

Town of Colebrook, Connecticut



Colebrook Town Pond

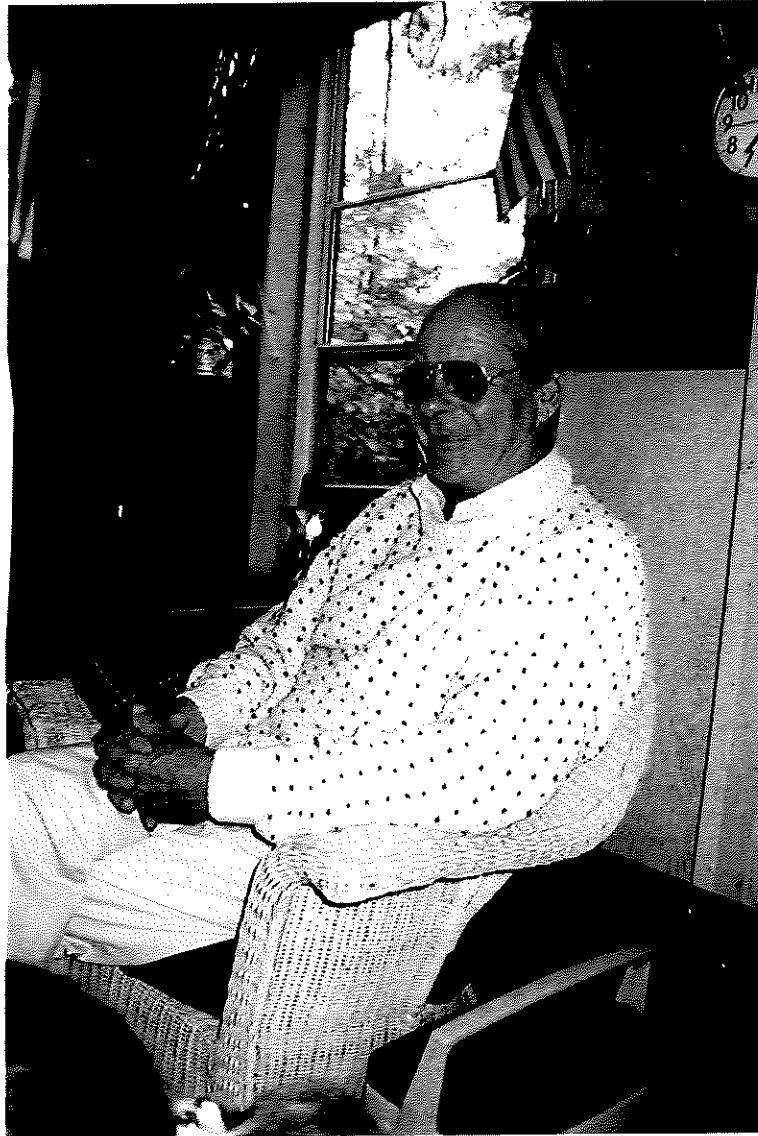


ANNUAL REPORT
for the year ending June 30th, 2007

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The Town of Colebrook along with the Inland Wetland Commission extends it's sincere and heartfelt appreciation to Tom Adams for his decades of service as a member of the Inland Wetlands Commission. Tom's practical hands on knowledge in the areas of construction, road building, and drainage were a valuable asset to the commission in reviewing applications. Thank you Tom, for your expertise and your time.



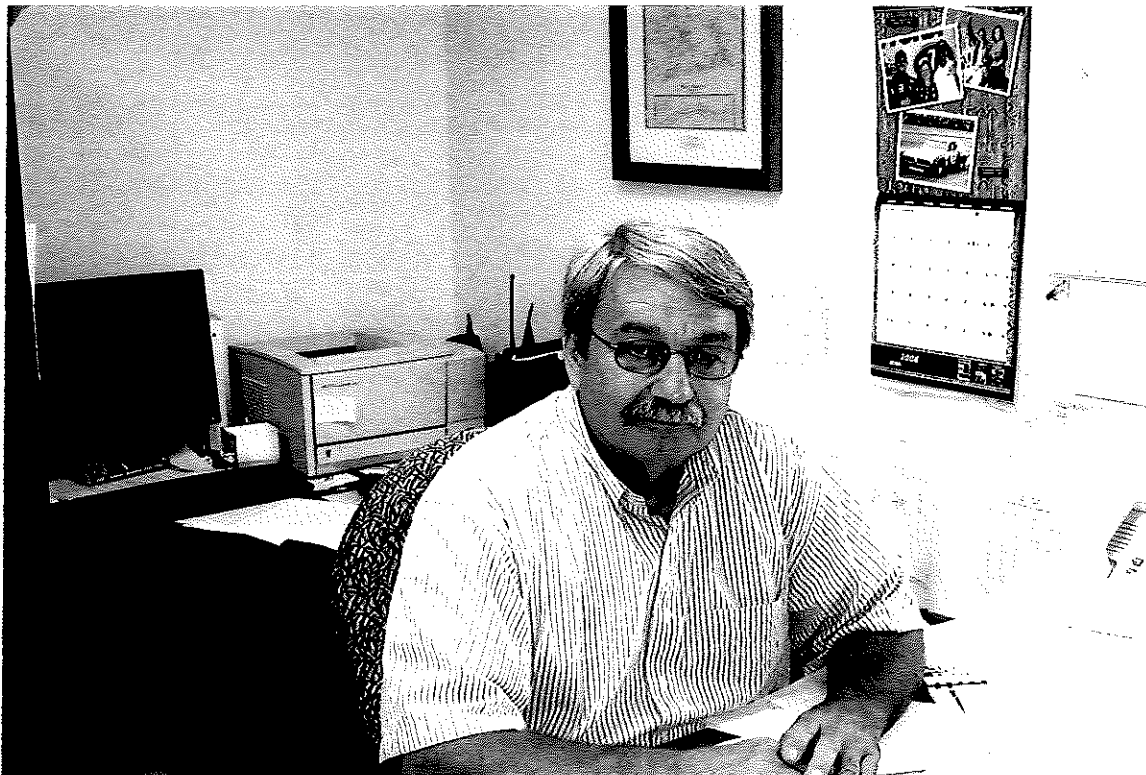
Tom Adams
Our appreciation for your many years of service on the
Inland Wetland Commission

A MESSAGE FROM YOUR FIRST SELECTMAN

In the first year as your First Selectman, the major challenge facing our country, our county, and our town has been the rising cost of energy. Elevated fuel and asphalt costs have limited the Town's ability to implement important infrastructure projects on a timely basis. Balancing necessary repair work with the cost of day to day operations, while keeping taxes affordable, is one of my most important priorities. However, we intend to initiate a number of projects that will have a positive effect on the quality of town life. STEAP grant funds, which were used last year to construct Smith Hill Park, will be available this year to repave the basketball court/skating rink. We have also made improvements to the pond area, partially through donations and budgeted town funds. Through state bridge grants, we will be continuing design work on the Bunnell Street Bridge, with reconstruction expected to begin in the spring of 2009. The initial phase of design work on Sandy Brook Bridge will begin in the fall of 2008. The town approved the Phase II school renovation study. Study results will likely be available by the end of 2008.

I'd like to thank the people of Colebrook for giving me the opportunity to serve them as First Selectman. With your continued support, we will find viable solutions to the challenges before us.

Thomas McKeon



TOWN OFFICIALS

<u>OFFICE/INCUMBENT</u>	<u>TERM</u>
<u>BOARD OF SELECTMEN</u>	
Thomas D. McKeon, First Selectman	11/20/07 – 11/17/09
Ronald J. Aubel, Selectman	11/20/07 – 11/17/09
Duncan G. Wilber, Selectman	11/20/07 – 11/17/09
<u>TOWN CLERK AND REGISTRAR OF VITAL STATISTICS</u>	
Debra L. McKeon	01/07/08 – 01/14/10
N. Joyce Nelson, Assistant	01/07/08 – 01/14/10
Joan M. Durant, Assistant	01/07/08 – 01/14/10
Laura M. Bartlett, Assistant	01/07/08 – 01/14/10
<u>TOWN TREASURER</u>	
John E. Burrows	11/20/07 – 11/17/09
<u>TAX COLLECTOR</u>	
Laura M. Bartlett	11/20/07 – 11/17/09
<u>BOARD OF FINANCE</u>	
James Millar, Jr., Chairman	11/20/07 – 11/20/13
Leon J. Carper	11/20/07 – 11/19/13
Corrine C. Pollock	11/22/05 – 11/22/11
Theodore V. Wilber	11/22/05 – 11/22/11
Thomas R. Corvo	11/18/03 – 11/17/09
John J. Dorazio	12/12/07 – 11/17/09
<u>BOARD OF EDUCATION</u>	
Bradley N. Bremer, Chairman	11/20/07 – 11/22/11
Jeanne R. Jones	11/20/07 – 11/22/11
Gregory P. Nichols	11/20/07 – 11/22/11
Lisa Ann B. Fragale	11/20/07 – 11/22/11
Sherri P. Gray	11/22/05 – 11/17/09
Susan Read Stanton	11/22/05 – 11/17/09
John B. Rigby	11/08/07 – 11/17/09
<u>SUPERINTENDENT/PRINCIPAL</u>	
James Chittum/Beth Driscoll	
<u>ASSESSORS</u>	
Michele Sloane, CCMA I, Assessor	
Joan M. Durant, Clerk	
<u>BOARD OF ASSESSORS</u>	
William E. Nelson, Jr., Chairman	
Edward A. Allen	
Geraldine M. Kassel	

Photographs Courtesy of: Robert Grigg

OFFICE/INCUMBENT**TERM****BOARD OF ASSESSMENT APPEALS**

Mark A. Lett, Chairman
Nadia M. Corvo
Frank W. Thompson

11/22/05 – 11/17/09
11/22/05 – 11/17/09
11/20/07 – 11/22/11

CONSTABLES

H. Spencer Coleman
Christopher L. Johnstone
John H. Lossin
Gerald J. Peters

11/20/07 – 11/17/09
11/20/07 – 11/17/09
11/20/07 – 11/17/09
11/20/07 – 11/17/09

REGISTRARS OF VOTERS

Catherine M. Andersen, Republican
Inge M. Gomez, Democratic

01/03/07 – 01/07/09
01/03/07 – 01/07/09

JUSTICES OF THE PEACE

Ronald J. Auel
Mary L. Baker
Barbara B. Case
Sally A. Coleman
Ralph W. Hazen, Jr.
Joanne M. Jasmin
Peter J. Kennedy
William E. Nelson, Jr.
John P. Parisi
Linda J. Raciborski
Janet H. Rathbun
Eric G. Rochow
James E. Rogers
Astrid C. Tury
Harry E. White
Penelope F. White
Gloria M. Wilber
Sidney S. VanLeer
Vacancy
Vacancy

01/03/05 – 01/05/09
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08/04/07 – 01/05/09
01/03/05 – 01/05/09
01/03/05 – 01/05/09

PLANNING AND ZONING COMMISSION

John C. Garrels, III, Chairman
Geraldine Ann Bowen
Robert A. Suprenant
Howard G. Estock
Theodore V. Wilber

10/07 – 10/10
10/06 – 10/09
10/06 – 10/09
10/05 – 10/08
10/05 – 10/08

ALTERNATES

David A. Bishop
James Millar, Jr.
Edward G. Lord, III

10/07 – 10/10
10/06 – 10/09
10/05 – 10/08

OFFICE/INCUMBENT**TERM****RECREATION BOARD**

Andrew L. Riberdy, Chairman
Vernon L. Swartley
Lisa Ann B. Fragale
Cary Wald
Larry J. Webb

10/05 – 10/08
10/05 – 10/08
10/06 – 10/09
10/06 – 10/09
10/06 – 10/09

HISTORIC DISTRICT COMMISSION

Joyce C. Hemingson, Chairman
John C. Garrels, III
Julia Andresen
James E. Rogers
John C. Putnam

10/04 – 10/09
10/07 – 10/12
10/06 – 10/11
10/06 – 10/10
10/03 – 10/08

ALTERNATES

Janet H. Rathbun
Mary L. Baker
James L. Bickford

10/07 – 10/10
10/06 – 10/09
10/05 – 10/08

REGIONAL SCHOOL DISTRICT NO. 7

Theresa J. Kenneson
Janice M. Dorazio

07/01/05 – 07/01/09
07/01/07 – 07/01/11

SENIOR AND COMMUNITY CENTER

Lynne A. Thibault, Director
Alyse Bergersen, Nutrition Site

738-9521

BUILDING OFFICIAL

Donald F. Washburn

379-3359 ext. 201

FARMINGTON VALLEY HEALTH DISTRICT

1-800-909-3843

FIRE MARSHAL

Mark Melanson

379-3359 ext. 201

EMERGENCY MANAGEMENT

Alfred R. Tillotson

379-3359 ext. 201

BURNING PERMIT OFFICERS

Benjamin Bartlett
Richard Wilber
Craig Carfiro
Edward Bascetta

738-4151
379-1651
379-5747
379-9215

ANIMAL CONTROL OFFICER

William E. Nelson, Jr.

379-0004

JUDGE OF PROBATE (WINSTED)

Alan M. Barber, Esq.

379-5576

TOWN ATTORNEY

Muschell & Simoncelli, LLP

482-6501

OFFICE/INCUMBENT**TERM****ZONING BOARD OF APPEALS**

Fred P. Williams, Chairman

10/06 – 10/08

Thomas E. Lawton

10/07 – 10/09

Charles S. Whitney

10/07 – 10/09

Carol Ann Sherwood

10/07 – 10/09

Joseph J. Alciati, Sr.

