TOWN OF BROOKFIELD, CONNECTICUT

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2018

TOWN OF BROOKFIELD, CONNECTICUT

Annual Financial Report
Year Ended June 30, 2018

Prepared by Finance Department

Brookfield Town Hall
100 Pocono Road
Brookfield, Connecticut 06804

Marcia L. Marien, CPA
Finance Director/Controller

Town of Brookfield, Connecticut

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MahoneySabol
CPAs and Advisors

180 Glastonbury Boulevard, Suite 400
Glastonbury, CT 06033

860.541.2000 main
860.541.2001 fax

mahoneysabol.com

Glastonbury
Middletown
Essex

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, 2018, 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; 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 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.

Opinions

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 of Brookfield, Connecticut, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Change in Accounting Principle

As discussed in Note 1K to the financial statements, the Town adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*. Our opinions are not modified with respect to this matter.

Correction of Errors in Previously Issued Financial Statements

As discussed in Note 1K to the financial statements, the Town restated amounts previously reported in its financial statements as of and for the year ended June 30, 2017 for the correction of certain errors. Our opinions are not modified with respect to these matters.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 10 and the information on pages 64 through 87 to 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to 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 combining and individual fund financial statements on pages 88 through 110 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 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 auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2019, 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.

Mahoney Sabol + Company, LLP

Certified Public Accountants
Glastonbury, Connecticut
March 15, 2019

Our discussion and analysis of the Town of Brookfield, Connecticut's ("Town") financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2018. Please read it in conjunction with the Town's financial statements and notes to the financial statements, which begin with Exhibit 1 in the financial section.

FINANCIAL HIGHLIGHTS

- The Town's total government activities net position, a measure of the Town's long-term health, was $42,936,112 at June 30, 2018. It improved by $1,485,518 during the year.
- The net depreciable governmental capital assets have increased by $3,001,331 during the year. At the same time, the Town was able to reduce its long-term bonded debt by $325,000.
- The Town's general obligation bonds continue to carry a Standard and Poor's rating of "Aaa".
- The General Fund's final budget was budgeted for a $1,725,000 deficiency but delivered a $1,448,662 excess, largely as a result of a declaration of disaster for the May 15th storm. This allowed the Town to apply for FEMA funding.
- The State of Connecticut's considerable financial challenges have not, as yet, had a significant material impact on the finances of the Town. Nevertheless, there remains an ongoing risk that there may be some, possibly material, future impact.

USING THIS ANNUAL FINANCIAL REPORT

Management's discussion and analysis is intended to be an introduction to the Town of Brookfield's annual financial report. This annual financial report consists of a series of financial statements.

Government-Wide Financial Statements – The government-wide statements (Exhibits 1 and 2 in the Financial Statements) provide information about the activities of the Town as a whole, and present a long-term view of the Town's finances. These two statements reflect all assets, liabilities and operations using the *accrual basis of accounting*, which is similar to the accounting method used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

- The *statement of net position* (Exhibit 1 in the financial statements) provides information about the Town's assets and liabilities, with the difference between two, the equity, reported as net position. Over time, increases and decreases in the net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. You need to consider other nonfinancial factors to assess the *overall health* of the Town; such as changes in the Town's property tax base and the condition of the Town's roads and structures.

- The *statement of activities* (Exhibit 2 in the financial statements) presents information showing how the Town's net position changed during the most recent fiscal year.

In the statement of net position and the statement of activities, the Town is divided into two types of activities:

- *Governmental Activities*—Most of the Town's basic services are reported here, including education, public works, and general administration. Property taxes, state and federal grants and local revenues (such as fees and licenses) finance most of these activities. The governmental activities of the Town include general government, public safety, public works, health and welfare, parks and recreation and education.

USING THIS ANNUAL FINANCIAL REPORT (Continued)

- *Business-type Activities*—The Town charges fees to users to cover all or most of the cost of certain services it provides. This is used for the operation of the sewer system under the water pollution control authority.

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. The funds in the Town can be divided into three categories:

- *Governmental Funds* – These are used to account for essentially the same functions as reported in governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources at the end of the fiscal year. It might be easiest to think of these funds as measuring the fund's working capital. The most significant governmental funds' financial statements, as measured by size, are included in Exhibits 3 and 4.

- *Proprietary Funds* – These include *enterprise funds* which are used to account for the operations that are included as business-type activities on the government-wide statements. When there is more than one enterprise fund, you would be able to see the net position, annual activity and cash flows of each. Proprietary funds also include *internal service funds* which account for the Town's risk financing activities. Because the Town's internal service funds primarily report the Town's governmental funds, these are including in the governmental-activities in the government-wide statements. The Town's proprietary funds are included in Exhibits 5, 6 and 7.

- *Fiduciary Funds* - The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of other entities in the extended community. Fiduciary funds are not included in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The Town's fiduciary funds are included in Exhibits 8 and 9.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the aforementioned financial statements.

Required Supplementary Information ("RSI") – The Governmental Accounting Standards Board ("GASB") requires these statements to be included in the financial report. GASB considers them to be an essential part of financial reporting to place the financial statements in an appropriate operational, economic and/or historical context. The RSI includes this management's discussion and analysis, a detailed report showing the comparison between the budgeted and actual revenues and expenditures for each legally approved annual budget, and details on each of the Town's pension and other-post employment benefit plans.

Combining and Individual Fund Financial Statement – The less significant funds, based on the size of the fund, are each detailed in the combining fund statements. This section also includes more details on several of the funds.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve as a useful indicator of the Town's financial position. Below is a comparison of the Town's governmental and business-type activities net position as of the end of the fiscal year for the last two years. These figures are taken from Exhibit 1 in the financial statements.

Table 1
Net Position (Figures taken from Exhibit 1)

	Governmental Activities		Business-Type Activities		Total Government	
	2018	2017	2018	2017	2018	2017
ASSETS						
Cash and equivalents	$ 13,858,777	$ 15,916,254	$ 2,387,749	$ 1,947,354	$ 16,246,526	$ 17,863,608
Investments	539,123	489,946	-	-	539,123	489,946
Restricted cash and equivalents	-	-	1,245,803	1,566,768	1,245,803	1,566,768
Receivables	8,880,967	7,167,756	5,509,818	6,075,893	14,390,785	13,243,649
Other assets	3,354	-	-	-	3,354	-
Capital assets						
Nondepreciable	12,287,310	11,953,832	647,347	832,184	12,934,657	12,786,016
Depreciable	85,494,554	82,493,223	13,582,280	13,074,251	99,076,834	95,567,474
	121,064,085	118,021,011	23,372,997	23,496,450	144,437,082	141,517,461
DEFERRED OUTFLOWS OF RESOURCES						
Related to refunding bonds	872,480	1,176,970	-	-	872,480	1,176,970
Related to pensions and OPEB	1,249,637	963,632	44,765	40,827	1,294,402	1,004,459
	2,122,117	2,140,602	44,765	40,827	2,166,882	2,181,429
LIABILITIES						
Payables, accruals and other liabilities	5,259,932	3,437,972	800,961	661,725	6,060,893	4,099,697
Pension liability, net	480,220	1,786,592	17,256	66,722	497,476	1,853,314
Other post-employment benefits liability, ne	19,371,928	18,828,554	-	-	19,371,928	18,828,554
Total service awards program liability	1,964,435	1,973,896	-	-	1,964,435	1,973,896
Bond anticipation notes payable	1,335,000	18,455,000	2,600,000	2,900,000	3,935,000	21,355,000
Non-current liabilities						
Due within one year	22,831,673	3,269,929	313,940	313,601	23,145,613	3,583,530
Due in more than one year	26,139,969	28,957,494	3,487,898	3,816,708	29,627,867	32,774,202
Total liabilities	77,383,157	76,709,437	7,220,055	7,758,756	84,603,212	84,468,193
DEFERRED INFLOWS OF RESOURCES						
Advance property tax collections	598,536	1,656,543	-	-	598,536	1,656,543
Related to pensions and OPEB	2,268,397	293,185	59,052	10,170	2,327,449	303,355
	2,866,933	1,949,728	59,052	10,170	2,925,985	1,959,898
NET POSITION						
Net investment in capital assets	49,377,952	48,381,745	8,507,178	8,130,194	57,885,130	56,511,939
Restricted	2,383,128	7,349,096	5,747,648	6,065,863	8,130,776	13,414,959
Unrestricted	(8,824,968)	(14,228,393)	1,883,829	1,572,294	(6,941,139)	(12,656,099)
	$ 42,936,112	$ 41,502,448	$ 16,138,655	$ 15,768,351	$ 59,074,767	$ 57,270,799

Some of the significant changes in the government-wide net position include:

Governmental Activities

- Capital assets increase by $3,334,809. This is a net increase, after depreciation, of 3.53% and is the result of the Town's continued significant investment in its buildings, infrastructure and equipment. Capital assets are discussed in more detail below.

- Bond anticipation notes decreased by $17,120,000 and non-current liabilities due within one year increased by $19,561,744. Because a portion of the bond anticipation notes were refinanced with permanent financing subsequent to the year end, in November 2018, accounting rules require that the bond anticipation notes be reclassified to the non-current liabilities category. Long-term debt is discussed in more detail below.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Business-Type Activities - There were no significant changes in the business-type activities.

Below is a comparison of the Town's governmental and business-type activities financial activity during the last two years. These figures are taken from Exhibit 2 in the financial statements.

Table 2
Change in Net Position (Figures taken from Exhibit 2)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenues:						
Charges for services	$ 2,892,742	$ 3,021,084	$ 1,907,536	$ 1,539,008	$ 4,800,278	$ 4,560,092
Operating grants and contributions	12,534,650	10,982,908	-	-	12,534,650	10,982,908
Capital grants and contributions	1,915,186	7,460,000	17,975	286,777	1,933,161	7,746,777
General revenues:						
Property taxes	61,190,537	60,043,844	-	-	61,190,537	60,043,844
Grants and contributions	22,002	365,305	-	-	22,002	365,305
Interest and investment earnings	105,804	56,871	32,610	28,417	138,414	85,288
Total revenues	78,660,921	81,930,012	1,958,121	1,854,202	80,619,042	83,784,214
Program expenses						
General government	8,817,674	8,357,736	-	-	8,817,674	8,357,736
Public safety	5,768,192	5,437,976	-	-	5,768,192	5,437,976
Public works	5,525,981	5,171,761	-	-	5,525,981	5,171,761
Health and welfare	517,608	474,223	-	-	517,608	474,223
Culture and recreation	2,227,656	2,207,713	-	-	2,227,656	2,207,713
Education	53,165,253	51,263,898	-	-	53,165,253	51,263,898
Interest on long-term debt	1,153,039	1,227,806	-	-	1,153,039	1,227,806
Operation of sewer plant	-	-	1,587,940	1,542,630	1,587,940	1,542,630
Total expenses	77,175,403	74,141,113	1,587,940	1,542,630	78,763,343	75,683,743
Excess (deficiency) before transfers	1,485,518	7,788,899	370,181	311,572	1,855,699	8,100,471
Increase (decrease) in net position	1,485,518	7,788,899	370,181	311,572	1,855,699	8,100,471
Beginning net position, as restated	41,450,594	33,661,695	15,768,474	15,456,902	57,219,068	49,118,597
Ending net position	$ 42,936,112	$ 41,450,594	$ 16,138,655	$ 15,768,474	$ 59,074,767	$ 57,219,068

The significant changes from last fiscal year to this fiscal year are discussed below:

Governmental Activities

- Capital grants and contributions decreased by $5,544,814 from $7,460,000 to $1,915,186 from 2017 to 2018, respectively. In 2017 there was a one-time increase in this category because the Town finalized a $4,718,862 assessment on users of capital improvements to the water delivery system. The users will repay the assessments. This will be used to pay the debt on the capital improvements. This allows the Town to provide needed services, but charge them to just the citizens that benefit from the improvements.

Business-Type Activities - There were no significant changes in the business-type activities.

THE TOWN'S FUNDS FINANCIAL ANALYSIS

Governmental Funds

This year showed a large increase in fund balance on a modified accrual basis in the governmental funds. The total fund balance for governmental funds increased $17,279,958 over the prior year as shown in Exhibits 3 and 4 in the Financial Statements.

The **General Fund**'s balance increased by $1,471,651 over the previous year. The fund balance of $6,580,712, is 10.36% of the annual budget. This provides the Town with slightly more than 1 month of working capital and is in accordance with the Town's current Fund Balance policy.

The Town also approved and additional appropriation of $1,700,000 during the year to fund clean-up costs from a microburst that hit the Town on May 15, 2018. During the year ended June 30, 2018, the Town incurred $698,097 in clean up costs. The storm was declared a disaster and is expected to be reimbursed by a grant from the Federal Emergency Management Agency ("FEMA"). The $1,001,903, that was not expended, was approved to be carried over into the 2018-19 fiscal year. It is included in the General Fund's assigned fund balance at June 30, 2018.

The **Bonded Capital Projects Fund** reported an increase of $15,838,837 in fund balance. This is the result of permanently funding $19,675,000 of the bond anticipation notes.

General Fund Budgetary Highlights

Below is a summarized view of the final budget and actual results for the General Fund:

Table 3
General Fund - Budget Summary

Revenues	Final Budget	Actual	Variance
Taxes	$ 61,478,607	$ 61,466,118	$ (12,489)
Licenses and permits	482,082	508,507	26,425
Intergovernmental	2,297,874	1,844,505	(453,369)
Charges for services	440,000	549,374	109,374
Fines and special assessments	-	8,451	8,451
Investment earnings	15,000	102,408	87,408
Rents and royalties	42,118	71,866	29,748
Other revenue	27,000	54,046	27,046
Other financing sources	-	392,773	392,773
Total Revenues	64,782,681	64,998,048	215,367
Expenditures			
Current			
General government	8,013,183	7,520,918	492,265
Public safety	5,177,231	4,982,078	195,153
Public works	2,722,752	2,600,808	121,944
Health and welfare	462,445	462,272	173
Culture and recreation	1,568,296	1,560,323	7,973
Education	41,004,800	40,938,393	66,407
Debt service	4,020,687	3,911,883	108,804
Capital outlay/other	3,538,287	1,572,711	1,965,576
Total Expenditures	66,507,681	63,549,386	2,958,295
Increase (Decrease) in Fund Balance	$ (1,725,000)	$ 1,448,662	$3,173,662

THE TOWN'S FUNDS FINANCIAL ANALYSIS (Continued)

The significant budget variances are discussed below:

Revenues

- In the current year, current year tax collections were under budget by $310,782 as the collections were 98.96% of the total tax levy. This is down slightly from the 99.31% average collection rate over the last five years which serves as a basis for the budgeted revenue. However, collections of delinquent taxes were higher than budget by $231,351 and collections of interest on delinquent taxes were higher than budgeted by $69,843.

- Intergovernmental revenues were $453,369 under budget. These revenues are from the State of Connecticut. The State did not complete its budget until October 2017, four months into the fiscal year and six months after the Town had to estimate the budgeted revenues from the State. The final State budget discontinued funding the municipal revenue sharing grant which was budgeted as $494,620 in revenue. But, the State did fund the $220,999 grants for municipal projects. Finally, the Town did not earn $184,131 of the LOCIP grant. The LOCIP grant carries over from year to year. This funding will be earned and received in the subsequent fiscal year.

- Other financing sources included $195,422 from a premium on bond anticipation notes. Since premiums on bonds are based on the market rates at the time, the Town generally does not include them in the budgeted revenues. In addition, the Town received a one time transfer in from closing the self-insurance fund for health insurance.

Expenditures

- General government expenditures were under expended by $492,265. This is primarily the result of a variance with health insurance in the amount of $352,781. The Town over estimated the cost of health insurance as it transitions from self-insurance to commercial insurance.

- Public safety expenditures were below budget by $195,153. The variance in the police budget made up $176,653 of this total. During the year the police officers were unexpectedly out on leave. Although this required an increase the overtime budget, those additional costs did not offset the total savings on the absent officers.

- Public works expenditures were below budget by $121,944. This is primarily the result of paying off assessments to the WPCA in the prior years.

- Education expenditures were $434,888 more than the original budget as a result of a large increase in the number of students requiring special education services. This was offset by an additional appropriation of $120,792 and additional revenues (a transfer in from the self-insured health insurance fund) of $470,500. Ultimately, after these adjustments, the net education expenditures were $66,407 less than the final budget.

- Finally, capital outlay/other was $1,965,576 under budget. This is the result of not fully expending the May 15th storm expenditures by June 30th. The unexpended portion totaled $1,001,903. In addition, subsequent to year end, the President declared the May 15th storm as a disaster. This enables the Town to receive FEMA funding which offset the $698,087 of storm expenditures. Lastly, the Town did not spend $265,576 in budgeted contingency funds.

THE TOWN'S FUNDS FINANCIAL ANALYSIS (Continued)

Proprietary Funds

The proprietary fund activity is show in Exhibits 5, 6 and 7. These funds include enterprise funds and internal service funds.

- In 2016 the Town chose to switch from a self-insured plan, accounting for the revenue and expenses in an internal service fund, to commercial insurance. The self-insured plan we closed in the current fiscal year.

CAPITAL ASSETS

At the end of this year, the Town had a net investment of $97,781,864 in government activity capital assets. This amount represents a net increase (including additions and deductions) of $3,334,809 from last year. The most significant of the $6,686,318 in additions were:

- $2,100,330 in land improvements under the four-corners development projects
- $1,517,394 in infrastructure improvements under the road paving program
- $920,120 in building improvements with the replacement of the high school roof
- $351,638 for continued land improvements for the greenway trail
- $269,089 for a 2017 Ford F550 Superliner ambulance
- $220,550 as a planned short-term investment in a parking lot that will be held for resale
- $212,718 to replace the fuel tanks at the Town garage

The additions were offset by $3,351,509 in deprecation on the existing capital assets.

The capital assets used in the Town's business type activities (WPCA) included the addition of $532,263 in construction in progress and $740,158 in improvements to pumping stations. Subsequent to year end, the WPCA purchased and built out office space for the WPCA office.

More detailed information about the Town's capital assets is presented in capital asset Notes 6 to the financial statements.

LONG-TERM LIABILITIES

General Obligation Bonds and Bond Anticipation Notes

At year end, the Town had $26,640,000 in bonds and $21,010,000 in notes outstanding for governmental activities and $720,000 in bonds for the business-type activities. This is a net decrease of $325,000 from last year. The Town's general obligation bond rating carries a 'Aaa' rating from Standard and Poor's Investor Services.

Further detail on the Town's debt can be found in the Long-term liability Notes 7 and 8 to the Financial Statements.

LONG-TERM LIABILITIES (Continued)

Pension Liability - Town

The Town sponsors a defined benefit pension plan for its employees (excluding teachers). The Town's policy is to fund the actuarily determined contribution each year. The plan is currently 99.21% funded. More information about the plan can be found in Note 9 to the financial statements and in the required supplemental information as RSI-2a and RSI-2b.

Other Post-Employment Benefits ("OPEB") Liability

The Town sponsors a defined benefit OPEB plan for its employees hired on or before January 1, 2013 (excluding teachers). The Town's policy is to fund $200,000 to the trust each year and fund the remainder on a pay-as-you-go basis. The plan is 4.61% funded. Of the $19,371,928 OPEB liability, the actuaries estimate that approximately 33% is the result of an implicit rate subsidy. The implicit rate subsidy is the estimated increases in premiums of allowing retired teachers to be on the plan as required by State Statutes. This would generally not be funded in a trust.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Brookfield

The Town of Brookfield has enjoyed lower tax rates than other towns in the state in a similar socio-economic status. Going forward the Town will need to consider some significant investments in its aging school buildings and increased capital spending to maintain its current infrastructure. Management is working to offset some of these costs to the citizens with increased revenues from new development in Town.

State Financial Issues

The State's financial condition is integral to the ultimate financial health of every town in the State. The State's fiscal condition is already having an adverse effect on businesses and individuals in the State, particularly in Fairfield County. The uncertainties surrounding how these issues will be resolved, diminished state support for wealthy towns; towns sharing the burden with the State on teachers' pension obligations and their OPEB costs; rising taxes, and the general business climate have already caused major businesses to leave the State and have caused the population, particularly of high net worth individuals, to decrease.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to show the Town's accountability to its stakeholders. Requests for additional financial information should be addressed to the First Selectman of the Town of Brookfield, 100 Pocono Road, Brookfield, CT 06804.

BASIC FINANCIAL STATEMENTS

Town of Brookfield, Connecticut Exhibit 1

Statement of Net Position
June 30, 2018

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and equivalents	$ 13,858,777	$ 2,387,749	$ 16,246,526
Investments	539,123	-	539,123
Restricted cash and equivalents	-	1,245,803	1,245,803
Receivables			
Property taxes and interest, net	941,302	-	941,302
Assessments	5,655,687	5,156,651	10,812,338
Accounts	13,275	-	13,275
Intergovernmental	1,777,404	-	1,777,404
Loans	468,377	-	468,377
User charges	-	100,598	100,598
Capacity outlet charges	-	122,626	122,626
Interest and fees	-	129,943	129,943
From fiduciary type activities	24,922	-	24,922
Other assets	3,354	-	3,354
Capital assets			
Nondepreciable	12,287,310	647,347	12,934,657
Depreciable, net of accumulated depreciation	85,494,554	13,582,280	99,076,834
Total Assets	121,064,085	23,372,997	144,437,082
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding bonds	872,480	-	872,480
Related to pension	1,245,763	44,765	1,290,528
Related to other post-employment benefits	661	-	661
Related to volunteer service awards	3,213	-	3,213
Total Deferred Outflows of Resources	2,122,117	44,765	2,166,882
LIABILITIES			
Accounts payable	2,903,864	-	2,903,864
Accrued payroll and related	613,235	4,213	617,448
Other accrued liabilities	-	163,031	163,031
Accrued interest payable	646,499	27,719	674,218
Unearned revenues	829,113	605,998	1,435,111
Claims payable	267,221	-	267,221
Pension liability, net	480,220	17,256	497,476
Other postemployment benefits liability, net	19,371,928	-	19,371,928
Service awards program liability, gross	1,964,435	-	1,964,435
Bond anticipation notes payable	1,335,000	2,600,000	3,935,000
Non-current liabilities			
Due within one year	22,831,673	313,940	23,145,613
Due in more than one year	26,139,969	3,487,898	29,627,867
Total Liabilities	77,383,157	7,220,055	84,603,212
DEFERRED INFLOWS OF RESOURCES			
Advance property tax collections	598,536	-	598,536
Related to pension	1,643,349	59,052	1,702,401
Related to other post-employment benefits	539,302	-	539,302
Related to volunteer service awards	85,746	-	85,746
Total Deferred Inflows of Resources	2,866,933	59,052	2,925,985
NET POSITION			
Net investment in capital assets	49,377,952	8,507,178	57,885,130
Restricted			
Expendable, restricted by grants and donors	2,054,892	5,747,648	7,802,540
Nonexpendable, trust fund principal	328,236	-	328,236
Unrestricted	(8,824,968)	1,883,829	(6,941,139)
Total Net Position	$ 42,936,112	$ 16,138,655	$ 59,074,767

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

Town of Brookfield, Connecticut

Exhibit 2

Statement of Activities
Year Ended June 30, 2018

		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
Governmental activities							
General government	$ (8,817,674)	$ 1,079,492	$ 355,690	$ 1,573,757	$ (5,808,735)	$	$ (5,808,735)
Public safety	(5,768,192)	449,287	49,597	-	(5,269,308)		(5,269,308)
Public works	(5,525,981)	59,401	1,040,508	-	(4,426,072)		(4,426,072)
Health and welfare	(517,608)	66,444	59,922	-	(391,242)		(391,242)
Culture and recreation	(2,227,656)	588,092	1,546	54,885	(1,583,133)		(1,583,133)
Education	(53,165,253)	650,026	11,027,387	286,544	(41,201,296)		(41,201,296)
Interest on long-term debt	(1,153,039)	-	-	-	(1,153,039)		(1,153,039)
	(77,175,403)	2,892,742	12,534,650	1,915,186	(59,832,825)		(59,832,825)
Business-type activities							
Operation of sewer system	(1,587,940)	1,907,536	-	17,975		337,571	337,571
Total Government	$ (78,763,343)	$ 4,800,278	$ 12,534,650	$ 1,933,161			(59,495,254)
General Revenues							
Property taxes, payments in lieu of taxes, interest and liens					61,190,537	-	61,190,537
Grants and contributions not restricted to specific programs					22,002	-	22,002
Unrestricted interest and investment earnings					105,804	32,610	138,414
Total General Revenues					61,318,343	32,610	61,350,953
Change in Net Position					1,485,518	370,181	1,855,699
Net Position - Beginning of Year, as restated (Note 1.K)					41,450,594	15,768,474	57,219,068
Net Position - End of Year					$ 42,936,112	$ 16,138,655	$ 59,074,767

