,444,967	55.7%
2001	5,870,771	7,842,702	(1,971,931)	74.9%	2,519,204	78.3%
2002	5,716,405	8,523,451	(2,807,046)	67.1%	2,880,423	97.5%
2003	5,398,441	9,171,244	(3,772,803)	58.9%	3,237,466	116.5%

Supplemental Schedules

General Fund

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

TOWN OF THOMASTON, CONNECTICUT

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
PROPERTY TAXES:				
Taxes.....	\$ 12,780,531	\$ 12,780,531	\$ 12,957,699	\$ 177,168
Prior year taxes.....	210,000	210,000	218,256	8,256
Interest and lien fees.....	100,000	100,000	124,047	24,047
Housing authority in lieu of taxes.....	6,600	6,600	4,860	(1,740)
Telecommunications property tax.....	101,290	101,290	81,132	(20,158)
TOTAL PROPERTY TAXES.....	13,198,421	13,198,421	13,385,994	187,573
CHARGES FOR SERVICES:				
Conveyance tax.....	35,000	35,000	78,930	43,930
Zoning and land use fees.....	11,000	11,000	9,011	(1,989)
Gun permits.....	500	500	340	(160)
Parking tickets.....	500	500	3,903	3,403
Meter Money.....	2,400	2,400	5,590	3,190
Accident reports.....	500	500	532	32
Vendor permits.....	400	400	300	(100)
Fingerprinting.....	-	-	924	924
Special duty police reimbursements.....	15,000	15,000	13,475	(1,525)
Statewide narcotics taskforce.....	12,000	12,000	24,000	12,000
Dam patrol.....	10,700	10,700	10,738	38
Transfer station fees.....	40,000	40,000	51,402	11,402
Building permits.....	50,000	50,000	78,507	28,507
Minibus fares.....	1,000	1,000	2,136	1,136
Recreation - programs.....	25,000	25,000	25,000	-
Recreation - Nystroms.....	5,200	5,200	5,200	-
BOE Tuition reimbursements.....	-	-	11,500	11,500
False alarms.....	1,500	1,500	1,775	275
Other licenses, fees and permits.....	-	-	2,538	2,538
Education of Handicaped Blind Children.....	-	-	7,702	7,702
Nitrogen Credit.....	8,672	8,672	8,672	-
TOTAL CHARGES FOR SERVICES.....	219,372	219,372	342,175	122,803
INTERGOVERNMENTAL REVENUES:				
Property tax relief - state owned property.....	61,221	61,221	61,303	82
Property tax relief - elderly freeze.....	9,247	9,247	9,862	615
Property tax relief - circuit breaker.....	52,236	52,236	53,899	1,663
Property tax relief - Veteran's exemption.....	25,246	25,246	8,286	(16,960)
Property tax relief - Mfg's machinery & equipment.....	290,255	290,255	450,516	160,261
Property tax relief - totally disabled.....	1,420	1,420	-	(1,420)
Federal PILOT - Land authorization.....	1,163	1,163	819	(344)
LOCIP.....	54,066	54,066	71,616	17,550
Education cost sharing.....	4,534,551	4,534,551	4,608,132	73,581
School construction grants.....	255,688	255,688	279,494	23,806
Special education grants.....	-	-	35,148	35,148
Health services.....	10,000	10,000	-	(10,000)
School transportation.....	124,594	124,594	131,052	6,458
Private School transportation & health.....	6,047	6,047	-	(6,047)
Boating safety.....	1,131	1,131	1,131	-
Mashantucket Pequot.....	59,439	59,439	65,597	6,158
Town Aid Road.....	44,672	44,837	44,837	-
FEMA Public Assistance.....	-	-	11,542	11,542
Emergency Operation Planning.....	-	20,531	20,531	-
TOTAL INTERGOVERNMENTAL REVENUES.....	5,530,976	5,551,672	5,853,765	302,093

(Continued)

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

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
INCOME FROM INVESTMENTS.....	\$ 45,000	\$ 45,000	\$ 69,294	\$ 24,294
OTHER REVENUES:				
Blakeslee Settlement.....	12,400	12,400	18,600	6,200
Insurance recovery.....	-	-	1,827	1,827
Rent of Tower.....	18,540	18,540	32,302	13,762
Miscellaneous.....	-	-	5,246	5,246
TOTAL OTHER REVENUES.....	30,940	30,940	57,975	27,035
TOTAL REVENUES.....	19,024,709	19,045,405	19,709,203	663,798
OTHER FINANCING SOURCES:				
Appropriation of fund balance.....	454,000	571,163	-	(571,163)
Transfers in:				
Hillside Cemetery.....	-	14,402	14,402	-
Capital or nonrecurring fund.....	6,500	6,500	6,801	301
Capital or nonrecurring-Anthem proceeds.....	545,869	545,869	548,519	2,650
Sewer Commission usage fund.....	642,998	657,379	657,379	-
WPCA Repair & Replacement fund.....	-	69,123	69,123	-
Thomaston Opera House.....	300,866	422,018	422,018	-
Dog Fund.....	3,500	3,500	-	(3,500)
Total transfers in.....	1,499,733	1,718,791	1,718,242	(549)
Premium.....	-	-	4,949	4,949
Capital lease - equipment financing.....	-	166,500	166,500	-
TOTAL OTHER FINANCING SOURCES.....	1,953,733	2,456,454	1,889,691	(566,763)
TOTAL REVENUES AND OTHER FINANCING SOURCES.....	\$ 20,978,442	\$ 21,501,859	\$ 21,598,894	\$ 97,035

(Concluded)

