Town of Brookfield, Connecticut

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2016

COMPREHENSIVE
ANNUAL FINANCIAL REPORT

of the

TOWN OF BROOKFIELD, CONNECTICUT

Fiscal Year Ended June 30, 2016

Prepared by:

Finance Department

Contents

I.	**Introductory Section – Unaudited**	
	Letter of Transmittal	i-vi
	Organizational Chart	vii
	Principal Town Officials	viii
II.	**Financial Section**	
	Independent Auditor's Report	1-2
	Management's Discussion and Analysis – (Unaudited)	3-15

Basic Financial Statements

Exhibit	Government-Wide Financial Statements:	
I.	Statement of net position	17
II.	Statement of activities	18
	Fund Financial Statements:	
III.	Balance sheet – governmental funds	19
IV.	Reconciliation of the balance sheet of governmental funds to the statement of net position	20
V.	Statement of revenues, expenditures and changes in fund balances (deficit) – governmental funds	21
VI.	Reconciliation of the statement of revenues, expenditures and changes in fund balances (deficit) of governmental funds to the statement of activities	22
VII.	Statement of net position – proprietary fund	23
VIII.	Statement of revenues, expenses and changes in fund net position – proprietary funds	24
IX.	Statement of cash flows – proprietary funds	25-26
X.	Statement of fiduciary net position – fiduciary funds	27
XI.	Statement of changes in fiduciary net position	28
	Notes to financial statements	29-61

Contents

Required Supplementary Information – Unaudited

Exhibit		
RSI-1	Schedule of funding progress and employer contributions- OPEB	63
RSI-2	Schedule of employer contributions – pension trust fund	64
RSI-3	Schedule of investment returns	65
RSI-4	Schedule of changes in the Town's net pension liability and related ratios	66
RSI-5	Schedule of the Town's proportionate share of net pension liability – teachers' retirement plan	67
RSI-6	Schedule of revenues and other financing sources – budgetary basis – budget and actual – general fund	68
RSI-7	Schedule of expenditures and other financing uses – budgetary basis – budget and actual – general fund	69-72
RSI-8	Note to required supplementary information	73-74

Combining and Individual Fund Statements and Schedules

General Fund

Statement of revenues, expenditures, and changes in fund balance – budget and actual – budgetary basis – general fund	75
Schedule of property taxes levied, collected and outstanding	76
Schedule of debt limitation – Connecticut General Statutes, Section 7-374(b)	77

Nonmajor Governmental Funds

Combining balance sheet	80-82
Combining statement of revenues, expenditures and changes in fund balances (deficits)	84-86

Fiduciary Funds

Combining statement of fiduciary assets and liabilities – agency funds	87
Combining statement of changes in fiduciary assets and liabilities – agency funds	88

III. Statistical Section – Unaudited

Table		
1	Net position by component	89
2	Changes in net position	90-91
3	Program revenues by function/program	92
4	Fund Balances – governmental funds	93
5	Changes in fund balance – governmental funds	94-95
6	Assessed value and estimated actual value of taxable property	96
7	Principal property taxpayers	97
8	Property tax levies and collections	98
9	Ratios of outstanding debt by type	99
10	Total direct debt, total net direct debt and total overall net debt per capita & ratios of total direct debt and total net direct debt to the net taxable grand list	100
11	Legal debt margin information	101
12	Demographic and economic statistics	102
13	Major employers	103
14	Full-time equivalent town government employees by function/program	104
15	Operating indicators by function/program	105
16	Capital asset statistics by function/program	106

Introductory Section

TOWN OF BROOKFIELD
OFFICE OF THE FIRST SELECTMAN

Stephen C. Dunn
First Selectman

100 Pocono Road
Brookfield, CT 06804

May 31, 2017

To: The Citizens of the Town of Brookfield, Connecticut

The State of Connecticut under Sec. 7-392 of the General Statutes requires all municipalities to conduct an annual audit of their financial statements. The objective of such audits is to provide reasonable (rather than absolute) assurance that the Town's financial statements are free of any material misstatements. This report is published to fulfill that requirement for the fiscal year ending June 30, 2016, and the Town's financial statements so dated.

The report of our independent auditor (RSM US LLP) is included at the front of the financial statements section.

PROFILE OF BROOKFIELD TOWN GOVERNMENT

The Town was incorporated in 1788 under statutes of the State of Connecticut. The Town, located in Fairfield County in western Connecticut, encompasses an area of 19.8 square miles with an estimated current population of 17,400 residents. The Town is empowered by state statute to levy property tax on real and personal property including vehicles located within its boundaries.

The Town has a Town Meeting form of government, with a three member Board of Selectmen elected to two-year terms, a six member Board of Finance elected to four year staggered terms, and a seven member Board of Education elected to four year staggered terms. Elections are held biennially in November in odd numbered years. The legislative body also has the power and privileges conferred and granted to Towns and Cities under the Constitution and the General Statutes of the State of Connecticut.

The First Selectman is the full-time Chief Executive and Administrative Officer of the Town who oversees the execution of all laws and ordinances governing the Town. He presides over the Board of Selectmen and has full voting privileges. The First Selectman is also an ex-officio member of the Board of Finance and has the authority to cast a vote to break a tie.

The Board of Finance is responsible for proposing annual budgets and for approving special appropriations requested by the Board of Selectmen. The Board of Finance is also responsible for the supervision of the annual independent audit. Brookfield's professional staff includes a Town Controller. The Town Controller is responsible for the coordination of the activities of the accounting staff; the maintenance of the general ledgers of the various funds and account groups of the Town, financial planning, and financial report preparation. An elected, part-time Treasurer is the agent of the Town's deposit funds.

The Board of Education is a legal body created by the statutes of the State of Connecticut with the responsibility to establish, implement and appraise the educational activities of the Town and having full oversight over all school expenditures.

PRINCIPAL TOWN OFFICIALS

Office	Name	Manner of Selection	Current Term Expires
First Selectman	Stephen C. Dunn	Elected	December 2017
Treasurer	John T. Lucas	Appointed	December 2019
Chairman, Board of Finance	Robert Gianazza	Elected	December 2017
Chairman, Board of Ed	Robert Belden	Elected	December 2017
Superintendent of Schools	John W. Barile Jr.	Appointed	employment contract

SUMMARY OF MUNICIPAL SERVICES

Police:
The Town maintains a police force with an authorized strength of 31 officers and 3 special officers (Chief, Major and Captain). There are also 8 full-time dispatchers. The department operates with a fleet of vehicles that includes a mobile crime scene emergency vehicle; the patrol vehicles have on-board computers. The police department also maintains a response dive team, and emergency dive boat.

Fire:
The Town Volunteer Fire Departments consist of 120 volunteer firemen and emergency service personnel. Two fire stations are strategically located within the Town. The current 2016-2017 Town Budget includes funding to assist in the operations of the Volunteer Fire Departments. In addition, the departments conduct an annual fund-raising drive that generates donations of approximately $150,000 - $210,000.

Parks and Recreation:
The Town has both active and passive recreation facilities. These include ten parks, eighteen ball fields, a nine-hole golf course, tennis and basketball courts, a YMCA that includes a 50 meter pool and wellness center and numerous picnic areas. Candlewood Lake, the largest fresh water lake in the State, forms the western border of the Town. Lake Lillinonah, another large lake, forms the eastern border. Both lakes offer swimming, boating and fishing facilities.

The Parks Department maintains, on a year-round basis, over 725 acres of municipal land which includes parks, ball fields, school grounds, a municipal complex, a police station, two fire stations, a library, and the Still River Greenway. The Department has four full-time employees who are supplemented with year-round independent contractors and seasonal summer employees.

Library:
In addition to providing library services in each school, the Town maintains a public library. The library staff includes five full-time professional librarians and six part-time assistants, supported by a staff of assistant librarians, clerks and staff aids.

Sewers:
The Town of Brookfield has an inter-municipal agreement with the City of Danby for the treatment of wastewater that is generated in Brookfield. Payments to the City provide for the Town's share of the costs for the operation, maintenance and capital improvements of the regional plant. The Brookfield Water Pollution Control Authority (WPCA) operates as a self-sustaining enterprise fund within the Town of Brookfield. Sewer customers are assessed for all costs associated with the operation and financing of the WPCA. The sewer system is positioned to handle commercial and industrial growth anticipated for the next decade or more.

Solid Waste:
The Town of Brookfield is a member of the Housatonic Resources Recovery Authority (HRRA), which is the regional municipal solid waste (MSW) and recycling management organization for the Housatonic Valley municipalities of Bethel, Bridgewater, Brookfield, Danbury, Kent, New Fairfield, New Milford, Newtown, Redding, Ridgefield, and Sherman. Solid waste from HRRA municipalities is taken to one of three regional transfer stations operated by a local waste management firm in Danbury, Newtown or Ridgefield. From these three regional transfer stations, MSW is trucked to one of two resource recovery facilities in Bridgeport or Lisbon, CT or taken to other legally permitted disposal sites outside Connecticut.

TOWN EMPLOYEES

The following table illustrates the permanent full-time Town employees for the last five fiscal years:

Fiscal Year	2014-15	2013-14	2012-13	2011-12	2010-11
General Government	105	104	101	101	101
Board of Education	383	382	381	383	383
Total	**488**	**486**	**482**	**484**	**484**

LOCAL ECONOMY

Brookfield is fortunate to be located in closed proximity to the greater New York business centers. Brookfield's employment base is not located within the greater Brookfield area but in areas of lower Fairfield County of Connecticut, Westchester County in New York and in the New York City business environment.

The area supports medium to small technology-based companies which blend with the Town's Plan of Development. It has a number of financial institutions and warehouse distribution centers. The Town's economy is diverse with retail and services being the lead components.

While the region is not immune to the economic slowdown impacting the broader economy, the Town is taking action to mitigate its impact. Recent investments in improvements to infrastructure such as road maintenance and expansion of public water, fire suppression and sewer lines, have promoted expansion by local business as well as attracted new investment by the business community into the Town's central business area. Brookfield's position as a major regional retail shopping area was enhanced during 2013 with the expansion and modernization of a Costco warehouse store and the new construction of a BJs warehouse store. In addition, the Town is developing a 198-acrea Town Center District with the building of a new Streetscape, Phase I of which is valued at over $3.5 million. Phase I is approved and being built this summer to support which is becoming a New England-style pedestrian friendly mixed-use residential and retail area. A number of apartments are near completion in the District, and a major private investor has started construction of a mixed-use project, the first two buildings of which will be open for occupancy in the fall of 2017.

The Town, with its close proximity to the New York labor market, continues to enjoy a solid employment base. Per capita earnings are very favorable in comparison to the national and state averages.

	Town of Brookfield		State of Connecticut	
Per Capita Income, 2015	$	49,804	$	37,892
Per Capita Income, 1999	$	49,705	$	35,078
Per Capita Income, 1989	$	37,063	$	28,766
Median Family Income, 2011	$	125,947	$	87,245
Median Family Income, 1999	$	127,617	$	81,246
Median Family Income, 1989	$	91,206	$	65,521
Percent Below Poverty Level, 2011		0.7%		7.3%

Source: U.S. Department of Commerce, Bureau of Census, 2000, 1990;
U.S. Census Bureau, 2009-2013 American Community Survey.

Unemployment in the Town remains below the State average.

MAJOR INITIATIVES

Several projects are indicative of the Town's investment in the future:

- **Municipal Water Supply** - The Southern Commercial district of the Town continues to enjoy a strong level of development. Municipal water supply to this area is now complete and the Town has completed the accounting for this project and completed the billing process with property owners that are beneficiaries of the water line.

- **Town Center Development** - The Town has begun a long-term redevelopment project for the area historically known as the "4 Corners". The intention of this effort is to establish a Town Center Business District. This project tis driven primarily by private investment. The Town, augmented by State of CT STEAP (Small Town Economic Assistance Program), LOCIP and TAP grants, is contributing to the development of the area streetscape. Approximately 60% of the improvements of Phase I and Phase II will be paid for with grants the Town has already won. The latest grant is a TAP grant for Phase II where the Town funds $475,000 and Federal TAP monies have been awarded to the Town in the amount of $875,000.

- **Road Paving Program** - In 2010, the Town approved an appropriation of $10,000,000 for a paving program to upgrade its roads and drainage. The project is complete. It used long term financing (General Obligation Bonds) to fund the appropriation. Going forward, the Town plans to spend approximately $1.5 million each year to maintain its roads. It is planned to achieve full annual operating budget support of that amount by 2020. Funding for 2018-19 will be $850,000 in cash and $650,000 in long term borrowing.

- **Recreational Facility Improvements** - Several projects are in various stages of implementation:

  - ***The Still River Greenway*** - (Biking and Pedestrian pathway) has been completed. Total cost of the project is $2.4 million. The project was funded by Federal and State grants (80%) and Local Funds (20%). Due to the immense popularity of the Greenway, we now need to ensure that we have adequate parking at both the north entrance in the Town Center and the entrance near the Town Hall property. We have been able to obtain temporary parking at the north end, but this parking will no longer be available once the property is developed.

- ***Parks Revitalization Program*** - In September 2013, voters approved a $5.3 million appropriation for updates to the Town Park Beach on Candlewood Lake and for improvements at Cadigan Park. A $750,000 State grant was awarded to offset part of the cost. The balance will be financed using general obligation bonds. The project was completed in the summer of 2015.

RELEVANT FINANCIAL POLICIES

Long Range Planning, Financial and Debt Management:

- **10 Year Capital Plan** - The State has required Towns to have a 10 Year Capital Plan starting in 2015. The First Selectman has submitted a 10 Year Capital Plan to the Board of Selectmen and the Board of Finance. It will be used as the primary planning tool for meeting investment needs and the management of Long Term Debt. As part of this effort, the Board of Education has completed the demographic analysis needed to take a fresh look at school facilities in the context of flat to declining school enrollment and is now in the process of doing a needs analysis for our school buildings in light of that demographic analysis. The Town has shown fiscal restraint by increasing the dollar value for any capital investment under short or long term borrowing to a minimum of $20,000, and we plan to increase the floor for consideration to $30,000 or higher next year with a goal of only using long term debt for capital investments of $100,000 and over in the future.

- **Debt Policy** - The Town has a self-imposed debt limit policy.

- **Pension and Benefits** - Retirement Benefits Advisory Committee (RBAC) - In addition to the significant progress made toward full funding (currently at 97.6%) of our Pension obligations, the committee has begun discussing steps to address the OPEB (Other Post-Employment Benefits) liability. A formal policy is now in place, an OPEB trust account has been established and will be funded annually going forward. The goal is to be funded 100% for these obligations.

- **Conservation and Development** - The Planning Commission has completed a 10-Year Plan of Conservation and Development in 2015. We have asked the Planning Commission to evaluate this plan on an annual basis to ensure our Town plan is current and works in light of new development and our zoning law re-write which will be completed in the fall of 2017.

- **Zoning Moratorium** - The Town has finalized the application for a zoning moratorium and submitted it to the State. This moratorium will allow the town to take back control of development and prevent developers from using the 8-30-G laws to bypass all of our zoning laws (except for health and safety laws) in building projects. This is critical to the Town to allow us to govern future development in a manner that meets the needs of the Town and preserves the values of our properties.

- **Zoning Law Rewrite** - We are well into the process of re-writing all of our Zoning laws. The Town has not done a complete review of the laws since they were first written in the 1960's and this update will address some major concerns and discrepancies in the laws and allow residents and others to apply for and receive their permits faster and streamline the process. The head of the Planning, Zoning and Zoning Boards of Appeals have all agreed to be members of the committee that is managing the rewriting of our zoning laws with our consultant. We believe this re-write will encourage better development at lower costs.

The preparation of this report could not have been accomplished without the dedication and hard work of the entire staff of the Finance Department. We would like to express our appreciation and gratitude to all members of that department who assisted and contributed to its preparation. We also appreciate the assistance and dedication of the audit team from RSM US LLP.

Respectfully submitted,

Stephen C. Dunn First Selectman	John T. Lucas Town Treasurer	Robert Gianazza Chairman, Board of Finance

Town of Brookfield, Connecticut
Organizational Chart
June 30, 2015

* = Appointed by the Board of Selectmen - Statutory

** = Appointed by the Board of Selectmen - Charter

*** = Hired by the First Selectman/Approved by BOS

Elected Officials

Registrars
Town Clerk
First Selectman
Board of Selectmen
Treasurer
Board of Education
Board of Finance
Planning Commission
Zoning Commission
Zoning Board Of Appeals
Board of Assessment Appeals

Department Heads***

Executive Assistant
Director of Finance**
Director of Operations/HR
Assessor*
Tax Collector*
Director of Public Works** And Engineering
Chief of Police**
Building Official*
Parks & Recreation Director**
Community-Senior Center Director
Social Services Director and Municipal Agent for the Elderly*
Library Director

Appointed Officers***

Fire Marshal*/ Director of Civil Preparedness*
Sanitarian*
Land Use Enforcement Officer**/ Erosion& Sedimentation Ctrl Officer**/ Wetlands Enforcement Officer**/ Zoning Enforcement Officer**

Appointed Officers (Non-employees)

Director of Health*
Municipal Historian**
Town Attorney**
Tree Warden*

Boards and Commissions Appointed by the Board of Selectmen

Arts Commission
Board of Ethics
Candlewood Lake Authority
Commission on Aging
Conservation Commission
Economic Development Commission
Historic District Commission
Housing Authority
Housing Partnership Task Force
Inland/Wetlands Commission
Lake Lillinonah Authority
Library Board of Trustees
Municipal Board of Appeals
Municipal Building Committee
Parks & Recreation Commission
Police Commission
Water Pollution Control Authority
Youth Commission

TOWN OF BROOKFIELD, CONNECTICUT

PRINCIPAL OFFICIALS
AS OF JUNE 30, 2016

FIRST SELECTMEN

Stephen C. Dunn

BOARD OF SELECTMEN

Martin Flynn
Sue Slater

BOARD OF FINANCE

Robert Gianazza, Chairman
Jeffrey Rossi, Vice Chairman
Sean Hathorn
Mark Mulvaney
Glenn Rooney
Mark Zerbe

EDUCATION

John Barile, Superintendent of Schools

GENERAL GOVERNMENT

John Lucas, Treasurer
Kimberly Siegrist, Controller/CFO
John Barile, Superintendent of Schools
Roberta Sinatra, Tax Collector
Denise Hames, Assessor
Joan Locke, Town Clerk
Robin Montgomery, Chief of Police
Fern Smenyak, Director of Human Resources
Ralph Tedesco, Director of Public Works/Town
Denis DiPinto, Director of Parks and Recreation, Senior Center
Alice Dew, Land Use
Anita Barney, Library Director
Ellen Melville, Community/Senior Center
Demetrio Parpana, Building Official
Anita Barney, Library Director

TOWN ATTORNEY

Thomas Beecher – Collins Hannafin, P.C.

Financial Section

RSM

RSM US LLP

Independent Auditor's Report

To the Board of Finance
Town of Brookfield, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Brookfield, Connecticut (the Town) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP); this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Visit rsmus.com/aboutus for more information regarding RSM US LLP and RSM International.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with GAAP.

Other Matters
Required Supplementary Information
GAAP requires that the Management Discussion and Analysis, the other post-employment schedules, the pension related schedules and the budgetary comparison information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, combining and individual fund financial statements and schedules and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*
In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2017, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

RSM US LLP

New Haven, Connecticut
May 31, 2017

TOWN OF BROOKFIELD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - Unaudited
JUNE 30, 2016

The management of the Town of Brookfield, Connecticut (the Town) offers the readers of its financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - v of this report.

Financial Highlights

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by $47,137,124 (net position). Of this amount, $47,980,860 represents the Town's net investment in capital assets leaving an unrestricted deficit of $(1,577,194) as of June 30, 2016. This deficit is primarily caused by liabilities relating to the Town's pension plan and other post-employment benefits plan totaling $26,012,162 as of June 30, 2016.

- The Town's total net position increased by $3,059,151 during the current fiscal year, which consisted of an increase of $541,830 relating to the Town's governmental activities and an increase of $2,517,321 relating to the Town's business-type activities.

- As of the close of the current fiscal year, the Town's governmental funds reported a combined ending fund balance (deficit) of $(7,040,947), a decrease of $5,283,582 in comparison with the prior year. The primary cause of the decrease in the combined ending fund balance was due to a decrease of $5,101,814 in the Bonded Projects Fund, which resulted from the use of short-term financing to fund current year capital outlays.

- At the close of the current fiscal year, unassigned fund balance of the General Fund was $4,946,691, 8.22% of total General Fund budgetary expenditures. The unassigned fund balance increased $1,199,801 over the previous year due to a reclassification of committed funds, and the Town had expenditures that were $1,075,457 less than total revenues.

- The Town's total long-term and short-term bonded debt (general obligation bonds, bond anticipation notes and notes payable) increased by $5,701,473 during the current fiscal year due to bond anticipation notes that were issued during the fiscal year.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This 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's finances, in a manner similar to a private-sector business.

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

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position 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 cash flows in future fiscal periods.

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Town provides the following services as authorized by its charter: public safety, public works, recreation and leisure, education encompassing kindergarten through 12th grade, human and regional services, a public library, water and sewer, and other programs not included in the above. The business-type activities of the Town include the operation of the Water Pollution Control Authority.

The government-wide financial statements can be found on pages 17 and 18 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 uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary 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 the Town's near-term financing requirements.

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

The Town maintains several governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, the Bonded Projects Fund and the Water Assessment Fund, all of which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 19 through 22 of this report.

Proprietary Funds

Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses enterprise funds to account for the operations of the Water Pollution Control Authority (WPCA). Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found on pages 23 through 26 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the Town government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 27 and 28 of this report.

Notes to the Financial Statements

The notes to the financial statements 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 29 through 61 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information other than this management's discussion and analysis that can be found in the required supplementary information of this report.

Government-Wide Financial Analysis Net Position

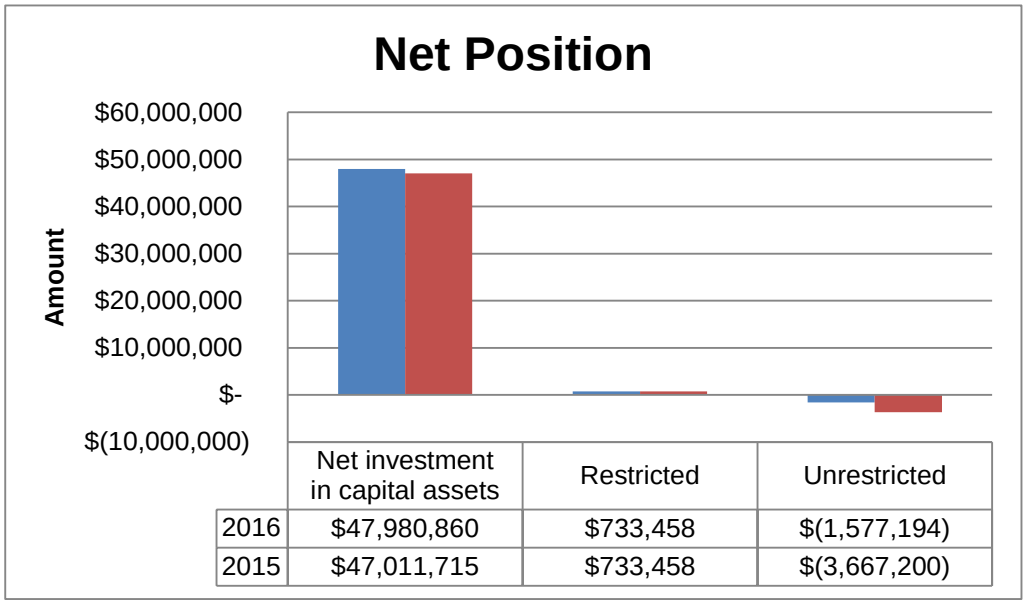
Over time, net position may serve as one measure of a government's financial position. Total net position of the Town (governmental and business type activities combined) totaled $47,137,124 and $44,077,973 as of June 30, 2016 and 2015, respectively, and are summarized as follows:

Table 1
Summary Statement of Net Position

	2016		
	Governmental Activities	Business-Type Activities	Total
Current and other assets	$ 17,245,007	$ 9,774,039	$ 27,019,046
Capital assets	92,456,851	13,647,204	106,104,055
Total assets	109,701,858	23,421,243	133,123,101
Pension related items	4,402,721	-	4,402,721
Deferred amounts on refunding	1,053,992	-	1,053,992
Total deferred outflows of resources	5,456,713	-	5,456,713
Other liabilities	20,566,189	4,139,290	24,705,479
Long-term liabilities	61,634,001	3,789,109	65,423,110
Total liabilities	82,200,190	7,928,399	90,128,589
Pension related items	243,531	-	243,531
Advance tax collections	1,070,570	-	1,070,570
Total deferred inflows of resources	1,314,101	-	1,314,101
Net Position:			
Net investment in capital assets	40,718,435	7,262,425	47,980,860
Restricted	-	733,458	733,458
Unrestricted	(9,074,155)	7,496,961	(1,577,194)
Total net position	$ 31,644,280	$ 15,492,844	$ 47,137,124

Table 1
Summary Statement of Net Position

	2015		
	Governmental Activities	Business-Type Activities	Total
Current and other assets	$ 14,762,852	$ 8,824,393	$ 23,587,245
Capital assets	86,987,295	13,044,097	100,031,392
Total assets	101,750,147	21,868,490	123,618,637
Pension related items	952,016	-	952,016
Deferred amounts on refunding	1,159,392	-	1,159,392
Total deferred outflows of resources	2,111,408	-	2,111,408
Other liabilities	13,058,700	4,750,881	17,809,581
Long-term liabilities	59,220,666	4,142,086	63,362,752
Total liabilities	72,279,366	8,892,967	81,172,333
Pension related items	317,328	-	317,328
Advance tax collections	162,411	-	162,411
Total deferred inflows of resources	479,739	-	479,739
Net Position:			
Net investment in capital assets	41,150,924	5,860,791	47,011,715
Restricted	-	733,458	733,458
Unrestricted	(10,048,474)	6,381,274	(3,667,200)
Total net position	$ 31,102,450	$ 12,975,523	$ 44,077,973



A significant portion of the Town's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

A small portion of the Town's net position is subject to external restrictions on how they may be used and are, therefore, presented as restricted net position.