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

Town of Brookfield, Connecticut Exhibit 3

Balance Sheet
Governmental Funds
June 30, 2018

	General Fund	Bonded Capital Projects Fund	Water Assessment Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and equivalents	$ 4,434,518	$ 6,151,192	$ 50,804	$ 2,955,935	$ 13,592,449
Investments	-	-	-	539,123	539,123
Receivables					
Property taxes and related interest, net	941,302	-	-	-	941,302
Assessments	-	-	5,655,687	-	5,655,687
Accounts	3,343	-	-	9,932	13,275
Intergovernmental	731,839	965,382	-	80,183	1,777,404
Loans	-	-	-	468,377	468,377
Due from other funds	6,248,770	-	779,036	48,919	7,076,725
Other assets	3,354	-	-	-	3,354
Total Assets	$ 12,363,126	$ 7,116,574	$ 6,485,527	$ 4,102,469	$ 30,067,696
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable	$ 2,757,198	$ 145,530	$ -	$ 1,136	$ 2,903,864
Accrued payroll and related	613,235	-	-	-	613,235
Bond anticipation notes payable	-	1,335,000	-	-	1,335,000
Due to other funds	827,955	5,281,145	-	938,458	7,047,558
Unearned revenues	421,441	-	-	407,672	829,113
Total Liabilities	4,619,829	6,761,675	-	1,347,266	12,728,770
Deferred inflows of resources					
Advance property tax collections	598,536	-	-	-	598,536
Revenues not available	564,049	-	5,655,687	-	6,219,736
Total Deferred Inflows of Resources	1,162,585	-	5,655,687	-	6,818,272
Fund balances					
Nonspendable	-	-	-	328,236	328,236
Restricted	-	-	829,840	1,225,052	2,054,892
Committed	-	2,009,249	-	983,170	2,992,419
Assigned	1,024,892	-	-	239,923	1,264,815
Unassigned	5,555,820	(1,654,350)	-	(21,178)	3,880,292
Total Fund Balances	6,580,712	354,899	829,840	2,755,203	10,520,654
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 12,363,126	$ 7,116,574	$ 6,485,527	$ 4,102,469	$ 30,067,696

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

Town of Brookfield, Connecticut

Exhibit 3a

Reconciliation of Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position - Governmental Activities
June 30, 2018

Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1) are different from the Governmental Fund Balance Sheet. The differences are due to:	
Total Fund Balances (Exhibit 3)	$ 10,520,654
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Beginning net capital assets	94,447,055
Capital asset additions (net of construction in progress)	6,686,318
Depreciation expense	(3,351,509)
Other long-term assets and deferred outflows are not available resources and, therefore, are not reported in the funds:	
Receivables not considered available because they were not collected in 60 days	6,219,736
Deferred outflows - deferred charge on refunding bonds	872,480
Deferred outflows - related to pension	1,245,763
Deferred outflows - related to other postemployment benefits	661
Deferred outflows - related to volunteer service awards	3,213
Internal service funds are used by management to charge the cost of medical insurance to individual departments:	
The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position	(5,138)
Long-term liabilities and deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds:	
General obligation bonds	(26,640,000)
Bond anticipation notes treated as long-term debt	(19,675,000)
Premiums on bonds	(1,586,375)
Loans payable	(40,017)
Assessments payable	(225,790)
Compensated absences	(804,460)
Net pension liability	(480,220)
Net OPEB liability	(19,371,928)
Volunteer service awards pension liability	(1,964,435)
Accrued interest	(646,499)
Deferred inflows - related to pension	(1,643,349)
Deferred inflows - related to other postemployment benefits	(539,302)
Deferred inflows - related to volunteer service awards	(85,746)
Net Position of Governmental Activities (Exhibit 1)	$ 42,936,112

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

Town of Brookfield, Connecticut Exhibit 4

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2018

	General Fund	Bonded Capital Projects Fund	Water Assessment Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	$61,466,118	$ -	$ -	$ -	$ 61,466,118
Licenses and permits	508,507	-	-	-	508,507
Intergovernmental	8,234,605	1,915,186	-	1,011,077	11,160,868
Charges for services	588,964	-	-	1,468,732	2,057,696
Fines and special assessments	8,451	-	556,297	-	564,748
Investment earnings	102,408	3,277	-	47,628	153,313
Rents and royalties	71,866	-	-	43,763	115,629
Other revenue	81,384	-	-	53,814	135,198
Total Revenues	71,062,303	1,918,463	556,297	2,625,014	76,162,077
EXPENDITURES					
Current					
General government	7,520,918	-	-	156,084	7,677,002
Public safety	4,982,078	-	-	389,644	5,371,722
Public works	3,326,243	596,802	14,796	30,854	3,968,695
Health and welfare	462,272	-	-	55,336	517,608
Culture and recreation	1,560,323	-	-	569,076	2,129,399
Education	47,167,673	-	-	1,512,383	48,680,056
Debt service	3,911,883	-	476,960	-	4,388,843
Capital outlay	220,550	5,157,824	-	1,307,944	6,686,318
Total Expenditures	69,151,940	5,754,626	491,756	4,021,321	79,419,643
Excess (Deficiency) of Revenues Over Expenditures	1,910,363	(3,836,163)	64,541	(1,396,307)	(3,257,566)
OTHER FINANCING SOURCES (USES)					
Transfers in	718,027	-	-	1,356,797	2,074,824
Transfers out	(1,352,161)	-	-	(55,561)	(1,407,722)
Premium on financing	195,422	-	-	-	195,422
Proceeds from long-term debt	-	19,675,000	-	-	19,675,000
Total Other Financing Sources	(438,712)	19,675,000	-	1,301,236	20,537,524
Net Change in Fund Balances	1,471,651	15,838,837	64,541	(95,071)	17,279,958
Fund Balances - Beginning of Year, As Restated (Note 1.K)	5,109,061	(15,483,938)	765,299	2,850,274	(6,759,304)
Fund Balances - End of Year	$ 6,580,712	$ 354,899	$ 829,840	$ 2,755,203	$ 10,520,654

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

Town of Brookfield, Connecticut Exhibit 4a

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2018

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because	
Net Change in Fund Balances - Total Governmental Funds (Exhibit 4)	$ 17,279,958
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities (Exhibit 2), the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.	
Capital outlay expenditures	6,686,318
Depreciation expense	(3,351,509)
	3,334,809
Revenues in the Statement of Activities (Exhibit 2) that do not provide current financial resources (cash within 60 days) are not reported as revenues in the funds.	
Real property taxes and other revenues in the General Fund	(284,538)
Revenues in the Water Assessment Fund	(500,450)
	(784,988)
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position (Exhibit 1). Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position (Exhibit 1)	
Issuance of long-term debt - general obligation bonds	(19,675,000)
Deferred charge on refunding	(91,152)
Amortization of premium on issuance of long-term debt	224,571
Principal payments on long-term debt - bonds	2,745,000
Principal payments on long-term debt - loans	225,251
Principal payments on long-term debt - assessments	24,219
	(16,547,111)
Some expenses reported in the Statement of Activities (Exhibit 2) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds, including the change in	
Accrued interest	(63,288)
Change in compensated absences	(38,251)
Pension related effects (net pension liability, deferred inflows and outflows of resources)	125,851
Other post-employment benefits	(1,082,015)
State Teachers' Retirement Pension and OPEB revenue in excess of the contributions made on the Town's behalf reported in Exhibit 4	3,264,915
State Teachers' Retirement Pension and OPEB expenses in excess of the contributions made on the Town's behalf reported in Exhibit 4	(3,264,915)
Volunteer service awards	(73,072)
	(1,130,775)
Internal service funds are used by management to charge the costs of medical, risk management and other claims to individuals funds. The net revenue of certain activities of internal service funds is reported with governmental activities	(666,375)
Change in Net Position of Governmental Activities (Exhibit 2)	$ 1,485,518

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

Town of Brookfield, Connecticut Exhibit 5

Statement of Net Position
Proprietary Funds
June 30, 2018

	Business-Type Activities- Enterprise Funds	
	Water Pollution Control Authority	Internal Service Funds
ASSETS		
Current assets		
Cash and equivalents	$ 2,387,749	$ 266,328
Receivables		
Assessments	644,975	-
User charges	100,598	-
Capacity outlet charges	45,287	-
Interest and fees	129,943	-
Total Current Assets	3,308,552	266,328
Long-term assets		
Restricted cash and equivalents	1,245,803	-
Receivables		
Assessments	4,511,676	-
Capacity outlet charges	77,339	-
Capital assets		
Nondepreciable	647,347	-
Depreciable, Net	13,582,280	-
Total Noncurrent Assets	20,064,445	-
Total Assets	23,372,997	266,328
DEFERRED OUTFLOWS OF RESOURCES - Related to pension	44,765	-
LIABILITIES		
Current liabilities		
Accrued liabilities	163,031	-
Accrued interest payable	27,719	-
Due to other funds	-	4,245
Bond anticipation notes payable	2,600,000	-
Unearned revenues	605,998	-
Claims payable	-	13,361
Current maturities of bonds payable	135,000	-
Current maturities of notes payable	178,940	-
Compensated absences	4,213	-
Total Current Liabilities	3,714,901	17,606
Long-term liabilities		
Claims payable	-	253,860
Bonds payable, less current maturities	585,000	-
Notes payable, less current maturities	2,223,509	-
Pension liability	17,256	-
Permanent maintenance deposits	24,583	-
Contingent credits on assessments	654,806	-
Total Noncurrent Liabilities	3,505,154	253,860
Total Liabilities	7,220,055	271,466
DEFERRED INFLOWS OF RESOURCES - Related to pension	59,052	-
NET POSITION		
Net investment in capital assets	8,507,178	-
Restricted for debt service	5,747,648	-
Unrestricted	1,883,829	(5,138)
Total Net Position	$ 16,138,655	$ (5,138)

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

Town of Brookfield, Connecticut Exhibit 6

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended June 30, 2018

	Business-Type Activities- Enterprise Funds	
	Water Pollution Control Authority	Internal Service Funds
OPERATING REVENUES		
Charges for services - Health Insurance Fees	$ -	$ 18,917
Charges for services - User Fees	1,676,948	-
Charges for services - Assessment Fees	230,588	-
Total Operating Revenues	1,907,536	18,917
OPERATING EXPENSES		
Claims incurred	-	10,162
Administration	37,956	8,028
Personnel costs	565,677	-
Capacity charges	294,818	-
Depreciation	236,764	-
Equipment repairs and maintenance	144,010	-
Professional services	80,815	-
Utilities	88,196	-
Office supplies	4,915	-
Total Operating Expenses	1,453,151	18,190
Income from Operations	454,385	727
NON-OPERATING REVENUES (EXPENSES)		
Interest income	32,610	-
Interest expense	(134,789)	-
Net Non-Operating Revenues (Expenses)	(102,179)	-
Income Before Transfers and Capital Contributions	352,206	727
Capital contributions		
Assessments and capacity outlet charges	17,975	-
Transfers out	-	(667,102)
Change in Net Position	370,181	(666,375)
Total Net Position - Beginning of Year, as Restated	15,768,474	661,237
Total Net Position - End of Year	$ 16,138,655	$ (5,138)

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

Town of Brookfield, Connecticut Exhibit 7

Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2018

	Business-Type Activities- Enterprise Funds	
	Water Pollution Control Authority	Internal Service Funds
Cash Flows From Operating Activities		
Cash received from customers and users	$ 1,837,303	$ 18,917
Cash payments to employees	(569,187)	-
Cash payments to suppliers and employees	(535,824)	(8,028)
Cash payments for benefits and claims	-	(10,162)
Net Cash from Operating Activities	732,292	727
Cash Flows From Capital and Related Financing Activities		
Bonds issued	2,600,000	-
Principal paid on debt	(3,210,400)	-
Acquisition and construction of capital assets	(559,956)	-
Interest paid on debt	(137,376)	-
Assessments and connection charges	662,260	-
Net Cash from Capital and Related Financing Activities	(645,472)	-
Cash Flows From Noncapital Financing Activities		
Advances from other funds	-	176,373
Transfers	-	(667,101)
Net Cash from Noncapital Financing Activities	-	(490,728)
Cash Flows From Investing Activities		
Interest income	32,610	-
Net Cash from Investing Activities	32,610	-
Net Increase (Decrease) in Cash and Equivalents	119,430	(490,001)
Cash and Equivalents - Beginning of Year	3,514,122	756,329
Cash and Equivalents - End of Year	$ 3,633,552	$ 266,328
Cash and Equivalents - Unrestricted	2,387,749	266,328
Cash and Equivalents - Restricted	1,245,803	-
Cash and Equivalents - End of Year	$ 3,633,552	$ 266,328
Reconciliation of Income (Loss) from Operations to Net Cash from Operating Activities		
Income (loss) from operations	$ 454,385	$ 727
Adjustments to reconcile income (loss) from operations to net cash from operating activities		
Depreciation included in costs of services	236,764	-
Changes in operating assets and liabilities		
Accounts receivable	(110,807)	-
Accrued liabilities	111,376	-
Unearned revenues	40,574	-
Net Cash from Operating Activities	$ 732,292	$ 727

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

Town of Brookfield, Connecticut

Exhibit 8

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2018

	Pension and OPEB Trust Funds	Private Purpose Trust Fund Raymond and Viola Martini Waidelich Scholarship Funds	Agency Funds
ASSETS			
Cash and equivalents	$ 1,382,548	$ -	$ 699,297
Investments, at fair value			
Mutual funds	51,209,202	1,200,227	-
U.S. Government Securities	208,604	-	-
U.S. Agency Securities	294,329	-	-
Total Investments	51,712,135	1,200,227	-
Receivables	82,508	-	-
Accrued interest and dividends	4,013	-	-
Total Assets	53,181,204	1,200,227	699,297
LIABILITIES			
Amount held as agent	-	-	674,375
Scholarship commitments	-	39,375	-
Due to other funds	-	-	24,922
Total Liabilities	-	39,375	699,297
NET POSITION			
Restricted for pension benefits	52,244,914	-	-
Assets held in trust for OPEB benefits	936,290	-	-
Restricted for scholarship purposes	-	1,160,852	-
Total Net Position	$ 53,181,204	$ 1,160,852	$ -

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

Town of Brookfield, Connecticut

Exhibit 9

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2018

	Pension and OPEB Trust Funds	Private Purpose Trust Fund Raymond and Viola Martini Waidelich Scholarship Funds
ADDITIONS		
Contributions and Revenue		
Employer contributions	$ 1,747,771	$ -
Teachers' Retirement System contributions	492,109	-
Plan member contributions	5,022	-
Total Contributions	2,244,902	-
Investment Income		
Net change in fair value of investments	3,865,260	74,187
Interest and dividends	164,550	13,489
Total Investment Income	4,029,810	87,676
Less investment management fees	(74,222)	-
Net Investment Income	3,955,588	87,676
Total Additions	6,200,490	87,676
DEDUCTIONS		
Pension benefits paid to plan members	2,470,853	-
Scholarships awarded	-	9,125
Total Deductions	2,473,312	9,125
Change in Net Position	3,727,178	78,551
Net Position - Beginning of Year, as Restated	49,454,026	1,082,301
Net Position - End of Year	$ 53,181,204	$ 1,160,852

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

1. Summary of Significant Accounting Policies

The Town of Brookfield, Connecticut ("Town") was settled in 1788 and adopted its original charter in 1975. The Town operates under a town meeting, Board of Selectmen and Board of Finance form of government. Under this form of government the town meeting is the legislative body. The administrative branch is led by an elected three-member Board of Selectmen. The Selectmen oversee most of the activities not assigned specifically to another body. An elected Board of Education oversees the public school system.

The accounting policies conform to generally accepted accounting principles as applicable to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the Town's more significant accounting policies:

A. Financial Reporting Entity

The financial reporting entity consists of: a) the primary government; b) organizations for which the primary government is financially accountable and c) 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 as set forth by GASB.

In evaluating how to define the financial reporting entity, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in this reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. The criterion set forth by GASB for including another agency or entity in the Town's financial reporting has been considered and there are no other agencies or entities which would qualify to be included.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position in exhibit 1 and the statement of activities in exhibit 2) report information on all non-fiduciary activities of the primary government as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities (if any), which rely to a significant extent on fees and charges for support.

The statement of net position presents the financial position of the Town at the end of its fiscal year. The statement of activities demonstrates the degree to which direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The Town does not allocate indirect expenses to functions in the statement of activities.

1. Summary of Significant Accounting Policies (Continued)

C. Fund Financial Statements

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The Town maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. The Town maintains proprietary and fiduciary funds, which are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation.

Separate 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 and enterprise funds are reported as separate columns in the fund financial statements.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the enterprise funds and the internal service funds are charges to customers for services. Operating expenses for the enterprise funds and the internal service funds include the cost of services, administrative expenses, depreciation, and benefit costs. All revenues and expenses not meeting the definition are reported as non-operating revenues and expenses.

The fund financial statements show the Town's resources in three broad fund categories:

Fund Categories

a) Governmental Funds - Governmental funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The following are the Town's major governmental funds:

   The **General Fund** constitutes the primary operating fund of the Town and is used to account for and report all financial resources not accounted for and reported in another fund.

   The **Bonded Capital Projects Fund** is a capital projects fund used to provide working capital for projects that will be ultimately financed through general obligation bonds. Some bonded capital projects will be extensive enough that the Town may decide they deserve their own fund.

1. Summary of Significant Accounting Policies (Continued)

The **Water Assessment Fund** is a special revenue fund used to account for assessments to the citizens to pay principal and interest payments on debt for water lines that benefit these citizens.

b) Proprietary Funds - Proprietary funds include enterprise and internal service funds. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private enterprises or where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is necessary for management accountability. Enterprise funds are used to account for those operations that provide services to the public. The Town's **Water Pollution Control Account** ("WPCA") is the Town's only enterprise fund. The WPCA handles waste water for certain sections of the Town.

Internal service funds are used to account for the Town's risk financing activities; specifically the Town reports the revenues and expenses of the self-insured **Heart and Hypertension Fund**. This fund administers the benefits for qualifying firefighters and police offices under Connecticut's 1977 Heart and Hypertension Act.

c) Fiduciary Funds (Not included in the government-wide financial statements) - The fiduciary funds are used to account for assets held by the Town in an agency capacity on behalf of others. These include pension trust, private-purpose trust, and agency funds. The pension trust funds are provided to account for the activities of the Town's defined benefit pension plan and the other post-employment benefit trust funds, which accumulate resources for pension and health benefit payments to qualified employees upon retirement. The private-purpose trust fund is used to account for resources legally held in trust for the benefit of individuals. The agency funds are utilized to account for monies held as custodian for others.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary funds and pension trust funds. The agency funds have no measurement focus, but utilize 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. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. 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. Except for property tax revenues, revenues are considered to be available if collected within one year of the fiscal year end.

1. Summary of Significant Accounting Policies (Continued)

Property taxes are considered to be available if collected within sixty days of the fiscal year end. Property taxes associated with the current fiscal period, as well as charges for services and intergovernmental revenues are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenues from federal and State grants are accrued when the expenditure is made.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures, when applicable, related to early retirement incentives, compensated absences, capital leases, post-closure landfill costs, pollution remediation obligations, other post-employment benefit obligations, certain pension obligations and certain claims payable are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/ Fund Balances

Deposits, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts, certificates of deposit, money market funds, State of Connecticut treasurer's short-term investment fund and treasury bills with original maturities of less than three months.

The Town's custodial credit risk policy is to only allow the Town to use banks that are in the State of Connecticut. The State of Connecticut requires that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk-based capital ratio.

General Investments - The investment policies of the Town conform to the policies as set forth by the State of Connecticut. The Town's policy is to only allow prequalified financial institution broker/dealers and advisors. The Town policy allows investments in the following: (1) obligations of the United States and its agencies; (2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof; and (3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. The statutes (section 3-27f) also provides for investment in shares of the Connecticut short-term investment fund.

The Town follows U.S. GAAP guidance on *fair value measurements* which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quote prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

1. Summary of Significant Accounting Policies (Continued)

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Other provisions of the statutes cover specific municipal pension funds with particular investment authority and do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries (i.e., prudent person rule) and the provisions of the applicable plan. Their approved policies target an asset mix to provide the probability of meeting or exceeding the return objectives at the lowest possible risk.

Pension and OPEB Investments – The Board of Selectmen has established the following investment mix for the asset allocation for the pension and OPEB funds:

	Target	Range
Domestic & Foreign Large Cap Equity	40%	30% - 50%
Domestic & Foreign Small / Mid Cap Equity	15%	10% - 20%
Total Equities	55%	40% - 70%
Fixed Income	40%	25% - 55%
Cash & Equivalents	5%	0% – 10%

Interest Rate Risk - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Town minimizes interest rate risk by structuring the investment portfolio so that the securities mature to meet cash requirements for ongoing operations, avoiding the need to sell securities on the open market prior to maturity. Generally, the Town does not invest in any long-term investment obligations but has no formal policy.

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits may not be returned to it. The Town has no formal policy but its practice for custodial credit risk is to invest in obligations allowable under the Connecticut general statutes as described previously and pre-qualifying institutions with which the Town may do business.

Credit Risk – Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Town's policy for credit risk is to invest in obligations allowable under the Connecticut general statutes as described previously and pre-qualifying institutions with which the Town may do business.

Concentration of Credit Risk – Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The Town follows the limitations specified in the Connecticut general statutes. Generally, the Town's deposits cannot be 75% or more of the total capital of any one depository.

Foreign Currency Risk - Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment. The Town does not have policies for foreign currency risk. Currently, the Town only invests in mutual funds that hold non-US equity stocks. These investments are stated in US dollars.

1. Summary of Significant Accounting Policies (Continued)

Taxes Receivable - Property taxes are assessed on property values as of October 1st. The tax levy is divided into two billings; the following July 1st and January 1st. This is used to finance the fiscal year from the first billing (July 1st) to June 30th of the following year. The billings are considered due on those dates; however, the actual due date is based on a period ending 31 days after the tax bill. On these dates (August 1st and February 1st), the bill becomes delinquent at which time the applicable property is subject to lien, and penalties and interest are assessed.

Under State statutes, the Town has the right to impose a lien on a taxpayer if any personal property tax, other than a motor vehicle tax, due to the Town is not paid within the time limited by any local charter or ordinance. The lien shall be effective for a period of fifteen years from the date of filing unless discharged. A notice of tax lien shall not be effective if filed more than two years from the date of assessment for the taxes claimed to be due.

An allowance for uncollectible taxes of $145,000 has been recorded net with taxes and interest receivable at year end.

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided by the Town. Receivables are recorded and revenues recognized as earned or as specific program expenditures/expenses are incurred. Allowances are recorded when appropriate.

Prepaid Expenses/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the government-wide and fund financial statements. Reported amounts are equally offset by nonspendable fund balance, in the fund financial statements, which indicates that these amounts do not constitute “available spendable resources” even though they are a component of current assets.

Due From/To Other Funds - During the course of its operations, the Town has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of year end, balances of interfund amounts receivable or payable have been recorded in the fund financial statements. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as internal balances.

Capital Assets - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than the capitalization threshold for that asset type and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Intangible assets lack physical substance, are nonfinancial in nature and their useful lives extend beyond a single reporting period. These are reported at historical cost if identifiable. Intangible assets with no legal, contractual, regulatory, technological or other factors limiting their useful life are considered to have an indefinite useful life and are not amortized.

1. Summary of Significant Accounting Policies (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Land is considered inexhaustible and, therefore, not depreciated. Construction in progress has not been put into service yet and, therefore, is not depreciated. Property, plant, and equipment of the Town are depreciated or amortized using the straight line method over the following estimated useful lives:

Assets	Years	Capitalization Threshold
Land	N/A	$ 5,000
Construction in progress	N/A	5,000
Buildings and improvements	50	5,000
Infrastructure	12-100	20,000
Machinery and equipment	5-25	5,000
Vehicles	5-20	5,000
Intangible assets	Varies, if any	5,000

Unearned Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Unearned revenues consist of revenue received in advance and/or amounts from grants received before the eligibility requirements have been met.