TOWN OF THOMASTON, CONNECTICUT

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2004

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
GENERAL GOVERNMENT:				
Board of Selectmen.....	\$ 93,715	\$ 91,006	\$ 91,006	\$ -
Elections.....	24,741	17,839	17,839	-
Board of Finance.....	2,400	1,325	1,325	-
Treasurer.....	148,078	149,053	149,053	-
Independent audit.....	38,250	42,750	42,750	-
Legal.....	44,500	49,707	49,707	-
Tax Collector.....	83,773	83,255	83,255	-
Property Tax Rebates.....	15,000	34,342	34,342	-
Tax Assessor.....	64,674	63,272	63,272	-
Board of Assessment Appeals.....	3,450	3,000	3,000	-
Insurance.....	401,306	382,983	382,983	-
Town Hall Operations & Maintenance.....	114,944	137,395	137,395	-
Town Clerk.....	51,140	52,621	52,621	-
Probate court.....	2,300	2,304	2,304	-
Social security.....	212,000	225,936	225,936	-
Pension - Town Employees.....	438,790	441,423	441,423	-
Pension - Volunteer Firefighters and Ambulance.....	106,928	105,442	105,442	-
Medical / Life insurance.....	656,505	643,280	643,280	-
Retirees Medical Insurance.....	103,848	97,470	97,470	-
Council of governments.....	3,001	23,532	23,532	-
CT Conference of Municipalities.....	4,160	4,160	4,160	-
Mountindale settlement.....	250,000	250,000	250,000	-
Contingency.....	125,000	26,630	26,630	-
TOTAL GENERAL GOVERNMENT.....	2,988,503	2,928,725	2,928,725	-
PUBLIC SAFETY:				
Police.....	789,998	920,422	920,422	-
Inmate supervision.....	29,794	28,861	28,861	-
Parking meters.....	1,800	1,436	1,436	-
Communications & dispatch.....	192,540	193,675	193,675	-
Fire Protection.....	101,955	102,529	102,529	-
Fire Marshal.....	18,000	17,886	17,886	-
Ambulance.....	74,010	60,328	60,328	-
Tree Warden.....	10,000	5,560	5,560	-
TOTAL PUBLIC SAFETY.....	1,218,097	1,330,697	1,330,697	-
PUBLIC WORKS:				
Highways.....	474,535	493,323	493,323	-
Town Aid Road.....	44,672	44,837	44,837	-
Snow & ice removal.....	55,258	92,782	92,782	-
Street lighting.....	80,000	69,886	69,886	-
Fire hydrants.....	121,997	117,432	117,432	-
Solid Waste & Recycling.....	423,954	436,639	436,639	-
St Thomas Cemetery.....	2,800	2,800	2,800	-
TOTAL PUBLIC WORKS.....	1,203,216	1,257,699	1,257,699	-
HEALTH AND WELFARE:				
Vital statistics.....	2,000	1,752	1,752	-
Visiting nurse.....	16,000	16,000	16,000	-
Torrington Area Health District.....	28,041	28,041	28,041	-
Northwest Regional Mental Health Board.....	829	829	829	-
Social Services.....	61,897	58,140	58,140	-
Elderly Nutrition.....	888	888	888	-
Susan B Anthony Project.....	1,500	1,500	1,500	-
Senior Advisory Board.....	1,002	1,002	1,002	-
Minibus.....	14,883	11,803	11,803	-
Veterans' Administration.....	1,000	1,000	1,000	-
TOTAL HEALTH AND WELFARE.....	128,040	120,955	120,955	-

(Continued)

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

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
CULTURE AND RECREATION:				
Recreation programs.....	\$ 109,576	\$ 109,114	\$ 109,114	\$ -
Memorial Day.....	1,500	1,500	1,500	-
Nystroms Park.....	13,700	13,365	13,365	-
Police Explorers.....	5,000	2,832	2,832	-
Public Library.....	317,468	318,696	318,696	-
TOTAL CULTURE AND RECREATION.....	447,244	445,507	445,507	-
HOUSING AND DEVELOPMENT:				
Conservation Commission.....	1,500	1,500	1,500	-
Inlands/Wetlands Commission.....	14,027	14,175	14,175	-
Building Inspector.....	52,884	43,290	43,290	-
Town Engineer.....	2,500	1,566	1,566	-
Naugatuck Vally Brownsfield Pilot.....	800	800	800	-
Planning & Zoning.....	28,330	30,959	30,959	-
Zoning Board of Appeals.....	14,827	15,718	15,718	-
TOTAL HOUSING AND DEVELOPMENT.....	114,868	108,008	108,008	-
EDUCATION.....	11,736,652	11,683,376	11,683,376	-
DEBT SERVICE.....	1,540,367	1,540,367	1,540,367	-
TOTAL EXPENDITURES.....	19,376,987	19,415,334	19,415,334	-
OTHER FINANCING USES:				
Payment to refunding bond escrow.....	200,000	200,000	200,000	-
Transfers out:				
Animal Control Officer-Dog fund.....	45,557	41,517	41,517	-
WPCA - Sewer Use fund.....	632,998	716,502	716,502	-
WPCA - Repair & Replacement fund.....	10,000	10,000	10,000	-
Hillside Cemetery.....	25,500	62,454	62,454	-
Capital or Nonrecurring	386,534	634,034	634,034	-
Opera House.....	300,866	422,018	422,018	-
Total transfers out.....	1,401,455	1,886,525	1,886,525	-
TOTAL OTHER FINANCING USES.....	1,601,455	2,086,525	2,086,525	-
TOTAL EXPENDITURES AND OTHER FINANCING USES.....	\$ 20,978,442	\$ 21,501,859	\$ 21,501,859	\$ -

(Concluded)

TOWN OF THOMASTON, CONNECTICUT

GENERAL FUND
REPORT OF TAX COLLECTOR
FOR THE YEAR ENDED JUNE 30, 2004

GRAND LIST YEAR	UNCOLLECTED TAXES JULY 1, 2003	CURRENT YEAR LEVY	LAWFUL CORRECTIONS		TRANSFERS TO SUSPENSE	ADJUSTED TAXES COLLECTIBLE	COLLECTIONS				UNCOLLECTED TAXES JUNE 30, 2004	
			ADDITIONS	DEDUCTIONS			TAXES	OVER-PAYMENTS & SUSPENSE	NET TAXES COLLECTED	INTEREST & LIENS		TOTAL
1987	\$ 6,582	\$ -	\$ -	\$ 6,293	\$ -	\$ 289	\$ 487	\$ 198	\$ 289	\$ 1,338	\$ 1,627	\$ -
1988	11,175	-	-	286	2,946	7,943	386	201	185	1,008	1,193	7,758
1989	5,849	-	-	33	1,388	4,428	73	58	15	183	198	4,413
1990	6,161	-	-	-	456	5,705	33	-	33	73	106	5,672
1991	5,795	-	-	-	115	5,680	229	-	229	463	692	5,451
1992	7,545	-	-	-	-	7,545	1,484	-	1,484	1,732	3,216	6,061
1993	12,653	-	-	-	-	12,653	1,163	250	913	1,948	2,861	11,740
1994	12,816	-	-	-	-	12,816	1,068	-	1,068	1,642	2,710	11,748
1995	13,433	-	26	-	-	13,459	1,396	117	1,279	1,824	3,103	12,180
1996	19,546	-	-	-	-	19,546	1,222	7	1,215	1,406	2,621	18,331
1997	21,524	-	74	-	-	21,598	2,401	-	2,401	2,253	4,654	19,197
1998	30,935	-	-	120	-	30,815	4,689	-	4,689	2,997	7,686	26,126
1999	49,338	-	-	2,193	-	47,145	5,404	2,193	3,211	3,076	6,287	43,934
2000	86,256	-	165	3,551	-	82,870	28,714	2,978	25,736	10,820	36,556	57,134
2001	432,919	-	1,023	8,515	-	425,427	169,507	7,110	162,397	34,067	196,464	263,030
Total Prior Years	722,527	-	1,288	20,991	4,905	697,919	218,256	13,112	205,144	64,830	269,974	492,775
2002	-	13,510,768	14,467	85,296	-	13,439,939	12,924,069	22,213	12,901,856	59,215	12,961,071	538,083
TOTAL	\$ 722,527	\$ 13,510,768	\$ 15,755	\$ 106,287	\$ 4,905	\$ 14,137,858	\$ 13,142,325	\$ 35,325	\$ 13,107,000	\$ 124,045	\$ 13,231,045	\$ 1,030,858

Nonmajor Governmental Funds

Special Revenue Funds

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

Sewer Commission Usage Fund

To account for revenues 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.