10/06 – 10/08

ALTERNATES

Charles Buchanan

10/07 – 10/10

Robert R. Lauzier

10/05 – 10/08

Vacancy

10/06 – 10/09

INLAND WETLANDS COMMISSION

Thomas B. Stanton, Chairman

02/08 – 02/11

Kenneth Andresen

02/07 – 02/10

Edna H. Travis

02/06 – 02/09

Michael F. Hurd

02/06 – 02/09

Raymond L. Swanton

02/08 – 02/11

ALTERNATES

Joseph R. Polidoro

05/07 – 05/10

John H. Lossin

05/05 – 05/08

Vacancy

05/06 – 05/09

CONSERVATION COMMISSION

Jonathan P. Thompson, Chairman

11/01/05 – 10/31/08

James L. Bickford

11/01/07 – 10/31/10

Linda G. Bickford

11/01/07 – 10/31/10

Shayne R. Young

11/01/07 – 10/31/10

Eric G. Rochow

11/01/06 – 10/31/09

Edna H. Travis

11/01/06 – 10/31/09

Gregory P. Millard

11/01/05 – 10/31/08

Leelaine R. Picker

11/01/05 – 10/31/08

Raymond L. Swanton

11/01/05 – 10/31/08

Jerome Rathbun

11/01/06 – 10/31/09

Vacancy

11/01/05 – 10/31/08

ALTERNATES

Vacancy

11/01/07 – 10/31/09

Vacancy

11/01/07 – 10/31/09

Vacancy

11/01/07 – 10/31/09

LAND USE ADMINISTRATOR

Karl N. Nilsen

LAND USE SECRETARY

Karen Griswold Nelson

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 Sunday of each month – Town Hall, 8:30 A.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 2nd Wednesday, August 4th Wednesday and December 2nd Wednesday

ANNUAL TOWN BUDGET MEETING

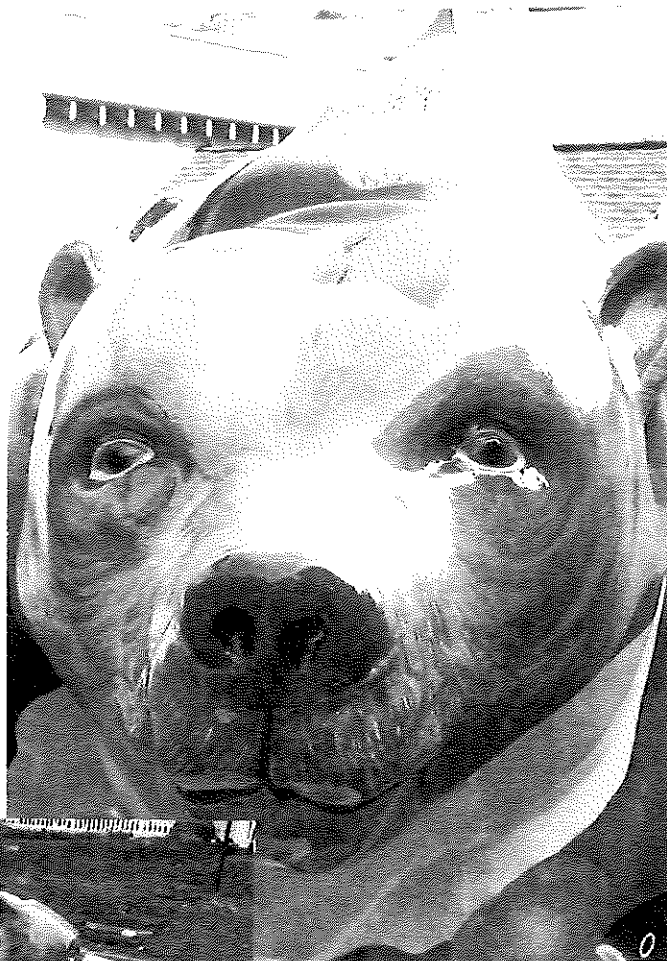
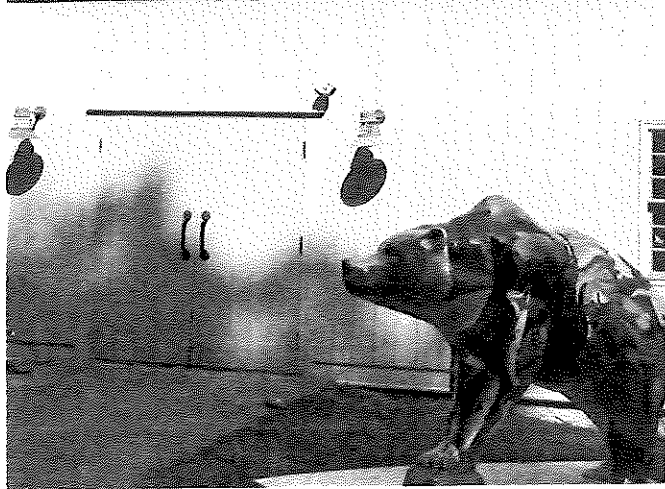
3rd Tuesday of May – Town Hall, 8:00 P.M.
(Budget Hearing at least two weeks before Town Meeting)

ANNUAL TOWN MEETING

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

ELECTION DAY

Tuesday, November 4, 2008, 6:00 A.M. – 8:00 P.M.,
Town Hall, Meeting Room 2nd Floor





Robert E. King & Co., P.C.

Certified Public Accountants
Serving Businesses, Individuals, Nonprofits and Governments

Member of
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Certified Public Accountants
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Certified Public Accountants

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November 27, 2007

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

In planning and performing our audit of the financial statements of the Town of Colebrook, for the year ended June 30, 2007, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. This letter summarizes our comments and suggestions concerning those matters. This letter does not affect our report dated November 27, 2007, on the financial statements of the Town of Colebrook, CT.

BUDGET

Observation and recommendation

We observed that budget variances are submitted for approval; however specific line item transfers naming the accounts to be transferred to and from should be approved to cover deficits. This comment is repeated from the prior year.

Management response

The Board of Finance will correct this error in subsequent budget documents. In the future, the Board will also approve line-item transfers to amend the budget during the annual review of results.

ACCOUNTING MANUAL

Observation and recommendation

The Town has not adopted an accounting manual to provide for standard accounting procedures. We recommend that each Town department document the procedures for handling cash receipts and disbursements for inclusion in an accounting manual that details all accounting policies and procedures for the Town of Colebrook.

Management response

The Town supports and encourages inter-departmental communication and the application of formal policies and procedures to ensure consistency and efficiency in Town operations. As part of this ongoing process, departments have submitted detailed descriptions of their responsibilities. However, it is important to note that the Town has limited resources, with a

number of departments staffed part-time and performing functions that are governed by state statute. This restricts the work others can perform in their absence.

This report is intended solely for the information and use of the Board of Finance, management, and the Board of Selectmen and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in dark ink, appearing to read "R. E. King". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Robert E. King & Co., P.C.

TOWN OF COLEBROOK
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For the Year Ended June 30, 2007

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Robert E. King & Co., P.C.

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P.O. Box 898
Winsted, CT 06098

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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, its major fund, and the aggregate remaining fund information of the Town of Colebrook, CT, as of and for the year ended June 30, 2007, 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 an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Town of Colebrook, CT's 2006 financial statements and, in our report dated December 19, 2006, 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, its major fund, and the aggregate remaining fund information of the Town of Colebrook, CT, as of June 30, 2007, 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 a report dated November 27, 2007 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 results of our audit.

The management's discussion and analysis on pages 3 through 9 and budgetary comparison information on page 15 are not a required part of the basic financial statements but are

supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of supplementary information. However, we did not audit the information and express no opinion on it.

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

Robert E. King & Co., P.C.

Robert E. King & Co., P.C.

November 27, 2007

TOWN OF COLEBROOK
Management Discussion and Analysis
For the Year Ended June 30, 2007

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, 2007.

Financial Highlights

- The assets of the Town of Colebrook, CT exceeded its liabilities at the close of the most recent fiscal year by \$6,016,201 (net assets). Of this amount, \$2,589,007 (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 \$2,160. 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 \$2,062,753, a decrease of \$103,683 in comparison with the prior year and attributable chiefly to various revenues being lower than initially anticipated. Of this amount, \$1,635,024 is available for spending at the government's discretion (unreserved fund balance).
- At the end of the current fiscal year, unreserved fund balance for the General Fund was \$1,441,932 or 29% percent of total General Fund expenditures. This fund balance represents the Town's reserve for future capital projects, as all assets of the capital projects fund have been obligated to finance current projects.

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.

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

TOWN OF COLEBROOK
Management Discussion and Analysis
For the Year Ended June 30, 2007

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 18-30 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 \$6,016,201 at the close of the most recent fiscal year.

TOWN OF COLEBROOK
Management Discussion and Analysis
For the Year Ended June 30, 2007

	<u>2007</u>	<u>2006</u>
Current and Other Assets	\$ 2,462,459	\$ 2,500,501
Noncurrent Assets	93,870	115,874
Capital Assets	<u>4,779,824</u>	<u>4,509,906</u>
Total Assets	<u>7,336,153</u>	<u>7,126,281</u>
Other Liabilities	100,852	27,687
Long-Term Liabilities Outstanding	<u>1,219,100</u>	<u>1,362,973</u>
Total Liabilities	<u>1,319,952</u>	<u>1,390,660</u>
Net Assets:		
Invested in capital assets, net of related debt	3,425,034	3,155,116
Restricted	2,160	816
Unrestricted	<u>2,589,007</u>	<u>2,579,689</u>
Total Net Assets	<u>\$ 6,016,201</u>	<u>\$ 5,735,621</u>

The reserved portion of the Town of Colebrook, CT's net assets represents net assets restricted for capital projects. The balance of *unrestricted net assets* (\$2,589,007) 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 \$280,580 during this fiscal year. This increase is primarily attributable to:

- Capital assets increased 6% from the prior year, largely due to the Cooper family's donation of land for recreational use. The increase more than offset a 2% decline in current assets.
- The decline in current assets, due to reduced property and conveyance tax revenues and significant increases in recycling fees and road maintenance costs, was mitigated by a number of intervening revenue and expense factors:
 - (1) Unrestricted investment income increased while interest expense declined.
 - (2) General Government expenses, including social security payments, pension contributions, employee medical insurance, and Board of Assessors expenses all declined from budget. The return of a duplicate payment made to Paramedic Intercept in the prior year, as well as lower van and driver costs for the Senior and Community Center due to a new DOT grant, reduced total Health & Welfare expenses. Recreation expenses were below Town estimates. While total Education expenses increased from the prior year, Colebrook Consolidated School expenses were modestly lower than Town estimates.
 - (3) The costs associated with unbudgeted road repairs following the April '07 storm were fully reimbursed by FEMA. Road maintenance expenses in excess of budget were fully reimbursed by LOCIP.
 - (4) Total assets of the Capital Projects Fund only declined modestly from the prior year. While the Capital Projects budget increased 42% from the prior year, in part to build reserves for future projects, actual expenditures only increased 3%. Increased interest income also helped to limit the decline in Fund balance.
 - (5) Nonmajor government fund balances increased from the prior year. Thirty-one percent of the increase came from the Cemetery Fund, where revenues and interest income exceeded the Fund's reimbursement of the General Fund for all cemetery maintenance expenses. Post Office Fund rent revenue and interest income continued to outpace the Fund's debt expense.
- A decline from the prior year in outstanding long-term debt resulted in an overall decline in total liabilities.

TOWN OF COLEBROOK
Management Discussion and Analysis
For the Year Ended June 30, 2007

	<u>2007</u>	<u>2006</u>
Revenues:		
<i>General Revenues:</i>		
Property Taxes	\$ 4,138,269	\$ 4,192,156
Unrestricted Investment Income	130,277	89,317
Grants and Contributions	50,884	40,411
Other Income	6,395	9,455
<i>Program Revenues:</i>		
Charges for Services	124,775	154,764
Operating Grants and Contributions	718,858	669,907
Capital Grants and Contributions	296,539	330,150
Total Revenues	<u>5,465,997</u>	<u>5,486,160</u>
Expenditures:		
<i>Governmental Activities:</i>		
General Government	578,845	687,693
Public Safety	153,348	156,140
Public Works	599,831	461,067
Sanitation	208,772	171,938
Health and Welfare	85,111	131,146
Education	3,523,739	3,326,796
Other	35,771	37,417
Total Expenses	<u>5,185,417</u>	<u>4,972,197</u>
<i>Change in Net Assets</i>	280,580	513,963
<i>Beginning Net Assets</i>	5,735,621	5,221,658
Ending Net Assets	<u>\$ 6,016,201</u>	<u>\$ 5,735,621</u>

Governmental activities. Governmental activities increased the Town of Colebrook, CT's net assets by \$280,580.

Key elements of the activities are as follows:

Seventy-six percent (76%) of the revenues of the Town were derived from property taxes, followed by nineteen percent (19%) from grants and contributions, followed by three percent (3%) from investment and other income, followed by two percent (2%) from charges for services.

Major revenue factors included:

- Unrestricted investment income increased 46% from the prior year due to higher interest rates and aggressive investment of reserves.
- Total intergovernmental revenues exceeded Town estimates. The costs associated with unbudgeted road repairs following the April '07 storm were fully reimbursed by FEMA.
- Interest and Liens revenues helped offset declines in property tax collections.
- Revenues from Town Operations exceeded estimates, with continued strength in building permit revenues and an increase in zoning permit activity.

For Governmental Activities, 68% of the Town's expenses relate to education and repayment of long-term debt for school construction, 5% relates to public safety and health and welfare, more than 12% relate to public works, and the remaining 15% relates to government, community services, administration and other areas.

TOWN OF COLEBROOK
Management Discussion and Analysis
For the Year Ended June 30, 2007

Major expense factors include:

- Road material costs increased due to higher energy prices.
- Recycling (tipping) fees exceeded budget due to greater use of dumpsters by Town residents.
- Town Hall expense increased due to unanticipated one-time costs for replacement of the Town Hall's septic system pumps and for surveying both the Cooper and school properties, as well as increased costs for supplies and unanticipated unemployment insurance payments.
- Increased Land Use costs related to the development of new zoning regulations.
- Increased Elections expense due to unanticipated primary election.

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, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town of Colebrook, CT's governmental funds reported combined ending fund balances of \$2,062,753, a decrease of \$103,683 in comparison with the prior year. Ninety-six (96%) of this total amount constitutes *unreserved 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, unreserved fund balance of the General Fund was \$1,441,932, which was the total fund balance. This represents a decrease of (\$97,140), mostly comprised of a decrease in property tax collections and receipt of state and federal grants.

As a measure of the General Fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents twenty-nine percent (29%) of total General Fund expenditures.

General Fund Budgetary Highlights

- Total revenues were below Town estimates, impacted by a decline in property and conveyance tax collections.
- Total expenditures were higher than budgeted. Recycling fees exceeded budget by 30% due to an unanticipated increase in the use of dumpsters by Town residents. Road maintenance expenditures exceeded budget by 34% due to increased road material costs. Town Hall expense increased due to unanticipated one-time costs for replacement of the Town Hall's septic system pumps and for surveying both the Cooper and school properties, as well as increased costs for supplies and unanticipated unemployment insurance payments. Land Use costs were higher than anticipated as part of the development of new zoning regulations. Elections expense increased due to the unanticipated primary election. Unbudgeted costs associated with the search for a new school principal, as well as an unbudgeted interfund transfer to ensure the Dog Fund's solvency, further increased General Fund expenses.
- Lower revenues and higher expenses resulted in negative net income for the General Fund versus a surplus in the prior year.
- The decline in Fund balance was mitigated by a number of intervening revenue and expense factors:

TOWN OF COLEBROOK
Management Discussion and Analysis
For the Year Ended June 30, 2007

- (1) Grant revenues below estimate (Elderly and Veterans Property Tax Relief, Boats & Machinery, Senior Center) were partially offset by grant revenues that exceeded estimate (Town Aid Roads, Education Cost Sharing, Pequot Funds).
 - (2) Interest and Liens revenue helped offset declines in property tax collections.
 - (3) Social security payments, pension contributions, employee medical insurance, and Board of Assessors expenses all declined from budget. Paramedic Intercept costs were below estimate due to the return of a duplicate payment made in the prior year. Senior & Community Center expenses declined, with van and driver costs below Town estimate due to a new DOT grant, and all maintenance costs absorbed by the Center itself. Recreation expenses were below Town estimates. While total Education expenses increased from the prior year, Colebrook Consolidated School expenses were modestly lower than Town estimates.
 - (4) The costs associated with unbudgeted road repairs following the April '07 storm were fully reimbursed by FEMA. Road maintenance expenses in excess of budget were fully reimbursed by LOCIP.
 - (5) Interest income increased \$25,328 from the prior year due to higher interest rates and aggressive investment of Fund reserves.
 - (6) Cemetery maintenance expenses, all of which were paid from the General Fund, increased from the prior year due to stone refurbishment work, but were fully reimbursed by the Cemetery Fund.
- No major additional appropriations were made to the original budget.

