

# *Town of Colebrook Connecticut*



*oldest structure in the town of Colebrook*

*ANNUAL REPORT  
for the year ending June 30<sup>th</sup>, 2011*

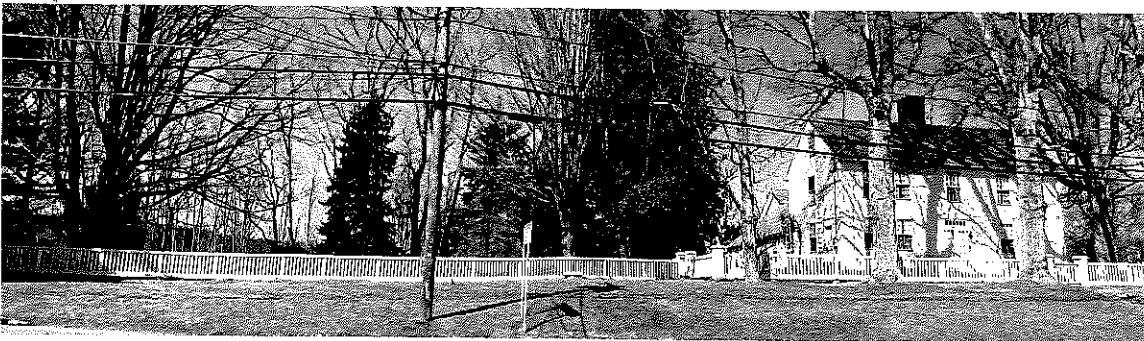
## 561 Colebrook Road, the History of

The history of this most historically important structure in Colebrook is both fascinating and complicated. Erastus Wolcott, an important member of the Windsor community, was approached by the Colonial Legislature in October of 1765 and told that if he were to erect a sawmill in the Town of Colebrook (which at that time had no structures of any sort) by the following May (1766), he would be granted seventeen pounds worth of land in the northeast corner of the township. Land records show that he did indeed receive title to 60 acres of land in the eighth tier of lots in January, 1767. This is proof that the dwelling for the sawyer was constructed in the year 1766.

On February 2<sup>nd</sup> of 1767, Wolcott sold ½ of his sawmill and ½ of his dwelling house to Samuel Rockwell. The following year Rockwell purchased the other ½ of the house, but remained as 50/50 business partners with Wolcott throughout the rest of their lives. Samuel lived out the rest of his life in this house, dying in 1794.

The dwelling was left to his son, Reuben, who had the main part of the present building built in 1796. There is a smaller addition at the rear that was added in the 1930s. This is the history of this dwelling, which has been undergoing extensive remodeling this past year. Because all of the large maple trees adjacent to the house had to be removed due to advanced decay, what the observer sees today is no doubt much like what a Colebrook resident would have seen in the late 1790s. The central one-story part of the building is thus Colebrook's oldest dwelling, and although its official modern name is "The Samuel Rockwell House", Samuel never saw the main portion nor the rear addition.

Bob Grigg, Municipal Historian,  
Town of Colebrook, Connecticut



prior to the removal of the Rock Maples

**OFFICE OF THE  
FIRST SELECTMAN**

During this past year, we experienced two major weather events: Tropical Storm Irene and Winter Storm Alfred.

The town suffered major damage during Tropical Storm Irene, including structural undermining of the Deer Hill Bridge and Millbrook Bridge. We received 75% reimbursement from FEMA for Irene-related repairs. While electrical power and phone lines were down for approximately a week's time after Winter Storm Alfred, we were fortunate to have only limited tree damage. Residents were able to use the facilities of both Colebrook Volunteer Fire Departments and YMCA Camp Jewel for showers and meals. The Fire Department also made house- to-house checks to assist our residents.

Despite the difficulty of those post-Irene and post-Alfred weeks, it was indeed gratifying to see that volunteerism and community spirit are alive and well in Colebrook, with residents coming together to help neighbors and others in need.

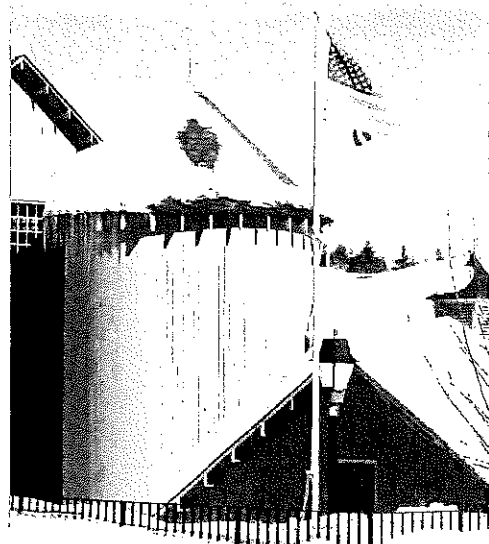
Major capital projects this year include reconstruction of the Sandy Brook Road Bridge, which should re-open around the end of November 2012, as well as exterior repair and painting of the Colebrook Historical Society building, which is owned by the town. These two projects will largely be paid for with grants. The town has also received a grant to repair the Old Forge Bridge. The needed repairs will be made during the summer of 2013.

With the state looking to further regionalize, Colebrook and Norfolk are engaged in a study to consolidate our elementary schools. Given the projection of a decline in enrollment, the Selectmen of both towns support this option, preferring to let the towns pro-actively chart our own future course rather than being forced by the state to move in a direction that does not serve our best interests.

Again, as has been the case over the past three years, we will continue to work to keep our taxes as low as possible, and to keep Colebrook an affordable place to live.

In closing, I would like to thank all the volunteers from various boards, commissions, our Fire Departments and the Colebrook Senior/Community Center for their invaluable service to the town. I would also like to thank the residents for their continued support as I begin my third term as First Selectman.

Thomas D. McKeon  
First Selectman



TOWN OF COLEBROOK

TOWN HALL DEPARTMENTS

Town Hall  
Monday through Friday  
9:00 am – 4:30 pm

Check with individual departments for operating hours  
(closed for holidays as posted)

**FIRST SELECTMAN**

Thomas D. McKeon

Phone: (860)379-3359 x202      Fax: (860)379-7215  
Email: [tommckeon@colebrooktownhall.org](mailto:tommckeon@colebrooktownhall.org)

**TOWN CLERK**

Debra McKeon

Phone: (860)379-3359 x213      Fax: (860)379-2342  
Email: [dmckeon@colebrooktownhall.org](mailto:dmckeon@colebrooktownhall.org)

**TOWN TREASURER**

John Burrows

Phone: (860)379-3359 x212      Fax: (860)379-7215  
Email: [jburrows@colebrooktownhall.org](mailto:jburrows@colebrooktownhall.org)

**TAX COLLECTOR**

Laura Bartlett

Phone: (860)379-3359 x204      Fax: (860)379-7215  
Email: [lbartlett@colebrooktownhall.org](mailto:lbartlett@colebrooktownhall.org)

**ASSESORS OFFICE**

Michele Sloane

Phone: (860)379-3359 x206      Fax: (860)379-7215  
Email: [msloane@colebrooktownhall.org](mailto:msloane@colebrooktownhall.org)

**LAND USE OFFICE**

Karen G. Nelson,  
Land Use Official

Phone: (860)379-3359 x208      Fax: (860)379-7215  
Email: [kgnelson@colebrooktownhall.org](mailto:kgnelson@colebrooktownhall.org)

Marc Melanson  
Building Official

Phone: (860)379-3359 x201      Fax: (860)379-7215  
Email: [lclark@colebrooktownhall.org](mailto:lclark@colebrooktownhall.org)

**REGISTRAR OF VOTERS**

Ingeborg Gomez  
Cathy Andersen

Phone: (860)379-3359 x211      Fax: (860)379-7215  
Email: [vr.colebrook@po.state.ct.us](mailto:vr.colebrook@po.state.ct.us)

**TOWN ADMINISTRATIVE**

**ASSISTANT**

Lee Ann Jasmin

Phone: (860)379-3359 x201      Fax: (860)379-7215  
Email: [lclark@colebrooktownhall.org](mailto:lclark@colebrooktownhall.org)

**DEPARTMENT OF**

**PUBLIC WORKS**

William Jasmin, Foreman

Phone: (860)379-8306      Fax: (860)379-7215  
Email: [lclark@colebrooktownhall.org](mailto:lclark@colebrooktownhall.org)

## CALENDAR OF MEETINGS

### BOARD OF SELECTMEN

2nd Monday of each month – Town Hall, 7:00 P.M.

### BOARD OF FINANCE

3rd Wednesday as necessary – Town Hall, 7:00 P.M.

### BOARD OF EDUCATION

1st Wednesday of each month – Colebrook Consolidated School, 7:00 P.M.

### PLANNING AND ZONING COMMISSION

2nd Monday of each month – Town Hall, 7:00 P.M.

### ZONING BOARD OF APPEALS

As necessary – Town Hall, 7:00 P.M.

### INLAND WETLANDS COMMISSION

1st Monday of each month – Town Hall, 7:00 P.M.

### CONSERVATION COMMISSION

2nd Tuesday of each month – Town Hall, 7:00 P.M.

### RECREATION BOARD

2nd Tuesday of each month – Town Hall, 6:30 P.M.

### REGIONAL SCHOOL DISTRICT NO. 7

2nd and 4th Wednesdays of each month – Regional School, 6:30 P.M.  
(Except July, August and December) Regular meetings during those months will be  
July 2<sup>nd</sup> Wednesday, August 4<sup>th</sup> Wednesday and December 2<sup>nd</sup> Wednesday

### ANNUAL TOWN BUDGET MEETING

1<sup>st</sup> Monday of May – Town Hall, 8:00 P.M.  
(Budget Hearing at least two weeks before Town Meeting)

### ANNUAL TOWN MEETING

3rd Monday of October – Town Hall, 8:00 P.M.

### ELECTION DAY

Tuesday, November 6, 2012, 6:00 A.M. – 8:00 P.M.  
Town Hall, Meeting Room 2nd Floor

## TOWN OFFICIALS

<u>OFFICE/INCUMBENT</u>	<u>TERM</u>
<b><u>BOARD OF SELECTMEN</u></b>	
Thomas D. McKeon, First Selectman	11/22/11 – 11/19/13
Joseph J. Alciati, Sr., Selectman	11/22/11 – 11/19/13
Christopher L. Johnstone, Selectman	11/22/11 – 11/19/13
<b><u>TOWN CLERK AND REGISTRAR OF VITAL STATISTICS</u></b>	
Debra L. McKeon	01/02/12 – 01/06/14
N. Joyce Nelson, Assistant	01/02/12 – 01/06/14
<b><u>TOWN TREASURER</u></b>	
John E. Burrows	11/22/11 – 11/19/13
<b><u>TAX COLLECTOR</u></b>	
Laura M. Bartlett	11/22/11 – 11/19/13
<b><u>BOARD OF FINANCE</u></b>	
James Millar, Jr., Chairman	11/20/07 – 11/19/13
Robert D. Carfiro (Vacancy term)	11/09/11 – 11/19/13
Thomas R. Corvo	11/17/09 – 11/17/15
John J. Dorazio	11/17/09 – 11/17/15
Martha F. Neal	11/22/11 – 11/22/17
Diane E. Johnstone	11/22/11 – 11/22/17
<b><u>BOARD OF EDUCATION</u></b>	
Jeanne R. Jones, Chairman	11/22/11 – 11/24/15
Lisa Ann B. Fragale	11/22/11 – 11/24/15
Amy B. Gardner	11/22/11 – 11/24/15
Hope L. Carfiro	11/22/11 – 11/24/15
Bernard R. Adams	11/17/09 – 11/19/13
Helen Louise Plager	11/17/09 – 11/19/13
Melissa J. Miller (Vacancy term)	11/09/11 – 11/19/13
<b><u>SUPERINTENDENT/PRINCIPAL</u></b>	
James Chittum/Beth Driscoll	860-379-2179
<b><u>ASSESSORS</u></b>	
Michele Sloane, CCMA I, Assessor	860-379-3359 ext.206
<b><u>BOARD OF ASSESSORS</u></b>	
William E. Nelson, Jr., Chairman	
Edward A. Allen	
Geraldine M. Kassel	

OFFICE/INCUMBENT

TERM

BOARD OF ASSESSMENT APPEALS

Mark A. Lett, Chairman	11/17/09 – 11/19/13
Nadia M. Corvo	11/17/09 – 11/19/13
Frank W. Thompson	11/22/11 – 11/24/15

CONSTABLES

John H. Lossin	11/22/11 – 11/19/13
Gerald J. Peters	11/22/11 – 11/19/13
Alfred Richard Tillotson	11/22/11 – 11/19/13
Fletcher H. Smith	11/22/11 – 11/19/13

REGISTRARS OF VOTERS

Catherine M. Andersen, Republican	01/05/11 – 01/09/13
Inge M. Gomez, Democratic	01/05/11 – 01/09/13

JUSTICES OF THE PEACE

Ronald J. Aubel	01/05/09 – 01/07/13
Mary L. Baker	01/05/09 – 01/07/13
Barbara B. Case	03/04/09 – 01/07/13
Sally A. Coleman	01/05/09 – 01/07/13
Ralph W. Hazen, Jr.	01/05/09 – 01/07/13
Brittany M. McKeon	03/04/09 – 01/07/13
William E. Nelson, Jr.	01/05/09 – 01/07/13
John P. Parisi	03/04/09 – 01/07/13
Janet H. Rathbun	01/05/09 – 01/07/13
Astrid C. Tury	01/05/09 – 01/07/13
Harry E. White	03/04/09 – 01/07/13
Penelope F. White	01/05/09 – 01/07/13
Gloria M. Wilber	01/05/09 – 01/07/13
Sidney S. VanLeer	01/05/09 – 01/07/13

PLANNING AND ZONING COMMISSION

Robert A. Suprenant (Chairman)	10/09 – 10/12
James L. Bickford	10/11 – 10/14
Theodore V. Wilber	10/11 – 10/14
Ron Aubel (Filled Vacancy)	06/12 – 10/13
James Millar, Jr. (Filled Vacancy)	10/11 – 10/13

ALTERNATES

Edward G. Lord, III	10/11 – 10/14
Vacancy	10/09 – 10/12
Vacancy	10/10 – 10/13

OFFICE/INCUMBENT

TERM

ZONING BOARD OF APPEALS

Fred P. Williams, Chairman	10/10 – 10/12
Charles Buchanan	10/10 – 10/12
Thomas E. Lawton	10/11 – 10/13
Robert R. Lauzier	10/11 – 10/13
Carol Ann Sherwood	10/11 – 10/13

ALTERNATES

Noah Ullman	10/11 – 10/14
Scott Norton	10/10 – 10/13
Ronald Dorazio	10/10 – 10/12

INLAND WETLANDS COMMISSION

John H. Lossin	11/10 – 02/13
Raymond L. Swanton	02/11 – 02/14
George Neal (Filled Vacancy)	06/12 – 02/14
Duncan Wilber(Filled Vacancy)	02/12 – 02/15
Michael F. Hurd	02/12 – 02/15

ALTERNATES

Joseph R. Polidoro	05/10 – 05/13
Vacancy	05/09 – 05/12
Vacancy	05/12 – 05/15

CONSERVATION COMMISSION

Jerome Rathbun, Chairman	11/01/09 – 10/31/12
James L. Bickford	11/01/10 – 10/31/13
Shayne R. Young	11/01/10 – 10/31/13
James Rogers	11/01/11 – 10/31/14
Sally Stebbins	11/01/11 – 10/31/14
Gregory P. Millard	11/01/11 – 10/31/14
Edward L. Lestinsky	11/01/11 – 10/31/14
Vacancy	11/01/11 – 10/31/14
Vacancy	11/01/10 – 10/31/13
Vacancy	11/01/09 – 10/31/12
Vacancy	11/01/09 – 10/31/12

ALTERNATES

Vacancy	11/01/11 – 10/31/13
Vacancy	11/01/11 – 10/31/13
Vacancy	11/01/11 – 10/31/13

LAND USE ADMINISTRATOR

Karen Griswold Nelson	860-379-3359 ext.209
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LAND USE SECRETARY

Karen Griswold Nelson
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BUILDING OFFICIAL

Marc C. Melanson	379-3359 ext. 201
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**OFFICE/INCUMBENT**

**TERM**

**RECREATION BOARD**

Carmelo J. D'Urso, Chairman	10/10 – 10/13
Gregory West (Vacancy term)	12/10 – 10/12
Cary Wald	10/09 – 10/12
Melvyn S. Johnson	10/09 – 10/12
Gregory F. Gardner	10/10 – 10/13
Vernon L. Swartley	10/11 – 10/14
Jen Hill (Filled Vacancy)	05/12 – 10/14

**HISTORIC DISTRICT COMMISSION**

Kimberly H. Crocker, Chairman	10/09 – 10/14
Julia Andresen	10/11 – 10/16
James E. Rogers	10/10 – 10/15
John C. Garrels, III	10/07 – 10/12
James L. Bickford	10/10 – 10/13

**ALTERNATES**

Janet H. Rathbun	10/10 – 10/13
Geraldine Kassel	10/11 – 10/14
Mary L. Baker	10/09 – 10/12

**REGIONAL SCHOOL DISTRICT NO. 7**

Theresa J. Kenneson	07/01/09 – 07/01/13
Janice M. Dorazio	07/01/11 – 07/01/15

**SENIOR AND COMMUNITY CENTER**

Susan Cantwell, Advisory Board Chairman	860-738-9521
Janet Fredsall, Director	
Barbara Cormier, Nutrition Site	

**FARMINGTON VALLEY HEALTH DISTRICT**

1-800-909-3843

**FIRE MARSHAL**

Mark Melanson	379-3359 ext. 201
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**EMERGENCY MANAGEMENT**

Alfred R. Tillotson	379-3359 ext. 201
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**BURNING PERMIT OFFICERS**

Benjamin Bartlett	860-738-4151
Richard Wilber	860-379-1651
Craig Carfiro	860-379-5747
Edward Bascetta	860-379-9215

**ANIMAL CONTROL OFFICER**

John Young	860-738-9552
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**JUDGE OF PROBATE (TORRINGTON)**

Michael Magistrali, Esq.	860-489-2215
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**TOWN ATTORNEY**

Muschell & Simoncelli, LLP	860-482-6501
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## **TOWN TREASURER**

The Treasurer is the Town's in-house banker and accountant, monitoring the Town's financial activities and ensuring the accuracy of financial records. The Treasurer manages and reconciles the Town's checking and investment accounts, and provides timely financial reports to the Selectmen, Board of Finance, accountants, auditors, and various Town organizations, including the Senior & Community Center and the Recreation Commission.