Edith Kenea Park Fund

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

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

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

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

Special Revenue Funds (Continued)

Neighborhood Assistance Program

To account for revenues and expenditures associated with 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.

School Drug Abuse

To account for the revenues and expenditures associated with the D.A.R.E program.

Drug Law Enforcement

To account for the revenues associated with the Town's participation in the Drug Enforcement Task Force.

Economic Development Commission

To account for revenues and expenditures associated with economic development in Town.

Gift Fund

To account for the revenues and expenditures associated with various donations and grants.

Social Services Crisis Fund

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

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, 2004

SPECIAL REVENUE FUNDS

	SEWER COMMISSION USAGE FUND	SEWER COMMISSION ASSESSMENT & APPROPRIATION FUND	SCHOOL LUNCH FUND	EDUCATION GRANT FUND	TOWN CLERK PRESERVATION FUND	EDITH KENE PARK FUND	EDITH KENE TREE FUND	KENE PARK PROJECT	NEIGHBORHOOD ASSISTANCE PROGRAM	THOMASTON OPERA HOUSE
ASSETS										
Cash.....	\$ 526	\$ 3,780	\$ 48,780	\$ 22,390	\$ 8,532	\$ -	\$ -	\$ 2,051	\$ 778	\$ -
Investments.....	-	157,522	-	-	-	41,137	41,489	-	-	-
Receivables:										
Sewer assessments and usage.....	104,827	-	-	-	-	-	-	-	-	-
Intergovernmental.....	-	-	14,062	124	-	-	-	-	-	29,005
Other.....	-	-	-	989	-	-	-	-	-	-
Other.....	-	-	6,232	-	-	-	-	-	-	-
TOTAL ASSETS.....	\$ 105,353	\$ 161,302	\$ 69,074	\$ 23,503	\$ 8,532	\$ 41,137	\$ 41,489	\$ 2,051	\$ 778	\$ 29,005
LIABILITIES AND FUND BALANCES (DEFICITS)										
LIABILITIES:										
Accounts payable.....	\$ -	\$ -	\$ 3,056	\$ 16,680	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,431
Due to other funds.....	-	-	-	870	-	-	-	-	-	73,566
Deferred revenue.....	79,952	-	-	5,485	-	-	-	-	-	-
TOTAL LIABILITIES.....	79,952	-	3,056	23,035	-	-	-	-	-	76,997
FUND BALANCES (DEFICITS):										
Designated for improvements.....	-	-	-	-	-	41,060	41,063	-	-	6,154
Unreserved and undesignated.....	25,401	161,302	66,018	468	8,532	77	426	2,051	778	(54,146)
TOTAL FUND BALANCES (DEFICITS).....	25,401	161,302	66,018	468	8,532	41,137	41,489	2,051	778	(47,992)
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS).....	\$ 105,353	\$ 161,302	\$ 69,074	\$ 23,503	\$ 8,532	\$ 41,137	\$ 41,489	\$ 2,051	\$ 778	\$ 29,005

(Continued)

TOWN OF THOMASTON, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2004

	SPECIAL REVENUE FUNDS						PERMANENT FUNDS			TOTAL NONMAJOR GOVERNMENTAL FUNDS	
	PUBLIC LIBRARY	SCHOOL DRUG ABUSE	DRUG LAW ENFORCEMENT	ECONOMIC DEVELOPMENT COMMISSION	GIFT FUND	SOCIAL SERVICES CRISIS FUND	TOTAL SPECIAL REVENUE	FIRE DEPT. TRUST FUND	HILLSIDE CEMETERY TRUST		TOTAL PERMANENT FUNDS
ASSETS											
Cash.....	\$ 2,464	\$ 4,323	\$ 1,088	\$ -	\$ 3,265	\$ 1,479	\$ 99,456	\$ -	\$ 130	\$ 130	\$ 99,586
Investments.....	-	-	-	7,509	-	8,610	256,267	16,581	434,049	450,630	706,897
Due from other funds.....	-	-	-	-	-	1,500	1,500	-	-	-	1,500
Receivables:											
Sewer assessments and usage.....	-	-	-	-	-	-	104,827	-	-	-	104,827
Intergovernmental.....	-	-	-	-	-	-	43,191	-	-	-	43,191
Other.....	-	-	-	-	-	-	989	-	-	-	989
Other.....	-	-	-	-	-	-	6,232	-	-	-	6,232
TOTAL ASSETS.....	\$ 2,464	\$ 4,323	\$ 1,088	\$ 7,509	\$ 3,265	\$ 11,589	\$ 512,462	\$ 16,581	\$ 434,179	\$ 450,760	\$ 963,222
LIABILITIES AND FUND BALANCES (DEFICITS)											
LIABILITIES:											
Accounts payable.....	\$ 6,354	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,521	\$ -	\$ -	\$ -	\$ 29,521
Due to other funds.....	-	-	-	-	-	-	74,436	-	-	-	74,436
Deferred revenue.....	-	-	-	-	-	-	85,437	-	-	-	85,437
TOTAL LIABILITIES.....	6,354	-	-	-	-	-	189,394	-	-	-	189,394
FUND BALANCES (DEFICITS):											
Reserved for endowments.....	-	-	-	-	-	-	-	15,700	104,500	120,200	120,200
Reserved for perpetual care.....	-	-	-	-	-	-	-	-	196,614	196,614	196,614
Designated for improvements.....	-	-	-	-	-	-	88,277	-	-	-	88,277
Unreserved and undesignated.....	(3,890)	4,323	1,088	7,509	3,265	11,589	234,791	881	133,065	133,946	368,737
TOTAL FUND BALANCES (DEFICITS).....	(3,890)	4,323	1,088	7,509	3,265	11,589	323,068	16,581	434,179	450,760	773,828
TOTAL LIABILITIES AND FUND BALANCES (DEFICITS).....	\$ 2,464	\$ 4,323	\$ 1,088	\$ 7,509	\$ 3,265	\$ 11,589	\$ 512,462	\$ 16,581	\$ 434,179	\$ 450,760	\$ 963,222

(Concluded)