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 represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

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 represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The Town reports deferred outflows and inflows of resources related to pensions and other post-employment benefits in the government-wide statement of net position. A deferred outflow or inflow of resources related to pension results from differences between expected and actual experience, the net difference between projected and actual earnings, and a change in assumptions. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

Deferred outflows of resources also include deferred outflows relating to advance refunding of debt. These amounts are deferred and are amortized over the life of the debt.

Finally, deferred inflows of resources in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Such amounts in the fund financial statements have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

1. Summary of Significant Accounting Policies (Continued)

Long-Term Liabilities - In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the respective statement of net position.

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

Net Position - Net position represents the difference between assets, liabilities and deferred outflows/inflows of resources. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position on the statement of net position includes three categories - net investment in capital assets, restricted net position and unrestricted net position – as described below:

- *Net Investment in Capital Assets* - the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

- *Restricted Net Position - Nonexpendable* - the component of net position that reflects funds set aside in accordance with laws, regulations, grants, and other agreements that must be kept intact and cannot be spent. This is made up of $328,236 in trust fund principal.

- *Restricted Net Position – Expendable* - the component of net position that reflects funds that can only be spent subject to the laws, regulations, grants, and other agreements relating to these funds.

- Unrestricted Net Position – all other amounts that do not meet the definition of “restricted” or “net investment in capital assets”.

In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town’s policy to consider restricted net position to have been completely depleted before unrestricted net position is applied.

Fund Balance - Generally, fund balance represents the difference between current assets and current liabilities. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard, the fund balance classifications are as follows:

- Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

1. Summary of Significant Accounting Policies (Continued)

- Fund balances are to be reported as restricted when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification will be used to report funds that are restricted for debt service obligations and for other items contained in the Connecticut statutes.

- Committed fund balances are those that can only be used for specific purposes pursuant to formal action of the Town's highest level of decision making authority. The town meeting is the highest level of decision making authority for the Town that can, by the adoption of a resolution prior to the end of the fiscal year, commit a fund balance. Once committed, these funds may only be used for the purpose specified unless the Town removes or changes the purpose by taking the same action that was used to establish the commitment.

- Assigned fund balance, in the general fund, represents amounts constrained either by policies of the Board of Finance for amounts assigned for balancing the subsequent year's budget or management for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the general fund. Assigned fund balances in all funds except the general fund includes all remaining amounts, except for negative balances, that are not classified as nonspendable and are neither restricted nor committed.

- Unassigned fund balance, in the general fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The general fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the general fund, unassigned fund balances would necessarily be negative, since the fund's liabilities and deferred inflows, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows.

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Town's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Town's policy to use fund balance in the following order: committed, assigned, and unassigned.

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the general fund. Encumbrances outstanding at year-end are generally reported as assigned fund balance since they do not constitute expenditures or liabilities.

1. Summary of Significant Accounting Policies (Continued)

G. Use of Estimates

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

H. Donor-Restricted Endowment

The Town has received an endowment for library purposes. The amounts are reflected in the statement of net position as restricted for endowment and the governmental balance sheet as nonspendable fund balance. Investment income is approved for disbursement by the Library Board of Directors and is included as restricted net position and restricted fund balance. At the end of the year, $228,929 was available for appropriation.

The Town allocates investment income of donor-restricted endowments in accordance with donor restrictions and Connecticut law, which has adopted the provisions of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA").

I. Tax Incentives

The Town has extended a tax incentive under the Town's Business Incentive Ordinance for a deferral of assessment increases. In exchange for construction and timing requirements, the Town will abate a portion of the additional assessment on the new construction. The rates of abatement and length of abatement depend on the number of requirements met in the written agreement. If all the requirements are met, a portion, beginning at 100% and gradually decreasing down to 20%, of the additional assessment on the new construction will be abated for seven years.

J. Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

K. Prior Period Adjustments

In preparing the financial statements the Town made a number of adjustments to the beginning balances of equity. These were treated as prior period adjustments in that the beginning balances of equity were changed. One of the changes was to implement a new accounting standard, Governmental Accounting Standards Board ("GASB") Statement 75 – Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. This is discussed further in Note 11. The remaining adjustments were considered corrections of errors in prior period financial statements.

1. Summary of Significant Accounting Policies (Continued)

	Changes in the Fund Financial Statements					
				Private Purpose Trust Fund		
	General Fund	Bonded Projects Fund	Other Governmental Funds	Waidelich Scholarship	Internal Service Fund - Heart & Hypertension	Government Wide - Net Position
As Originally Reported	$ 6,320,843	$(15,567,728)	$ 1,428,302	$ 1,121,677	$ -	$ 39,433,169
Implement GASB Statement 75	-	-	-	-	-	3,906,260
Record LOSAP Liability	-	-	-	-	-	(1,973,896)
Record Sewer Assessment	-	-	-	-	-	(250,009)
Allocate Pension to WPCA	-	-	-	-	-	36,065
Adjust Pension for Timing	-	-	-	-	-	39,377
Record Accounts Receivable	46,858	-	37,761	-	-	84,619
Record Loans Receivable	-	-	500,684	-	-	500,684
Adjust Accounts Payable	(23,977)	-	4,899	(39,376)	-	(58,454)
Heart and Hypertension:						
Establish a Separate Fund	(272,245)	-	-	-	272,245	-
Record Claims Payable	-	-	-	-	(267,221)	(267,221)
Library:						
Move Library Endowment	(509,656)	-	509,656	-	-	-
Move Library Revenue Fund	(23,077)	-	23,077	-	-	-
Reclassify to Properly Fund:						
Bonded Capital Projects	(83,790)	83,790	-	-	-	-
Capital Nonrecurring Fund	(537,427)	-	537,427	-	-	-
Town Grant Fund	191,532	-	(191,532)	-	-	-
As Restated	$ 5,109,061	$(15,483,938)	$ 2,850,274	$ 1,082,301	$ 5,024	$ 41,450,594

2. Stewardship, Compliance and Accountability

Below are summaries of the budget procedures. The full detail can be found in the Town Charter.

A. Budget Calendar

Requests for Annual Appropriations – At least 165 days (150 days for the Board of Education) before the end of the fiscal year, the head of each department, office or agency of the Town which is supported by Town funds files a detailed estimate of the expenditures to be made by them, and the revenues, other than property tax revenues, to be collected in the next fiscal year. These estimates are accompanied by a statement setting forth the services, activities and work accomplished, or to be accomplished, during the current year and planned for the next fiscal year.

First Selectman Budget Recommendations – The First Selectman reviews the budget estimates with the heads of each department, office or agency. Not later than 135 days before the end of the fiscal year, the First Selectman will present these budgets, together with any recommended changes, to the Board of Selectmen and Board of Finance. The First Selectman will include a budget message describing the important features of the proposed Town budget including: a general summary of the budget including a summary of revenues, expenditures, and major changes, including the reasons for the changes, from the current year. The First Selectman will also provide a recommendation for the capital projects to be undertaken during the next fiscal year and the method of financing these projects.

2. Stewardship, Compliance and Accountability (Continued)

Board of Selectmen Budget Recommendations – The Board of Selectman will review the budgets submitted by the First Selectman and may make further revisions. Not later than 120 days before the end of the fiscal year, the Board of Selectman will submit its recommendations to the Board of Finance.

Board of Finance Budget Recommendations – The Board of Finance, after receipt of the recommended budget from, and in coordination with, the Board of Selectmen shall afford each department, office and agency an opportunity for a hearing on their proposed section of the budgets.

The proposed Town budget may include a contingency fund, established in accordance with the Connecticut General Statutes, an appropriation for capital and nonrecurring expenditures, and the payment of debts of the Town. The proposed Town budget will also include estimates of the revenue to the Town from all sources for the next year.

Public Hearing, Town Meeting and Referendum – The Board of Finance will hold one or more public hearings concerning the proposed Town budget. At least ten days prior to the public hearing, the Board of Finance will make copies of the budget available in the Town Clerk's office. One such hearing will be held at least fourteen days before the Annual Town Meeting and will allow persons qualified to vote at the Annual Town Meeting to be heard. The Board of Finance may then revise the proposed Town budgets as it deems advisable.

The Board of Finance will publish the budget in a newspaper of general circulation in the Town and make the budgets available as prescribed by law. The Annual Town Meeting for the consideration of the budgets will be held on the first Tuesday in May.

Adoption of the budgets submitted by the Board of Finance shall be by vote at a referendum between eight and fourteen days following the Annual Town Meeting. The general government and education budgets will be considered separately and will include non-binding advisory questions for the general government and education budgets on the referendum.

Within 15 days after the adoption of the Annual Town Budget, the Board of Finance shall meet and lay such tax as required by the Connecticut General Statutes.

Any portion of an annual appropriation remaining unexpended and unencumbered at year end will lapse at June 30th. Appropriations for capital shall not lapse until the purpose for which the appropriation was made has been accomplished or abandoned. A project will be deemed to be abandoned with three fiscal years have lapsed without any expenditure or encumbrance.

B. Budget Control

The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level except expenditures for education and the library, which are, by State Statutes, appropriated as one department.

Transfers within a Single Department – The Board of Selectman, when requested by any general government department, may transfer unexpended balances from one appropriation to another within the same department. The Board of Education may transfer unexpended balance from one appropriation to another in accordance with Connecticut General Statutes.

2. Stewardship, Compliance and Accountability (Continued)

Transfers between Departments or from Contingency – The Board of Selectman, when requested by any department and with the approval of the Board of Finance, may transfer unexpended balances from one appropriation to another or from any approved contingency fund.

Additional Appropriations - The Board of Selectman, when requested by any department and with the approval of the Board of Finance, may increase the total budget with an additional appropriation. The additional appropriation may be financed by the General Fund's fund balance, borrowing or any approved contingency fund. This may not exceed 10% of the amount appropriated for the department or $40,000, whichever is greater. The total of all such additional appropriations for the year may not exceed 1% of the total annual budget. Any amounts exceeding these limits must be acted upon by the Board of Finance and a Town Meeting.

During the year $1,725,000 of additional appropriations were made. Included in these additional appropriations was $1,700,000 for cleanup costs for a microburst that hit the Town on May 15, 2018. This is expected to be reimbursed by a FEMA grant from the Federal government.

Emergency Appropriations – For the purpose of meeting a public emergency threatening the lives, health or property of citizens, emergency appropriations may be made upon the recommendation of a majority of the members of the Board of Selectmen and by an affirmative vote of at least four members of the Board of Finance. The total emergency appropriation cannot be greater than one half of one percent of the annual budget.

C. Budget Basis

A formal, legally approved, annual budget is adopted for the General Fund. This budget is adopted on a basis consistent with generally accepted accounting principles (modified accrual basis) with the following exceptions:

- **Teachers' Retirement** - The Town does not recognize as income or expenditures payments made for the teachers' retirement by the State of Connecticut under a special funding situation in its budget. GASB requires that the employer government recognize payments for salaries and fringe benefits paid under a special funding situation for its employees.

- **Board of Education Revenues Net with Board of Education Expenditures** – The Board of Education nets certain revenues with their expenditures in the budget.

- **Long-Term Debt and Lease Financing** - Revenues and expenditures from refunding or renewing long-term debt or issuing lease financing are included in the budget as the net revenues or expenditures are expected.

- **Encumbrances** - Unless committed through a formal encumbrance (e.g., purchase orders, signed contracts), all annual appropriations lapse at fiscal year-end. Encumbrances outstanding at year end are reported on the budgetary basis statements as expenditures.

2. Stewardship, Compliance and Accountability (Continued)

D. Fund Deficits

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

	Deficit	Expected Coverage	
		Future Revenues	Other Fund
Special Revenue Funds			
Building Use Fund	$ 21,178	$ 21,178	$ -
Internal Service Funds			
Heart and Hypertension Fund	5,138	-	5,138

In addition, the Bonded Capital Projects Fund, although not showing a deficit fund balance, had a deficit to cover the approved projects. This will be funded with the November 2018 premiums.

3. Cash, Cash Equivalents and Investments

Cash and investments of the Town consist of the following:

Statement of Net Position (Exhibit 1)	
Cash and equivalents	$ 16,246,526
Restricted cash and equivalents	1,245,803
Investments	539,123
	18,031,452
Fiduciary Funds (Exhibit 8)	
Cash and equivalents - pension/OPEB trusts	1,382,548
Cash and equivalents - agency funds	699,297
Investments - pension and OPEB trust funds	51,712,135
Investments - private purpose trusts	1,200,227
	54,994,207
Total Cash and Investments	$ 73,025,659

A. Cash and Equivalents - The carrying amount of the deposits with financial institutions was:

Cash and Cash Equivalents	
Deposits with financial institutions	$ 18,173,584
Plus money market fund (in investments)	1,400,590
	$ 19,574,174

The bank balance of the deposits was $18,293,694 and was exposed to custodial credit risk as follows:

Covered by Federal depository insurance	$ 559,943
Collateralized by securities held in trust	
Not in the Town's name	1,773,375
Uninsured and uncollateralized	15,960,376
	$ 18,293,694

3. Cash, Cash Equivalents and Investments (Continued)

B. Investments – Investments are summarized as follows:

	Other Governmental Funds	Pension and OPEB Trust Funds	Private Purpose Trust Funds	Total Investments
Money market mutual funds	$ 18,042	$ 1,382,548	$ -	$ 1,400,590
Mutual funds	-	51,209,202	1,200,227	52,409,429
U.S. Government securities	-	208,604	-	208,604
U.S. Agency securities	-	294,329	-	294,329
Equity securities	539,123	-	-	539,123
	$ 557,165	$ 53,094,683	$ 1,200,227	$ 54,852,075

Below is a summary of the interest rate risk and credit risk on the investments:

Type of Investment	Average Credit Rating	Fair Value	Investment Maturities (in Years) Less Than 1 Year	1-5 Years	Over 5 Years
Money market mutual funds	NA	$ 1,400,590	$ 1,400,590	$ -	$ -
Mutual funds	NA	52,409,429	52,409,429	-	-
U.S. Government securities	NA	208,604	-	208,604	-
U.S. Agency securities	AAA	294,329	4,072	13,653	276,604
Equity securities	NA	539,123	539,123	-	-
Total		$ 54,852,075	$ 54,353,214	$ 222,257	$ 276,604

NA Not applicable

The following are major categories of investments measured at fair value on a recurring basis, grouped by the fair value hierarchy.

Type of Investment	Investments Using NAV to Approximate Fair Value	Quoted Prices in active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Money market mutual funds	$ 1,400,590	$ -	$ -	$ -	$ 1,400,590
Mutual funds	-	52,409,429	-	-	52,409,429
U.S. Government securities	-	208,604	-	-	208,604
U.S. Agency securities	-	-	294,329	-	294,329
Equity securities	-	539,123	-	-	539,123
Total	$ 1,400,590	$ 53,157,156	$ 294,329	$ -	$ 54,852,075

4. Receivables, Deferred Inflows and Unearned Revenue

A. Long-Term Receivables not expected to be collected within one year include:

- Assessments receivable in the water assessment fund totaling $5,655,687 and
- Loans receivable in the small cities grant fund, totaling $468,377.

B. Revenues Not Available – Governmental funds report deferred inflows on the modified accrual basis (Exhibit 3) in connection with certain receivables are estimated to not meet the policy to be considered "available" to liquidate liabilities of the current period. Taxes in the amount amount of $598,536 and the water assessments in the amount of $5,655,687 were reported as *deferred inflows*, instead of revenue, because they were not received within the policy to be considered "available" as of the year end.

C. Unearned Revenue – Both government-wide activities and governmental funds defer revenue recognition in connection with resources that have been received, but not yet earned as follows:

	Governmental Type Activities	Other Governmental Funds	Total
Fees collected in advance	$ -	$ 187,929	$ 187,929
Advances on grants	-	219,743	219,743
Advances on insurance	421,441	-	421,441
	$ 421,441	$ 407,672	$ 829,113

5. Interfund Transactions

The outstanding balances between funds result mainly 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. These are summarized as follows:

Receivable fund	Payable Fund	Amount
General fund	Bonded capital projects fund	$ 5,281,145
General fund	Other governmental funds	938,458
General fund	Internal service funds	4,245
General fund	Fiduciary funds	24,922
Water Assessment Fund	General fund	779,036
Other governmental funds	General fund	48,919
		$ 7,076,725

Fund transfers are generally used to fund capital projects with general fund revenues. Transfers during the year were as follows:

	Transfers into:		
	General Fund	Other Governmental Funds	Total
Transfers out of:			
General fund	$ -	$ 1,352,161	$ 1,352,161
Internal service funds	667,102	-	667,102
Other governmental funds	50,925	4,636	55,561
	$ 718,027	$ 1,356,797	$ 2,074,824

6. Capital Assets

A. Changes in the Town's capital assets used in the governmental activities are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated				
Land	$ 11,357,431	$ 220,550	$ -	$ 11,577,981
Construction in progress	596,401	112,928	-	709,329
	11,953,832	333,478	-	12,287,310
Capital assets being depreciated				
Buildings and improvements	65,935,180	4,007,853	-	69,943,033
Vehicles	5,641,802	550,150	-	6,191,952
Machinery and equipment	6,765,006	277,443	-	7,042,449
Infrastructure	45,503,512	1,517,394	-	47,020,906
	123,845,500	6,352,840	-	130,198,340
Less accumulated depreciation				
Buildings and improvements	(22,021,301)	(1,254,221)	-	(23,275,522)
Machinery and equipment	(3,479,065)	(363,350)	-	(3,842,415)
Vehicles	(4,222,259)	(388,312)	-	(4,610,571)
Infrastructure	(11,629,652)	(1,345,626)	-	(12,975,278)
	(41,352,277)	(3,351,509)	-	(44,703,786)
Net Capital Assets being Depreciated	82,493,223	3,001,331	-	85,494,554
	$ 94,447,055	$ 3,334,809	$ -	$ 97,781,864

Construction in progress includes the initial costs of a number of capital projects in progress. Depreciation and amortization expense was charged to the governmental activities as follows:

General government	$ 158,961
Public safety	323,398
Public works	1,581,505
Parks and recreation	98,257
Education	1,189,388
	$ 3,351,509

B. Changes in the Town's capital assets used in the business-type activities are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated				
Construction in progress	$ 832,184	$ 532,263	$ (717,100)	$ 647,347
Capital assets being depreciated				
Buildings and improvements	2,866,314	-	-	2,866,314
Infrastructure	11,902,339	740,152	-	12,642,491
Machinery and equipment	1,210,430	-	-	1,210,430
Office furniture and equipment	-	4,635	-	4,635
Vehicles	180,749	-		180,749
	16,159,832	744,787	-	16,904,619
Less accumulated depreciation				
Buildings and improvements	(479,618)	(57,326)	-	(536,944)
Infrastructure	(1,695,570)	(126,121)	-	(1,821,691)
Machinery and equipment	(801,469)	(43,226)	-	(844,695)
Office furniture and equipment	-	(927)	-	(927)
Vehicles	(108,924)	(9,158)	-	(118,082)
	(3,085,581)	(236,758)	-	(3,322,339)
Net Capital Assets being Depreciated	13,074,251	508,029	-	13,582,280
	$ 13,906,435	$ 1,040,292	$ (717,100)	$ 14,229,627

7. Long-Term Liabilities – Governmental Funds

The following table summarizes changes in the Town's governmental long-term indebtedness:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due in More Than One Year
General obligation bonds	$ 29,385,000	$ -	$ (2,745,000)	$ 26,640,000	$ 2,770,000	$ 23,870,000
Bond Anticipation Note as LTD	-	19,675,000	-	19,675,000	19,675,000	-
Premium on bonds	1,810,946	-	(224,571)	1,586,375	-	1,586,375
	31,195,946	19,675,000	(2,969,571)	47,901,375	22,445,000	25,456,375
Loans payable	265,268	-	(225,251)	40,017	40,017	-
Assessment payable	250,009	-	(24,219)	225,790	24,872	200,918
Compensated absences	766,209	123,159	(84,908)	804,460	321,784	482,676
	$ 32,477,432	$ 19,798,159	$ (3,303,949)	$ 48,971,642	$ 22,831,673	$ 26,139,969

Each governmental funds' liability and interest on the liability is liquidated by the respective fund to which it relates. The liabilities and related interest, once permanently financed, are liquidated by the General Fund and, if they relate to water lines which will be paid for by the user they are liquidated by the Water Assessment Fund.

In accordance with generally accepted accounting principles, included in long-term debt is $19,675,000 of bond anticipation notes that were refunded after the end of the year with permanent financing. These were paid off on November 15, 2018 as part of a debt package discussed below under A. General Obligation Bonds. The full activity for the bond anticipation notes is as follows:

Purpose	Interest Rate	Maturity Date	Beginning Balance	Additions	Reductions	Reclassified to Long-Term Debt	Ending Balance
Town	2.00%	Nov 2017	$ 11,302,680	$ -	$ (11,302,680)	$ -	$ -
School	2.00%	Nov 2017	3,102,320	-	(3,102,320)	-	-
Town	1.30%	Nov 2017	1,733,800	-	(1,733,800)	-	-
School	1.30%	Nov 2017	301,200	-	(301,200)	-	-
Water	1.30%	Nov 2017	2,015,000	-	(2,015,000)	-	-
Town	2.25%	Nov 2018	-	13,747,480	-	(13,747,480)	-
School	2.25%	Nov 2018	-	3,192,520	-	(3,192,520)	-
Town	2.50%	Nov 2018	-	1,768,000	-	(1,768,000)	-
School	2.50%	Nov 2018	-	387,000	-	(387,000)	-
Water	2.50%	Nov 2018	-	1,915,000	-	(580,000)	1,335,000
			$ 18,455,000	$ 21,010,000	$ (18,455,000)	$ (19,675,000)	$ 1,335,000

A. General Obligation Bonds

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations of the Town and pledge the full faith and credit of the Town. These bonds generally are issued as 20-year serial bonds with equal amounts of principal maturing each year. General obligation bonds at yearend consisted of the following:

7. Long-Term Liabilities – Governmental Funds (Continued)

Purpose	Year of Issue	Original Amount	Final Maturity	Interest Rates	Outstanding by Purpose	Outstanding by Issuance
General Government	2000	$ 2,705,000	2020	4.75-5.875%	$ 270,000	$ 270,000
School	2002	7,800,000	2022	4-5%	1,579,736	
General Government	2002	100,000	2022	4-5%	20,264	1,600,000
School	2010	330,000	2031	2-4%	180,000	
General Government	2010	5,120,000	2031	2-4%	4,140,000	4,320,000
School	2013	3,100,000	2034	3-4%	610,000	
General Government	2013	5,480,000	2034	3-4%	4,795,000	5,405,000
Water, Refunding	2014	350,000	2026	2-5%	245,000	
School, Refunding	2014	14,380,000	2026	2-5%	9,925,000	
General Government, Refunding	2014	370,000	2026	2-5%	245,000	10,415,000
Water, Refunding	2015	5,510,000	2034	2-3%	4,630,000	4,630,000
					$ 26,640,000	$ 26,640,000

Payments to maturity on the general obligation bonds are as follows:

	General Obligation Bonds			General Obligation Bonds	
Year End	Principal	Interest	Year End	Principal	Interest
2019	$ 2,770,000	$ 1,011,093	2027	$ 1,020,000	$ 205,380
2020	2,805,000	894,748	2028	1,020,000	173,840
2021	2,680,000	776,250	2029	1,030,000	140,846
2022	2,690,000	663,161	2030	1,035,000	105,446
2023	2,355,000	548,928	2031	865,000	71,430
2024	2,370,000	453,881	2032	480,000	46,470
2025	2,285,000	359,749	2033	480,000	27,804
2026	2,280,000	267,230	2034	475,000	9,238
				$ 26,640,000	$ 5,755,494

The Town has debt authorized but unissued for projects, including debt authorized prior to the end of the year for spending in the next fiscal year, as follows:

Projects	Year Approved	Total Bond Authorization	Bonds Issued	Grants and Other Proceeds Applied	Authorized But Unissued Debt
Town Facilities Capital Projects	2015-16	$ 2,102,000	$ 2,100,000	$ -	$ 2,000
Various Capital Projects	2016-17	2,835,000	2,655,000	-	180,000
Four Corners Project - Phase 1	2016-17	1,950,000	1,570,000	-	380,000
Various Capital Projects	2017-18	1,602,774	1,505,000	-	97,774
Various Capital Projects	2018-19	2,153,050	-	-	2,153,050
		$ 10,642,824	$ 7,830,000	$ -	$ 2,812,824

On November 15, 2018, the Town refinanced issued additional debt consisting of:

- $17,815,000 in 20-year tax-exempt general obligation bonds with interest rates of 4.0 to 5.0%
- $4,040,000 in 20-year taxable general obligation bonds with interest rates of 4.0 to 4.5%
- $1,910,000 in bond anticipation notes due November 14, 2019 with an interest rate of 3.0%

The proceeds of the new general obligation bonds was used to refinance general obligation bonds including $19,575,000 for governmental activities and $2,900,000 for enterprise funds. In addition, the proceeds included $620,000 of new borrowing on existing authorized but unissued debt and $1,910,000 of new borrowing on debt authorized for the 2018-19 fiscal year.