John Burrows ("Jeb") is now in his seventh year as Town Treasurer, having first been elected to the position in November 2005. While the Treasurer's position is part time, Jeb has rarely missed a day at Town Hall. "As the Town has grown, so too have the Treasurer's responsibilities. The financial accounting process has become more sophisticated, more demanding. There's no room for error in this work."

Sadly, Jeb has announced that he will be leaving his post at the end of November 2012. "I've thoroughly enjoyed serving the Town, and have had the pleasure to work with so many dedicated people at Town Hall. However, I'm looking forward to having more time for the piano again, perhaps doing the travel or writing I've been putting off, and taking longer walks with my faithful Lab, Sands. As a regular visitor to Town Hall, Sands will likely miss the place as much as I will!"

## **TAX COLLECTOR**

The Tax Collector's Office is responsible for the billing and collection of Town property taxes and all related penalty charges. Its mission is to assist in maintaining the fiscal stability of the Town by ensuring the timely collection and recording of all taxes through the diligent application of State Statutes, Town Ordinances, regulations and other enforcement aids, while assisting the public in understanding the taxation process and procedures and maintaining an effective and cordial relationship with the general public.

The Collector is also responsible for reporting fiscal information to various Town Departments, Boards and Commissions, the State of Connecticut and the United States Bureau of the Census.

Laura Bartlett has been the Tax Collector for Colebrook since November 2004. This is a part-time elected position. Laura is a Certified Connecticut Municipal Collector and is a member of the Connecticut Tax Collector's Association, Inc. and the Litchfield County Tax Collector's Association. Office hours are posted, or you can reach Laura at 379-3359 Ext.204 or email to [lbartlett@colebrooktownhall.org](mailto:lbartlett@colebrooktownhall.org)



### ASSESSOR'S OFFICE

The Assessor's Office is responsible for discovering, valuing and updating all taxable property including real estate, motor vehicles and personal property in the Town of Colebrook. After the Grand List of taxable property is finalized in January, the budget process begins, finishing with the establishing of a mill rate.

The Assessor's Office also administers many tax relief and exemption programs. If you are elderly (over 65 or a surviving spouse), disabled or blind, are a veteran or currently on active duty in our armed forces, you may be eligible for certain tax relief programs. Renters over the age of 65 or totally disabled may be eligible for the State's Renters Rebate Program. Those landowners interested in preserving their land as FOREST, FARM LAND or OPEN SPACE at a reduced assessment should inquire about the State of Connecticut's Public Act 490 Program.

Please stop in, call 860-379-3359 ext. 206 or email [msloane@colebrooktownhall.org](mailto:msloane@colebrooktownhall.org) for more information or to request applications for any tax relief programs.

Michele Sloane  
Assessor



## LAND USE OFFICE

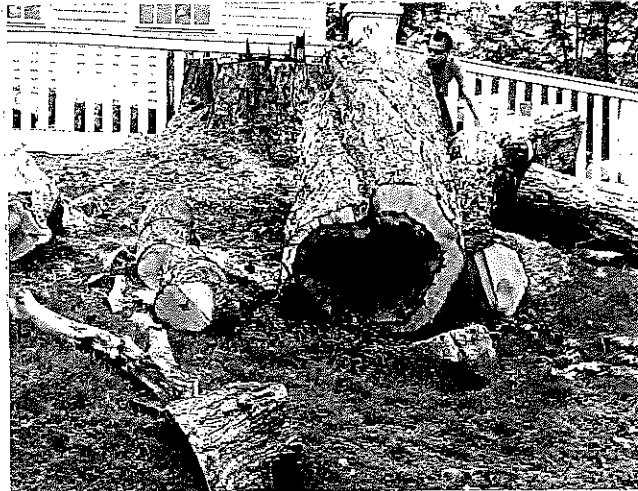
The Land Use Office deals with questions, concerns, and formal approvals relating to the use of residential and commercial properties in town. The office supports three statutory elected boards – the Planning and Zoning Commission, the Inland Wetlands and Watercourse Agency, and the Zoning Board of Appeals. It also coordinates with other town entities, including the building and highway departments, the Historic District Commission and the Conservation Commission. The Land Use officer also works with and relies on the expertise of regional land use organization including the Northwest Conservation District, Farmington River Watershed Association, and Farmington Valley Health District. Karen Griswold Nelson currently serves as Land Use Administrator, Zoning Enforcement Officer, and as secretary to the three Land Use boards. Land Use Office hours are Monday 9AM to 2PM and Friday 9AM to 2PM. The Land Use Office can be reached or messages left at telephone #860-379-3359 extension 209 or email address [kgnelson@colebrooktownhall.org](mailto:kgnelson@colebrooktownhall.org).

The current combined Planning and Zoning Commission, as established at a duly warned town meeting held October 5, 1964, is comprised of five regular members and three alternates. Membership on the Commission is established by nomination and election at the annual town meeting with vacancies filled by the Board of Selectmen. The current members are regular members Robert Suprenant acting chair, Ronald Aubel, James Bickford, James Millar Jr. and Ted Wilber and alternate member Edward Lord III. The Commission meets monthly or as needed for special situations.

The Inland Wetlands and Watercourse Agency, as established in accordance with a town ordinance adopted January 16, 1974, is comprised of five regular members. Membership on the Commission is under the jurisdiction of the Board of Selectmen. The current members are Duncan Wilber, Ray Swanton, John Lossin, and Chip Neal. The Agency meets monthly or as needed for emergency and special situations.

The Zoning Board of Appeals is also comprised of eight members – regular members Fred Williams, chair, Chuck Buchanan, Robert Lauzier, Thomas Lawton, Carol Sherwood, and three alternates Ronald Dorazio, Scott Norton and Noah Ullman. Similar to the Planning & Zoning Commission, membership on the Board is established by nomination and election at the annual town meeting with vacancies filled by the Board of Selectmen. The Board's role is judicial in nature in that it can act on requests for variances from the standing zoning regulations and can hear appeals taken from the decision of the Zoning Enforcement Officer. The Board of Appeals meets on an as needed basis.

Karen Griswold Nelson  
Land Use Administrator  
Zoning Enforcement Officer



## *The Colebrook Historical Society*

*A community treasure – the Seymour Inn, built in 1816, is the home of the Colebrook Historical Society. The museum houses a rich collection representing various aspects of life in Colebrook from the mid 1700's to the present as well as an extensive genealogy department. Work continues by volunteers to restore the interior of the building to its former simplicity and beauty. Special exhibits are held during the summer and fall season as well as community receptions and music programs. One of the highlights has been our Friday Night Gatherings featuring speakers who share their unique and personal historical expertise and experience – a successful event for all the community to enjoy.*

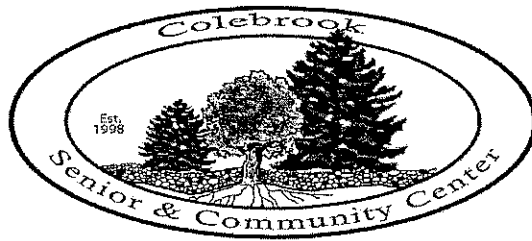
*This year has been a rebirth of the Rock School. The crumbling chimney and footings have now been replaced and restoration work with the plaster and floors will begin this summer. Much work remains, but thanks to many hands and hearts it will happen. Truly a jewel from the past, this school was erected in 1779 educating Colebrook's children until 1911. It has never been electrified nor has it had running water or indoor plumbing! It is used as a learning facility by the Colebrook Consolidated School, has workshops during the summer months and is open to the public on selected weekends or by request.*

*Community is what the Colebrook Historical Society is all about. Stop by the Society to see our community's treasured past on display, attend our special programs during the season and check our website often for details on upcoming events.*

[www.colebrookhistoricalsociety.org](http://www.colebrookhistoricalsociety.org)

*Jan Rathbun, President*





## **The Colebrook Senior and Community Center**

2 School House Road, P.O. Box 5

Colebrook, CT 06021

860-738-9521

[seniordirector@colebrooktownhall.org](mailto:seniordirector@colebrooktownhall.org)

### **OUR MISSION**

The mission statement of the Colebrook Senior and Community Center is to provide appropriate services as needed to the town, to partner with the community civic activities, to offer nutritious meals to seniors and friends, to be an educational as well as recreational place for all ages, and to be an active participant in the Colebrook Community.

### **HOURS OF OPERATION**

The Center is open during the week at varied hours depending on scheduled activities. The Center will open upon request for special activities, events, or meetings. With a fully equipped kitchen and large hall, it is a convenient location for a variety of functions. The Center may also be rented for private parties and gatherings.

### **ACTIVITIES AND SERVICES**

Nutritious, affordable “home-cooked” meals are prepared on-site and served on Tuesdays and Thursdays. In addition we offer monthly brunches, potlucks, restaurant lunch trips, breakfasts, and picnics. All ages are welcomed. Take out and deliveries are available.

Van transportation is available and provided under agreement with Northwest Transit, the Town of Colebrook, and a State grant. Anyone in need of a ride to the Center for activities or events, shopping, town meetings, or appointments may utilize this service.

Regularly scheduled programs have included weekly needlecrafts, quilting, crafts, coffee hour, yoga and fitness classes, and games. Monthly activities include day trips, health screenings, lunch with Colebrook Consolidated School classes, scrapbooking, and community potluck dinners with presentation of an interesting topic. Annually, the Center participates in the Colebrook Fair and the Holiday Craft Fair. It holds three popular fundraising events each year—The Turkey Dinner held in September, a Chicken BBQ in April, and a Corned Beef and Cabbage Dinner in March. In May, the Center hosts the Mother’s Day Tea.

We coordinate with fellow organizations in town to produce an Annual Community Calendar, and a monthly Community Newsletter. The newsletter is available at the Center and the Colebrook Post Office. It is also available via email.

We are deeply grateful to the townspeople of Colebrook for their generous support. We hope to provide activities and services to our community well into the future with your continued support.

Barbara Cormier and Janet Fredsall, Co-Directors

**FOOTHILLS VISITING NURSE & HOME CARE, INC.  
COLEBROOK TOWN REPORT 2011-2012**

Organized as the Winsted Visiting Nurse Assoc. in 1922 by the Red Cross, Foothills Visiting Nurse & Home Care, Inc. has been providing expert, compassionate home health care to the residents of Northwest Connecticut for 90 years. In 1973 the Public Health Nursing Associations of Barkhamsted and New Hartford merged with the Winsted Visiting Nurse Association to create Regional Health Services. In 1974 full services were provided to Colebrook and in 1979 Norfolk Public Health Services merged into this group. In 1991 our name changed to Foothills Visiting Nurse & Home Care, Inc.

Foothills is a State licensed, Medicare certified, non-profit VNA providing care 24 hours a day, 7 days a week. Foothills provides services in the areas of Skilled Nursing, Physical, Occupational and Speech Therapies, Medical Social Work, Hospice, IV Therapy, Dietary, Pediatrics, Wound Care, and Chronic Disease Management. Bereavement Programs and Telemonitoring are also provided.

Foothills VNA is very proud to be named to the 2011, 2010, 2009 and 2008 HomeCare Elite and identified as one of the best Home Care Agencies in the United States.

Foothills has undergone a major building addition project and has added 4,500 square feet of space to its existing building. Project was completed December 31, 2011.

Foothills employs 65 people, 95% of whom reside locally in Northwest Connecticut.

Foothills is proud of its long-standing history with the Town of Colebrook. 17 persons from Colebrook received home health services from Foothills during the past year.

Foothills receives an annual allocation from the town to help defray the costs of providing free Health Promotion visits and Public Health Programs. Health Promotion is a program in which certain elderly at-risk patients, who normally live alone and no longer qualify for insurance benefits, are routinely monitored free of charge by one of our staff nurses.

Seventy (70%) percent of all our patients were age 65 or older.

Foothills offers home cosmetology services by a licensed cosmetologist. Services include hair cuts/sets/permanents and manicures.

Foothills provides free space two days per month for voucher distribution by WIC (Women, Infants, and Children) Nutrition Program.

This past year Foothills was able to conduct 8 public and various private flu and pneumonia clinics and administered 1,402 vaccines to mostly high risk individuals. All ages, 18 and older, were welcome to attend. One clinic was held at the Colebrook Senior Center this past year.

Foot Care Clinics are held every other month at the Community Center. They are currently open to persons 65 or older. Thirty-nine (39) foot care procedures were performed. Blood Pressure and Cholesterol screenings are held monthly at the Community

Center. Blood Pressure readings are free of charge with Cholesterol Screenings costing \$5.00. Seventy nine (79) blood pressures and (2) cholesterol screenings were performed in 2011 - 2012.

Semi-annual preschool Dental Clinics continue to be held at the Agency office. At this clinic a registered dental hygienist cleans teeth and applies fluoride. A nominal \$5.00 donation is suggested.

Since Foothills is a non-profit health agency, the Board of Directors serve on a voluntary basis and represent all the towns in which full services are provided. The representatives from Colebrook for 2011-2012 were:  
Theodore Vaill – Treasurer  
(since – 1977)  
Janet Rathbun- Secretary  
(since – 1989)

Foothills provides full service to the towns of Colebrook, Barkhamsted, New Hartford, Norfolk, and Winsted/Winchester. Foothills provides therapeutic only services to the towns of Burlington, Canaan, Canton, Goshen, Hartland, Harwinton, Litchfield, and Torrington.

Referrals for services are accepted from anyone and services are provided regardless of ability to pay, as long as contributions, grants and other appropriations are sufficient to cover these costs.

Michael Caselas, Executive Director

# Beardsley & Memorial Library

*Serving the Towns of Barkhamsted, Colebrook and Winsted/Winchester.*

40 Munro Place, Winsted, CT 06098

Phone: 860-379-6043 Fax: 860-379-3621

E-Mail: [director@beardsleyandmemorial.org](mailto:director@beardsleyandmemorial.org)

[www.beardsleyandmemorial.org](http://www.beardsleyandmemorial.org)

## ANNUAL REPORT July 2010 – June 2011

*The mission of the Beardsley & Memorial Library is to enrich the lives of our patrons  
by promoting literacy, lifelong learning and cultural enhancement  
to all generations of our diverse community.*

### *Statistics*

<i>Library Patrons</i>	New Cards issued	1,021
	Total Library Patrons	5,132
<i>Library Usage</i>	Reference USA database citation downloads	10,923
	Ancestry.com image downloads	6,335
	Tumblebooks e-books	182
	Downloadable audiobooks	97
	Books on CD	1,874
	DVDs	6,399
	Magazines borrowed	736
	Newspapers	813
	Faxes sent	318
	Museum passes borrowed	220
Books borrowed	46,339	
<i>Adult Programs</i>	Library Sponsored Programs:	31
	Publicly Sponsored Programs:	33
	Total Adult Participation:	697
<i>Interlibrary Loans</i>	Borrowing From Other Libraries:	608
	Lending to Other Libraries:	497
<i>Children's Programming</i>	Story Times and Programs:	119
	Child Participation:	1,299
<i>Teen Programs</i>	Programs:	93
	Teen Participation:	394
<i>Computer Statistics</i>	Patrons using computers:	8,033



## *Professional Memberships and State Programs*

Connecticut Library Consortium  
Connecticut Library Association  
iCONN, Connecticut's Digital Library  
iCONN/ReQuest On-Line Inter Library Loan Program  
Connecticut Library Consortium DVD and Audio Circuits

## *Grants*

Connecticut State Grant	\$ 4226.00
Connecticard Grant	\$ 478.00
Programming gift/grant	\$ 3000.00
<b>TOTAL</b>	<b>\$ 7704.00</b>

## *Operations*

- 4,739 new books, periodicals, CD and DVDs were purchased by the library.
- Hosted educational, cultural, and seasonal programs.
- Conducted Children's Summer Reading Program. 132 children participated.
- Monthly meetings with Teen Advisory Board.
- Celebrated the December Holidays with the Annual Open House and an Amnesty Period for delinquent borrowers.
- Annual audit conducted by Robert E. King and Company CPA.