TOWN OF THOMASTON, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	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	NEIGHBORHOOD ASSISTANCE PROGRAM	THOMASTON OPERA HOUSE
REVENUES:										
Charges for services.....	\$ 669,783	\$ 24,000	\$ 287,661	\$ -	\$ 2,818	\$ -	\$ -	\$ -	\$ -	\$ 338,332
Intergovernmental.....	-	-	82,300	529,986	7,000	-	-	-	-	29,005
Income from investments.....	-	1,726	-	-	41	570	568	26	3	88
Other.....	-	-	-	-	-	-	-	5,876	-	13,558
TOTAL REVENUES.....	669,783	25,726	369,961	529,986	9,859	570	568	5,902	3	380,983
EXPENDITURES:										
Current:										
General government.....	-	-	-	-	7,120	605	-	12,357	-	-
Public works.....	615,919	42,088	-	3,759	-	-	-	-	-	-
Culture & Recreation.....	-	-	-	-	-	-	-	-	-	432,148
Education.....	-	-	394,617	526,227	-	-	-	-	-	-
Capital outlay.....	100,583	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURES.....	716,502	42,088	394,617	529,986	7,120	605	-	12,357	-	432,148
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(46,719)	(16,362)	(24,656)	-	2,739	(35)	568	(6,455)	3	(51,165)
OTHER FINANCING SOURCES (USES):										
Transfers in.....	716,502	-	-	-	-	-	-	1,231	-	422,018
Transfers out.....	(657,379)	-	-	-	-	-	(1,231)	-	-	(422,018)
NET OTHER FINANCING SOURCES (USES).....	59,123	-	-	-	-	-	(1,231)	1,231	-	-
NET CHANGE IN FUND BALANCES (DEFICITS).....	12,404	(16,362)	(24,656)	-	2,739	(35)	(663)	(5,224)	3	(51,165)
FUND BALANCES, JULY 1, 2003.....	12,997	177,664	90,674	468	5,793	41,172	42,152	7,275	775	3,173
FUND BALANCES (DEFICITS), JUNE 30, 2004.....	\$ 25,401	\$ 161,302	\$ 66,018	\$ 468	\$ 8,532	\$ 41,137	\$ 41,489	\$ 2,051	\$ 778	\$ (47,992)

(Continued)

TOWN OF THOMASTON, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2004

	SPECIAL REVENUE FUNDS							PERMANENT FUNDS			TOTAL NONMAJOR GOVERNMENTAL FUNDS	
	PUBLIC LIBRARY	DOG FUND	SCHOOL DRUG ABUSE	DRUG LAW ENFORCEMENT	ECONOMIC DEVELOPMENT COMMISSION	GIFT FUND	SOCIAL SERVICES CRISIS FUND	TOTAL SPECIAL REVENUE	FIRE DEPT. TRUST FUND	HILLSIDE CEMETERY TRUST		TOTAL PERMANENT FUNDS
REVENUES:												
Charges for services.....	\$ 1,885	\$ 9,134	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,333,613	\$ -	\$ 34,711	\$ 34,711	\$ 1,368,324
Intergovernmental.....	6,594	-	-	1,066	-	-	655,951	-	-	-	655,951	
Income from investments.....	6	-	15	-	102	23	3,298	444	16,248	16,692	19,990	
Other.....	15,325	-	4,207	-	-	3,242	3,425	45,633	-	3,200	3,200	48,833
TOTAL REVENUES.....	23,810	9,134	4,222	1,066	102	3,265	3,555	2,038,495	444	54,159	54,603	2,093,098
EXPENDITURES:												
Current:												
General government.....	-	-	-	-	-	-	-	20,082	-	-	-	20,082
Public safety.....	-	50,651	2,552	1	-	-	-	53,204	-	-	-	53,204
Public works.....	-	-	-	-	-	-	-	661,766	-	47,367	47,367	709,133
Health and welfare.....	-	-	-	-	-	-	1,955	1,955	-	-	-	1,955
Culture & Recreation.....	28,550	-	-	-	-	-	-	460,698	-	-	-	460,698
Education.....	-	-	-	-	-	-	-	920,844	-	-	-	920,844
Capital outlay.....	-	-	-	-	-	-	-	100,583	-	29,552	29,552	130,135
TOTAL EXPENDITURES.....	28,550	50,651	2,552	1	-	-	1,955	2,219,132	-	76,919	76,919	2,296,051
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(4,740)	(41,517)	1,670	1,065	102	3,265	1,600	(180,637)	444	(22,760)	(22,316)	(202,953)
OTHER FINANCING SOURCES (USES):												
Transfers in.....	-	41,517	-	-	-	-	-	1,181,268	-	69,454	69,454	1,250,722
Transfers out.....	-	-	-	-	-	-	-	(1,080,628)	-	(14,402)	(14,402)	(1,095,030)
NET OTHER FINANCING SOURCES.....	-	41,517	-	-	-	-	-	100,640	-	55,052	55,052	155,692
NET CHANGE IN FUND BALANCES.....	(4,740)	-	1,670	1,065	102	3,265	1,600	(79,997)	444	32,292	32,736	(47,261)
FUND BALANCES, JULY 1, 2003.....	850	-	2,653	23	7,407	-	9,989	403,065	16,137	401,887	418,024	821,089
FUND BALANCES (DEFICITS), JUNE 30, 2004.....	\$ (3,890)	\$ -	\$ 4,323	\$ 1,088	\$ 7,509	\$ 3,265	\$ 11,589	\$ 323,068	\$ 16,581	\$ 434,179	\$ 450,760	\$ 773,828

(Concluded)

Fiduciary Funds

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

Pension Trust 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 8th grade student.

Seth Thomas Prize Fund

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

Agency Funds

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

School Activities Fund

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

FIDUCIARY FUNDS (CONTINUED)

Agency Funds (Continued)

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 fund raising projects.

Performance Bond Fund

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

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.

Clocktower Restoration Fund

To account for donations received specifically to be used to restore the Clocktower of the Town Hall.

Join Against Insensible Lawlessness

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

Class Reunions

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

Christmas Lights Fund

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

Police Recreation and Educational Fund

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

Railroad Museum Commission

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

FIDUCIARY FUNDS (CONTINUED)

Agency Funds (Continued)

Thomaston Police Explorers

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

Defibrillator Fund

To account for donations received to be used to repair or replace emergency responder defibrillators.

Christmas Committee

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

Tri-centennial Committee

A contribution made to be used for the tri-centennial celebration.

TOWN OF THOMASTON, CONNECTICUT

PRIVATE-PURPOSE TRUST FUNDS
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 JUNE 30, 2004

	LEANDER SMITH AWARD	PEPIE WAGNER FUND	SETH THOMAS PRIZE FUND	TOTAL
<u>ASSETS</u>				
Cash.....	\$ -	\$ 2,000	\$ -	\$ 2,000
Investments:				
Certificates of deposit.....	4,987		1,009	5,996
TOTAL ASSETS.....	4,987	2,000	1,009	7,996
<u>NET ASSETS</u>				
Net Assets Held in Trust.....	\$ 4,987	\$ 2,000	\$ 1,009	\$ 7,996

TOWN OF THOMASTON, CONNECTICUT

PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2004

	LEANDER SMITH AWARD	PEPIE WAGNER FUND	SETH THOMAS PRIZE FUND	TOTAL
REVENUE:				
Income from investments.....	\$ 75	\$ -	\$ 18	\$ 93
Other.....		2,000	-	2,000
TOTAL REVENUES.....	75	2,000	18	2,093
EXPENDITURES:				
Other.....			50	50
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	75	2,000	(32)	2,043
NET ASSETS, JULY 1, 2003.....	4,912	-	1,041	5,953
NET ASSETS, JUNE 30, 2004.....	<u>\$ 4,987</u>	<u>\$ 2,000</u>	<u>\$ 1,009</u>	<u>\$ 7,996</u>