7. Long-Term Liabilities – Governmental Funds (Continued)

B. Loans Payable

The Town has several loans for the purchase of equipment. At year end there was one loan remaining. The initial amount of the debt was $618,311 issued in September 2014 with an interest rate of 1.85%. The loan was paid off in September 2018.

On July 10, 2018, the Town signed a 3-year loan agreement in the amount of $167,000 to finance equipment. The loan is payable monthly with an interest rate of 2.5%.

C. Assessment Payable

The Town has several sewer assessments due to the WPCA, which will be paid off as follows:

	Assessment Payable			Assessment Payable	
Year End	Principal	Interest	Year End	Principal	Interest
2019	$ 24,872	$ 6,262	2025	$ 28,351	$ 1,893
2020	25,542	5,574	2026	27,904	1,101
2021	26,208	4,867	2027	9,913	322
2022	26,102	4,142	2028	812	50
2023	26,831	3,413	2029	829	33
2024	27,581	2,664	2030	845	17
				$ 225,790	$ 30,338

D. Compensated Absences

A limited number of vacation time earned during the fiscal year can be carried over to the succeeding year, subject to limitations as provided in the respective collective bargaining agreements. Employees are entitled to accumulate sick leave up to a maximum amount stipulated in each contract. Employees in the police union are entitled to payment of 25% of accumulated sick leave. The value of all compensated absences has been reflected in the government-wide financial statements.

E. Prior Year Defeasance of Debt

The Town defeased certain bonds in prior years by placing assets in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Town's financial statements. At year end, $1,791,000 of bonds outstanding are considered defeased.

F. Legal Debt Limit

Connecticut General Statutes Section 7-374 sets limits on the debt, as defined by the statutes, which can be incurred by the Town and other governmental entities within the Town. The limitations for the Town of Brookfield, Connecticut are as follows:

Total tax collections (including interest and lien fees) for the year - primary government	$ 61,082,747
Total tax collections (including interest and lien fees) for the year - coterminous governments	553,020
Reimbursement for revenue loss on tax relief for the elderly (C.G.S. 12-129d)	-
Debt limitation base	$ 61,635,767

7. Long-Term Liabilities – Governmental Funds (Continued)

	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation					
2 1/4 times base	$ 138,680,476	$ -	$ -	$ -	$ -
4 1/2 times base	-	277,360,952	-	-	-
3 3/4 times base	-	-	231,134,126	-	-
3 1/4 times base	-	-	-	200,316,243	-
3 times base	-	-	-	-	184,907,301
Total debt limitation	138,680,476	277,360,952	231,134,126	200,316,243	184,907,301
Indebtedness					
General obligation bonds	14,345,264	12,294,736	720,000	-	-
Bond anticipation notes	17,430,480	3,579,520	2,600,000	-	-
Notes payable	40,017	-	2,402,449	-	-
Debt of conterminous governments:					
Candlewood Shores District	-	-	-	-	-
Total indebtedness	31,815,761	15,874,256	5,722,449	-	-
Debt limitation in excess of debt outstanding and authorized	$ 106,864,715	$261,486,696	$225,411,677	$ 200,316,243	$184,907,301

In no case shall total indebtedness exceed seven times the annual receipts from taxation	$431,450,369
This debt limitation exceeds the debt in the Town of Brookfield, Connecticut by	$378,037,903

8. Long-Term Liabilities – Enterprise Fund

The following table summarizes changes in the long-term indebtedness in the Enterprise Fund:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due in More Than One Year
General obligation bonds	$ 855,000	$ -	$ (135,000)	$ 720,000	$ 135,000	$ 585,000
Loan payable	2,577,849	-	(175,400)	2,402,449	178,940	2,223,509
Compensated absences	3,201	4,213	(3,201)	4,213	4,213	-
Permanent maintenance deposits	39,453	-	(14,870)	24,583	-	24,583
Contingent credits-assessments	654,806	-	-	654,806	-	654,806
	$ 4,130,309	$ 4,213	$ (328,471)	$ 3,806,051	$ 318,153	$ 3,487,898

A. General Obligation Bonds

General obligation bonds and loans at yearend in the Enterprise Fund consisted of the following:

Purpose	Year of Issue	Original Amount	Final Maturity	Interest Rates	Outstanding by Purpose
General Obligation Bonds:					
WPCA	1993	$ 3,400,000	2021	3.65-5.375%	$ 460,000
WPCA	2010	225,000	2031	2-4%	260,000
					$ 720,000
Loan Payable					
Clean Water Fund Note	2010	3,747,082	2030	2.00%	$ 2,402,449

8. Long-Term Liabilities – Enterprise Funds (Continued)

Payments to maturity on the general obligation bonds are as follows:

	General Obligation Bonds			General Obligation Bonds	
Year End	Principal	Interest	Year End	Principal	Interest
2019	$ 135,000	$ 27,570	2026	$ 20,000	$ 3,430
2020	135,000	21,020	2027	20,000	2,845
2021	135,000	14,645	2028	20,000	2,245
2022	135,000	8,425	2029	20,000	1,633
2023	20,000	5,050	2030	20,000	995
2024	20,000	4,530	2031	20,000	335
2025	20,000	3,990		$ 720,000	$ 96,713

Payments to maturity on the loan are as follows:

	Loan Payable			Loan Payable	
Year End	Principal	Interest	Year End	Principal	Interest
2019	$ 178,940	$ 46,420	2025	$ 201,734	$ 23,626
2020	182,552	42,808	2026	205,806	19,554
2021	186,237	39,123	2027	209,960	15,400
2022	189,995	35,365	2028	214,198	11,162
2023	193,830	31,530	2029	218,522	6,838
2024	197,743	27,617	2030	222,932	2,428
				$ 2,402,449	$ 301,871

B. Bond Anticipation Notes

Bond anticipation note activity during the year was as follows:

Purpose	Interest Rate	Maturity Date	Beginning Balance	Additions	Reductions	Ending Balance
WPCA	2.00%	Nov 2017	$ 2,250,000	$ -	$ (2,250,000)	$ -
WPCA	1.30%	Nov 2017	650,000	-	(650,000)	-
WPCA	2.25%	Nov 2018	-	1,950,000	-	1,950,000
WPCA	2.50%	Nov 2018	-	650,000	-	650,000
			$ 2,900,000	$ 2,600,000	$ (2,900,000)	$ 2,600,000

9. Fund Balance

As discussed in Note 1, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. These are summarized below:

	General Fund	Bonded Capital Projects Fund	Water Assessment Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable					
Required to be maintained					
Trust principal	$ -	$ -	$ -	$ 328,236	$ 328,236
	$ -	$ -	$ -	$ 328,236	$ 328,236

9. Fund Balance (Continued)

	General Fund	Bonded Capital Projects Fund	Water Assessment Fund	Other Governmental Funds	Total Governmental Funds
Restricted					
Rehabilitation loans	$ -	$ -	$ -	$ 526,244	$ 526,244
Debt	-	-	829,840	-	829,840
General government	-	-	-	4,261	4,261
Public safety	-	-	-	102,263	102,263
Health and welfare	-	-	-	21,986	21,986
Library	-	-	-	228,929	228,929
Education	-	-	-	209,273	209,273
Open space	-	-	-	132,096	132,096
	$ -	$ -	$ 829,840	$ 1,225,052	$ 2,054,892
Committed					
Capital Projects	$ -	$ 2,009,249	$ -	$ 751,054	$ 2,760,303
Health and welfare	-	-	-	16,578	16,578
Open space	-	-	-	215,538	215,538
	$ -	$ 2,009,249	$ -	$ 983,170	$ 2,992,419
Assigned					
Public safety	$ -	$ -	$ -	$ 131,845	$ 131,845
Culture and recreation	-	-	-	60,269	60,269
Library	-	-	-	12,069	12,069
Education	22,989	-	-	35,740	58,729
Storm clean up	1,001,903	-	-	-	1,001,903
	$ 1,024,892	$ -	$ -	$ 239,923	$ 1,264,815

10. The Town of Brookfield Pension Plan

A. Plan Description - The Town is the administrator of a single-employer defined benefit public employee retirement system ("PERS") established and administered by the Town to provide pension benefits for its union and nonunion employees (excluding teachers covered under the Connecticut State Teachers' Retirement System ("TRS")). The PERS is considered to be part of the Town of Brookfield's financial reporting entity and is included in the Town's financial statement as a pension trust fund. A separate stand-alone financial report is not issued. Benefits may be changed by the Board of Selectmen through union agreements or other actions.

The PERS was established July 1, 1968 and amended and restated January 1, 1994 and January 1, 2015. Additional changes are being made, but not yet incorporated into the plan document.

The Board of Selectmen oversees the pension administration. The Retirement Benefits Advisory Committee ("RBAC") provides advice the Selectment. RBAC is comprised of the Town Treasurer, one member of the Board of Selectmen, one member of the Board of Finance, plus three electors of the Town of Brookfield appointed by the Board of Selectmen, and one member appointed by the Board of Education. The Town Controller is a ex-officio member of the committee. No voting member may be a beneficiary or future beneficiary of the Town's retirement benefit plans.

B. Plan Benefits – Employees become members of the plan on the first of the month following the completion of one year of employment. Contributions to the plan begin on that date.

10. The Funded Retirement Plan of the Town of Brookfield, Connecticut (Continued)

Upon attaining the normal retirement date (which is the earlier of age 55 with 10 years of service or 25 years regardless of age for police and age 62 for all others), participants are entitled to an annual retirement benefit. Employees, except police, can take early retirement at age 55 after completing 10 years of service. For early retirement the employee is entitled to the vested benefit accrued at the date of early retirement and actuarially reduced if the employee elects to have payments commence prior to age 62.

Generally, the normal retirement benefit is equal to 2% of average final earnings times years of service for all except employees of the Board of Education. For the employees of the Board of Education, the normal retirement benefit is equal to 1.75% of average final earnings times years of service as of January 1, 1994 and 2% of average final earnings time years of service after that date.

Average final earnings is defines as the average of 3 consecutive highest earnings, except for police, which is defined as average annual straight-time earnings, plus over time up to $5,000, over 3 years. The three years may be selected from the previous 5 to 10 year, or any period, depending on the type of employee.

All employees, except police, are 50% vested in accrued benefits after 5 years of service plus 10% per year of service for the next 5 years at which time, after 10 years of service, they become 100% vested. Police are 100% vested in accrued benefits after 10 years of service. The accrued benefit of an employee upon attainment of normal retirement age shall be 100% vested. Employees may elect the return of their contribution, with interest at 5%, in lieu of a vested benefit. If an employee terminates before being vested, they are entitled to the return of their contributions with simple interest at 5% annually.

C. Plan Membership – As of the date of the latest actuarial valuation (January 1, 2017), membership consisted of the following:

Active members	162
Terminated employees entitled to benefits, but not yet receiving them	19
Retirees, disabled and beneficiaries receiving benefits	103
	284

D. Funding Policy – The Town funding is based on the actuarial determined employer contribution ("ADEC"). The Town has a policy to pay the ADEC plus additional amounts from time to time. Employees are required to contribute 5% of covered earnings, except for police who are required to contribute 6% of covered earnings.

E. Investment Policy – Portfolio assets will, under normal circumstances, be allocated across broad asset and sub-asset classes in accordance with the following guidelines:

Asset Class	Sub-Asset Class	Target	Range
Equity	Domestic and foreign large cap	40%	30% - 50%
Equity	Domestic and foreign small/mid cap	15%	10% - 20%
	Total Equities	55%	40% - 70%
Fixed Income		40%	25% - 55%
Cash		5%	0% - 10%

10. The Funded Retirement Plan of the Town of Brookfield, Connecticut (Continued)

F. Plan Fiduciary Net Position – The plan's fiduciary net position displays the net position, held in trust, to pay pension benefits as follows:

ASSETS	
Cash and equivalents	$ 1,347,249
Investments, at fair value	
Mutual funds	50,308,255
U.S. Government Securities	208,604
U.S. Agency Securities	294,329
Contribution receivable	82,508
Accrued income	3,969
Total Assets	52,244,914
NET POSITION	
Restricted for pensions benefits	$ 52,244,914

G. Long-Term Expected Rate of Return – The best estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting volatility and correlation. Below shows the target asset class allocation and the long-term expected rate of return, as estimated by Wells Fargo Institutional Asset Advisors, calculated as arithmetic means:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Weighting
Large cap	36.00%	5.26%	1.89%
International equity	15.00%	5.01%	0.75%
Small cap	9.00%	6.09%	0.55%
Core fixed income	38.00%	0.66%	0.25%
Cash	2.00%	0.00%	0.00%
	100.00%		3.44%
	Long-Term Inflation		2.75%
	Long-Term Expected Nominal Return		6.19%

H. Calculation of Money-Weighted Rate of Return – The money-weighted rate of return considers the cash flow of the changing amounts actually invested during the period and weighs the amount of pension plan investments by the proportion of time they are available to earn a return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the end of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow in each month. The money-weighted rate of return is calculated net of investment expense as:

Net money-weighted rate of return for the year ended June 30, 2018 8.16%

10. The Funded Retirement Plan of the Town of Brookfield, Connecticut (Continued)

I. Net Pension Liability – The components of the net pension liability were as follows:

Total pension liability	$ 52,659,882
Less: Plan fiduciary net position	(52,162,406)
Net pension liability	$ 497,476
Plan fiduciary net position as a percentage of total pension liability	99.06%

Changes in the net pension liability during the year were as follows:

Total Pension Liability	
Service cost	$ 1,187,471
Interest on total pension liability	3,300,793
Differences between expected and actual experience	(351,115)
Benefit payments	(2,109,243)
Net change in total pension liability	2,027,906
Total pension liability, beginning	50,631,976
Total pension liability, ending	52,659,882
Fiduciary Net Position	
Employer contributions	1,186,161
Member contributions	467,170
Investment income net of investment expenses	3,979,581
Benefit payments	(2,109,243)
Administrative expenses	(74,222)
Other	4,490
Net change in plan fiduciary net position	3,453,937
Fiduciary net position, beginning	48,708,469
Fiduciary net position, ending	52,162,406
Net pension liability, beginning	1,923,507
Net pension liability, ending	$ 497,476

J. Actuarial Methods and Significant Assumptions - The following were used in the July 1, 2016 valuation and projected forward to a measurement date of June 30, 2018:

Valuation timing	Annual
Actuarial cost method	Entry Age Normal Actuarial Cost Method
Amortization method	
Level percent or level dollar	Level percent of salary
Closed, open or layered	Open periods over 15 years
Asset valuation method	
Smoothing period	3 year
Recognition method	33% per year
Inflation	2.75%
Payroll growth	3.00%
Investment rate of return	6.50%
Cost of living adjustment	1% for police retiring in fiscal year 2007, 1.25% for police after that
Retirement age	Police at age 55, others at age 62
Post-retirement mortality	RP-2014 projected to the valuation date with Scale MP-2016

10. The Funded Retirement Plan of the Town of Brookfield, Connecticut (Continued)

Discount Rate – The discount rate used to measure the total pension liability was 6.5%. 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 rates. 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.

Changes in the Plan and the Plan Assumptions – There have been no changes this year.

K. Sensitivity Analysis – The following presents the net pension liability of the Town, calculated using the current discount rate, as well as what the Town's net pension would be if it were calculated using a discount rate that is 1% point lower or 1% point higher:

	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net pension liability (asset)	$ 6,554,835	$ 497,476	$ (4,585,473)

L. Pension Expense – The total pension expense recognized for the year ended June 30, 2018 was $1,055,788. Pension expense for the next four years will be affected by the following deferred outflows and inflows of resources:

	Deferred Outflows of Resouces	Deferred Inflows of Resouces	Net Deferred Out(In)Flows of Resouces
Difference between expected and actual experience	$ 554,316	$ (398,286)	$ 156,030
Changes in assumptions and demographics	736,212	(178,368)	557,844
Difference between projected and actual earning on investments	-	(1,125,747)	(1,125,747)
Total	$ 1,290,528	$ (1,702,401)	$ (411,873)

Year Ending	
2019	$ 114,197
2020	(72,152)
2021	(540,325)
2022	19,708
2023	134,969
Thereafter	(68,270)
	$ (411,873)

11. Other Post-Employment Benefits ("OPEB")

From an accrual accounting perspective, the cost of post-employment health care benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. The Town recognizes the cost of post-employment healthcare in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the Town's future cash flows.

11. Other Post-Employment Benefits ("OPEB") (Continued)

A. Plan Description - The Town is the administrator of a single-employer defined benefit plan established and administered by the Town to provide post-employment benefits, other than pensions, for certain employees and retirees. The plan is considered to be part of the Town of Brookfield's financial reporting entity and is included in the Town's financial statement as a OPEB trust fund. A separate stand-alone financial report is not issued. Benefits may be changed by the Board of Selectmen through union agreements or other actions.

B. Plan Benefits - Brookfield's plan provides for medical and dental benefits for certain retired employees and all retired teachers. The State statutes require that retired teachers be covered under the Town's plan until the teacher is eligible to obtain benefits under the State plan. As of January 1, 2013, the plan is closed to new employees, other than the teachers required to be covered under State Statute. Benefits for other employees are established by contracts which may be amended by union negotiations.

C. Plan Membership – As of the date of the latest actuarial valuation (July 1, 2016), membership consisted of the following:

Active members	350
Terminated employees entitled to benefits, but not yet receiving them	-
Retirees, disabled and beneficiaries receiving benefits	64
	414

The Board of Selectmen are responsible for the Trust and the Trust assets. The Board of Selectmen consult with the Retirement Benefits Advisory Committee in the conduct of its duties.

D. Funding Policy – Funding is based on the actuarial determined employer contribution ("ADEC"), but as a minimum, the Town pays $200,000 per year into the Trust.

E. Investment Policy – Portfolio assets will, under normal circumstances, be allocated across broad asset and sub-asset classes in accordance with the following guidelines:

Asset Class	Sub-Asset Class	Target	Range
Equity	Domestic and foreign large cap	40%	30% - 50%
Equity	Domestic and foreign small/mid cap	15%	10% - 20%
	Total Equities	55%	40% - 70%
Fixed Income		40%	25% - 55%
Cash		5%	0% - 10%

F. Fiduciary Net Position – The plan's fiduciary net position displays the net position, held in trust, to pay OPEB benefits as follows:

ASSETS	
Cash and equivalents	$ 35,299
Investments, at fair value	
Mutual funds	900,947
Accrued income	44
Total Assets	936,290
NET POSITION	
Restricted for OPEBs benefits	$ 936,290

11. Other Post-Employment Benefits ("OPEB") (Continued)

G. Long-Term Expected Rate of Return – The best estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting volatility and correlation. Below shows the board of finance's target asset class allocation and the long-term expected rate of return calculated as geometric means:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Weighting
Large cap	45.00%	5.26%	2.37%
International equity	15.00%	5.01%	0.75%
Core fixed income	37.00%	0.66%	0.24%
Cash	3.00%	0.00%	0.00%
	100.00%		3.36%
	Long-Term Inflation		2.75%
	Long-Term Expected Nominal Return		6.11%

H. Calculation of Money-Weighted Rate of Return – The money-weighted rate of return considers the cash flow of the changing amounts actually invested during the period and weighs the amount of OPEB plan investments by the proportion of time they are available to earn a return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the end of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow in each month. The money-weighted rate of return is calculated net of investment expense as:

Net money-weighted rate of return for the year ended June 30, 2018	6.07%

I. Net OPEB Liability

The components of the net OPEB liability were as follows:

Total OPEB liability	$ 20,308,218
Less: Plan fiduciary net position	(936,290)
Net OPEB liability	$ 19,371,928
Plan fiduciary net position as a percentage of total OPEB liability	4.61%

11. Other Post-Employment Benefits ("OPEB") (Continued)

Changes in the net pension liability during the year were as follows:

Total OPEB Liability	
Service cost	$ 486,901
Interest on total OPEB liability	1,288,657
Differences between expected and actual experience	(622,272)
Benefit payments	(361,610)
Net change in total OPEB liability	791,676
Total OPEB liability, beginning	19,516,542
Total OPEB liability, ending	20,308,218
Fiduciary Net Position	
Employer contributions	561,610
Investment income net of investment expenses	50,229
Benefit payments	(361,610)
Administrative expenses	(2,459)
Other	532
Net change in plan fiduciary net position	248,302
Fiduciary net position, beginning	687,988
Fiduciary net position, ending	936,290
Net OPEB liability, beginning	18,828,554
Net OPEB liability, ending	$ 19,371,928

J. Actuarial Methods and Significant Assumptions

The following actuarial methods and assumptions were used in the July 1, 2016 valuation and projected forward to a measurement date of June 30, 2018:

Valuation timing	Biannual
Actuarial cost method	Entry Age Normal Actuarial Cost Method
Amortization method	
Level percent or level dollar	Level dollar amount
Closed, open or layered	Open periods over 15 years
Asset valuation	Fair value
Inflation	2.75%
Payroll growth	3.00%
Investment rate of return	6.50%
Cost trend rate:	
Healthcare	8.75% decreasing .5% per year to a rate of 4.75% for 2024 and later
Dental	4.75% per year
Retirement age	Town and nurses at age 62, police with 25 years of service
Post-retirement mortality	RP-2014 projected to the valuation date with Scale MP-2016

Changes in the Plan and the Plan Assumptions – There were no significant plan changes since the last valuation.

11. Other Post-Employment Benefits ("OPEB") (Continued)

K. Sensitivity Analysis - The following presents the total OPEB liability of the Town, calculated using the current discount rate, as well as what the Town's OPEB liability would be if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current discount rate:

	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net OPEB Liability	$ 22,163,149	$ 19,371,928	$ 17,081,669

The following presents the total OPEB liability of the Town, calculated using the current healthcare cost trend rates, as well as what the Town's OPEB liability would be if it were calculated using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

	1% Decrease	Current Cost Trend Rate	1% Increase
Current Percent	7.75%	8.75%	9.75%
Decreasing to	3.75%	4.75%	5.75%
Net OPEB Liability	$ 16,600,292	$ 19,371,928	$ 22,830,613

L. OPEB Expense – The total OPEB expense recognized for the year was $1,643,625. OPEB expense for the next eight years will be affected by the following deferred outflows and inflows of resources:

	Deferred Outflows of Resouces	Deferred Inflows of Resouces	Net Deferred Out(In)Flows of Resouces
Difference between expected and actual experience	$ -	$ (539,302)	$ (539,302)
Difference between projected and actual earning on investments	661	-	661
Total	$ 661	$ (539,302)	$ (538,641)

Year Ending	
2019	$ (82,805)
2020	(82,805)
2021	(82,805)
2022	(82,804)
2023	(82,970)
Thereafter	(124,452)
	$ (538,641)

12. Teachers' Retirement System – Pension Plan

A. Plan Description – Teachers and certain other certified personnel in the Town are eligible to participate in the Connecticut state teachers' retirement system ("TRS"), a cost-sharing multiple employer public employee retirement system described in the Connecticut general statutes, chapter 167a. The TRS has been established to provide retirement and other benefits for teachers, their survivors and beneficiaries. TRS is administered by the teachers' retirement board. TRS issues a publicly available financial report that can be obtained at www.ct.gov .