The remainder of the Town's net position consists of an unrestricted deficit. This deficit is primarily caused by liabilities relating to the Town's pension plan and other post-employment benefits plan totaling $26,012,162 and $20,000,218 as of June 30, 2016 and 2015, respectively.

The Town's overall net position increased by $3,059,151 in comparison with the prior year.

Changes in Net Position

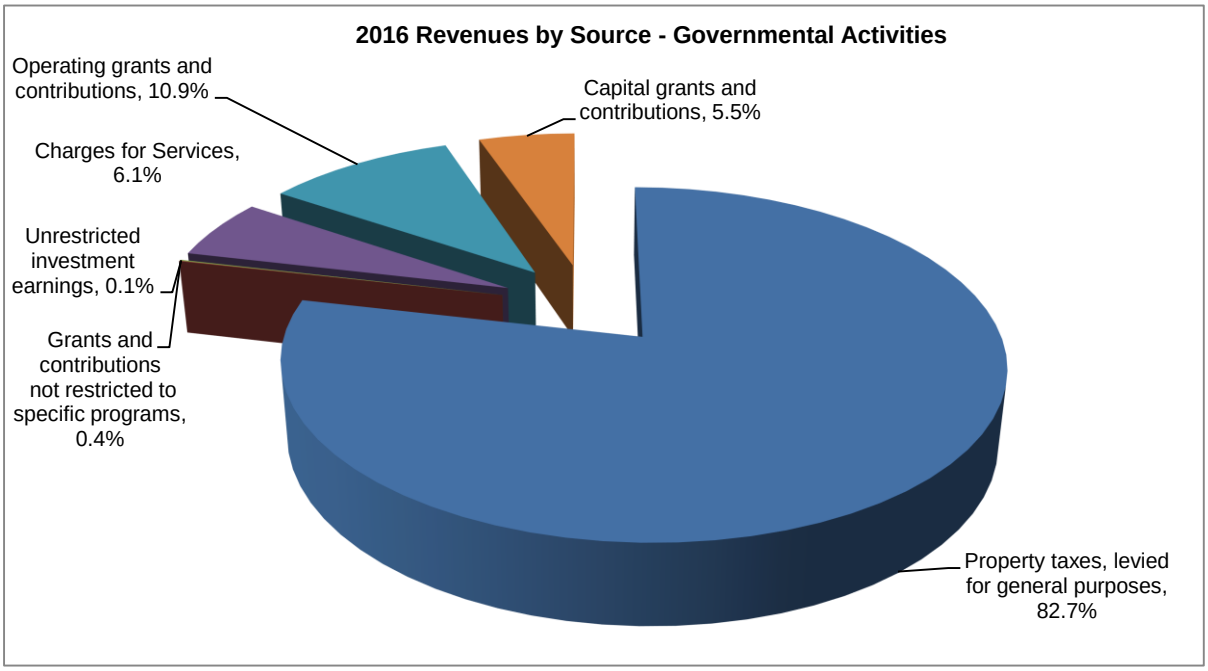
Changes in net position for the years ended June 30, 2016 and 2015 are as follows:

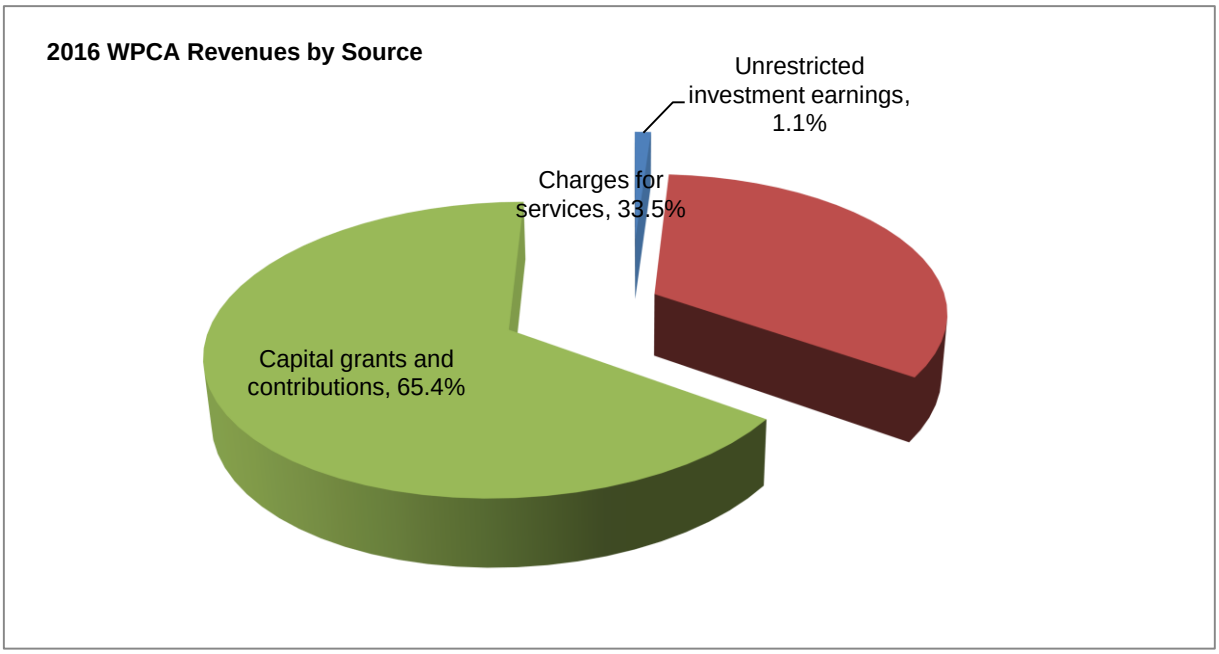
Table 2
Summary Statement of Changes in Net Position

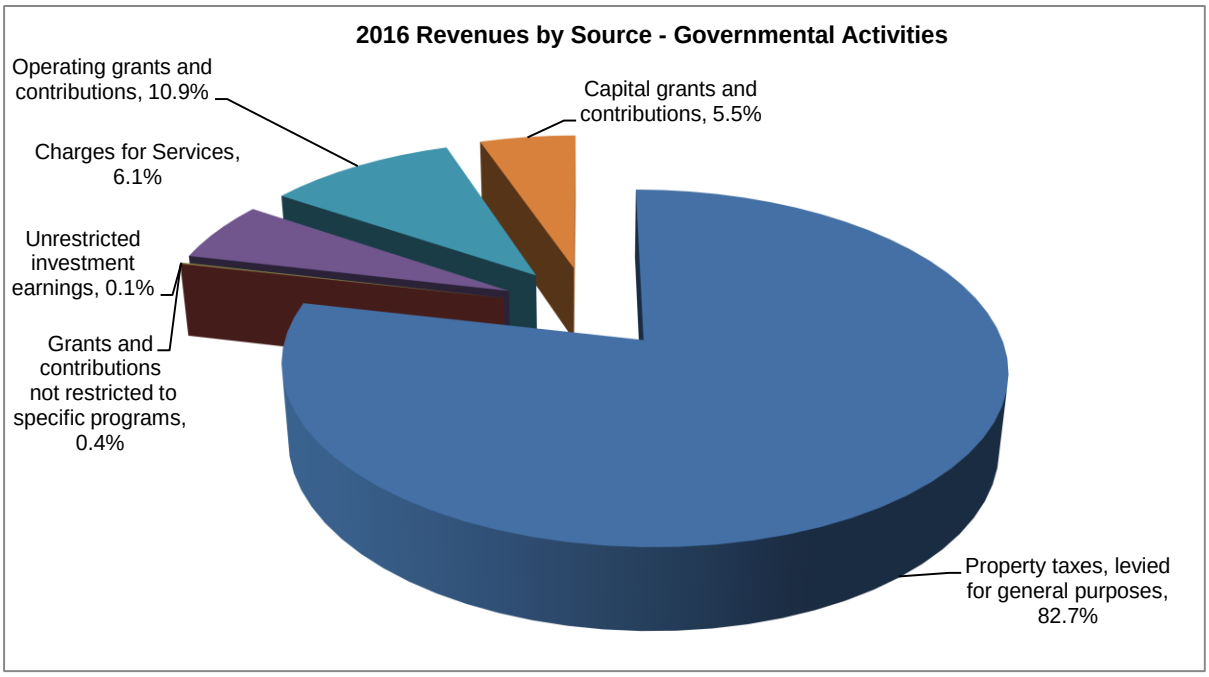
	2016		
	Governmental Activities	**Business-Type Activities**	**Total**
Revenues			
Program revenues:			
Charges for services	**$ 2,881,315**	**$ 1,352,908**	**$ 4,234,223**
Operating grants and contributions	**7,567,548**	**-**	**7,567,548**
Capital grants and contributions	**1,214,864**	**2,638,359**	**3,853,223**
General revenues:			
Property taxes, levied for general purposes	**57,573,660**	**-**	**57,573,660**
Grants and contributions not restricted to specific programs	**33,710**	**-**	**33,710**
Unrestricted investment earnings	**23,957**	**43,039**	**66,996**
Miscellaneous	**293,582**	**-**	**293,582**
Total revenues	**69,588,636**	**4,034,306**	**73,622,942**
Expenses			
General government	**1,985,735**	**-**	**1,985,735**
Land use	**1,060,170**	**-**	**1,060,170**
Finance and taxation	**1,505,320**	**-**	**1,505,320**
Regional services	**432,648**	**-**	**432,648**
Public works	**4,580,810**	**-**	**4,580,810**
Public safety	**6,921,169**	**-**	**6,921,169**
Recreation and leisure	**1,800,358**	**-**	**1,800,358**
Social services	**338,669**	**-**	**338,669**
Library	**929,744**	**-**	**929,744**
Education	**48,049,582**	**-**	**48,049,582**
Water pollution control authority	**-**	**1,516,985**	**1,516,985**
Interest expense	**1,442,601**	**-**	**1,442,601**
Total expenses	**69,046,806**	**1,516,985**	**70,563,791**
Change in net position	**541,830**	**2,517,321**	**3,059,151**
Net Position, beginning	**31,102,450**	**12,975,523**	**44,077,973**
Net Position, ending	**$ 31,644,280**	**$ 15,492,844**	**$ 47,137,124**

Table 2
Summary Statement of Changes in Net Position

	2015		
	Governmental Activities	Business-Type Activities	Total
Revenues			
Program revenues:			
Charges for services	$ 3,301,644	$ 1,253,162	$ 4,554,806
Operating grants and contributions	8,709,418	-	8,709,418
Capital grants and contributions	863,240	-	863,240
General revenues:			
Property taxes, levied for general purposes	57,009,351	-	57,009,351
Grants and contributions not restricted to specific programs	73,565	-	73,565
Unrestricted investment earnings	8,382	44,663	53,045
Miscellaneous	195,581	-	195,581
Total revenues	70,161,181	1,297,825	71,459,006
Expenses			
General government	1,826,188	-	1,826,188
Land use	1,082,727	-	1,082,727
Finance and taxation	1,446,100	-	1,446,100
Regional services	418,039	-	418,039
Public works	5,249,847	-	5,249,847
Public safety	6,893,613	-	6,893,613
Recreation and leisure	1,716,604	-	1,716,604
Social services	356,468	-	356,468
Library	954,604	-	954,604
Education	49,130,114	-	49,130,114
Water pollution control authority	-	2,146,289	2,146,289
Interest expense	1,242,245	-	1,242,245
Total expenses	70,316,549	2,146,289	72,462,838
Change in net position	(155,368)	(848,464)	(1,003,832)
Net Position, beginning, as restated	31,257,818	13,823,987	45,081,805
Net Position, ending	$ 31,102,450	$ 12,975,523	$ 44,077,973


2016 Revenues by Source - Governmental Activities
Operating grants and contributions, 10.9%
Capital grants and contributions, 5.5%
Charges for Services, 6.1%
Unrestricted investment earnings, 0.1%
Grants and contributions not restricted to specific programs, 0.4%
Property taxes, levied for general purposes, 82.7%


2016 WPCA Revenues by Source
Unrestricted investment earnings, 1.1%
Charges for services, 33.5%
Capital grants and contributions, 65.4%



The Town's total net position increased by $3,059,151 during the current fiscal year, which consisted of an increase of $541,830 relating to the Town's governmental activities and an increase of $2,517,321 relating to the Town's business-type activities.

Governmental activities included an increase in tax collections of $564,309 (.1%). The towns other program revenue included Capital Grants and contributions increased $351,624 (40 %). Operating Grants and contributions decreased $(1,141,870) (13%). The largest increases relating to program expenditures were in general government $159,547, interest expense $200,356, and recreation and leisure $83,754. Governmental activities overall revenues exceeded operating expenditures with actual revenues surpassing budgetary amounts.

The increase in the WPCA business-type activities is primarily attributed to the sewer assessment for the High Meadow, Ledgewood and Newbury Crossing projects.

Financial Analysis of the Town's Funds

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

Governmental Funds

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

As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund deficit of $(7,040,947) which includes an unassigned deficit of $(8,791,143). The overall deficit has been generated by the use of unrestricted cash and short-term financing to fund capital projects. The Town expects to fund the deficit through future grant reimbursements, future transfers from the General Fund and/or the issuance of long-term debt.

General Fund

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was $4,946,691. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 8% of total General Fund budgetary expenditures. Expressed another way, unassigned fund balance of the General Fund was sufficient to cover about one month of General Fund operating expenditures.

The fund balance of the General Fund increased by $202,756 during the current fiscal year.

Bonded Projects Fund

The deficit fund balance of the Bonded Projects Fund increased by $(5,101,814) during the current fiscal year from a deficit of $(8,636,020) to a deficit of $(13,737,834). The overall deficit has been generated by the use of unrestricted cash and short-term financing to fund capital projects. The Town expects to fund the deficit through future grant reimbursements, future transfers from the General Fund and/or the issuance of long-term debt.

Water Assessment Fund

The fund balance of the Water Assessment Fund decreased by $(226,744) from $448,816 to $222,072. The fund balance of the Water Assessment Fund is committed for the purpose of repaying long-term debt.

General Fund Budgetary Highlights

The original budget did not plan for the use of fund balance. The final adopted budget included an operating transfer out to the Bonded Projects fund for unbonded completed capital projects. Actual revenues including other financing sources came in at $(411,282) lower than budgeted, actual expenditures came in $975,381 or 1.59% under budget. There were no significant budgetary variances that resulted in the current year budgetary surplus of $564,099.

Capital Assets and Debt Administration

Capital Assets

The Town's investment in capital assets for its governmental and business-type activities as of June 30, 2016 totaled $106,104,055 (net of accumulated depreciation and amortization). This investment in capital assets includes land, construction in progress, buildings and improvements, vehicles, machinery and equipment, and infrastructure, including roads and sewer lines. The total increase in the Town's investment in capital assets for the current fiscal year was $6,072,663. This increase consisted of capital asset additions of $9,112,233 offset by depreciation expense of $3,039,570. Major capital asset events during the current fiscal year consisted of the following:

- Construction in progress –BHS Auditorium Roof Replacement, HHES Ventilators, Town Parking Lot Renovation, HHES Parking Lot, Whisconner HVAC system, District Wide Alarm Panel Replacement, HHES Well Pump replacement, WMS Air Handler replacement, District wide security system, BHS HVAC, material for weight room, District wide financial software
- Vehicle additions in general government, Public Safety (4) cars, Public Works (4) (1-dump truck, 2-pick-up trucks, 1-Tenco, Public Education (2) utility vehicles, Recreation and Leisure (1) Bobcat.
- Machinery and equipment additions in general government, public safety, parks and recreation public works, and public education.
- Road improvements town-wide from 2015-16.

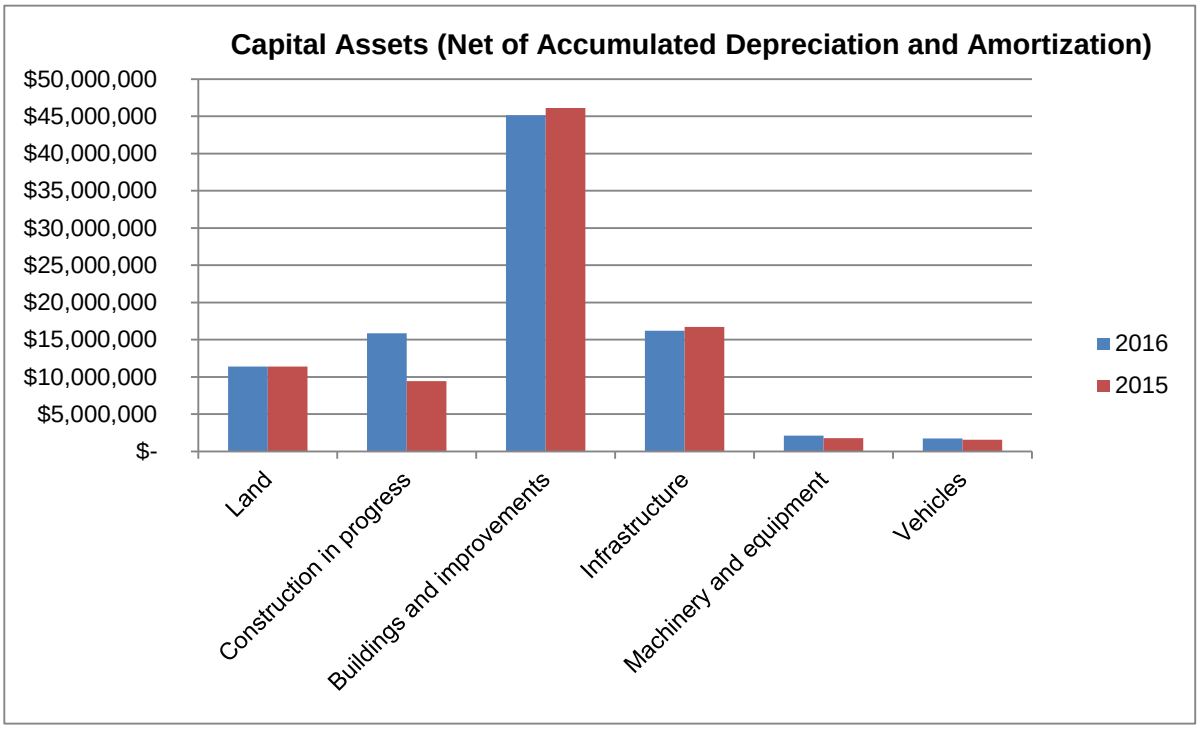
The following are tables of the investment in capital assets presented for both governmental and business- type activities:

Table 3
Capital Assets, Net

	2016		
	Governmental Activities	**Business-Type Activities**	**Total**
Land	**$ 11,401,619**	**$ -**	**$ 11,401,619**
Construction in progress	**15,870,361**	**419,422**	**16,289,783**
Buildings and improvements	**45,136,942**	**2,444,023**	**47,580,965**
Infrastructure	**16,200,082**	**10,254,734**	**26,454,816**
Machinery and equipment	**2,127,248**	**448,042**	**2,575,290**
Vehicles	**1,720,599**	**80,983**	**1,801,582**
Total	**$ 92,456,851**	**$ 13,647,204**	**$ 106,104,055**

Table 3
Capital Assets, Net

	2015		
	Governmental Activities	Business-Type Activities	Total
Land	$ 11,401,619	$ -	$ 11,401,619
Construction in progress	9,444,956	1,869,766	11,314,722
Buildings and improvements	46,116,553	2,501,349	48,617,902
Infrastructure	16,701,069	8,074,355	24,775,424
Machinery and equipment	1,771,879	505,776	2,277,655
Vehicles	1,551,219	92,851	1,644,070
Total	$ 86,987,295	$ 13,044,097	$ 100,031,392



Additional information on the Town's capital assets can be found in Note 3 on pages 40 - 41 of this report.

Long-Term Debt

At the end of the current fiscal year, the Town had total long-term bonded debt outstanding of $36,099,779, consisting of general obligation bonds and notes payable. This entire amount is comprised of debt backed by the full faith and credit of the Town. The Town's total long- term bonded debt decreased by $2,468,527 or 6.4% during the current fiscal year.

State statutes limit the amount of general obligation debt the Town may issue to seven times its annual receipts from taxation, as defined by the statutes. The current debt limitation for the Town is significantly in excess of the Town's outstanding general obligation debt.

The following are tables of long-term bonded debt:

Table 4
Long-Term Debt

	2016		
	Governmental Activities	**Business-Type Activities**	**Total**
Bonds payable	**$ 32,315,000**	**$ 1,035,000**	**$ 33,350,000**
Notes payable	**-**	**2,749,779**	**2,749,779**
Total	**$ 32,315,000**	**$ 3,784,779**	**$ 36,099,779**

Table 4
Long-Term Debt

	2015		
	Governmental Activities	Business-Type Activities	Total
Bonds payable	$ 34,435,000	$ 1,215,000	$ 35,650,000
Notes payable	-	2,918,306	2,918,306
Total	$ 34,435,000	$ 4,133,306	$ 38,568,306

Additional information on the Town's long-term debt can be found in Note 7 on pages 43 - 46 of this report.

Economic Factors and Next Year's Budgets and Rates

A summary of key economic factors affecting the Town are as follows:

- The unemployment rate for the Town for June 2016 was 4.2%, down from 5.2% in the prior year. This compares favorably to the state's average unemployment rate of and the national unemployment rate.
- During the current fiscal year, unassigned fund balance of the General Fund was $4,946,691, which represents 8.1% of General Fund budgetary expenditures. The Town's current Fund Balance Policy establishes a minimum unassigned fund balance equal to 8.09% of total General Fund expenditures. The Town is in the process of developing a plan to increase the fund balance to over 10%.
- Significant estimates affecting next year's budget that are subject to change in the near term consist of the following:
  - For purposes of calculating property tax revenues for fiscal year 2016, the assessor's grand list was used along with an estimated tax rate, and an estimated rate of collection, with deductions for taxes to be paid by the state on behalf of certain taxpayers.
  - Intergovernmental grants were based on estimates from the state.
  - It is unknown how changes in market interest rates will impact real estate activity and related revenues collected by the Land Use Department, the Town Clerk and the amount of conveyance taxes and interest income.

The Town utilizes a five year financial plan that projects peaks and valleys of fund balance levels for each year and also determines the amount of expenditures that are affordable for the upcoming year's budget. The Town, in essence, backs into the expenditure increase percentage that is affordable for the upcoming budget using an analysis that allows the Town to review revenues, operating expenditures, debt service expenditures and capital outlays for five years into the future. For peak years of expenditures, the Town determines that revenues plus available surplus are adequate to meet these obligations without the need for spikes in the tax rates.

All of these factors were considered in preparing the Town's budget for fiscal year 2017.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Controller, Town of Brookfield, 100 Pocono Road, Brookfield, Connecticut 06804.

This page intentionally left blank.

Basic Financial Statements

Town of Brookfield, Connecticut **Exhibit I**

Statement of Net Position
June 30, 2016

	Governmental Activities	Business-Type Activities	Total
Assets			
Cash and cash equivalents	$ 13,407,991	$ 1,339,336	$ 14,747,327
Investments	461,838	-	461,838
Receivables:			
Property taxes, net of allowance for uncollectibles of $140,000	611,546	-	611,546
Interest on property taxes, net of allowance for uncollectibles of $57,000	103,027	-	103,027
Assessments and user charges	-	986,976	986,976
Grants and contracts	31,274	-	31,274
Other	217,754	209,120	426,874
Inventories	8,607	-	8,607
Prepaid expenses	-	19,853	19,853
Assessments receivable, long-term portion	2,402,970	5,580,343	7,983,313
Other receivables, long-term portion	-	-	-
Restricted cash and cash equivalents	-	1,638,411	1,638,411
Capital assets:			
Non-depreciable	27,271,980	419,422	27,691,402
Depreciable, net	65,184,871	13,227,782	78,412,653
Total assets	109,701,858	23,421,243	133,123,101
Deferred outflows of resources:			
Pension related items	4,402,721	-	4,402,721
Deferred amounts on refunding	1,053,992	-	1,053,992
	5,456,713	-	5,456,713
Liabilities			
Accounts payable	1,504,716	-	1,504,716
Accrued liabilities:			
Salaries and benefits	614,354	-	614,354
Accrued interest	619,061	31,604	650,665
Other	598,198	148,272	746,470
Bond anticipation notes payable	16,850,000	2,600,000	19,450,000
Unearned revenue	291,967	665,167	957,134
Other liabilities	87,893	694,247	782,140
Noncurrent liabilities:			
Due within one year	3,575,489	356,259	3,931,748
Due in more than one year	58,058,512	3,432,850	61,491,362
Total liabilities	82,200,190	7,928,399	90,128,589
Deferred inflows of resources:			
Pension related items	243,531	-	243,531
Advanced tax collections	1,070,570	-	1,070,570
	1,314,101	-	1,314,101
Net position:			
Net investment in capital assets	40,718,435	7,262,425	47,980,860
Restricted for permanent maintenance	-	733,458	733,458
Unrestricted (deficit)	(9,074,155)	7,496,961	(1,577,194)
Total net position	$ 31,644,280	$ 15,492,844	$ 47,137,124

See notes to financial statements.