TOWN OF THOMASTON, CONNECTICUT

AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2004

	BALANCE JULY 1, 2003	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2004
<u>ASSETS</u>				
CASH:				
School activities fund.....	\$ 56,946	\$ 150,599	\$ 142,746	\$ 64,799
Recreation commission.....	1,104	69,890	70,857	137
High school athletic council.....	2,973	40,769	37,514	6,228
Public school internal account.....	27,982	84,246	93,109	19,119
Performance bond fund.....	10,766	70	-	10,836
Public library staff fund.....	377	14,367	14,496	248
Clocktower Restoration.....	2,723	-	2,723	-
Join Against Insensible Lawlessness.....	5,174	38	100	5,112
Class Reunions.....	2,080	1,041	174	2,947
Christmas Lights Fund.....	3,151	6,420	5,125	4,446
Police Rec & Educational Fund.....	612	1,059	1,434	237
Railroad Museum Commission.....	3,252	3,176	1,448	4,980
Thomaston Police Explorers.....	14,393	12,633	7,468	19,558
Defibrillator Fund.....	320	-	320	-
Christmas Committee.....	1,770	3,751	3,343	2,178
TOTAL CASH.....	133,623	388,059	380,857	140,825
INVESTMENT:				
Tri-centennial committee.....	3,040	85	-	3,125
TOTAL ASSETS.....	\$ 136,663	\$ 388,144	\$ 380,857	\$ 143,950
<u>LIABILITIES</u>				
ACCOUNTS PAYABLE:				
School activities fund.....	\$ 56,946	\$ 150,599	\$ 142,746	\$ 64,799
Recreation commission.....	1,104	69,890	70,857	137
High school athletic council.....	2,973	40,769	37,514	6,228
Public school internal account.....	27,982	84,246	93,109	19,119
Performance bond fund.....	10,766	70	-	10,836
Tri-centennial committee.....	3,040	85	-	3,125
Public library staff fund.....	377	14,367	14,496	248
Clocktower Restoration.....	2,723	-	2,723	-
Join Against Insensible Lawlessness.....	5,174	38	100	5,112
Class Reunions.....	2,080	1,041	174	2,947
Christmas Lights Fund.....	3,151	6,420	5,125	4,446
Police Rec & Educational Fund.....	612	1,059	1,434	237
Railroad Museum Commission.....	3,252	3,176	1,448	4,980
Thomaston Police Explorers.....	14,393	12,633	7,468	19,558
Defibrillator Fund.....	320	-	320	-
Christmas Committee.....	1,770	3,751	3,343	2,178
TOTAL LIABILITIES.....	\$ 136,663	\$ 388,144	\$ 380,857	\$ 143,950

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

TOWN OF THOMASTON, CONNECTICUT

**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULE BY SOURCE
JUNE 30, 2004**

	2004	2003
<u>CAPITAL ASSETS:</u>		
Land.....	\$ 1,315,620	\$ 1,315,620
Construction in progress.....	2,232,720	592,260
Buildings.....	23,773,055	23,773,055
Land improvements.....	1,347,004	1,347,004
Machinery & Equipment.....	5,044,888	4,862,721
Vehicles.....	2,350,416	2,236,260
Infrastructure.....	15,102,698	14,957,811
	<hr/>	<hr/>
TOTAL CAPITAL ASSETS.....	\$ 51,166,401	\$ 49,084,731
	<hr/> <hr/>	<hr/> <hr/>
<u>INVESTMENT IN CAPITAL ASSETS BY SOURCE:</u>		
Property taxes.....	20,914,360	20,721,753
General obligation bonds.....	16,631,773	15,529,535
State and Federal grants.....	7,998,835	7,212,010
Contributions.....	5,621,433	5,621,433
	<hr/>	<hr/>
TOTAL INVESTMENT IN CAPITAL ASSETS BY SOURCE.....	\$ 51,166,401	\$ 49,084,731
	<hr/> <hr/>	<hr/> <hr/>

TOWN OF THOMASTON, CONNECTICUT

CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE BY FUNCTION AND ACTIVITY
 JUNE 30, 2004

	LAND	CONSTRUCTION IN PROGRESS	BUILDINGS	LAND IMPROVEMENTS	MACHINERY AND EQUIPMENT	VEHICLES	INFRASTRUCTURE	TOTAL
General government.....	\$ 750,320	\$ -	\$ 3,448,336	\$ 85,360	\$ 99,251	\$ 10,915	\$ -	\$ 4,394,182
Public safety.....	117,300	-	835,695	22,474	617,901	1,618,514	-	3,211,884
Public works.....	168,100	11,234	8,865,084	200,833	3,487,845	659,493	15,102,698	28,495,287
Health and Welfare.....	-	-	-	-	-	43,724	-	43,724
Culture & recreation.....	151,200	-	272,026	101,871	148,480	17,770	-	691,347
Housing & Development.....	-	-	-	-	46,462	-	-	46,462
Education.....	128,700	2,221,486	10,351,914	936,466	644,949	-	-	14,283,515
TOTAL.....	\$ 1,315,620	\$ 2,232,720	\$ 23,773,055	\$ 1,347,004	\$ 5,044,888	\$ 2,350,416	\$ 15,102,698	\$ 51,166,401

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, 2004

FUNCTION/ACTIVITY	BALANCE JULY 1, 2003	ADDITIONS	DELETIONS	BALANCE JUNE 30, 2004
GENERAL GOVERNMENT:				
General government.....	\$ 816,881	\$ -	\$ -	\$ 816,881
Finance.....	21,702	21,903	-	43,605
Town clerk.....	3,533,696	-	-	3,533,696
TOTAL GENERAL GOVERNMENT.....	4,372,279	21,903	-	4,394,182
PUBLIC SAFETY:				
Police department.....	459,278	67,550	-	526,828
Fire department.....	1,969,457	-	204,000	1,765,457
Communication.....	-	53,752	-	53,752
Ambulance.....	811,504	-	-	811,504
Canine control.....	54,343	-	-	54,343
TOTAL PUBLIC SAFETY.....	3,294,582	121,302	204,000	3,211,884
HEALTH AND WELFARE:				
Minibus.....	43,724	-	-	43,724
PUBLIC WORKS:				
Highway department.....	11,167,497	331,356	-	11,498,853
Hillside Cemetery.....	186,752	29,552	-	216,304
Sewer Department.....	16,663,276	116,854	-	16,780,130
TOTAL PUBLIC WORKS.....	28,017,525	477,762	-	28,495,287
PARKS AND RECREATION:				
Library.....	293,366	-	-	293,366
Opera House.....	29,701	-	-	29,701
Parks and recreation.....	352,280	16,000	-	368,280
TOTAL PARKS AND RECREATION.....	675,347	16,000	-	691,347
HOUSING AND DEVELOPMENT:				
Building Department.....	46,462	-	-	46,462
EDUCATION.....	12,634,812	1,674,439	25,736	14,283,515
GRAND TOTALS.....	\$ 49,084,731	\$ 2,311,406	\$ 229,736	\$ 51,166,401