Capital Projects Fund Highlights

- Total assets of the Capital Projects Fund only declined 3% from the prior year, due to unspent funds held in reserve for future capital projects coupled with modest spending increases for current projects.
- An increase of \$13,809 in interest income over the prior year due to higher interest rates and aggressive investment of Fund reserves also helped limit the decline in Fund balance.
- Paving of Smith Hill Road and Cobb City Road were completed in line with budget.
- Smith Hill Park was completed at no cost to the Town, with expenses fully reimbursed by the STEAP grant.
- The anticipated state grant reimbursement for replacement of the oil tank at the Colebrook Consolidated School was not received during the fiscal year due to the State's ongoing bonding negotiations.
- Intergovernmental revenues to the Capital Projects Fund declined due to reduced capital projects activity.

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, 2007, amounts to \$3,425,034 (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:

- Completion of Wolfords Hill Road Bridge project
- Donated land for Recreational Use valued at \$160,400

TOWN OF COLEBROOK
Management Discussion and Analysis
For the Year Ended June 30, 2007

	<u>2007</u>	<u>2006</u>
Land and Infrastructure	\$ 1,210,009	\$ 161,738
Construction in Progress	122,872	729,936
Buildings and Improvements	1,552,227	1,608,482
Vehicles	362,285	438,884
Machinery and equipment	177,641	216,076
Total	<u>\$ 3,425,034</u>	<u>\$ 3,155,116</u>

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

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

	<u>2007</u>	<u>2006</u>
General Obligation Bonds	\$ 1,150,000	\$ 1,275,000
Notes Payable	69,100	79,790
Compensated Absences	-	8,183
Total	<u>\$ 1,219,100</u>	<u>\$ 1,362,973</u>

Additional information on the Town of Colebrook, CT's long-term debt can be found in Note 6 on pages 28-29 of this report.

Economic Factors and Next Year's Budgets and Rates

- A possible decrease in taxes outstanding due to anticipated collection of overdue property taxes.
- A decline in interest rates and a working down of the Town's General Fund reserves to meet expenses will likely result in lower interest income in FY '07-08.
- The slowdown in home sales, as well as growing concerns about the overall economy, may result in continued weakness in conveyance tax revenue.
- While new home construction will likely decline, home improvement activity may increase, helping to raise property assessments and to offset weakness in building permit revenue.
- Continued increases in highway materials costs due to higher energy prices.
- Increased cost of the new three-year recycling contract.
- Unpredictable increases in special education costs.
- Capital needs, including roads and future maintenance of the Colebrook Consolidated School, and possible changes in State funding of these projects.
- Repairs to Sandy Brook Road, necessitated by the April '07 storm, are scheduled to be made in FY '07-08. FEMA will reimburse the Town for 75% of the repair costs. The Town will be responsible for the remaining 25%.
- State grant reimbursement for replacement of the oil tank at the Colebrook Consolidated School will likely be received in FY '07-08, assuming the State's ongoing bonding negotiations result in release of the anticipated payment.

These factors were considered in preparing the Town of Colebrook, CT's budget for the 2007-2008 fiscal year.

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, 2007 and 2006

	Governmental Activities	
	<u>2007</u>	<u>2006</u>
Assets		
<i>Current Assets:</i>		
Cash and Cash Equivalents	\$ 2,087,564	\$ 2,191,707
State and Federal Grants Receivable	58,390	6,030
Taxes Receivable	200,325	173,974
Interest Receivable	111,352	128,170
Other Receivables	4,208	-
Other Current Assets	620	620
Total Current Assets	<u>2,462,459</u>	<u>2,500,501</u>
<i>Noncurrent Assets:</i>		
State and Federal Grants Receivable	93,870	115,874
<i>Capital Assets:</i>		
Nondepreciable	376,396	823,060
Depreciable Buildings and Equipment, net	4,403,428	3,686,846
Total Assets	<u>7,336,153</u>	<u>7,126,281</u>
Liabilities		
<i>Current Liabilities:</i>		
Accounts Payable	89,294	23,962
Accrued Payroll	7,154	-
Deferred Revenue	3,018	2,552
Due to State of Connecticut	1,386	1,173
Total Current Liabilities	<u>100,852</u>	<u>27,687</u>
<i>Noncurrent Liabilities</i>		
Due within One Year	135,685	135,685
Due in More than One Year	1,083,415	1,227,288
Total Noncurrent Liabilities	<u>1,219,100</u>	<u>1,362,973</u>
Total Liabilities	<u>1,319,952</u>	<u>1,390,660</u>
Net Assets		
Invested in Capital Assets, Net of Related Debt	3,425,034	3,155,116
Restricted	2,160	816
Unrestricted	2,589,007	2,579,689
Total Net Assets	<u>6,016,201</u>	<u>5,735,621</u>

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, 2007
(With Comparative Totals for June 30, 2006)

Functions/Programs	Program Revenues				Net (expense)/revenue and changes in net assets	
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government	
					Governmental Activities	
					2007	2006
Primary Government:						
Governmental Activities						
General Government	\$ 578,845	\$ 82,400	\$ 7,000	\$ 160,400	\$ (329,045)	\$ (551,969)
Public Safety	153,348	4,113	-	6,828	(142,407)	(153,822)
Highways	599,831	-	145,148	18,876	(435,807)	(122,617)
Sanitation	208,772	-	-	-	(208,772)	(171,938)
Health and Welfare	85,111	3,950	10,376	102,298	31,513	(11,523)
Education	3,523,739	34,312	556,334	8,137	(2,924,956)	(2,768,090)
Other	35,771	-	-	-	(35,771)	(37,417)
Total Governmental Activities	5,185,417	124,775	718,858	296,539	(4,045,245)	(3,817,376)
Total Primary Government	\$ 5,185,417	\$ 124,775	\$ 718,858	\$ 296,539	\$ (4,045,245)	\$ (3,817,376)
General Revenues:						
Property Taxes Levied for General Purposes					4,138,269	4,192,156
Unrestricted Investment Income					130,277	89,317
Grants and Contributions Not Restricted to Specific Purpose					50,884	40,411
Other Income					6,395	9,455
Total General Revenues					4,325,825	4,331,339
Change in Net Assets					280,580	513,963
Net Assets - Beginning					5,735,621	5,221,658
Net Assets - Ending					\$ 6,016,201	\$ 5,735,621

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

TOWN OF COLEBROOK
Balance Sheet
Governmental Funds
June 30, 2007
(With Comparative Totals for June 30, 2006)

	General Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds	
				2007	2006
Assets					
Cash and Cash Equivalents	\$ 1,444,042	\$ 522,365	\$ 121,157	\$ 2,087,564	\$ 2,191,707
Taxes Receivable	200,325	-	-	200,325	173,974
State and Federal Grants Receivable	19,321	32,022	7,047	58,390	6,030
Other Receivables	1,755	2,453	-	4,208	-
Interfund Receivables	10,142	-	1,855	11,997	5,093
Inventory	-	-	620	620	620
Total Assets	\$ 1,675,585	\$ 556,840	\$ 130,679	\$ 2,363,104	\$ 2,377,424
Liabilities and Fund Balances					
Liabilities:					
Accounts Payable	\$ 37,142	\$ 50,767	\$ 1,385	\$ 89,294	\$ 23,962
Accrued Payroll	7,154	-	-	7,154	-
Due to State of Connecticut	-	-	1,386	1,386	1,173
Interfund Payables	1,855	-	10,142	11,997	5,093
Deferred Revenue-Taxes/Grants	187,502	-	3,018	190,520	180,760
Total Liabilities	233,653	50,767	15,931	300,351	210,988
Fund Balance:					
Reserved	-	-	88,446	88,446	84,802
Unreserved:					
Undesignated	1,441,932	166,790	-	1,608,722	1,745,393
Designated for Capital Improvements	-	339,283	-	339,283	318,104
Unreserved Reported in Nonmajor Funds:					
Special Revenue	-	-	26,302	26,302	18,137
Capital Projects	-	-	-	-	-
Total Fund Balance	1,441,932	506,073	114,748	2,062,753	2,166,436
Total Liabilities and Fund Balance	\$ 1,675,585	\$ 556,840	\$ 130,679		\$ 2,377,424

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.	4,779,824
Deferred revenue for property taxes are reported in the funds but accrued as revenue in the government-wide statements and added to net assets.	187,502
The governmental fund Balance Sheet includes revenues that will only be available to pay current period liabilities. Adjustments are necessary to accrue receivables of all earned revenues.	205,222
Some liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(1,219,100)
Net assets of governmental activities	\$ 6,016,201

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

TOWN OF COLEBROOK

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2007

(With Comparative Totals for June 30, 2006)

	General Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds	
				2007	2006
Revenues:					
Taxes	\$4,145,793	\$ -	\$ -	\$ 4,145,793	\$4,227,768
Investment Income	98,333	26,875	5,069	130,277	89,317
Fees and Charges	81,523	1,344	43,252	126,119	155,580
Intergovernmental Revenue	762,763	126,658	37,120	926,541	1,076,773
Other	324	-	6,071	6,395	9,455
Total Revenues	<u>5,088,736</u>	<u>154,877</u>	<u>91,512</u>	<u>5,335,125</u>	<u>5,558,893</u>
Expenditures:					
Current					
General Government	487,590	-	7,000	494,590	559,581
Public Safety	64,233	-	3,103	67,336	60,523
Highways	433,220	-	-	433,220	380,214
Senior Center	43,928	-	-	43,928	51,985
Health and Welfare	31,781	-	-	31,781	50,884
Miscellaneous	35,771	-	-	35,771	37,417
Sanitation	208,772	-	-	208,772	171,938
Education	3,405,853	-	62,358	3,468,211	3,268,493
Debt Service	203,189	-	3,781	206,970	220,705
Capital Outlay	-	448,229	-	448,229	436,565
Total Expenditures	<u>4,914,337</u>	<u>448,229</u>	<u>76,242</u>	<u>5,438,808</u>	<u>5,238,305</u>
Excess/(Deficiency) of Revenues Over Expenditures	174,399	(293,352)	15,270	(103,683)	\$ 320,588
Other Financing Sources/(Uses):					
Operating transfers out	(276,200)	-	(4,661)	(280,861)	(251,692)
Operating transfers in	4,661	275,000	1,200	280,861	251,692
Total other Financing Sources/(Uses)	<u>(271,539)</u>	<u>275,000</u>	<u>(3,461)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(97,140)	(18,352)	11,809	(103,683)	320,588
Fund Balance at Beginning of Year	1,539,072	524,425	102,939	2,166,436	1,845,848
Fund Balance End of Year	<u>\$ 1,441,932</u>	<u>\$ 506,073</u>	<u>\$ 114,748</u>	<u>\$ 2,062,753</u>	<u>\$ 2,166,436</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, 2007

Net Change in Fund Balances - Total Governmental Funds \$ (103,683)

**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>	487,977
<i>Depreciation expense</i>	(218,059)

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>	9,294
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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>General Obligation Bond principal payments</i>	125,000
<i>Notes Payable principal payments</i>	10,690

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>	(22,004)
<i>Net change in interest receivable</i>	(16,818)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

8,183

Change in net assets of governmental activities.	<u>\$ 280,580</u>
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TOWN OF COLEBROOK
 Budgetary Comparison Schedule
 General Fund
 For the Year Ended June 30, 2007

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Variance Favorable/ (Unfavorable)</u>
Revenues:				
Taxes	\$ 4,129,814	\$ 4,129,814	\$ 4,148,009	\$ 18,195
Investment Income	91,894	91,894	98,333	6,439
Fees and Charges	57,873	57,873	70,382	12,509
Intergovernmental Revenue	667,189	667,189	682,558	15,369
Other	13,202	13,202	68	(13,134)
Appropriated from Surplus	79,200	79,200	-	(79,200)
Total Revenues	<u>5,039,172</u>	<u>5,039,172</u>	<u>4,999,350</u>	<u>(39,822)</u>
Expenditures:				
General Government	454,424	432,958	432,958	-
Public Safety	65,556	64,235	64,235	-
Highways	406,403	419,320	419,320	-
Town Hall Expenditures	33,250	44,528	44,528	-
Senior Center Expenditures	53,314	43,237	43,237	-
Health and Welfare	34,621	31,781	31,781	-
Miscellaneous	38,856	35,751	35,751	-
Refuse Disposal	160,000	177,933	208,772	(30,839)
Debt Service	206,780	203,189	203,189	-
Education	3,310,968	3,311,240	3,304,011	7,229
Capital Outlay	275,000	275,000	275,000	-
Total Expenditures	<u>5,039,172</u>	<u>5,039,172</u>	<u>5,062,782</u>	<u>(23,610)</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (63,432)</u>	<u>\$ (63,432)</u>

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

TOWN OF COLEBROOK
Fiduciary Funds
Statement of Fiduciary Net Assets
For the Year Ended June 30, 2007
(With Comparative Totals for June 30, 2006)

	Pension Trust Fund	Agency Funds	Totals	
			<u>2007</u>	<u>2006</u>
Assets				
Cash and Cash Equivalents	\$ -	\$ 45,246	\$ 45,246	\$ 44,637
Other Receivables	-	200	200	-
Contributions Receivable	-	-	-	4,143
Investments	<u>152,007</u>	<u>-</u>	<u>152,007</u>	<u>224,043</u>
Total Assets	<u>152,007</u>	<u>45,446</u>	<u>197,453</u>	<u>272,823</u>
Liabilities				
Due to Beneficiaries	<u>-</u>	<u>45,446</u>	<u>45,446</u>	<u>44,637</u>
Total Liabilities	<u>-</u>	<u>45,446</u>	<u>45,446</u>	<u>44,637</u>
Net Assets				
Held in Trust for Pension Benefits	<u>152,007</u>	<u>-</u>	<u>152,007</u>	<u>228,186</u>
Total Net Assets	<u>\$ 152,007</u>	<u>\$ -</u>	<u>\$ 152,007</u>	<u>\$ 228,186</u>

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

TOWN OF COLEBROOK
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Years Ended June 30, 2007 and 2006

	<u>Pension Trust Fund</u>	
	<u>2007</u>	<u>2006</u>
Additions		
Contributions	\$ 10,106	\$ 23,005
Investment Income	<u>30,875</u>	<u>20,985</u>
Total Additions	<u>40,981</u>	<u>43,990</u>
 Deductions		
General Government	<u>117,160</u>	<u>23,019</u>
Total Deductions	<u>117,160</u>	<u>23,019</u>
 Change in Net Assets	(76,179)	20,971
 Net Assets - Beginning	<u>228,186</u>	<u>207,215</u>
Net Assets - Ending	<u>\$ 152,007</u>	<u>\$ 228,186</u>

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

Robert E. King & Co., P.C.

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TOWN OF COLEBROOK, CT **Notes to the Financial Statements** **For the Year Ended June 30, 2007**

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.

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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.

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.

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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.

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

TOWN OF COLEBROOK
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June 30, 2007

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 Grant 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 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

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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 – In the fund financial statements, the unreserved fund balances for governmental funds represent the amount available for budgeting future operations. The reserved balances for governmental funds represent the amount that has been legally identified for specific purposes. Designations of fund balance represent tentative management plans that are subject to change. In the government-wide financial statements, the restricted fund balances for governmental funds represent amounts restricted by state statute to be used for capital projects.

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.
- 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.
- The General Fund budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America, except for certain interfund transfers and timing of recording of taxes.
- 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*

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Notes to the Financial Statements
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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:

Entity differences: Include recognition of On-Behalf payments made by the Connecticut Teachers Retirement Board.