12. Teachers' Retirement System – Pension Plan (Continued)

B. Plan Benefits – Plan provisions are set by statute of, and remain the obligation of, the State of Connecticut. TRS provides retirement benefits, as well as death and disability benefits. A member is eligible to receive a normal retirement benefit who (1) has reached the age of sixty and has accumulated twenty years of credited service in the public schools of Connecticut or (2) has attained any age and has accumulated thirty-five years of credited service, at least twenty-five years of which are service in the public schools of Connecticut.

The normal retirement benefit is two percent times the number of years of credited service multiplied by their average annual salary received during the three years of highest salary. In no event will such benefit exceed seventy-five percent of the average annual salary. A minimum monthly benefit of $1,200 is provided for teachers who retire under the normal retirement provisions and who have completed at least twenty-five years of full time Connecticut service.

A member is eligible to receive an early retirement benefit who (1) has attained any age and has accumulated twenty-five years of credited service, at least twenty years of which are service in the public schools of Connecticut or (2) has reached the age of fifty-five and has accumulated twenty years of credited service, at least fifteen years of which are service in the public schools of Connecticut.

The early retirement benefit is reduced six percent per year for the first five years preceding normal retirement age and four percent per year for the next five years preceding normal retirement age. Effective July 1, 1999, the reductions for individuals with 30 or more years of service is three percent per year by which retirement precedes normal retirement date.

Benefits are fully vested after ten years of service. Benefits are payable at age sixty and early retirement reductions are based on the number of years of service the member would have had if they had continued to work until age sixty.

C. Plan Membership – All teachers, principals, superintendents or supervisors engaged in service of public schools are eligible for participation.

D. Funding Policy – In accordance with the Connecticut general statutes, section 10-183z, contribution requirements of active employees and the State of Connecticut is amended and certified by the teachers' retirement board and appropriated by the general assembly. The statutes require the State of Connecticut to contribute 100% of each school districts' required contribution. Contributions are actuarially determined as an amount that, when combined with employee contributions and investment earning, 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. Members are required to contribute six percent of their annual salary for the pension benefit.

The Town is not required to make contributions to the plan. The Town's proportionate share has been determined on the same basis as that used by the plan as has the basis of accounting, including policies with respect to benefit payments (including refunds of employee contributions) and the valuation of plan investments.

E. Target Asset Allocation and Rates of Return – The long-term expected rate of return on plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return are developed for each major asset class. The table below shows the target asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class are to be provided by the fiduciary of the plan:

12. Teachers' Retirement System – Pension Plan (Continued)

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%
Real estate	7.00%	5.10%
Private equity	11.00%	7.60%
Alternative investments	8.00%	4.10%
Core fixed income	7.00%	1.30%
High yield bonds	5.00%	3.90%
Emerging market bond	5.00%	3.70%
Inflation linked bond fund	3.00%	1.00%
Cash	6.00%	0.40%

F. Town's Proportionate Share of the Collective Net Pension Liability – Connecticut school teachers participate in the TRS pursuant to section 10-183b et seq. of the Connecticut General Statutes (the "Teachers' Retirement Act"). The teachers' retirement act governs the pension benefits and eligibility of the active and retired teachers of the Brookfield public schools. The teachers' retirement act requires the Connecticut general assembly, not any town, city or local school district, to appropriate the funds necessary to pay the pension benefits due to retirees under the system, including retired teachers of the Brookfield Public schools.

Section 10-183c of the Connecticut general statutes provides that the retirement benefits of teachers who have vested under the TRS are contractual in nature and may not be diminished by act of the general assembly. Accordingly, funding the pension benefits of retired teachers of the Brookfield public schools is a statutory and contractual obligation of the State government, not an obligation of the Town of Brookfield.

Town of Brookfield's Net Pension Liability	$ -
State of Connecticut's Net Pension Liability for the Town of Brookfield	63,815,288
Net Pension Liability	$ 63,815,288

Portion of the State of Connecticut's Net Pension Liability which is related to the Town of Brookfield employees	0.472625%
Pension expense	7,381,565
Proportion Basis	Employee contributions
Change in proportion since prior measurement date	None

G. Actuarial Methods and Significant Assumptions – The following assumptions were used in the pension valuations, prepared as of June 30, 2016 (valuation date) and June 30, 2017 (measurement date) for use in the June 30, 2018 financial statements (reporting date):

12. Teachers' Retirement System – Pension Plan (Continued)

Experience study dates	July 1, 2005 - June 30, 2010
Inflation	2.75%
Salary increases	3.25% to 6.50%, including inflation
Investment rate of return	8.00%, net of investment related expense, including inflation
Discount rate	8.00%, the projection of cash flows assumed that plan member contributions will be made at the current contribution rate and employer contributions will be made at rates equal to the difference between the actuarially determined rate and the member rate.
Cost of living adjustment	Annually compounded increases vary based on member age and date of retirement and range from 2.00% to 6.00%
Post-retirement mortality	RPH-2014 White Collar Mortality Table projected to 2020

Changes in Assumptions – 1. Reduce the inflation assumption from 3.00% to 2.75%; 2. Reduce the real rate of return assumption from 5.50% to 5.25% which, when combined with the inflation assumption rate of return assumption from 8.50% to 8.00%; 3. Reduce the annual rate of wage increase assumption from 0.75% to 0.50%; 4. Slightly modify the merit portion of the salary scale; 5. Reduce the payroll growth assumption from 3.75% to 3.25%; 6. Update mortality tables to projected versions of the RPH-2014 mortality tables; 7. Increase normal retirement rates for females at most ages and proratable retirement rates for males at most ages. Decrease early retirement rates for both males and females. 8. Increase rate of withdrawal; 9. Decrease rates of disability for males.

H. Sensitivity Analysis – 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.

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 rates in 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 the investments was applied to all periods of projected benefit payments to determine the total pension liability.

I. Support Provided by Non-employer Contributing Entities – The Town has a special funding situation whereby the State is obligated to pay the pension costs of the TRS and the Town is not required to pay any of the costs. However, the Town must record the costs paid by the State on behalf of the Town's employees as revenue and expense in its GAAP financial statements which amounted to $4,783,727 as revenue and expense.

J. Obtaining a Report of the Plan – TRS is considered to be a part of the State of Connecticut's financial reporting entity and is included in the State's financial reports as a pension trust fund. The reports include information on the plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position. The stand-alone financial report may be obtained through the Teachers' Retirement Board at www.ct.gov/trb.

13. Connecticut State Teachers' Retiree Health Insurance Plan

A. Plan Description - The Connecticut State Teachers' Retirement System Retiree Health Insurance Plan ("TRS-RHIP") - a cost sharing multiple-employer defined benefit other post-employment benefit plan administered by the Teachers' Retirement Board (TRB). Chapter 167a Section 10-183 (t) of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at www.ct.gov/trb.

B. Plan Benefits - The Plan provides for retiree health insurance benefits. Any member that is currently receiving a retirement or disability benefit is eligible to participate in the Plan. There are two types of the health care benefits offered through the system. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the CTRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

Any member that is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to $110 per month for a retired member plus an additional $110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, any remaining portion is used to offset the district's cost. The subsidy amount is set by statute, and has not increased since July of 1996. A subsidy amount of $220 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least $220 per month towards coverage under a local school district plan.

Any member that is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits).

Survivor Health Care Coverage - Survivors of former employees or retirees remain eligible to participate in the Plan and continue to be eligible to receive either the $110 monthly subsidy or participate in the TRB -Sponsored Medicare Supplemental Plans, as long as they do not remarry.

C. Plan Membership - Teachers, principals, superintendents, supervisors and professional employees at State schools of higher education if they choose to be covered that are currently receiving a retirement or disability benefit are eligible to participate in the plan.

D. Funding Policy

State of Connecticut - Per Connecticut General Statutes Section 10-183t, contribution requirements of active employees and the State are amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The State contributions are not currently actuarially funded. The State appropriates from the General Fund one third of the annual costs of the Plan. Administrative costs of the Plan are financed by the State. Based upon Chapter 167a, Subsection D of Section 10-183t of the Connecticut statutes, it is assumed the State will pay for any long-term shortfall arising from insufficient active member contributions.

13. Connecticut State Teachers' Retiree Health Insurance Plan (Continued)

Employer (Town) - Employers are not required to make contributions to the plan.

Employees - Each member is required to contribute 1.25% of their annual salary. Contributions in excess of $500,000 will be credited to the Retiree Health Insurance Plan.

E. Target Asset Allocation and Rate of Return - The long-term expected rate of return on OPEB plan 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 OPEB plan 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.

All the plan assets are assumed to be invested in cash equivalents due to the need for liquidity. The expected rate of return is 2.75%.

F. Town's Proportionate Share of Collective Liability - The Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amounts recognized by the Town as its proportionate share of the net OPEB liability, the related state support, and the total portion of the net OPEB liability that was associated with the Town were as follows:

Town of Brookfield's Net OPEB Liability	$ -
State of Connecticut's Net OPEB Liability for the Town of Brookfield	16,425,345
Net OPEB Liability	$ 16,425,345
Portion of the State of Connecticut's Net OPEB Liability which is related to the Town of Brookfield employees	0.472625%
OPEB expense	761,233
Proportion Basis	Employee contributions
Change in proportion since prior measurement date	None

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016. The Town has no proportionate share of the net OPEB liability.

G. Actuarial Assumptions - The total OPEB liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.25% to 6.50%, including inflation
Investment rate of return	2.75%, net of plan investment expense, including inflation
Health care costs trend rate	7.25% decreasing to 5.00% by 2022
Year fund will be depleted	2018

Discount Rate - The discount rate used to measure the total OPEB liability was 3.56%. 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 employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

13. Connecticut State Teachers' Retiree Health Insurance Plan (Continued)

Changes in assumptions and inputs - The discount rate was increased from 3.01% to 3.56% to reflect the change in the Municipal Bond Index rate. Changes were also made to the assumed initial per capita healthcare costs, rates of healthcare inflation used to project the per capita costs, and the rates of Plan participation based upon recent experience and current expectations. In addition, the payroll growth rate assumption was decreased from 3.75% to 3.25% to reflect the decrease in the rate of inflation and the decrease in the rate of real wage increase. Lastly, the salary growth assumption, the payroll growth rate, the rates of withdrawal, the rates of retirement, the rates of mortality, and the rates of disability incidence were adjusted based upon the experience study's findings and their adoption by the TRB Board.

H. Sensitivity of the OPEB Liability to Changes in the Discount and Healthcare Cost Rate - The Town's proportionate share of the net OPEB liability is $0 and, therefore, the change in the discount rate would only impact the amount recorded by the State of Connecticut.

I. Support Provided by Non-employer Contributing Entities – The Town has a special funding situation whereby the State is obligated to pay the health care costs of the TRS retiree health insurance plan and the Town is not required to pay any of the costs. However, the Town must record the costs paid by the State on behalf of the Town's employees as revenue and expense in its GAAP financial statements which amounted to $94,156 as revenue and expense.

J. Obtaining a Report of the Plan – The Plan is considered to be a part of the State of Connecticut's financial reporting entity and is included in the State's financial reports as a pension trust fund. The reports include information on the plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position. The stand-alone financial report may be obtained through the Teachers' Retirement Board at www.ct.gov/trb.

14. Length of Service Awards Plan ("LOSAP") for the Volunteer Fire Department

A. Plan Description – The Town is the sponsor of a Length of Service Awards Plan ("Plan") established and administered by the Town to provide pension benefits for its fire department volunteers. This is a single-employer defined benefit plan. To be eligible, a participant must be a member in good standing of one of the two volunteer fire departments who has attained the status of Firefighter, Support Firefighter, Internal Firefighter, External Firefighter or EMS member. The plan was established by the Town. Changes to the plan, including discontinuation of the plan, may be made by the Town.

B. Plan Benefits – The participant's monthly benefit is calculated based on $10 times the total number of years of service to a maximum of 25 years. A participant is entitled to benefits at age 65, and may defer the benefit once reaching age 65, but no additional benefits may be earned. A participant may apply for an early retirement benefit at age 55 and 100% vested. The benefit at age 55 will be actuarially reduced. A participant is 50% vested after 5 years of certified service. For each additional year of certified service, vesting increases 10% until reaching 100%. If the Town's annual budget fails to provide adequate funding as specified by the plan actuary, benefits for that fiscal year will not accrue to the participants.

14. Length of Service Awards Plan ("LOSAP") for the Volunteer Fire Department (Continued)

C. Plan Membership – As of the date of the latest actuarial valuation, membership consisted of the following:

Active members	88
Terminated employees entitled to benefits, but not yet receiving them	73
Retirees, disabled and beneficiaries receiving benefits	21
	182

D. Funding Policy – The Town funds the plan on a pay-as-you-go basis out of the annual General Fund budget. The participants are not expected to contribute.

E. Total Pension Liability – The Town recognizes the total pension liability of $1,964,435 in the government-wide financial statements. No assets are accumulated in a trust to fund this pension plan. Accordingly, the Town's total pension liability is not reduced by any assets.

The Town's total pension liability was determined by an actuarial valuation as of June 30, 2018 (the measurement date). During the year, the plan paid $36,585 in benefits.

F. Total Pension Liability – Changes in the total pension liability during the year were as follows:

Total Pension Liability	
Service cost	$ 45,649
Interest on total pension liability	71,650
Differences between expected and actual experience	3,510
Effect of assumption changes or inputs	(93,685)
Benefit payments	(36,585)
Net change in total pension liability	(9,461)
Total pension liability, beginning	1,973,896
Total pension liability, ending	$ 1,964,435

G. Actuarial Methods and Significant Assumptions – The total pension liability was determined using the following actuarial assumptions:

Valuation timing	Annual at year end
Actuarial cost method	Entry Age Normal Actuarial Cost Method
Amortization method	
Level percent or level dollar	Level percent of salary
Closed, open or layered	Open periods over 15 years
Inflation	0.00%
Payroll growth	Not applicable, volunteer program
Cost of living adjustment	None

Discount Rate – The discount rate used to measure the total pension liability was 3.87%. The projection of cash flows used to determine the discount rate assumed that Town contributions will be made at the current contribution rate.

Changes in the Plan and the Plan Assumptions – There have been no changes this year.

14. Length of Service Awards Plan ("LOSAP") for the Volunteer Fire Department (Continued)

H. Sensitivity Analysis – The following presents the net pension liability of the Town, calculated using the current discount rate, as well as what the Town's total pension liability would be if it were calculated using a discount rate that is 1% point lower or 1% point higher:

	1% Decrease 2.87%	Current Discount Rate 3.87%	1% Increase 4.87%
Total Pension Liability	$ 2,316,550	$ 1,964,435	$ 1,685,345

I. Pension Expense – The total pension expense recognized for the year was $109,657. Pension expense for the next four years will be affected by the following deferred outflows and inflows of resources:

	Deferred Outflows of Resouces	Deferred Inflows of Resouces	Net Deferred Out(In)Flows of Resouces
Difference between expected and actual experience	$ 3,213	$ -	$ 3,213
Changes in assumptions and demographics	-	(85,746)	(85,746)
Total	$ 3,213	$ (85,746)	$ (82,533)

Year Ending	
2019	$ (7,642)
2020	(7,642)
2021	(7,642)
2022	(7,642)
2023	(7,642)
Thereafter	(44,323)
	$ (82,533)

15. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance except as noted below. There have been no significant reductions in insurance coverage from the prior year. Settlement amounts have not exceeded insurance coverage for the current year or three prior years.

The Town currently is a member of the Connecticut Interlocal Risk Management Agency (CIRMA), a public entity risk pool established under the provisions of Connecticut General Statutes section 7-479a et. seq. for its insurance. The Town is liable only for contributions to the pool. Members do not retain the risk of loss, as they have transferred the risk by purchasing coverage with no deductible retention. A separate agreement states limits on the member's obligation to pay indemnification obligations and expenses should CIRMA be unable to do so.

The workers' compensation pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The coverage is subject to an incurred loss retrospective rating plan, the losses incurred in the coverage period will be evaluated at 18, 30 and 42 months after the effective date of coverage. CIRMA's workers' compensation pool retains the risk of loss to $1,000,000 per occurrence and purchases reinsurance above that amount to the limit of liability of $10,000,000 per occurrence.

15. Risk Management (Continued)

The Town is also a member of CIRMA's liability-auto-property ("LAP") pool, a risk sharing pool. The LAP pool's retention limits for general, personal injury and advertising injury, auto, employee benefits, law enforcement, public officials and school leaders' liability are $1,000,000 per occurrence with a $24,000,000 annual aggregate.

The Town is self-insured for claims under C.G.S. 7-433c, the Heart and Hypertension Act. The following is a summary of changes in the heart and hypertension claims liability

Year Ended	Beginning Claims Payable	Current Year Claims	Claim Payments	Ending Claims Payable
2017	$ 288,409	$ -	$ (11,036)	$ 277,373
2018	277,373	-	(10,162)	267,211

16. Contingencies

A. Litigation – The Town is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Town's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the Town.

B. Grants - The Town participates in various federal and state grant programs. These programs are subject to program compliance audits pursuant to the federal and Connecticut single audit acts. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town anticipates such amounts, if any, to be immaterial.

C. School Building Grants - Section 10-283(a)(3)(A) of the Connecticut general statutes states that if the Town abandons, sells, leases, demolishes or otherwise redirects the use of a school building project authorized on or after July 1, 1996, paid partially with State funding, to other than a public school, the Town will owe a portion of the State funding back to the State. For projects with a cost of two million dollars or over, the contingency will be amortized over twenty years. For smaller projects, the contingency will be amortized over ten years.

D. Investment Securities – The Town invests in various securities. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risks associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position and activities.

17. State of Connecticut Information and Restrictions

A. State's Financial Condition – Although the Town of Brookfield holds a Aaa bond rating, the State's bond rating has decreased to A. This reflects increasing constraints on Connecticut achieving long-term structural balance according to the rating agency Standard and Poor's Global Ratings. This has caused approximately one-third of Connecticut cities and towns' bond ratings to drop or their outlook for the future to be changed from stable to negative. In the current year, the Town of Brookfield received $4,351,893 in payments from the State's budget plus the State paid $4,783,727 and $94,156 on behalf of the Town for teachers' retirement and other postemployment benefits. These payments may be greatly or totally reduced in subsequent years. In addition, the Town may be required to pay additional costs charged by the State.

17. State of Connecticut Information and Restrictions (Continued)

As discussed in notes 12 and 13 above, the Town participates in a cost-sharing multiple employer public employee retirement system with the State of Connecticut ("Plan") covering teachers' retirement benefits and a related plan covering other postemployment benefits. Currently the plan is funded solely by the State. During Connecticut budget negotiations, various proposals are made to share the costs of the Plan. Generally the net pension liability in a cost sharing plan is allocated based on same allocation as the costs are allocated.

B. Motor Vehicle Tax Cap – Beginning in fiscal year 2017, the State of Connecticut capped the mill rate for motor vehicle taxes. The motor vehicle mill rate cap for fiscal year 2020 will be 45 mills. The rate cap in fiscal year 2019 and thereafter will be 45 mills. Towns with mill rates above these thresholds are currently scheduled to be reimbursed for lost revenue.

C. Minimum Budget Requirement – The State of Connecticut has established a Minimum Budget Requirement ("MBR") for education expenditures. The MBR prohibits a town from budgeting less for education than it did in the previous year unless, and within limits, the town can demonstrate (1) a decrease in school enrollment or (2) savings through increased efficiencies. If the town receives an increase or decrease in their Education Cost Sharing grant, the MBR will increase or decrease by the same amount.

D. Municipal Spending Cap – The State imposes a cap on municipal spending to limit the budgeted expenditures to 2.5 percent above the previous year, or the rate of inflation, whichever is greater. Exemptions to the cap include:

a. Debt service
b. Special education expenditures
c. Expenditures for implementing court orders
d. Arbitration awards
e. Expenditures related to major disaster or emergency declaration, and
f. In certain circumstances, grants distributed to a special taxing district

Municipalities that increase their adopted budget expenditures over the previous fiscal year by an amount that exceeds the cap receive a reduced municipal revenue sharing grant. The reduction is equal to 50 cents for every dollar the municipality spends over the cap. However, the State may not reduce the cap by an amount proportion to the town's population increase over the previous fiscal year. The total municipal revenue sharing grant for the Town of Brookfield for the year ended June 30, 2018, before any reductions, was $0. This grant has been cut from the State budget for the year ended June 30, 2019, however, the State is still requiring the towns to report under this law.

REQUIRED SUPPLEMENTARY INFORMATION

Required Supplementary Information
Schedule of Revenues, Expenditures, and Other Financing Sources and Uses
Budget and Actual (Budgetary Basis) - General Fund
Year Ended June 30, 2018

	Budgeted Amounts				
	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual Budgetary Basis	Variance with Final Budget
REVENUES					
Taxes					
Current Year Tax Revenue	$ 60,360,346	$ -	$ 60,360,346	$ 60,049,564	$ (310,782)
Prior Year Tax Revenue	257,124	-	257,124	488,475	231,351
Collection Fee Revenue	-	-	-	(207)	(207)
Supplemental Taxes	535,000	-	535,000	604,843	69,843
Interest and Fees	266,506	-	266,506	277,295	10,789
Telephone Tax Payment	59,631	-	59,631	46,148	(13,483)
	61,478,607	-	61,478,607	61,466,118	(12,489)
Licenses and Permits					
Land Use Licenses and Permits					
Health Permits and Fees	61,082	-	61,082	66,444	5,362
Building Permits and Fees	265,000	-	265,000	302,096	37,096
Planning and Zoning Permits& Fees	150,000	-	150,000	81,256	(68,744)
Fire Marshal	-	-	-	55,157	55,157
Other Licenses and Permits					
Public Works (Drvwy, Excav, Recycling)	6,000	-	6,000	3,554	(2,446)
	482,082	-	482,082	508,507	26,425
Intergovernmental Revenue					
Education Grants					
Education Cost Sharing	1,117,583	-	1,117,583	1,225,281	107,698
General Government Grants					
Grants for Municipal Projects	-	-	-	220,999	220,999
Veterans Exemption	7,645	-	7,645	7,477	(168)
Disability Tax Relief	1,360	-	1,360	1,480	120
Judicial Fees	15,955	-	15,955	11,761	(4,194)
Town Aid Road	305,929	-	305,929	306,946	1,017
LOCIP	192,258	-	192,258	8,127	(184,131)
Uniform Chart of Accounts	-	-	-	40,432	40,432
Mashantucket and Mohegan Fund	22,389	-	22,389	21,694	(695)
Police Grants	35,697	-	35,697	-	(35,697)
Elderly Tax Relief	86,275	-	86,275	-	(86,275)
State Owned Property	18,163	-	18,163	-	(18,163)
Municipal Revenue Sharing	494,620	-	494,620	308	(494,312)
	2,297,874	-	2,297,874	1,844,505	(453,369)
Charges for Services					
Town Clerk					
Marriage License Fees	1,500	-	1,500	3,095	1,595
Dog License Fees	1,500	-	1,500	1,486	(14)
Town Clerk Fees	20,000	-	20,000	19,995	(5)
Recording Fees	50,000	-	50,000	55,617	5,617
Copies of Land Records	20,000	-	20,000	21,118	1,118
Conveyance Tax	307,000	-	307,000	399,509	92,509
Document Charges	40,000	-	40,000	40,416	416
Other Charges for Services					
Police Reports	-	-	-	8,138	8,138
	440,000	-	440,000	549,374	109,374
Fines and Assessments					
Alarm Fines	-	-	-	8,451	8,451
	-	-	-	8,451	8,451

(Continued)

Town of Brookfield, Connecticut

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Required Supplementary Information
Schedule of Revenues, Expenditures, and Other Financing Sources and Uses
Budget and Actual (Budgetary Basis) - General Fund (Continued)
Year Ended June 30, 2018

	Budgeted Amounts				
	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual Budgetary Basis	Variance with Final Budget
Investment Income					
Interest Income	$ 15,000	$ -	$ 15,000	$ 102,408	$ 87,408
	15,000	-	15,000	102,408	87,408
Rents and Royalties					
Building	30,118	-	30,118	50,050	19,932
Cell Tower	12,000	-	12,000	21,816	9,816
	42,118	-	42,118	71,866	29,748
Other Revenues					
Donation Revenues	-		-	2,724	2,724
Miscellaneous Revenues	27,000	-	27,000	51,322	24,322
	27,000	-	27,000	54,046	27,046
Other Financing Sources					
Interfund Transfers	-	-	-	197,351	197,351
Bond Premium	-	-	-	195,422	195,422
	-	-	-	392,773	392,773
Total Revenues	**64,782,681**	**-**	**64,782,681**	**64,998,048**	**215,367**