## *Community*

- Governor's Summer Reading Challenge.
- Northwest Connecticut Read Aloud 2011.
- Internal Revenue Service Forms & Reproducible Copies.
- Riverton Fair
- Labor Day Colebrook Fair
- Winsted Fall Foliage Festival
- Outreach story hours to area daycares.
- School Summer Reading Lists.
- Provided opportunities to fulfill Community Service requirements.
- Annual Rotary Club Pet Parade.

## *Professional Development*

- Chaired Northwest Connecticut Director's Roundtable.
- Attended the Connecticut Library Association Conference
- Attended Connecticut Library Consortium's roundtables for library directors and children's librarians.

## *Summary*

Beardsley and Memorial Library continues to be a community hub of activity. A broad reader base continues to rely on our diverse collection of materials. We brought all of our new adult books together in the main reading room for easier access to patrons. DVDs and museum passes are heavily used as patrons look for inexpensive entertainment in this challenging economy. Books on CD are being used more and more by commuters. We provide links to downloadable audiobooks and adult e-books through iCONN.org. The library automation software that was installed last year has been popular with our patrons as they reserve and renew material from home. Web-enabled resources were used extensively by our patrons this year. Teen programming activity and reading has increased. Programs for children and adults continue to be very popular. We added the subscription Tumblebooks to our children's resources. This electronic resource provides read-along electronic books that teach our youngest patrons to read. Our genealogy and local history department continues to answer research questions for people locally, within the United States, and abroad. Winsted's summer population returns to the library each year for their summer reading needs.

We are pleased to be able to serve Barkhamsted, Colebrook, and Winchester in so many important ways.

Respectfully submitted by the Board of Trustees, Beardsley & Memorial Library

# King, King & Associates, CPAs

*Certified Public Accountants  
Serving Businesses, Individuals, Nonprofits and Governments*

Member of  
American Institute of  
Certified Public Accountants

Connecticut Society of  
Certified Public Accountants

Telephone: (860) 379-0215

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Finance of  
Town of Colebrook, 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 Colebrook, CT, as of and for the year ended June 30, 2011, which collectively comprise the Town of Colebrook, CT's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Colebrook, CT's management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Town of Colebrook, CT's 2010 financial statements and, in our report dated November 10, 2010, we expressed unqualified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall 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 Colebrook, CT, as of June 30, 2011, and the respective changes in financial position 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 16, 2011, on our consideration of The Town of Colebrook, CT'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.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 9 be presented to supplement the basic financial statements. Such information, although not a required part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Colébrook, CT's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and supplemental schedules are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole. The introductory section and supplemental schedules have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*King, King & Associates*

King, King & Associates, CPAs  
Winsted, Connecticut  
December 16, 2011

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**TOWN OF COLEBROOK**  
Management's Discussion and Analysis  
June 30, 2011

As management of the Town of Colebrook, CT, we offer readers of the Town of Colebrook, CT's financial statements this narrative overview and analysis of the financial activities of the Town of Colebrook, CT for the fiscal year ended June 30, 2011.

**Financial Highlights**

- The assets of the Town of Colebrook, CT exceeded its liabilities at the close of the most recent fiscal year by \$6,750,260 (net assets). Of this amount, \$1,546,998 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors. The Capital Projects fund had Restricted Net Assets that amounted to \$6,411. The remainder of the government's net assets is invested in capital assets.
- As of the close of the current fiscal year, the Town of Colebrook, CT's governmental funds reported combined ending fund balances of \$1,406,784, a decrease of \$264,937 in comparison with the prior year and attributable chiefly to various revenues being lower than initially anticipated. Of this amount, \$1,004,929 is available for spending at the government's discretion (unassigned fund balance), \$45,760 has been assigned for subsequent year's appropriations, and \$51,349 has been assigned for other purposes.
- At the end of the current fiscal year, the fund balance for the General Fund was \$1,050,136, of which \$45,760 has been assigned for subsequent year's appropriations leaving an unassigned fund balance for the General Fund of \$1,005,136 or 18% percent of total General Fund expenditures.

**Overview of the Financial Statements**

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

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the Town of Colebrook, CT's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of the Town of Colebrook, CT'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 position of the Town of Colebrook, CT is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets are 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 result in future cash inflows (revenues) and outflows (expenditures.)

Both of the government-wide financial statements present functions of the Town of Colebrook, CT that are principally supported by tax revenues, grants and intergovernmental revenues (*governmental activities*). The governmental activities of the Town of Colebrook, CT include general government, public safety, highways, sanitation, health and welfare, recreation, and education. The town does not report any funds that carry-on business-type activities.

The government-wide financial statements can be found on pages 10-11 of this report.

**TOWN OF COLEBROOK**  
Management's Discussion and Analysis  
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**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Colebrook, CT, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Colebrook, CT 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 government'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 government'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 of Colebrook, CT maintains eight (8) 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. The town also reports the Capital Improvement Fund as a major fund.

The Town of Colebrook, CT adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 12-15 of this report.

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town of Colebrook, CT's own programs.

The basic fiduciary fund financial statements can be found on pages 16-17 of this report.

**Notes to the 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. The notes to the financial statements can be found on pages 18-32 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. In the case of the Town of Colebrook, CT, assets exceeded liabilities by \$6,750,260 at the close of the most recent fiscal year.



**TOWN OF COLEBROOK**  
Management's Discussion and Analysis  
June 30, 2011

	<u>2011</u>	<u>2010</u>
Current and Other Assets	\$ 1,727,804	\$ 1,965,245
Noncurrent Assets	-	4,684
Capital Assets	<u>5,875,696</u>	<u>5,178,798</u>
Total Assets	<u>7,603,500</u>	<u>7,148,727</u>
Other Liabilities	57,056	81,552
Long-Term Liabilities Outstanding	<u>796,184</u>	<u>905,900</u>
Total Liabilities	<u>853,240</u>	<u>987,452</u>
Net Assets:		
Invested in capital assets, net of related debt	5,196,851	4,366,763
Restricted	6,411	5,304
Unrestricted	<u>1,546,998</u>	<u>1,789,208</u>
Total Net Assets	<u>\$ 6,750,260</u>	<u>\$ 6,161,275</u>

The restricted portion of the Town of Colebrook, CT's net assets represents net assets restricted for capital projects. The balance of *unrestricted net assets* (\$1,546,998) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town of Colebrook, CT is able to report that all categories of net assets increased by \$588,985 during this fiscal year. This increase is primarily attributable to:

- Substantial completion of the Bunnell Street Bridge, preliminary work on the Sandy Brook Bridge, the purchase of a new highway vehicle, and the inclusion of the Arnold property as a capital asset all contributed to the 13% increase in the Town's capital assets.
- Property tax and Town Operations revenues were lower than projected and contributed to a reduction in the Town's current assets. Investment income across all Town Funds declined from the prior fiscal year, the result of downward pressure on interest rates and reduced cash reserves available for investment.
- The Town's total liabilities continued to decline due to reduced long-term debt and interest expense.
- A nearly three-fold increase in spending on capital projects resulted in a 39% decline in the cash balance of the Town's Capital Projects Fund.

**TOWN OF COLEBROOK**  
Management's Discussion and Analysis  
June 30, 2011

	<u>2011</u>	<u>2010</u>
<b>Revenues:</b>		
<i>General Revenues:</i>		
Property Taxes	\$ 4,705,603	\$ 4,517,427
Unrestricted Investment Income	3,320	5,325
Grants and Contributions	42,931	52,969
Other Income	16,173	23,478
<i>Program Revenues:</i>		
Charges for Services	85,123	100,037
Operating Grants and Contributions	944,726	790,811
Capital Grants and Contributions	654,412	115,362
<b>Total Revenues</b>	<u><b>6,452,288</b></u>	<u><b>5,605,409</b></u>
<b>Expenditures:</b>		
<i>Governmental Activities:</i>		
General Government	756,710	712,408
Public Safety	132,926	230,251
Public Works	722,544	524,166
Sanitation	201,498	203,872
Health and Welfare	77,628	86,788
Education	3,929,023	3,866,563
Other	42,974	44,728
<b>Total Expenses</b>	<u><b>5,863,303</b></u>	<u><b>5,668,776</b></u>
<i>Change in Net Assets</i>	<i>588,985</i>	<i>(63,367)</i>
Beginning Net Assets	<u>6,161,275</u>	<u>6,224,642</u>
<b>Ending Net Assets</b>	<u><b>\$ 6,750,260</b></u>	<u><b>\$ 6,161,275</b></u>

Governmental activities. Governmental activities increased the Town of Colebrook, CT's net assets by \$588,985.

Key elements of the activities are as follows:

Seventy-three percent (73%) of the revenues of the Town were derived from property taxes, followed by twenty-six percent (26%) from grants and contributions, followed by one percent (1%) from charges for services, followed by less than one percent (1%) from investment and other income.

Major revenue factors included:

- Total intergovernmental revenues to the General Fund exceeded budget by 20%. However, excluding unbudgeted items, intergovernmental revenues were actually .8% below projections. Of the \$151,295 in unbudgeted intergovernmental funds received, 84% were revenue-neutral, and earmarked for specific, non-recurring projects.
- Net revenue from property taxes was .6% lower than budgeted due to reduced collection of prior year taxes and the associated interest.
- Revenue from Town Operations was down 6% from last fiscal year. The decline was largely due to continued weakness in conveyance tax and building permit revenues.
- Interest income to the General Fund fell 48% short of estimate due to the unprecedented decline in interest rates.
- Salt/sand and scrap metal sales, as well as a CIRMA distribution of members equity, contributed to stronger than estimated miscellaneous revenues.

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For Governmental Activities, 67% of the Town's expenses relate to education and repayment of long-term debt for school construction, 4% relates to public safety and health and welfare, 12% relates to public works, and the remaining 17% relates to government, community services, administration and other areas.

Major expense factors include:

- Severe winter weather significantly increased winter maintenance expenses.
- Wind turbine hearings, as well as the preparation of a Community Host Agreement to protect the Town in the event of wind turbine construction, resulted in unanticipated increases in Town Attorney fees.
- Rising fuel costs and unanticipated repairs to aging trucks, equipment, and Town buildings resulted in increased expense in these areas.
- Recycling expenses were 6.3% below budget, partially due to the introduction of single-stream recycling.

### **Financial Analysis of the Government's Funds**

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

**Governmental Funds.** The focus of the Town of Colebrook, CT'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 of Colebrook, CT's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town of Colebrook, CT's governmental funds reported combined ending fund balances of \$1,406,784, a decrease of \$264,937 in comparison with the prior year. Seventy-one (71%) of this total amount constitutes *unassigned fund balance*, which is available for spending at the government's discretion.

The General Fund is the chief operating fund of the Town of Colebrook, CT. At the end of the current fiscal year, total fund balance of the General Fund was \$1,050,896 of which \$45,760 was assigned for subsequent year's appropriations. This represents a decrease of (\$102,529), mostly comprised of a decrease in investment income and receipt of state and federal grants.

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents eighteen percent (18%) of total General Fund expenditures.

### **General Fund Budgetary Highlights**

- On a budget basis, net income for the General Fund declined by \$97,155. Major contributing factors were a decline in the collection of prior year property taxes and the associated interest, as well as reduction in Town Operations revenue and interest income.
- Property tax revenue (after \$15,560 in tax abatements to qualifying members of the Fire Department and First Responders) fell \$30,096 short of estimate.
- Education Cost Sharing revenue exceeded budget by 2%. The State provided 84% of total ECS funding; the remaining 16% was provided by Federal ARRA and Jobs Grant funds. The town's Education budget ended the fiscal year with a modest surplus.
- Unbudgeted Federal ARRA grants totaling \$113,639 were used to fund the repaving of Riverton Road and the installation of solar panels at the Colebrook Consolidated School.
- State LOCIP funds (\$35,000) were used to repave Simons Pond Road.
- The Town received \$17,841 in unbudgeted FEMA funds for the January 2011 snowstorm.

**TOWN OF COLEBROOK**  
Management's Discussion and Analysis  
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- Revenues from Town Operations declined 34% from budget due to continued weakness in building activity and conveyance taxes.
- The Selectmen's Budget ended the fiscal year with a \$10,599 surplus. Two supplemental appropriations were approved to offset higher than expected winter maintenance expenses and Town Attorney fees. These unanticipated expenses were also partially offset by significant savings in recycling, road maintenance, utilities, and medical insurance.
- The Town made its final debt service payment in June 2011 on the Government Obligation Bonds issued in 1991 to renovate the Colebrook Consolidated School and construct the new Center Firehouse.
- Cemetery maintenance expenses to the General Fund were 13% less than budgeted and fully reimbursed by the Town's Cemetery Fund.

### **Capital Projects Fund Highlights**

- The annual appropriation for the Capital Projects Fund was increased to \$190,000 (up from \$80,000 in the prior fiscal year).
- Total assets of the Capital Projects Fund declined 39%. Expenditures nearly tripled over the prior fiscal year with a significant increase in spending on reconstruction of the Bunnell Street Bridge, preliminary work on reconstruction of the Sandy Brook Bridge, replacement of the Colebrook Consolidated School's well system, and purchase of a new highway vehicle.
- Grant income to the Capital Projects Fund increased nearly six fold, with Federal Bridge Grant reimbursement for the Bunnell Street Bridge accounting for 83% of all grant revenue received.
- Interest income declined 61% from the prior year due to continued downward pressure on interest rates and declining Fund balance.
- The Town received a STEAP grant for replacement of the Town Hall/Senior & Community Center generator, making it unnecessary to use the Town Funds already appropriated for this project.

### **Other Fund Highlights**

- While rent revenue increased 1% from the prior fiscal year and debt expense continued to decline, \$7,585 was withdrawn from the Post Office Fund to cover expenses associated with the repair of siding at the Senior & Community Center. This resulted in negative net income for the Post Office Fund.
- Collection of dog license and other fees associated with the Town's Dog Fund were not enough to offset the Fund's expenses. A supplemental appropriation from the General Fund was needed to meet the Dog Fund's ongoing expenses.

### **Capital Asset and Debt Administration**

**Capital assets.** The Town of Colebrook, CT's investment in capital assets for its governmental activities as of June 30, 2011, amounts to \$5,196,851 (net of accumulated depreciation and related debt). This investment in capital assets includes land and buildings, vehicles, machinery and equipment.

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

- Bunnell Street Bridge - \$657,799
- Sandy Brook Bridge - \$103,118
- Highway Vehicle Replacement - \$139,500
- Revaluation Reserve - \$28,407
- Town Hall/Sr. & Community Center Generator - \$21,891
- School Well System Replacement - \$14,575
- School Building Painting - \$3,600
- Fire Company Equipment & Gear Replacement - \$3,503

**TOWN OF COLEBROOK**  
 Management's Discussion and Analysis  
 June 30, 2011

	<u>2011</u>	<u>2010</u>
Land and Infrastructure	\$ 1,127,966	\$ 1,128,627
Construction in Progress	1,233,144	498,737
Buildings and Improvements	2,973,941	3,031,303
Furniture and Fixtures	5,375	6,584
Vehicles	426,949	366,490
Machinery and equipment	<u>108,321</u>	<u>147,057</u>
Total	<u>\$ 5,875,696</u>	<u>\$ 5,178,798</u>

Additional information on the Town of Colebrook, CT's capital assets can be found in Note 4 on pages 26-27 of this report.

**Long-term debt.** The Town of Colebrook, CT has the following obligations.

	<u>2011</u>	<u>2010</u>
General Obligation Bonds	\$ -	\$ 75,000
Notes Payable	678,845	737,035
Early Retirement Incentive	23,474	-
CVFD Tax Abatement	<u>93,865</u>	<u>93,865</u>
Total	<u>\$ 796,184</u>	<u>\$ 905,900</u>

Additional information on the Town of Colebrook, CT's long-term debt can be found in Note 7 on pages 30-31 of this report.

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

These factors were considered in preparing the Town of Colebrook, CT's budget for the 2011-2012 fiscal year.

- A decline in the Grand List following the revaluation will influence the setting of the mill rate for next year's budget.
- Interest rates will likely remain at historic lows until the economy significantly improves.
- High unemployment and housing foreclosure rates may adversely affect tax collections. Town Operation revenues, including building permits and conveyance taxes, will also remain soft if economic weakness continues.
- Long-term outstanding debt and interest expense will continue to decline.
- Unforeseen changes in State and Federal funding levels could impact decisions related to major capital projects, including bridge replacements, road repairs, and future maintenance and improvements to the Colebrook Consolidated School.
- Special education cost increases cannot be predicted.
- Unpredictable swings in energy prices will impact Town utility, fuel, road material, and maintenance budgets.
- The annual appropriation for capital projects will be maintained at the current level. Grants will be used to fund additional, non-budgeted projects.