Basis Differences: Include reclassifications of interfund transfers, budgetary use of fund balance, and GAAP adjustments to property taxes.

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources/(Uses)</u>	<u>Net Change</u>
Balance, Budgetary Basis	\$ 4,999,350	\$ 5,062,782	\$ -	\$ (63,432)
Revenue Adjustments for:				
Property Taxes Available	(2,216)	-	-	(2,216)
Fees & Charges	(3,571)	-	-	(3,571)
Other Revenues	95,173	-	-	95,173
Expenditure Adjustments for:				
Transfers Out	-	(275,000)	(271,539)	3,461
Other Expenditures	-	126,555	-	(126,555)
Balance, GAAP Basis	<u>\$ 5,088,736</u>	<u>\$ 4,914,337</u>	<u>\$ (271,539)</u>	<u>\$ (97,140)</u>

Excess of Expenditures Over Appropriations

For the year ended June 30, 2007, expenditures exceeded appropriations in the Refuse Disposal department by \$30,839.

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.

TOWN OF COLEBROOK
Notes to the Financial Statements
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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, 2007 and 2006:

	Government Funds	Fiduciary Funds	Totals	
			2007	2006
Demand Accounts	\$ 315,535	\$ 24,097	\$ 339,632	\$ 542,961
Sub Total	315,535	24,097	339,632	542,961
Short Term Investment Fund	1,541,834	-	1,541,834	1,304,689
MBIA CLASS Fund	229,766	21,149	250,915	356,375
Money Market Fund	201	-	201	200
Other Cash Equivalents	228	-	228	32,119
Total Cash and Cash Equivalents	\$ 2,087,564	\$ 45,246	\$ 2,132,810	\$ 2,236,344

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. As of June 30, 2007, \$250,829 of the Town's demand bank balance of \$378,309 was exposed to custodial credit risk as follows:

	<u>Demand Accounts</u>
Uninsured and uncollateralized	\$ 212,998
Uninsured and collateral held by pledging bank's Trust department not in the Town's name	37,831
Total	<u>\$ 250,829</u>

At year-end, the town's carrying amount of deposits was \$339,632 and the bank balance was \$378,309. Of the bank balance, Federal Depository Insurance Corporation covered \$130,533.

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. Trust funds may also invest in certain real estate mortgages, in certain savings banks or savings and loan associations, or in stocks or bonds or other securities selected by the trustee.

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.

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Notes to the Financial Statements
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Credit Risk. The Town has no investment policy that limits the investment choices further than the State Statutes listed above. Credit ratings were not available for the Town's 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>2007</u>	<u>2006</u>
Mutual Funds	\$ 35,281	\$ 26,076
Flexible Annuities	<u>116,726</u>	<u>197,967</u>
Total	<u>\$152,007</u>	<u>\$224,043</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	Non-major	<u>Totals</u>	
	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>	<u>2007</u>	<u>2006</u>
Property Taxes *	\$ 200,325	\$ -	\$ -	\$ 200,325	\$ 173,974
Grants Receivable	19,321	32,022	7,047	58,390	6,030
Other Receivables	<u>1,755</u>	<u>2,453</u>	<u>-</u>	<u>4,208</u>	<u>-</u>
Net Total Receivables	<u>\$ 221,401</u>	<u>\$ 34,475</u>	<u>\$ 7,047</u>	<u>\$ 262,923</u>	<u>\$ 180,004</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>2007</u>	<u>2006</u>
Deferred Property Taxes	\$187,502	\$178,208
Deferred Grant Revenue	3,018	2,552

Government-wide financial statements include receivables that will not provide current financial resources. These additional assets include interest receivable of \$111,352 and a long-term grant receivable of \$93,870.

TOWN OF COLEBROOK
Notes to the Financial Statements
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NOTE 4 – GENERAL FIXED ASSETS

The following is a summary of net changes in fixed assets for the fiscal year ending June 30, 2007:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 93,124	\$ 160,400	\$ -	\$ 253,524
Construction in Progress	729,936	122,872	729,936	122,872
Total capital assets, not being depreciated	<u>823,060</u>	<u>283,272</u>	<u>729,936</u>	<u>376,396</u>
Capital assets, being depreciated:				
Buildings & Improvements	4,084,557	33,728	-	4,118,285
Infrastructure	68,614	897,268	-	965,882
Vehicles	1,259,289	-	-	1,259,289
Machinery and Equipment	417,724	3,645	-	421,369
Total capital assets being depreciated	<u>5,830,184</u>	<u>934,641</u>	<u>-</u>	<u>6,764,825</u>
Less accumulated depreciation for:				
Buildings & Improvements	1,121,285	89,983	-	1,211,268
Infrastructure	-	9,397	-	9,397
Vehicles	815,699	76,599	-	892,298
Machinery and Equipment	206,354	42,080	-	248,434
Total accumulated depreciation	<u>2,143,338</u>	<u>218,059</u>	<u>-</u>	<u>2,361,397</u>
Total capital assets, being depreciated, net	<u>3,686,846</u>	<u>716,582</u>	<u>-</u>	<u>4,403,428</u>
Governmental activities capital assets, net	<u>\$ 4,509,906</u>	<u>\$ 999,854</u>	<u>\$ 729,936</u>	<u>\$ 4,779,824</u>

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

Governmental Activities:	<u>2007</u>	<u>2006</u>
General Government	\$ 52,906	\$ 43,509
Public Works	54,875	60,762
Public Safety	64,060	63,560
Health and Welfare	9,402	9,402
Education	36,816	34,893
Total Depreciation Expense	<u>\$ 218,059</u>	<u>\$ 212,126</u>

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, and an 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

TOWN OF COLEBROOK
Notes to the Financial Statements
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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, 2007 for all participating local governments was \$412,101,958.

The amount of the contribution allocable to the Town was estimated to be \$53,919, and has been recognized as a government grant and an education expenditure in the General Fund. For the year ended June 30, 2007, teachers for the Town of Colebrook, CT contributed \$93,411 to the plan. The Town does not contribute to the system nor does it have any legal obligation for benefits. The Board of Education payroll is \$946,024 and the current covered payroll is \$728,840.

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 1,800 hours during the plan year, and who is actively employed as of the annual plan valuation date.

At July 1, 2007, 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 or the maximum allowed by IRS regulations. 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 \$10,106, and there were benefit payouts this year which totaled \$117,160. There were no participant contributions for the year.

At June 30, 2007, membership in the Plan consisted of:

Current employees:	
Fully or partially vested	
Town	2
Board of Education	2
Terminated	
Town	3
Total	<u>7</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.

TOWN OF COLEBROOK
Notes to the Financial Statements
June 30, 2007

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 – 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.

Changes in long-term obligations for the year ended June 30, 2007, are as follows:

	<u>Interest Rate</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities					
91 General Obligation Bond	7.0%-7.7%	\$ 375,000	\$ -	\$ 75,000	\$ 300,000
03 General Obligation Bond	4.25%	900,000	-	50,000	850,000
Milbrook Loan	6.00%	57,290	-	8,190	49,100
Post Office Loan	5.125%	22,500	-	2,500	20,000
Compensated Absences		8,183	-	8,183	-
Total		<u>\$ 1,362,973</u>	<u>\$ -</u>	<u>\$ 143,873</u>	<u>\$ 1,219,100</u>

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

Governmental Activities:	<u>2007</u>	<u>2006</u>
General Government	\$ 39,531	\$ 41,784
Highway Dept.	3,098	3,581
Public Safety	8,595	10,395
Education	<u>20,055</u>	<u>24,255</u>
Total Interest Expense	<u>\$ 71,279</u>	<u>\$ 80,015</u>

TOWN OF COLEBROOK
Notes to the Financial Statements
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Debt Service Requirements

Debt service requirements on long-term debt at June 30, 2007 are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>
2008	\$ 135,685	\$ 62,786
2009	135,685	54,253
2010	135,685	45,719
2011	135,685	37,185
2012	60,680	28,652
2013-2017	265,680	107,037
2018-2022	250,000	53,125
2023-2024	<u>100,000</u>	<u>6,375</u>
Total	<u>\$ 1,219,100</u>	<u>\$ 395,132</u>

Current Portion of Long-Term Debt

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

1991 G. O. Bond	\$ 75,000
2003 G. O. Bond	50,000
Notes Payable	<u>10,685</u>
Total	<u>\$ 135,685</u>

NOTE 7 – CONTINGENT LIABILITIES

The town is contingently liable on Regional School District No. 7 serial bonds and leases payable. The amount (11.91 percent) attributed to the Town of Colebrook, CT is \$1,020,330.

NOTE 8 – INTERFUND ACCOUNTS

At June 30, 2007, 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>2007</u>	<u>2006</u>
General Fund	\$ 1,855	\$ -	\$ 1,855	\$ 1,048
Nonmajor	-	10,142	10,142	4,045
Total	<u>\$ 1,855</u>	<u>\$ 10,142</u>	<u>\$ 11,997</u>	<u>\$ 5,093</u>

The amount due from the General Fund to Nonmajor funds represents funds held in the General Fund for Historic Document Preservation.

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

TOWN OF COLEBROOK
Notes to the Financial Statements
June 30, 2007

Interfund Transfers for the year are summarized below:

Transfers From and Purpose	Capital Projects Fund	Nonmajor Funds	Totals	
			2007	2006
General Fund				
Budgeted Expenditure	\$ 275,000	\$ -	\$ 275,000	\$ 251,692
Reimbursed Expenditure	-	5,861	5,861	-
	<u>\$ 275,000</u>	<u>\$ 5,861</u>	<u>\$ 280,861</u>	<u>\$ 251,692</u>

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 9 – FUND BALANCES / NET ASSETS

The following net assets were restricted at June 30,

	2007	2006
Governmental Activities	<u>\$ 2,160</u>	<u>\$ 816</u>

The following balances were reserved at June 30,

Governmental Funds		
Nonmajor Funds: Cemetery	\$ 87,827	\$ 84,182
Nonmajor Funds: School Cafeteria	620	620
Total	<u>\$ 88,447</u>	<u>\$ 84,802</u>

The following balances were designated at June 30,

Governmental Funds		
Capital Projects Fund	\$ 339,283	\$ 318,104
Total	<u>\$ 339,283</u>	<u>\$ 318,104</u>

The following funds had deficit fund balances at year-end:

Governmental Funds		
Nonmajor Funds: Dog Fund	<u>\$ -</u>	<u>\$ (1,882)</u>

TOWN OF COLEBROOK
Statement of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2007

page 1 of 4

	Original Budget	Amended Budget	Actual	Variance- Favorable/ (Unfavorable)
REVENUES				
Taxes:				
Property Taxes	\$ 4,129,814	\$ 4,129,814	\$ 4,088,574	\$ (41,240)
Interest and Liens	-	-	59,435	59,435
Total Taxes	<u>4,129,814</u>	<u>4,129,814</u>	<u>4,148,009</u>	<u>18,195</u>
Intergovernmental Revenue:				
Senior Center Grants	16,350	16,350	10,376	(5,974)
Telephone Access Line Tax Share	15,542	15,542	14,712	(830)
Education Cost Sharing	415,422	415,422	421,519	6,097
School Transportation	8,921	8,921	7,715	(1,206)
Adult Education	290	290	280	(10)
Special Education	-	-	1,783	1,783
State and Federal Property	4,413	4,413	4,426	13
Town Aid Roads	90,247	90,247	99,559	9,312
Pequot Funds	17,115	17,115	23,468	6,353
Elderly and Veterans Property Tax Relief	30,000	30,000	15,611	(14,389)
School Construction Grant	32,027	32,027	30,141	(1,886)
LOCIP	25,708	25,708	27,253	1,545
FEMA	-	-	18,336	18,336
Misc. - Boats, Machinery, & Comm. MV	6,423	6,423	1,988	(4,435)
Property Tax Relief Grant	4,731	4,731	4,731	-
Other Receipts	-	-	660	660
Total Intergovernmental Revenue	<u>667,189</u>	<u>667,189</u>	<u>682,558</u>	<u>15,369</u>
Other Revenues:				
Town Operations	57,873	57,873	70,382	12,509
Interest Income	91,894	91,894	98,333	6,439
Miscellaneous	6,202	6,202	68	(6,134)
Total Other Revenues	<u>155,969</u>	<u>155,969</u>	<u>168,783</u>	<u>12,814</u>
Total Revenues	<u>\$ 4,952,972</u>	<u>\$ 4,952,972</u>	<u>\$ 4,999,350</u>	<u>\$ 46,378</u>
Other Financing Sources:				
Transfer from Cemetery Fund	7,000	7,000	-	(7,000)
Fund Balance Designated to Finance Budget	79,200	79,200	-	(79,200)
Total Revenues	<u>\$ 5,039,172</u>	<u>\$ 5,039,172</u>	<u>\$ 4,999,350</u>	<u>\$ (39,822)</u>

See accountant's report.

TOWN OF COLEBROOK
Statement of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2007

page 2 of 4

	Original Budget	Amended Budget	Actual	Variance- Favorable/ (Unfavorable)
EXPENDITURES				
General Government:				
First Selectman	\$ 26,780	\$ 26,780	\$ 26,780	\$ -
2ND & 3RD Selectmen	1,236	1,236	1,236	-
COST	750	725	725	-
Selectmen's Expense	1,200	1,458	1,458	-
Probate Court	1,250	1,119	1,119	-
Elections	7,000	10,161	10,161	-
Board of Finance	1,400	114	114	-
Board of Assessors	12,500	5,437	5,437	-
Assessor's Expense	1,100	1,163	1,163	-
Assessor's Mapping	500	-	-	-
Board of Assessment Appeals	400	422	422	-
Tax Collector	17,484	17,484	17,484	-
Tax Collector Expense	3,530	2,985	2,985	-
Treasurer	5,464	5,464	5,464	-
Treasurer Expense	300	479	479	-
Town Attorney	2,500	350	350	-
Town Clerk	33,470	34,051	34,051	-
Town Clerk Expense	1,500	2,251	2,251	-
Assistant Town Clerk	2,533	1,268	1,268	-
Building Inspector	9,986	10,006	10,006	-
Building Inspector's Expense	600	1,609	1,609	-
Farmington Valley Health District	5,661	5,661	5,661	-
Planning and Zoning Commission	2,750	1,226	1,226	-
Zoning Board of Appeals	200	122	122	-
Inland-Wetlands Agency	2,750	1,531	1,531	-
Town Secretary	30,000	29,768	29,768	-
Land Use Sec'y/Enf. Officer	22,500	27,500	27,500	-
Social Security	37,080	31,092	31,092	-
Pension Contribution	13,390	8,756	8,756	-
Employee Medical Insurance	88,000	84,824	84,824	-
Insurance (CIRMA)	69,500	72,107	72,107	-
Tax Refund	100	-	-	-
Recreation Board	21,890	16,396	16,396	-
Town Hall Admin. Support	18,470	18,231	18,231	-
Auditor	10,650	11,182	11,182	-
Total General Government Expenses	454,424	432,958	432,958	-
Public Safety:				
Fire Marshal	3,826	3,826	3,826	-
Fire Marshal Expense	100	-	-	-
Fire Protection	45,000	45,000	45,000	-

See accountant's report.