(Continued)

Required Supplementary Information
Schedule of Revenues, Expenditures, and Other Financing Sources and Uses
Budget and Actual (Budgetary Basis) - General Fund (Continued)
Year Ended June 30, 2018

	Budgeted Amounts				
	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual Budgetary Basis	Variance with Final Budget
GENERAL GOVERNMENT					
Selectmen					
Salaries and Wages					
Elected Officials	$ 85,872	$ 661	$ 86,533	$ 86,533	$ -
Board of Selectmen	8,582	-	8,582	8,582	-
Nonunion Wages	62,074	234	62,308	62,308	-
Other Wages	5,152	-	5,152	5,152	-
	161,680	895	162,575	162,575	-
Legal Retainer	60,000	-	60,000	60,000	-
Tax Litigation	8,000	(8,000)	-	-	-
Legal Fees	145,000	91,145	236,145	236,145	-
Tax Appeals	3,000	(3,000)	-	-	-
Codify Laws	2,500	-	2,500	2,196	304
Travel and Conferences	3,000	941	3,941	3,941	-
Office Supplies	2,500	(1,836)	664	593	71
	224,000	79,250	303,250	302,875	375
Total Selectmen	**385,680**	**80,145**	**465,825**	**465,450**	**375**
Board of Finance					
Salaries and Wages					
Seasonal/Sporadic Wages	3,264	1,130	4,394	4,394	-
	3,264	1,130	4,394	4,394	-
Purchased Professional Services	44,000	(1,400)	42,600	31,650	10,950
Office Supplies	-	270	270	270	-
	44,000	(1,130)	42,870	31,920	10,950
Total Board of Finance	**47,264**	**-**	**47,264**	**36,314**	**10,950**
Finance					
Salaries and Wages					
Elected Officials	12,240	-	12,240	12,240	-
Nonunion Wages	220,000	(26,986)	193,014	193,014	-
Union Wages	98,465	3,338	101,803	101,803	-
Part-Time Wages	45,900	-	45,900	45,900	-
Overtime Wages	-	1,684	1,684	1,684	-
	376,605	(21,964)	354,641	354,641	-
Purchased Professional Services	-	37,347	37,347	37,347	-
Travel and Conferences	6,042	1,428	7,470	7,470	-
Office Supplies	5,000	(1,275)	3,725	3,725	-
	11,042	37,500	48,542	48,542	-
Total Finance	**387,647**	**15,536**	**403,183**	**403,183**	**-**
Assessor					
Salaries and Wages					
Nonunion Wages	90,000	346	90,346	90,346	-
Union Wages	128,463	-	128,463	126,454	2,009
Overtime Wages	3,000	(1,034)	1,966	1,694	272
	221,463	(688)	220,775	218,494	2,281
Dept. Specific Outside Services	14,550	-	14,550	9,207	5,343
Travel and Conferences	2,400	688	3,088	3,088	-
Office Supplies	2,800	-	2,800	2,787	13
Software	37,500	-	37,500	37,046	454
	57,250	688	57,938	52,128	5,810
Total Assessor	**278,713**	**-**	**278,713**	**270,622**	**8,091**

(Continued)

Required Supplementary Information
Schedule of Revenues, Expenditures, and Other Financing Sources and Uses
Budget and Actual (Budgetary Basis) - General Fund (Continued)
Year Ended June 30, 2018

	Budgeted Amounts				
	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual Budgetary Basis	Variance with Final Budget
GENERAL GOVERNMENT (Continued)					
Board of Assessment Appeals					
Salaries and Wages					
Seasonal/Sporadic Wages	$ 872	$ -	$ 872	$ 610	$ 262
	872	-	872	610	262
Advertising					
Travel and Conferences	150	-	150		150
Office Supplies	25	-	25		25
	175	-	175	-	175
Board of Assessment Appeals	**1,047**	**-**	**1,047**	**610**	**437**
Tax Collector					
Salaries and Wages					
Nonunion Wages	79,358	-	79,358	79,168	190
Union Wages	88,845	677	89,522	89,522	-
Seasonal/Sporadic Wages	3,500	-	3,500	2,648	852
Overtime Wages	750	-	750	133	617
	172,453	677	173,130	171,471	1,659
Dept. Specific Outside Services	2,000	-	2,000	695	1,305
Postage	15,000	(1,894)	13,106	12,545	561
Travel and Conferences	2,000	-	2,000	1,677	323
Office Supplies	6,600	-	6,600	4,697	1,903
Dept. Specific Supplies	250	-	250	250	-
Software	17,900	1,217	19,117	19,117	-
	43,750	(677)	43,073	38,981	4,092
Total Tax Collector	**216,203**	**-**	**216,203**	**210,452**	**5,751**
Personnel					
Salaries and Wages					
Nonunion Wages	139,073	1,291	140,364	140,364	-
	139,073	1,291	140,364	140,364	-
Pension Consulting	49,707	28,657	78,364	78,364	-
Dept. Specific Outside Services	13,500	(1,291)	12,209	11,040	1,169
Advertising	1,000	-	1,000	924	76
Travel and Conferences	2,000	-	2,000	1,422	578
Office Supplies	1,500	-	1,500	1,500	-
	67,707	27,366	95,073	93,250	1,823
Total Personnel	**206,780**	**28,657**	**235,437**	**233,614**	**1,823**
Information Technology					
Salaries and Wages					
Nonunion Wages	148,358	-	148,358	147,554	804
Seasonal/Sporadic Wages	7,500	-	7,500	3,150	4,350
	155,858	-	155,858	150,704	5,154
Purchased Professional Services	7,500	-	7,500	7,447	53
Dept. Specific Outside Services	6,500	-	6,500	4,633	1,867
Software Maintenance	100,000	-	100,000	88,630	11,370
Hardware Maintenance	20,000	-	20,000	17,151	2,849
Travel and Conferences	6,500	-	6,500	6,403	97
Office Supplies	7,500	-	7,500	6,683	817
Dept. Specific Supplies	16,000	-	16,000	15,915	85
	164,000	-	164,000	146,862	17,138
Total Information Technology	**319,858**	**-**	**319,858**	**297,566**	**22,292**

(Continued)

Required Supplementary Information
Schedule of Revenues, Expenditures, and Other Financing Sources and Uses
Budget and Actual (Budgetary Basis) - General Fund (Continued)
Year Ended June 30, 2018

	Budgeted Amounts				
	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual Budgetary Basis	Variance with Final Budget
GENERAL GOVERNMENT (Continued)					
Town Clerk					
Salaries and Wages					
Elected Officials	$ 72,431	$ (9,097)	$ 63,334	$ 51,816	$ 11,518
Union Wages	126,761	-	126,761	123,615	3,146
	199,192	(9,097)	190,095	175,431	14,664
Advertising	32,000	6,825	38,825	38,825	-
Travel and Conferences	3,750	-	3,750	1,756	1,994
Office Supplies	4,000	127	4,127	4,127	-
Dept. Specific Supplies	1,000	-	1,000	514	486
Software	15,000	2,145	17,145	17,145	-
	55,750	9,097	64,847	62,367	2,480
Total Town Clerk	**254,942**	**-**	**254,942**	**237,798**	**17,144**
Registrar of Voters					
Salaries and Wages					
Elected Officials	26,255	-	26,255	26,254	1
Nonunion Wages	410	-	410	97	313
Part-Time Wages	2,090	45	2,135	2,135	-
Seasonal/Sporadic Wages	70,000	-	70,000	67,087	2,913
	98,755	45	98,800	95,573	3,227
Travel and Conferences	3,905	-	3,905	2,545	1,360
Office Supplies	1,350	(45)	1,305	801	504
Dept. Specific Supplies	2,848	-	2,848	149	2,699
	8,103	(45)	8,058	3,495	4,563
Total Registrar of Voters	**106,858**	**-**	**106,858**	**99,068**	**7,790**
Land Use - Planning					
Salaries and Wages					
Nonunion Wages	137,222	12,120	149,342	149,342	-
Union Wages	80,827	(1,334)	79,493	79,493	-
Seasonal/Sporadic Wages	9,690	1,815	11,505	11,505	-
	227,739	12,601	240,340	240,340	-
Purchased Professional Services	37,000	(4,250)	32,750	32,750	-
Travel and Conferences	2,500	1,858	4,358	4,358	-
Office Supplies	3,500	(188)	3,312	3,312	-
Dept. Specific Supplies	1,250	(794)	456	456	-
	44,250	(3,374)	40,876	40,876	-
Total Land Use - Planning	**271,989**	**9,227**	**281,216**	**281,216**	**-**
Land Use - Building					
Salaries and Wages					
Nonunion Wages	161,072	584	161,656	161,656	-
Union Wages	39,613	8	39,621	39,621	-
	200,685	592	201,277	201,277	-
Dept. Specific Outside Services	24,000	(485)	23,515	21,372	2,143
Forms and Printing	1,000	330	1,330	1,330	-
Travel and Conferences	1,000	(360)	640	640	-
Dept. Specific Supplies	1,375	(77)	1,298	1,298	-
	27,375	(592)	26,783	24,640	2,143
Total Land Use - Building	**228,060**	**-**	**228,060**	**225,917**	**2,143**
Property Insurance					
Municipal Package	253,895	(25,184)	228,711	209,714	18,997
Fidelity Bonds	3,850	-	3,850	1,570	2,280
E/O Town Clerk Contingency	2,200	-	2,200	-	2,200
Total Property Insurance	**259,945**	**(25,184)**	**234,761**	**211,284**	**23,477**

(Continued)

Required Supplementary Information
Schedule of Revenues, Expenditures, and Other Financing Sources and Uses
Budget and Actual (Budgetary Basis) - General Fund (Continued)
Year Ended June 30, 2018

	Budgeted Amounts				
	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual Budgetary Basis	Variance with Final Budget
GENERAL GOVERNMENT (Continued)					
Conservation Commission					
Dept. Specific Outside Services/Gurski	$ 22,000	$ -	$ 22,000	$ 20,004	$ 1,996
Travel and Conferences	200	-	200	200	-
	22,200	-	22,200	20,204	1,996
Total Conservation Commission	**22,200**	**-**	**22,200**	**20,204**	**1,996**
Economic Development Commission					
Salaries and Wages					
Seasonal/Sporadic Wages	500	98	598	598	-
	500	98	598	598	-
Travel and Conferences	600	-	600	600	-
Office Supplies	25	-	25	25	-
	625	-	625	625	-
Total Economic Development Comm.	**1,125**	**98**	**1,223**	**1,223**	**-**
Community Development					
Salaries and Wages					
Nonunion Wages	76,500	-	76,500	76,500	-
	76,500	-	76,500	76,500	-
Forms and Printing	200	3	203	203	-
Travel and Conferences	1,750	(73)	1,677	1,677	-
Dept. Specific Supplies	2,500	163	2,663	2,663	-
	4,450	93	4,543	4,543	-
Total Community Development	**80,950**	**93**	**81,043**	**81,043**	**-**
Regional Memberships/Services					
CCM Dues	10,000	122	10,122	10,122	-
Lake Lilinoah Authority	25,909	-	25,909	25,909	-
Western Council of Governments	14,282	-	14,282	11,770	2,512
Candlewood Lake Authority	77,800	-	77,800	77,800	-
Brookfield Veterans	5,775	-	5,775	4,294	1,481
Regional Animal Control	80,805	-	80,805	80,805	-
Regional Probate Court	17,800	-	17,800	17,800	-
Sweethart Senior Trans.	79,800	-	79,800	79,800	-
HART	29,037	-	29,037	29,037	-
Council of Small Towns	1,147	(122)	1,025	1,025	-
Total Regional Memberships/Services	**342,355**	**-**	**342,355**	**338,362**	**3,993**
Employee Benefits					
FICA and Medicare Tax	595,142	2,113	597,255	597,255	-
Unemployment	10,000	-	10,000	515	9,485
Workers' Compensation	265,986	25,184	291,170	291,170	-
Health Insurance	2,210,764	-	2,210,764	1,857,983	352,781
Life Ins/Disability/Medicare Ins	352,405	-	352,405	340,035	12,370
OPEB Contribution	200,000	-	200,000	200,000	-
Pension Contribution	834,632	(3,231)	831,401	820,034	11,367
Total Employee Benefits	**4,468,929**	**24,066**	**4,492,995**	**4,106,992**	**386,003**
TOTAL GENERAL GOVERNMENT	**7,880,545**	**132,638**	**8,013,183**	**7,520,918**	**492,265**

(Continued)

Required Supplementary Information
Schedule of Revenues, Expenditures, and Other Financing Sources and Uses
Budget and Actual (Budgetary Basis) - General Fund (Continued)
Year Ended June 30, 2018

	Budgeted Amounts				
	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual Budgetary Basis	Variance with Final Budget
PUBLIC SAFETY					
Police					
Salaries and Wages					
Nonunion Wages	$ 320,557	$ -	$ 320,557	$ 319,523	$ 1,034
Union Wages - Police	2,420,176	(44,352)	2,375,824	2,314,551	61,273
Union Wages - Clerical	98,751	-	98,751	97,688	1,063
Union Wages - Dispatchers	423,866	-	423,866	409,393	14,473
Specialty Pay	65,500	-	65,500	51,584	13,916
Holiday Wages	129,363	-	129,363	129,336	27
Overtime Wages	196,500	35,553	232,053	232,053	-
Wages While Training	65,511	1,926	67,437	67,437	-
Traffic Services - Town Portion	5,000	-	5,000	-	5,000
	3,725,224	(6,873)	3,718,351	3,621,565	96,786
Recruiting/Health Maintenance.	5,000	6,750	11,750	11,750	-
Teleprocessing	4,000	-	4,000	2,529	1,471
Memberships and Dues	7,445	-	7,445	4,626	2,819
Maintenance - Buildings	33,547	-	33,547	26,650	6,897
Safety equipment	5,133	-	5,133	4,801	332
Maintenance - Vehicles	38,075	-	38,075	23,363	14,712
Maintenance - Equipment	85,662	-	85,662	71,533	14,129
Communications	80,418	-	80,418	76,062	4,356
Office Supplies	18,363	-	18,363	8,887	9,476
Uniforms	59,190	-	59,190	54,659	4,531
Prisoner Maintenance	1,000	-	1,000	194	806
Equipment	30,936	-	30,936	21,444	9,492
Photo ID	750	123	873	873	-
Dept. Specific Supplies	13,000	-	13,000	6,430	6,570
Travel/cont. ed/dues/training supplies	42,000	-	42,000	37,724	4,276
	424,519	6,873	431,392	351,525	79,867
Total Police	**4,149,743**	**-**	**4,149,743**	**3,973,090**	**176,653**
Fire - Center Department					
Annual Allocation	315,757	-	315,757	315,757	-
Fire - Candlewood Department					
Annual Allocation	153,001	-	153,001	153,001	-
Fire - Combined Expenses					
VFF Stipends	149,000	(27,500)	121,500	121,500	-
VFF Service Awards Program	43,000	(39)	42,961	42,961	-
Total Fire - Combined Expenses	**192,000**	**(27,539)**	**164,461**	**164,461**	**-**
Emergency Medical Services					
Annual Allocation	278,120	-	278,120	278,120	-
Total Emergency Medical Services	**278,120**	**-**	**278,120**	**278,120**	**-**
Fire Marshal					
Salaries and Wages					
Nonunion Wages	78,274	5,776	84,050	84,050	-
Part-Time Wages	30,000	(6,612)	23,388	7,099	16,289
	108,274	(836)	107,438	91,149	16,289
Dept. Specific Outside Services	3,500	-	3,500	2,611	889
Forms and Printing	1,000	-	1,000	978	22
Travel and Conferences	2,000	-	2,000	700	1,300
Dept. Specific Supplies	1,375	836	2,211	2,211	-
	7,875	836	8,711	6,500	2,211
Total Fire Marshal	**116,149**	**-**	**116,149**	**97,649**	**18,500**
TOTAL PUBLIC SAFETY	**5,204,770**	**(27,539)**	**5,177,231**	**4,982,078**	**195,153**

(Continued)

See Independent Auditors' Report

Required Supplementary Information
Schedule of Revenues, Expenditures, and Other Financing Sources and Uses
Budget and Actual (Budgetary Basis) - General Fund (Continued)
Year Ended June 30, 2018

	Budgeted Amounts				
	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual Budgetary Basis	Variance with Final Budget
PUBLIC WORKS					
Highway Department					
Salaries and Wages					
Nonunion Wages	$ 174,280	$ 1,340	$ 175,620	$ 175,620	$ -
Union Wages	784,072	(10,088)	773,984	773,984	-
Seasonal/Sporadic Wages	27,403	-	27,403	19,013	8,390
Overtime Wages	42,840	63,203	106,043	106,043	-
	1,028,595	54,455	1,083,050	1,074,660	8,390
Sand and salt	275,000	-	275,000	266,405	8,595
Maintenance - Roads	275,000	(36,696)	238,304	238,304	-
Tree Removal	45,000	(11,192)	33,808	33,808	-
Safety Equipment	1,500	1,271	2,771	2,771	-
Hand tools - Contract	1,000	-	1,000	-	1,000
Maintenance - Equipment	150,000	(8,744)	141,256	140,749	507
Storm Water Testing	10,800	-	10,800	6,209	4,591
Communications	1,352	906	2,258	2,258	-
Uniforms - Contract	7,995	-	7,995	6,656	1,339
Vehicle Fuel	145,000	4,933	149,933	149,933	-
	912,647	(49,522)	863,125	847,093	16,032
Total Highway Department	**1,941,242**	**4,933**	**1,946,175**	**1,921,753**	**24,422**
Facilities					
Salaries and Wages					
Nonunion Wages	63,672	901	64,573	64,573	-
Union Wages	95,275	3,386	98,661	98,661	-
Overtime Wages	510	-	510	-	510
	159,457	4,287	163,744	163,234	510
Maintenance - Building	64,000	7,806	71,806	71,806	-
Maintenance - Facilities	19,500	(206)	19,294	15,890	3,404
Supplies	41,850	(11,887)	29,963	29,963	-
	125,350	(4,287)	121,063	117,659	3,404
Total Facilities	**284,807**	**-**	**284,807**	**280,893**	**3,914**
Recycling					
Salaries and Wages					
Part-Time Wages	5,000	4,120	9,120	9,120	-
	5,000	4,120	9,120	9,120	-
Recycling/Refuse	25,000	(687)	24,313	24,313	-
Hazardous Waste	8,400	(3,407)	4,993	4,993	-
	33,400	(4,094)	29,306	29,306	-
Total Recycling	**38,400**	**26**	**38,426**	**38,426**	**-**
Utilities					
Electric	110,000	4,644	114,644	114,644	-
Fuel Oil for Heating	50,000	-	50,000	41,985	8,015
Sewer Use	1,234	1,879	3,113	3,113	-
Sewer Assessment	175,000	(61,158)	113,842	31,158	82,684
Street Lighting	30,000	569	30,569	30,569	-
Communications	15,528	-	15,528	12,619	2,909
Postage	-	28,027	28,027	28,027	-
Water	6,000	1,740	7,740	7,740	-
Hydrants	70,515	19,366	89,881	89,881	-
Total Utilities	**458,277**	**(4,933)**	**453,344**	**359,736**	**93,608**
TOTAL PUBLIC WORKS	**2,722,726**	**26**	**2,722,752**	**2,600,808**	**121,944**

(Continued)

Required Supplementary Information
Schedule of Revenues, Expenditures, and Other Financing Sources and Uses
Budget and Actual (Budgetary Basis) - General Fund (Continued)
Year Ended June 30, 2018

	Budgeted Amounts				
	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual Budgetary Basis	Variance with Final Budget
HEALTH AND WELFARE					
Health Department					
Salaries and Wages					
Elected Officials	$ 60,421	$ -	$ 60,421	$ 60,421	$ -
Nonunion Wages	124,413	-	124,413	124,413	-
Union Wages	39,613	4,396	44,009	44,009	-
	224,447	4,396	228,843	228,843	-
Purchased Professional Services	3,600	2,131	5,731	5,731	-
Forms and Printing	500	(100)	400	400	-
Travel and Conferences	1,800	(163)	1,637	1,637	-
Dept. Specific Supplies	400	(105)	295	295	-
	6,300	1,763	8,063	8,063	-
Total Health Department	**230,747**	**6,159**	**236,906**	**236,906**	**-**
Senior Center					
Salaries and Wages					
Nonunion Wages	114,568	881	115,449	115,449	-
	114,568	881	115,449	115,449	-
Dept. Specific Outside Services	21,000	(233)	20,767	20,767	-
Communications	1,500	(553)	947	947	-
Travel and Conferences	750	-	750	735	15
Office Supplies	2,640	(190)	2,450	2,292	158
Dept. Specific Supplies	5,600	95	5,695	5,695	-
	31,490	(881)	30,609	30,436	173
Total Senior Center	**146,058**	**-**	**146,058**	**145,885**	**173**
Social Services					
Salaries and Wages					
Nonunion Wages	61,200	471	61,671	61,671	-
	61,200	471	61,671	61,671	-
Dept. Specific Outside Services	750	(163)	587	587	-
Communications	600	(37)	563	563	-
Travel and Conferences	600	(31)	569	569	-
Office Supplies	750	(159)	591	591	-
	2,700	(390)	2,310	2,310	-
Social Services	**63,900**	**81**	**63,981**	**63,981**	**-**
Regional Social Services					
Ability Beyond Disability	3,000	-	3,000	3,000	-
Women's Center	4,500	-	4,500	4,500	-
Hospice	5,000	-	5,000	5,000	-
Other	3,000	-	3,000	3,000	-
Regional Social Services	**15,500**	**-**	**15,500**	**15,500**	**-**
TOTAL HEALTH AND WELFARE	**456,205**	**6,240**	**462,445**	**462,272**	**173**

(Continued)

Required Supplementary Information
Schedule of Revenues, Expenditures, and Other Financing Sources and Uses
Budget and Actual (Budgetary Basis) - General Fund (Continued)
Year Ended June 30, 2018

	Budgeted Amounts				
	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual Budgetary Basis	Variance with Final Budget
CULTURE AND RECREATION					
Library					
Library Allocation	$ 718,354	$ -	$ 718,354	$ 718,354	$ -
Recreation					
Salaries and Wages					
Nonunion Wages	158,112	(2,902)	155,210	151,996	3,214
Union Wages	39,613	710	40,323	40,323	-
Seasonal/Sporadic Wages	1,020	-	1,020	918	102
	198,745	(2,192)	196,553	193,237	3,316
Dept. Specific Outside Services	4,700	163	4,863	4,863	-
Utilities	26,094	1,861	27,955	27,955	-
Equip. Maint. and Repair	5,500	168	5,668	10,418	(4,750)
Communications	3,900	-	3,900	3,893	7
Travel and Conferences	2,945	-	2,945	2,551	394
Office Supplies	2,000	-	2,000	1,771	229
Dept. Specific Supplies	4,750	-	4,750	-	4,750
	49,889	2,192	52,081	51,451	630
Total Recreation	**248,634**	**-**	**248,634**	**244,688**	**3,946**
Park/Grounds					
Salaries and Wages					
Nonunion Wages	62,457	-	62,457	62,457	-
Union Wages	154,493	-	154,493	154,493	-
Part-Time Wages	45,696	-	45,696	45,696	-
Seasonal/Sporadic Wages	3,596	-	3,596	3,596	-
Overtime Wages	22,694	-	22,694	22,694	-
	288,936	-	288,936	288,936	-
Grounds Supplies	30,000	-	30,000	30,000	-
Grounds Maintenance	252,885	-	252,885	252,885	-
Equip. Maint. and Repair	21,225	-	21,225	21,225	-
	304,110	-	304,110	304,110	-
Total Parks/Grounds	**593,046**	**-**	**593,046**	**593,046**	**-**
Historical Commission					
Salaries and Wages					
Part-Time Wages	612	-	612	41	571
Seasonal/Sporadic Wages	1,500	-	1,500	-	1,500
	2,112	-	2,112	41	2,071
Cemetery Maintenance	1,000	-	1,000	670	330
Postage	50	-	50	-	50
Travel and Conferences	1,100	-	1,100	50	1,050
Dept. Specific Supplies	500	-	500	-	500
	2,650	-	2,650	720	1,930
Total Historical Commission	**4,762**	**-**	**4,762**	**761**	**4,001**
Arts Commission					
Dept. Specific Outside Services	3,500	-	3,500	3,474	26
Total Arts Commission	**3,500**	**-**	**3,500**	**3,474**	**26**
TOTAL CULTURE AND RECREATION	**1,568,296**	**-**	**1,568,296**	**1,560,323**	**7,973**
TOTAL GENERAL GOV'T OPERATING	**17,832,542**	**111,365**	**17,943,907**	**17,126,399**	**817,508**