Statistical Section

TABLE 1

TOWN OF THOMASTON, CONNECTICUT

NET ASSETS BY COMPONENT
LAST TWO YEARS
(UNAUDITED)

	FISCAL YEAR ENDED	
	2004	2003
GOVERNMENTAL ACTIVITIES:		
Invested in capital assets, net of related debt.....	\$ 19,001,844	\$ 19,162,965
Restricted for:		
Encumbrances.....	75,000	-
Capital projects.....	7,745,022	278,201
Endowments.....	120,200	15,700
Perpetual care.....	196,614	295,038
Unrestricted.....	677,447	7,683,437
TOTAL NET ASSETS.....	<u>\$ 27,816,127</u>	<u>\$ 27,435,341</u>

TABLE 2**TOWN OF THOMASTON, CONNECTICUT**

CHANGES IN NET ASSETS
 LAST TWO YEARS
 (UNAUDITED)

	FISCAL YEAR ENDED	
	2004	2003
EXPENSES:		
Governmental activities:		
General government.....	\$ 1,771,177	\$ 1,008,636
Public safety.....	2,200,339	2,163,326
Public works.....	3,145,912	3,296,162
Health and welfare.....	161,221	142,603
Culture and recreation.....	1,264,180	1,126,008
Housing and development.....	177,685	208,807
Education.....	13,126,941	12,808,758
Interest expense.....	667,065	599,717
TOTAL EXPENSES.....	22,514,520	21,354,017
PROGRAM REVENUES:		
Governmental activities:		
Charges for services:		
General government.....	116,588	52,433
Public safety.....	46,711	43,328
Public works.....	690,400	807,994
Health and welfare.....	2,137	1,553
Culture and recreation.....	366,589	311,954
Housing and development.....	93,979	88,575
Education.....	306,863	298,807
Operating grants and contributions.....	5,850,910	5,884,962
Capital grants and contributions.....	954,076	1,212,754
TOTAL PROGRAM REVENUES.....	8,428,253	8,702,360
NET EXPENSES:		
Governmental activities.....	(14,086,267)	(12,651,657)
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS:		
Governmental activities:		
Property taxes.....	13,618,870	12,959,157
Grants and contributions not restricted to specific programs..	723,029	774,248
Investment income.....	108,929	109,791
Miscellaneous.....	16,225	45,400
TOTAL GOVERNMENTAL ACTIVITIES.....	14,467,053	13,888,596
CHANGE IN NET ASSETS.....	\$ 380,786	\$ 1,236,939

TABLE 3**TOWN OF THOMASTON, CONNECTICUT**GENERAL FUND EXPENDITURES BY FUNCTION AND OTHER FINANCING USES - BUDGETARY BASIS
JUNE 30, 2004
(UNAUDITED)

YEAR ENDED JUNE 30	GENERAL GOVERNMENT	PUBLIC SAFETY	PUBLIC WORKS	HEALTH & WELFARE	CULTURE & RECREATION	HOUSING & DEVELOPMENT	EDUCATION	DEBT SERVICE	OTHER FINANCING USES	TOTAL
2004	\$ 2,928,725	\$ 1,330,697	\$ 1,257,699	\$ 120,955	\$ 445,507	\$ 108,008	\$11,683,376	\$ 1,540,367	\$ 2,086,525	\$ 21,501,859
2003	2,509,117	1,258,993	1,280,783	100,606	425,632	105,520	11,085,088	1,836,526	1,493,222	20,095,487
2002	2,269,260	1,178,197	1,102,704	140,070	418,685	103,318	10,526,971	2,386,012	1,435,119	19,560,336
2001	1,828,122	1,118,698	1,226,704	134,892	393,827	107,362	9,814,060	1,871,789	1,654,335	18,149,789
2000	1,821,297	1,112,339	1,092,327	172,626	400,669	95,270	9,335,678	1,802,745	1,810,966	17,643,917
1999	1,545,513	1,036,233	1,181,973	165,606	366,321	99,580	8,906,883	1,018,747	1,592,327	15,913,183
1998	1,803,196	984,959	1,103,087	184,235	330,743	95,945	8,598,107	739,373	2,796,723	16,636,368
1997	1,748,724	934,704	1,040,933	159,855	320,957	93,851	8,296,825	830,278	1,686,480	15,112,607
1996	1,755,157	875,951	1,100,024	166,975	312,839	86,414	7,939,913	812,263	1,133,052	14,182,588
1995	1,674,978	963,357	1,051,224	192,476	308,838	85,973	7,705,877	911,304	1,235,527	14,129,554

TABLE 4**TOWN OF THOMASTON, CONNECTICUT**GENERAL FUND REVENUES BY SOURCE AND OTHER FINANCING SOURCES - BUDGETARY BASIS
JUNE 30, 2004
(UNAUDITED)

YEAR ENDED JUNE 30	PROPERTY TAXES	CHARGES FOR SERVICES	INTER- GOVERNMENTAL	INVESTMENT INCOME	OTHER	OTHER FINANCING SOURCES	TOTAL
2004	\$13,385,994	\$ 342,175	\$ 5,853,765	\$ 69,294	\$ 57,975	\$ 1,889,691	\$21,598,894
2003	12,865,405	253,821	6,115,764	48,163	46,398	886,742	20,216,293
2002	12,035,417	241,147	6,289,238	107,465	32,851	751,664	19,457,782
2001	11,119,515	248,071	5,930,893	205,628	103,932	616,906.00	18,224,945
2000	10,540,948	336,634	5,521,613	204,424	91,802	810,437	17,505,858
1999	9,877,918	219,653	5,109,011	307,608	254,608	716,886	16,485,684
1998	9,727,275	185,146	4,760,746	226,488	513,281	1,887,447	17,300,383
1997	9,460,946	235,384	4,962,037	121,887	74,461	788,038	15,642,753
1996	8,694,732	199,520	4,537,075	82,950	207,243	719,390	14,440,910
1995	8,022,624	243,956	4,670,735	86,317	111,481	740,280	13,875,393

TABLE 5**TOWN OF THOMASTON, CONNECTICUT**PROPERTY TAX RATES, LEVIES AND COLLECTIONS
JUNE 30, 2004
(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	NET DELINQUENT TAX COLLECTIONS	TOTAL TAX COLLECTIONS	TOTAL TAX COLLECTIONS AS A PERCENTAGE OF CURRENT LEVY	OUTSTANDING DELINQUENT TAXES	OUTSTANDING DELINQUENT TAXES AS A PERCENT OF ADJUSTED LEVY
2004	35.50	2002	\$ 13,439,939	\$ 12,901,856	96.0%	\$ 205,144	\$ 13,107,000	97.5%	\$ 1,030,858	7.7%
2003	33.80	2001	12,695,152	12,262,233	96.6%	317,778	12,580,011	99.1%	722,527	5.7%
2002	32.20	2000	11,780,931	11,517,712	97.8%	215,091	11,732,803	99.6%	559,190	4.7%
2001	*	1999	10,904,055	10,642,688	97.6%	222,937	10,865,625	99.6%	548,989	5.0%
2000	27.25	1998	10,286,990	10,049,750	97.7%	298,527	10,348,277	100.6%	523,831	5.1%
1999	26.44	1997	9,756,256	9,520,851	97.6%	208,007	9,728,858	99.7%	593,549	6.1%
1998	26.44	1996	9,524,670	9,314,215	97.8%	193,230	9,507,445	99.8%	577,037	6.1%
1997	25.05	1995	8,925,917	8,708,619	97.6%	489,332	9,197,951	103.0%	571,863	6.4%
1996	23.80	1994	8,365,525	8,039,211	96.1%	338,413	8,377,624	100.1%	864,938	10.3%
1995	22.80	1993	7,891,528	7,544,540	95.6%	359,566	7,904,106	100.2%	744,184	9.4%

* Revaluation Grand List of October 1, 1999

(1) There are no overlapping of tax rates.