**Request for Information**

This financial report is designed to provide a general overview of the Town of Colebrook, CT'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 Office, Town of Colebrook, P.O. Box 5, Colebrook 06021.

**TOWN OF COLEBROOK**

Statements of Net Assets

June 30, 2011 and 2010

	<b>Governmental Activities</b>	
	<u>2011</u>	<u>2010</u>
<b>Assets</b>		
<i>Current Assets:</i>		
Cash and Cash Equivalents	\$ 1,408,799	\$ 1,719,415
State and Federal Grants Receivable	41,471	41,558
Taxes Receivable	185,943	135,377
Interest Receivable	83,476	64,400
Other Receivables	7,495	3,875
Other Current Assets	620	620
Total Current Assets	1,727,804	1,965,245
<i>Noncurrent Assets:</i>		
State and Federal Grants Receivable	-	4,684
Capital Assets:		
Nondepreciable	1,550,168	815,761
Depreciable Buildings and Equipment, net	4,325,528	4,363,037
<b>Total Assets</b>	<b>7,603,500</b>	<b>7,148,727</b>
 <b>Liabilities</b>		
<i>Current Liabilities:</i>		
Accounts Payable	35,727	60,618
Accrued Payroll	13,016	12,968
Deferred Revenue	125	79
Due to Others	5,929	5,055
Due to State of Connecticut	2,259	2,832
Total Current Liabilities	57,056	81,552
<i>Noncurrent Liabilities</i>		
Due within One Year	74,126	135,680
Due in More than One Year	722,058	770,220
Total Noncurrent Liabilities	796,184	905,900
<b>Total Liabilities</b>	<b>853,240</b>	<b>987,452</b>
 <b>Net Assets</b>		
Invested in Capital Assets, Net of Related Debt	5,196,851	4,366,763
Restricted	6,411	5,304
Unrestricted	1,546,998	1,789,208
<b>Total Net Assets</b>	<b>\$ 6,750,260</b>	<b>\$ 6,161,275</b>

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

**TOWN OF COLEBROOK**  
Statement of Activities  
For the Year Ended June 30, 2011  
(With Comparative Totals for June 30, 2010)

Functions/Programs	Expenses	Program Revenues			Net (expense)/revenue and changes in net assets	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Governmental Activities	
					2011	2010
Primary Government:						
Governmental Activities						
General Government	\$ 756,710	\$ 50,704	\$ 3,000	\$ -	\$ (703,006)	\$ (647,257)
Public Safety	132,926	2,930	-	-	(129,996)	(226,780)
Highways	722,544	-	237,686	604,199	119,341	(311,847)
Sanitation	201,498	-	-	-	(201,498)	(203,872)
Health and Welfare	77,628	2,800	10,547	25,000	(39,281)	(73,655)
Education	3,929,023	28,689	693,493	25,213	(3,181,628)	(3,154,427)
Other	42,974	-	-	-	(42,974)	(44,728)
Total Governmental Activities	<u>5,863,303</u>	<u>85,123</u>	<u>944,726</u>	<u>654,412</u>	<u>(4,179,042)</u>	<u>(4,662,566)</u>
<b>Total Primary Government</b>	<b><u>\$ 5,863,303</u></b>	<b><u>\$ 85,123</u></b>	<b><u>\$ 944,726</u></b>	<b><u>\$ 654,412</u></b>		
<i>General Revenues:</i>						
Property Taxes Levied for General Purposes					4,705,603	4,517,427
Unrestricted Investment Income					3,320	5,325
Grants and Contributions Not Restricted to Specific Purpose					42,931	52,969
Other Income					16,173	23,478
Total General Revenues					<u>4,768,027</u>	<u>4,599,199</u>
Change in Net Assets					588,985	(63,367)
Net Assets - Beginning (as restated)					<u>6,161,275</u>	<u>6,224,642</u>
<b>Net Assets - Ending</b>					<b><u>\$ 6,750,260</u></b>	<b><u>\$ 6,161,275</u></b>

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

**TOWN OF COLEBROOK**

Balance Sheet

Governmental Funds

June 30, 2011

(With Comparative Totals for June 30, 2010)

	General Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds	
				2011	2010
<b>Assets</b>					
Cash and Cash Equivalents	\$ 1,071,454	\$ 223,298	\$ 114,047	\$ 1,408,799	\$ 1,719,415
Taxes Receivable	185,943	-	-	185,943	135,377
State and Federal Grants Receivable	15,439	24,366	1,666	41,471	18,384
Other Receivables	7,388	-	107	7,495	3,875
Interfund Receivables	7,375	-	4,167	11,542	11,006
Inventory	-	-	620	620	620
<b>Total Assets</b>	<b>\$ 1,287,599</b>	<b>\$ 247,664</b>	<b>\$ 120,607</b>	<b>\$ 1,655,870</b>	<b>\$ 1,888,677</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts Payable	32,685	3,020	22	35,727	60,618
Accrued Payroll	13,016	-	-	13,016	12,968
Due to State of Connecticut	418	-	1,841	2,259	2,832
Due to Others	5,929	-	-	5,929	5,055
Interfund Payables	4,167	-	7,375	11,542	11,006
Deferred Revenue-Taxes/Grants	180,488	-	125	180,613	124,477
<b>Total Liabilities</b>	<b>236,703</b>	<b>3,020</b>	<b>9,363</b>	<b>249,086</b>	<b>216,956</b>
<b>Fund Balance:</b>					
<b>Nonspendable:</b>					
Cafeteria Inventory	-	-	620	620	620
<b>Restricted For:</b>					
Cemetery	-	-	80,256	80,256	83,421
Historical Document Preservation	-	-	3,437	3,437	2,699
<b>Committed To:</b>					
Capital Projects	-	220,433	-	220,433	376,699
<b>Assigned To:</b>					
Subsequent Year's Budget	45,760	-	-	45,760	3,785
Other Purposes (See Note 11)	-	24,211	27,138	51,349	55,535
<b>Unassigned</b>	<b>1,005,136</b>	<b>-</b>	<b>(207)</b>	<b>1,004,929</b>	<b>1,148,962</b>
<b>Total Fund Balance</b>	<b>1,050,896</b>	<b>244,644</b>	<b>111,244</b>	<b>1,406,784</b>	<b>1,671,721</b>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 1,287,599</b>	<b>\$ 247,664</b>	<b>\$ 120,607</b>	<b>\$ 1,655,870</b>	<b>\$ 1,888,677</b>

Amounts reported for *governmental activities* in the statement of net assets are different because:

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

5,875,696

Deferred revenue for property taxes are reported in the funds but accrued as revenue in the government-wide statements and added to net assets.

180,488

The governmental funds Balance Sheet includes revenues that will only be available to pay current period liabilities. Adjustments are necessary to accrue receivables of all earned revenues.

83,476

Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

(796,184)

Net assets of governmental activities

\$ 6,750,260



**TOWN OF COLEBROOK**

Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds

For the Year Ended June 30, 2011  
(With Comparative Totals for June 30, 2010)

	General Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds	
				2011	2010
<b>Revenues:</b>					
Property Taxes	\$4,630,437	\$ -	\$ -	\$ 4,630,437	\$4,506,416
Investment Income	2,616	560	144	3,320	5,325
Fees and Charges	49,966	1,107	35,157	86,230	101,018
Contributions	-	-	-	-	550
Intergovernmental Revenue	987,607	628,092	53,121	1,668,820	979,615
Other	9,805	-	6,368	16,173	23,478
Total Revenues	<u>5,680,431</u>	<u>629,759</u>	<u>94,790</u>	<u>6,404,980</u>	<u>5,616,402</u>
<b>Expenditures:</b>					
Current					
General Government	584,100	-	10,585	594,685	554,729
Public Safety	66,593	-	3,459	70,052	69,541
Highways	663,240	-	-	663,240	475,381
Senior Center	37,348	-	-	37,348	46,147
Health and Welfare	30,761	-	-	30,761	31,239
Miscellaneous	42,974	-	-	42,974	44,728
Sanitation	201,498	-	-	201,498	203,872
Education	3,801,654	-	79,520	3,881,174	3,812,631
Debt Service	169,875	-	3,269	173,144	181,649
Capital Outlay	-	975,041	-	975,041	335,178
Total Expenditures	<u>5,598,043</u>	<u>975,041</u>	<u>96,833</u>	<u>6,669,917</u>	<u>5,755,095</u>
Excess/(Deficiency) of Revenues Over Expenditures	82,388	(345,282)	(2,043)	(264,937)	(138,693)
<b>Other Financing Sources/(Uses):</b>					
Operating Transfers Out	(191,000)	-	(6,083)	(197,083)	(87,053)
Operating Transfers In	6,083	190,000	1,000	197,083	87,053
Total Other Financing Sources/(Uses)	<u>(184,917)</u>	<u>190,000</u>	<u>(5,083)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(102,529)	(155,282)	(7,126)	(264,937)	(138,693)
Fund Balance at Beginning of Year	<u>1,153,425</u>	<u>399,926</u>	<u>118,370</u>	<u>1,671,721</u>	<u>1,810,414</u>
Fund Balance End of Year	<u>\$ 1,050,896</u>	<u>\$ 244,644</u>	<u>\$ 111,244</u>	<u>\$ 1,406,784</u>	<u>\$ 1,671,721</u>

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

## TOWN OF COLEBROOK

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended June 30, 2011

**Net Change in Fund Balances - Total Governmental Funds** \$ (264,937)

**Amounts reported for governmental activities in the Statement of Activities are different because:**

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 as depreciation expense.

<i>Capital expenditures</i>	974,706
<i>Depreciation expense</i>	(277,808)

Revenues in the Statement of Activities that do not provide current financial resources are reported as deferred revenues in the funds. Accordingly, an adjustment is necessary to reconcile amounts reported as interest receivable in the government-wide Statement of Net Assets and as deferred revenue in the fund Balance Sheet.

<i>Deferred tax revenue</i>	56,090
-----------------------------	--------

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets.

<i>Early Retirement Incentive</i>	(23,474)
<i>General Obligation Bond principal payments</i>	75,000
<i>Notes Payable principal payments</i>	58,190

Some receivables provide current financial resources to governmental funds, but reduce grant receivables in the Statement of Net Assets. These are the amounts of current economic resources reclassified as a balance sheet adjustment.

<i>Current portion of long-term grant receivable</i>	(27,858)
<i>Net change in interest receivable</i>	<u>19,076</u>

**Change in net assets of governmental activities.** \$ 588,985

**TOWN OF COLEBROOK**  
 Budgetary Comparison Schedule  
 General Fund  
 For the Year Ended June 30, 2011

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	Variance Favorable/ <u>(Unfavorable)</u>
<b>Revenues:</b>				
Taxes	\$ 4,666,058	\$ 4,666,058	\$ 4,635,962	\$ (30,096)
Investment Income	5,000	5,000	2,616	(2,384)
Fees and Charges	65,000	65,000	42,627	(22,373)
Intergovernmental Revenue	719,714	719,714	738,106	18,392
Other	9,000	9,000	19,521	10,521
Appropriated from Surplus	3,785	44,785	97,155	52,370
Total Revenues	<u>5,468,557</u>	<u>5,509,557</u>	<u>5,535,987</u>	<u>26,430</u>
<b>Expenditures:</b>				
General Government	500,917	534,230	526,804	7,426
Public Safety	65,790	66,862	66,593	269
Highways	461,812	544,833	544,257	576
Town Hall Expenditures	41,900	41,849	41,958	(109)
Senior Center Expenditures	45,297	41,881	40,981	900
Health and Welfare	31,361	31,361	30,761	600
Miscellaneous	44,347	43,910	42,974	936
Refuse Disposal	215,000	201,498	201,498	-
Debt Service	169,815	169,815	169,875	(60)
Other Expenditures	-	1,000	36,093	(35,093)
Education	3,642,318	3,642,318	3,644,193	(1,875)
Capital Outlay	250,000	190,000	190,000	-
Total Expenditures	<u>5,468,557</u>	<u>5,509,557</u>	<u>5,535,987</u>	<u>(26,430)</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

**TOWN OF COLEBROOK**  
 Statements of Fiduciary Net Assets  
 Fiduciary Funds  
 For the Year Ended June 30, 2011  
 (With Comparative Totals for June 30, 2010)

	Pension <u>Trust Fund</u>	Agency <u>Funds</u>	<u>Totals</u>	
			<u>2011</u>	<u>2010</u>
<b>Assets</b>				
Cash and Cash Equivalents	\$ -	\$ 66,323	\$ 66,323	\$ 68,336
Investments	<u>161,610</u>	<u>-</u>	<u>161,610</u>	<u>118,261</u>
Total Assets	<u>161,610</u>	<u>66,323</u>	<u>227,933</u>	<u>186,597</u>
<b>Liabilities</b>				
Due to Beneficiaries	-	61,045	61,045	62,215
Due to Others	<u>-</u>	<u>5,278</u>	<u>5,278</u>	<u>6,121</u>
Total Liabilities	<u>-</u>	<u>66,323</u>	<u>66,323</u>	<u>68,336</u>
<b>Net Assets</b>				
Held in Trust for Pension Benefits	<u>161,610</u>	<u>-</u>	<u>161,610</u>	<u>118,261</u>
Total Net Assets	<u>\$ 161,610</u>	<u>\$ -</u>	<u>\$ 161,610</u>	<u>\$ 118,261</u>

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

**TOWN OF COLEBROOK**  
 Statements of Changes in Fiduciary Net Assets  
 Fiduciary Funds  
 For the Years Ended June 30, 2011 and 2010

	Pension Trust Fund	
<b>Additions</b>	<u>2011</u>	<u>2010</u>
Contributions	\$ 13,711	\$ 13,406
Investment Income	<u>29,638</u>	<u>7,993</u>
Total Additions	<u>43,349</u>	<u>21,399</u>
<b>Deductions</b>		
General Government	<u>-</u>	<u>-</u>
Total Deductions	<u>-</u>	<u>-</u>
Change in Net Assets	43,349	21,399
<b>Net Assets - Beginning</b>	<u>118,261</u>	<u>96,862</u>
<b>Net Assets - Ending</b>	<u>\$ 161,610</u>	<u>\$ 118,261</u>

The accompanying notes are an integral part of these financial statements.

**TOWN OF COLEBROOK**  
Notes to the Financial Statements

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

*Reporting Entity*

The Town of Colebrook, CT is a municipal corporation organized under state statutes. The form of government includes an elected Board of Selectmen and an elected Board of Finance. The Town provides the following services: general government services, public safety, public works, public health and welfare, refuse removal, and recreation. The Colebrook Consolidated School, whose operations are presented in the Town's financial statements, provides primary education services. Secondary education services are provided by Regional School District #7, of which the Towns of Colebrook, New Hartford, Barkhamsted, and Norfolk are members. Town appropriations to the school district are determined by a separate taxpayer approved budget and the percentage of Colebrook residents attending the District's schools.

The Legislative authority of the Town is vested in the Town Meeting. The First Selectman is the chief executive and chief administrative officer. Budget-making authority of the Town resides in the Board of Selectmen. The Board of Finance is responsible for revising the proposed budget and submitting the final budget to the Town Meeting. The Board of Finance is also responsible for establishing the annual tax rate. The Town has the power to incur indebtedness by issuing bonds or notes as provided by the Connecticut General Statutes.

The accounting and reporting policies of the Town relating to the funds included in the accompanying financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. The more significant accounting policies of the Town are described below.

The Town's financial statements include the accounts of all Town controlled operations. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Town of Colebrook, CT (the primary government) and its component units. The basic criteria for inclusion of a component unit in a governmental unit's reporting entity for basic financial reporting is the exercise of oversight responsibility. Oversight responsibility is determined on the basis of financial interdependence, selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters and scope of public service. Currently, there are no entities considered component units of the Town. The Town includes all funds, agencies, boards, commissions, and authorities that are controlled by or dependent on the Town's executive and legislative branches.

The financial statements presented herein do not include agencies which have been formed under applicable State laws or separate and distinct units of government apart from the Town of Colebrook, CT. Based upon the foregoing criteria, the following organizations are not considered part of the Town and are excluded from the accompanying financial statements.

***Regional School District No. 7*** – *The School District provides secondary educational services for the Towns of Colebrook, New Hartford, Barkhamsted, and Norfolk, Connecticut. The Town pays tuition and other fees to the school district on a per pupil basis. The financial statements include the operations of the local school system for primary and intermediate grades, which are controlled by the Town.*

***Colebrook Center Fire and Forge Fire Departments*** – *Certain activities and allocations are included in the financial statements, except for the fundraising activities of the department, which are excluded.*

***Connecticut Teachers' Retirement Board*** – *The State administers the pension plan for teachers. The Town does not make contributions to the teachers' plan nor does it exercise any control.*

**TOWN OF COLEBROOK**  
Notes to the Financial Statements

**Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities 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 funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

**Measurement focus, basis of accounting, and financial statements presentation**

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Their revenues are recognized when they become measurable and available. Available means collectible within the current period or soon enough thereafter to be used 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. Exceptions to this general rule include: voluntary non-exchange transactions when all eligibility requirements have been met. Expenditures are generally recorded when a liability is incurred. Exceptions to this general rule include: compensated absences, debt service, and claims and judgments that are recorded only when payment is due.