(Continued)

See Independent Auditors' Report

Required Supplementary Information
Schedule of Revenues, Expenditures, and Other Financing Sources and Uses
Budget and Actual (Budgetary Basis) - General Fund (Continued)
Year Ended June 30, 2018

	Budgeted Amounts				
	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual Budgetary Basis	Variance with Final Budget
BOARD OF EDUCATION					
Education Expenditures					
Salaries and Wages					
Administrators	$ 2,605,929	$ 115,000	$ 2,720,929	$ 2,700,651	$ 20,278
Team/Curriculum Leaders	94,838	(4,800)	90,038	58,449	31,589
Teachers' Salaries	18,112,607	(300,200)	17,812,407	17,368,191	444,216
Teacher Turnover Savings	(125,000)	(113,183)	(238,183)	-	(238,183)
Aides and Paraprofessionals	1,082,846	-	1,082,846	1,124,671	(41,825)
Tutors	2,500	-	2,500	3,444	(944)
Substitutes	295,000	-	295,000	454,483	(159,483)
Clerical/Computer Technicians	1,877,175	(21,094)	1,856,081	1,917,245	(61,164)
Health Staff	345,403	-	345,403	331,655	13,748
Custodians	954,073	-	954,073	942,321	11,752
Maintenance	287,550	(79,476)	208,074	192,656	15,418
Monitors	125,188	(15,000)	110,188	77,204	32,984
Co-Curricular Coaches	389,748	-	389,748	384,701	5,047
Transportation / Messenger	11,000	-	11,000	10,920	80
Special Education Substitutes	1,500	-	1,500	-	1,500
Extended Duty	165,206	-	165,206	149,280	15,926
Student Safety	71,216	-	71,216	64,886	6,330
Overtime	42,000	-	42,000	36,652	5,348
Occupational/Physical Therapy	241,979	-	241,979	242,143	(164)
Total Salaries and Wages	**26,580,758**	**(418,753)**	**26,162,005**	**26,059,552**	**102,453**
Employee Benefits					
Group Insurance	72,000	-	72,000	64,598	7,402
Social Security	682,479	-	682,479	671,599	10,880
Pension Contribution	325,964	-	325,964	350,590	(24,626)
Education Programs	4,000	-	4,000	4,200	(200)
Unemployment	22,000	-	22,000	3,691	18,309
Workers Compensation	187,556	18,753	206,309	230,370	(24,061)
Health Insurance	5,144,924	(72,000)	5,072,924	5,241,978	(169,054)
Disability Insurance	158,506	-	158,506	156,423	2,083
Total Employee Benefits	**6,597,429**	**(53,247)**	**6,544,182**	**6,723,449**	**(179,267)**
Purchased Professional Services					
Legal Fees	145,000	-	145,000	138,493	6,507
Legal Settlement	-	-	-	125,000	(125,000)
Professional Educational	172,000	(7,000)	165,000	113,878	51,122
Other Professional Services	930,755	267,500	1,198,255	1,455,620	(257,365)
Technical Services	32,000	-	32,000	17,274	14,726
Total Purchased Professional Svs	**1,279,755**	**260,500**	**1,540,255**	**1,850,265**	**(310,010)**
Purchased Property Services					
Maintenance and Utilities	98,663	-	98,663	47,971	50,692
Building and Maintenance	202,500	-	202,500	118,340	84,160
Lease/Rent	144,225	-	144,225	137,658	6,567
Lease/Copier	248,598	-	248,598	239,084	9,514
Total Purchased Property Services	**693,986**	**-**	**693,986**	**543,053**	**150,933**

(Continued)

Required Supplementary Information
Schedule of Revenues, Expenditures, and Other Financing Sources and Uses
Budget and Actual (Budgetary Basis) - General Fund (Continued)
Year Ended June 30, 2018

	Budgeted Amounts				
	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual Budgetary Basis	Variance with Final Budget
BOARD OF EDUCATION (Continued)					
Purchased Other Services					
Pupil Transportation	$ 2,095,329	$ -	$ 2,095,329	$ 2,016,760	$ 78,569
Transportation - Sp Educ - In Town	15,300	-	15,300	26,921	(11,621)
Transportation - Sp Educ - Out of Town	510,000	70,000	580,000	628,776	(48,776)
Transportation - Athletics	60,290	-	60,290	59,278	1,012
Transportation - Field Trips	33,686	-	33,686	29,358	4,328
Property Liability Insurance	210,950	-	210,950	212,751	(1,801)
Communications - Telephone	79,404	-	79,404	96,092	(16,688)
Postage	27,825	-	27,825	22,771	5,054
Communications - Data Line	40,000	-	40,000	23,461	16,539
Forms and Printing	12,400	-	12,400	1,470	10,930
Tuition - Vocational/Agric.	40,000	-	40,000	61,405	(21,405)
Magnet School Tuition	76,712	-	76,712	81,700	(4,988)
Special Education Tuition	1,100,000	800,000	1,900,000	1,863,259	36,741
Travel and Conferences	36,870	(18,000)	18,870	8,875	9,995
Total Purchased Other Services	**4,338,766**	**852,000**	**5,190,766**	**5,132,877**	**57,889**
Supplies					
Office Supplies	28,750	-	28,750	15,064	13,686
Instructional Supplies	310,495	(40,000)	270,495	209,407	61,088
Custodial Supplies	77,500	-	77,500	61,309	16,191
Maintenance Supplies	19,400	-	19,400	16,034	3,366
Transportation Fuel	142,000	-	142,000	141,577	423
Electric Charges	550,000	-	550,000	566,067	(16,067)
Fuel Oil	209,812	-	209,812	243,169	(33,357)
Propane	5,000	-	5,000	6,347	(1,347)
Other Supplies	171,492	-	171,492	90,799	80,693
Water Charges	69,100	-	69,100	76,699	(7,599)
Refuse Charges	36,000	-	36,000	32,327	3,673
Books and Periodicals	29,673	-	29,673	19,458	10,215
Textbooks	214,566	(40,000)	174,566	96,156	78,410
Library Books	41,869	(20,000)	21,869	14,985	6,884
Total Supplies	**1,905,657**	**(100,000)**	**1,805,657**	**1,589,398**	**216,259**
Capital Assets					
Furniture and Fixtures	17,519	(10,000)	7,519	5,757	1,762
Instructional Equipment - New	20,700	(4,000)	16,700	13,533	3,167
Instructional Equipment - Replacement	30,262	(6,000)	24,262	20,711	3,551
Other Equipment	330,802	-	330,802	312,951	17,851
Total Capital Assets	**399,283**	**(20,000)**	**379,283**	**352,952**	**26,331**
Miscellaneous					
Due and Fees	84,550	-	84,550	63,526	21,024
Total Education Expenditures	**41,880,184**	**520,500**	**42,400,684**	**42,315,072**	**85,612**
Less: Education Revenues					
Medicaid Reimbursement	-	50,000	50,000	2,293	(47,707)
Adult Education Grant	-	-	-	4,019	4,019
Health Services Grant	-	-	-	9,596	9,596
Magnet School Transportation	-	-	-	29,902	29,902
Special Ed Excess Cost	900,000	(120,792)	779,208	770,603	(8,605)
Pre-Kindergarten Tuition	46,000	-	46,000	39,590	(6,410)
Transfer In	50,176	470,500	520,676	520,676	-
Total Education Revenues	**996,176**	**399,708**	**1,395,884**	**1,376,679**	**(19,205)**
NET EDUCATION EXPENDITURES	**40,884,008**	**120,792**	**41,004,800**	**40,938,393**	**66,407**

(Continued)

See Independent Auditors' Report

Required Supplementary Information
Schedule of Revenues, Expenditures, and Other Financing Sources and Uses
Budget and Actual (Budgetary Basis) - General Fund (Continued)
Year Ended June 30, 2018

	Budgeted Amounts				
	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual Budgetary Basis	Variance with Final Budget
DEBT SERVICE					
Bond Interest	$ 971,610	$ -	$ 971,610	$ 971,610	$ -
Short-Term financing (P&I)	232,577	-	232,577	185,435	47,142
BAN Interest	401,500	-	401,500	339,838	61,662
Bonds Principal	2,415,000	-	2,415,000	2,415,000	-
TOTAL DEBT SERVICE	**4,020,687**	**-**	**4,020,687**	**3,911,883**	**108,804**
CAPITAL OUTLAY/OTHER					
Transfer to CNR Fund	1,293,444	58,717	1,352,161	1,352,161	-
Contingencies					
General	702,000	(265,874)	436,126	220,550	215,576
Personnel	50,000	-	50,000	-	50,000
Storm Expenses					
FEMA	-	1,700,000	1,700,000	698,097	1,001,903
FEMA est. reimbursement	-	-	-	(698,097)	698,097
CIRMA	-	-	-	27,338	(27,338)
CIRMA reimbursement	-	-	-	(27,338)	27,338
TOTAL CAPITAL OUTLAY/OTHER	**2,045,444**	**1,492,843**	**3,538,287**	**1,572,711**	**1,965,576**
Total Expenditures and other financing uses	**64,782,681**	**1,725,000**	**66,507,681**	**63,549,386**	**2,958,295**
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources/ Uses - Budgetary Basis	**$ -**	**$ (1,725,000)**	**$ (1,725,000)**	**1,448,662**	**$ 3,173,662**
Adjustments to Generally Accepted Accounting Principles (GAAP):					
Payments on Behalf of the Town Not Recorded on a Budgetary Basis:					
Intergov'tal Revenues from Teachers' Retirement System for Pensions Paid				4,783,727	
Education Expenditures for Teachers' Retirement System for Pensions Paid				(4,783,727)	
Intergov'tal Revenues from Teachers' Retirement System for Retiree Health Care Benefits				94,156	
Education Expenditures for Teachers' Retirement System for Retiree Health Care Benefits				(94,156)	
Other Education Revenues Net in the Education Budget					
Excess Cost Grant				770,603	
Adult Education Grant				4,019	
Health Services Grant				9,596	
Magnet School Transportation				29,902	
Preschool Tuition				39,590	
Education Expenditures				(853,710)	
Storm Expenses Net with Reimbursements in the Budget					
Intergovernmental Revenues				698,097	
Other Revenue				27,338	
Public Works Expenditures				(725,435)	
Other Financing Sources for Interfund Transfers Netted in the Budget					
Other Financing Source - Transfer In				520,676	
Education Expenditures				(520,676)	
Encumbrances recorded on Budget Basis, but not on the Modified Accrual Basis:					
Current year education encumbrances				22,989	
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses - GAAP Basis (Exhibit 4)				$ 1,471,651	

(Continued)

See Independent Auditors' Report

Required Supplementary Information
Schedule of Revenues, Expenditures, and Other Financing Sources and Uses
Budget and Actual (Budgetary Basis) - General Fund (Continued)
Year Ended June 30, 2018

Notes to Required Supplementary Information:

A formal, legally approved annual budget is adopted for the General Fund. This budget is adopted on a basis consistent with generally accepted accounting principles (modified accrual basi) with the following exceptions:

- Teachers' Retirement - The town does not recognize, as income or expenditures, payments made for teacheers' retirement and OPEB by the State of Connecticut under a special funding situation in its budget. GASB requires that the employer government recognize payments for salaries and fringe benefits paid under a special funding situation for its employees.

- Board of Education Revenues Net With Board of Education Expenditures - The Board of Education nets certain Revenues With their Expenditures in The budget.

- Long-Term Debt and Lease Financing - Revenues and Expenditures from refuning or renewing Long-Term Debt or issuing Lease Financing are included in The budget as The Net Revenues or Expenditures expected.

- Encumbrances - Unless committed through a formal encumbrance (e.g., purchase orders, signed contracts), all annual appropriations lapse at fiscal year-end. Encumbrances outstanding at year end are reported on the budgetary basis of accounting.

The Board of Education expenditures are shown in the above schedule allocated based on the major categories of spending. However, the legal level of control is with the total Board of Education expenditures based on State Statutes.

Required Supplementary Information
The Funded Retirement Plan of the Town of Brookfield
Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Years

	2018	2017	2016	2015	2014
The Funded Retirement Plan of the Town of Brookfield					
Total Pension Liability					
Service cost	$ 1,187,471	$ 1,103,550	$ 1,041,005	$ 1,010,684	$ 979,892
Interest on total pension liability	3,300,793	3,157,723	2,885,710	2,775,281	2,643,325
Differences between expected and actual experience	(351,115)	97,033	785,133	(391,125)	-
Effect of assumption changes or inputs	-	(243,228)	1,196,346	-	-
Benefit payments, including refunds of member contributions	(2,109,243)	(1,890,040)	(1,685,066)	(1,766,161)	(1,486,080)
Net change in total pension liability	2,027,906	2,225,038	4,223,128	1,628,679	2,137,137
Total pension liability, beginning	50,631,976	48,406,938	44,183,810	42,555,131	40,417,994
Total pension liability, ending	52,659,882	50,631,976	48,406,938	44,183,810	42,555,131
Fiduciary Net Position					
Employer contributions	1,186,161	1,204,271	916,398	1,622,929	1,871,103
Member contributions	467,170	497,476	431,829	473,380	456,483
Investment income net of investment expenses	3,979,581	5,610,603	348,872	1,508,205	5,843,034
Benefit payments	(2,109,243)	(1,890,040)	(1,685,066)	(1,766,161)	(1,486,080)
Administrative expenses	(74,222)	(86,276)	(90,093)	(87,795)	(79,382)
Other	4,490	-	308,057	-	-
Net change in plan fiduciary net position	3,453,937	5,336,034	229,997	1,750,558	6,605,158
Fiduciary net position, beginning	48,708,469	43,372,435	43,142,438	41,391,880	34,786,722
Fiduciary net position, ending	52,162,406	48,708,469	43,372,435	43,142,438	41,391,880
Net pension liability, ending	$ 497,476	$ 1,923,507	$ 5,034,503	$ 1,041,372	$ 1,163,251
Fiduciary net position as a % of total pension liability	99.06%	96.20%	89.60%	97.64%	97.27%
Covered payroll	$ 10,275,989	$ 10,121,474	$ 9,580,299	$ 9,360,761	$ 9,417,984
Net pension liability as a % of covered payroll	4.84%	19.00%	52.55%	11.12%	12.35%

This schedule is intended to show 10 years of data. Additional years will be displayed as they become available.

See Independent Auditors' Report

Required Supplementary Information
The Funded Retirement Plan of the Town of Brookfield
Schedule of Employer Contributions and investment returns
Last 10 Years

	2018	2017	2016	2015	2014
Actuarily determined contribution	$ 1,186,161	$ 1,204,271	$ 1,224,455	$ 1,622,929	$ 1,809,130
Contributions in relation to the actuarily determined contribution	1,186,161	1,204,271	916,398	1,622,929	1,871,103
Contibution deficiency (excess)	$ -	$ -	$ 308,057	$ -	$ (61,973)
Covered payroll	$ 10,275,989	$ 10,121,474	$ 9,580,299	$ 9,360,761	$ 9,417,984
Contributions as a percentage of covered employee payroll	11.54%	11.90%	9.57%	17.34%	19.87%
Annual money-weighted rate of return, net of investment expense	8.16%	12.99%	0.80%	3.59%	16.33%

Notes to the Schedule

Valuation Date	January 1, 2016
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry Age Normal Actuarial Cost Method
Amortization method	Level percent of salary
Remaining amortization period	15 years on an open basis
Asset valuation method	Market value of assets
Inflation	2.75%
Payroll growth	3.00%
Investment rate of return	6.50%
Retirement age	Police at age 55; all others at age 62
Mortality	RP-2014 projected to the valuation date with Scale MP-2016

This schedule is intended to show 10 years of data. Additional years will be displayed as they become available.

See Independent Auditors' Report

Required Supplementary Information
Other Post Employment Benefit Plan
Schedule of Changes in Net OPEB Liability
Last 10 Years

	2018	2017
Other Post Employment Benefit Plan		
Total OPEB Liability		
Service cost	$ 486,901	$ 472,719
Interest	1,288,657	1,218,814
Differences between expected and actual experience	(622,272)	(564,326)
Benefit payments, including refunds of member contributions	(361,610)	(328,128)
Net change in total OPEB liability	791,676	799,079
Total OPEB liability - beginning	19,516,542	18,717,463
Total OPEB liability - ending	20,308,218	19,516,542
Plan Fiduciary Net Position		
Employer contributions	561,610	593,545
Contributions - Teachers' Retirement System	-	34,729
Net investment income	50,229	47,082
Benefit payments, including refunds of members contributions	(361,610)	(328,128)
Administrative expenses	(2,459)	(1,393)
Other	532	-
Net change in plan fiduciary net position	248,302	345,835
Fiduciary net position - beginning	687,988	342,153
Fiduciary net position - ending:	936,290	687,988
Net OPEB liability, ending	$ 19,371,928	$ 18,828,554
Fiduciary net position as a % of total OPEB liability	4.61%	3.53%
Covered payroll	$ 34,116,653	$ 33,122,964
Net OPEB liability as a % of covered payroll	56.78%	56.84%

This schedule is intended to show 10 years of data. Additional years will be displayed as they become available.

Required Supplementary Information
Other Post Employment Benefit Plan
Schedule of Employer Contributions and Investment Returns
Last 10 Years

	2018*	2017
Actuarily determined employer contribution ("ADEC")	$ 1,963,189	$ 2,678,075
Contributions in relation to the ADEC	561,610	593,545
Contibution deficiency (excess)	$ 1,401,579	$ 2,084,530
Covered employee payroll	$ 34,116,653	$ 33,122,964
Contributions as a percentage of covered employee payroll	1.65%	1.79%
Annual money-weighted rate of return, net of investment expense	6.07%	Not Available

* This is based on the new GASB 75 standards, the employer contributions were based on the prior standards

Notes to the Schedule

Valuation Date	July 1, 2016
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry Age Normal Actuarial Cost Method
Amortization method	
Level percent or level dollar	Level dollar
Closed, open or layered	Open period
Amortization period	15 years
Asset valuation method	Fair value
Inflation	2.75%
Payroll growth	3.00%
Investment rate of return	6.50%
Healthcare cost trends	8.75% decreasing .5% per year to a rate of 4.75 for 2024 and later
Retirement age	Town and nurses at age 62, police with 25 years of service
Post-retirement mortality	RP-2014 projected to the valuation date with Scale MP-2016

This schedule is intended to show 10 years of data. Additional years will be displayed as they become available.

Required Supplementary Information
Connecticut Teachers Retirement System - Pension Plan
Last 10 years

		2018	2017	2016	2015
Schedule of Changes in Net Pension Liability and Related Ratios					
Town's percentage of collective net pension liability		0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the collective net pension liability		$ -	$ -	$ -	$ -
State's proportionate share of the collective net pension liability associated with the Town of Brookfield		63,815,288	67,325,617	53,912,476	49,831,280
Total proportionate share of the collective net pension liability		$63,815,288	$67,325,617	$53,912,476	$49,831,280
Town's covered employee payroll	(1)	N/A	N/A	N/A	N/A
Town's proportionate share of the collective net pension liability as a % of covered payroll		0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a % of total pension liability		55.93%	52.26%	59.50%	61.51%
Schedule of Employer Contributions					
Contractually and Statutorily required Town contribution	(2)	$ -	$ -	$ -	$ -

(1) Not applicable since 0% proportional share of the net pension liability
(2) The Town is not required to contribute to the plan. The State contributes on behalf of the Town.

This schedule is intended to show 10 years of data. Additional years will be displayed as they become available. *(Continued)*

Required Supplementary Information
Connecticut Teachers Retirement System - Pension Plan *(continued)*
Last 10 Years

Notes to Required Supplementary Information

Changes of benefit term	None
Changes of assumptions	1. Reduce the inflation assumption from 3.00% to 2.75%. 2. Reduce the real rate of return assumption from 5.50% to 5.25% which, when combined with the inflation assumption change, results in a decrease in the investment rate of return assumption from 8.50% to 8.00%. 3. Reduce the annual rate of wage increase assumption from 0.75% to 0.50%. 4. Slightly modify the merit portion of the salary scale. 5. Reduce the payroll growth assumption from 3.75% to 3.25%. 6. Update mortality tables to projected versions of the RPH-2014 mortality tables. 7. Increase normal retirement rates for females at most ages and proratable retirement rates for males at most ages Decrease early retirement rates for both males and females. 8. Increase rates of withdrawal. 9. Decrease rates of disability for males.
Actuarial cost method	Entry Age
Amortization method	Level percent of salary, closed
Remaining amortization period	21.4 years
Asset valuation method	4 year smoothed market
Inflation	2.75%
Salary increases	3.25%-6.00%, average, including inflation
Investment rate of return	8.00% net of pension plan investment expense, including inflation

See Independent Auditors' Report

Required Supplementary Information
Connecticut Teachers Retirement System - Retiree Health Insurance Plan
Last 10 years

		2018
Schedule of Changes in Net OPEB Liability and Related Ratios		
Town's percentage of collective net OPEB liability		0.00%
Town's proportionate share of the collective net OPEB liability		$ -
State's proportionate share of the collective net OPEB liability associated with the Town of Brookfield		16,425,345
Total proportionate share of the collective net OPEB liability		$ 16,425,345
Town's covered employee payroll	(1)	N/A
Town's proportionate share of the collective net OPEB liability as a % of covered payroll		0.00%
Plan fiduciary net position as a % of total OPEB liability		55.93%
Schedule of Employer Contributions		
Contractually and Statutorily required and actual Town contribution	(2)	$ -

(1) Not applicable since 0% proportional share of the net OPEB liability
(2) The Town is not required to contribute to the plan. The State contributes on behalf of the Town.

This schedule is intended to show 10 years of data. Additional years will be displayed as they become available. *(Continued)*

Required Supplementary Information
Connecticut Teachers Retirement System - Retiree Health Insurance Plan *(continued)*
Last 10 Years

Notes to Required Supplementary Information

Changes of benefit term	None
Changes of assumptions	1. Reduce the discount rate from 4.50% to 4.25%. 2. Reduce the payroll growth assumption from 3.75% to 3.25%.
Actuarial cost method	Entry Age
Amortization method	Level percent of salary, open
Asset valuation method	Fair value
Inflation	2.75%
Salary increases	3.25%-6.00%, average, including inflation
Investment rate of return	4.25%

Required Supplementary Information
Length of Service Award for the Volunteer Fire Department
Schedule of Changes in Total Pension Liability
Last 10 Years

	2018
Length of Service Award for the Volunteer Fire Department	
Total Pension Liability	
Service cost	$ 45,649
Interest on total pension liability	71,650
Changes of benefits terms	-
Differences between expected and actual experience	3,510
Effect of economic/demographic gains (losses)	-
Changes of assumptions	(93,685)
Benefit payments	(36,585)
Net change in total pension liability	(9,461)
Total pension liability - beginning, as restated	1,973,896
Total pension liability - ending*	$ 1,964,435

* There are no assets accumulated in a trust that meets the criteria in GASB 68 to pay related benefits.

This schedule is intended to show 10 years of data. Additional years will be displayed as they become available.

MAJOR GOVERNMENTAL FUNDS

- The **General Fund** constitutes the primary operating fund of the Town and is used to account for and report all financial resources not accounted for and reported in another fund.

- The **Bonded Capital Projects Fund** is a capital projects fund used to provide working capital for projects that will be ultimate financed through general obligation bonds.

- The **Water Assessment Fund** is a special revenue fund used to account for assessments to the citizens to pay principal and interest payments on debt for water lines that benefit these citizens.