Town of Brookfield, Connecticut **Exhibit II**

Statement of Activities
For the Year Ended June 30, 2016

		Program Revenues			Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government							
Governmental activities:							
General government	$ 1,985,735	$ 637,924	$ 342,823	$ -	$ (1,004,988)	$ -	$ (1,004,988)
Land use	1,060,170	377,850	-	-	(682,320)	-	(682,320)
Finance and taxation	1,505,320	-	-	-	(1,505,320)	-	(1,505,320)
Regional services	432,648	-	-	-	(432,648)	-	(432,648)
Public works	4,580,810	-	304,309	1,214,864	(3,061,637)	-	(3,061,637)
Public safety	6,921,169	584,309	85,272	-	(6,251,588)	-	(6,251,588)
Recreation and leisure	1,800,358	486,969	-	-	(1,313,389)	-	(1,313,389)
Social services	338,669	-	-	-	(338,669)	-	(338,669)
Library	929,744	53,753	-	-	(875,991)	-	(875,991)
Education	48,049,582	740,510	6,835,144	-	(40,473,928)	-	(40,473,928)
Interest expense	1,442,601	-	-	-	(1,442,601)	-	(1,442,601)
Total governmental activities	69,046,806	2,881,315	7,567,548	1,214,864	(57,383,079)	-	(57,383,079)
Business-type activities:							
Water Pollution Control Authority	1,516,985	1,352,908	-	2,638,359	-	2,474,282	2,474,282
Total primary government	$ 70,563,791	$ 4,234,223	$ 7,567,548	$ 3,853,223	(57,383,079)	2,474,282	(54,908,797)
		General revenues:					
		Property taxes, levied for general purposes			57,573,660	-	57,573,660
		Grants and contributions not restricted to specific programs			33,710	-	33,710
		Unrestricted investment earnings			23,957	43,039	66,996
		Miscellaneous			293,582	-	293,582
		Total general revenues			57,924,909	43,039	57,967,948
		Change in net position			541,830	2,517,321	3,059,151
		Net position - beginning			31,102,450	12,975,523	44,077,973
		Net position - ending			$ 31,644,280	$ 15,492,844	$ 47,137,124

See notes to financial statements.

Town of Brookfield, Connecticut **Exhibit III**

Balance Sheet - Governmental Funds
June 30, 2016

	General Fund	Bonded Projects Fund	Water Assessment Fund	Other Governmental Funds	Total Governmental Funds
Assets					
Cash and cash equivalents	$ 3,331,824	$ 6,534,582	$ 50,204	$ 2,335,427	$ 12,252,037
Investments	461,838	-	-	-	461,838
Receivables:					
Property taxes, net of allowance for uncollectibles of $140,000	611,546	-	-	-	611,546
Interest on property taxes, net of allowance for uncollectibles of $57,000	103,027	-	-	-	103,027
Assessments	-	-	2,402,970	-	2,402,970
Grants and contracts	-	-	-	31,274	31,274
Other	1,383	142,016	-	-	143,399
Due from other funds	4,041,693	-	200,540	78,205	4,320,438
Inventories	-	-	-	8,607	8,607
Total assets	$ 8,551,311	6,676,598	2,653,714	$ 2,453,513	$ 20,335,136
Liabilities					
Accounts payable	573,001	850,317	2,671	76,767	1,502,756
Accrued liabilities:					
Salaries and benefits	614,354	-	-	-	614,354
Other	5,731	-	-	267	5,998
Bond anticipation notes payable	-	16,850,000	-	-	16,850,000
Due to other funds	373,477	2,714,115	-	946,707	4,034,299
Unearned revenue	-	-	-	291,967	291,967
Total liabilities	1,566,563	20,414,432	2,671	1,315,708	23,299,374
Deferred inflows of resources:					
Unavailable revenue- advance tax collections	1,044,569	-	26,001	-	1,070,570
Unavailable revenue	603,169	-	2,402,970	-	3,006,139
Total deferred inflows of resources	1,647,738	-	2,428,971	-	4,076,709
Fund balances (deficits):					
Nonspendable - inventories	-	-	-	8,607	8,607
Restricted	-	-	222,072	32,519	254,591
Committed	390,319	-	-	1,096,679	1,486,998
Unassigned	4,946,691	(13,737,834)	-	-	(8,791,143)
Total fund balances (deficit)	5,337,010	(13,737,834)	222,072	1,137,805	(7,040,947)
Total liabilities, deferred inflows of resources and fund balances (deficit)	$ 8,551,311	$ 6,676,598	$ 2,653,714	$ 2,453,513	$ 20,335,136

See notes to financial statements.

Town of Brookfield, Connecticut **Exhibit IV**

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2016

Total fund balances for governmental funds:		$	(7,040,947)
Total net position reported for governmental activities in the statement of net position is different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. Those assets consist of:			
Land	$ 11,401,619		
Construction in progress	15,870,361		
Buildings and improvements	65,904,172		
Infrastructure	26,453,660		
Machinery and equipment	6,240,772		
Vehicles	5,086,585		
Less accumulated depreciation and amortization	(38,500,318)		
Total capital assets, net			92,456,851
Net deferred outflows (inflows) due to the net pension liability			4,159,190
Some of the Town's taxes and assessments will be collected after year end, but are not available soon enough to pay for the current period's expenditures, and are, therefore, reported as deferred inflows of resources in the funds.			3,006,139
Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position.			
Accrued interest payable	(619,061)		
Other liabilities	(87,893)		
Long-term debt:			
Bonds and notes payable	(32,315,000)		
Unamortized premiums	(2,034,618)		
Obligations under capital lease	(538,798)		
Net pension obligation	(5,034,503)		
Net OPEB obligation	(20,977,659)		
Deferred amounts on refunding	1,053,992		
Other long-term liabilities:			
Compensated absences	(733,423)		
Total long-term liabilities			(61,286,963)
Internal service funds are used by management to change the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net position.			350,010
Net position of governmental activities		$	31,644,280

See notes to financial statements.

Town of Brookfield, Connecticut **Exhibit V**

Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit) - Governmental Funds
For the Year Ended June 30, 2016

	General Fund	Bonded Projects Fund	Water Assessment Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	$ 57,852,688	$ -	$ -	$ -	$ 57,852,688
Intergovernmental	6,560,717	1,214,864	-	1,396,007	9,171,588
Charges for services	966,927	-	271,727	1,766,365	3,005,019
Contributions and other	5,461	-	-	19,250	24,711
Investment income	23,132	780	-	45	23,957
Total revenues	65,408,925	1,215,644	271,727	3,181,667	70,077,963
Expenditures:					
Current:					
General government	1,008,704	-	4,072	423,038	1,435,814
Land use	743,066	-	-	-	743,066
Finance and taxation	1,104,380	-	-	-	1,104,380
Regional services	329,194	-	-	-	329,194
Human resources	4,062,897	-	-	-	4,062,897
Public works	2,487,155	-	-	-	2,487,155
Public safety	4,506,847	-	-	430,809	4,937,656
Recreation and leisure	767,014	-	-	573,019	1,340,033
Social services	202,524	-	-	18,293	220,817
Library	660,449	-	-	-	660,449
Education	44,101,873	-	-	1,805,974	45,907,847
Debt service:					
Principal payments	2,199,997	-	317,054	-	2,517,051
Interest and fiscal charges	1,249,439	-	177,345	-	1,426,784
Capital outlay	909,929	6,317,458	-	1,074,535	8,301,922
Total expenditures	64,333,468	6,317,458	498,471	4,325,668	75,475,065
Excess (deficiency) of revenues over expenditures	1,075,457	(5,101,814)	(226,744)	(1,144,001)	(5,397,102)
Other financing sources (uses):					
Proceeds from capital lease	113,520	-	-	-	113,520
Transfers in	-	-	-	986,221	986,221
Transfers out	(986,221)	-	-	-	(986,221)
Total other financing sources (uses)	(872,701)	-	-	986,221	113,520
Net change in fund balances (deficits)	202,756	(5,101,814)	(226,744)	(157,780)	(5,283,582)
Fund balances (deficits), beginning	5,134,254	(8,636,020)	448,816	1,295,585	(1,757,365)
Fund balances (deficits), ending	$ 5,337,010	$ (13,737,834)	$ 222,072	$ 1,137,805	$ (7,040,947)

See notes to financial statements.

Town of Brookfield, Connecticut **Exhibit VI**

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances (Deficit) of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2016

Net change in fund balances (deficit) - total governmental funds		$ (5,283,582)
Total change in net position reported for governmental activities in the statement of activities is 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 and reported as depreciation expense. The amount by which capital outlays exceeded depreciation and amortization expense in the current period is as follows:		
Expenditures for capital assets	$ 8,264,186	
Depreciation and amortization expense	(2,794,630)	
Net adjustment		5,469,556
Changes in deferred outflows (inflows) relating to net pension liability		3,524,502
Net income of certain activities of internal service funds are reported with governmental activities		(126,322)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of these differences in the treatment of long-term obligations is as follows:		
Debt issued or incurred:		
Capital lease financing	(113,520)	
Principal repayments:		
Bonds and notes payable	2,120,000	
Amortization of bond premium	188,505	
Amortization of deferred charge on refunding	(105,400)	
Obligations under capital lease	422,597	
Net adjustment		2,512,182
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The net effect of such items is as follows:		
Compensated absences	(80,973)	
Early retirement	162,000	
Accrued interest	(124,468)	
Claims and judgements	900,000	
Other liabilities	90,205	
Net pension liability	(3,993,131)	
Net OPEB obligation	(2,018,813)	
		(5,065,180)
Certain revenues reported in the statement of activities do not provide current financial resources and, therefore, are reported as deferred inflows of resources in governmental funds. This amount represents the change in deferred inflows of resources.		(489,326)
Change in net position of governmental activities		$ 541,830

See notes to financial statements.

Town of Brookfield, Connecticut **Exhibit VII**

Statement of Net Position - Proprietary Funds
June 30, 2016

	Business-Type Activities	Governmental Activities
	Water Pollution Control Authority	Internal Service Funds
Assets		
Cash and cash equivalents	$ 1,339,336	$ 1,155,954
Receivables:		
User charges	287,626	-
Assessments	699,350	-
Interest and fees	121,227	-
Other receivable	87,893	-
Prepaid expenses	19,853	-
Total current assets	2,555,285	1,155,954
Noncurrent assets:		
Restricted cash and cash equivalents	1,638,411	-
Other receivables	-	-
Assessment receivables, less current portion	5,580,343	-
Capital assets:		
Non-depreciable	419,422	-
Depreciable, net	13,227,782	-
Total noncurrent assets	20,865,958	-
Total assets	23,421,243	1,155,954
Liabilities		
Current liabilities:		
Bond anticipation note payable	2,600,000	-
Risk management claims	-	592,200
Accrued liabilities:		
Accrued interest	31,604	-
Other	148,272	1,960
Due to other funds	-	211,784
Unearned revenue	665,167	-
Bonds and note payable - current	351,929	-
Compensated absences - current	4,330	-
Total current liabilities	3,801,302	805,944
Noncurrent liabilities:		
Permanent maintenance deposits	39,441	-
Bonds and note payable	3,432,850	-
Assessments credits liability	654,806	-
Total noncurrent liabilities	4,127,097	-
Total liabilities	7,928,399	805,944
Net position:		
Net investment in capital assets	7,262,425	-
Restricted for permanent maintenance	733,458	-
Unrestricted	7,496,961	350,010
Total net position	$ 15,492,844	$ 350,010

See notes to financial statements.

Town of Brookfield, Connecticut **Exhibit VIII**

Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds
For the Year Ended June 30, 2016

	Business-Type Activities	Governmental Activities
	Water Pollution Control Authority	Internal Service Funds
Operating revenues:		
Charges for services	$ 1,324,522	$ 8,193,959
Other income	28,386	-
Total operating revenues	1,352,908	8,193,959
Operating expenses:		
Claims	-	8,320,281
Personnel services	495,400	-
Capacity charges	239,173	-
Depreciation	244,940	-
Professional services	91,641	-
Utilities	75,523	-
Equipment, repairs and maintenance	199,032	-
Administration	21,311	-
Office supplies	3,301	-
Total operating expenses	1,370,321	8,320,281
Operating loss	(17,413)	(126,322)
Nonoperating income (expense):		
Interest income	43,039	-
Interest expense	(146,664)	-
Total nonoperating expense	(103,625)	-
Net loss before capital contributions	(121,038)	-
Capital contributions	2,638,359	-
Change in net position	2,517,321	(126,322)
Net position, beginning	12,975,523	476,332
Net position, ending	$ 15,492,844	$ 350,010

See notes to financial statements.

Town of Brookfield, Connecticut **EXHIBIT IX**

Statement of Cash Flows - Proprietary Funds
For the Year Ended June 30, 2016

	Business-Type Activities	Governmental Activities
	Water Pollution Control Authority	Internal Service Fund
Cash flows from operating activities:		
Cash received for the following:		
Charges for services	$ (493,283)	$ 8,202,014
Other income	118,591	-
Cash paid for the following:		
Personnel services	(636,977)	(8,113,737)
Capacity charges	(239,173)	-
Professional services	(91,641)	-
Utilities	(75,523)	-
Equipment, repairs and maintenance	(146,795)	-
Administration	(21,311)	-
Other income	(3,301)	-
Net cash (used in) provided by operating activities	(1,589,413)	88,277
Cash flows from capital and related financing activities:		
Purchase of capital assets	(848,047)	-
Interest paid on capital debt	(150,655)	-
Proceeds received on bond anticipation notes	(450,000)	-
Principal paid on capital debt	(348,527)	-
Capital contributions	2,638,359	-
Net cash provided by (used in) capital and related financing activities	841,130	-
Cash flows from investing activities:		
Interest income	43,039	-
Net cash provided by investing activities	43,039	-
Net (decrease) increase in cash and cash equivalents	(705,244)	88,277
Cash and cash equivalents:		
Beginning	3,682,991	1,067,677
Ending	$ 2,977,747	$ 1,155,954

(Continued)

Statement of Cash Flows - Proprietary Funds (Continued)
For the Year Ended June 30, 2016

	Business-Type Activities	Governmental Activities
	Water Pollution Control Authority	Internal Service Fund
Reconciliation of operating loss to net cash (used in) provided by operating activities:		
Operating loss	$ (17,413)	$ (126,322)
Adjustments to reconcile operating loss to net cash (used in) provided by operating activities:		
Depreciation expense	244,940	-
Changes in assets and liabilities:		
Increase in user charges receivable	(122,043)	-
Increase in assessments receivable	(1,608,356)	-
Increase in interest and fees receivable	(66,920)	-
Decrease in other receivables	90,205	8,055
Decrease in prepaid expenses	52,224	-
(Decrease) increase in other liabilities	(141,577)	206,544
Decrease in assessment credit liability	(50,069)	-
Increase in unearned revenue	29,583	-
Increase in performance maintenance deposits	13	-
Net cash (used in) provided by operating activities	$ (1,589,413)	$ 88,277

See notes to financial statements.

Town of Brookfield, Connecticut **Exhibit X**

Statements of Fiduciary Net Position - Fiduciary Funds
December 31, 2015 and June 30, 2016

	December 31, 2015	June 30, 2016		
	Pension Trust Fund - Town of Brookfield Pension Plan	Other Post Employment Benefit Plan Trust	Private Purpose Trust Fund - Raymond Waidelich Scholarship Fund	Agency Funds
Assets				
Cash and cash equivalents	$ 1,428,581	$ -	$ -	$ 817,351
Investments, at fair value:				
Mortgage and asset backed securities	633,278	-	-	-
U.S. Treasuries	677,829	-	-	-
Mutual funds	40,276,853	342,153	1,025,556	-
Receivables:				
Accrued income	4,705	-	-	-
Total assets	43,021,246	342,153	1,025,556	$ 817,351
Liabilities				
Due to others	-	-	-	743,103
Due to other funds	-	-	-	74,248
Total liabilities	-	-	-	$ 817,351
Net position:				
Restricted for benefits and other purposes	$ 43,021,246	$ 342,153	$ 1,025,556	

See notes to financial statements.

Town of Brookfield, Connecticut **Exhibit XI**

Statements of Changes in Fiduciary Net Position
For the Years Ended December 31, 2015 and June 30, 2016

	December 31, 2015	June 30, 2016	
	Pension Trust Fund - Town of Brookfield Pension Plan	Other Post Employment Benefit Plan Trust	Private Purpose Trust Fund - Raymond Waidelich Scholarship Fund
Additions:			
Contributions:			
Employer	$ 1,224,455	$ 338,415	$ 258,380
Plan members	467,339	-	-
Total contributions	1,691,794	338,415	258,380
Investment earnings:			
Interest	254,254	5,984	4,147
Net increase (decrease) in the fair value of investments	73,908	(1,238)	3,968
Total investment earnings	328,162	4,746	8,115
Total additions	2,019,956	343,161	266,495
Deductions:			
Benefit payments	1,687,936	-	-
Administrative expenses	88,789	1,008	-
Total deductions	1,776,725	1,008	-
Change in net position	243,231	342,153	266,495
Net position - beginning	42,778,015	-	759,061
Net position - ending	$ 43,021,246	$ 342,153	$ 1,025,556

See notes to financial statements.

Note 1. Summary of Significant Accounting Policies

The accounting policies of the Town of Brookfield, Connecticut (the Town) conform to accounting principles generally accepted in the United States of America, as applicable to governmental organizations. The following is a summary of significant accounting policies:

Financial reporting entity: The Town of Brookfield, Connecticut was settled in 1788 and adopted its original charter in 1975. The Town operates under a Board of Selectmen and Board of Finance form of government and provides the following services as authorized by its charter: public safety, public works, recreation and leisure, education encompassing kindergarten through 12th grade, human and regional services, a public library, water and sewer, and other programs not included in the above.

The legislative power of the Town is vested with the Board of Selectmen and Town Meeting. The Board of Selectmen may enact, amend or repeal ordinances and resolutions. The Board of Finance is responsible for financial and taxation matters as prescribed by Connecticut General Statutes, and is responsible for presenting fiscal operating budgets for Town Meeting approval.

The Town administers the Town of Brookfield Pension Plan (the Plan), which is a single employer contributory defined benefit plan. Per the plan document as adopted on July 1, 1968 and as amended on January 1, 1994, the plan has a calendar fiscal year end. The Plan does not issue stand-alone financial statements and is considered part of the Town's financial reporting entity. As such, balances of the Plan as of and for the year ended December 31, 2015, the Plan's most recently completed fiscal year, have been presented in the fiduciary fund financial statements as a pension trust fund.

Accounting principles generally accepted in the United States of America (GAAP) require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Government Accounting Standards Board (GASB) Statement Codification Section 2100 have been considered and there are no agencies or entities that should be, but are not, combined in the financial statements of the Town.

Government-wide and fund financial statements: The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is 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 fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Note 1. Summary of Significant Accounting Policies (Continued)

Measurement focus, basis of accounting, and financial statement presentation: The government-wide, proprietary fund and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. However, agency funds, unlike other fiduciary funds, report only assets and liabilities and do not have a measurement focus, and follow the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Intergovernmental grants and entitlements 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. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred except for debt service expenditures, as well as expenditures related to compensated absences, pension obligations, claims and judgments, and other post-employment benefits which are recorded only when payment is due (matured).

Property taxes when levied for, intergovernmental revenue when eligibility requirements are met, licenses, charges for services and interest associated with the current fiscal period are all considered to be measurable and so have been recognized as revenues of the current fiscal period, if available. All other revenue items are considered to be measurable and available only when cash is received by the Town.

Governmental funds: Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance.

The Town reports the following major governmental funds:

***General Fund*:** This fund is the Town's primary operating fund. It accounts for all financial resources of the general government, except those accounted for and reported in another fund.

***Bonded Projects Fund*:** This fund is used to account for the revenues and expenditures related to significant capital projects funded by general obligation bonded debt.

Water Assessment Fund: This fund is used to account for the financing of waterline improvements that benefit certain properties. Revenues in this fund include assessment charges and interest thereon committed to repayment of waterline related debt.

Proprietary funds: Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position and cash flows.

The Town reports the following major proprietary fund:

Water Pollution Control Authority: This fund is used to account for revenues and expenses associated with the sewer collection and processing services for the Town's residences and businesses.

Note 1. Summary of Significant Accounting Policies (Continued)

In addition, the Town reports the following fund types:

Internal Service Fund: This fund is used to account for the self-insured health activities of the Town employees.

***Pension Trust Funds*:** This fund type is used to account for resources held in trust for the members and beneficiaries of the Town of Brookfield Pension Plan, which is a defined benefit pension plan.

Private Purpose Trust Funds: This fund type is used to account for trust arrangements under which principal and income benefit individuals, private organizations or other governments. The Town utilizes a private purpose trust fund to account for activities of the Raymond Waidelich Scholarship Fund.

***Agency Funds*:** These funds are used to account for resources held by the Town in a purely custodial capacity. The Town utilizes these funds to account for assets of the student activities funds and the performance bonds fund. The student activities funds account for monies generated by student activities in the Town's school system. The performance bonds fund accounts for monies received to ensure that driveways and lawns are installed to correct specifications for new home construction.

Implementation of New Accounting Standards:

GASB Statement No. 72, *Fair Value Measurement and Application*. This statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. This statement provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. The implementation of this statement added additional disclosures to Note 2.

GASB Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets that are not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statement Nos. 67 and 68*. This statement completes the suite of pension standards. Statement No. 73 establishes requirements for those pensions and pension plans that are not administered through a trust meeting specified criteria (in other words, those not covered by Statement Nos. 67 and 68). The requirements in Statement No. 73 for reporting pensions generally are the same as in Statement No. 68. However, the lack of a pension plan that is administered through a trust that meets specified criteria is reflected in the measurements. The implementation of this statement had no impact on the Town's financial statements.

GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments.* This statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP. The implementation of this statement had no impact on the Town's financial statements.

GASB Statement No. 79, *Certain External Investment Pools and Pool Participants.* This standard establishes new criteria to continue amortization cost accounting for certain external investment pools in light of recent changes to money market fund criteria. The requirements of this statement are effective for financial statements for periods beginning after June 15, 2015. Portfolio quality and monthly shadow pricing are effective for periods beginning after December 15, 2015. The implementation of this statement had no impact on the Town's financial statements.

Cash equivalents: Cash and cash equivalents include short-term, highly liquid investments with original maturities of three months or less when purchased.

Investments: Investments are reported at fair value.

Note 1. Summary of Significant Accounting Policies (Continued)

Fair value: The Town uses fair value measurements to record fair value adjustments to certain assets and to determine fair value disclosures. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value is best determined based upon quoted market prices. However, in certain instances, there are no quoted market prices for certain assets or liabilities. In cases where quoted market prices are not available, fair values are based on estimates using present value or other valuation techniques. Those techniques are significantly affected by the assumptions used, including the discount rate and estimates of future cash flows. Accordingly, the fair value estimates may not be realized in an immediate settlement of the asset or liability.

Fair value measurements focus on exit prices in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. If there has been a significant decrease in the volume and level of activity for the asset or liability, a change in valuation technique or the use of multiple valuation techniques may be appropriate. In such instances, determining the price at which willing market participants would transact at the measurement date under current market conditions depends on the facts and circumstances and requires the use of significant judgment.

The Town's fair value measurements are classified into a fair value hierarchy based on the markets in which the assets and liabilities are traded and the reliability of the assumptions used to determine fair value.

The three categories within the hierarchy are as follows:

Level 1: Quoted prices in active markets for identical assets and liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, including quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, interest rates and yield curves observable at commonly quoted intervals, implied volatilities, credit spreads, and market-corroborated inputs.

Level 3: Unobservable inputs shall be used to measure fair value to the extent that relevant observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at the measurement date. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flows methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgement.

See Note 2 for additional information regarding fair value.

Inventories: Inventories are reported at cost using the first-in first-out method, except for U.S. Department of Agriculture donated commodities, which are recorded at market value. Inventories are recorded as expenditures when consumed rather than when purchased.

Restricted cash and cash equivalents: Restricted cash and cash equivalents consist of amounts held in escrow in accordance with permanent maintenance agreements executed with certain property owners in the Town. The funds may only be disbursed in accordance with the permanent maintenance agreements. In addition, restrictions have been placed on certain cash and cash equivalent balances for other maintenance related expenditures.

Note 1. Summary of Significant Accounting Policies (Continued)

Property taxes, water and sewer assessments and user charges: Property taxes are assessed as of October 1. Taxes are billed in the following July and are due in two installments, July 1 and January 1. Personal property and motor vehicle taxes are billed in July and are due in one installment, July 1. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date. Based on historical collection experience and other factors, the Town has established an allowance for uncollectible taxes of $140,000 and an allowance for uncollectible interest on property taxes of $57,000 as of June 30, 2016.

Upon completion of projects, water and sewer assessments are levied and assessed to the users each December. User charges are billed quarterly. Assessments and user charges are due and payable within thirty days and delinquent amounts are subject to interest at prevailing rates. Liens are filed on all properties until the assessment is paid in full.

Capital assets: Capital assets, which include property, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the government-wide and proprietary fund financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than $20,000 for infrastructure assets and more than $5,000 for all other assets. 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 a capital asset or materially extend capital asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the Town are depreciated using the straight line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	50
Infrastructure	12-100
Machinery and equipment	5-25
Vehicles	5-20

Capital assets acquired under capital lease are amortized over the life of the lease term or estimated useful life of the asset, as applicable.

Compensated absences: Under the terms of various union contracts, noncertified and certified employees of the Town's Board of Education may accumulate and vest in sick time in accordance with the terms of the applicable contracts. Vacation time for Board of Education employees must be used during the fiscal year and cannot be carried over. However, there may be an occasional exception to this policy based upon the terms of a specific individual's contract.

Town employees earn vacation time based upon years of service and under the terms of various union contracts. Police officers earn vacation based on each anniversary date. A maximum of five days may be carried over, but it must be used within the first three months of the new anniversary year. All other Town employees earn vacation based on a calendar year. A maximum of five days may be carried over, but it must be used within the first six months of the new calendar year.

All compensated absences are accrued when incurred in the government-wide and proprietary fund financial statements. Expenditures for compensated absences are recognized in the governmental fund financial statements in the current year to the extent they have matured (e.g., due to resignation or retirement).

Note 1. Summary of Significant Accounting Policies (Continued)

Long-term obligations: In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond principal premiums and discount 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 expensed as incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. Bond principal payments are recorded as expenditures. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net pension liability: The net pension liability is measured as the portion of the actuarial present value of projected benefits that is attributed to past periods of employee service (total pension liability), net of the pension plan's fiduciary net position. The pension plan's fiduciary net position is determined using the same valuation methods that are used by the pension plan for purposes of preparing its statement of fiduciary net position. The net pension liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period.

Deferred outflows/inflows of resources: In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period or periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding and deferred outflows related to pension in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. A deferred outflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period or periods and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports a deferred inflow of resources related to pensions in the government-wide statement of net position. A deferred inflow of resources related to pension results from differences between expected and actual experience, changes in assumptions or other inputs. Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting.