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

TABLE 6

TOWN OF THOMASTON, CONNECTICUT

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 JUNE 30, 2004
 (UNAUDITED)

YEAR ENDED JUNE 30	GRAND LIST	REAL ESTATE		PERSONAL PROPERTY			TOTALS			RATIO OF TOTAL ASSESSED VALUE TO TOTAL ESTIMATED ACTUAL VALUE
		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	
2004	2002	\$ 299,255,170	\$ 427,507,386	\$ 47,867,321	\$ 52,447,580	\$ 100,314,901	\$ 143,307,001	\$ 399,570,071	\$ 570,814,387	70.00%
2003	2001	295,263,695	421,805,279	45,815,638	52,499,062	98,314,700	140,449,571	393,578,395	562,254,850	70.00%
2002	2000	289,911,945	414,159,921	44,241,852	57,020,516	101,262,368	144,660,526	391,174,313	558,820,447	70.00%
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%
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%
1999	1997	306,760,376	438,229,109	34,504,969	41,403,976	75,908,945	108,441,350	382,669,321	546,670,459	70.00%
1998	1996	303,087,566	432,982,237	33,499,990	40,204,693	73,704,683	105,292,404	376,792,249	538,274,641	70.00%
1997	1995	301,415,316	430,593,309	31,918,773	37,098,222	69,016,995	98,595,707	370,432,311	529,189,016	70.00%
1996	1994	298,526,211	426,466,016	27,614,823	35,794,039	63,408,862	90,584,089	361,935,073	517,050,105	70.00%
1995	1993	298,295,297	426,136,139	24,646,458	36,546,080	61,192,538	87,417,911	359,487,835	513,554,050	70.00%

* Revaluation Grand List of October 1, 1999

TABLE 7**TOWN OF THOMASTON, CONNECTICUT**PRINCIPAL TAXPAYERS
JUNE 30, 2004
(UNAUDITED)

TAXPAYER	(1) ASSESSMENT	PERCENT OF NET TAXABLE GRAND LIST
Summit Corporation of America	\$ 6,173,512	1.64%
Connecticut Light & Power Co.	4,229,267	1.12%
Connecticut Water Company	3,489,093	0.93%
Whyco Technologies, Inc.	2,915,752	0.77%
Oneglia Family Trust	2,903,600	0.77%
Eyelets for Industry	2,736,647	0.73%
GLC Associates	2,451,440	0.65%
Thomaston Savings Bank	2,152,096	0.57%
WL Real Estate Company, LLC	1,853,060	0.49%
Yankee Gas Services Co.	1,754,383	0.47%
	<u>\$ 30,658,850</u>	<u>8.14%</u>

(1) The net taxable grand list as of October 1, 2002 totaled \$376,809,605.

TABLE 8**TOWN OF THOMASTON, CONNECTICUT**SEWER ASSESSMENT BILLINGS AND COLLECTIONS
JUNE 30, 2004
(UNAUDITED)

YEAR ENDED JUNE 30	ASSESSMENTS RECEIVABLE JULY 1	BILLINGS	ADJUSTMENTS	COLLECTIONS	(1) ASSESSMENTS RECEIVABLE JUNE 30
2004	\$ -	\$ 24,000	\$ -	\$ 24,000	\$ -
2003	-	13,500	-	13,500	-
2002	-	13,500	-	13,500	-
2001	306	42,000	-	42,306	-
2000	1,309	137,366	-	138,369	306
1999	11,292	68,000	-	77,983	1,309
1998	47,486	39,000	-	75,194	11,292
1997	84,482	25,500	-	62,496	47,486
1996	126,076	--	(2,773)	38,821	84,482
1995	174,274	40,054	-	88,252	126,076

(1) Assessments receivable represents amounts being paid over a maximum of ten years and delinquent accounts, excluding delinquent interest.

TABLE 9**TOWN OF THOMASTON, CONNECTICUT**

RATIO OF LONG-TERM DEBT TO NET ASSESSED VALUE AND LONG-TERM DEBT PER CAPITA
 JUNE 30, 2004
 LAST TEN YEARS
 (UNAUDITED)

YEAR ENDED JUNE 30	(1) POPULATION	(2) NET ASSESSED VALUE	GENERAL OBLIGATION BONDED DEBT/NOTE	RATIO OF BONDED DEBT/NOTES TO NET ASSESSED VALUE	BONDED DEBT/NOTES PER CAPITA
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
1999	7,306	367,149,725	13,007,272	3.54%	1,780
1998	7,304	362,960,170	6,022,647	1.66%	825
1997	7,273	358,465,094	6,416,312	1.79%	882
1996	7,290	349,767,914	6,854,908	1.96%	940
1995	7,234	348,741,618	5,661,400	1.62%	783

(1) From Table 12.

(2) From Table 13.

TABLE 10**TOWN OF THOMASTON, CONNECTICUT**RATIO OF DEBT SERVICE EXPENDITURES TO GENERAL FUND
EXPENDITURES - BUDGETARY BASISJUNE 30, 2004
LAST TEN YEARS
(UNAUDITED)

YEAR ENDED JUNE 30	PRINCIPAL	(2) INTEREST	TOTAL DEBT SERVICE	(1) TOTAL GENERAL FUND EXPENDITURES	RATIO OF NET DEBT SERVICE TO GENERAL FUND EXPENDITURES
2004	\$ 982,641	\$ 557,726	\$ 1,540,367	\$ 21,501,859	7.2%
2003	1,132,087	601,027	1,733,114	20,095,487	8.6%
2002	1,299,029	959,370	2,258,399	19,560,336	11.5%
2001	1,198,916	524,414	1,723,330	18,149,789	9.5%
2000	1,197,116	591,487	1,788,603	17,643,917	10.1%
1999	395,375	468,701	864,076	15,913,183	5.4%
1998	393,665	323,085	716,750	16,636,368	4.3%
1997	438,595	329,315	767,910	15,112,607	5.1%
1996	372,205	322,075	694,280	14,182,588	4.9%
1995	497,205	347,835	845,040	14,129,554	6.0%

(1) From Table 3 - includes other financing uses.

(2) Excludes interest on bond anticipation notes.