Property taxes when levied, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government, or specifically identified.

The government reports the following major governmental funds:

The *General Fund* is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another manner.

The *Capital Projects Fund* is used to account capital acquisition and improvements. This is a perpetual fund financed through annual budget appropriations.

Additionally, the government reports the following fund types:

***Fiduciary Fund Types***

Agency Funds account for monies held as a custodian for outside groups and agencies.

**TOWN OF COLEBROOK**  
Notes to the Financial Statements

The *Pension Fund* reports amounts contributed by employees and the Town to the defined contribution plan.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Boards.

Amounts reported as *program revenues* include 1) charges to members and residents for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions.

When both restricted and unrestricted resources are available for certain expenses, the town expends restricted resources first and uses unrestricted resources when the restricted funds are depleted.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

*Assets, Liabilities, and Net Assets or Equity*

*Cash and Cash Equivalents* – The deposit of public funds is controlled by the Connecticut General Statutes. The Town maintains separate accounts with depositories where necessary. Cash applicable to a particular fund is readily identifiable. Cash in excess of current requirements is invested in various interest-bearing accounts, certificates of deposit, and pooled investment funds that may be deemed to be cash equivalents based on maturity date or availability of conversion to cash. Cash and cash equivalents are stated at cost, which approximates market value and have maturities of three months or less.

*Receivables and Payables* – All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. The Town has established an allowance for estimated uncollectible property taxes in the amount of \$5,000. The Town's property taxes are levied each July 1, on the assessed value listed on the prior October 1 Grand List for all taxable property located in the Town. Taxes are due and payable in two installments on July 1 and January 1 for real property and personal property and on July 1 for motor vehicles. Additional property taxes are assessed for motor vehicles registered subsequent to the Grand List date through September 30 and are payable in one installment due January 1. The Town files liens against property if taxes, which are due July 1, remain unpaid on the following February 1.

Property tax revenues are recognized when they become available. Available includes those property tax receivables expected to be collected within sixty days after year-end. Delinquent taxes are considered fully collectible.

*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, 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. Other trust funds may also invest in stocks, bonds, or other securities



**TOWN OF COLEBROOK**  
Notes to the Financial Statements

selected by the Trustee. The pension fund participants invest in various mutual funds provided by the Trustee.

*Inventories* – Inventories in the School Cafeteria Fund are reported at cost.

*Advances to and from other funds* - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

*Capital Assets* – Capital assets, which include equipment, fixtures, and other long-lived assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$2,500 (\$5,000 for buildings, infrastructure and land) and have an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings & Improvements	20-50
Vehicles	5-10
Equipment	5-10
Infrastructure	20

*Long-term obligations* – In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable 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.

Long-term debt is recognized as a liability of a governmental fund when it is due or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

*Fund equity and net assets*– In the government-wide financial statements, net assets are classified in the following categories:

*Invested in Capital Assets, Net of Related Debt* – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduces this category.

**TOWN OF COLEBROOK**  
Notes to the Financial Statements

*Restricted Net Assets* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations or other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

*Unrestricted Net Assets* – This category represents the net assets of the Town, which are not restricted for any project or other purpose.

In the fund financial statements, fund balances of governmental funds are classified in the following five separate categories:

*Nonspendable Fund Balance* – Indicates amounts that cannot be spent because they are either not in spendable form, or are legally or contractually required to be maintained intact. Examples are items that are not expected to be converted to cash including prepaid expenditures and permanent fund principal.

*Restricted Fund Balance* – Indicates amounts that are restricted to specific purposes. The spending constraints placed on the use of fund balance amounts are externally imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

*Committed Fund Balance* – Indicates amounts that can be used only for specific purposes pursuant to constraints imposed by formal budgetary action of the Board of Finance and Town Meeting in accordance with provisions of the Connecticut General Statutes.

*Assigned Fund Balance* – Indicates amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by informal action of the Board of Selectman or Board of Finance.

*Unassigned Fund Balance* – Represents the remaining fund balance after amounts are set aside for all other classifications.

The Town has not established a formal policy for its use of restricted and unrestricted (committed, assigned, unassigned) fund balance; however, the Town generally used restricted fund balance first if the expenditure meets the restricted purpose, followed by committed, assigned and unassigned amounts.

The Town has not formally enacted legislation or Board policies requiring it to maintain a minimum fund balance.

**NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

*Budgetary Information and Accounting*

The Town of Colebrook, CT follows these procedures in establishing the budgetary data reflected in the financial statements:

- A proposed operating budget is submitted for the fiscal year.
- Public hearings are conducted in the Town to obtain taxpayer comments.
- The budget is legally enacted through passage at a Town meeting. The operating budget includes proposed expenditures and the means of financing them.

**TOWN OF COLEBROOK**  
Notes to the Financial Statements

- The Board of Finance is authorized to transfer budgeted amounts between departments within any fund; however, any additional appropriations exceeding \$20,000 over the total budget must be approved at a Town meeting.
- Formal budgetary integration is employed as a management control device during the year for the General Fund.
- All noncontinuing appropriations lapse at year-end. Capital appropriations do not lapse until completion of the applicable projects.
- Encumbrance accounting is not used.

*Budgetary/GAAP Reconciliation*

The Town of Colebrook, CT prepares its annual budget on a basis (budget basis), which differs in some respects from generally accepted accounting principles (GAAP basis). The budget and all transactions are presented in accordance with the Town's method (budget basis) in the *Budgetary Comparison Schedule - General Fund* to provide a meaningful comparison of actual results with the budget. The major differences between budget and GAAP basis are that property taxes are recorded as revenues when received (budget) rather than available (GAAP) and certain interfund transfers are recorded as expenditures (budget) rather than operating transfers (GAAP). The budget as presented has been amended by the Board of Finance throughout the year.

Adjustments necessary to reconcile the budget basis to GAAP basis are presented below:

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources/(Uses)</u>	<u>Net Change</u>
Balance, Budgetary Basis	\$ 5,535,987	\$ 5,535,987	\$ -	\$ -
Revenue Adjustments for:				
Property Taxes Available	(5,525)	-	-	(5,525)
Fees & Charges	1,717	-	-	1,717
Other Revenues	255,123	-	-	255,123
Transfers In	(9,716)	(3,633)	6,083	-
Use of Fund Balance	(97,155)	-	-	(97,155)
Expenditure Adjustments for:				
Transfers Out	-	(191,000)	(191,000)	-
Other Expenditures	-	256,689	-	(256,689)
Balance, GAAP Basis	<u>\$ 5,680,431</u>	<u>\$ 5,598,043</u>	<u>\$ (184,917)</u>	<u>\$ (102,529)</u>

**Excess of Expenditures Over Appropriations**

For the year ended June 30, 2011, expenditures exceeded appropriations in the Debt Service Department by \$60, the Town Hall Department by \$109, the Education Department by \$1,875, and the Other Expenditures Department by \$35,093. The amounts were funded through cost savings in other departments and a \$35,000 LOCIP grant.

**TOWN OF COLEBROOK**  
Notes to the Financial Statements

**Risk Management**

The Town is exposed to various risks of loss relating to liability, theft or impairment of assets, errors or omissions, injuries to employees and natural disasters. Commercial liability and property insurance coverage is purchased to protect against losses from these risks. Additionally, employee health coverage is purchased from a commercial carrier. The Town does not maintain a self-insurance fund. There was no significant reduction coverage from the prior year.

The Town belongs to the Connecticut Interlocal Risk Management Agency (CIRMA), a public entity risk pool currently operating as a common risk management and insurance program for a comprehensive workers' compensation insurance program through its workers' compensation pool. The Town pays an annual premium to the pool for its coverage. The agreement for the formation of CIRMA provides that the pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$1,000,000 for each insured event to an unlimited excess limit. The pooling agreement allows CIRMA to make additional assessments to make the pool self-sustaining. The Town cannot estimate the amount of such additional assessments and has not been notified that any assessments are forthcoming. CIRMA publishes its own financial report, which can be obtained from: CIRMA, 900 Chapel Street, New Haven, CT.

**NOTE 3 – CASH EQUIVALENTS, INVESTMENTS, AND RECEIVABLES**

**Cash and Cash Equivalents**

The deposits of public funds are controlled by the Connecticut General Statutes. The following is a summary of cash and cash equivalents at June 30, 2011 and 2010:

	Governmental	Fiduciary	Totals	
	Funds	Funds	2011	2010
Demand Accounts	\$ 378,446	\$ 26,487	\$ 404,933	\$ 536,564
Short Term Investment Fund	853,332	-	853,332	1,047,389
MBIA CLASS Fund	173,882	39,836	213,718	203,550
Other Cash Equivalents	3,139	-	3,139	248
<b>Total Cash and Cash Equivalents</b>	<b>\$ 1,408,799</b>	<b>\$ 66,323</b>	<b>\$ 1,475,122</b>	<b>\$ 1,787,751</b>

**Detailed Cash Notes on all Funds**

**Deposits and Investments**

*Custodial Credit Risk - Deposits:* Custodial credit risk is the 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. At year-end, the town's carrying amount of deposits was \$404,933 and the bank balance was \$432,162. Of the bank balance, Federal Depository Insurance Corporation covered \$278,902. As of June 30, 2011, \$153,260 of the Town's demand bank balance of \$432,162 was exposed to custodial credit risk as follows:

	<u>Demand Accounts</u>
Uninsured and uncollateralized	\$ 112,934
Uninsured and collateral held by pledging bank's Trust department not in the Town's name	<u>40,326</u>
<b>Total</b>	<b>\$ <u>153,260</u></b>

**TOWN OF COLEBROOK**  
Notes to the Financial Statements

*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 limits the investment choices further than the State Statutes listed above. The STIF is a Standard & Poor's AAAM rated investment pool of high-quality, short term money market instruments managed by the Cash Management Division of the State Treasurer's Office. Credit ratings were not available for the Town's other investments.

*Custodial Credit Risk.* This is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Town's money market and state-administered pooled investments are not subject to custodial credit risk, as the Town's investment is not directly exposed to custodial credit risk. Pension fund investments consists of annuities and mutual funds and are not exposed to custodial credit risk because they are direct contractual investments and are not securities.

	<u>2011</u>	<u>2010</u>
Mutual Funds	\$ 161,610	\$ 118,261
Total	<u>\$ 161,610</u>	<u>\$ 118,261</u>

**Receivables**

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

	General	Capital	Nonmajor	<u>Totals</u>	
	<u>Fund</u>	<u>Projects</u> <u>Fund</u>	<u>Funds</u>	<u>2011</u>	<u>2010</u>
Property Taxes *	\$ 185,943	\$ -	\$ -	\$ 185,943	\$ 135,377
Grants Receivable	15,439	24,366	1,666	41,471	18,384
Other Receivables	<u>7,388</u>	<u>-</u>	<u>107</u>	<u>7,495</u>	<u>3,875</u>
Net Total Receivables	<u>\$ 208,770</u>	<u>\$ 24,366</u>	<u>\$ 1,773</u>	<u>\$ 234,909</u>	<u>\$ 157,636</u>

\*Property taxes receivable are shown net of \$5,000 allowance for uncollectible accounts.

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 earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>2011</u>	<u>2010</u>
Deferred Property Taxes	\$180,488	\$124,398
Deferred Grant Revenue	125	79

Government-wide financial statements include a receivable that will not provide current financial resources. The government-wide receivable consists of interest receivable of \$83,476.

**TOWN OF COLEBROOK**  
Notes to the Financial Statements

**NOTE 4 – CAPITAL ASSETS**

The following is a summary of net changes in fixed assets for the fiscal year ending June 30, 2011:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<b>Governmental Activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 317,024	\$ -	\$ -	\$ 317,024
Construction in Progress	498,737	782,808	48,401	1,233,144
Total capital assets, not being depreciated	<u>815,761</u>	<u>782,808</u>	<u>48,401</u>	<u>1,550,168</u>
Capital assets, being depreciated:				
Buildings & Improvements	4,693,132	51,095	-	4,744,227
Infrastructure	965,882	49,704	-	1,015,586
Furniture & Fixtures	8,468	-	-	8,468
Vehicles	1,167,838	139,500	67,151	1,240,187
Machinery and Equipment	487,599	-	-	487,599
Total capital assets being depreciated	<u>7,322,919</u>	<u>240,299</u>	<u>67,151</u>	<u>7,496,067</u>
Less accumulated depreciation for:				
Buildings & Improvements	1,661,829	108,457	-	1,770,286
Infrastructure	154,279	50,365	-	204,644
Furniture & Fixtures	1,884	1,209	-	3,093
Vehicles	801,348	79,041	67,151	813,238
Machinery and Equipment	340,542	38,736	-	379,278
Total accumulated depreciation	<u>2,959,882</u>	<u>277,808</u>	<u>67,151</u>	<u>3,170,539</u>
Total capital assets, being depreciated, net	<u>4,363,037</u>	<u>(37,509)</u>	<u>-</u>	<u>4,325,528</u>
Governmental activities capital assets, net	<u>\$ 5,178,798</u>	<u>\$ 745,299</u>	<u>\$ 48,401</u>	<u>\$ 5,875,696</u>

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

Governmental Activities:	<u>2011</u>	<u>2010</u>
General Government	\$ 107,601	\$ 108,328
Public Works	58,144	47,005
Public Safety	57,639	57,883
Health and Welfare	44,905	9,402
Education	9,519	45,847
Total Depreciation Expense	<u>\$ 277,808</u>	<u>\$ 268,465</u>

**TOWN OF COLEBROOK**  
Notes to the Financial Statements

The Town has active construction projects as of June 30, 2011. The year-end total accumulated construction costs are:

Bunnell Street Bridge	\$ 657,799.29
Sandy Brook Bridge	103,117.60
Senior Center Generator	<u>21,890.61</u>
	<b>\$ 782,807.50</b>

These projects were completed shortly after year-end.

**NOTE 5 – PENSION PLANS**

**Connecticut State Teacher's Retirement System**

Certified teachers in the Town of Colebrook, CT are eligible to participate in the State of Connecticut's Teacher's Retirement System, a multiple-employer, employer's noncontributory public employee's retirement system. A member who completes 10 years of Connecticut public school service is eligible for a vested benefit commencing at age 60. Members are required to contribute seven percent of their annual salary to the system as required by section 10-183b(7) C.G.S. The State contributes amounts based on actuarial estimates. The State's aggregate contribution to the plan for the fiscal year ended June 30, 2011 for all participating local governments was \$581,593,216.

The amount of the contribution allocable to the Town was estimated to be \$127,741, and has been recognized as a government grant and an education expenditure in the General Fund. For the year ended June 30, 2011, teachers for the Town of Colebrook, CT contributed \$58,261 to the plan. The Town does not contribute to the system nor does it have any legal obligation for benefits.

**Town Employees**

The Town of Colebrook, CT adopted and administers a defined contribution pension plan (Town of Colebrook Employees Pension Plan) to provide benefits at retirement to employees of the Town. All full-time employees having attained age 21 are eligible to participate in the plan on the first of July nearest the completion of twenty-four months of service.

An eligible employee is one who has worked a minimum of 1,675 hours during the plan year, and who is actively employed as of the annual plan valuation date.

At July 1, 2011, there were 7 plan members. The Town is required to contribute an amount equal to 5% of annual covered payroll. A provision has been included to allow pre-tax employee contributions up to 100% of compensation, subject to IRS dollar limits of \$16,500 for 2010-2011. Any participant who is age 50 or older could be eligible for a "catch-up" contribution of \$5,500 in 2010-2011. Income accumulated tax-free until distribution from the plan.

Vesting percentages, based on years of services, are as follows:

<u>Years of Service</u>	<u>Vesting %</u>
Less than 3	0%
3 but less than 4	20%
4 but less than 5	40%
5 but less than 6	60%
6 but less than 7	80%
7 or more	100%

The Town's required 5% contribution was \$10,059. The Board of Education's required 5% contribution was \$3,652. There were no benefit payouts this year. There were no participant contributions for the year.

**TOWN OF COLEBROOK**  
Notes to the Financial Statements

At June 30, 2011, membership in the Plan consisted of:

Current employees:	
Fully or partially vested	
Town	5
Board of Education	2
Nonvested	
Terminated/Retired	0
Town	<u>1</u>
Total	<u>8</u>

Contributions are placed into individual participant accounts, where the funds are invested in mutual funds at the employees' discretion. Each participant has ownership of his or her respective accounts. Plan provisions and contribution requirements are established and may be amended by the Town of Colebrook, CT.

**Significant Accounting Policies**

*Basis of Accounting.* Financial statements are prepared using the accrual basis of accounting. Employer and plan member contributions are recognized in the period that the contributions are due.

*Method Used to Value Investments.* Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair values.