The governmental funds report unavailable revenues from property taxes, interest on property taxes, and long-term loans. These amounts are deferred and recognized as an inflow of resources (revenue) in the period during which the amounts become available. The Town reports advanced property tax collections in the government-wide statement of net position and in the governmental funds balance sheet. Advance property tax collections represent taxes inherently associated with a future period. The amount is recognized during the period in which the revenue is associated.

Note 1. Summary of Significant Accounting Policies (Continued)

Net position/fund balance: The statement of net position presents the Town's nonfiduciary assets and liabilities, with the difference reported as net position. Net position is reported in three categories:

Net investment in capital assets – The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of bonds, notes, or other borrowings that are attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are included in this component of net position.

Restricted – This category of net position consists of amounts whose use is restricted either through external restrictions imposed by creditors, grantors, contributors, and the like, or through restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted – This category of net position consists of amounts which do not meet the definition of the two preceding categories.

The Town's governmental funds report the following fund balance categories:

Nonspendable: Amounts that cannot be spent because they are not in spendable form or they are legally or contractually required to be maintained intact.

Restricted: Constraints are placed on the use of resources that are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through enabling legislation.

Committed: Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Finance (the highest level of decision making authority of the Town) and cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same formal action. The formal action to be taken by the Board of Finance is the passage of a resolution by a simple majority vote.

***Assigned*:** Amounts are constrained by the Town's intent to be used for specific purposes, but are not restricted or committed. The Board of Finance has delegated the responsibility to assign funds to management of the Town, with the exception of those amounts assigned by the Board of Finance during the Town's annual budgeting process as described in Notes to Required Supplementary Information.

Unassigned: Residual classification for the General Fund or amounts necessary in other governmental funds to eliminate otherwise negative fund balance amounts in the other four categories.

The Town's Fund Balance Policy establishes a minimum unassigned fund balance equal to 8.0% of total General Fund expenditures. In the event that the balance drops below the established minimum level, the Town's Board of Finance will develop a plan to replenish the fund balance to the established minimum The Town's policy requires the use of restricted resources first, then unrestricted resources as needed. Unrestricted resources are used in the following order: committed; assigned; then unassigned.

Note 1. Summary of Significant Accounting Policies (Continued)

Interfund activities: Interfund activities are reported as follows:

Interfund receivables and payables: Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Interfund services provided and used: Sales and purchases of goods and services between funds for a price approximating their external exchange value are reported as revenues and expenditures, or expenses, in the applicable funds.

Interfund transfers: Interfund transfers represent flows of assets without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and other financing sources in the funds receiving transfers. In proprietary funds, transfers are reported after nonoperating revenues and expenses.

Interfund reimbursements: Interfund reimbursements represent repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them.

Use of estimates: The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Net other post-employment benefit obligations (OPEB):

Governmental funds and governmental activities: In governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources. In governmental activities, expense is recognized based on actuarially required contributions. The net OPEB obligation (asset), the cumulative differences between annual OPEB cost and the Town's contributions to the plan since July 1, 2008, is calculated on an actuarial basis consistent with the requirements of GASB Statement No. 45. The OPEB obligation (asset) is recorded in the government-wide financial statements.

Note 2. Cash Deposits and Investments

Cash deposits: A reconciliation of the Town's cash and cash equivalents as of June 30, 2016 is as follows:

Government-wide statement of net position	
Unrestricted:	
Cash and cash equivalents	$ 14,747,327
Restricted:	
Cash and cash equivalents	1,638,411
	16,385,738
Statement of fiduciary net position	
Cash and cash equivalents - Agency Funds	817,351
Cash and cash equivalents - Pension Trust Fund	1,428,581
	2,245,932
	$ 18,631,670

Note 2. Cash Deposits and Investments (Continued)

Custodial credit risk: Custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2016, approximately $18,100,000 of the Town's bank balance of approximately $19,500,000 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	$ 16,648,595
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	1,428,581
	$ 18,077,176

All of the Town's deposits were in qualified public institutions as defined by Connecticut general statute. Under this statute, any bank holding public deposits must at all times maintain, segregated from its other assets, eligible collateral in an amount equal to a certain percentage of its public deposits. The applicable percentage is determined based on the bank's risk-based capital ratio. The amount of public deposits is determined based on either the public deposits reported on the most recent quarterly call report, or the average of the public deposits reported on the four most recent quarterly call reports, whichever is greater. The collateral is kept in the custody of the trust department of either the pledging bank or another bank in the name of the pledging bank.

Investments: As of June 30, 2016, the Town's investments, excluding Pension and OPEB Trust Fund investments, consisted of the following:

Investments (Except Pension and OPEB Trust Funds)

Investment Type	Fair Value
Equity securities	$ 1,487,394

The Town has separately disclosed its Pension and OPEB Trust Fund investments, as these investments have greater risk exposures than the Town's investments. Investments include $1,428,581 of money market mutual funds which have been presented as cash equivalents in the accompanying statement of fiduciary net position. As of June 30, 2016, the Pension Trust Fund investments consisted of the following:

Pension Trust Fund

		Investment Maturities (In Years)			
Investment Type	Fair Value	Less Than 1	1 to 5	6 to 10	More Than 10
Debt securities:					
Mortgage backed securities	$ 633,278	$ -	$ 74,067	$ 25,568	$ 533,643
U.S. Treasuries	677,829	-	677,829	-	-
Fixed Income mutual funds	7,103,183	-	-	7,103,183	-
	8,414,290	-	751,896	7,128,751	533,643
Other Investments:					
Mutual funds	34,541,379				
Common stock	461,838				
Total	$ 43,417,507				

Note 2. Cash Deposits and Investments (Continued)

Interest rate risk: The Town does not have a formal investment policy that limits Town investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, the Pension Trust Fund investments are subject to guidelines as set forth by the Town to the investment manager, which provide for a maximum of 20% of total investments in cash, 20% in equity securities and 60% in corporate bonds, mortgage and asset backed securities, U.S. Agencies and U.S. Treasuries.

Credit risk: The Town has no investment policy that would further limit its investment choices beyond those limited by Connecticut general statutes. Connecticut general statutes permit the Town to invest in obligations of the United States, including its instrumentalities and agencies; in obligations of any state or of any political subdivision, authority or agency thereof, provided such obligations are rated within one of the top two rating categories of any recognized rating service; or in obligations of the State of Connecticut or of any political subdivision thereof, provided such obligations are rated within one of the top three rating categories of any recognized rating service. The Pension Trust Fund 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, with the care of a prudent investor.

The Pension Trust Fund investments in debt securities were rated by Standard & Poor's as follows at June 30, 2016.

	Pension Trust Fund							
	Standard and Poor's							
Investment Type	AAA	AA	A	BBB	BB	B	Below B	Unrated
Mortgage backed securities	$ -	$ -	$ -	$ 46,961	$ -	$ -	$ -	$ 586,317
U.S. Treasuries	677,829	-	-	-	-	-	-	-
Fixed income mutual funds	3,470,426	308,973	969,932	1,449,385	233,472	206,876	133,282	330,837
Total	$ 4,148,255	$ 308,973	$ 969,932	$ 1,496,346	$ 233,472	$ 206,876	$ 133,282	$ 917,154

Custodial credit risk: For an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, the Town or Pension Trust Fund will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town's and Pension Trust Fund's investments are not exposed to custodial credit risk at June 30, 2016, as they are held by a trustee in the Town's name.

Concentrations of credit risk: The Town places no limit on the amount of investment in any one issuer. As of June 30, 2016, the Town did not have more than 5% of the Town's investments in any one issuer.

The Pension Trust Fund places no limit on the amount of investment in any one issuer. More than 5.0% of the Pension Trust Fund investments are in U.S. Treasuries and certain mutual funds. Investments in U.S. Treasuries are not exposed to concentrations of credit risk. Investments in mutual funds are also not exposed to concentrations of credit risks since mutual funds are considered diversified by nature.

Note 2. Cash Deposits and Investments (Continued)

Fair value: The Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Plan has the following recurring fair value measurements as of June 30, 2016:

		Fair Value Measurements Using		
	June 30, 2016	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Observable Inputs (Level 3)
Investments by fair value level:				
Stocks	$ 461,838	$ 461,838	$ -	$ -
Mutual funds	34,541,379	1,241,586	33,299,793	-
Debt securities:				
U.S. Treasury	677,829	677,829	-	-
Asset and mortgage backed	633,278	-	633,278	-
Fixed income mutual funds	7,103,183	7,103,183	-	-
Total debt securities	8,414,290	7,781,012	633,278	-
Total investments by fair value level	$ 43,417,507	$ 9,484,436	$ 33,933,071	$ -

Note 3. Capital Assets

Capital asset activity for the year ended June 30, 2016 consisted of the following:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 11,401,619	$ -	$ -	$ 11,401,619
Construction in progress	9,444,956	7,069,430	644,025	15,870,361
Total capital assets, not being depreciated	20,846,575	7,069,430	644,025	27,271,980
Capital assets, being depreciated:				
Buildings and improvements	65,596,502	307,670	-	65,904,172
Infrastructure	26,330,577	123,083	-	26,453,660
Machinery and equipment	5,451,264	789,508	-	6,240,772
Vehicles	4,468,065	618,520	-	5,086,585
Total capital assets being depreciated	101,846,408	1,838,781	-	103,685,189
Less accumulated depreciation and amortization for:				
Buildings and improvements	19,479,949	1,287,281	-	20,767,230
Infrastructure	9,629,508	624,070	-	10,253,578
Machinery and equipment	3,679,385	434,139	-	4,113,524
Vehicles	2,916,846	449,140	-	3,365,986
Total accumulated depreciation and amortization	35,705,688	2,794,630	-	38,500,318
Total capital assets, being depreciated, net	66,140,720	(955,849)	-	65,184,871
Governmental activities capital assets, net	$ 86,987,295	$ 6,113,581	$ 644,025	$ 92,456,851

Note 3. Capital Assets (Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets, not being depreciated:				
Construction in progress	$ 1,869,766	$ -	$ 1,450,344	$ 419,422
Total capital assets, not being depreciated	1,869,766	-	1,450,344	419,422
Capital assets, being depreciated:				
Buildings and improvements	2,866,314	-	-	2,866,314
Infrastructure	9,533,193	2,298,391	-	11,831,584
Machinery and equipment	1,210,430	-	-	1,210,430
Vehicles	180,749	-	-	180,749
Total capital assets being depreciated	13,790,686	2,298,391	-	16,089,077
Less accumulated depreciation and amortization for:				
Buildings and improvements	364,965	57,326	-	422,291
Infrastructure	1,458,838	118,012	-	1,576,850
Machinery and equipment	704,654	57,734	-	762,388
Vehicles	87,898	11,868	-	99,766
Total accumulated depreciation and amortization	2,616,355	244,940	-	2,861,295
Total capital assets, being depreciated, net	11,174,331	2,053,451	-	13,227,782
Business-type activities capital assets, net	$ 13,044,097	$ 2,053,451	$ 1,450,344	$ 13,647,204

Depreciation and amortization expense was charged to functions of the Town as follows:

Governmental activities:	
General government	$ 171,196
Social Services	45,345
Public Works	928,479
Public Safety	286,105
Recreation and Leisure	137,082
Education	1,226,423
Total depreciation and amortization expense - governmental activities	$ 2,794,630
Business-type activities:	
Water Pollution Control Authority	$ 244,940
Total depreciation and amortization expense - business-type activities	$ 244,940

Note 4. Interfund Receivables and Payables

Interfund receivable and payable balances at June 30, 2016 are as follows:

Receivable Fund	Payable Fund	Amount
Governmental Funds:		
General Fund	Bonded Projects Fund	$ 2,707,645
	Internal Service Fund	211,784
	Agency Funds	74,248
	Other Governmental Funds	1,048,016
		4,041,693
Water Assessment Fund	General Fund	200,540
Other Governmental Funds	Bonded Projects Fund	6,470
Other Governmental Funds	General Fund	71,735
		$ 4,320,438

The above balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Note 5. Interfund Transfers

Interfund transfers for the year ended June 30, 2016 consisted of the following:

Transfers In	Transfers Out	Amount
Governmental funds:		
Other governmental funds	General Fund	$ 986,221

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Note 6. Bond Anticipation Notes

The following is a summary of changes in short-term debt for the year ended June 30, 2016:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Bond anticipation notes payable	$ 8,230,000	$ 16,850,000	$ 8,230,000	$ 16,850,000

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Bond anticipation notes payable	$ 3,050,000	$ 2,600,000	$ 3,050,000	$ 2,600,000

Note 7. Long-Term Liabilities

The following is a summary of changes in long-term liabilities for the year ended June 30, 2016:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	$ 34,435,000	$ -	$ 2,120,000	$ 32,315,000	$ 2,930,000
Unamortized amounts:					
Premium	2,223,123	-	188,505	2,034,618	-
Total bonds payable	36,658,123	-	2,308,505	34,349,618	2,930,000
Other liabilities:					
Capital leases	847,875	113,520	422,597	538,798	278,777
Compensated absences	652,450	137,918	56,945	733,423	366,712
Claims and judgements	900,000	-	900,000	-	-
Early retirement	162,000	-	162,000	-	-
Net pension liability	1,041,372	3,993,131	-	5,034,503	-
Net OPEB obligation	18,958,846	2,018,813	-	20,977,659	-
	$ 59,220,666	$ 6,263,382	$ 3,850,047	$ 61,634,001	$ 3,575,489
Business-type activities:					
Bonds payable:					
General obligation bonds	$ 1,215,000	$ -	$ 180,000	$ 1,035,000	$ 180,000
Other liabilities:					
Notes payable	2,918,306	-	168,527	2,749,779	171,929
Compensated absences	8,780	-	4,450	4,330	4,330
	$ 4,142,086	$ -	$ 352,977	$ 3,789,109	$ 356,259

Certain general obligation bonds and the note payable allocable to sewer projects are secured by the full faith and credit of the Town but are substantially liquidated by sewer use and assessment billings. The remaining liabilities above typically have been liquidated in the General and other governmental funds.

Note 7. Long-Term Liabilities (Continued)

General obligation bonds and notes payable: A summary of general obligation bonds and notes payable outstanding at June 30, 2016 is as follows:

Description	Final Maturity Dates	Interest Rates	Amount Outstanding
Governmental activities:			
Bonds payable:			
School bonds issued 1997, original amount $4,000,000	2017	4.65% - 5.75%	$ 220,000
General obligation bonds issued 1999, original amount $2,705,000	2020	4.75% - 5.875%	540,000
General obligation and school bonds issued 2002, original amount $7,900,000	2022	4.0% - 5.0%	2,400,000
General obligation School and Gurski bonds issued 2014, original amount $14,750,000	2031	2.0% - 4.0%	12,685,000
General obligation Town Roads, School bonds issued 2014, original amount $6,180,000	2034	3.27%	5,930,000
General obligation refunding bonds issued 2014, original amount $15,100,000	2026	2.0% - 5.0%	305,000
General obligation Water bonds -taxable issued 2015, original amount $5,510,000	2034	2%-3.65%	5,230,000
General obligation Various, School bonds issued 2010, original amount $6,700,000	2031	2.0% - 4.0%	5,005,000
			$ 32,315,000

Description	Dates	Rates	Outstanding
Business-type activities:			
Bonds payable:			
Sewer bonds issued 1993, original amount $3,400,000	2022	3.65% - 5.375%	$ 690,000
Sewer bonds issued 1997, original amount $980,000	2017	4.65% - 5.75%	40,000
Sewer bonds issued 2010, original amount $430,000	2031	2.0% - 4.0%	305,000
			1,035,000
Notes payable:			
Clean Water Fund note payable issued 2010, original amount $3,747,082	2030	2.0%	2,749,779
			2,749,779
			$ 3,784,779

Note 7. Long-Term Liabilities (Continued)

2015 general obligation refunding bond - in-substance defeasance: On March 24, 2015, the Town issued $5,510,000 of general obligation refunding bonds with an average interest rate of 3.4%, of which the proceeds were used to advance refund portions of the outstanding principal amounts of the general obligation bond of the Town dated 2010 and 2011 (the Refunding Bonds). Net proceeds of $5,355,352 (after payment of expenses of $178,289), were placed in an irrevocable trust under an Escrow Agreement dated March 2015 between the Town and escrow holder. The escrow holder used the proceeds to purchase a portfolio of primarily non-callable direct obligations of the United States of America (Government Obligations). The Government Obligations will have maturities and interest rates sufficient to pay principal and interest payments and redemption premiums on the Refunding Bonds on the date the payments are due. As a result, the refunded bonds are considered defeased and the liability has been removed from the basic financial statements.

Annual debt service requirements to maturity on general obligation bonds and notes payable are as follows as of June 30, 2016:

	Governmental Activities	
	General Obligation Bonds	
June 30:	Principal	Interest
2017	$ 2,930,000	$ 1,228,268
2018	2,745,000	1,118,570
2019	2,770,000	1,011,093
2020	2,805,000	894,758
2021	2,680,000	776,250
2022-2026	11,980,000	2,292,921
2027-2031	4,970,000	696,942
2032-2036	1,435,000	83,511
	$ 32,315,000	$ 8,102,313

	Business-Type Activities					
	General Obligation Bonds		Notes Payable		Totals	
June 30:	Principal	Interest	Principal	Interest	Principal	Interest
2017	$ 180,000	$ 41,705	$ 171,929	$ 53,425	$ 351,929	$ 95,130
2018	135,000	34,120	175,400	49,955	310,400	84,075
2019	135,000	27,570	178,940	46,415	313,940	73,985
2020	135,000	21,020	182,552	42,803	317,552	63,823
2021	135,000	14,645	186,237	39,118	321,237	53,763
2022-2026	215,000	25,425	989,109	157,234	1,204,109	182,659
2027-2031	100,000	8,053	865,612	52,933	965,612	60,986
	$ 1,035,000	$ 172,538	$ 2,749,779	$ 441,883	$ 3,784,779	$ 614,421

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the Town shall not exceed seven times base receipts, as defined in the Statute. Further, the Statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal and pension deficit. The Town did not exceed any of the statutory debt limitations at June 30, 2016.

Note 7. Long-Term Liabilities (Continued)

As of June 30, 2016, the Town had authorized but unissued bonds totaling $1,360,835. The funds are being used for construction of recreational facilities, improvements to Town roads and the roof of a Town educational facility, and to extend water and sewer mains in Town. These projects were authorized by the voters of the Town.

Subsequent event: On November 17, 2016, the Town rolled forward and issued $21,355,000 in bond anticipation notes. These notes have a maturity of one year from the date of issuance.

Capital leases: A summary of assets acquired through capital leases is as follows as of June 30, 2016:

	Governmental Activities
Machinery and equipment	$ 1,537,661
Less: accumulated amortization	(1,262,451)
	$ 275,210

Future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2016 are as follows:

	Governmental Activities
Years ending June 30:	
2017	$ 284,590
2018	223,259
2019	39,147
2020	-
Total minimum lease payments	546,996
Less: amount representing interest	8,198
Present value of minimum lease payments	$ 538,798

Note 8. Pension Plans

Defined benefit plan:

Plan description: The Town administers the Plan which is a single employer, contributory, defined benefit plan. Plan benefits and contribution requirements are established by the plan document adopted July 1, 1968, and as amended January 1, 1994, by approval of the Board of Selectmen. All full time employees eligible to participate in the plan become a plan participant on the first day of the month following completion of one year of employment. The Plan does not issue stand-alone financial statements and is part of the Town's financial reporting entity. As such, the Plan is accounted for in the fiduciary fund financial statements as a pension trust fund.

Note 8. Pension Plans (Continued)

Summary of significant accounting policies: Investments are recorded at fair value. Securities traded on national exchanges are valued at the last reported sales price. Investment income is recognized when earned and gains and losses on sales or exchanges are recognized on the transaction date.

Administrative costs of the Plan are funded by the Town.

Plan membership: Membership of the Plan consisted of the following as of the date of the latest actuarial valuation dated January 1, 2015:

Retirees and beneficiaries receiving benefits	92
Terminated plan members entitled to but not yet receiving benefits	16
Active plan members	155
	263

Contributions: The contribution requirements of plan members and the Town are established and may be amended by the Board of Selectmen. The Town's funding policy provides for periodic employer contributions at rates that, when expressed as a percentage of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. The contribution rate for normal costs of the Plan was determined using the entry age normal cost method.

Employees are required to contribute 5% of their earnings to the Plan.

For the year ended June 30, 2016, employer contributions to the Plan represented 9.57% of covered payroll.

Benefit provisions: Benefit provisions are established and may be amended by the Board of Selectmen. The normal retirement benefit is calculated as a percentage of the participant's average monthly earnings during the highest three consecutive years (five years for Board of Education participants) of employment multiplied by years of service. The percentages are as follows: Board of Education – 1.75% for years of service prior to January 1, 1994 and 2.0% for years of service thereafter; Other - 2.0% for all years of service.

Normal retirement age is the earlier of age 55 with 10 years of service or 25 years of service regardless of age for police and age 62 for all others. Police are 100% vested after 10 years of service. All others are 50% vested after 5 years of service plus 10% for each additional year until becoming 100% vested. The Town has not given any post-retirement benefit increases.

Police officers who retire on or after July 1, 2006 will receive an annual 1% cost of living adjustment every July 1st.

Additional information and actuarial assumptions:

Valuation date:	January 1, 2015
Actuarial cost method:	Entry Age Normal Cost Method
Amortization method:	Level Dollar Amount
Remaining amortization period:	15 years, open
Asset valuation method:	Market value
Actuarial assumptions:	
Investments rate of return*	6.50%
Projected salary increases*	3.00%
*Includes inflation at 2.5%	

Note 8. Pension Plans (Continued)

Plan financial statements:

Town of Brookfield, Connecticut
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2015

	Pension Trust Fund - Town of Brookfield Pension Plan
Assets:	
Cash and cash equivalents	$ 1,428,581
Investments, at fair value:	
Mortgage and asset backed securities	633,278
U.S. Treasuries	677,829
Fixed income mutual funds	40,276,853
Receivables:	
Accrued income	4,705
Total assets	43,021,246
Net position:	
Restricted for pension benefits	$ 43,021,246

Note 8. Pension Plans (Continued)

Town of Brookfield, Connecticut
Statement of Changes in Fiduciary Net Position
For the Year Ended December 31, 2015

	Pension Trust Fund - Town of Brookfield Pension Plan
Additions:	
Contributions:	
Employer contribution	$ 1,224,455
Plan members	467,339
Total contributions	1,691,794
Investment earnings:	
Interest	254,254
Net increase in the fair value of investments	73,908
Total investment earnings	328,162
Total additions	2,019,956
Deductions:	
Benefit payments	1,687,936
Administrative expenses	88,789
Total deductions	1,776,725
Change in net position	243,231
Net position - beginning	42,778,015
Net position - ending	$ 43,021,246

Note 8. Pension Plans (Continued)

Investments:

Investment policy: The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Retirement Benefits Advisory Committee. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan. The following was the adopted allocation policy as of June 30, 2016:

Asset Class	Pension Funds Target Allocation
Large Cap Blend	36%
International	15%
Small Cap Blend	9%
Fixed Income	37%
Cash	3%
	100%

Rate of return: For the year ended June 30, 2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 0.80%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net pension liability of the town: The components of the net pension liability of the Town at June 30, 2016 were as follows:

Net Pension Liability	June 30, 2016
Total pension liability	$ 48,406,938
Plan fiduciary net position	43,372,435
Net pension liability	$ 5,034,503
Plan fiduciary net position as a percentage of total pension liability	89.60%
Covered-employee payroll	$ 9,580,299
Net pension liability as a % of covered-employee payroll	52.55%

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of January 1, 2015, calculated based on the discount rate and actuarial assumptions below, and then was projected forward to the measurement date, June 30, 2016. There have been no significant changes between the valuation date and the fiscal year end.

Mortality rates were based on the RP-2000 Mortality Table for Employees, Health Annuitants and Disabled Annuitants with a generational projection to the valuation date with Scale AA.

Note 8. Pension Plans (Continued)

Assumed rate of return: The long-term expected rate of return on pension plan investments was determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Best estimates of the real rates of returns for each major asset class are included in the pension plan's target asset allocation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of January 1, 2015, and the final investment return assumption, are summarized in the following table:

Asset Class	Pension Funds Long-Term Expected Real Rate of Return	Weighting
Large cap blend	6.50%	2.34%
International	6.50%	0.98%
Small cap blend	8.25%	0.74%
Fixed income	75.00%	0.28%
Cash	0.00%	0.00%
		4.34%
Long-term inflation expectation		2.50%
Long-term expected nominal return		6.84%

Discount rate: The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rate. Therefore, the long-term expected rates of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate: The following presents the net pension liability of the Town, calculated using the discount rate of 6.50%, as well as what the Town's net pension liability (asset) would be if it were calculated using a discount rate that is 1.00% lower or 1.00% higher than the rate utilized:

	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net pension liability as of June 30, 2016	$ 10,748,514	$ 5,034,503	$ 253,137

Note 8. Pension Plans (Continued)

Changes in net pension liability:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a)-(b)
Balances as of June 30, 2015	$ 44,183,810	$ 43,142,438	$ 1,041,372
Changes for the year:			
Service cost	1,041,005	-	1,041,005
Interest on total pension liability	2,885,710	-	2,885,710
Difference between expected and actual experience	785,133	-	785,133
Changes of assumptions	1,196,346	-	1,196,346
Contributions- employer	-	916,398	(916,398)
Contributions- employee	-	431,829	(431,829)
Net investment income	-	348,872	(348,872)
Benefit payments, including refunds of member contributions	(1,685,066)	(1,685,066)	-
Administrative expenses	-	(90,093)	90,093
Other	-	308,057	(308,057)
Net changes	4,223,128	229,997	3,993,131
Balances as of June 30, 2016	$ 48,406,938	$ 43,372,435	$ 5,034,503

Pension expense and deferred outflows of resources related to pensions:

For the fiscal year ended June 30, 2016, the recognized pension expense is $1,385,027. As of June 30, 2016, deferred outflows of resources and deferred inflows of resources related to pensions are reported as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net
Differences between expected and actual experience	$ 684,475	$ (243,531)	$ 440,944
Changes of assumptions	1,042,968	-	1,042,968
Net difference between projected and actual earnings on pension plan investments	2,675,278	-	2,675,278
Total	$ 4,402,721	$ (243,531)	$ 4,159,190

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense as follows:

Years ending June 30:	
2017	$ 908,560
2018	908,560
2019	908,560
2020	722,211
2021	254,036
Thereafter	457,263
	$ 4,159,190

Note 8. Pension Plans (Continued)

Connecticut Teachers' Retirement System:

Teachers, principals, superintendents or supervisors engaged in service of public schools are provided with pensions through the Connecticut State Teachers' Retirement System, a cost sharing multiple-employer defined benefit pension plan administered by the Teachers Retirement Board. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the Teachers Retirement Board. The Teachers Retirement Board issues a publicly available financial report that can be obtained at www.ct.gov.