TABLE 11

TOWN OF THOMASTON, CONNECTICUT

SCHEDULE OF DEBT LIMITATION
CONNECTICUT GENERAL STATUTES, SECTION 7-374 (b)
FOR THE YEAR ENDED JUNE 30, 2004

Total tax collections (including interest and lien fees) for current year.....	\$ 13,231,045
Reimbursement for revenue loss on Tax relief for elderly freeze.....	<u>9,862</u>
BASE FOR DEBT LIMITATION COMPUTATION.....	<u>\$ 13,240,907</u>

DEBT LIMITATION:	GENERAL PURPOSES	SCHOOLS	SEWERS	URBAN RENEWAL	PENSION DEFICIT
2 1/4 times base.....	\$ 29,792,041	\$ -	\$ -	\$ -	\$ -
4 1/2 times base.....	-	59,584,082	-	-	-
3 3/4 times base.....	-	-	49,653,401	-	-
3 1/4 times base.....	-	-	-	43,032,948	-
3 times base.....	-	-	-	-	39,722,721
TOTAL DEBT LIMITATION.....	<u>29,792,041</u>	<u>59,584,082</u>	<u>49,653,401</u>	<u>43,032,948</u>	<u>39,722,721</u>
INDEBTEDNESS:					
Bonds payable.....	2,057,829	6,580,171	1,292,000	-	-
Less: School Building grants.....	-	(2,318,897)	-	-	-
TOTAL INDEBTEDNESS.....	<u>2,057,829</u>	<u>4,261,274</u>	<u>1,292,000</u>	<u>-</u>	<u>-</u>
DEBT LIMITATION IN EXCESS OF OUTSTANDING AND AUTHORIZED DEBT.....	<u>\$ 27,734,212</u>	<u>\$ 55,322,808</u>	<u>\$ 48,361,401</u>	<u>\$ 43,032,948</u>	<u>\$ 39,722,721</u>

The total net indebtedness above amounts to: \$ 7,611,103

In no event shall total indebtedness exceed seven time the base for debt limitation computatior \$ 92,686,349

There is no overlapping debt.

TABLE 12**TOWN OF THOMASTON, CONNECTICUT**

DEMOGRAPHIC STATISTICS
 JUNE 30, 2004
 (UNAUDITED)

YEAR ENDED JUNE 30	(1) POPULATION	(2) PER CAPITA INCOME	(2) MEDIAN AGE	(3) SCHOOL ENROLLMENT	(4) UNEMPLOYMENT PERCENTAGE
2004	7,857	(5)	(5)	1,318	4.8%
2003	7,766	(5)	(5)	1,310	6.1%
2002	7,538	(5)	(5)	1,257	5.5%
2001	7,511	(5)	(5)	1,258	4.0%
2000	7,437	\$ 24,799	37.8	1,257	2.6%
1999	7,306	(5)	(5)	1,205	3.4%
1998	7,304	(5)	(5)	1,209	3.6%
1997	7,273	(5)	(5)	1,197	5.6%
1996	7,290	(5)	(5)	1,116	5.3%
1995	7,234	(5)	(5)	1,120	5.9%

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

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

(3) Connecticut Department of Education.

(4) Connecticut Labor Department - Research and Statistics.

(5) Information not available.

TABLE 13**TOWN OF THOMASTON, CONNECTICUT**PROPERTY VALUE AND CONSTRUCTION
JUNE 30, 2004
(UNAUDITED)

YEAR ENDED JUNE 30	ASSESSED PROPERTY VALUE (1)							CONSTRUCTION VALUE (2)	
	RESIDENTIAL	COMMERCIAL AND INDUSTRIAL	LAND	PERSONAL PROPERTY	MOTOR VEHICLE	EXEMPTIONS	TOTAL	TOTAL UNITS	CONSTRUCTION VALUE
2004	\$ 233,079,252	\$ 54,988,065	\$ 11,187,853	\$ 52,447,580	\$ 47,867,321	\$ 22,760,466	\$ 376,809,605	657	\$ 17,249,548
2003	227,457,556	56,027,575	11,778,564	52,499,062	45,815,638	21,105,025	372,473,370	431	6,591,642
2002	222,166,176	54,205,805	13,539,964	57,020,516	44,241,852	22,794,705	368,379,608	544	7,747,885
2001 *	214,605,727	54,840,491	14,592,378	48,631,019	40,916,172	20,099,223	353,486,564	537	9,079,667
2000	249,343,537	61,269,569	1,097,740	49,274,801	36,495,608	21,189,275	376,291,980	567	1,203,603
1999	244,547,707	61,113,459	1,099,210	41,403,976	34,504,969	15,519,596	367,149,725	567	20,427,056
1998	240,830,497	61,163,949	1,093,120	40,204,693	33,499,990	13,832,079	362,960,170	563	14,632,052
1997	239,526,057	60,849,409	1,039,850	37,098,222	31,918,773	11,967,217	358,465,094	468	5,479,946
1996	236,805,022	60,691,769	1,029,420	35,794,039	27,614,823	12,167,159	349,767,914	412	5,258,891
1995	234,316,144	62,882,113	1,097,040	36,546,080	24,646,458	10,746,217	348,741,618	319	5,825,157

* Revaluation Grand List of October 1, 1999

(1) Thomaston Assessor Department.

(2) Thomaston Building Department.

TOWN OF THOMASTON, CONNECTICUT

MISCELLANEOUS STATISTICS
 JUNE 30, 2004
 (UNAUDITED)

Date of Incorporation.....July 6, 1875
 Form of Government.....Town Meeting
 Area of Town.....12.0 Square Miles

ROADWAYS

Miles of Streets:	
Paved.....	40.17
Accepted.....	40.17
Private.....	0.03
State Highway.....	64.89
Miles of Sidewalks.....	10.88
Miles of Sewer:	
Storm.....	60.00
Sanitation.....	50.00

RECREATION

Acres of park land.....	56
Hardball Baseball Diamonds.....	1
Youth Baseball Diamonds.....	2
Basketball Courts.....	3
Soccer Fields.....	3
Nature Areas.....	1
Picnic Areas.....	1
Playgrounds.....	7
Public Beach.....	1
Public Greens.....	3
Tennis Courts.....	3
Public Indoor Theatres.....	1

TOWN EMPLOYEES

Number of Full Time (Town).....	55
Number of Part-Time/Seasonal (Town).....	89
Number of Full Time (Education).....	144
Number of Part-Time/Seasonal (Education)..	129

ELECTIONS

Registered Voters.....	5,003
Votes Cast In:	
Last National Election.....	3,907
Last State Election.....	not available
Last Town Election.....	1,446
% of Registered Voters Voting In:	
Last National Election.....	78.1%
Last State Election.....	not available
Last Town Election.....	28.9%

POLICE PROTECTION

Police Vehicles.....	8
Police Officers (Full-time).....	13
Police Officers (Part-time).....	4
Civilian Personnel (Full-time).....	3
Civilian Personnel (Part-time).....	10
Motor Vehicle Violations & Warnings.....	1,775
Criminal Arrests.....	213

FIRE PROTECTION

Stations.....	1
Fire & Medical Vehicles.....	9
Career Personnel.....	0
Volunteer Personnel.....	75