**NOTE 6 – OTHER POSTEMPLOYMENT BENEFITS**

**Description**

The Town has established and administers the Town of Colebrook Volunteer Fire Department Tax Abatement Program. The program provides a real estate and/or motor vehicle property tax abatement for eligible members and senior members for up to but not to exceed \$1,000 or amount of their property for the fiscal year immediately following the certification date. Active members must earn 60 service points in the calendar year preceding the start of the Town's next fiscal year. Senior members receive a "Post Employment" lifetime tax abatement benefit. To be eligible for senior member status, a member must: complete at least 25 years as an active member; turn age 60 or greater by December 31<sup>st</sup> during the preceding tax year of senior member tax abatement; be an active current member to be eligible for lifetime abatement; once an active member becomes a lifetime member, they do not have to continue to be an active member beyond the first eligibility year; own taxable or real property in Town of Colebrook, benefits will cease at anytime the participant does not own taxable or real property in Town of Colebrook. Benefits will cease at death and will not be available to spouse. The Town is applying the requirements of GASB No.45 prospectively. The plan currently includes 60 active participants and 3 retired participants receiving the benefit.

**Funding Policy**

The contribution requirements are established and may be amended by the Town. The Town appropriates funds annually for the costs associated with this retirement benefit through the General Fund. The revenue loss for the tax abatement program is recognized on the budget basis as a reduction of property tax revenue. During the year the revenue loss totaled \$15,560.

**Annual OPEB Cost and Net OPEB Obligation**

The Town's annual OPEB (other post employment benefit) cost is calculated based on the vested other post employment benefits accumulated obligation and non-vested other post employment



**TOWN OF COLEBROOK**  
Notes to the Financial Statements

benefits accumulated obligation. The following table presents the components of the Town's unfunded OPEB projected obligation.

	<u>June 30, 2010</u>
Vested Other Post Employment Benefits Accumulated Obligation	
Active Participants	-
Retired and Vested Terminated Participants	27,614
Total	27,614
Non-Vested Other Post Employment Benefits Accumulated Obligation	66,251
Total Other Post Employment Benefits Accumulated Obligation	93,865
Effects of Estimated Future Pay Increases	-
Total Other Post Employment Benefits Projected Obligation	93,865
Market Value of Assets (including receivables)	-
Unfunded Other Post Employment Benefits Projected Obligation	\$ 93,865

The Town's vested OPEB accumulated obligation, the non-vested OPEB accumulated obligation, and the unfunded OPEB projected obligation for 2010 are as follows:

Fiscal Year <u>Ended</u>	Vested OPEB Accumulated <u>Obligation</u>	Non-Vested OPEB Accumulated <u>Obligation</u>	Unfunded OPEB Projected <u>Obligation</u>
2010	\$ 27,614	\$ 66,251	\$ 93,865

The above information will be presented in a three-year chart as it becomes available.

The Town's Schedule of Employer Contributions is as follows:

Fiscal Year <u>Ending</u>	Annual Required Contribution (ARC)	Employer Contributions Paid	Percentage of ARC Paid
June 30, 2010	\$ 11,762	\$ -	0.00%

The above information will be presented in a three-year chart as it becomes available.

**Funding Status and Funding Progress**

As of June 30, 2010, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$93,865. The Town's policy is to fund the benefits through a reduction of property tax revenue annually, resulting in an unfunded actuarial liability (UAAL) of \$93,865.

**Actuarial Methods and Assumptions**

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. In the June 30, 2010 actuarial valuation, the projected unit credit actuarial cost method was applied. The actuarial assumptions included a 5.0 percent discount rate. No assumption was made for rate of inflation. The asset valuation basis is market value. The

**TOWN OF COLEBROOK**  
Notes to the Financial Statements

valuation followed generally accepted actuarial methods and included tests as considered necessary to assure the accuracy of the results.

**NOTE 7 – LONG-TERM OBLIGATIONS**

**Long-Term Obligation Activity**

General Obligation Bonds are direct obligations and pledge the full faith and credit of the town. The funds were used for the acquisition and construction of major capital facilities. The General Fund and Post Office Fund have historically been used to liquidate other long-term liabilities.

An early retirement incentive was accepted by a teacher. The offer consists of three payments totaling 23,474. The final payment will be made in the 2012-2013 fiscal year.

Changes in long-term obligations for the year ended June 30, 2011, are as follows:

	<u>Rate</u>	<u>Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance</u>
<b>Governmental Activities</b>					
91 General Obligation Bond	7.0%-7.7%	\$ 75,000	\$ -	\$ 75,000	\$ -
Notes Payable	4.25%-6.0%	737,035	-	58,190	678,845
Early Retirement Incentive		-	23,474	-	23,474
CVFD Tax Abatement OPEB Obligation		-	93,865	-	93,865
Total		<u>\$ 812,035</u>	<u>\$ 117,339</u>	<u>\$ 133,190</u>	<u>\$ 796,184</u>

**Current Portion of Long-Term Debt**

The following is a detailed listing of long-term obligations due within one year:

Notes Payable	\$ 60,680
Early Retirement Incentive	13,446
Total	<u>\$ 74,126</u>

Interest expense on general obligation bonds and notes was charged to functions/programs of the primary government as follows:

<b>Governmental Activities:</b>	<u>2011</u>	<u>2010</u>
General Government	\$ 33,019	\$ 32,772
Highway Dept.	1,160	1,638
Public Safety	1,732	3,465
Education	4,043	8,085
Total Interest Expense	<u>\$ 39,954</u>	<u>\$ 45,960</u>

**TOWN OF COLEBROOK**  
Notes to the Financial Statements

**Debt Service Requirements**

Debt service requirements on long-term debt at June 30, 2011 are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>
2012	\$ 60,680	\$ 28,652
2013	60,665	25,894
2014	52,500	23,637
2015	52,500	21,381
2016	52,500	19,125
2017-2021	250,000	63,750
2022-2024	150,000	12,750
<b>Total</b>	<b><u>\$ 678,845</u></b>	<b><u>\$ 195,189</u></b>

**NOTE 8 – CONTINGENT LIABILITIES**

Colebrook is a member of the Regional School District No. 7, along with the Towns of Barkhamsted, New Hartford, and Norfolk. Colebrook's scheduled payment to the School District is a pro rata share of 11.99%, which is based upon student enrollment. The Town's portion of the bond principal for Regional School District No. 7 is as follows:

	<u>Principal</u>
Bonds Outstanding	\$5,823,000
Town's Pro Rata %	<u>11.76%</u>
Town's Share	<b><u>\$ 684,785</u></b>

**NOTE 9 – INTERFUND ACCOUNTS**

At June 30, 2011, interfund balances were as follows:

<u>Due From:</u>	<u>Due To:</u>		<u>Totals</u>	
	<u>Nonmajor Funds</u>	<u>General Fund</u>	<u>2011</u>	<u>2010</u>
General Fund	\$ 4,167	\$ -	\$ 4,167	\$ 3,037
Capital Projects	-	-	-	555
Nonmajor	-	7,375	7,375	7,414
<b>Total</b>	<b><u>\$ 4,167</u></b>	<b><u>\$ 7,375</u></b>	<b><u>\$ 11,542</u></b>	<b><u>\$ 11,006</u></b>

The amount due from the General Fund to Nonmajor Funds represents funds held in the General Fund for Historic Document Preservation and funds owed to the Cemetery Fund for fees deposited in the General Fund.

The amount due to the General Fund from Nonmajor Funds represents funds owed to the General Fund from the Dog Fund and Cemetery Fund for expenses paid on behalf of the fund.

**TOWN OF COLEBROOK**  
Notes to the Financial Statements

Interfund Transfers for the year are summarized below:

Transfers From <u>and Purpose</u>	General <u>Fund</u>	Capital Projects <u>Fund</u>	Nonmajor <u>Funds</u>	Totals	
				2011	2010
General Fund					
<i>Budgeted Expenditure</i>	\$ -	\$ 190,000	\$ 1,000	\$ 191,000	\$ 81,000
Cemetery Fund					
<i>Budgeted Expenditure</i>	6,083	-	-	6,083	6,553
	\$ 6,083	\$ 190,000	\$ 1,000	\$ 197,083	\$ 87,553

Transfers are used to account for unrestricted revenues from the general fund used to finance various programs accounted for in other funds in accordance with budget authorizations.

**NOTE 10 – OPERATING LEASES**

In May 2011, the Board of Education signed a lease for two copiers. The lease requires 60 monthly payments of \$209. Total lease payments in the current fiscal year were \$419.

Future minimum lease payments under current agreements are as follows:

2012	\$ 2,514
2013	2,514
2014	2,514
2015	2,514
2016	2,095

**NOTE 11 – FUND BALANCES**

The following balances were assigned at June 30:

	2011	2010
General Fund:		
Subsequent Year's Budget	\$ 45,760	\$ 3,785
Capital Projects Fund	24,211	23,227
Post Office Fund	19,708	24,338
School Cafeteria Fund	7,430	7,970
Total	\$ 97,109	\$ 59,320

The following funds had deficit fund balances at June 30:

*Governmental Funds*

Nonmajor Funds: Dog Fund	\$ (207)	\$ (678)
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**NOTE 12 – PRIOR PERIOD ADJUSTMENT**

The beginning net assets of Governmental Activities for the fiscal years ending June 30, 2011 and 2010 have been increased by \$63,500 to record fixed assets previously omitted from the prior year's listing. There was no effect on the current year's change in net assets.

**TOWN OF COLEBROOK**  
Notes to the Financial Statements

**NOTE 13 – REVIEW FOR SUBSEQUENT EVENTS**

In connection with the preparation of the financial statements of the Town of Colebrook as of and for the year ended June 30, 2011, events and transactions subsequent to June 30, 2011 through December 12 2011, the date the financial statements were available to be issued, have been evaluated by the Town for possible adjustment and disclosure.

Subsequent to year-end, the Town suffered damage to three bridges requiring replacement or repair: Millbrook Road, Deer Hill Road, and Campbell Road. The Town's preliminary cost estimate is \$700,000. The Town expects to be reimbursed for 75% of the expenses by FEMA.

TOWN OF COLEBROOK

General Fund

Schedule of Revenues and Expenditures - Budget and Actual  
For the Year Ended June 30, 2011

	Original Budget	Amended Budget	Actual	Variance Favorable/ (Unfavorable)
<b>REVENUES</b>				
<b>Taxes:</b>				
Property Taxes	\$ 4,666,058	\$ 4,666,058	\$ 4,621,493	\$ (44,565)
Interest and Liens	-	-	14,469	14,469
Total Taxes	<u>4,666,058</u>	<u>4,666,058</u>	<u>4,635,962</u>	<u>(30,096)</u>
<b>Intergovernmental Revenue:</b>				
Senior Center Grants	15,000	15,000	10,547	(4,453)
Telephone Access Line Tax Share	22,000	22,000	5,622	(16,378)
Education Cost Sharing	495,044	495,044	505,192	10,148
School Transportation	5,399	5,399	4,057	(1,342)
Adult Education	299	299	310	11
Special Education	-	-	6,072	6,072
State and Federal Property	4,545	4,545	6,808	2,263
Town Aid Roads	100,237	100,237	100,633	396
Pequot Funds	7,783	7,783	8,437	654
Elderly and Veterans Property Tax Relief	12,000	12,000	12,487	487
School Construction Grant	25,000	25,000	23,644	(1,356)
LOCIP	25,407	25,407	35,000	9,593
FEMA	-	-	17,841	17,841
Other Receipts	5,000	5,000	800	(4,200)
Misc. - Boats, Machinery, & Comm. MV	2,000	2,000	656	(1,344)
Total Intergovernmental Revenue	<u>719,714</u>	<u>719,714</u>	<u>738,106</u>	<u>18,392</u>
<b>Other Revenues:</b>				
Town Operations	65,000	65,000	42,627	(22,373)
Interest Income	5,000	5,000	2,616	(2,384)
Miscellaneous	2,000	2,000	9,805	7,805
Total Other Revenues	<u>72,000</u>	<u>72,000</u>	<u>55,048</u>	<u>(16,952)</u>
Total Revenues before other Financing Sources	<u>5,457,772</u>	<u>5,457,772</u>	<u>5,429,116</u>	<u>(28,656)</u>
<b>Other Financing Sources:</b>				
Transfer from Other Funds	7,000	7,000	9,716	2,716
Fund Balance Designated to Finance Budget	3,785	44,785	97,155	52,370
Total Revenues	<u>\$ 5,468,557</u>	<u>\$ 5,509,557</u>	<u>\$ 5,535,987</u>	<u>\$ 26,430</u>

TOWN OF COLEBROOK

General Fund

Schedule of Revenues and Expenditures - Budget and Actual  
For the Year Ended June 30, 2011

	Original Budget	Amended Budget	Actual	Variance Favorable/ (Unfavorable)
<b>EXPENDITURES</b>				
<b>General Government</b>				
First Selectman	\$ 28,132	\$ 28,132	\$ 28,132	\$ -
2ND & 3RD Selectmen	1,326	1,326	1,198	128
COST	725	725	725	-
Selectmen's Expense	1,250	2,163	2,163	-
Probate Court	1,700	1,700	586	1,114
Elections	12,000	12,000	12,106	(106)
Board of Finance	1,050	1,050	625	425
Board of Assessors	20,085	20,085	19,226	859
Assessor's Expense	600	600	665	(65)
Board of Assessment Appeals	1,000	1,000	671	329
Tax Collector	19,298	19,298	19,298	-
Tax Collector Expense	5,181	5,181	4,346	835
Treasurer	7,283	7,283	7,283	-
Treasurer Expense	500	500	457	43
Town Attorney	3,000	49,614	49,614	-
Town Clerk	33,444	33,444	33,444	-
Town Clerk Expense	3,970	3,970	3,020	950
Assistant Town Clerk	6,669	4,109	4,109	-
Building Inspector	12,245	12,245	12,245	-
Building Inspector's Expense	1,045	1,045	484	561
Farmington Valley Health District	6,460	6,460	6,460	-
Planning and Zoning Commission	3,000	3,000	2,022	978
Zoning Board of Appeals	525	525	556	(31)
Inland-Wetlands Agency	3,000	788	788	-
Town Secretary	27,853	30,338	30,338	-
Land Use Sec'y/Enf. Officer	20,548	17,687	17,687	-
Social Security	32,281	32,281	31,805	476
Pension Payment	300	300	300	-
Pension Contribution	11,409	13,209	13,209	-
Employee Medical Insurance	111,554	105,616	105,616	-
Insurance (CIRMA)	79,000	79,000	78,054	946
Recreation Board	17,000	14,568	14,568	-
Auditor	13,050	13,050	13,070	(20)
Assistant Tax Collector	500	500	500	-
Town Hall Admin. Support	12,898	10,402	10,402	-
CMM	1,036	1,036	1,032	4
<b>Total General Government</b>	<b>500,917</b>	<b>534,230</b>	<b>526,804</b>	<b>7,426</b>
<b>Public Safety</b>				
Fire Marshal	3,903	3,903	3,903	-
Fire Marshal's Expense	-	-	20	(20)
Fire Protection	46,000	47,072	47,072	-

## TOWN OF COLEBROOK

page 3 of 4

## General Fund

Schedule of Revenues and Expenditures - Budget and Actual  
For the Year Ended June 30, 2011

	Original Budget	Amended Budget	Actual	Variance Favorable/ (Unfavorable)
Constables	\$ 150	150	\$ 140	\$ 10
911	15,737	15,737	15,458	279
Total Public Safety	65,790	66,862	66,593	269
<b>Highways</b>				
Wages	166,314	164,618	164,618	-
Overtime	24,560	22,034	22,034	-
Town Garage Fuel	22,500	24,124	24,124	-
Town Garage Lubricants	5,000	5,000	3,679	1,321
Town Garage Parts	21,615	17,979	17,979	-
Town Garage Repairs	21,308	26,877	26,877	-
Winter Maintenance	85,000	134,850	134,850	-
Road Improvement	90,000	71,374	71,374	-
Oil Program	-	54,094	54,094	-
Street Lights	980	980	867	113
Utilities	6,670	4,269	4,269	-
Garage Support	5,000	2,912	2,912	-
Tree Removal	8,000	1,162	1,040	122
Town Garage Environmental	3,865	9,060	9,608	(548)
Town Garage Building Maintenance	1,000	5,500	5,932	(432)
Total Highways	461,812	544,833	544,257	576
<b>Town Hall</b>				
Office Supplies	7,200	7,200	7,684	(484)
Town Hall/Community Hall Util.	20,500	17,949	17,948	1
Town Hall Maintenance	12,000	14,500	15,350	(850)
Miscellaneous	2,000	2,000	976	1,024
General Assistance (Welfare)	200	200	-	200
Total Town Hall	41,900	41,849	41,958	(109)
<b>Senior Center</b>				
Senior Center Utilities	6,524	6,524	6,087	437
Senior Center Maintenance	4,800	5,821	5,821	-
Senior Center Miscellaneous	-	-	-	-
Senior Center Coordinator	5,924	3,558	3,558	-
Site Manager and Helper	22,049	22,049	21,586	463
Heat, Stove and Hot Water	-	-	-	-
Van & Driver	6,000	3,929	3,929	-
Total Senior Center	45,297	41,881	40,981	900
<b>Health and Welfare</b>				
Vital Statistics	26	26	26	-
Foothills Nursing	6,106	6,106	6,106	-
Susan B. Anthony	1,000	1,000	1,000	-
Winsted Ambulance	6,652	6,652	6,652	-

See accountant's report.