Benefit provisions: The Plan provides retirement, disability and death benefits. Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

Normal retirement: Retirement benefits for employees are calculated as 2 percent of the average annual salary times the years of credited service (maximum benefit is 75 percent of average annual salary during the 3 years of highest salary).

Early retirement: Employees are eligible after 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service with reduced benefit amounts.

Disability retirement: Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required for nonservice-related disability eligibility. Disability benefits are calculated as 2 percent of average annual salary times credited service to date of disability, but not less than 15 percent of average annual salary, nor more than 50 percent of average annual salary.

Contributions: Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are approved, amended and certified by the State Teachers Retirement Board and appropriated by the General Assembly.

Employer (school districts): School District employers are not required to make contributions to the plan.

The statutes require the State of Connecticut to contribute 100 percent of each school districts' required contributions, which are actuarially determined as an amount that, when combined with employee contributions, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

Employees: Effective July 1, 1992, each teacher is required to contribute 6 percent of salary for the pension benefit.

Note 8. Pension Plans (Continued)

Pension liabilities, pension expense, and deferred outflows of resources and deferred inflows of resources related to pensions: At June 30, 2016, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows, due to the statutory requirement that the State pay 100 percent of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	$ -
State's proportionate share of the net pension liability associated with the Town	53,912,476
	$ 53,912,476

The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. At June 30, 2016, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2016, the Town recognized pension expense and revenue of $4,585,000 in Exhibit II for on-behalf amounts for the benefits provided by the State.

Actuarial assumptions: The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increases	3.75%-7.00%, including inflation
Investment rate of return	8.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two-year setback for males and females for the period after service retirement and for dependent beneficiaries.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005 - June 30, 2010.

Future cost-of-living increases for members who retire on or after September 1, 1992 are assumed to be an annual cost-of-living adjustment of 2 percent.

Note 8. Pension Plans (Continued)

The long-term expected rate of return on pension investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap U.S. Equities	21.00%	5.80%
Developed Non-U.S. Equities	18.00%	6.60%
Emerging Markets (Non-U.S.)	9.00%	8.30%
Core Fixed Income	7.00%	1.30%
Inflation Linked Bond Fund	3.00%	1.00%
Emerging Market Bond	5.00%	3.70%
High Yield Bonds	5.00%	3.80%
Real Estate	7.00%	5.10%
Private Equity	11.00%	7.60%
Alternative Investments	8.00%	4.10%
Cash	6.00%	0.40%
	100%	

Discount rate: The discount rate used to measure the total pension liability was 8.50 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate: The Town's proportionate share of the net pension liability is $-0- and, therefore, the change in the discount rate would only impact the amount recorded by the State of Connecticut.

	1% Decrease 7.50%	Current Discount Rate 8.50%	1% Increase 9.50%
State's portion of the NPL associated with the Town	$ 67,987,966	$ 53,912,476	$ 41,948,149

Pension plan fiduciary net position: Detailed information about the pension plan's fiduciary net position is available in the separately issued financial statements available at www.ct.gov.

Other information: Additional information is included in the required supplementary information section of the financial statements. A schedule of contributions is not presented as the Town has no obligation to contribute to the plan.

Note 9. Other Post-Employment Benefits

Plan description: The Town of Brookfield administers an Other Post-Employment Benefits Plan (the OPEB Plan), which is a single-employer defined benefit healthcare plan. The OPEB Plan provides healthcare insurance benefits for eligible retirees and their spouses through the Town's group health insurance plan, which covers both active and retired members, as well as certain life insurance benefits. Benefit provisions are established through negotiations between the Town and the unions representing Town employees and are renegotiated each three-year bargaining period. The OPEB Plan does not issue stand-alone financial statements and is not included in the financial statements of another entity.

Funding policy: Contribution requirements of the plan members and the Town are established in the OPEB Plan document and may be amended through negotiations between the Town and the unions. Currently, the Town contributes the following for various classes of employees covered:

Town employees (excluding highway, public works and police): Prior to age 65 and with ten years of service, the Town pays 15% and the retiree pays 85% of the cost of current year premiums for both the retiree and spouse. The retiree portion is reduced by 5% for each additional year of service, until at 25 years of service, the Town pays 90% and the retiree pays 10% of the cost of current year premiums. The Town pays 100% of the premium cost for retirees with over twenty-five years of service. Anyone hired on or after January 1, 2011 are not eligible for these post-retirement healthcare insurance benefits.

Highway and Public Works employees: Prior to age 65, the Town pays 60% and the retiree pays 40% of the cost of current year premiums for both the retiree and spouse. The Town pays 80% of the premium cost for retirees and 75% of the premium costs for the retiree's spouse at the age of sixty-five and beyond. The Town pays 100% of the premium costs for existing retirees. Anyone hired on or after July 1, 2010 are not eligible for these post-retirement healthcare insurance benefits.

Police: Prior to age 65 and with less than five years of service, the Town pays 80% and the retiree pays 20% of the cost of current year premiums for both the retiree and spouse. Prior to age 65 and with five years of service, the Town pays 80% and the retiree pays 20% of the cost of current premiums for the retiree only. The retiree pays 100% of the cost of current premiums for the spouse. The Town pays 95% and the retiree pays 5% of the premium cost for retirees and spouse at the age of sixty-five and beyond. The Town pays 100% of the premium costs for existing retirees.

Teachers and administrators: Retirees pay 100% of the contribution depending on the plan selected, up to the age of sixty-five. Teachers who are not eligible for Medicare may remain in the pre-65 medical plan and pay 100% of the premium.

For fiscal year 2016, the Town contributed $317,968 to the OPEB Plan. The OPEB Plan is financed on a pay-as-you-go basis.

Note 9. Other Post-Employment Benefits (Continued)

Annual OPEB cost and net OPEB obligation: The Town's annual OPEB cost (expense) is calculated based on the annual required contribution (ARC), an amount actuarially determined. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Town's net OPEB obligation.

Annual required contribution	$ 2,632,868
Interest on net OPEB obligation	758,354
Adjustment to annual required contribution	(1,054,441)
Annual OPEB cost (expense)	2,336,781
Contributions made	317,968
Increase in net OPEB obligation	2,018,813
Net OPEB obligation, beginning of year	18,958,846
Net OPEB obligation, end of year	$ 20,977,659

Three-year trend information:

June 30,	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2014	3,515,401	12.3%	15,699,955
2015	3,538,689	7.9%	18,958,846
2016	2,632,868	12.1%	20,977,659

Funded status and funding progress: The funded status of the plan as of July 1, 2014 (the date of the most recent actuarial valuation) was as follows:

Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit Cost Method (b)	(Unfunded) AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
$ -	$ 26,493,390	$ 26,493,390	0.0%	$ 26,992,164	98.2%

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of events in the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the Town are subject to continual revision, as actual results are compared with past expectations and new estimates are made about the future. The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Note 9. Other Post-Employment Benefits (Continued)

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

Valuation date	July 1, 2014
Actuarial cost method	Projected unit credit actuarial cost method
Amortization method	Level dollar amount
Remaining amortization period	30 years, open
Asset valuation method	N/A
Actuarial assumptions	
Inflation rate	4.00%
Healthcare cost trend rate	9.0% initial, decreases by .5% per year down to 5.0% in 2022 and beyond. 5.00% per year for dental

Note 10. Risk Management

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God for which the Town carries commercial insurance. During 2016, deductibles paid by the Town were insignificant. Neither the Town nor its insurers have settled any claims which exceeded the Town's insurance coverage during the past three years. There have been no significant reductions in any insurance coverage from amounts in the prior year.

The Town is a member of the Connecticut Interlocal Risk Management Agency (CIRMA), an unincorporated association of Connecticut local public agencies, which was formed in 1980 by the Connecticut Conference of Municipalities (CCM) for the purpose of establishing and administering an interlocal risk management program pursuant to the provisions of Section 7-479a et. seq. of the Connecticut General Statutes. The Town is a member of CIRMA's worker's compensation pool, a risk sharing pool, which commenced operations on July 1, 1980. The worker's compensation pool provides statutory benefits pursuant to the provisions of the Connecticut Worker's Compensation Act. The coverage is subject to an incurred loss retrospective rating plan, and losses incurred in the coverage period will be evaluated at 18, 30, and 42 months after the effective date of coverage. CIRMA's worker's compensation pool retains $1,000,000 per occurrence and purchases reinsurance above that amount to the limit of liability of $10 million per occurrence.

The Town is self-insured for health benefits. The town recognizes a liability for risk management claims payable, additional estimated losses on claims and claims incurred but not reported based on actuarial analysis of claim history and other self-insured claims that are probable of loss based on a case-by-case review, in the internal service fund.

Note 10. Risk Management (Continued)

Changes in the liabilities for self-insured risks are as follows:

Fiscal Year	Claims Payable, July 1	Current Year Claims and Changes in Estimates	Payment of Claims	Claims Payable, June 30
2015	$ -	$ 8,834,733	$ 8,235,333	$ 599,400
2016	$ 559,400	$ 7,170,738	$ 7,137,938	$ 592,200

Note 11. Commitments and Contingencies

There are several matters pending against the Town. The outcome and eventual liability to the Town, if any, in these cases is not known at this time. The Town's management, based upon consultation with legal counsel, estimates that potential claims against the Town, not covered by insurance, resulting from such litigation would not materially affect the financial position of the Town.

The Town has received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under terms of the grant. Based on prior experience, Town management believes such disallowances, if any, will not be material.

Note 12. Recently Issued Accounting Standards

The GASB has issued several pronouncements that have effective dates that may impact future financial presentations.

Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements, except for GASB 75, which will most likely have a material impact, though the amount has not yet been determined:

- GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, addresses reporting by OPEB plans that administer benefits on behalf of governments. Statement 74 addresses the financial reports of defined benefit OPEB plans that are administered through trusts that meet specified criteria. The Statement follows the framework for financial reporting of defined benefit OPEB plans in Statement 45 by requiring a statement of fiduciary net position and a statement of changes in fiduciary net position. The Statement requires more extensive note disclosures and RSI related to the measurement of the OPEB liabilities for which assets have been accumulated, including information about the annual money-weighted rates of return on plan investments. Statement 74 also sets forth note disclosure requirements for defined contribution OPEB plans. The provisions of this Statement are effective for fiscal years beginning after June 15, 2016.

- GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions,* addresses reporting by governments that provide OPEB to their employees and for governments that finance OPEB for employees of other governments. Statement 75 requires governments to report a liability on the face of the financial statements for the OPEB that they provide:

  - Governments that are responsible only for OPEB liabilities related to their own employees and that provide OPEB through a defined benefit OPEB plan administered through a trust that meets specified criteria will report a net OPEB liability—the difference between the total OPEB liability and assets accumulated in the trust and restricted to making benefit payments.

Note 12. Recently Issued Accounting Standards (Continued)

- Governments that participate in a cost-sharing OPEB plan that is administered through a trust that meets the specified criteria will report a liability equal to their proportionate share of the collective OPEB liability for all entities participating in the cost-sharing plan.
- Governments that do not provide OPEB through a trust that meets specified criteria will report the total OPEB liability related to their employees.

Statement 75 carries forward from Statement 45 the option to use a specified alternative measurement method in place of an actuarial valuation for purposes of determining the total OPEB liability for benefits provided through OPEB plans in which there are fewer than 100 plan members (active and inactive). This option was retained in order to reduce costs for smaller governments. The provisions of this Statement are effective for fiscal years beginning after June 15, 2017.

- GASB Statement No. 77, *Tax Abatement Disclosures.* Financial statements prepared by state and local governments in conformity with generally accepted accounting principles provide citizens and taxpayers, legislative and oversight bodies, municipal bond analysts, and others with information they need to evaluate the financial health of governments, make decisions, and assess accountability. This information is intended, among other things, to assist these users of financial statements in assessing (1) whether a government's current-year revenues were sufficient to pay for current-year services (known as interperiod equity), (2) whether a government complied with finance-related legal and contractual obligations, (3) where a government's financial resources come from and how it uses them, and (4) a government's financial position and economic condition and how they have changed over time. This Statement requires governments that enter into tax abatement agreements to disclose the following information about the agreements:

  - Brief descriptive information, such as the tax being abated, the authority under which tax abatements are provided, eligibility criteria, the mechanism by which taxes are abated, provisions for recapturing abated taxes, and the types of commitments made by tax abatement recipients
  - The gross dollar amount of taxes abated during the period
  - Commitments made by a government, other than to abate taxes, as part of a tax abatement agreement.

  Governments should organize those disclosures by major tax abatement program and may disclose information for individual tax abatement agreements within those programs.

  Tax abatement agreements of other governments should be organized by the government that entered into the tax abatement agreement and the specific tax being abated. Governments may disclose information for individual tax abatement agreements of other governments within the specific tax being abated. For those tax abatement agreements, a reporting government should disclose:

  - The names of the governments that entered into the agreements
  - The specific taxes being abated
  - The gross dollar amount of taxes abated during the period.

  The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. Earlier application is encouraged.

Note 12. Recently Issued Accounting Standards (Continued)

- GASB Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. This standard narrows the scope and applicability of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan meeting specific criteria; establishes new guidance for these employers, including separate requirements for recognition and measurement of pension expense or expenditures and liabilities, note disclosures and required supplementary information (RSI). The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2015. Earlier application is encouraged.

- GASB Statement No. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No.14*. The objective of this Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity*, as amended. This Statement amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, Determining Whether Certain Organizations Are Component Units. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. Earlier application is encouraged.

- GASB Statement No. 81, *Irrevocable Split-Interest Agreements*. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively. Earlier application is encouraged.

- GASB Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73.* The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of paragraph 7 in a circumstance in which an employer's pension liability is measured as of a date other than the employer's most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Earlier application is encouraged.

- GASB Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. .A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

This page intentionally left blank.

Required Supplementary Information - unaudited

Required Supplementary Information - unaudited
Schedules of Funding Progress and Employer Contributions
Other Post-Employment Benefits Fund
June 30, 2016

Schedule of Funding Progress - OPEB

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) Projected Unit Credit Cost Method (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
July 1, 2008	$ -	$ 28,275,976	$ (28,275,976)	0.0%	$ 7,750,003	364.9%
July 1, 2010	-	29,674,538	(29,674,538)	0.0%	23,952,238	123.9%
July 1, 2012	-	33,977,100	(33,977,100)	0.0%	24,685,830	137.6%
July 1, 2014	-	26,493,390	(26,493,390)	0.0%	26,992,164	98.2%

Schedule of Employer Contributions- OPEB

Year Ended June 30,	Annual Required Contribution	Actual Contribution	Percentage Contributed
2016	$ 2,632,868	$ 317,968	12.1%
2015	3,783,881	279,798	7.4%
2014	3,712,467	433,869	11.7%
2013	3,195,210	458,625	14.4%
2012	3,137,050	771,705	24.6%
2011	3,274,535	613,631	18.7%
2010	3,210,263	600,384	18.7%
2009	3,148,463	501,447	15.9%

Required Supplementary Information - unaudited
Schedule of Employer Contributions - Pension Trust Fund
Last Ten Fiscal Years

	Schedule of Contributions									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
Actuarially determined contribution	$ 1,224,455	$ 1,622,929	$ 1,809,130	$ 1,756,437	$ 1,816,697	$ 1,687,026	$ 1,736,719	$ 1,119,831	$ 993,194	$ 794,358
Contributions in relation to the actuarially determined contribution	916,398	1,622,929	1,871,103	1,721,844	773,939	343,184	495,547	499,126	340,362	346,881
Contribution deficiency (excess)	$ 308,057	$ -	$ (61,973)	$ 34,593	$ 1,042,758	$ 1,343,842	$ 1,241,172	$ 620,705	$ 652,832	$ 447,477
Covered-employee payroll	$ 9,580,299	$ 9,360,761	$ 9,417,984	$ 9,143,674	$ 9,034,099	$ 8,171,048	$ 8,124,134	$ 8,078,903	$ 7,947,320	$ 7,534,785
Contributions as a percentage of covered-employee payroll	9.57%	17.34%	19.87%	18.83%	8.57%	4.20%	6.10%	6.18%	4.28%	4.60%

Required Supplementary Information - unaudited
Schedule of Investment Returns
Last Three Fiscal Years

	2016	2015	2014
Annual money-weighted rate of return, net of investment income	0.80%	3.59%	16.33%

NOTE: As 2014 is the implementation year, only three years information is available. Ten year information will be presented as each year becomes available.

Required Supplementary Information - unaudited
Schedule of Changes in the Town's Net Pension Liability and Related Ratios
Last Three Fiscal Years

Changes in Net Pension Liability	2016	2015	2014
Total pension liability			
Service cost	$ 1,041,005	$ 1,010,684	$ 979,892
Interest on total pension liability	2,885,710	2,775,281	2,643,325
Differences between expected and actual experience	785,133	(391,125)	-
Change of assumptions	1,196,346	-	-
Benefit payments, including refunds of member contributions	(1,685,066)	(1,766,161)	(1,486,080)
Net change in total pension liability	4,223,128	1,628,679	2,137,137
Total pension liability, beginning	44,183,810	42,555,131	40,417,994
Total pension liability ending (a)	48,406,938	44,183,810	42,555,131
Fiduciary net position			
Employer contributions	$ 916,398	$ 1,622,929	$ 1,871,103
Member contributions	431,829	473,380	456,483
Net investment income	348,872	1,508,205	5,843,034
Benefit payments	(1,685,066)	(1,766,161)	(1,486,080)
Administrative expenses	(90,093)	(87,795)	(79,382)
Other	308,057	-	-
Net change in plan fiduciary net position	229,997	1,750,558	6,605,158
Fiduciary net position, beginning	43,142,438	41,391,880	34,786,722
Fiduciary net position, ending (b)	43,372,435	43,142,438	41,391,880
Net pension liability, ending = (a) - (b)	$ 5,034,503	$ 1,041,372	$ 1,163,251
Fiduciary net position as a % of total pension liability	89.60%	97.64%	97.27%
Covered payroll	$ 9,580,299	$ 9,360,761	$ 9,417,984
Net pension liability as a % of covered payroll	52.55%	11.12%	12.35%

NOTE: As 2014 is the implementation year, only three years information is available. Ten year information will be presented as each year becomes available

Required Supplementary Information - unaudited
Schedule of the Town's Proportionate Share of the Net Pension Liability-
Teachers' Retirement Plan
Last Two Fiscal Years

Measurement Period,	2016	2015
Town's proportionate share of the net pension liability	$ -	$ -
State's proportionate share of the net pension liability associated with the Town	$ 53,912,476	$ 49,831,280
Town's covered-employee payroll	20,039,546	18,665,395
Town's proportionate share of the net pension liability as a percentage of its covered-employee payroll	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	59.50%	61.51%

NOTE: As 2014 is the implementation year, only two years information is available. Ten year information will be presented as each year becomes available

Notes to Schedule

Changes in benefit terms	None
Changes of assumptions	During 2011, rates of withdrawal, retirement and assumed rates of salary increases were adjusted to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five-year period ended June 30, 2010.
Actuarial cost method	Entry age
Amortization method	Level percent of salary, closed
Remaining amortization period	22.4 years
Asset valuation method	4-year smoothed market

Required Supplementary Information - unaudited
Schedule of Revenues and Other Financing Sources - Budgetary Basis - Budget and Actual - General Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Budgetary	Variance With
	Original	Final	Basis	Final Budget
Property taxes:				
Revenues from property taxes	$ 57,247,724	$ 57,247,724	$ 57,517,066	$ 269,342
Telephone access	49,000	49,000	55,264	6,264
Total property taxes	57,296,724	57,296,724	57,572,330	275,606
Intergovernmental revenues:				
Mashantucket Pequot grant	24,208	24,208	22,995	(1,213)
Elderly property tax relief	100,000	100,000	92,151	(7,849)
Local capital improvement program	103,800	103,800	-	(103,800)
Payment in lieu of taxes	40,082	40,082	10,715	(29,367)
Town aid road	303,840	303,840	304,309	469
Judicial fees	9,000	9,000	16,130	7,130
Education cost sharing grant	1,500,000	1,500,000	1,171,989	(328,011)
School transportation	37,058	37,058	1,962	(35,096)
School building grants	68,947	68,947	68,947	-
Total intergovernmental revenues	2,186,935	2,186,935	1,689,198	(497,737)
Charges for services:				
First Selectman	15,000	15,000	119,856	104,856
Town clerk	525,350	525,350	381,448	(143,902)
Police department	50,000	50,000	49,435	(565)
Land use	746,200	746,200	377,850	(368,350)
Total charges for services	1,336,550	1,336,550	928,589	(407,961)
Interest and lien fees	228,245	228,245	282,591	54,346
Investment income	-	-	23,132	23,132
Miscellaneous	133,000	133,000	274,332	141,332
Total revenues	61,181,454	61,181,454	60,770,172	(411,282)
Other financing sources:				
Transfers in	-	-	-	-
Total other financing sources	-	-	-	-
Total revenues	$ 61,181,454	$ 61,181,454	$ 60,770,172	$ (411,282)

Required Supplementary Information - unaudited
Schedule of Expenditures and Other Financing Uses - Budgetary Basis - Budget and Actual - General Fund
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
General Government				
Selectman	$ 156,614	$ 156,614	$ 163,655	$ (7,041)
Town Clerk	236,879	236,879	230,350	6,529
Registrar of Voters	83,863	83,863	88,274	(4,411)
Gurski Maintenance	7,000	7,000	7,000	-
Economic Development Commission	10,750	10,750	9,604	1,146
Senior Center	142,419	142,419	129,176	13,243
Legal	256,000	256,000	243,668	12,332
Total general government	893,525	893,525	871,727	21,798
Land Use				
Health	207,654	207,654	182,578	25,076
Building	284,558	284,558	288,680	(4,122)
Planning	230,895	230,895	254,603	(23,708)
Conservation Commission	15,000	15,000	14,903	97
Historic District Commission	4,848	4,848	2,302	2,546
Total land use	742,955	742,955	743,066	(111)
Finance and Taxation				
Assessor	254,678	254,678	257,444	(2,766)
Tax Collector	210,725	210,725	192,080	18,645
Finance Department	320,028	320,028	332,671	(12,643)
Board of Finance	53,131	53,131	49,863	3,268
Board of Assessment Appeals	1,055	1,055	385	670
Information Technology	278,759	278,759	271,937	6,822
Total finance and taxation	1,118,376	1,118,376	1,104,380	13,996
Regional Services				
Regional Services	333,854	333,854	329,194	4,660
Total regional services	333,854	333,854	329,194	4,660
Human Resources				
Operations/human resources	124,922	124,922	178,876	(53,954)
Employee benefits	3,508,194	3,508,194	3,295,980	212,214
Insurance	487,910	487,910	469,489	18,421
Total human resources	4,121,026	4,121,026	3,944,345	176,681
Public Works				
Highway	1,612,854	1,612,854	1,553,632	59,222
Building services/maintenance	271,371	271,371	268,310	3,061
Town utilities	734,148	734,148	623,364	110,784
Recycling	47,267	47,267	42,402	4,865
Total public works	2,665,640	2,665,640	2,487,708	177,932

(Continued)

Required Supplementary Information - unaudited
Schedule of Expenditures and Other Financing Uses - Budgetary Basis - Budget and Actual - General Fund (Continued)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Public safety:				
Police Department	$ 3,918,845	$ 3,918,845	$ 3,731,549	$ 187,296
Fire Department - Center	297,054	297,054	297,054	-
EMS	313,696	313,696	315,764	(2,068)
Fire Department - Candlewood	140,239	140,239	140,239	-
Civil Defense	2,000	2,000	2,000	-
Total public safety	4,671,834	4,671,834	4,486,606	185,228
Recreation and leisure:				
Parks and Recreation Department	218,595	218,595	236,233	(17,638)
Grounds Department	526,761	526,761	527,293	(532)
Arts Commission	3,500	3,500	3,488	12
Total recreation and leisure	748,856	748,856	767,014	(18,158)
Social services:				
Social Services	55,250	55,250	55,503	(253)
Regional social services	17,846	1,846	17,846	(16,000)
Total social services	73,096	57,096	73,349	(16,253)
Library	658,949	658,949	604,037	54,912
Education:				
Teachers' salaries	16,479,070	16,479,070	16,559,402	(80,332)
Administrators' salaries	2,282,591	2,282,591	2,232,999	49,592
Retirement	202,000	202,000	163,125	38,875
Teacher Substitutes	393,240	393,240	13,221	380,019
Team/curriculum leaders	82,203	82,203	78,746	3,457
Extended duty	223,009	223,009	104,607	118,402
Other	222,053	222,053	214,361	7,692
Vocational/ Career	71,841	71,841	71,348	493
Para professionals	1,012,988	1,012,988	1,183,482	(170,494)
Clerical/computer technicians	1,637,706	1,637,706	1,638,211	(505)
Health staff	413,449	413,449	402,310	11,139
Custodians	968,935	968,935	993,921	(24,986)
Maintenance	182,856	182,856	171,901	10,955
Monitors	116,241	116,241	91,987	24,254
Overtime	67,100	67,100	4,726	62,374
Student salary	1,500	1,500	-	1,500
Homebound tutors	30,800	30,800	1,569	29,231
Co-curricular coaches	391,055	391,055	370,419	20,636
Other	-	-	27,322	(27,322)
Student Safety	37,291	37,291	67,488	(30,197)
Transportation - Messenger	14,113	14,113	11,696	2,417
Negotiations	19,409	19,409	-	19,409
Building substitutes	-	-	82,051	(82,051)
Daily substitutes	-	-	127,283	(127,283)
Long-term substitutes	-	-	36,130	(36,130)