TOWN OF COLEBROOK
Statement of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2007

page 3 of 4

	Original Budget	Amended Budget	Actual	Variance- Favorable/ (Unfavorable)
Constables	\$ 150	\$ 140	\$ 140	\$ -
911	16,480	15,269	15,269	-
Total Public Health and Welfare	65,556	64,235	64,235	-
Highways:				
Wages	152,776	147,022	147,022	-
Overtime	24,127	17,535	17,535	-
Town Garage Fuel and Lubricants	27,500	18,545	18,545	-
Town Vehicle Parts and Repairs	36,500	43,335	43,335	-
Winter Maintenance	66,000	62,879	62,879	-
Road Improvement	80,000	107,478	107,478	-
Street Lights	1,000	848	848	-
Utilities	6,500	4,043	4,043	-
Garage Maintenance	4,500	10,148	10,148	-
Tree Removal	7,500	7,487	7,487	-
Total Highways	406,403	419,320	419,320	-
Town Hall Expenditures:				
Office Supplies	7,000	8,337	8,337	-
Town Hall/Community Hall Util.	14,000	13,449	13,449	-
Town Hall Maintenance	10,000	14,678	14,678	-
Unemployment	-	2,989	2,989	-
Miscellaneous	2,000	5,016	5,016	-
General Assistance (Welfare)	250	59	59	-
Total Town Hall	33,250	44,528	44,528	-
Senior Center Expenditures:				
Senior Center Utilities	4,883	5,396	5,396	-
Senior Center Miscellaneous	460	25	25	-
Senior Center Coordinator	13,396	13,395	13,395	-
Site Manager and Helper	15,197	17,002	17,002	-
Heat, Stove and Hot Water	3,797	3,856	3,856	-
Van & Driver	15,581	3,563	3,563	-
Total Senior Center	53,314	43,237	43,237	-
Health and Welfare:				
Vital Statistics	50	-	-	-
Foothills Nursing	6,727	6,877	6,877	-
Susan B. Anthony	900	900	900	-
Winsted Ambulance	5,200	5,200	5,200	-

See accountant's report.

TOWN OF COLEBROOK
Statement of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2007

page 4 of 4

	Original Budget	Amended Budget	Actual	Variance- Favorable/ (Unfavorable)
Elderly Nutrition Program	\$ 862	\$ 862	\$ 862	\$ -
Elderly Transit Program	692	692	692	-
Regional Mental Health	168	168	168	-
Paramedic Intercept	11,272	8,332	8,332	-
Norfolk Ambulance	5,000	5,000	5,000	-
Colebrook First Responders	3,000	3,000	3,000	-
Northwest Corner Chore Service	750	750	750	-
Total Health	34,621	31,781	31,781	-
Miscellaneous:				
Libraries	10,000	10,000	10,000	-
Cemeteries	7,000	4,661	4,661	-
Data Processing	17,500	16,769	16,769	-
Winsted YSB	2,500	2,500	2,500	-
LHCEO	918	918	918	-
Farmington River Watershed	188	188	188	-
Mapping: Micro Filming	750	715	715	-
Total Miscellaneous	38,856	35,751	35,751	-
Refuse Disposal:				
Town's Refuse/Recycle	160,000	177,933	208,772	(30,839)
Total Refuse Disposal	160,000	177,933	208,772	(30,839)
Debt Service	206,780	203,189	203,189	-
Education:				
Colebrook School Budget	1,546,745	1,546,745	1,539,516	7,229
Northwest Regional # 7	1,764,223	1,764,495	1,764,495	-
Total Education	3,310,968	3,311,240	3,304,011	7,229
Provision for Uncollected Taxes	-	-	-	-
Capital Improvements				
Capital Expenditures	275,000	275,000	275,000	-
	275,000	275,000	275,000	-
Total Expenditures	5,039,172	5,039,172	5,062,782	(23,610)
Excess of Revenues over Expenditures	\$ -	\$ -	\$ (63,432)	\$ (63,432)

See accountant's report.

TOWN OF COLEBROOK
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2007

	SPECIAL REVENUE FUNDS						
	Post Office Fund	Dog Fund	School Cafeteria Fund	Cemetery Fund	Historical Document Fund	Education Grants Fund	Total
Assets							
Cash and Cash Equivalents	\$ 18,901	\$ 3,152	\$ 6,599	\$ 92,487	\$ -	\$ 18	\$ 121,157
State and Federal Grants Receivable	-	-	1,566	-	-	5,481	7,047
Interfund Receivables	-	-	-	-	1,855	-	1,855
Inventory	-	-	620	-	-	-	620
Total Assets	<u>\$ 18,901</u>	<u>\$ 3,152</u>	<u>\$ 8,785</u>	<u>\$ 92,487</u>	<u>\$ 1,855</u>	<u>\$ 5,499</u>	<u>\$ 130,679</u>
Liabilities							
Accounts Payable	\$ -	\$ 1,385	\$ -	\$ -	\$ -	\$ -	\$ 1,385
Deferred Revenue	-	-	3,000	-	-	18	3,018
Interfund Payable	-	-	-	4,661	-	5,481	10,142
Due to State of CT	-	1,386	-	-	-	-	1,386
Total Liabilities	<u>-</u>	<u>2,771</u>	<u>3,000</u>	<u>4,661</u>	<u>-</u>	<u>5,499</u>	<u>15,931</u>
Fund Balances							
Reserved	-	-	620	87,826	-	-	88,446
Unreserved:							
Designated	-	-	-	-	-	-	-
Undesignated	18,901	381	5,165	-	1,855	-	26,302
Total Fund Balances	<u>18,901</u>	<u>381</u>	<u>5,785</u>	<u>87,826</u>	<u>1,855</u>	<u>-</u>	<u>114,748</u>
Total Liabilities and Fund Balances	<u>\$ 18,901</u>	<u>\$ 3,152</u>	<u>\$ 8,785</u>	<u>\$ 92,487</u>	<u>\$ 1,855</u>	<u>\$ 5,499</u>	<u>\$ 130,679</u>

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, 2007

	SPECIAL REVENUE FUNDS						Total
	Post Office Fund	Dog Fund	School Cafeteria Fund	Cemetery Fund	Historical Document Fund	Education Grants Fund	
Revenues							
Investment Income	\$ 661	\$ 53	\$ -	\$ 4,355	\$ -	\$ -	\$ 5,069
Fees and Charges	-	4,113	34,312	3,950	877	-	43,252
Intergovernmental Revenues	-	-	10,733	-	7,000	19,387	37,120
Other	6,030	-	41	-	-	-	6,071
Total Revenues	<u>6,691</u>	<u>4,166</u>	<u>45,086</u>	<u>8,305</u>	<u>7,877</u>	<u>19,387</u>	<u>91,512</u>
Expenditures							
General Government	-	-	-	-	7,000	-	7,000
Public Safety	-	3,103	-	-	-	-	3,103
Health and Welfare	-	-	-	-	-	-	-
Education	-	-	42,971	-	-	19,387	62,358
Debt Service	3,781	-	-	-	-	-	3,781
Total Expenditures	<u>3,781</u>	<u>3,103</u>	<u>42,971</u>	<u>-</u>	<u>7,000</u>	<u>19,387</u>	<u>76,242</u>
Net Changes in Fund Balances Before Other Financing Sources/(Uses)	2,910	1,063	2,115	8,305	877	-	15,270
Other Financing Sources/(Uses)							
Transfers In	-	1,200	-	-	-	-	1,200
Transfers Out	-	-	-	(4,661)	-	-	(4,661)
Total Other Financing Sources/(Uses)	<u>-</u>	<u>1,200</u>	<u>-</u>	<u>(4,661)</u>	<u>-</u>	<u>-</u>	<u>(3,461)</u>
Changes in Fund Balances	2,910	2,263	2,115	3,644	877	-	11,809
Fund Balances - Beginning	15,991	(1,882)	3,670	84,182	978	-	102,939
Fund Balances - Ending	<u>\$ 18,901</u>	<u>\$ 381</u>	<u>\$ 5,785</u>	<u>\$ 87,826</u>	<u>\$ 1,855</u>	<u>\$ -</u>	<u>\$ 114,748</u>

See accountant's report.

TOWN OF COLEBROOK
Combining Statement of Fiduciary Net Assets
For the Year Ended June 30, 2007

		<u>Agency Funds</u>			
	Pension Trust Fund	Recreation Board Fund	School Activities Fund	Senior Citizen Center	<u>Total</u>
Assets:					
Cash and Cash Equivalents	\$ -	\$ 5,605	\$ 19,117	\$ 20,524	\$ 45,246
Investments	152,007	-	-	-	152,007
Other Receivables	-	200	-	-	200
Contribution Receivable	-	-	-	-	-
Total Assets	<u>\$ 152,007</u>	<u>\$ 5,805</u>	<u>\$ 19,117</u>	<u>\$ 20,524</u>	<u>\$ 197,453</u>
Liabilities:					
Due to Beneficiaries	-	5,355	19,117	16,319	40,791
Due to Others	-	450	-	4,205	4,655
Total Liabilities	<u>-</u>	<u>5,805</u>	<u>19,117</u>	<u>20,524</u>	<u>45,446</u>
Fund Balances:					
Held in Trust for Pension Benefits	<u>152,007</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>152,007</u>
Total Fund Balances	<u>152,007</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>152,007</u>
Total Liabilities and Fund Balances	<u>\$ 152,007</u>	<u>\$ 5,805</u>	<u>\$ 19,117</u>	<u>\$ 20,524</u>	<u>\$ 197,453</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, 2007

	<u>Pension Trust</u>
Revenues:	
Employer Contributions	\$ 10,106
Earnings from Investments	<u>30,875</u>
Total Revenues	<u>40,981</u>
Expenditures:	
General Government	<u>117,160</u>
Total Expenditures	<u>117,160</u>
Excess (Deficiency) of Revenues Over Expenditures	(76,179)
Fund Balances, Beginning of Year	<u>228,186</u>
Fund Balances, End of Year	<u><u>\$ 152,007</u></u>

See accountant's report.

TOWN OF COLEBROOK
Combining Statement of Changes in Assets and Liabilities
Fiduciary Funds
For the Year Ended June 30, 2007

	<u>Balance July 1, 2006</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2007</u>
RECREATION FUND				
Assets:				
Cash	\$ 3,566	\$ 10,529	\$ 8,490	\$ 5,605
Due from Others	-	200	-	200
	<u>\$ 3,566</u>	<u>\$ 10,729</u>	<u>\$ 8,490</u>	<u>\$ 5,805</u>
Liabilities:				
Due to Beneficiaries	<u>\$ 3,566</u>	<u>\$ 10,729</u>	<u>\$ 8,490</u>	<u>\$ 5,805</u>
SCHOOL ACTIVITIES FUND				
Assets:				
Cash	<u>\$ 18,859</u>	<u>\$ 10,156</u>	<u>\$ 9,898</u>	<u>\$ 19,117</u>
Liabilities:				
Due to Beneficiaries	<u>\$ 18,859</u>	<u>\$ 10,156</u>	<u>\$ 9,898</u>	<u>\$ 19,117</u>
SENIOR CENTER FUND				
Assets:				
Cash	<u>\$ 22,212</u>	<u>\$ 17,616</u>	<u>\$ 19,304</u>	<u>\$ 20,524</u>
Liabilities:				
Due to Beneficiaries	<u>\$ 22,212</u>	<u>\$ 17,616</u>	<u>\$ 19,304</u>	<u>\$ 20,524</u>
TOTAL ASSETS				
Cash	\$ 44,637	\$ 38,301	\$ 37,692	\$ 45,246
Due from Others	-	200	-	200
	<u>\$ 44,637</u>	<u>\$ 38,501</u>	<u>\$ 37,692</u>	<u>\$ 45,446</u>
TOTAL LIABILITIES				
Due to Beneficiaries	<u>\$ 44,637</u>	<u>\$ 38,501</u>	<u>\$ 37,692</u>	<u>\$ 45,446</u>

See accountant's report.

TABLE 1 Schedule of Property Taxes Levied, Collected, and Outstanding

For the Year Ended June 30, 2007

Net Grand List - October 1, 2005
Tax Rate 22.59 Mills

See accountant's report.

TOWN OF COLEBROOK
Schedule of Debt Limitation
June 30, 2007

Total Tax Collections for the Year

Taxes \$ 4,089,192

Reimbursement for Loss on:

Tax Relief for the Elderly 11,095

Base \$ 4,100,287

Debt Limitation:

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>
2 1/4 times base	\$ 9,225,646	\$ -	\$ -	\$ -
4 1/2 times base	-	18,451,292	-	-
3 3/4 times base	-	-	15,376,076	-
3 1/4 times base	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,325,933</u>

Total Debt Limitation	<u>9,225,646</u>	<u>18,451,292</u>	<u>15,376,076</u>	<u>13,325,933</u>
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Indebtedness:

Bonds payable	940,000	210,000	-	-
Loans Payable	69,101	-	-	-
Allocated to Regional School District Debt	-	1,020,330	-	-
Less: Grants Receivable	<u>-</u>	<u>(93,870)</u>	<u>-</u>	<u>-</u>
Total Indebtedness	<u>1,009,101</u>	<u>1,136,460</u>	<u>-</u>	<u>-</u>

Debt limitation in excess of

outstanding and authorized debt	<u>\$ 8,216,545</u>	<u>\$ 17,314,832</u>	<u>\$ 15,376,076</u>	<u>\$ 13,325,933</u>
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Note: In no case should this total indebtedness exceed seven times the base of \$4,100,287 or \$28,702,009

See accountant's report.

TOWN OF COLEBROOK
Board of Education
Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2007

page 1 of 3

	Original Budget	Amended Budget	Actual	Variance- Favorable/ (Unfavorable)
Salaries:				
<i>Certified Personnel:</i>				
Supt-Principal	\$ 94,712	\$ 94,712	\$ 94,712	\$ -
Teachers	648,023	572,459	561,654	10,805
Substitutes	14,000	9,000	7,767	1,233
Head Teacher	1,500	1,500	1,500	-
Extra Hours	800	800	1,270	(470)
Media Specialist	-	75,564	75,564	-
<i>Non-certified:</i>				
Aide	55,440	55,440	54,391	1,049
Computer Technician	2,500	2,500	2,500	-
After-School Stipend	2,000	2,000	2,000	-
Substitutes	-	5,000	4,166	834
School Nurse	29,464	29,464	29,464	-
Librarian	11,709	11,709	10,535	1,174
Administrative Asst.	31,785	31,785	31,785	-
Bookkeeper	26,433	26,433	26,433	-
Custodian / Full	33,713	33,713	33,713	-
Custodian / Part	8,037	8,037	7,686	351
Custodial Overtime	1,000	1,000	884	116
Total Salaries	961,116	961,116	946,024	15,092
Employee Benefits:				
Medical Insurance	110,546	110,546	113,163	(2,617)
Dental Insurance	9,155	9,155	9,873	(718)
Life Insurance	3,434	3,434	3,602	(168)
Disability	324	324	295	29
Comp. FICA	14,663	14,663	13,355	1,308
Medicare	10,595	10,595	10,550	45
Supt/Princ. Retire.	6,867	6,867	7,612	(745)
Pension	13,560	3,275	3,275	-
Retirement Incentive	14,002	14,002	14,001	1
Tuition Reimbursement	5,000	5,000	5,000	-
Annuity	-	10,285	10,285	-
Unused Sick Days	-	-	1,905	(1,905)
Total Employee Benefits	188,146	188,146	192,916	(4,770)

See accountant's report.