TOWN OF COLEBROOK

General Fund

Schedule of Revenues and Expenditures - Budget and Actual  
For the Year Ended June 30, 2011

	Original Budget	Amended Budget	Actual	Variance Favorable/ (Unfavorable)
Elderly Nutrition Program	\$ 752	752	\$ 752	\$ -
Elderly Transit Program	713	713	713	-
Regional Mental Health	167	167	167	-
Paramedic Intercept	11,793	11,793	11,693	100
Norfolk Ambulance	3,652	3,652	3,652	-
Northwest Corner Chore Service	500	500	-	500
<b>Total Health and Welfare</b>	<b>31,361</b>	<b>31,361</b>	<b>30,761</b>	<b>600</b>
<b>Miscellaneous</b>				
Libraries	14,066	14,066	14,066	-
Cemeteries	7,000	7,000	6,084	916
Data Processing	18,000	19,127	19,127	-
Winsted YSB	2,196	2,196	2,196	-
LHCEO	1,216	1,216	1,216	-
◦ Farmington River Watershed	188	188	188	-
Mapping: Micro Filming	1,661	97	97	-
Service Charges	20	20	-	20
Conservation Commission	-	-	-	-
<b>Total Miscellaneous</b>	<b>44,347</b>	<b>43,910</b>	<b>42,974</b>	<b>936</b>
<b>Refuse Disposal</b>				
Town's Refuse/Recycle	215,000	201,498	201,498	-
<b>Total Refuse Disposal</b>	<b>215,000</b>	<b>201,498</b>	<b>201,498</b>	<b>-</b>
<b>Debt Service</b>	<b>169,815</b>	<b>169,815</b>	<b>169,875</b>	<b>(60)</b>
<b>Education</b>				
Colebrook School Budget	1,770,842	1,770,842	1,771,168	(326)
Northwest Regional # 7	1,871,476	1,871,476	1,873,025	(1,549)
<b>Total Education</b>	<b>3,642,318</b>	<b>3,642,318</b>	<b>3,644,193</b>	<b>(1,875)</b>
<b>Other Expenditures</b>				
Recovery Grant Expense	-	-	93	(93)
LOCIP Funded Projects	-	-	35,000	(35,000)
Transfer to Dog Fund	-	1,000	1,000	-
	-	1,000	36,093	(35,093)
<b>Provision for Uncollected Taxes</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital Improvements</b>				
Capital Expenditures	250,000	190,000	190,000	-
	250,000	190,000	190,000	-
<b>Total Expenditures</b>	<b>5,468,557</b>	<b>5,509,557</b>	<b>5,535,987</b>	<b>(26,430)</b>
Excess of Revenues over Expenditures	\$ -	\$ -	\$ -	\$ -

**TOWN OF COLEBROOK**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2011

**SPECIAL REVENUE FUNDS**

	Post Office Fund	Dog Fund	School Cafeteria Fund	Cemetery Fund	Historical Document Fund	Education Grants Fund	Total
<b>Assets</b>							
Cash and Cash Equivalents	\$ 19,708	\$ 2,948	\$ 5,764	\$ 85,609	\$ -	\$ 18	\$ 114,047
State and Federal Grants Receivable	-	-	1,666	-	-	-	1,666
Other Receivables	-	-	-	-	-	107	107
Interfund Receivables	-	-	-	730	3,437	-	4,167
Inventory	-	-	620	-	-	-	620
<b>Total Assets</b>	<b>\$ 19,708</b>	<b>\$ 2,948</b>	<b>\$ 8,050</b>	<b>\$ 86,339</b>	<b>\$ 3,437</b>	<b>\$ 125</b>	<b>\$ 120,607</b>
<b>Liabilities</b>							
Accounts Payable	-	22	-	-	-	-	22
Deferred Revenue	-	-	-	-	-	125	125
Interfund Payable	-	1,292	-	6,083	-	-	7,375
Due to State of CT	-	1,841	-	-	-	-	1,841
<b>Total Liabilities</b>	<b>-</b>	<b>3,155</b>	<b>-</b>	<b>6,083</b>	<b>-</b>	<b>125</b>	<b>9,363</b>
<b>Fund Balances</b>							
Nonspendable	-	-	620	-	-	-	620
Restricted	-	-	-	80,256	3,437	-	83,693
Assigned	19,708	-	7,430	-	-	-	27,138
Unassigned	-	(207)	-	-	-	-	(207)
<b>Total Fund Balances</b>	<b>19,708</b>	<b>(207)</b>	<b>8,050</b>	<b>80,256</b>	<b>3,437</b>	<b>-</b>	<b>111,244</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 19,708</b>	<b>\$ 2,948</b>	<b>\$ 8,050</b>	<b>\$ 86,339</b>	<b>\$ 3,437</b>	<b>\$ 125</b>	<b>\$ 120,607</b>

See accountant's report.

**TOWN OF COLEBROOK**

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
 Nonmajor Governmental Funds  
 For the Year Ended June 30, 2011

**SPECIAL REVENUE FUNDS**

	Post Office Fund	Dog Fund	School Cafeteria Fund	Cemetery Fund	Historical Document Fund	Education Grants Fund	Total
<b>Revenues</b>							
Investment Income	\$ 26	\$ -	\$ -	\$ 118	\$ -	\$ -	\$ 144
Fees and Charges	-	2,930	28,689	2,800	738	-	35,157
Contributions	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	11,234	-	3,000	38,887	53,121
Other	6,198	-	170	-	-	-	6,368
<b>Total Revenues</b>	<u>6,224</u>	<u>2,930</u>	<u>40,093</u>	<u>2,918</u>	<u>3,738</u>	<u>38,887</u>	<u>94,790</u>
<b>Expenditures</b>							
General Government	7,585	-	-	-	3,000	-	10,585
Public Safety	-	3,459	-	-	-	-	3,459
Health and Welfare	-	-	-	-	-	-	-
Education	-	-	40,633	-	-	38,887	79,520
Debt Service	3,269	-	-	-	-	-	3,269
<b>Total Expenditures</b>	<u>10,854</u>	<u>3,459</u>	<u>40,633</u>	<u>-</u>	<u>3,000</u>	<u>38,887</u>	<u>96,833</u>
Net Changes in Fund Balances Before Other Financing Sources/(Uses)	(4,630)	(529)	(540)	2,918	738	-	(2,043)
Other Financing Sources/(Uses)							
Transfers In	-	1,000	-	-	-	-	1,000
Transfers Out	-	-	-	(6,083)	-	-	(6,083)
<b>Total Other Financing Sources/(Uses)</b>	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>(6,083)</u>	<u>-</u>	<u>-</u>	<u>(5,083)</u>
Changes in Fund Balances	(4,630)	471	(540)	(3,165)	738	-	(7,126)
<b>Fund Balances - Beginning</b>	<u>24,338</u>	<u>(678)</u>	<u>8,590</u>	<u>83,421</u>	<u>2,699</u>	<u>-</u>	<u>118,370</u>
<b>Fund Balances - Ending</b>	<u>\$ 19,708</u>	<u>\$ (207)</u>	<u>\$8,050</u>	<u>\$ 80,256</u>	<u>\$ 3,437</u>	<u>\$ -</u>	<u>\$ 111,244</u>

**TOWN OF COLEBROOK**  
Combining Statement of Fiduciary Net Assets  
June 30, 2011

	Pension Trust Fund	Agency Funds			Total
		Recreation Board Fund	School Activities Fund	Senior Citizen Center	
<b>Assets:</b>					
Cash and Cash Equivalents	\$ -	\$ 7,370	\$ 21,735	\$ 37,218	\$ 66,323
Investments	161,610	-	-	-	161,610
<b>Total Assets</b>	<u>\$ 161,610</u>	<u>\$ 7,370</u>	<u>\$ 21,735</u>	<u>\$ 37,218</u>	<u>\$ 227,933</u>
<b>Liabilities:</b>					
Due to Beneficiaries	-	7,101	21,735	32,209	61,045
Due to Others	-	269	-	5,009	5,278
<b>Total Liabilities</b>	<u>-</u>	<u>7,370</u>	<u>21,735</u>	<u>37,218</u>	<u>66,323</u>
<b>Fund Balances:</b>					
Held in Trust for Pension Benefits	161,610	-	-	-	161,610
<b>Total Fund Balances</b>	<u>161,610</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>161,610</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 161,610</u>	<u>\$ 7,370</u>	<u>\$ 21,735</u>	<u>\$ 37,218</u>	<u>\$ 227,933</u>

See accountant's report.

**TOWN OF COLEBROOK**

Combining Statement of Revenues, Expenditures, and Changes in Fiduciary Net Assets  
Fiduciary Funds  
For the Year Ended June 30, 2011

	<u>Pension Trust</u>
<b>Revenues:</b>	
Employer Contributions	\$ 13,711
Earnings from Investments	<u>29,638</u>
Total Revenues	<u>43,349</u>
<b>Expenditures:</b>	
General Government	<u>-</u>
Total Expenditures	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures	43,349
Fund Balances, Beginning of Year	<u>118,261</u>
Fund Balances, End of Year	<u>\$ 161,610</u>

See accountant's report.

**TOWN OF COLEBROOK**  
Combining Statement of Changes in Assets and Liabilities  
Fiduciary Funds  
For the Year Ended June 30, 2011

	<u>Balance</u> <u>July 1, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2011</u>
<b>RECREATION FUND</b>				
<b>Assets:</b>				
Cash	\$ 4,537	\$ 12,906	\$ 10,073	\$ 7,370
<b>Liabilities:</b>				
Due to Beneficiaries	\$ 3,178	\$ 12,637	\$ 8,714	\$ 7,101
Due to Others	1,359	269	1,359	269
	<u>\$ 4,537</u>	<u>\$ 12,906</u>	<u>\$ 10,073</u>	<u>\$ 7,370</u>
<b>SCHOOL ACTIVITIES FUND</b>				
<b>Assets:</b>				
Cash	\$ 22,246	\$ 13,362	\$ 13,873	\$ 21,735
<b>Liabilities:</b>				
Due to Beneficiaries	\$ 22,246	\$ 13,362	\$ 13,873	\$ 21,735
<b>SENIOR CENTER FUND</b>				
<b>Assets:</b>				
Cash	\$ 41,553	\$ 32,250	\$ 36,585	\$ 37,218
<b>Liabilities:</b>				
Due to Beneficiaries	\$ 36,791	\$ 27,241	\$ 31,823	\$ 32,209
Due to Others	4,762	5,009	4,762	5,009
	<u>\$ 41,553</u>	<u>\$ 32,250</u>	<u>\$ 36,585</u>	<u>\$ 37,218</u>
<b>TOTAL ASSETS</b>				
Cash	\$ 68,336	\$ 58,518	\$ 60,531	\$ 66,323
<b>TOTAL LIABILITIES</b>				
Due to Beneficiaries	\$ 62,215	\$ 53,240	\$ 54,410	\$ 61,045
Due to Others	6,121	5,278	6,121	5,278
	<u>\$ 68,336</u>	<u>\$ 58,518</u>	<u>\$ 60,531</u>	<u>\$ 66,323</u>

See accountant's report.

**TOWN OF COLEBROOK**  
 Schedule of Property Taxes Levied, Collected, and Outstanding  
 For the Year Ended June 30, 2011

List of 10/1:	Out- Standing 07/01/10	Current Levy	Additions	Deductions	Collectable Taxes	Receipt of Taxes	Receipt of Interest, Liens, and Legal Fees	Total Receipts	Transfers to / (from) Suspense	Transfers to / (from) Over Paid	Out- Standing 06/30/11
2009	\$ 71,186	\$ 4,675,654	\$ 5,717	\$ 5,630	\$ 4,675,741	\$ 4,582,114	\$ 13,871	\$ 4,595,985	\$ -	\$ 821	\$ 94,448
2008	26,836	-	101	683	70,604	32,273	5,532	37,805	87	-	38,244
2007	12,209	-	-	-	26,836	6,237	2,150	8,387	86	-	20,513
2006	8,782	-	-	-	12,209	654	364	1,018	65	-	11,490
2005	4,829	-	-	-	8,782	99	69	168	-	-	8,683
2004	1,926	-	-	-	4,829	106	86	192	2,221	-	2,502
2003	1,474	-	-	-	1,926	-	-	40	-	-	1,886
2002	1,399	-	-	-	1,474	-	-	-	-	-	1,474
2001	1,330	-	-	-	1,399	-	-	-	-	-	1,399
2000	1,722	-	-	-	1,330	-	-	-	-	-	1,330
1999	1,102	-	-	-	1,722	-	-	-	-	-	1,722
1998	1,575	-	-	-	1,102	-	-	-	-	-	1,102
1997	1,565	-	-	-	1,575	-	-	-	-	-	1,575
1996	1,523	-	-	-	1,565	-	-	-	-	-	1,565
1995	1,487	-	-	-	1,523	-	-	-	-	-	1,523
1994		-	-	-	1,487	-	-	-	-	-	1,487
		<u>\$ 138,945</u>	<u>\$ 5,818</u>	<u>\$ 6,313</u>	<u>\$ 4,814,104</u>	<u>4,621,483</u>	<u>22,072</u>	<u>4,643,555</u>	<u>\$ 2,499</u>	<u>\$ 821</u>	<u>\$ 190,943</u>

Net Grand List - October 1, 2008		Less: Refunds	(7,769)
Tax Rate 24.10 Mills		Suspense Collections	211
		Total Collections	\$ 4,635,997

See accountant's report.

**TOWN OF COLEBROOK**  
Schedule of Debt Limitation  
June 30, 2011

**Total Tax Collections for the Year**

Taxes, Liens and Fees		\$ 4,635,997
Reimbursement for Loss on:		
Tax Relief for the Elderly	7,203	
<b>Base</b>		<b><u>\$ 4,643,200</u></b>

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>
<b>Debt Limitation:</b>				
2 1/4 times base	\$ 10,447,200	\$ -	\$ -	\$ -
4 1/2 times base	-	20,894,400	-	-
3 3/4 times base	-	-	17,412,000	-
3 1/4 times base	-	-	-	15,090,400
<b>Total Debt Limitation</b>	<b>10,447,200</b>	<b>20,894,400</b>	<b>17,412,000</b>	<b>15,090,400</b>
<b>Overlapping Debt:</b>				
Regional School District No. 7	-	684,785	-	-
Less: Grants Receivable	-	-	-	-
<b>Total Indebtedness</b>	<b>-</b>	<b>684,785</b>	<b>-</b>	<b>-</b>
Debt limitation in excess of outstanding and authorized debt	<u>\$ 10,447,200</u>	<u>\$ 20,209,615</u>	<u>\$ 17,412,000</u>	<u>\$ 15,090,400</u>

Note: In no case should this total indebtedness exceed seven times the base of \$4,643,200 or \$32,502,400.

See accountant's report.



TOWN OF COLEBROOK

Board of Education  
 Schedule of Expenditures - Budget and Actual  
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Amended Budget	Actual	Variance Favorable/ (Unfavorable)
<b>Salaries</b>				
<i>Certified Personnel</i>				
Superintendent	\$ 51,000	\$ 51,000	\$ 51,000	\$ -
Principal	91,500	91,500	91,500	-
Teachers	726,341	726,341	726,341	-
Substitutes	12,000	10,437	10,437	-
Head Teacher	1,500	1,500	1,500	-
Extra Hours	1,000	676	676	-
Media Specialist	-	-	-	-
<i>Non-Certified</i>				
Aide	53,508	58,586	58,586	-
Computer Technician	2,850	2,850	2,850	-
Overnight Stipend	-	300	300	-
School Nurse	32,550	32,550	32,550	-
Librarian	10,148	10,148	10,148	-
Administrative Asst.	35,100	35,100	35,100	-
Bookkeeper	29,749	29,749	29,749	-
Custodian / Full	37,208	37,208	37,208	-
Custodian / Part	5,880	5,703	5,703	-
Custodial Overtime	1,000	352	352	-
Total Salaries	<u>1,091,334</u>	<u>1,094,000</u>	<u>1,094,000</u>	<u>-</u>
<b>Employee Benefits</b>				
Medical Insurance	150,790	158,276	158,276	-
Dental Insurance	9,289	8,839	8,839	-
Life Insurance	2,460	2,338	2,337	1
Comp. FICA	19,130	17,926	17,980	(54)
Medicare	13,190	11,848	11,861	(13)
Pension	3,616	3,616	3,615	1
H.S.A. Contribution	1,050	1,050	1,050	-
Medicare Supplement	-	589	589	-
Tuition Reimbursemt	2,000	-	-	-
Unemployment Comp.	16,000	13,962	13,962	-
Unused Sick Days	-	3,417	3,417	-
Vaccines	165	-	-	-
Total Employee Benefits	<u>217,690</u>	<u>221,861</u>	<u>221,926</u>	<u>(65)</u>

See accountant's report.