(Continued)

Required Supplementary Information - unaudited
Schedule of Expenditures and Other Financing Uses - Budgetary Basis - Budget and Actual - General Fund (Continued)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
Education (continued):				
Special education substitutes	$ 72,906	$ 72,906	$ 1,215	$ 71,691
Teacher-to-teacher substitutes (prep)	-	-	11,580	(11,580)
Daily substitutes - non-certified	-	-	33,421	(33,421)
Para professionals differential	-	-	(879)	879
Health insurance	5,511,522	5,511,522	5,384,622	126,900
Group life insurance	72,000	72,000	66,137	5,863
Long-term disability	151,360	151,360	98,376	52,984
Social security	595,000	595,000	636,321	(41,321)
Pension contribution	427,260	427,260	427,257	3
Tuition reimbursement	4,000	4,000	-	4,000
Unemployment compensation	30,000	30,000	21,500	8,500
Workers' compensation	253,456	253,456	180,250	73,206
Professional education services	219,462	219,462	79,056	140,406
Other professional services	534,326	534,326	629,245	(94,919)
Legal/negotiations	200,000	200,000	142,934	57,066
Technical services	38,660	38,660	599	38,061
Electricity	550,000	550,000	580,650	(30,650)
Water/sewage	57,644	57,644	31,407	26,237
Refuse/recycling	38,997	38,997	35,016	3,981
Repairs/maintenance of buildings	215,000	215,000	186,473	28,527
Repairs/maintenance of equipment	97,550	97,550	87,648	9,902
Copier lease	248,598	248,598	248,750	(152)
Lease/rent	259,693	259,693	216,005	43,688
General transportation	1,900,510	1,900,510	1,975,825	(75,315)
Special education transportation - out	159,762	159,762	375,267	(215,505)
Special education transportation - in	13,100	13,100	13,400	(300)
Athletic transportation	120,000	120,000	106,925	13,075
Field trips	34,950	34,950	24,761	10,189
Liability insurance	194,896	194,896	200,905	(6,009)
Data Line	35,000	35,000	34,014	986
Telephone	79,404	79,404	76,710	2,694
Postage	34,128	34,128	26,714	7,414
Advertising	3,000	3,000	726	2,274
Printing	11,800	11,800	8,629	3,171
Special education tuition	688,000	688,000	1,112,902	(424,902)
Vocational/agriculture tuition	32,000	32,000	13,646	18,354
Conference/travel	36,870	36,870	21,215	15,655
Office supplies	37,400	37,400	24,502	12,898
Instructional supplies	366,533	366,533	278,432	88,101

(Continued)

Required Supplementary Information - unaudited
Schedule of Expenditures and Other Financing Uses - Budgetary Basis - Budget and Actual - General Fund (Continued)
For the Year Ended June 30, 2016

	Budgeted Amounts		Actual Budgetary	Variance With
	Original	Final	Basis	Final Budget
Education (continued):				
Custodian supplies	$ 66,000	$ 66,000	$ 78,949	$ (12,949)
Maintenance supplies	15,000	15,000	20,067	(5,067)
Other supplies	160,894	160,894	127,070	33,824
Oil heat	338,708	338,708	276,577	62,131
Propane	7,500	7,500	3,067	4,433
Fuel - transportation	214,335	214,335	209,594	4,741
Text/work books	180,842	180,842	309,793	(128,951)
Library books	38,082	38,082	32,876	5,206
Periodicals/subscriptions	24,293	24,293	27,929	(3,636)
Instructional equipment - replace	26,321	26,321	32,861	(6,540)
Furniture and fixtures	17,519	17,519	16,004	1,515
Other capital	236,702	236,702	255,798	(19,096)
Instructional equipment - new	22,939	22,939	20,621	2,318
Non-instructional equipment - replace	500	500	-	500
Dues/fees	78,894	78,894	65,206	13,688
Teacher Turnover	(80,000)	(80,000)	-	(80,000)
Total education	39,522,766	39,522,766	39,516,873	5,893
Miscellaneous:				
Capital	1,455,285	1,455,285	1,772,608	(317,323)
Contingency	50,034	50,034	39,730	10,304
Total miscellaneous	1,505,319	1,505,319	1,812,338	(307,019)
Debt service	4,125,258	4,125,258	3,449,436	675,822
Total expenditures	61,181,454	61,165,454	60,190,073	975,381
Other financing source:				
Transfers out	-	-	-	-
Total other financing uses	-	-	-	-
Total expenditures	$ 61,181,454	$ 61,165,454	$ 60,190,073	$ 975,381

Note 1. Budgetary Information and Deficit Fund Balance

Budgetary information: The Town adheres to the following procedures in establishing the budgetary data included in the General Fund financial statements.

- On the first Tuesday in May, the Board of Finance submits a proposed operating budget for the fiscal year commencing July 1 to a Town Meeting, at which taxpayer comments are obtained. The operating budget includes proposed expenditures and the means of financing them.

- Prior to July 1, the budget is legally adopted by a vote of the annual Town Meeting.

- Expenditures are budgeted by function, department and object. The legal level of budgetary control, the level at which expenditures may not exceed appropriations, is established by function and department. Transfers of budgeted amounts between departments must be approved by the Board of Finance. Management may transfer amounts between line items within a department. The Board of Finance may approve additional appropriations for a department, provided such additional appropriations do not exceed, in the aggregate in any one year, the lesser of ten percent of the amount originally appropriated or $20,000, provided that the aggregate sum of all additional appropriations may not exceed one percent of the total original annual appropriation. Appropriations in excess of the amount which the Board of Finance may approve must be approved by vote of a Town Meeting. Formal budgetary integration is employed as a management control device during the year. The Town made an additional appropriation of $1,544,000 for the transfer to the Bonded Projects Fund for completion of new unbonded projects.

- The budget is prepared on the modified accrual basis of accounting. “On-behalf” payments made by the State of Connecticut into the State Teachers’ Retirement System are not recorded for budgetary purposes.

- Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year-end are reported in budgetary reports as expenditures of the current year.

- All unexpended and unencumbered appropriations lapse at year-end, except those for the Capital Projects Funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

Note 1. Budgetary Information and Deficit Fund Balance (Continued)

As described above, accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP basis). The differences include additional revenues and expenditures pertaining to certain Town funds that are not budgeted for by the Town due to perspective differences. A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented on the GAAP basis is as follows for the year ended June 30, 2016:

	Total Revenues	Total Expenditures	Other	Net Change in Fund Balance	Fund Balance
Budgetary basis	$ 60,770,172	$ 60,190,073	$ -	$ 580,099	$ 4,326,989
"On-behalf" payments -					
State Teachers Retirement Fund	4,585,000	4,585,000	-	-	-
Reclassification of amounts recorded	-	(1,492,403)	(872,701)	619,702	619,702
Revenues and expenditures pertaining to other Town funds not recognized for budgetary purposes due to perspective differences:					
Library Operating Fund	53,753	80,508	-	(26,755)	442,290
Heart and Hypertension Reserve Fund	-	20,241	-	(20,241)	283,281
Economic Development Fund	-	-	-	-	23,862
Revaluation Reserve Fund	-	59,518	-	(59,518)	74,024
Equipment Reserve Fund	-	772,531	-	(772,531)	(433,138)
Tree Settlement Fund	-	118,000	-	(118,000)	-
GAAP basis	$ 65,408,925	$ 64,333,468	$ (872,701)	$ 202,756	$ 5,337,010

Deficit fund balance: The following Funds have a deficit balance as of June 30, 2016:

Fund	Fund Balance Deficit
Bonded Projects Fund	$ (13,737,834)
Educational Programs Fund	(30,014)

These deficits do not constitute a violation of statutory provisions. The deficits will be funded through the issuance of long-term debt, future transfers from the General Fund or future program revenues.

Combining and Individual Fund Statements and Other Schedules

General Fund

Town of Brookfield, Connecticut

Statement of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Budgetary Basis - General Fund
For the Year Ended June 30, 2016

	Budgeted Amounts			Variance With
	Original	Final	Amount	Final Budget
Revenues:				
Property taxes	$ 57,296,724	$ 57,296,724	$ 57,572,330	$ 275,606
Intergovernmental	2,186,935	2,186,935	1,689,198	(497,737)
Charges for services	1,336,550	1,336,550	928,589	(407,961)
Interest and lien fees	228,245	228,245	282,591	54,346
Investment income	-	-	23,132	23,132
Miscellaneous	133,000	133,000	274,332	141,332
Total revenues	61,181,454	61,181,454	60,770,172	(411,282)
Expenditures:				
Current:				
General government	893,525	893,525	871,727	21,798
Land use	742,955	742,955	743,066	(111)
Finance and taxation	1,118,376	1,118,376	1,104,380	13,996
Regional services	333,854	333,854	329,194	4,660
Human resources	4,121,026	4,121,026	3,944,345	176,681
Public works	2,665,640	2,665,640	2,487,708	177,932
Public safety	4,671,834	4,671,834	4,486,606	185,228
Recreation and leisure	748,856	748,856	767,014	(18,158)
Social services	73,096	57,096	73,349	(16,253)
Library	658,949	658,949	604,037	54,912
Education	39,522,766	39,522,766	39,516,873	5,893
Miscellaneous	1,505,319	1,505,319	1,192,636	312,683
Debt service	4,125,258	4,125,258	3,449,436	675,822
Total expenditures	61,181,454	61,165,454	59,570,371	1,595,083
Excess (deficiency) of revenues over expenditures	-	16,000	1,199,801	1,183,801
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in unassigned fund balance	$ -	$ 16,000	1,199,801	$ 1,183,801
Unassigned Fund balance, beginning			3,746,890	
Unassigned Fund balances, end of year			$ 4,946,691	

Town of Brookfield, Connecticut

Schedule of Property Taxes Levied, Collected and Outstanding
For the Year Ended June 30, 2016

Grand List Year	Balance Uncollected June 30, 2015	Current Levy	Lawful Corrections		Transfers to Suspense	Balance to be Collected	Collections				Tax Payment Transfer	Refunds Paid Out	Balance Uncollected June 30, 2016
			Additions	Deductions			Taxes	Interest	Lien Fees	Total			
2014	$ -	$ 57,501,413	$ 68,336	$ 102,592	$ 3,346	$ 57,463,811	$ 57,113,256	$ 147,159	$ 1,890	$ 57,262,305	$ 18,653	$ 80,572	$ 449,780
2013	544,170	-	13,129	31,482	16,965	508,852	387,499	75,335	3,747	466,581	1,426	14,023	136,802
2012	178,394	-	10,916	5,084	31,554	152,672	75,560	24,404	9,386	109,350	5,243	340	82,695
2011	83,429	-	887	5,889	35,416	43,011	12,139	5,451	3,738	21,328	5,970	7	36,849
2010	48,863	-	-	5,256	26,625	16,982	5,215	1,383	216	6,814	5,575	-	17,342
2009	41,223	-	92	-	27,708	13,607	5,064	1,775	225	7,064	-	-	8,543
2008	51,941	-	-	238	40,078	11,625	6,268	2,588	342	9,198	-	-	5,357
2007	16,497	-	-	-	6,201	10,296	2,679	1,005	73	3,757	(2,539)	-	5,078
2006	15,792	-	-	-	4,607	11,185	2,969	1,074	58	4,101	(1,436)	-	6,780
2005	6,761	-	-	-	2,056	4,705	2,383	1,057	49	3,489	-	-	2,322
2004	1,106	-	-	1	1,105	-	-	-	-	-	-	-	-
2003	237	-	-	1	236	-	-	-	-	-	-	-	-
2002	191	-	-	2	189	-	-	-	-	-	-	-	-
	$ 988,604	$ 57,501,413	$ 93,360	$ 150,545	$ 196,086	$ 58,236,746	$ 57,613,032	$ 261,231	$ 19,724	$ 57,893,987	$ 32,892	$ 94,942	$ 751,548

Town of Brookfield, Connecticut

Schedule of Debt Limitation
Connecticut General Statutes, Section 7-374(b)
For the Year Ended June 30, 2016

Total cash collections for the year ended June 30, 2016	
Taxes	$ 57,613,033
Interest and lien fees	280,955
Total	57,893,988
Reimbursement for revenue loss:	
Tax relief (CGS 12-129d)	(92,151)
Base	$ 57,801,837

	General Purposes	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation					
2-1/4 times base	$ 130,054,132	$ -	$ -	$ -	$ -
4-1/2 times base	-	260,108,264	-	-	-
3-3/4 times base	-	-	216,756,887	-	-
3-1/4 times base	-	-	-	187,855,969	-
3 times base	-	-	-	-	173,405,510
Total debt limitation	130,054,132	260,108,264	216,756,887	187,855,969	173,405,510
Indebtedness					
Bonds payable-1	6,470,000	20,310,000	1,035,000	-	-
Bond anticipation notes payable	12,980,000	-	2,600,000	-	-
Notes payable	-	-	2,749,778	-	-
Authorized but unissued bonds-1	689,042	266,541	405,252	-	-
	20,139,042	20,576,541	6,790,030	-	-
Less: amounts to be provided by the state	-	65,563	-	-	-
Less: sewer assessments receivable-2	2,270,798	-	6,279,693	-	-
Total indebtedness	17,868,244	20,510,978	510,337	-	-
Debt limitation in excess of outstanding and authorized debt	$ 112,185,888	$ 239,597,286	$ 216,246,550	$ 187,855,969	$ 173,405,510

Total Capacity of Borrowing (7 Times Base)	$ 404,612,856
Total Present Indebtedness	38,889,559
Margin for additional borrowing	$ 365,723,297

1 Excludes $5,230,000 and 305,000 in Water Bonds, and $1,699,539 in Authorized but Unissued water debt as allowed under the Connecticut General Statutes.
2 The Sewer Bonds and Sewer Notes are self-supporting obligations repaid by the benefiting users.

This page intentionally left blank.

Nonmajor Governmental Funds

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds: Special revenue funds account for the proceeds of specific revenue sources that are restricted, committed, or assigned for specified purposes. Nonmajor special revenue funds include the following:

Park and Recreation Fund
A fund created to account for the self-sustaining special recreational, social, and cultural programs.

Police Contract Services Fund
A fund created to account for police special outside duty activities.

Small Cities Grant Fund
A fund created to account for grants received from the federal government.

Police Operating Grants
A fund created to account for grants received from the federal and state governments.

Gurski Property Fund
A fund created to facilitate the collection of rents and operations of rental properties.

Education Grants Fund
A fund created to account for expenditures of educational grants not otherwise accounted for in the general fund.

Cafeteria Fund
A fund created to account for the operation of the school lunch program.

Social Services Fund
A fund created to account for social services activities.

Town Programs Fund
A fund created to account for various proceeds of specific revenue sources that are committed for specified purposes not recorded in another special revenue fund.

Educational Programs Fund
A fund created to account for various proceeds of specific revenue sources that are committed for specified purposes not recorded in another special revenue fund.

OPEB Contributions Fund
A fund created to account for employee contributions for Medicare supplemental benefits for which no trust exists.

BOE Pay to Play
A fund created to account for collection of fees for school activities and sports.

Capital Projects Funds: Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities and infrastructure projects, other than those financed by proprietary funds. The nonmajor capital projects fund consists of the following:

Open Space Fund
A fund created to provide for future acquisitions of property to be held as open space.

Capital and Nonrecurring
A fund created to account for the acquisition of capital equipment and other nonrecurring capital expenditures.

This page intentionally left blank.

Town of Brookfield, Connecticut

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016

	Nonmajor Special Revenue Funds			
	Park and Recreation Fund	Police Contract Services Fund	Small Cities Grant Fund	Police Operating Grants
Assets				
Cash and cash equivalents	$ 870,346	$ 251,286	$ 32,519	$ -
Grants and contracts receivable	-	-	-	-
Due from other funds	-	16,171	-	-
Inventories	-	-	-	-
Total assets	$ 870,346	$ 267,457	$ 32,519	$ -
Liabilities				
Accounts payable	$ 10,578	$ -	$ -	$ -
Accrued Expense	-	-	-	-
Due to other funds	561,989	-	-	-
Unearned revenue	232,583	-	-	-
Total liabilities	805,150	-	-	-
Fund Balances (Deficits)				
Nonspendable - inventories	-	-	-	-
Restricted	-	-	32,519	-
Committed	65,196	267,457	-	-
Total fund balances (deficits)	65,196	267,457	32,519	-
Total liabilities and fund balances (deficits)	$ 870,346	$ 267,457	$ 32,519	$ -

Nonmajor Special Revenue Funds						
Gurski Property Fund	Education Grants Fund	Cafeteria Fund	Social Services Fund	Town Programs Fund	Educational Programs Fund	BOE Pay To Play
$ 197,468	$ 73,891	$ 141,496	$ 24,223	$ 199,995	$ 181,348	$ 223,811
-	-	31,274	-	-	-	-
-	-	-	-	44,638	-	-
-	-	8,607	-	-	-	-
$ 197,468	$ 73,891	$ 181,377	$ 24,223	$ 244,633	$ 181,348	$ 223,811
$ 4,106	$ -	$ 36,986	$ -	$ 753	$ -	$ -
-	-	-	-	-	267	-
35,183	62,761	-	-	-	211,095	75,679
-	11,130	-	-	48,254	-	-
39,289	73,891	36,986	-	49,007	211,362	75,679
-	-	8,607	-	-	-	-
-	-	-	-	-	-	-
158,179	-	135,784	24,223	195,626	(30,014)	148,132
158,179	-	144,391	24,223	195,626	(30,014)	148,132
$ 197,468	$ 73,891	$ 181,377	$ 24,223	$ 244,633	$ 181,348	$ 223,811

(Continued)

Town of Brookfield, Connecticut

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds		
	OPEB Contributions Fund	Open Space Fund	Capital and Non-Recurring Fund	Total Nonmajor Governmental Fund
Assets				
Cash and cash equivalents	$ -	$ 132,096	$ 6,948	$ 2,335,427
Grants and contracts receivable	-	-	-	31,274
Due from other funds	-	-	17,396	78,205
Inventories	-	-	-	8,607
Total assets	$ -	$ 132,096	$ 24,344	$ 2,453,513
Liabilities				
Accounts payable	$ -	$ -	$ 24,344	$ 76,767
Accrued expense	-	-	-	267
Due to other funds	-	-	-	946,707
Unearned revenue	-	-	-	291,967
Total liabilities	-	-	24,344	1,315,708
Fund Balances (Deficits)				
Nonspendable - inventories	-	-	-	8,607
Restricted	-	-	-	32,519
Committed	-	132,096	-	1,096,679
Total fund balances (deficits)	-	132,096	-	1,137,805
Total liabilities and fund balances (deficits)	$ -	$ 132,096	$ 24,344	$ 2,453,513

This page intentionally left blank.

Town of Brookfield, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds
For the Year Ended June 30, 2016

	Nonmajor Special Revenue Funds			
	Park and Recreation Fund	Police Contract Services Fund	Small Cities Grant Fund	Police Operating Grants
Revenues:				
Intergovernmental	$ -	$ -	$ 224,542	$ -
Charges for services	486,969	534,874	-	-
Contributions	-	-	-	-
Investment income	15	-	-	-
Total revenues	486,984	534,874	224,542	-
Expenditures:				
Current:				
General government	-	-	231,280	-
Public safety	-	430,809	-	-
Recreation	573,019	-	-	-
Social services	-	-	-	-
Education	-	-	-	-
Other expenses	-	-	-	-
Total expenditures	573,019	430,809	231,280	-
Excess (deficiency) of revenues over expenditures	(86,035)	104,065	(6,738)	-
Other financing sources (uses):				
Transfers in	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances (deficits)	(86,035)	104,065	(6,738)	-
Fund balances (deficits) - Beginning	151,231	163,392	39,257	-
Fund balances (deficits) - Ending	$ 65,196	$ 267,457	$ 32,519	$ -

Nonmajor Special Revenue Funds

Gurski Property Fund	Education Grants Fund	Cafeteria Fund	Social Services Fund	Town Programs Fund	Educational Programs Fund	BOE Pay to Play
$ -	$ 804,413	$ 143,191	$ -	$ 95,272	$ 128,589	$ -
56,013	-	465,039	-	4,012	-	219,458
-	-	-	19,250	-	-	-
-	-	-	30	-	-	-
56,013	804,413	608,230	19,280	99,284	128,589	219,458
37,781	-	-	-	65,562	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	18,293	-	-	-
-	802,733	690,048	-	-	158,603	154,590
-	-	-	-	-	-	-
37,781	802,733	690,048	18,293	65,562	158,603	154,590
18,232	1,680	(81,818)	987	33,722	(30,014)	64,868
-	-	-	-	-	-	-
-	-	-	-	-	-	-
18,232	1,680	(81,818)	987	33,722	(30,014)	64,868
139,947	(1,680)	226,209	23,236	161,904	-	83,264
$ 158,179	$ -	$ 144,391	24,223	$ 195,626	$ (30,014)	$ 148,132

(Continued)

Town of Brookfield, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)
Nonmajor Governmental Funds
For the Year Ended June 30, 2016

	Nonmajor Special Revenue Funds	Nonmajor Capital Project Funds		
	OPEB Contributions Fund	Open Space Fund	Capital and Non-Recurring Fund	Total Nonmajor Governmental Fund
Revenues:				
Intergovernmental	$ -	$ -	-	$ 1,396,007
Charges for services	-	-	-	1,766,365
Contributions	-	-	-	19,250
Investment income	-	-	-	45
Total revenues	-	-	-	3,181,667
Expenditures:				
Current:				
General government	88,415	-	-	423,038
Public safety	-	-	-	430,809
Recreation	-	-	-	573,019
Social services	-	-	-	18,293
Education	-	-	-	1,805,974
Capital outlays	-	-	1,074,535	1,074,535
Total expenditures	88,415	-	1,074,535	4,325,668
Excess (deficiency) of revenues over expenditures	(88,415)	-	(1,074,535)	(1,144,001)
Other financing sources (uses):				
Transfers in	-	-	986,221	986,221
Total other financing sources (uses)	-	-	986,221	986,221
Net change in fund balances (deficits)	(88,415)	-	(88,314)	(157,780)
Fund balances (deficits) - beginning	88,415	132,096	88,314	1,295,585
Fund balances (deficits) - ending	$ -	$ 132,096	$ -	$ 1,137,805

Fiduciary Funds

Agency Funds

Agency funds are used to report resources held by the Town in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. Agency funds include the following:

Student Activities Funds
To account for monies generated by student activities in the Town's school system.

Performance Bonds Fund
To account for monies received to ensure that driveways and lawns are installed to correct specifications for new home construction

Town of Brookfield, Connecticut

Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2016

	Student Activities	Performance Bonds	Total Agency Funds
Assets			
Cash and cash equivalents	$ 454,291	$ 363,060	$ 817,351
Total assets	$ 454,291	$ 363,060	$ 817,351
Liabilities			
Due to student groups and other	$ 454,291	$ 288,812	$ 743,103
Due to other funds	-	74,248	74,248
Total liabilities	$ 454,291	$ 363,060	$ 817,351

Town of Brookfield, Connecticut

Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2016

	Balance, July 1, 2015	Additions	Deletions	Balance, June 30, 2016
Student Activities				
Assets:				
Cash and cash equivalents	$ 428,966	$ 1,246,407	$ 1,221,082	$ 454,291
Due from other funds	24,145	-	24,145	-
Total assets	$ 453,111	$ 1,246,407	$ 1,245,227	$ 454,291
Liabilities:				
Due to others	$ 453,111	$ 1,246,407	$ 1,245,227	$ 454,291
Total liabilities	$ 453,111	$ 1,246,407	$ 1,245,227	$ 454,291
Performance Bonds				
Assets:				
Cash and cash equivalents	$ 340,904	$ 97,245	$ 75,089	$ 363,060
Total assets	$ 340,904	$ 97,245	$ 75,089	$ 363,060
Liabilities:				
Accounts Payable	340,904	22,997	75,089	$ 288,812
Due to other funds	-	74,248	-	74,248
Total liabilities	$ 340,904	$ 97,245	$ 75,089	$ 363,060
Total All Agency Funds				
Assets:				
Cash and cash equivalents	$ 769,870	$ 1,343,652	$ 1,296,171	$ 817,351
Due from other funds	24,145	-	24,145	-
Total assets	$ 794,015	$ 1,343,652	$ 1,320,316	$ 817,351
Liabilities:				
Due to others	$ 453,111	$ 1,246,407	$ 1,245,227	$ 454,291
Accounts Payable	340,904	22,997	75,089	288,812
Total liabilities	$ 794,015	$ 1,269,404	$ 1,320,316	$ 743,103

Statistical Section

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

	Page
Financial Trends These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.	89
Revenue Capacity These schedules contain information to help the reader understand how the Town generates its property taxes.	96
Debt Capacity These schedules present information to help the reader access the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.	99
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place and to help make comparisons over time and with other governments.	102
Operating Information These schedules contain information about the Town's operations and resources to help the reader understand how the Town's financial information relates to the services the Town provides and the activities it performs.	105

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

Town of Brookfield, Connecticut **TABLE 1**

Net Position By Component
Last Ten Fiscal Years
(unaudited)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental activities:										
Net investment in capital assets	$ 18,946,692	$ 28,858,038	$ 26,101,476	$ 30,004,931	$ 34,926,160	$ 32,104,917	$ 39,787,027	$ 41,445,707	$ 41,150,924	$ 40,718,435
Unrestricted (deficit)	10,962,009	2,271,866	6,386,396	(1,685,745)	(4,259,110)	(3,889,879)	(11,223,787)	(13,486,951)	(10,048,474)	(9,074,155)
Total governmental activities net position	$ 29,908,701	$ 31,129,904	$ 32,487,872	$ 28,319,186	$ 30,667,050	$ 28,215,038	$ 28,563,240	$ 27,958,756	$ 31,102,450	$ 31,644,280
Business-type activities:										
Net investment in capital assets	$ -	$ -	$ -	$ 3,105,454	$ 3,259,155	$ 3,794,194	$ 5,239,501	$ 5,860,791	$ 5,860,791	$ 7,262,425
Restricted	-	-	-	1,585,682	1,613,750	1,752,064	990,744	10,718,899	733,458	733,458
Unrestricted	-	-	-	8,195,151	6,919,889	6,016,518	6,034,558	8,789,902	6,381,274	7,496,961
Total business-type activities net position	$ -	$ -	$ -	$ 12,886,287	$ 11,792,794	$ 11,562,776	$ 12,264,803	$ 25,369,592	$ 12,975,523	$ 15,492,844
Primary government8/5/2016										
Net investment in capital assets	$ 18,946,692	$ 28,858,038	$ 26,101,476	$ 33,110,385	$ 38,185,315	$ 35,899,111	$ 45,026,528	$ 45,407,893	$ 47,011,715	$ 47,980,860
Nonspendable	-	-	-	1,585,682	1,613,750	1,752,064	990,744	1,071,899	733,458	733,458
Unrestricted (deficit)	10,962,009	2,271,866	6,386,396	6,509,406	2,660,779	2,126,639	(5,189,229)	(4,697,049)	(3,667,200)	(1,577,194)
Total primary government net position	$ 29,908,701	$ 31,129,904	$ 32,487,872	$ 41,205,473	$ 42,459,844	$ 39,777,814	$ 40,828,043	$ 41,782,743	$ 44,077,973	$ 47,137,124

Note: The Town began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2003.
On July 1, 2009, the Water Pollution Control Authority was converted from a special revenue fund to an enterprise fund.