TOWN OF COLEBROOK
Board of Education
Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2007

page 2 of 3

	Original Budget	Amended Budget	Actual	Variance- Favorable/ (Unfavorable)
Purchased Services:				
Adm. Seminars	\$ 300	\$ 300	\$ 555	\$ (255)
Computer Support	6,000	6,000	5,000	1,000
Staff Seminars (Workshops)	5,000	5,000	-	5,000
Noncertified Dev.	250	250	-	250
Test & Scoring	1,000	1,000	-	1,000
Legal Fees	1,200	1,200	2,526	(1,326)
Bank Fees	-	-	-	-
Audit Services	2,400	2,400	2,463	(63)
Doctor	350	350	350	-
Therapists	8,000	8,000	5,027	2,973
Fingerprinting	-	-	-	-
<i>Purchased Property Services:</i>				
Water/Water Coolers	1,500	1,500	2,028	(528)
Well Monitor	1,300	1,300	1,425	(125)
<i>Repair and Maintenance Services:</i>				
Cleaning Services	1,000	1,000	1,030	(30)
Building Maint. & Repairs	3,300	3,300	5,389	(2,089)
Bldg. Insp./Asbestos	1,000	1,000	1,691	(691)
Equipment Repairs	1,000	1,000	2,923	(1,923)
Service Contracts	6,750	6,750	7,734	(984)
<i>Student Transportation:</i>				
Regular Local	69,722	69,722	69,722	-
Special Education	9,000	9,000	15,686	(6,686)
<i>Communication:</i>				
Telephone	3,300	3,300	3,417	(117)
Cell Phone	170	170	150	20
Postage	1,500	1,500	1,524	(24)
Internet	300	300	325	(25)
Cable	-	-	-	-
Advertising	800	800	746	54
<i>Travel-Other Transportation:</i>				
Travel	1,500	1,500	1,279	221
<i>Miscellaneous Purchased Services:</i>				
Adult Education	1,100	1,100	1,088	12
Education Service in CT	61,500	61,500	51,410	10,090
Vaccines	100	100	-	100
Shared Services/Outplacement	142,703	142,703	136,858	5,845
Total Purchased Services	332,045	332,045	320,346	11,699

See accountant's report.

TOWN OF COLEBROOK
Board of Education
Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2007

page 3 of 3

	Original Budget	Amended Budget	Actual	Variance- Favorable/ (Unfavorable)
PURCHASES:				
Supplies and Materials:				
Office Supplies	\$ 1,200	\$ 1,200	\$ 388	\$ 812
Teaching Supplies	25	25	186	(161)
Testing	116	116	-	116
A.V. Supplies	78	78	155	(77)
Computer Supplies	1,500	1,500	1,639	(139)
Custodial Supplies	3,800	3,800	4,886	(1,086)
Health Supplies	277	277	192	85
Bd. of Ed. Supplies	100	100	76	24
Library Supplies	400	400	280	120
School Supplies	2,000	2,000	73	1,927
Consortium Bid Supplies	3,000	3,000	2,249	751
Lunch Program Supplies	-	-	-	-
Instructional Equipment	3000	3,000	1560	1440
Energy:				
Electricity	15,000	15,000	21,063	(6,063)
Propane Gas	2,000	2,000	1,558	442
Heating Oil	17,000	17,000	26,694	(9,694)
Textbooks & Periodicals:				
Textbooks	8,215	8,215	6,215	2,000
Workbooks	715	715	29	686
Library Books	1,500	1,500	490	1,010
Magazines	500	500	130	370
Teacher Guides	110	110	107	3
Spanish Supplies	200	200	-	200
Music Supplies	550	550	304	246
Art Supplies	660	660	242	418
Phys. Ed. Supp.	322	322	-	322
Total Purchases	<u>62,268</u>	<u>62,268</u>	<u>68,516</u>	<u>(6,248)</u>
Capital Outlay:				
Furnishings/ Equipment	<u>1,670</u>	<u>1,670</u>	<u>5,572</u>	<u>(3,902)</u>
Total Capital Outlay	<u>1,670</u>	<u>1,670</u>	<u>5,572</u>	<u>(3,902)</u>
Other Objects:				
Dues & Fees	1,400	1,400	6,105	(4,705)
Miscellaneous	<u>100</u>	<u>100</u>	<u>37</u>	<u>63</u>
Total Other Objects	<u>1,500</u>	<u>1,500</u>	<u>6,142</u>	<u>(4,642)</u>
Total Board of Education	<u>\$ 1,546,745</u>	<u>\$ 1,546,745</u>	<u>\$ 1,539,516</u>	<u>\$ 7,229</u>

See accountant's report.

Robert E. King & Co., P.C.

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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

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

We have audited the financial statements of the Town of Colebrook, CT as of and for the year ended June 30, 2007, and have issued our report thereon dated November 27, 2007. 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 preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Town of Colebrook, CT's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Town of Colebrook, CT's financial statements that is more than inconsequential will not be prevented or detected by the Town of Colebrook, CT's internal control. We consider the deficiencies described as **#07-1** in the accompanying schedule of findings and questioned costs to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Town of Colebrook, CT's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

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 responses. We did not audit the Town of Colebrook, CT's response and accordingly, we express no opinion on it.

We noted certain other matters that we reported to management in a separate letter dated November 27, 2007.

This report is intended solely for the information and use of the Board of Selectmen, the State of Connecticut Office of Policy and Management, and other 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.

Robert E. King & Co., P.C.

Robert E. King Co., P.C.
November 27, 2007

TOWN OF COLEBROOK
Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2007

<u>State Grantor/Pass Through Grantor/Program Title</u>	<u>State Grant Program Identification Number</u>	<u>Expenditures</u>
State Dept. of Education		
Adult Education	11000-SDE64000-17030	\$ 280
Child Nutrition Program	11000-SDE64000-16072	2,028
Connecticut State Library		
Historic Preservation	12060-CSL66094-35150	7,000
Department of Transportation		
Town Aid Road	12001-DOT57131-17036	99,559
Local Bridge Program	21010-DOT57000-42313	4,826
Department of Environmental Protection		
Small Town Economic Assistance Program	12052-DEP44420-40530	102,298
Office of the State Comptroller		
State Owned Real Property	11000-OSC15910-17004	4,426
Mashuntucket Pequot	12009-OSC15910-17005	23,468
Boat Grant	12027-OSC15910-40211	272
Office of Policy and Management		
Property Tax Relief:		
Totally Disabled	11000-OPM20600-17018	203
Veteran's Exemptions	11000-OPM20600-17024	4,516
Elderly Exemptions	11000-OPM20600-17018	11,095
LOCIP	12050-OPM20600-40254	27,253
One-Time Municipal Revenue Sharing	11000-OPM20600-17086	4,731
Manufacturer's M&E-PILOT	11000-OPM20600-17031	1,513
Total State Financial Assistance before exempt programs		<u>\$ 293,468</u>

EXEMPT PROGRAMS

Department of Education		
Education Cost Sharing	11000-SDE64000-17041	\$ 421,519
Excess Cost-Student Based	11000-SDE64000-17048	1,783
Transportation of School Children	11000-SDE64000-17027	7,715
School Construction Grants	13010-SDE64000-40901	30,141
Total Exempt Programs		<u>461,158</u>
Total State Financial Assistance		<u>\$ 754,626</u>

See notes to schedule.

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TOWN OF COLEBROOK
State Financial Assistance Programs
Notes to the Schedule
For the Year Ended June 30, 2007

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 principles of the Town of Colebrook, CT conform to accounting principles generally accepted in the United States of America 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 APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE STATE SINGLE AUDIT ACT

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

Compliance

We have audited the compliance of the Town of Colebrook, CT with the types of compliance requirements described in the *Office of Policy and Management Compliance Supplement* that are applicable to each of its major state programs for the year ended June 30, 2007. The major state programs are identified in the summary of auditors' 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 state programs is the responsibility of the Town of Colebrook, CT's management. Our responsibility is to express an opinion on 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 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 on 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 requirements referred to above that are applicable to each of its major state programs for the year ended June 30, 2007.

Internal Control over Compliance

The 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 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, 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 control 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 noncompliance with a type of compliance requirement of a state program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a state program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a state program will not be prevented or detected by the Town of Colebrook, CT's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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.

Schedule of Expenditures of State Financial Assistance

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, 2007, and have issued our report thereon dated November 27, 2007. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Town of Colebrook, CT's basic 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements, taken as a whole.

This report is intended solely for the information and the use of the Board of Selectmen, Management of the Town of Colebrook, CT, 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.

Robert E. King & Co., P.C.

Robert E. King & Co., P.C.
November 27, 2007

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TOWN OF COLEBROOK, CT **Schedule of Findings and Questioned Costs** **For the Year Ended June 30, 2007**

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, 2007 and issued our unqualified report thereon dated November 27, 2007.

Internal control over financial reporting:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant Deficiency(ies) identified that are not considered to be material weaknesses? ☒ Yes ☐ None Reported
- Noncompliance material to financial statements noted? ☐ Yes ☒ No

State Financial Assistance

Internal control over major programs:

- Material weakness(es) identified? ☐ Yes ☒ No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? ☐ 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:

State Grantor And Program	State Core-CT Number	Expenditures
Department of Transportation:		
Open Space (Playground)	12052 – DEP44420 – 40530	\$102,298
Town Aid Road	12001 – DOT57000 – 17036	\$ 99,559

II. FINANCIAL STATEMENT FINDINGS

- We issued reports, dated November 27, 2007, 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 a significant deficiency, as described below:

FINDING #07-1

Condition

The accounting personnel of the Town of Colebrook, CT are not able to prepare a complete set of financial statements and related disclosures in accordance with generally accepted accounting principles, including government-wide statements and GASB statement.

Context

Recently issued auditing standards require the auditor to consider whether the Town possesses the ability to detect material misstatements in financial statements prepared in accordance with GAAP. Although the Town regularly prepares financial reports for review by management, it requires assistance from its auditors to prepare a complete set of financial statements for the annual audits.

Effect

There is more than a remote possibility that a material misstatement in GAAP-prepared financial statements may occur, and not be detected by the Town's personnel.

Cause

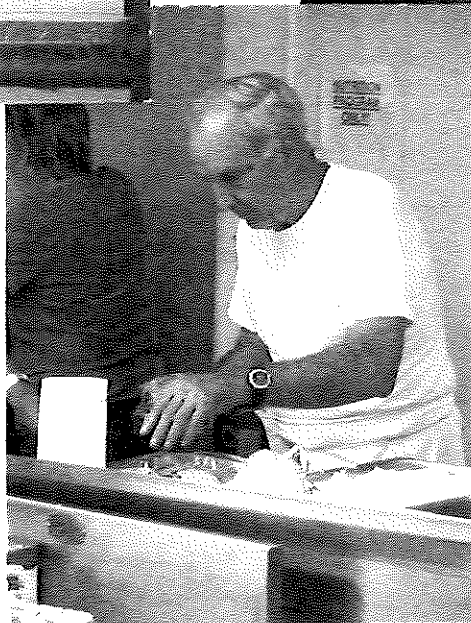
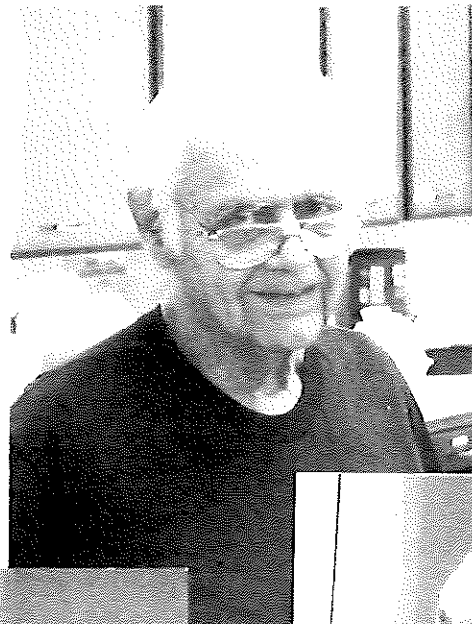
The Town is able to provide for a single fiscal employee; however, it does not possess the resources to be able to employ and train staff with the ability to create financial statements and related disclosures in accordance with GAAP. The government has evaluated the cost vs. benefit of establishing internal controls over the preparation of financial statements in accordance with GAAP, and determined that it is in the best interests of the government to outsource this task to its independent auditors, and to carefully review the draft financial statements and notes prior to approving them and accepting responsibility for their content and presentation.

Recommendation

As resources allow, the Town should strive to train personnel with the objective of preparing financial statements and related disclosures in accordance with GAAP, including GASB Statements.

III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

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



Colebrook Clean Up Day

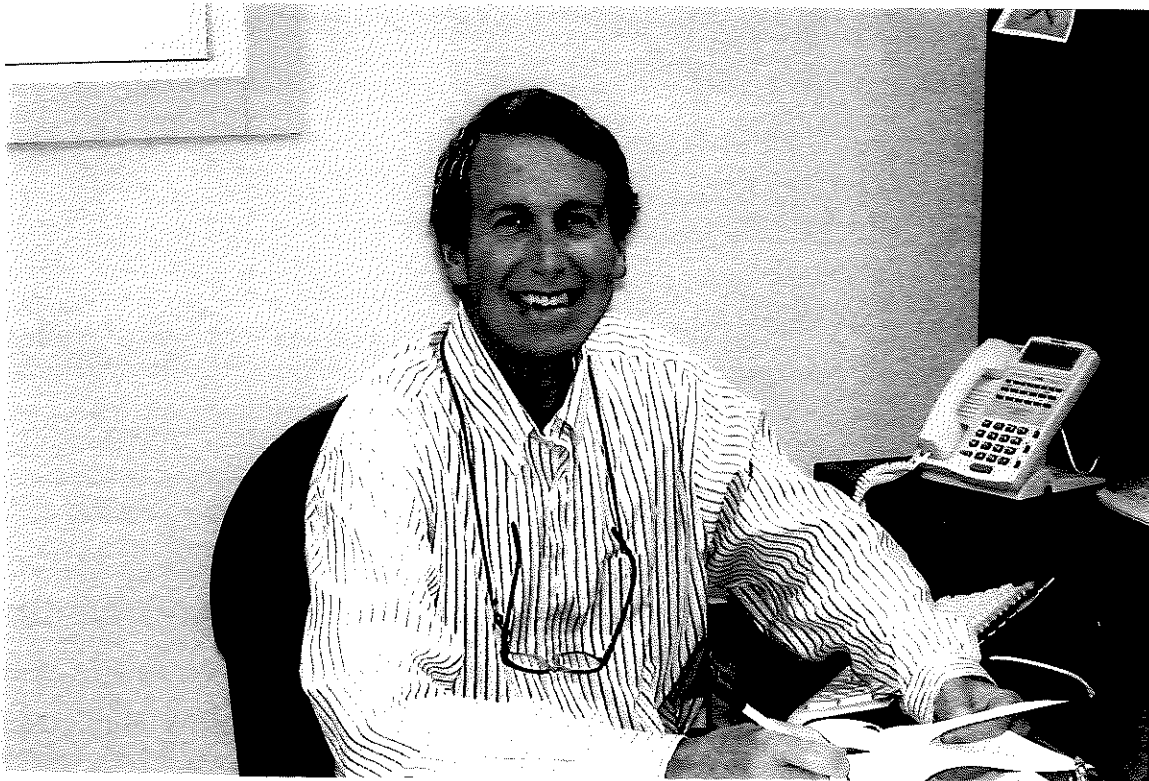


TOWN TREASURER

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 serving his second term as Town Treasurer, having been first elected in November 2005. While the position is part time, Jeb rarely misses 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."