TOWN OF COLEBROOK

Board of Education  
 Schedule of Expenditures - Budget and Actual  
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Amended Budget	Actual	Variance Favorable/ (Unfavorable)
<b>Purchased Services</b>				
Administrative Seminars	\$ 250	\$ -	\$ -	\$ -
Computer Support	3,000	-	-	-
Staff Seminars (Workshops)	1,000	661	693	(32)
Curriculum Development	500	435	435	-
Legal Fees	2,000	2,881	2,881	-
Audit Services	3,000	2,890	2,890	-
Doctor	475	2,050	2,050	-
Therapists	16,500	14,776	14,776	-
Board Policy	2,317	2,317	2,317	-
Fingerprinting	75	35	35	-
<i>Purchased Property Services</i>				
Water/Water Coolers	2,000	1,262	1,262	-
Well Monitor	2,500	2,524	2,524	-
<i>Repair and Maintenance Services</i>				
Cleaning Services	1,100	1,070	1,070	-
Building Maint. & Repairs	3,500	9,002	9,002	-
Bldg. Insp./Asbestos	1,200	1,317	1,317	-
Equipment Repairs	2,000	3,833	3,833	-
Service Contracts	1,580	660	660	-
Software Upgrade	2,000	1,937	1,937	-
Copier Maintenance	3,200	2,184	2,184	-
Equipment Lease	-	514	514	-
<i>Student Transportation</i>				
Regular Local	77,302	77,302	77,302	-
Special Education	38,110	17,971	17,971	-
<i>Communication</i>				
Telephone	4,000	3,987	3,987	-
Postage	1,500	1,310	1,310	-
Internet	475	439	439	-
Alert Now	350	329	329	-
Advertising	750	649	649	-
<i>Travel-Other Transportation</i>				
Travel	1,000	1,000	997	3
<i>Miscellaneous Purchased Services</i>				
Adult Education	1,250	-	-	-
Other School District	118,530	149,545	149,545	-
Education Service in CT	11,500	13,407	13,407	-
Shared Services/Outplacement	81,754	78,678	78,678	-
<b>Total Purchased Services</b>	<b>384,718</b>	<b>394,965</b>	<b>394,994</b>	<b>(29)</b>

See accountant's report.

**TOWN OF COLEBROOK**  
 Board of Education  
 Schedule of Expenditures - Budget and Actual  
 For the Fiscal Year Ended June 30, 2011

	Original Budget	Amended Budget	Actual	Variance Favorable/ (Unfavorable)
<b>Purchases</b>				
<i>Supplies and Materials</i>				
Office Supplies	\$ 1,000	\$ 673	\$ 673	\$ -
Teaching Supplies	1,465	726	726	-
Testing Supplies	1,615	420	420	-
Instructional Equipment	314	-	-	-
Audio Visual Supplies	125	360	360	-
Computer Supplies	4,500	4,585	4,585	-
Custodial Supplies	4,700	3,777	3,777	-
Health Supplies	423	-	-	-
Board of Education Supplies	200	642	692	(50)
Library Supplies	100	110	110	-
School Supplies	4,386	3,434	3,434	-
<i>Energy</i>				
Electricity	22,500	17,531	17,531	-
Propane Gas	1,300	-	-	-
Heating Oil	26,220	19,103	19,103	-
<i>Textbooks &amp; Periodicals</i>				
Textbooks	-	69	69	-
Workbooks	2,360	624	625	(1)
Library Books	400	211	231	(20)
Magazines	350	350	347	3
Teacher Guides	165	20	20	-
Classroom Reference	-	-	-	-
Music Supplies	800	494	494	-
Art Supplies	700	521	521	-
Physical Education Supplies	350	313	313	-
<b>Total Purchases</b>	<u>73,973</u>	<u>53,963</u>	<u>54,031</u>	<u>(68)</u>
<b>Capital Outlay</b>				
Furniture & Fixtures	-	1,779	1,779	-
Equipment	-	1,160	1,160	-
<b>Total Capital Outlay</b>	<u>-</u>	<u>2,939</u>	<u>2,939</u>	<u>-</u>
<b>Other Objects</b>				
Dues & Fees	3,027	3,061	3,061	-
Miscellaneous	100	53	217	(164)
<b>Total Other Objects</b>	<u>3,127</u>	<u>3,114</u>	<u>3,278</u>	<u>(164)</u>
<b>Total Board of Education</b>	<u>\$ 1,770,842</u>	<u>\$ 1,770,842</u>	<u>\$ 1,771,168</u>	<u>\$ (326)</u>

See accountant's report.

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## **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS AND BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

### Independent Auditor's Report

To the Board of Finance of the  
Town of Colebrook, CT

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Colebrook, CT as of and for the year ended June 30, 2011, which collectively the Town of Colebrook, CT's basic financial statements and have issued our report thereon dated December 12, 2011. 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.

### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Town of Colebrook, CT's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Colebrook, CT's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Colebrook, CT's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

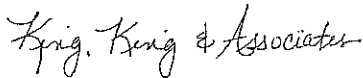
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant* deficiency is a deficiency, or a combination of deficiencies, in internal control that is less than a material weakness, yet important enough to merit attention to those charged with governance. We consider the deficiencies described in the schedule of findings and questioned costs as #11-1 to be a significant deficiency..

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town of Colebrook, CT's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Town of Colebrook, CT's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Town of Colebrook, CT's response and accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Finance, the Board of Selectmen, others within the Town of Colebrook, CT, and the State of Connecticut Office of Policy and Management and is not intended to be and should not be used by anyone other than these specified parties.



King, King & Associates, CPAs  
December 16, 2011

**TOWN OF COLEBROOK**  
Schedule of Expenditures of State Financial Assistance  
For the Year Ended June 30, 2011

State Grantor/Pass Through Grantor/Program Title	State Grant Program Identification Number	<u>Expenditures</u>
<b>Connecticut State Library</b>		
Historic Document Preservation	12060-CSL66094-35150	\$ 3,000
<b>State Department of Education</b>		
Adult Education	11000-SDE64000-17030	310
Child Nutrition Program	11000-SDE64000-16072-82051	646
Healthy Food Certification	11000-SDE64000-16072-82010	1,408
<b>Department of Transportation</b>		
Town Aid Road	13033-DOT57131-43459	73,798
Town Aid Road	12052-DOT57131-43455	26,836
<b>Department of Economic Development</b>		
Small Town Economic Assistance Program	12052-ECD46000-42411-149	21,891
<b>Department of Environmental Protection</b>		
Boat Grant	12060-DEP44434-35403	220
Environmental Settlements	12060-DEP43760-35169	15,338
<b>Judicial Department</b>		
Parking Fines	34001-JUD95162-40001	550
<b>Office of the State Comptroller</b>		
State Owned Real Property	11000-OSC15910-17004	6,339
<b>Office of Policy and Management</b>		
Property Tax Relief:		
Totally Disabled	11000-OPM20600-17011	223
Veteran's Exemptions	11000-OPM20600-17024	5,061
Elderly Exemptions	11000-OPM20600-17018	7,203
Manufacturer's M&E-PILOT	11000-OPM20600-17031	436
Total State Financial Assistance Before Exempt Programs		<u>163,259</u>
<b>EXEMPT PROGRAMS</b>		
<b>Office of the State Comptroller</b>		
Mashantucket Pequot	12009-OSC15910-17005	8,437
<b>Department of Education</b>		
Education Cost Sharing	11000-SDE64000-17041	424,449
Excess Cost-Student Based	11000-SDE64000-17048	6,072
Transportation of School Children	11000-SDE64000-17027	4,057
School Construction Grants	13009-SDE64370-40896	1,640
School Construction Grants-Principal	13010-SDE64370-40901	22,004
Total Exempt Programs		<u>466,659</u>
Total State Financial Assistance		<u>\$ 629,918</u>

See notes to schedule.

**TOWN OF COLEBROOK**  
Notes to the Schedule of Expenditures of State Financial Assistance  
For the Year Ended June 30, 2011

Various departments and agencies of the State of Connecticut have provided financial assistance to the Town of Colebrook, CT, through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs including the construction and maintenance of public roads.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Town of Colebrook, CT conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies relating to the aforementioned grant programs.

***Basis of Accounting***

The fund financial statements contained in the Town of Colebrook, CT's annual audit report are prepared on the modified accrual basis of accounting. Under this method revenues are recognized when they become measurable and available while expenditures are generally recognized when the related fund liability is incurred.

The government-wide financial statements are prepared on the accrual basis of accounting. Under this method revenues are recorded when earned while expenses are recorded when a liability is incurred.

The Schedule of Expenditures of State Financial Assistance, contained in this report, is prepared based on regulations established by the State of Connecticut Office of Policy and Management. In accordance with these regulations (Section 4-236-22), certain grants are not dependent on expenditure activity, and accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule of Expenditures of State Financial Assistance.

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## **REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE STATE SINGLE AUDIT ACT**

### Independent Auditors Report

To the Board of Finance of the  
Town of Colebrook, CT

#### **Compliance**

We have audited the Town of Colebrook, CT's compliance with the types of compliance requirements described in the *Office of Policy and Management Compliance Supplement* that could have a direct and material effect on each of the Town of Colebrook, CT's major state programs for the year ended June 30, 2011. The major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major state program is the responsibility of the Town of Colebrook, CT's management. Our responsibility is to express an opinion on the Town of Colebrook, CT's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Town of Colebrook, CT's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Town of Colebrook, CT's compliance with those requirements.

In our opinion, the Town of Colebrook, CT complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2011.

#### **Internal Control over Compliance**

Management of the Town of Colebrook, CT is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered the Town of Colebrook, CT's internal control over compliance with requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the



purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Colebrook, CT's internal control over compliance.

A *deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and the use of management, the Board of Finance, the Board of Selectmen, others within the entity, the State of Connecticut Office of Policy and Management, and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*King, King & Associates*

King, King & Associates, CPAs  
December 16, 2011

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## TOWN OF COLEBROOK, CT Schedule of Findings and Questioned Costs For the Year Ended June 30, 2011

### I. SUMMARY OF AUDITOR'S RESULTS

#### *Financial Statements*

We audited the financial statements of the Town of Colebrook, CT as of and for the year ended June 30, 2011 and issued our unqualified report thereon dated October XX, 2011.

Internal control over financial reporting:

- Material weakness(es) identified?
  - Significant Deficiency(ies) identified?
- Noncompliance material to financial statements noted?

\_\_\_\_ Yes     No  
 Yes    \_\_\_\_ None Reported  
\_\_\_\_ Yes     No

#### *State Financial Assistance*

Internal control over major programs:

- Material weakness(es) identified?
- Significant deficiency(ies) identified?

\_\_\_\_ Yes     No  
\_\_\_\_ Yes     None Reported

We have issued an unqualified opinion relating to compliance for major State programs.

Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act?

\_\_\_\_ Yes     No

- The following schedule reflects the major programs included in the audit:

<b>State Grantor And Program</b>	<b>State Core-CT Number</b>	<b>Expenditures</b>
<b>Department of Transportation:</b>		
Town Aid Road	13033-DOT57131-43459	\$ 73,798
Town Aid Road	12052-DOT57131-43455	\$ 26,836

- Dollar threshold to distinguish between type A and type B programs \$ 100,000

## II. FINANCIAL STATEMENT FINDINGS

- We issued reports, dated December 12, 2011, on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
- Our report on compliance indicated no reportable instances of noncompliance.
- Our report on internal control over financial reporting indicated a significant deficiency, as described below:

### FINDING #11-1

#### Condition

The Town of Colebrook does not maintain a fixed asset listing and relies on its auditors to track fixed assets and calculate depreciation expense. As a result, the internal control over financial reporting of fixed assets and related depreciation is weakened. This comment is repeated from the prior year.

#### Context

Preparation of financial statements in accordance with GAAP requires that management be able to track and calculate depreciation on their fixed assets. The Town currently reviews the listing provided by the auditors annually for additions and disposals.

#### Effect

Internal controls over financial reporting for fixed assets are weakened.

#### Cause

The Town has historically relied on its auditors for this segment of financial reporting.

#### Recommendation

We recommend that the Town implement a procedure for tracking fixed assets and calculating annual depreciation.

#### Views of Responsible Officials and Planned Corrective Actions

While the Town recognizes the importance of correctly tracking fixed assets and calculating annual depreciation, we respectfully disagree that the use of our auditors to perform this function weakens internal control over financial reporting of these assets. We are confident that our thorough review of the listing provided by our auditors annually for additions and disposals provides the necessary internal controls to ensure reporting accuracy. We have also evaluated the cost vs. benefit of establishing the auditor-recommended controls and have

concluded, that given the Town's small, part-time accounting staff, and the excess payroll costs associated with training Town personnel to perform the function are not justified at this time.

**III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS**

- No findings or questioned costs are reported relating to State Financial Assistance Programs.

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## **REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

### Independent Auditor's Report

To the Board of Finance of the  
Town of Colebrook, CT

### **Compliance**

We have audited the Town of Colebrook, CT's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the Town's management. Our responsibility is to express an opinion on the Town's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the District's compliance with those requirements.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a client and material effect on each of its major federal programs for the year ended June 30, 2011.

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**TOWN OF COLEBROOK**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended June 30, 2011**

Federal Grantor/Pass-Through Grantor/ Program Title and Project Number	FEDERAL CFDA NUMBER	TOTAL EXPENDED
<b>Department of Energy</b>		
Passed through the CT Office of Policy & Management ARRA: Energy Efficiency & Conservation Block Grant	81.128	29,427
<b>Department of Education ARRA Funds</b>		
Passed through the CT Department of Education ARRA: Government Services Fund	84.397	10,118
ARRA: Education: Stabilization	84.394	70,625
<b>DEPARTMENT OF TRANSPORTATION:</b>		
Passed through the CT Department of Transportation Highway Planning & Construction	20.205	608,733
ARRA: FHWA Highway Safety	20.600	84,212
<b>Dept of Health and Human Services</b>		
Passed through the Western CT Area Agency on Aging Special Program for the Aging-Title IIIB	93.044	6,235
<b>Department of Homeland Security</b>		
Disaster Grants-Public Assistance	97.036	17,841
<b>Department of Agriculture:</b>		
Passed through the CT Department of Education Milk Program	10.556	10,588
Total Federal Financial Assistance		<u>\$ 837,779</u>

The notes to the schedule of federal awards is an integral part of this statement

**TOWN OF COLEBROOK**  
Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2011

**Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town and is presented on the modified accrual basis of accounting, as defined in the notes to the basic financial statements. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.



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**TOWN OF COLEBROOK, CT**  
Schedule of Findings and Questioned Costs  
Federal Awards  
For the Year Ended June 30, 2011

## I. SUMMARY OF AUDITOR'S RESULTS

### *Financial Statements*

We audited the basic financial statements of the Town of Colebrook, CT as of and for the year ended June 30, 2011 and issued our unqualified report thereon dated December 16, 2011.

Internal control over financial reporting:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None Reported

Noncompliance material to financial statements noted?

Yes  No

### *Federal Awards*

Internal control over major programs:

- Material weakness(es) identified?  Yes  No
- Significant deficiency(ies) identified?  Yes  None Reported

We have issued an unqualified opinion relating to compliance for major Federal programs.

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?

Yes  No

*Dollar Threshold*

Dollar threshold used to distinguish between type A and type B programs: \$300,000.

*Low-Risk Auditee*

The Town of Colebrook did not qualify as a low-risk auditee.

**II. FINANCIAL STATEMENT FINDINGS**

- We issued reports, dated December 16, 2011, on internal control over financial reporting and on compliance and other matters based on our audit of financial statements performed in accordance with *Government Auditing Standards*.
- Our report on compliance indicated no reportable instances of noncompliance.
- Our report on internal control over financial reporting indicated significant deficiencies, as described below.

**FINDING #11-1**

**Condition**

The Town of Colebrook does not maintain a fixed asset listing and relies on its auditors to track fixed assets and calculate depreciation expense. As a result, the internal control over financial reporting of fixed assets and related depreciation is weakened. This comment is repeated from the prior year.

**Context**

Preparation of financial statements in accordance with GAAP requires that management be able to track and calculate depreciation on their fixed assets. The Town currently reviews the listing provided by the auditors annually for additions and disposals.

**Effect**

Internal controls over financial reporting for fixed assets are weakened.

**Cause**

The Town has historically relied on its auditors for this segment of financial reporting.

**Recommendation**

We recommend that the Town implement a procedure for tracking fixed assets and calculating annual depreciation.

**Views of Responsible Officials and Planned Corrective Actions**

While the Town recognizes the importance of correctly tracking fixed assets and calculating annual depreciation, we respectfully disagree that the use of our auditors to perform this function weakens internal control over financial reporting of these assets. We are confident that our thorough review of the listing provided by our auditors annually for additions and disposals provides the necessary internal controls to ensure reporting accuracy. We have also evaluated the cost vs. benefit of establishing the auditor-recommended controls and have concluded, that given the Town's small, part-time accounting staff, and the excess payroll costs associated with training Town personnel to perform the function are not justified at this time.

**III. FEDERAL AWARD - FINDINGS AND QUESTIONED COSTS**

- No findings or questioned costs are reported relating to federal award programs.