Town of Brookfield, Connecticut

Changes in Net Position
Last Ten Fiscal Years
(unaudited)

	2007	2008	2009
Expenses:			
Governmental activities:			
General government	$ 1,892,693	$ 2,373,622	$ 3,168,764
Land use	989,559	1,054,184	1,066,379
Finance and taxation	929,606	972,642	1,098,285
Regional services	244,196	253,947	259,999
Social services	288,589	316,340	358,269
Public works	4,182,941	4,422,022	5,322,372
Public safety	4,977,607	5,353,976	7,233,099
Recreation and leisure	1,433,703	1,518,443	1,413,707
Library	610,771	560,880	590,484
Education	36,869,491	48,246,172	40,444,134
Interest expense	1,814,530	1,764,914	1,789,205
Total governmental activities expenses	54,233,686	66,837,142	62,744,697
Business-type activities:			
Nonspendable	-	-	-
Total primary government expenses	54,233,686	66,837,142	62,744,697
Program revenues			
Governmental activities:			
Charges for services:			
General government	1,652,642	1,747,075	2,179,610
Land use	300,476	578,189	358,116
Social services	-	30,561	29,890
Public works	1,151,543	1,104,522	1,087,432
Public safety	208,283	523,371	740,478
Recreation and leisure	608,872	579,825	533,669
Library	39,245	27,987	22,999
Education	725,976	780,962	612,838
Operating grants and contributions	4,528,734	14,999,221	5,863,799
Capital grants and contributions	4,576,306	1,124,781	4,095,032
Total governmental activities program revenues	13,792,077	21,496,494	15,523,863
Business-type activities:			
Charges for services:			
Water Pollution Control Authority	-	-	-
Capital grants and contributions	-	-	-
Total business-type activities program revenues	-	-	-
Total primary government program revenues	13,792,077	21,496,494	15,523,863
Net (expense) revenue			
Primary Government	(40,441,609)	(45,340,648)	(47,220,834)
General revenues and other changes in net assets:			
Governmental activities:			
Property taxes levied for general purposes	45,159,250	45,405,068	47,773,200
Grants and contributions not restricted to specific purposes	471,937	431,200	422,659
Unrestricted investment earnings	1,210,640	725,583	382,944
Miscellaneous	196,861	-	-
Special item	-	-	-
Transfers	-	-	-
Total governmental activities	47,038,688	46,561,851	48,578,803
Business-type activities:			
Unrestricted investment earnings	-	-	-
Special item	-	-	-
Transfers	-	-	-
Total business-type activities	-	-	-
Changes in net assets			
Primary government	$ 6,597,079	$ 1,221,203	$ 1,357,969

Note: On July 1, 2009, the Water Pollution Control Authority was converted from a special revenue fund to an enterprise fund.
(1) Variance due to an expense classification change.
(1) Variance due to on-behalf pension payments due to a one-time State contribution change.

TABLE 2

2010	2011	2012	2013	2014	2015	2016
$ 3,236,356	$ 3,384,514	$ 2,646,419	$ 1,539,957	$ 1,845,178	$ 1,826,188	$ 1,985,735
808,734	910,401	1,027,887	1,016,439	1,087,449	1,082,727	1,060,170
971,491	984,531	1,243,006	1,311,960	1,388,823	1,446,100	1,505,320
257,475	260,878	294,936	426,111	404,441	418,039	432,648
266,374	319,091	397,741	310,802	349,892	356,468	338,669
3,615,244	5,435,550	4,639,251	4,754,995	4,623,746	5,249,847	4,580,810
6,570,991	6,666,599	6,965,608	6,389,191	6,784,987	6,893,613	6,921,169
1,418,325	1,343,999	1,492,312	1,654,469	1,655,741	1,716,604	1,800,358
604,174	579,707	633,393	854,719	930,408	954,604	929,744
40,949,902	42,808,417	45,948,389	46,721,391	48,992,578	49,130,114	48,049,582
1,668,670	1,627,959	1,393,154	1,287,079	1,078,372	1,242,245	1,442,601
60,367,736	64,321,646	66,682,096	66,267,113	69,141,615	70,316,549	69,046,806
1,027,904	1,117,371	1,281,033	1,265,639	1,284,431	2,146,289	1,516,985
61,395,640	65,439,017	67,963,129	67,532,752	70,426,046	72,462,838	70,563,791
532,488	517,002	400,725	699,598	950,466	610,496	637,924
217,172	262,770	520,956	488,500	407,633	559,033	377,850
-	-	35,234	-	-	-	-
7,200	4,092,511	-	191,911	287,664	310,205	-
506,941	211,352	351,875	415,953	489,217	617,090	584,309
447,659	507,063	419,256	490,779	466,776	482,508	486,969
16,500	21,210	-	89,678	-	13,796	53,753
908,134	871,898	569,635	560,634	622,962	708,516	740,510
6,218,507	6,279,077	7,945,030	7,423,418	8,968,295	8,709,418	7,567,548
4,118,164	1,711,939	617,113	132,474	403,880	863,240	1,214,864
12,972,765	14,474,822	10,859,824	10,492,945	12,596,893	12,874,302	11,663,727
5,240,464	1,514,912	1,113,431	1,742,839	2,841,189	1,253,162	1,352,908
1,110,699	-	-	-	-	-	2,638,359
6,351,163	1,514,912	1,113,431	1,742,839	2,841,189	1,253,162	3,991,267
19,323,928	15,989,734	11,973,255	12,235,784	15,438,082	14,127,464	15,654,994
(42,071,712)	(49,449,283)	(55,989,874)	(55,296,968)	(54,987,964)	(58,335,374)	(54,908,797)
47,940,182	50,151,334	52,071,749	53,355,509	55,569,727	57,009,351	57,573,660
341,533	341,569	1,163,851	445,994	166,529	73,565	33,710
182,366	181,757	62,643	23,940	15,868	8,382	23,957
-	-	-	-	188,114	195,581	293,582
-	-	-	1,147,500	-	-	-
(1,701,171)	1,520,028	72,017	-	-	-	-
46,762,910	52,194,688	53,370,260	54,972,943	55,940,238	57,286,879	57,924,909
6,042	28,994	9,601	18,210	2,426	44,663	43,039
-	-	(72,017)	(617,634)	-	-	-
1,701,171	(1,520,028)	-	-	-	-	-
1,707,213	(1,491,034)	(62,416)	(599,424)	2,426	44,663	43,039
$ 6,398,411	$ 1,254,371	$ (2,682,030)	$ (923,449)	$ 954,700	$ (1,003,832)	$ 3,059,151

Town of Brookfield, Connecticut **TABLE 3**

Program Revenues By Function/Program
Last Ten Fiscal Years
(unaudited)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Function/Program										
Governmental activities:										
General government	$ 2,045,876	$ 1,945,033	$ 2,338,761	$ 589,694	$ 570,497	$ 464,770	$ 778,068	$ 1,264,542	$ 1,112,060	$ 980,747
Land use	300,476	578,189	358,116	217,172	262,770	522,194	488,500	407,633	559,033	377,850
Finance and taxation	-	-	-	-	-	-	-	-	-	-
Regional services	-	-	-	-	-	-	-	-	-	-
Public works	1,381,849	1,977,953	1,357,634	2,261,681	5,471,585	1,165,745	737,212	1,099,179	1,573,587	1,519,173
Public safety	212,734	550,732	801,283	539,048	230,569	423,864	434,857	491,315	625,395	669,581
Recreation and leisure	608,872	579,825	533,669	1,525,056	667,512	669,256	490,779	467,576	482,508	486,969
Social services	-	51,761	60,545	3,105	-	76,909	25,259	15,398	26,844	-
Library	42,252	56,537	26,362	25,250	24,939	3,096	92,719	53,753	13,796	53,753
Education	9,200,018	15,756,464	10,047,493	7,811,759	7,246,950	7,533,990	7,445,551	8,851,250	8,481,079	7,575,654
Total governmental activities	13,792,077	21,496,494	15,523,863	12,972,765	14,474,822	10,859,824	10,492,945	12,650,646	12,874,302	11,663,727
Business-type activities:										
Water Pollution Control Authority	-	-	-	6,351,163	1,514,912	1,113,431	1,742,839	2,841,189	1,253,162	3,991,267
Total primary government	$ 13,792,077	$ 21,496,494	$ 15,523,863	$ 19,323,928	$ 15,989,734	$ 11,973,255	$ 12,235,784	$ 15,491,835	$ 14,127,464	$ 15,654,994

Note: The Town began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2003.
On July 1, 2009, the Water Pollution Control Authority was converted from a special revenue fund to an enterprise fund.

Town of Brookfield, Connecticut **TABLE 4**

Fund Balances - Governmental Funds
Last Ten Fiscal Years
(unaudited)

	2007	2008	2009	2010	2011
General fund:					
Unreserved	$ 4,083,405	$ 2,693,690	$ 2,427,650	$ 4,327,757	$ -
Nonspendable	-	-	-	-	25,145
Committed	-	-	-	-	1,073,619
Unassigned	-	-	-	-	4,229,362
Total general fund	4,083,405	2,693,690	2,427,650	4,327,757	5,328,126
All other governmental funds:					
Reserved	11,252	21,285	410,867 (1)	3,657 (1)	-
Unreserved, reported in:					-
Special revenue funds	4,838,729	4,328,987	4,454,174	1,659,977	-
Capital projects funds	1,494,148	(5,831,664)	(9,466,799)	(824,325)	-
Nonspendable	-	-	-	-	8,289
Committed	-	-	-	-	2,328,410
Unassigned	-	-	-	-	(3,290,039)
Total all other governmental funds	$ 6,344,129	$ (1,481,392)	$ (4,601,758)	$ 839,309	$ (953,340)

	2012	2013	2014	2015	2016
General fund:					
Nonspendable	$ -	$ -	$ -	$ -	$ -
Committed	635,831	2,066,876	1,387,364	1,387,364	390,319
Unassigned	5,409,797	3,695,461	3,746,890	3,748,890	4,946,691
Total general fund	$ 6,045,628	$ 5,762,337	$ 5,134,254	$ 5,136,254	$ 5,337,010
All other governmental funds:					
Nonspendable	$ 2,587	$ 2,863	$ 3,007	$ 2,935	$ 8,607
Restricted	-	-	-	39,257	254,591
Committed	1,730,538	2,182,417	2,075,781	1,703,889	1,096,679
Unassigned	(6,695,764)	(4,771,668)	(6,127,015)	(8,637,700)	(13,737,834)
Total all other governmental funds	$ (4,962,639)	$ (2,586,388)	$ (4,048,227)	$ (6,891,619)	$ (12,377,957)

Note: The Town adjusted fund balance presentation in accordance with GASB Statement No. 54, implemented in fiscal year 2011.

(1) Increase represents reservation for advance to other fund recorded in 2009.

Town of Brookfield, Connecticut **TABLE 5**

Changes in Fund Balance - Governmental Funds
Last Ten Fiscal Years
(unaudited)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues:										
Property taxes	$ 45,259,050	$ 45,569,634	$ 47,598,170	$ 48,180,787	$ 50,203,076	$ 52,268,521	$ 53,369,182	$ 55,535,626	$ 56,899,846	$ 57,852,688
Intergovernmental	9,697,916	16,656,203	10,469,503	10,639,056	8,016,811	8,903,755	8,118,605	9,647,035	9,702,308	9,171,588
Charges for services	3,700,743	4,199,740	3,756,852	2,484,971	3,030,153	2,602,180	3,009,722	3,139,539	3,167,421	3,005,019
Contributions	62,556	35,843	23,016	33,742	350,185	62,398	157,837	367,054	517,087	24,711
Investment earnings	1,156,978	718,253	368,886	182,366	181,757	62,643	23,940	15,868	8,382	23,957
Miscellaneous	384,526	375,103	354,345	281,781	77,999	71,116	-	-	-	-
Total revenues	60,261,769	67,554,776	62,570,772	61,802,703	61,859,981	63,970,613	64,679,286	68,705,122	70,295,044	70,077,963
Expenditures:										
General government	1,676,337	1,839,303	629,083	611,750	723,756	936,439	1,222,118	961,481	1,767,446	1,435,814
Land use	698,684	741,204	674,742	559,896	646,704	980,961	1,004,987	749,972	729,774	743,066
Finance and taxation	669,230	687,166	700,312	710,430	720,834	1,186,258	1,285,670	969,462	1,010,098	1,104,380
Regional services	244,196	253,947	259,999	257,475	260,878	281,471	398,574	293,244	299,506	329,194
Social services	212,103	228,738	224,824	186,142	196,219	337,818	298,375	226,831	227,637	220,817
Public works	2,727,326	3,129,086	3,315,933	2,408,388	2,836,276	4,011,924	4,032,872	2,660,320	2,797,598	2,487,155
Public safety	3,476,505	3,759,787	4,096,271	3,911,796	3,980,577	5,583,809	5,945,925	4,743,791	4,779,566	4,937,656
Recreation and leisure	1,187,260	1,238,601	1,131,231	1,031,530	1,126,837	1,350,869	1,478,453	1,203,938	1,229,139	1,340,033
Human resources	2,346,332	2,778,766	3,075,699	3,203,006	3,296,242	[1 581,604	156,902	4,496,450	4,655,123	4,062,897
Library	560,915	560,880	589,836	566,674	579,707	604,477	847,252	641,807	653,516	660,449
Education	36,270,060	47,463,828	38,711,580	39,340,529	41,091,299	42,021,865	43,284,312	45,253,091	45,204,713	45,907,847
Miscellaneous	110,879	67,301	18,834	-	-	-	-	-		-
Capital outlays	21,366,430	8,854,394	7,306,615	6,652,371	6,915,700	6,666,659	6,553,896	4,939,841	7,122,275	8,301,922
Debt service:										
Interest	1,871,760	1,752,195	1,817,685	1,682,830	1,428,907	1,574,516	1,463,516	1,177,148	1,161,795	1,426,784
Principal	1,850,224	3,414,816	3,404,534	2,917,214	2,956,297	3,181,298	3,117,523	3,096,709	3,294,603	2,517,051
Total expenditures	75,268,241	76,770,012	65,957,178	64,040,031	66,760,233	69,299,968	71,090,375	71,414,085	74,932,789	75,475,065
Excess of revenues over (under) expenditures	(15,006,472)	(9,215,236)	(3,386,406)	(2,237,328)	(4,900,252)	(5,329,355)	(6,411,089)	(2,708,963)	(4,637,745)	(5,397,102)

(Continued)

Town of Brookfield, Connecticut **TABLE 5**

Changes in Fund Balance - Governmental Funds (Continued)
Last Ten Fiscal Years
(unaudited)

	2007	2008	2009	2010	2011	2012 (As Restated)	2013	2014	2015	2016
Other financing sources (uses):										
Issuance of bonds and BANs	$ 26,000,000	$ -	$ -	$ 8,705,000	$ 440,000	$ -	$ 7,335,000	$ 8,580,000	$ 6,151,952	$ -
Premium on bonds and BANs issued	-	-	-	-	278,860	-	113,327	-	-	-
Payment on BANS	-	-	-	-	-	-	-	(7,335,000)	-	-
Payment to escrow	-	-	-	-	-	-	-	-	(5,376,098)	-
Issuance of note payable	-	-	-	190,505	827,361	-	-	-	-	-
Issuance of bond anticipation note	-	-	-	-	-	-	-	-	-	-
Capital leases	1,321,165	-	-	-	571,100	-	613,014	240,027	-	113,520
Proceeds from settlement	-	-	2,161,433	-	-	892,558	1,147,500	-	-	-
Transfers in	2,090,803	1,698,852	(2,161,433)	4,284,723	2,775,015	2,137,105	952,915	1,048,588	1,509,863	986,221
Transfers out	(2,090,803)	(1,698,852)	-	(5,484,191)	(784,364)	(992,105)	(952,915)	(1,048,588)	(1,509,863)	(986,221)
Total other financing sources (uses)	27,321,165	-	-	7,696,037	4,107,972	2,037,558	9,208,841	1,485,027	775,854	113,520
Net change in fund balances	$ 12,314,693	$ (9,215,236)	$ (3,386,406)	$ 5,458,709	$ (792,280)	$ (3,291,797)	$ 2,797,752	$ (1,223,936)	$ (3,861,891)	$ (5,283,582)
Debt service as a percentage of noncapital expenditures	7.27%	8.09%	8.70%	7.90%	7.13%	7.21%	7.07%	6.43%	6.54%	5.87%

Note: The Town began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2003. Therefore, capital expenditures for infrastructure were not capitalized prior to the implementation of GASB Statement No. 34 and are not included in the debt service as a percentage of noncapital expenditures ratio above.

On July 1, 2009, the Water Pollution Control Authority was converted from a special revenue fund to an enterprise fund.

(1) During fiscal year 2013, employee benefits and insurance has been allocated to the Town's various functions.

Town of Brookfield, Connecticut **TABLE 6**

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(unaudited)

Fiscal Year Ended June 30,	Real Property					Motor Vehicle and Personal Properties		(1)
	Assessed Value	Less Exempt Property	Net Assessed Value	Estimated Actual Value	Assessed Value as a Percentage of Actual Value	Assessed Value	Estimated Actual Value	Total Direct Tax Rate
2007	$ 1,697,548,990	$ 84,160,420	$ 1,613,388,570	$ 2,425,069,986	70.00%	$ 230,376,830	$ 329,109,757	24.58%
2008	2,448,015,735	118,641,780	2,329,373,955	3,497,165,336	70.00%	222,713,499	318,162,141	17.96%
2009	2,471,006,230	120,199,530	2,350,806,700	3,530,008,900	70.00%	228,607,246	326,581,780	18.65%
2010	2,480,042,175	119,706,800	2,360,335,375	3,542,917,393	70.00%	213,759,358	305,370,511	18.86%
2011	2,495,132,385	119,244,040	2,375,888,345	3,564,474,836	70.00%	227,621,559	325,173,656	19.47%
2012	2,500,293,785	118,458,230	2,381,835,555	3,571,848,264	70.00%	234,524,412	335,034,874	19.94%
2013	2,051,805,646	122,540,180	1,929,265,466	2,931,150,923	70.00%	241,452,533	344,932,190	24.54%
2014	2,064,632,840	122,468,640	1,942,164,200	2,949,475,486	70.00%	239,890,378	342,700,540	25.40%
2015	2,077,609,280	122,538,940	1,955,070,340	2,835,447,276	73.27%	253,428,236	362,040,337	25.70%
2016	2,089,448,060	123,790,140	1,965,657,920	2,984,925,800	70.00%	268,914,759	384,163,941	28.74%

(1) The Total Direct Tax Rate shown above is the mill rate. The mill rate is divided by 1,000 and then multiplied by the taxable assessed value in arriving at the current property tax levy.

Note: In accordance with Connecticut General Statutes, the assessed value is calculated as 70% of the estimated actual taxable value.

A revaluation was completed effective October 1, 2006 (fiscal year 2008) and effective October 1, 2011 (Fiscal Year 2013).

Source: Town of Brookfield, Office of the Assessor (Equalized Net Grand List Report).

Town of Brookfield, Connecticut **TABLE 7**

Principal Property Taxpayers
Current Year and Nine Years Ago
(unaudited)

		2016			2007		
Taxpayers	Nature of Business	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total City Taxable Assessed Value
Connecticut Light and Power	Utility/Personal Property	$ 28,258,450	1	1.35%	$ 20,010,200	2	0.78%
Iroquois Gas Transmission System, LP	Utility/Personal Property	23,269,760	2	1.11%	-	-	0.00%
Candlewood Lake RD LLC	Real Estate	23,114,050	3	1.10%	-	-	0.00%
S&W BROOKFIELD LLC (BJ'S)	Real Estate	20,956,060	4	1.00%	-	-	0.00%
BRT Barneck Place LLC	Real Estate	13,237,190	5	0.63%	-	-	0.00%
Michael & Michael II LLC	Real Estate	13,120,270	6	0.63%	-	-	0.00%
Photronics Inc.	Personal Property	10,318,660	7	0.49%	6,608,240	7	0.26%
Brookfield (E&A) LLC	Real Estate	10,044,290	8	0.48%	10,975,690	5	0.43%
Towne Brookfield Commons LLC	Real Estate	9,751,310	9	0.47%	-	-	0.00%
2646A Federal Road Brookfield LLC	Real Estate	8,566,830	10	0.41%	-	-	0.00%
R& F Danbury LLC	Real Estate	-	-	-	23,771,830	1	0.92%
Young Roy	Real Estate	-	-	-	15,155,700	3	0.59%
Michael Gary R&Dennis N RE:COSTCO&UNION	Real Estate	-	-	-	14,847,310	4	0.58%
Benchmark GPT Brookfield LLC	Real Estate	-	-	-	9,304,550	6	0.36%
Brookfield Square of Brookfield LLC	Real Estate	-	-	-	6,311,910	8	0.25%
Ninety Nine Federal Road LLC	Real Estate	-	-	-	6,141,860	9	0.24%
BDAC Assoc LTD Partnership	Real Estate	-	-	-	5,953,850	10	0.23%
	Total	$ 160,636,870		7.68%	$ 119,081,140		4.63%
	Total Town taxable assessed value	$ 2,092,967,370			$ 2,572,997,735		

Source: Town of Brookfield, Offices of the Tax Collector and the Assessor

Town of Brookfield, Connecticut **TABLE 8**

Property Tax Levies and Collections
Last Ten Fiscal Years
(unaudited)

		Collected within the Fiscal Year of the Levy			Total Collections to Date	
Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Amount	Percentage of Levy	Collections in Subsequent Years	Amount	Percentage of Levy
2007	$ 45,018,815	$ 44,549,401	98.96%	$ 456,786	$ 45,006,187	99.97%
2008	45,569,609	45,066,134	98.90%	481,068	45,547,202	99.95%
2009	47,616,362	47,042,795	98.80%	543,645	47,586,440	99.94%
2010	48,047,404	47,501,986	98.86%	466,444	47,968,430	99.84%
2011	50,110,715	49,538,893	98.86%	507,323	50,046,216	99.87%
2012	51,739,800	51,325,201	99.20%	289,169	51,614,370	99.76%
2013	53,069,522	52,403,685	98.75%	525,986	52,929,671	99.74%
2014	55,281,619	54,942,816	99.39%	474,140	55,416,956	100.24%
2015	56,761,432	56,690,543	99.88%	422,568	57,113,111	100.62%
2016	57,501,413	57,609,223	100.19%	-	-	0.00%

Source: Town of Brookfield, Office of the Tax Collector.

Town of Brookfield, Connecticut **TABLE 9**

Ratios of Outstanding Debt By Type
Last Ten Fiscal Years
(unaudited)

	Governmental Activities			Business-Type Activities					
Fiscal Year	General Obligation Bonds	Notes and Loans Payable	Capital Leases	General Obligation Bonds	Notes and Loans Payable	Total Primary Government	Percentage of Actual Property Value (1)	Percentage of Personal Income (2)	Per Capita (2)
2007	$ 40,820,000	$ 755,955	$ 1,612,268	$ -	$ -	$ 43,188,223	1.57%	7.06%	$ 2,616
2008	37,960,000	8,638,174	1,175,273	-	-	47,773,447	1.25%	7.85%	2,908
2009	35,115,000	11,262,974	735,939	-	-	47,113,913	1.22%	7.74%	2,871
2010	30,570,240	9,477,877	428,725	1,749,760	3,995,348	46,221,950	1.20%	7.55%	2,800
2011	37,155,000	931,071	680,323	2,010,000	3,828,971	44,605,365	1.15%	5.76%	2,711
2012	34,290,000	849,996	445,100	1,805,000	3,545,552	40,935,648	1.05%	4.46%	2,454
2013	31,505,000	766,791	808,796	1,600,000	3,256,413	37,937,000	1.16%	4.58%	2,283
2014	36,085,000	681,381	693,130	1,395,000	3,083,500	41,938,011	1.42%	5.07%	2,499
2015	34,435,000	-	847,875	1,215,000	2,918,306	39,416,181	1.39%	4.84%	2,338
2016	35,650,000	-	577,981	1,505,000	3,125,000	40,857,981	1.37%	5.00%	2,383

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.
On July 1, 2009, the Water Pollution Control Authority was converted from a special revenue fund to an enterprise fund.