Jeb recently became a member of the Government Finance Officers Association (GFOA), a 17,500 member organization serving government finance officials in the United States and Canada. Through this affiliation, the Town hopes to secure an important financial credential – a Certificate of Achievement for Excellence in Financial Reporting – by submitting an expanded audit for review by the GFOA.



TAX COLLECTOR

The Tax Collector is an administrator in that she organizes, directs, and coordinates the collection activities of the municipality. The 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 the 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.

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.



ASSESSOR'S OFFICE

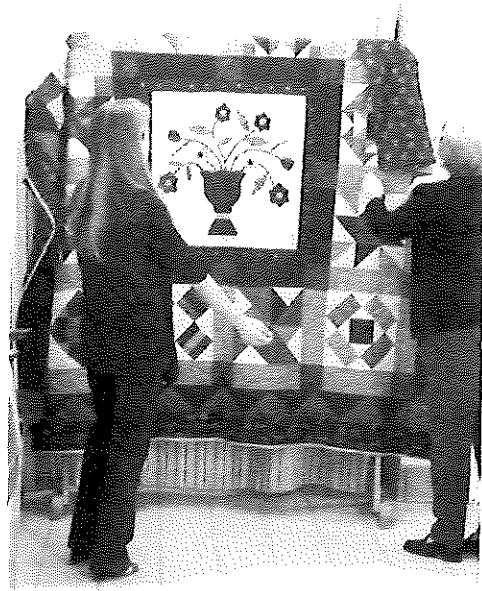
The Assessor's Office is responsible for discovering, valuing and listing all taxable property including real estate, motor vehicles and personal property in the Town of Colebrook and constantly keeping our assessment records updated. After the Grand List of taxable property is finalized in January, 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 an active duty member of the armed forces, you may be eligible for certain tax relief programs. Those landowners interested in preserving their land as FARM or FOREST LAND at a reduced assessment should inquire about the State of Connecticut's Public Act 490 Program.

Please stop in or call 379-3359 ext. 206 for more information or to request applications for any tax relief programs.

Michele Sloane, CCMIAI, Assessor
Joanie Durant, Administrative Support





The Colebrook Senior & Community Center

Located in the heart of Colebrook, the mission of the Colebrook Senior & Community Center is to provide services as needed & requested to residents & members of the community at large to use & enjoy. This includes partnering with other community organizations as well as providing a recreational safe haven for all ages, offering educational, cultural & recreational activities, programs, & services. The Colebrook Sr/Community Center realizes its 10th anniversary in 2008.

The Center is open Mondays, Tuesdays, Thursdays, & Fridays from 9:00AM to 3:00PM, & Wednesdays 10:00AM to 2:00PM. For special activities, events, or meetings, the Center will open upon request. With a fully equipped kitchen & large main room, it is a convenient location for a variety of functions. Games, puzzles, a large screen television with VCR, a stereo system, piano, sewing machines, computers, newspapers, magazines, periodicals, & other reading resources are available daily for your use. The center offers a free lending library consisting of hard & soft cover books, audiotapes, & videos. We encourage people to utilize, borrow & add to our growing resource area. The Center may also be rented for private parties, & gatherings.

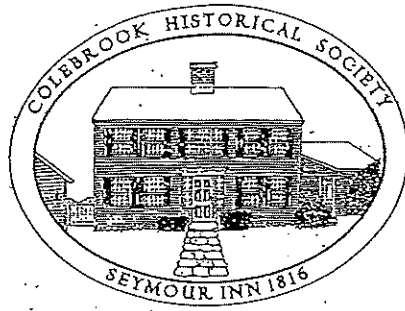
Nutritious meals are served by reservation on Mondays, Tuesdays, Thursdays & Fridays inclusive of monthly Brunches, pot lucks, restaurant review lunch trips, breakfasts, BBQ's, & special gourmet meals. All ages are welcomed. This is a popular social hour for family & friends. Take out and deliveries are available. Coffee Hour is Monday, Tuesday, & Thursday mornings beginning at 10:00. Thanks to Winsted Health Center Helping Hands Chore Service is available to assist elderly persons needing help with chores around the house... Transportation is available & provided thanks to an agreement with Northwest Transit, the Town of Colebrook, and a state grant. Any one in need or desire of a ride to the center for activities or events, shopping, town meetings, or appointments may utilize this viable service.

Regularly scheduled programs include weekly needlecrafts, exercise, quilting, & cards. Monthly activities include excursion trips, blood pressure and cholesterol screenings, health talk, lunch with a class from Colebrook School, entertainment, foot clinics, scrapbooking, community pot lucks with the presentation of an interesting or exciting topic, educational programs, certification classes, skin screenings, crafts, & cultural programs. Throughout the summer we offer programs run by Senior. volunteers for the children. Membership is not required, but does have its benefits.

Throughout the year, a variety of events occur. We participate annually in the Colebrook Labor Day Fair, & hold a Turkey Dinner each Fall. The Holiday Craft Fair & café every December is always a success. An annual Chicken BBQ in April as well as an annual quiche sale are successful & enjoyed by all. Cookie tins are made up & distributed to special folk during the holidays. We team with Boy & Girl Scouts who send Valentines to Colebrook Seniors, display seasonal decorations, and assist during events. May brings us the Mother's Day Tea and Volunteer Wine & Cheese to honor those who give from their hearts to assist us in serving the community and each other. We have coordinated with fellow organizations in town and compiled an annual Community Calendar, and a monthly Community Newsletter. We are available for anyone in the community from new residents to concerned relatives, to assist in any way we can.

We hold fundraisers, apply for grants, and request private donations in order to keep our town taxes down. We strive to sustain the Colebrook Senior & Community Center in providing resources to people and the community at large that we all know and love, that we want to raise our children and families in, and hope to grow old in together. Please do not hesitate to let us know how we may serve you personally, or the community as a whole, even better. We are here for you.

Lynne Thibault, Director Phone: 860.738.9521 Email: lthibault@colebrooktownhall.org



March 2008

Dear Members and Friends,

*"History is a hill or high point of vantage, from which alone men see
the town in which they live or the age in which they are living"*

Gilbert Keith Chesterton

With the arrival of spring the Colebrook Historical Society welcomes you to an active and enjoyable 2008 season. Initiating our concert series the Providence Brigade Band will perform Civil War music on Sunday, March 30. This summer the newly refurbished exhibit room on the first floor will feature "A Colebrook Pantry in the 1930's". A community reception will be held on Sunday, June 29th to launch the opening of "Summer Celebration" – an art show by the students of Colebrook Consolidated School. Please visit our website www.colebrookhistoricalsociety.org to keep abreast of our schedule of seasonal events.

We continue to reach out to the Colebrook community welcoming and encouraging all to make use of the Society's resources. Beginning April 16th the Colebrook Historical Society will again host its weekly Wednesday morning gatherings from 9AM to noon – a time for coffee, a visit, or to lend a hand in the never ending list of restoration projects. Who knows - another fireplace may be uncovered as happened last fall. By the end of May we anticipate that the period lighting fixtures will be installed in the Gathering Room and then the painting begins!

There is still much to be done. Please partner with us as we work to preserve our Colebrook history for the enrichment of our tomorrow. It is only through your generosity and support that the important work of the Colebrook Historical Society can continue.

Thank you for your consideration.

Sincerely,

Julie Andresen Jan Rathbun
Julie Andresen & Jan Rathbun
Co-Presidents

COLEBROOK VOLUNTEER FIRE DEPARTMENT, INC.

COLEBROOK CENTER
PO BOX 82
COLEBROOK, CT 06021
(860) 379-8989



FORGE COMPANY
300 COLEBROOK RIVER ROAD
WINSTED, CT 06098
(860) 379-1551

Colebrook Residents:

The Colebrook Fire Department responded to 109 emergency calls including mutual aid; 21 motor vehicle accidents; 9 structure fires; 12 brush fires; 7 search and/or rescue calls; 10 wires down; 28 activated alarms; and 22 miscellaneous calls.

Colebrook Fire Department hosted a large scale regional drill in the center of Colebrook last fall. There were 9 towns that participated in this mutual aid drill and 19 pieces of apparatus and over 100 volunteer firefighters. The participation with mutual aid Fire Departments is vital for emergency calls.

The Departments have been busy with training to keep up with mandated courses and to further there knowledge of fire suppression and education of the fire service. Forge Fire Company has had there brush truck painted. Center Fire Company has been working to set up there ATV for brush fires and rescue calls.

We wish to thank everyone that attended and supported the Colebrook Fire Departments 5th Annual Steak Bake at Maaser Park. Your support was greatly appreciated.

New members are always encouraged, and if interested you are welcome to visit either station on Tuesday evenings during our practices.

Benjamin Bartlett, Chief
Colebrook Volunteer Fire Department



Colebrook Volunteer Fire Department EMS First Responders

The Colebrook Emergency Medical Service First Responder Organization is in its fourth successful year of service. In 2007 we responded to approximately 120 calls. In the first seven months of 2008, we have answered nearly 80 calls, exceeding the estimated numbers at the inception of the program. This year so far we have developed By-Laws, have begun conducting meetings and proficiency practices, pursue funding opportunities, and promote education and awareness.

What we do: When someone has a medical emergency, traumatic injury, motor vehicle accident, or any other type of emergency where medical help is needed, they call 911. Litchfield County Dispatch (LCD) immediately puts out a tone which comes over all of our radios with the nature of the call and the location. Norfolk or Winsted Ambulance (dependent upon the location) is called at the same time. We arrive and provide care pursuant to the situation.

We do not charge for our services and rely primarily upon fundraisers and donations. In the short time that the program has been functioning, we have been fortunate to receive enough donations to purchase a 1996 Blue Dodge Durango known as Squad 4 which allows us to respond to calls with all of the necessary equipment to meet any needs on our arrival at an incident. The vehicle is housed at the Forge Station which is in the eastern section of Colebrook. Because of the proximity of some calls in relation to the location of the first responder at the time, each responder is equipped with a bag containing pertinent medical equipment. This ensures efficiency, and the least amount of response time possible.

Special thanks go out to the volunteers for taking the time to meet the rigorous demands to comply with ever increasing state and federal standards, as well as volunteering their valuable personal time to assist the people in our community. Many thanks also to the neighboring services that we provide mutual aid to for their cooperation and support. And of course, thank you to members and residents of the community of Colebrook.

We look forward to continuing to serve you as we conduct ourselves in the most professional and empathetic manner possible while utilizing our skills as we meet changing and increasing needs through continued training, education, and further development of this viable service.

Respectfully Submitted,

Lynne A. Thibault,
Administrator
Colebrook First Responders



LITCHFIELD HILLS COUNCIL OF ELECTED OFFICIALS

The Litchfield Hills Council of Elected Officials is the state-recognized regional planning organization for the eleven-town Litchfield Hills Region. The LHCEO consists of the Mayors and First Selectmen from the member towns of Barkhamsted, Colebrook, Goshen, Hartland, Harwinton, Litchfield, Morris, New Hartford, Norfolk, Torrington, and Winchester. The LHCEO meets regularly to discuss issues of intermunicipal concern, promote regional cooperation, and direct various regional planning activities. Serving as officers this year were Goshen First Selectman Robert Valentine as Chairman, Litchfield First Selectman Leo Paul as Vice Chairman, Hartland First Selectman Wade Cole as Secretary, and Harwinton First Selectman Frank Chiaramonte as Treasurer. The LHCEO is based at the Goshen Town Hall and has two employees.

Major activities of the LHCEO this year included the following:

1) Planning and Coordination

A variety of issues of regional significance were discussed at the monthly meetings of the LHCEO including: economic development, affordable housing, municipal homeland security priorities, lake eutrophication, transit services, legislative priorities, road improvement projects, and health insurance for municipal employees. In addition to the LHCEO's regular monthly meetings, several special meetings of the LHCEO were also held in cooperation with the Northwestern Connecticut Council of Governments and area legislators to discuss local legislative priorities.

The LHCEO continued to serve as a Census Data Center and responded to numerous requests for demographic, economic, and housing data. The LHCEO also reviewed and commented on 20 referrals of proposed zoning changes, town plan updates, or development proposals near municipal borders this fiscal year, as required by state statute.

The LHCEO continued to administer the Litchfield Hills Façade Improvement Program this year, which provides a financial incentive for area businesses to improve the exterior appearance of their buildings. Over 200 businesses in the region have benefited from this popular program.

The LHCEO continued to receive funding this year from the CT Office of Emergency Management and Homeland Security to help coordinate the activities of the Northwestern CT/Litchfield Hills Public Safety Task Force. The Task Force was established to provide a broad-based forum for discussing regional domestic preparedness issues and opportunities.

The LHCEO was also awarded funding this year to establish a "Litchfield Hills Public Works Equipment Cooperative". Under this program, area towns will share in the use of selected equipment including a street sweeper and catch basin cleaner.

2) Transportation Planning

The LHCEO continued to help administer the Rural Collector funding program for several area towns including Barkhamsted, Hartland, Harwinton, and Litchfield. The LHCEO receives an annual allocation of \$245,000 for this important local road

improvement program, and additional towns are scheduled to receive funding under this program in the years ahead.

A major achievement this year was the update of the "Litchfield Hills Regional Transportation Plan" which provides an overview of the existing transportation system in the region, identifies major transportation issues of concern, and defines regional priorities and improvement policies.

The Litchfield Hills Road Foreman Association met twice this year to discuss issues in local road maintenance, prepare a listing of local public works equipment for the Department of Emergency Management and Homeland Security, and to help develop plans for the "Litchfield Hills Public Works Equipment Cooperative".

The LHCEO also continued its active support this year for federal and state funding to build a new transit center for the Northwestern CT Transit District.

3) Recycling and Household Hazardous Waste

In cooperation with the Northwestern Connecticut Council of Governments, the LHCEO continued to coordinate meetings of the "Litchfield Hills/Northwestern Connecticut Recycling Advisory Committee". This Committee oversees the regional recycling program and coordinates the scheduling of household hazardous waste collection days in the regional area. Two successful household hazardous waste collection days were held this year for area residents, along with two electronics collection days sponsored in cooperation with the Connecticut Resources Recovery Authority.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Richard Lynn", is written over a horizontal line.

Richard Lynn, AICP
Planning Director

Annual Report July 2007 – June 2008

Beardsley and Memorial Library

Serving the towns of Barkhamsted, Colebrook, and Winchester

40 Monroe Place

Winsted, CT 06098

Phone (860)379-6043 Fax (860)379-3621

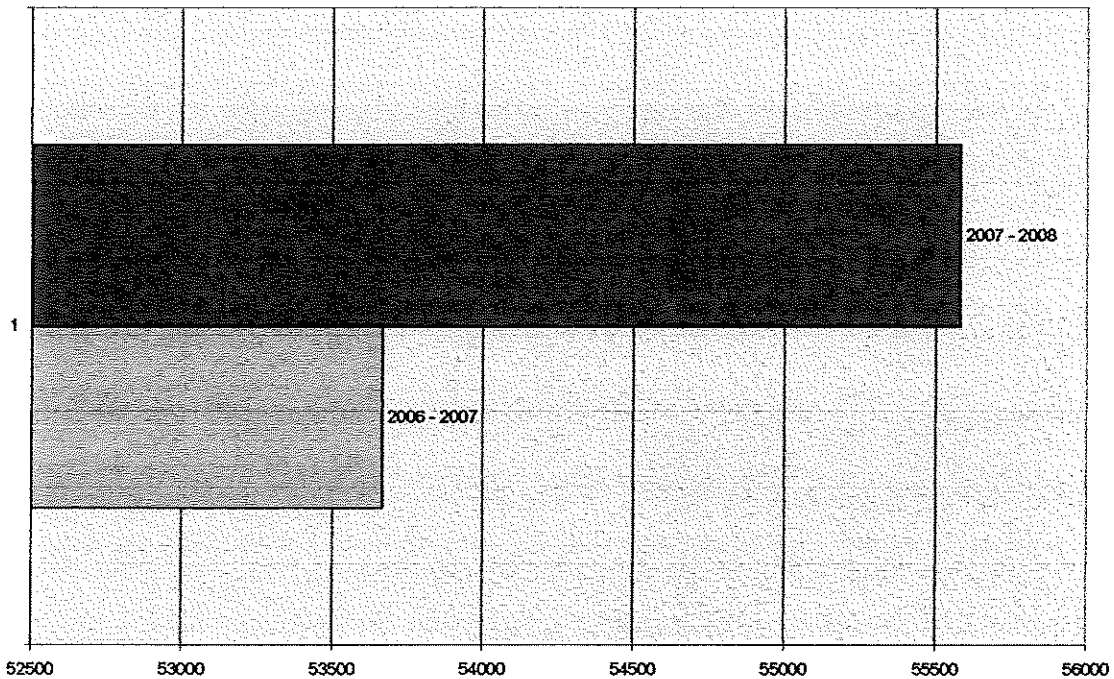
Homepage www.beardsleyandmemorial.org

By Linda Senkus, Director

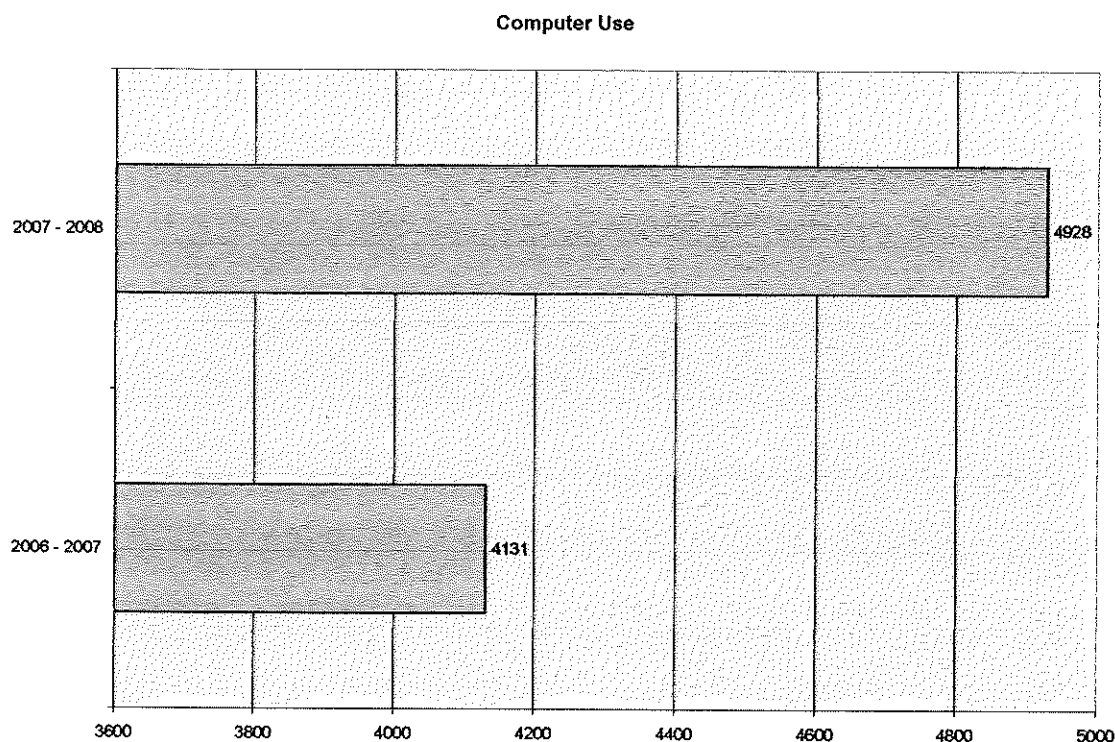
There were many improvements made to our historic building this year. Drainage was installed under the parking lot to prevent the renovated basement from being flooded in heavy rains. The parking lot was resurfaced, and a new improved handicapped access ramp was installed. One of two furnaces was replaced, and the fire/security system was upgraded.

During the past year we added 4,399 items to the library collection. We relocated many of the book and DVD collections to make it easier for people to find items they are seeking. Some examples of relocated items include New England history and travel, which were moved to shelves outside the local history room; new one month fiction titles are now closer to the circulation desk, and several collections, which were previously split, were combined so that the call numbers flow sequentially. DVDs were moved closer to the circulation desk to kiosks which were purchased by the Friends of the Library, and this resulted in a two-fold borrowing increase. Other changes made involved special collections. Oversized books are now clearly marked as oversized in the catalog. Circulation in special collections increased noticeably with the new sequencing and the updated catalog records. Circulation in general increased (see chart below).

Items Borrowed



Computer usage continues to climb (see chart below). A long term and mid range information technology plan was presented to the Library Board of Directors in January. It was decided to pursue grants and donations to replace our seven year old server and to update our Windows 98 and Windows 2000 computers with Windows XP machines. We also intend to purchase enterprise-wide licenses for all of our computers. By June 30th, we learned that we received grants from The Community Foundation, Alcoa Howmet, and Civic Family Services. Northwest Community Bank provided a cash donation that was used to purchase enterprise wide software for staff machines. During 2008 – 2009, we will purchase the new server. 10 Windows XP machines will be donated by Northwest Community Bank. We will replace our Windows 98 and Windows 2000 machines with these donations, and use grant money to purchase enterprise wide software licenses for these machines. Patrons will have more computer access as a result of these upgrades.

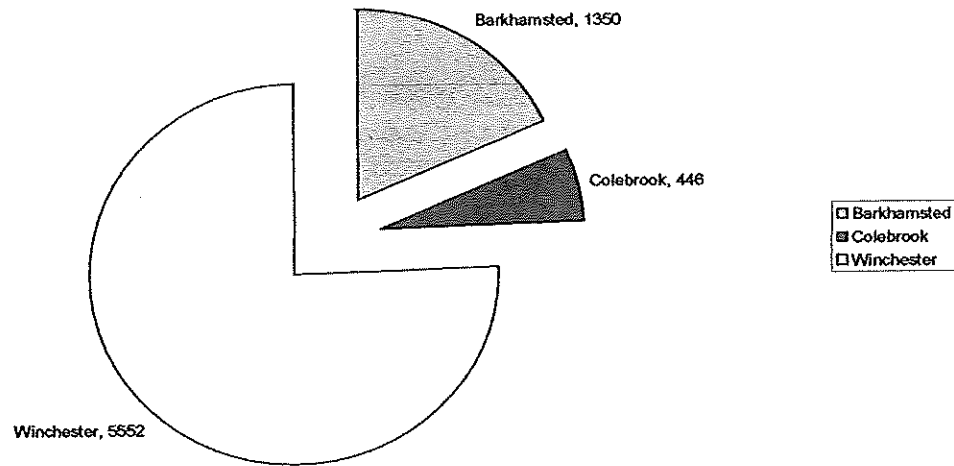


Karin Taylor joined us as Children and Young Adult Services Assistant when Wayne Ellsworth left us. Karen has continued Wayne's popular story times, adding music and popcorn to many events. She has started a teen advisory group, which meets monthly to foster teen involvement in the library. The teens recommend books and get involved in volunteering at the library. Karen started the Nutmeg Book Club, which meets weekly for a book selection discussion. Our children's summer reading program remains strong with 150 registrants. Karin is also proactive in external activities, which includes frequent contact with teachers, guidance counselors, and principals in the three towns that this library serves. In addition, Karin won a prize for her participation in the annual Pet Parade, dressed as a butterfly. (The Summer Reading Program theme is Catch the Reading Bug!)

We redesigned the Library web page to take advantage of the more recent web design software. Teens now write book reviews and record video book reports for the teen page. The children's page lists activities and links. Karin Taylor monitors a Teen Blog. We have subscribed to electronic resources and linked them to the Library web page. We average around 5,000 hits to our web site each month.

We continue to offer a wide range of library services and programs to the communities we serve (see chart below).

Patrons 2007 - 2008



We sponsored 220 programs in 2007 – 2008. We moved adult programs to Thursday nights, and have seen an increase in attendance as a result. Richard Clark came to us as Mark Twain. The well known professor Dr. Kristine Larson from Central CT State University spoke to us on astronomy. The Torrington Model Railroad club set up an elaborate and extensive exhibition of cars in the community room. We learned to make Ukrainian Easter Eggs, jewelry, scrap books, and tatted lace. We even celebrated Teen Tech Week!

The Friends of the Library offered a lot of support this year. They held several book sales, and managed their ongoing book store, "The Book Nook". With the profits from these sales, the Friends purchased many things for the library. They paid for our popular Christmas program. They purchased a projector that allows us to project a computer screen, a digital still camera, a digital video camera, kiosks for our CD and DVD collections, and computer stands. They repaired a cane chair. They helped with baking for children's programs. Monthly, they delivered books to several convalescent homes in the area. We appreciate their support!

We also teamed up with the Lion's Club to provide service to homebound individuals. The homebound individual calls the Library, asking for service. A Library staff will select material for the individual. A Lion's Club member will deliver the books and return them to the Library. This has been a successful program to date. Our homebound patrons are thankful for this service. We couldn't provide it without the help of the Lion's Club!

**FOOTHILLS VISITING NURSE & HOME CARE, INC.
COLEBROOK TOWN REPORT 2006 – 2007**

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 85 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, CHAP accredited, 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 and Wound Care. Bereavement Programs and Telemonitoring are also provided.

Foothills employs 60 people, 95% of whom reside locally in Northwest Connecticut.

Foothills is proud of its long-standing history with the Town of Colebrook.

29 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.

Sixty-seven (67%) 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 and one half days per month for voucher distribution by WIC (Women, Infants and Children) Nutrition Program.

This past year Foothills was fortunate to be able to conduct 8 public and various private flu and pneumonia clinics and administered 2,071 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-five (35) 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. One hundred fourteen (114) blood pressures and 7 cholesterol screenings were performed in 2006 - 2007.

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. Thirty-one (31) children from area towns were seen this past year.

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 2006-2007 were: Theodore Vaill (since - 1977 current treasurer)
Jan Rathbun (since - 1989)
Joseph Polidoro, M.D. (since - 2002)

For other-than-full-service towns, Foothills provides therapeutic only services to the towns of Canaan, Canton, Hartland, Harwinton, 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



Susan B. Anthony Project
SAFETY HEALING GROWTH

PO Box 846
434 Prospect Street
Torrington, Connecticut 06790
860-489-3798 Voice/TDD
Fax: 860-482-6268
www.sbaproject.org
info@sbaproject.org

24 Hour Crisis Line
860-482-7133

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Executive Director
Barbara Spiegel

Established in 1983 to
promote the autonomy of
women and the safety of all
victims of domestic abuse/
sexual assault in northwest
Connecticut, as well as to
promote community action
toward ending domestic
violence and sexual abuse.

Office of the First Selectman
Town of Colebrook
P.O. Box 5
Colebrook, CT 06021

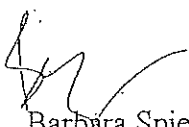
Dear Sirs,

Susan B. Anthony Project has been providing free and confidential crisis services to victims of domestic violence and sexual assault for twenty-two years. We serve twenty towns in northwest Connecticut, including the Town of Colebrook.

Services available to Colebrook residents include a 24-hour crisis-line, counseling, advocacy, and support groups for victims of sexual assault and domestic violence and their families. Our emergency shelter is available to women and their children during times of crisis, and our victim advocate is with a victim in court on the morning following domestic violence arrests.

In addition to our crisis services, the Susan B. Anthony Project community education program reaches thousands every year offering prevention programs to school children as well as civic and community groups.

Sincerely,


Barbara Spiegel
Executive Director

NORTHWEST CONSERVATION DISTRICT

1185 New Litchfield Street Torrington, CT 06790
ph 860 626 7222, fax 860 626 8833 www.conservect.org

Northwest Conservation District has been working since 1953 to promote the conservation and wise use of natural resources through education and technical services. 2007 was a busy, productive year for NCD working with our 34 municipalities on land planning and preservation. This resulted in the preservation of several key parcels and more sensitive development projects with lower impacts on our local land and water.

TECHNICAL SERVICES FOCUS ON LOWER IMPACT DEVELOPMENT

This past year NCD staff completed over 90 site inspections and site development reviews with recommendations for improvement. We also provided dozens of field inspections and consultations to local citizens seeking environmental information, referrals or technical assistance. On a daily basis, citizens call or visit us for solutions to environmental management issues. Our unique depth of expertise serves local residents well in resolving many environmental problems.

GETTING RESULTS IN LAND PRESERVATION AND NATURAL RESOURCE PLANNING

We continue to expand and develop our services to towns and land preservation groups. We were called on to provide many field surveys and reports to support acquisition of Open Space. We also produced specialized Planning Concept GIS Maps for use in land preservation. We even laid out nature trails best suited to the natural features of the land. When towns update their Plan of Conservation and Development, NCD assists with Technical Consultation, GIS Mapping, Field Work, Volunteer Training or Educational Programs. In 2007 we joined forces with Regional Planners and other non profits to form a new Northwest Regional Planning Collaborative to better coordinate services available to local towns. We launched a new series of planning seminars bringing the best ideas and tools to guide future land use changes.

NATURAL RESOURCE EDUCATION IS THE KEY

Our Envirothon Program for High School students focused on Clean Renewable Energy. The team from Housatonic Valley Regional convincingly won the CT Envirothon and went on to the North American Competition held in Geneva, NY where they achieved FIRST PLACE out of 53 teams. At a recent celebration, team members received individual Citations from the CT Legislature and the US Congress arranged by our delegations. Visit www.ctenvirothon.org

Other programs are geared to town land use commission members and staff as well as the many generous volunteers who serve on land trusts or watershed groups and the public. It is our goal to provide these individuals who make the important land use decisions with the best information and tools possible. Topics this year included Watershed Protection, Lower Impact Development, Clean Renewable Energy and Organic Lawn Care. Specialized land use training was also provided to Realtors and to Municipal Highway Crews promoting best maintenance practices to protect local waters.

EARTH DAY PLANT SALE, FISH AND PONDS

This year marked the 25th Anniversary of our Annual Earth Day Plant Sale. Thousands of Native Plants, Evergreen Seedlings, Shrubs for Wildlife Habitat and Perennials were planted by local gardeners. We also continued our Trout Stocking Programs and offered Barley Straw to pond owners as an effective, natural solution for algae control.

MUNICIPAL SUPPORT Northwest Conservation is very grateful for the ongoing support and partnership of the municipalities we serve.