(1) See Table 6 for taxable property value data
(2) See Table 12 for population and personal income data

TABLE 10

Total Direct Debt, Total Net Direct Debt and Total Overall Net Debt Per Capita & Ratios of Total Direct Debt and Total Net Direct Debt to the Net Taxable Grand List

CURRENT DEBT RATIOS 11/19/15

Population	17,143
Net Taxable Grand List	$2,234,572,679
Estimated Full Value	$3,192,246,684
Equalized Net Taxable Grand List	$3,197,487,613
Money Income per Capita	$47,633

	Total Direct Debt	Total Net Direct Debt	Total Overall Net Debt
	$ 51,879,778	$ 40,229,437	$ 40,229,437
Per Capita	$3,197.97	$2,400.69	$2,400.69
Ratio to Net Taxable Grand List	2.41%	1.81%	1.81%
Ratio to Estimated Full Value	1.63%	1.26%	1.26%
Ratio to Equalized Grand List	1.71%	1.29%	1.29%
Debt per Capita to Money Income per Capital	6.53%	4.90%	4.90%

Town of Brookfield, Connecticut **TABLE 11**

Legal Debt Margin Information
Last Ten Fiscal Years
(unaudited)

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt limit	$ 315,709,030	$ 319,084,864	$ 332,998,274	$ 336,750,596	$ 351,449,476	$ 365,624,630	$ 372,515,290	$ 388,423,532	$ 398,645,223	$ 404,612,856
Total net debt applicable to limit	36,569,019	42,173,611	43,181,424	45,059,507	35,027,076	32,440,727	40,823,237	50,233,162	43,496,152	38,889,559
Legal debt margin	$ 279,140,011	$ 276,911,253	$ 289,816,850	$ 291,691,089	$ 316,422,400	$ 333,183,903	$ 331,692,053	$ 338,190,370	$ 355,149,071	$ 365,723,297
Total net debt applicable to the limit as a percentage of debt limit	11.58%	13.22%	12.97%	13.38%	9.75%	8.87%	10.96%	12.93%	10.91%	9.61%

Note: Connecticut General Statutes, Section 7-374(b) limits the amount of general obligation debt a government entity may use to 7 times total tax collections, including interest and lien fees and the tax relief reimbursements.

Town of Brookfield, Connecticut **TABLE 12**

Demographic and Economic Statistics
Last Ten Calendar Years
(unaudited)

Year	Population (1)	(1) Personal Income	(1) Personal Capita Personal Income	(1) Median Age	Education Level in Years of Schooling	(2) School Enrollment	(3) Unemployment Rate
2007	16,507	$ 611,798,941	$ 37,063	39.2	14.0	2,971	3.8%
2008	16,429	608,908,027	37,063	39.2	14.0	2,969	3.5%
2009	16,413	608,315,019	37,063	39.2	14.0	2,948	6.9%
2010	16,510	611,910,130	37,063	39.2	14.0	2,936	7.2%
2011	16,452	774,774,036	47,093	40.8	14.0	2,879	6.8%
2012	16,680	918,133,920	55,044	40.5	14.0	2,857	6.2%
2013	16,617	828,723,024	49,872	42.9	14.0	2,795	6.1%
2014	16,783	827,737,560	49,320	42.8	14.0	2,809	5.5%
2015	16,860	813,950,220	48,277	44.1	14.0	2,779	5.2%
2016	17,143	816,572,519	47,633	44.6	14.0	2,700	4.3%

(1) U.S. Department of Commerce, Bureau of Census, Department of Public Health
(2) Town of Brookfield, Board of Education
(3) US Census Survey

Source: Town of Brookfield, Office of the Town Clerk

MAJOR EMPLOYERS

As of October 2014

Employer	Product	Estimated Number of Employees
Eastern Account Systems, Inc.	Call Center	850
Town of Brookfield	Municipality	490
COSTCO	Retail	255
Shop Rite	Retail	216
United Parcel Service	Delivery Service	209
Photronics Labs	Electronic Manufacturing - World Headquarters	165
Wentworth Labs	Precision equipment	100
Kohl's	Retail	95

Source: Telephone Survey of employers

Town of Brookfield, Connecticut **TABLE 14**

Full-Time Equivalent Town Government Employees By Function/Program
Last Ten Fiscal Years
(unaudited)

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government										
Selectman	4.0	4.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0	3.0
Human Resources/Operations	1.5	1.5	2.5	2.5	1.5	1.5	1.5	1.5	1.5	1.5
Land Use	16.9	16.9	10.0	10.5	10.5	10.5	10.5	10.5	10.5	10.0
Finance and Taxation	11.0	11.0	7.5	10.5	11.5	10.5	10.5	10.5	10.5	10.5
Public Works	16.4	16.4	14.5	16.0	16.0	16.0	16.0	18.0	18.0	20.0
Public Safety										
Officers	31.0	31.0	31.0	31.0	31.0	31.0	31.0	32.0	32.0	32.0
Civilians	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
Recreation and Leisure	10.5	10.5	7.5	8.5	8.5	8.5	8.5	8.5	8.5	8.0
Library	10.0	10.0	9.5	9.5	9.5	9.5	9.5	10.5	10.5	10.5
Education	421.0	388.4	376.5	378.0	375.5	376.9	384.9	382.0	383.0	382.0
School enrollment	-	2,969	2,948	2,936	2,879	2,857	2,795	2,809	2,779	2,700
Total	532.3	3,468.7	3,420.0	3,415.5	3,356.0	3,334.4	3,280.4	3,295.5	3,266.5	3,187.5

Source: Town of Brookfield, Human Resources Office

Town of Brookfield, Connecticut **TABLE 15**

Operating Indicators By Function/Program
Last Ten Fiscal Years
(unaudited)

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Land use:										
Residential Construction Permits Issued	275	282	145	238	257	288	318	274	316	254
Commercial Construction Permits Issued	66	82	45	106	111	106	138	81	64	35
Police:										
General service calls	4,243	5,562	7,017	4,695	6,925	6,501	5,614	7,406	9,071	12,978
Criminal investigations	821	733	698	660	718	709	617	611	620	586
Non-criminal investigations	37	38	46	74	100	82	98	66	70	114
Traffic enforcement	5,426	6,574	5,188	4,668	4,920	3,908	4,425	4,314	4,710	4,192
Alarms	1,277	1,211	1,146	1,050	1,100	1,134	1,105	1,070	1,110	1,051
Other public works:										
Street resurfacing (miles)	2	3	2	6	17	16	15	6.3	4.9	14.4
Street repairs (miles)	16	18	25	25	20	20	20	20	20	20
Parks and recreation:										
Athletic field events (18 facilities)	3,450	3,500	3,510	3,700	3,700	3,700	3,700	3,700	3,700	3,700
Community center visits (annually)	10,800	11,500	11,330	10,750	13,750	25,000	25,000	25,000	25,000	25,000
Library:										
Volumes in collection (including multimedia)	63,160	65,280	62,950	61,290	63,608	64,960	65,097	64,626	63,430	63,113
Total volumes borrowed	146,882	149,602	150,410	155,943	151,369	156,058	156,468	136,689	146,703	143,119

Source: Various Town departments

Town of Brookfield, Connecticut **TABLE 16**

Capital Asset Statistics By Function/Program
Last Ten Fiscal Years
(unaudited)

Function/Program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	4	4	4	4	4	4	4	4	4	4
Other Public Works										
Streets (miles)	96.0	99.0	99.7	99.7	99.7	99.7	99.7	99.7	99.7	99.7
Streetlights	226	226	226	226	226	227	227	227	227	227
Traffic signals	4	4	7	5	5	5	5	5	5	5
Parks and Recreation										
Acreage	180	180	180	180	180	675	675	675	675	675
Playgrounds	25	25	25	25	25	5	5	5	5	5
Baseball/softball diamonds	5	5	5	5	5	9	9	9	9	9
Soccer/football fields	13	13	13	13	13	13	13	13	13	13
Community centers	1	1	1	1	1	1	1	1	1	1
Wastewater										
Sanitary sewers (miles)	6.8	6.8	13.9	21.6	21.6	22.3	22.8	23.48	24.68	24.68
Storm sewers (miles)	51.0	51.0	51.5	51.7	51.8	51.8	51.8	52.0	52.0	52.0

Source: Various Town departments

Town of Brookfield, Connecticut

Federal and State Financial and
Compliance Reports
Year Ended June 30, 2016

Contents

Reports Required by the Federal Single Audit Act and the Uniform Guidance

Report on compliance for each major federal program; report on internal control over compliance; and report on schedule of expenditures of federal awards required by the uniform guidance 1-2

Schedule of expenditures of federal awards 3

Notes to schedule of expenditures of federal awards 4

Schedule of federal findings and questioned costs 5-7

Summary of prior year audit findings 8

Reports Required by Government Auditing Standards

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards* 9-10

Report Required by the State Single Audit Act

Report on compliance for each major state program; report on internal control over compliance; and report on schedule of expenditures of state financial assistance required by the state single audit act 11-12

Schedule of expenditures of state financial assistance 13-14

Notes to schedule of expenditures of state financial assistance 15

Schedule of state single audit compliance findings and questioned costs 16

Summary of prior year audit findings 17

Corrective action plan 18-19

RSM US LLP

Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance (Includes Reporting on Schedule of Expenditures of Federal Awards)

Independent Auditor's Report

To the Board of Finance
Town of Brookfield, Connecticut

Report on Compliance for Each Major Program
We have audited the Town of Brookfield, Connecticut's (the Town) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended June 30, 2016. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of federal findings and questioned costs.

Management's Responsibility
Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal program.

Auditor's Responsibility
Our responsibility is to express an opinion on compliance for each of the Town's major federal programs based on our audit of the types of compliance requirements referred to above. 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 audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town's compliance.

Opinion on Each Major Federal Program
In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2016.

RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Visit rsmus.com/aboutus for more information regarding RSM US LLP and RSM International.

Report on Internal Control Over Compliance
Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance
We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon dated May 31, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

RSM US LLP

New Haven, Connecticut
May 31, 2017

Town of Brookfield, Connecticut

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2016

Grantor Pass-Through Grantor; Program Title	Grant Number	Federal CFDA Number	Expenditures
U.S. Department of Education			
Passed through the Connecticut Department of Education:			
English Language Acquisition - 7/1/2014-6/30/2016	12060-SDE64370-20868	84.365	$ 11,867
Title I - Grants to Local Education Agencies - 7/1/14-6/30/16	12060-SDE64370-20679	84.010	81,134
Special Education Cluster:			
IDEA Part B, Section 611 - 7/1/14-6/30/16	12060-SDE64370-20977	84.027	488,509
IDEA Part B, Section 619 - 7/1/14-6/30/16	12060-SDE64370-20983	84.173	19,664
Total Special Education Cluster			508,173
Vocational Education Act - Carl D. Perkins - 7/1/14-6/30/16	12060-SDE64370-20742	84.048	54,308
Improving Teacher Quality State Grants - 2014	12060-SDE64370-20858	84.367	90,058
Total U.S. Department of Education			745,540
U.S. Department of Transportation			
Passed through the Connecticut Department of Transportation:			
Highway Planning and Construction	12062-DOT57171-22108	20.205	1,584,890
Distracted Driving Enforcement	12062-DOT57513-22394	20.614	14,813
National Priority Safety Program	12062-DOT57513-22600	20.616	37,877
Total U.S. Department of Transportation			1,637,580
U.S. Department of Agriculture			
Direct:			
National School Lunch Program - USDA Commodities	N/A	10.555	40,093
Passed through the Connecticut Department of Education:			
National School Lunch Program	12060-SDE64370-20560	10.555	98,243
Total U.S. Department of Agriculture			138,336
U.S. Department of Homeland Security			
Passed through the State of Connecticut Department of Emergency Services & Public Protection:			
Hazard Mitigation Grant	FEMA-DR-4087-CT-62 R	97.039	1,496,545
U.S. Department of Housing and Urban Development			
Passed through the State of Connecticut Department of Housing:			
Community Development Block Grants	12060-DOH46920-20730	14.218	192,004
U.S. Department of Justice			
Passed through the State of Connecticut Office of Policy and Management:			
Edward Byrne Memorial Justice Assistance Grant Program	12060-OPM20350-21921	16.738	7,000
Passed through the State of Connecticut Department of Public Safety:			
Edward Byrne Memorial Justice Assistance Grant Program	12060-DPS32523-26316	16.738	4,500
Edward Byrne Memorial Justice Assistance Grant Program	12060-DPS32523-26185	16.738	7,500
Total U.S. Department of Justice			19,000
Total expenditures of federal awards.			$ 4,236,005

See notes to schedule of expenditures of federal awards.

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Town of Brookfield, Connecticut (the Town) under programs of the federal government for the year ended June 30, 2016. The information in the Schedule is presented in accordance with the requirements of the Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net position or cash flows of the Town of Brookfield, Connecticut.

Note 2. Summary of Significant Accounting Principles

Expenditures reported on the Schedule are reported using the modified accrual basis of accounting for governmental funds and the accrual basis of accounting for proprietary funds. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3. Noncash Awards

The United States Department of Agriculture makes available commodities for donations to schools. An amount of $40,093 is reflected in the expenditures column in the accompanying schedule of expenditures of federal awards under CFDA. No. 10.555 and represents the market value of such commodities received during the period.

No other federal assistance was received in the form of loan guarantees or insurance.

Note 4. Indirect Cost Rate

The Town has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Town of Brookfield, Connecticut

Schedule of Federal Findings and Questioned Costs
For the Year Ended June 30, 2016

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements audited were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes __X__ No
- Significant deficiency(ies) identified? __X__ Yes _____ None reported

Noncompliance material to financial statements noted? _____ Yes __X__ No

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? _____ Yes __X__ No
- Significant deficiency(ies) identified? _____ Yes __X__ None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 2 CFR 200.516(a)? _____ Yes __X__ No

Identification of Major Programs

CFDA Numbers	Program Name or Cluster
97.039	Hazard Mitigation
20.205	Highway Planning & Construction

Dollar threshold used to distinguish between type A and type B programs $750,000

- Auditee qualified as low-risk auditee? _____ Yes __X__ No

II. Financial Statement Findings

Internal Controls Over Financial Reporting

IC2016-001 Significant Deficiency in Internal Control Over Financial Reporting

Criteria:

The accounting records and financial statements are the responsibility of management and, accordingly, the Town should have internal control over financial reporting that provides reasonable assurance that the accounting records can be relied upon and used to prepare the basic financial statements and related notes to the basic financial statements, in conformity with accounting principles generally accepted in the United States of America (GAAP).

Condition:

The Town's internal control over financial reporting does not provide reasonable assurance that the basic financial statements are prepared in conformity with GAAP. Specifically, we noted the following conditions in internal control:

- There are no formal monthly, quarterly or annual close-out procedures to ensure that accounts are reconciled and properly balanced periodically throughout the year and at year-end.
- Governmental Accounting Standards Board (GASB) Statement No. 34 conversion entries are not prepared by Town or Board of Education personnel.
- Bank reconciliations are not prepared on a timely basis.
- Audit adjustments are made subsequent to trial balances being presented for audit.

These conditions resulted in delays in financial reporting. The Town's internal control over financial reporting did not provide reasonable assurance that the basic financial statements were prepared in conformity with GAAP.

Effect:

It is unlikely that the Town would be able to prevent, or detect and correct, a potential material misstatement in the basic financial statements.

Cause:

The significant deficiency over financial reporting is caused by the lack of formal procedures for the monthly and year-end closing process.

Auditors' Recommendation:

We recommend that the Town develop and implement a comprehensive plan to overhaul its current system of internal control over financial reporting. Specifically, we recommend that the following matters be addressed by the plan:

- The development of monthly close-out procedures to ensure that all accounts are reconciled and properly balanced and recorded each month. The procedures should contain specific areas to be addressed and should assign specific staff members to those areas.
- Consideration of bringing the Town and the Board of Education under one general ledger system to make reconciling on a monthly basis more efficient.

Management Response:

The Town intends to take appropriate action in an attempt to remedy this deficiency in the future.

Compliance

CF2016-001 Federal Reporting Package

Criteria:

In order to comply with federal guidelines, the Town needs to file its Federal Reporting Package within nine months of year-end or thirty days after issuance.

Condition:

The Town did not file the 2015 federal reporting package with the Federal Audit Clearinghouse within federal guidelines.

Context:

The federal reporting package was not filed within federal guidelines, which resulted in noncompliance with the Uniform Guidance.

Effect:

The Town was not in compliance with federal guidelines, which could cause a reduction or loss in funding from federal grantors.

Cause:

The annual filing was not prepared timely.

Auditors' Recommendation:

The federal reporting package should be filed within Uniform Guidance guidelines.

Management Response:

Management agrees with the finding.

III. Federal Award Findings and Questioned Costs

No matters reported.

Summary of Prior Year Findings

Compliance- Governmental Auditing Standards

Finding CF2015-001

Condition:

The Town did not completely address the finding as the federal reporting package was not submitted within the federal guidelines.

Current Status:

Finding has not been adequately addressed and is repeated as CF2016-001 in the schedule of findings and questioned costs.

RSM

RSM US LLP

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Independent Auditor's Report

To the Board of Finance
Town of Brookfield, Connecticut

We have audited, in accordance with the 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, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Brookfield, Connecticut (the Town), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated May 31, 2017.

Internal Control Over Financial Reporting
In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and question costs that we consider to be a significant deficiency (IC2016-001).

RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Visit rsmus.com/aboutus for more information regarding RSM US LLP and RSM International.

Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Town's financial statements are free from 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 one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as finding CF2016-001.

Town of Brookfield, Connecticut's Response to Findings
The Town's responses to the findings identified in our audit are described in the accompanying schedule of federal findings and questioned costs. The Town's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

Purpose of This Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RSM US LLP

New Haven, Connecticut
May 31, 2017

RSM

RSM US LLP

Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act

Independent Auditor's Report

To The Board of Finance
Town of Brookfield, Connecticut

Report on Compliance for Each Major State Program
We have audited the Town of New Haven, Connecticut's (the Town) compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the Town's major state programs for the year ended June 30, 2016. The Town's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility
Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its state programs.

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

Opinion on Each Major State Program
In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2016.

RSM US LLP is the U.S. member firm of RSM International, a global network of independent audit, tax, and consulting firms. Visit rsmus.com/aboutus for more information regarding RSM US LLP and RSM International.

Report on Internal Control over Compliance
Management of the Town, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

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

A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act
We have audited the financial statements of the governmental activities, the business type activities, each major fund, and the aggregate remaining fund information of the Town as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We have issued our report thereon dated May 31, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town'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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

RSM US LLP

New Haven, Connecticut
May 31, 2017

Town of Brookfield, Connecticut

Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2016

State Grantor/Pass-Through Grantor/Program Title	State Grant Program Core-CT Number	Expenditures
Nonexempt Programs		
Office of Policy and Management:		
Direct:		
Local Capital Improvement Program	12050-OPM20600-40254	$ 103,800
Property Tax Relief for Elderly and Totally Disabled Homeowners	11000-OPM20600-17018	92,151
Property Tax Relief for Veterans	11000-OPM20600-17024	9,256
Property Tax Relief for Totally Disabled	11000-OPM20600-17011	1,460
Municipal Grants-In-Aid	12052-OPM20600-4587	118,281
Total Office of Policy and Management		324,948
Department of Education:		
Direct:		
Magnet School Transportation	11000-SDE64370-17057	27,000
Healthy Foods Initiative	11000-SDE64370-16212	12,695
Child Nutrition State Matching Grant	11000-SDE64000-16211	6,178
Adult Education	11000-SDE64000-17030	3,481
Health Services	11000-SDE64000-17034	8,770
High quality	11000-SDE64520-43538	57,193
Talent development	11000-SDE64520-12552	70,162
Total Department of Education		185,479
Department of Justice:		
Direct:		
Judicial Fines and Fees	34001-JUD95162-40001	16,130
Connecticut State Library:		
Direct:		
Historic Document Preservation	12060-CSL66094-35150	3,000
Connecticard	11000-CSL66051-17010	2,223
Grants to Public Libraries	11000-CSL66051-17003	1,088
Total Connecticut State Library		6,311
Department of Public Safety:		
Direct:		
State Assets Forfeiture Revolving Fund	12060-DPS32155-35142	11,847

(Continued)

Town of Brookfield, Connecticut

Schedule of Expenditures of State Financial Assistance (Continued)
For the Year Ended June 30, 2016

State Grantor/Pass-Through Grantor/Program Title	State Grant Program Core-CT Number	Expenditures
Nonexempt Programs (Continued)		
Department of Transportation:		
Direct:		
Town Aid Road Grants	13033-DOT57131-43459	304,309
Department of Economic Development		
Direct:		
STEAP	12052-ECD46000-42411-149	$ 27,823
Urban Action Bonds	13019-ECD46210-41240	1,014,287
Total Department of Economic Development		1,042,110
Total State Financial Assistance Before Exempt Programs		1,891,134
Exempt Programs		
Department of Education		
Direct:		
Education Equalization Grants	11000-SDE64370-17041	1,142,093
Excess Cost - Student Based	11000-SDE64370-17047	488,909
Transportation of School Children - Public	11000-SDE64370-17027	29,896
Transportation of School Children - Non-Public	11000-SDE64370-17049	1,962
Total Department of Education		1,662,860
Department of Administrative Services:		
Direct:		
Commitments for School Construction - Principal	13010-DAS27636-40901	65,563
Commitments for School Construction - Interest	13009-DAS27636-40896	3,385
Total Department of Administrative Services		68,948
Office of Policy and Management:		
Direct:		
Mashantucket Pequot Grant	12009-OPM20600-17005	22,995
Total Office of Policy and Management		22,995
Total Exempt Programs		1,754,803
Total State Financial Assistance		$ 3,645,937

See notes to schedule of expenditures of State Financial Assistance.

Town of Brookfield, Connecticut

Notes to Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2016

Note 1. Basis of Presentation

The accompanying schedule of expenditures of state financial assistance (the Schedule) includes the state grant activity of the Town of Brookfield, Connecticut (the Town), under programs of the State of Connecticut for the year ended June 30, 2016. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs including public safety, public works, and education.

Note 2. Summary of Significant Accounting Policies

The accounting policies of the Town conform to accounting principles generally accepted in the United States of America as applicable to governmental organizations. The following is a summary of the more significant policies relating to the aforementioned grant programs.

The information in the Schedule is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

Basis of accounting: The expenditures reported on the Schedule are reported on the modified accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, 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.

Note 3. Loan Programs

In accordance with Section 4-236-23(a)(4)(F) of the Regulations to the State Single Audit Act, the notes to the schedule of expenditures of state financial assistance shall include loans and loan activities. The following is a summary of the loan program activity for the year ended June 30, 2016.

Department of Energy and Environmental Protection: Clean Water Funds (6865-3100-888):

Issue Date	Interest Rate	Original Amount	July 1, 2015	Advances	Repayments	June 30, 2016
12/30/10	2.00%	$ 3,747,082	$ 2,918,306	$ -	$ 168,527	$ 2,749,779

Town of Brookfield, Connecticut

Schedule of State Single Audit Compliance Findings and Questioned Costs
For the Year Ended June 30, 2016

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified.

Internal control over financial reporting:

- Material weakness(es) identified? ____ Yes X No
- Significant deficiency(ies) identified? X Yes ____ None reported

Noncompliance material to financial statements noted? ____ Yes X No

State Financial Assistance

Internal control over major programs:

- Material weakness(es) identified? ____ Yes X No
- Significant deficiency(ies) identified? ____ Yes X None reported

Type of auditor's report issued on compliance for major programs: Unmodified.

- 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 X No

The following schedule reflects the major programs included in the State Single Audit:

State Grantor/Program	State Grant Program Core-CT Number	Expenditures
Department of Transportation		
Town Aid Road Grants	13033-DOT57131-43459	$ 304,309
Department of Economic and Community Development		
Urban Action Bonds	13019-ECD46210-41240	1,014,287

- Dollar threshold used to distinguish between type A and type B programs $ 200,000

II. Financial Statement Findings

Refer to financial statement finding IC2016-001 on page 6 of the accompanying Schedule of Federal Findings and Questioned Costs.

Our report on compliance indicated one reportable instance of noncompliance (CF2016-001).

III. State Financial Assistance Findings and Questioned Costs

No matters reported.

Town of Brookfield, Connecticut

Summary of Prior Year Audit Findings
For the Year Ended June 30, 2016

There were no findings relative to state awards in the prior year's State Single Audit.

TOWN OF BROOKFIELD

BROOKFIELD, CT 06804

May 31, 2017

CORRECTIVE ACTION PLAN

FINDING CF2016-001

CONTACT PERSON: **KIMBERLY SIEGRIST, CONTROLLER**

CORRECTIVE ACTION: We plan to comply with the submission of the Town of Brookfield's audit report as expeditiously as possible.

PROPOSED COMPLETION DATE:
15/16 will be filed upon receipt of the final CAFR

100 Pocono Rd., Brookfield, CT 06804 (203) 775-7303

TOWN OF BROOKFIELD

BROOKFIELD, CT 06804

May 31, 2017

CORRECTIVE ACTION PLAN

FINDING 2016-001

CONTACT PERSON: **KIMBERLY SIEGRIST, CONTROLLER**

CORRECTIVE ACTION: We acknowledge that this finding has occurred in prior years and in the current fiscal year took the necessary steps to eliminate this deficiency by bringing the schools and town under one general ledger and uniform chart of accounts. The town and schools also adopted a shared policy and procedure accounting manual last year. Financial presentations are conducted on a monthly basis to the BOF through the MUNIS reporting module. A bank reconciliation check list was implemented and a reconciliation module was purchased in fiscal 16/17. The town has setup monthly and quarterly schedules with the schools to reconciliation cash and trial balances.

PROPOSED COMPLETION DATE:
Uniform Chart of Accounts was uploaded to the Town on May 18, 2017
The schools MUNIS implementation will start on July 01, 2017
The shared accounting manual was adopted July 2016
Formalized financial reporting and soft close was implemented June 2016.
Monthly meetings for reconciliation of bank accounts and trial balances between the schools and the town inception April 2017

100 Pocono Rd., Brookfield, CT 06804 (203) 775-7303