Report of the Property Tax Collector
Property Tax Collections
Year Ended June 30, 2018

Grand List Year	Beginning Receivable Balance	Current Year Levy	Lawful Corrections Additions	Lawful Corrections Deductions	Transfer to Suspense	Net Taxes Collectible	Collections During the Year - Cash Basis Taxes	Collections During the Year - Cash Basis Interest	Collections During the Year - Cash Basis Liens	Collections During the Year - Cash Basis Total	Net Ending Receivable Balance
2016	$ -	$ 61,057,166	$ 132,516	$ (185,705)	$ (9,861)	$ 60,994,116	$ 60,420,332	$ 129,317	$ 2,078	$ 60,551,727	$ 573,784
2015	579,338	-	6,380	(12,554)	(24,742)	548,422	329,822	70,670	5,517	406,009	218,600
2014	157,253	-	313	(1,260)	(40,524)	115,782	54,891	16,113	3,720	74,724	60,891
2013	61,349	-	-	-	(36,403)	24,946	11,766	5,648	1,056	18,470	13,180
2012	28,573	-	74	(33)	(18,432)	10,182	3,706	1,264	215	5,185	6,476
2011	14,618	-	-	-	(5,006)	9,612	3,381	1,271	219	4,871	6,231
2010	13,251	-	-	-	(2,179)	11,072	2,768	1,379	24	4,171	8,304
2009	8,091	-	-	-	-	8,091	2,697	801	24	3,522	5,394
2008	5,218	-	-	-	-	5,218	2,609	892	24	3,525	2,609
2007	5,078	-	-	-	-	5,078	2,539	995	24	3,558	2,539
2006	6,780	-	-	-	-	6,780	2,445	1,063	24	3,532	4,335
2005	2,322	-	-	-	-	2,322	2,322	1,107	24	3,453	-
	$ 881,871	$ 61,057,166	$ 139,283	$ (199,552)	$ (137,147)	$ 61,741,621	$ 60,839,278	$ 230,520	$ 12,949	$ 61,082,747	902,343

Tax interest receivable	183,959
Tax allowance for doubtful accounts	(145,000)
Net taxes receivable - General Fund	$ 941,302

Reconciliation of Collections:

Total Collections on the Report of the Property Tax Collector - Cash Basis	$ 61,082,747
Accrual Adjustments	
Current year taxes and interest receivable	1,086,302
Prior year taxes and interest receivable	(1,066,177)
Current year taxes deferred revenue	(564,049)
Prior year taxes deferred revenue	848,587
Current year allowance for doubtful accounts	145,000
Prior year allowance for doubtful accounts	(145,000)
Telephone tax payment	46,148
Other differences	32,560
Amount reported on Exhibit 4 and also in the Budget versus Actual	$ 61,466,118

See Independent Auditors' Report

Schedule of Fund Balance Allocation by Project
Bonded Capital Projects Fund
Year Ended June 30, 2018

	Authorization	Open Commitment
Education		
Replace AC in HS Auditorium	Nontaxable - 2014-15 Cap Projects	$ 120,000
BHS Various Capital Projects	Nontaxable - 2015-16 Cap Projects	402,859
WMS Various Capital Projects	Nontaxable - 2015-16 Cap Projects	365,663
High school renovation of 2 lavatories	Nontaxable - 2016-17 Cap Projects	24,000
High school paving and concrete restoration	Nontaxable - 2016-17 Cap Projects	25,000
High school design, renovation and equipping world language lab	Nontaxable - 2016-17 Cap Projects	108,500
Middle school renovate two bathrooms	Nontaxable - 2016-17 Cap Projects	24,000
HHES renovate two bathrooms	Nontaxable - 2016-17 Cap Projects	24,000
HHES paving and concrete renovations	Nontaxable - 2016-17 Cap Projects	17,700
HHES acquire and install public address system	Nontaxable - 2016-17 Cap Projects	21,144
CES renovate two bathrooms	Nontaxable - 2016-17 Cap Projects	24,000
CES paving and concrete renovation	Nontaxable - 2016-17 Cap Projects	12,735
District wide - domestic water chlorine	Nontaxable - 2017-18 Cap Projects	40,000
WMS classroom ventilators	Taxable - 2016-17 Cap Projects	10,320
District wide - building management system	Taxable - 2016-17 Cap Projects	15,000
District wide - security upgrades	Taxable - 2017-18 Cap Projects	18,100
BHS peeling duct insulation in old gym	Taxable - 2017-18 Cap Projects	4,500
BHS steam piping, traps and insulation	Taxable - 2017-18 Cap Projects	30,000
		1,287,521
Public Works		
Road Paving program	Nontaxable - 2017-18 Cap Projects	32,726
Police		
Body Cameras	Nontaxable - 2016-17 Cap Projects	76,000
Police Evidence and records storage	Taxable - 2016-17 Cap Projects	10,404
		86,404
Land Use		
Update geographic information system (GIS)	Nontaxable - 2016-17 Cap Projects	36,000
Shingle the Gurski property	Nontaxable - 2016-17 Cap Projects	35,000
		71,000
Four Corners		
Phase 1	Approved individually	135,129
Phase 2	Approved individually	369,569
		504,698
Fire Companies		
Candlewood bay floor resurfacing	Nontaxable - 2017-18 Cap Projects	22,760
Other		
Zoning laws	Taxable - 2016-17 Cap Projects	4,140
Total Commitments		$ 2,009,249
Reconciliation of Fund Balance to Commitments		
Fund Balance, June 30, 2018		$ 354,899
Bonding Transaction November 30, 2018		
Premium on Long-Term Financing		1,762,288
Closing Fees		(107,938)
Total Commitments		$ 2,009,249

Report of the Property Tax Collector
Water Assessment Collections
Year Ended June 30, 2018

	Current Year Assessments Due	Total Collections				Annual Assessments Balance	Total Assessments Balance
		Taxes	Interest*	Fees	Total		
2016 Southern Federal Road							
Total Balance Assessed (All Interest and Principal)							$ 4,718,862
YE 2017 - Installment Payments	$ 236,716	$ 233,583	$ 2,849	$ 13,354	$ 249,786	$ 3,133	(233,583)
YE 2017 - Lump Sum Payments	-	473,464	-	-	473,464	-	(473,464)
YE 2018 - Installment Payments	212,082	208,243	978	5,014	214,235	3,839	(208,243)
YE 2018 - Lump Sum Payments	-	46,943	-	-	46,943	-	(46,943)
	$ 448,798	$ 962,233	$ 3,827	$ 18,368	984,428	$ 6,972	$ 3,756,629
Collections in Prior Years					(710,829)		
Current Year Collections					$ 273,599		
2010 Northern Federal Road							
Principal Balance Due as of June 30, 2014							$ 2,708,745
YE 2011 - post closing YE 2014		$ 1,327	$ 1,313	$ 174	2,814	$ 3,008	(1,327)
YE 2012 - post closing YE 2014		2,987	3,990	77	7,054	3,008	(2,987)
YE 2013 - post closing YE 2014		5,976	5,877	271	12,124	3,227	(5,976)
YE 2014 - post closing YE 2014		11,262	9,425	-	20,687	3,233	(11,262)
YE 2015 - Installment Payments	165,423	162,190	74,159	7,844	244,193	3,233	(162,190)
YE 2015 - Lump Sum Payments	-	30,991	-	-	30,991	-	(30,991)
YE 2016 - Installment Payments	163,793	159,070	74,383	8,066	241,519	4,723	(159,070)
YE 2016 - Lump Sum Payments	-	39,161	-	-	39,161	-	(39,161)
YE 2017 - Installment Payments	161,466	154,619	67,211	8,277	230,107	6,847	(154,619)
YE 2017 - Lump Sum Payments	-	37,801	-	-	37,801	-	(37,801)
YE 2018 - Installment Payments	155,487	145,295	59,263	2,894	207,452	10,192	(145,295)
YE 2018 - Lump Sum Payments	-	59,008	-	-	59,008	-	(59,008)
	$ 646,169	$ 809,687	$ 295,621	$ 27,603	1,132,911	$ 37,471	
Principal Balance Due at YE 18							$ 1,899,058
Collections in Prior Years					(850,627)		
Current Year Collections					$ 282,284		

YE = Year Ended June 30

* 2010 Northern Federal Road interest payments included the planning interest payments

2016 Southern Federal Road interest payments only reflect interest on late payments. Planned interest is included in principal.

See Independent Auditors' Report

OTHER GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

- **Parks and Recreation Fund** to account for revenues committed for the purpose of funding recreational, social and cultural program.
- **Small Cities Grant Fund** to account for a specific grant program with revenues restricted to rehabilitation programs.
- **Gurski Property Fund** to account for revenue and expenditures from certain properties donated to the Town for conservation purposes.
- **Social Services Fund** to account for donations, grants and program revenue restricted for social service purposes.
- **Town Grants Fund** to account for revenues from federal, state and other grants and donations for general government purposes.
- **Education Grants Fund** to account for revenues from federal, state and other grants and donations for education purposes.
- **Cafeteria Fund** to account for school cafeteria program grants and revenues restricted for that purpose.
- **Building Use Fund** to account for charges to community users of the school buildings to cover the costs of using the buildings. This fund was closed subsequent to year end.
- **iPad Fund** to account for charges to students for insurance on the iPads and Chromebooks used in the classroom. This fund was closed subsequent to year end..
- **Police Contract Services Fund** to account for revenue charged to the community users of police services and the related costs of services.
- **Police Asset Forfeiture Fund** to account for Federal and State asset forfeiture grants and certain police donations and the related expense.
- **Library Revenue Fund** to account for library service revenues in accordance with State Statutes and the related expenses.

OTHER GOVERNMENTAL FUNDS
(Continued)

PERMANENT FUND

- **D. Clark Joyce Endowment** to hold an endowment bequeathed to the Town for the benefit of the library.

CAPITAL PROJECT FUNDS

- **Open Space Fund** to hold fees collected and restricted for use to open space by State Statutes.
- **Capital Nonrecurring Fund** to account for General Fund appropriations and grant revenue restricted or committed to the acquisition of capital equipment and other nonrecurring capital outlays.

Combining Balance Sheet
Other Governmental Funds
June 30, 2018

	Special Revenue Funds								
						Education Funds			
	Parks and Recreation Fund	Small Cities Grant Fund	Gurski Property Fund	Social Services Fund	Town Grant Fund *	Education Grant Fund *	Cafeteria Fund	Building Use Fund	iPad Fund
ASSETS									
Cash and equivalents	$ 350,767	$ 58,990	$ 230,563	$ 22,513	$ 226,959	$ 374,532	$ 194,685	$ 57,618	$ 100,092
Investments - equity securities	-	-	-	-	-	-	-	-	-
Receivables									
Accounts	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	36,506	-	43,677	-	-
Loans	-	468,377	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	-	-	-
Total Assets	$ 350,767	$ 527,367	$ 230,563	$ 22,513	$ 263,465	$ 374,532	$ 238,362	$ 57,618	$ 100,092
LIABILITIES AND FUND BALANCES (DEFICITS)									
Liabilities									
Accounts payable	$ 1,136	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Due to other funds	134,572	1,123	10,975	5,935	211,218	154,789	-	78,796	64,352
Unearned revenues	154,790	-	4,050	-	-	219,743	29,089	-	-
Total Liabilities	290,498	1,123	15,025	5,935	211,218	374,532	29,089	78,796	64,352
Fund balances (deficits)									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	526,244	-	-	52,247	-	209,273	-	-
Committed	-	-	215,538	16,578	-	-	-	-	-
Assigned	60,269	-	-	-	-	-	-	-	35,740
Unassigned	-	-	-	-	-	-	-	(21,178)	-
Total Fund Balances (Deficits)	60,269	526,244	215,538	16,578	52,247	-	209,273	(21,178)	35,740
Total Liabilities and Fund Balances (Deficits)	$ 350,767	$ 527,367	$ 230,563	$ 22,513	$ 263,465	$ 374,532	$ 238,362	$ 57,618	$ 100,092

* See detailed schedules

(Continued)

Combining Balance Sheet
Other Governmental Funds
June 30, 2018

	Special Revenue Funds			Permanent Fund	Capital Project Funds		
	Police Funds		Library Funds				
	Contract Services Fund	Asset Forfeiture Fund *	Library Revenue Fund	D. Clark Joyce Endowment	Open Space Fund	Capital Nonrecurring Fund *	Total Nonmajor Funds
ASSETS							
Cash and equivalents	$ 301,038	$ 27,344	$ 33,539	$ 18,042	$ 132,096	$ 827,157	$ 2,955,935
Investments - equity securities	-	-	-	539,123	-	-	539,123
Receivables							
Accounts	9,932	-	-	-	-	-	9,932
Intergovernmental	-	-	-	-	-	-	80,183
Loans	-	-	-	-	-	-	468,377
Due from other funds	-	48,919	-	-	-	-	48,919
Total Assets	$ 310,970	$ 76,263	$ 33,539	$ 557,165	$ 132,096	$ 827,157	$ 4,102,469
LIABILITIES AND FUND BALANCES (DEFICITS)							
Liabilities							
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,136
Due to other funds	179,125	-	21,470	-	-	76,103	938,458
Unearned revenues	-	-	-	-	-	-	407,672
Total Liabilities	179,125	-	21,470	-	-	76,103	1,347,266
Fund balances (deficits)							
Nonspendable	-	-	-	328,236	-	-	328,236
Restricted	-	76,263	-	228,929	132,096	-	1,225,052
Committed	-	-	-	-	-	751,054	983,170
Assigned	131,845	-	12,069	-	-	-	239,923
Unassigned	-	-	-	-	-	-	(21,178)
Total Fund Balances (Deficits)	131,845	76,263	12,069	557,165	132,096	751,054	2,755,203
Total Liabilities and Fund Balances (Deficits)	$ 310,970	$ 76,263	$ 33,539	$ 557,165	$ 132,096	$ 827,157	$ 4,102,469

* See detailed schedules

See Independent Auditors' Report

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
Year Ended June 30, 2018

	Special Revenue Funds								
						Education Funds			
	Parks and Recreation Fund	Small Cities Grant Fund	Gurski Property Fund	Social Services Fund	Town Grant Fund *	Education Grant Fund *	Cafeteria Fund	Building Use Fund	iPad Fund
REVENUES									
Charges for services	$ 473,615	$ -	$ -	$ -	$ 8,798	$ -	$ 550,967	$ 21,746	$ 37,723
Intergovernmental	-	-	-	-	134,657	619,209	225,979	-	-
Income from investments	-	-	-	119	-	-	-	-	-
Rents and royalties	-	-	43,763	-	-	-	-	-	-
Other income	-	-	5,000	30,712	10,000	-	-	-	-
Total Revenues	473,615	-	48,763	30,831	153,455	619,209	776,946	21,746	37,723
EXPENDITURES									
Current									
General government	-	1,123	-	-	144,583	-	-	-	-
Public safety	-	-	-	-	35,078	-	-	-	-
Public works	-	-	-	-	7,886	-	-	-	-
Health and welfare	-	-	-	40,902	14,434	-	-	-	-
Culture and recreation	502,594	-	25,723	-	-	-	-	-	-
Education	-	-	-	-	-	619,209	742,740	12,909	14,840
Capital outlay	8,735	-	-	-	-	-	-	-	-
Total Expenditures	511,329	1,123	25,723	40,902	201,981	619,209	742,740	12,909	14,840
Excess (Deficiency) of Revenues Over Expenditures	(37,714)	(1,123)	23,040	(10,071)	(48,526)	-	34,206	8,837	22,883
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	-	-	-	(750)	(4,635)	-	-	-	(50,176)
Total Other Financing Sources (Uses)	-	-	-	(750)	(4,635)	-	-	-	(50,176)
Net Change in Fund Balances	(37,714)	(1,123)	23,040	(10,821)	(53,161)	-	34,206	8,837	(27,293)
Fund Balances (Deficits) - Beginning of Year, As Restated	97,983	527,367	192,498	27,399	105,408	-	175,067	(30,015)	63,033
Fund Balances (Deficits) - End of Year	$ 60,269	$ 526,244	$ 215,538	$ 16,578	$ 52,247	$ -	$ 209,273	$ (21,178)	$ 35,740

* See detailed schedules

(Continued)

See Independent Auditors' Report

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
Year Ended June 30, 2018

	Special Revenue Funds			Permanent Fund	Capital Project Funds		
	Police Funds		Library Funds				
	Contract Services Fund	Asset Forfeiture Fund *	Library Revenue Fund	D. Clark Joyce Endowment	Open Space Fund	Capital Nonrecurring Fund *	Total Nonmajor Funds
REVENUES							
Charges for services	$ 364,337	$ -	$ 11,546	$ -	$ -	$ -	$ 1,468,732
Intergovernmental	-	26,019	1,546	-	-	3,667	1,011,077
Income from investments	-	-	-	47,509	-	-	47,628
Rents and royalties	-	-	-	-	-	-	43,763
Other income	-	1,443	6,659	-	-	-	53,814
Total Revenues	364,337	27,462	19,751	47,509	-	3,667	2,625,014
EXPENDITURES							
Current							
General government	-	-	-	-	-	10,378	156,084
Public safety	303,039	1,740	-	-	-	49,787	389,644
Public works	-	-	-	-	-	22,968	30,854
Health and welfare	-	-	-	-	-	-	55,336
Culture and recreation	-	-	30,759	-	-	10,000	569,076
Education	-	-	-	-	-	122,685	1,512,383
Capital outlay	117,214	-	-	-	-	1,181,995	1,307,944
Total Expenditures	420,253	1,740	30,759	-	-	1,397,813	4,021,321
Excess (Deficiency) of Revenues Over Expenditures	(55,916)	25,722	(11,008)	47,509	-	(1,394,146)	(1,396,307)
OTHER FINANCING SOURCES (USES)							
Transfers in	-	4,635	-	-	-	1,352,162	1,356,797
Transfers out	-	-	-	-	-	-	(55,561)
Total Other Financing Sources (Uses)	-	4,635	-	-	-	1,352,162	1,301,236
Net Change in Fund Balances	(55,916)	30,357	(11,008)	47,509	-	(41,984)	(95,071)
Fund Balances (Deficits) - Beginning of Year, As Restated	187,761	45,906	23,077	509,656	132,096	793,038	2,850,274
Fund Balances (Deficits) - End of Year	$ 131,845	$ 76,263	$ 12,069	$ 557,165	$ 132,096	$ 751,054	$ 2,755,203

* See detailed schedules
See Independent Auditors' Report

Schedule of Changes in Fund Balance by Grant/Program
Town Grant Fund
Year Ended June 30, 2018

Grant/Program Name	Beginning Fund Balance	Revenues	Expenditures	Ending Fund Balance
Police K-9 donation	$ 40,000	$ -	$ (14,000)	$ 26,000
Public health grant	15,096	17,301	(14,434)	17,963
Social service healthy living grant	-	1,909	-	1,909
Bright ideas grant	-	10,000	(7,886)	2,114
Brownfield assessment grant	-	87,868	(87,868)	-
Town Clerk preservation funds				
State Library preservation grant	-	4,000	(4,000)	-
Dollar Fund ($1 CGS 7-34a)	26,397	2,411	(25,095)	3,713
MERS Fund ($10 PA 13-247)	12,378	2,602	(14,820)	160
Historic Preservation ($2 CGS 7-34a)	6,902	3,786	(10,300)	388
Police traffic enforcement grants				
Distracted driving (August 2017)	-	6,009	(6,009)	-
Click it or ticket (November 2017)	-	1,731	(1,731)	-
Distracted driving (May 2018)	-	13,338	(13,338)	-
Farmers market grant	-	2,500	(2,500)	-
Various police donations	4,635	-	(4,635)	-
Total Fund Balance	$ 105,408	$ 153,455	$ (206,616)	$ 52,247

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Schedule of Changes in Unearned Revenue by Grant
Education Grant Fund
Year Ended June 30, 2018

Grant Name	Term	Beginning Unearned Revenue	Increases	Decreases	Ending Unearned Revenue
Carl Perkins Career and Tech. Educ Act	7/1/17-6/30/18	$ -	$ 17,558	$ (15,913)	$ 1,645
IDEA Part B 611, Children with Disabilities	7/1/16-6/30/18	14,396	2,073	(16,469)	-
IDEA Part B 611, Children with Disabilities	7/1/17-6/30/19	-	512,124	(367,669)	144,455
IDEA Part B 619, Special Education Preschool	7/1/15-6/30/16	200	-	(200)	-
IDEA Part B 619, Special Education Preschool	7/1/17-6/30/19	-	19,200	(18,648)	552
Immigrant & Youth Education	7/1/15-6/30/17	2,015	-	(2,015)	-
School Improvement	7/1/16-6/30/21	63,873	50,000	(62,958)	50,915
Title I, Improving Basic Programs	7/1/15-6/30/16	3,218	-	(3,218)	-
Title I, Improving Basic Programs	7/1/16-6/30/18	2,908	-	(2,908)	-
Title I, Improving Basic Programs	7/1/17-6/30/19	-	77,701	(73,846)	3,855
Title II, Improving Teacher Quality	7/1/16-6/30/18	10,255	20,895	(26,981)	4,169
Title II, Improving Teacher Quality	7/1/17-6/30/19	-	30,000	(19,063)	10,937
Title III, English Language Acquisition	7/1/16-6/30/18	1,969	-	(1,783)	186
Title III, English Language Acquisition	7/1/17-6/30/19	-	6,000	(2,971)	3,029
Title IV, Student Support and Enrichment	7/1/17-6/30/18	-	10,000	(10,000)	-
Total Unearned Revenue		$ 98,834	$ 745,551	$ (624,642)	$ 219,743

See Independent Auditors' Report

Schedule of Changes in Fund Balance by Grant/Project
Police Forfeiture Fund
Year Ended June 30, 2018

Grant/Program Name	Beginning Fund Balance	Transfer In	Revenues	Expenditures	Ending Fund Balance
Federal Equitable Sharing Program	$ 14,097	$ -	$ 17,133	$ (950)	$ 30,280
State Forfeiture (85% under CGS 54-36i)	26,845	-	7,467	-	34,312
State Forfeiture (15% under CGS 54-36i)	4,964	-	1,318	(99)	6,183
Subtotal for reporting	45,906	-	25,918	(1,049)	70,775
Other State Funding	-	-	101	-	101
Donations:					
For Police Purposes	-	3,018	550	-	3,568
For Police Testing	-	866	-	-	866
For Youth Programs	-	345	25	-	370
For Police K-9	-	406	868	(691)	583
Total Fund Balance	$ 45,906	$ 4,635	$ 27,462	$ (1,740)	$ 76,263

See Independent Auditors' Report

Schedule of Changes in Fund Balance by Project
Capital Nonrecurring Fund
Year Ended June 30, 2018

	Authorization		Beginning Fund	Original	Additional			Transfers and	Ending Fund
	Year Ended	Amount	Balance	Appropriations	Appropriations	Revenues	Expenditures	Close-Outs	Balance
Fund Balance Reserves									
Fire Apparatus	2016 and prior	Various	$ 100,000	$ -	$ -	$ -	$ -	$ -	$ 100,000
Center Fire Department	Cumulative	Various	50,000	54,000	-	-	-	-	104,000
Candlewood Fire Department	Cumulative	Various	25,000	40,000	-	-	-	-	65,000
Emergency Medical Services	Cumulative	Various	183,000	33,075	-	-	-	(269,089)	(53,014)
Turf Fields at High School	2017	$ 50,000	50,000	-	-	-	-	-	50,000
Revaluation	2018	50,000	-	50,000	-	-	-	-	50,000
			408,000	177,075	-	-	-	(269,089)	315,986
Parks and Recreation									
Crack Seal Tennis Courts	2017	14,725	7,500	-	-	-	-	-	7,500
New lighting on High School Main Field	2017	30,000	30,000	-	-	-	-	-	30,000
Tie into High School Sewer Line	2018	4,910	-	4,910	-	-	-	-	4,910
			37,500	4,910	-	-	-	-	42,410
Public Works									
Paving (Additional in Bonded Capital Proj.)	Cumulative	850,000	(43,040)	850,000	-	-	(618,841)	-	188,119
Replace Tire Machine	2018	9,000	-	9,000	-	-	(7,695)	(1,305)	-
Replace Hook Lift/Salt Spreader	2018	16,000	-	16,000	-	-	(11,900)	(4,100)	-
Replace Old Units 2 of 52 at Town Hall	2018	12,000	-	12,000	-	-	(9,385)	(2,615)	-
Generator Repair and Maintenance	2018	5,000	-	5,000	-	-	-	-	5,000
Replace Rotted Wood at Library	2018	10,000	-	10,000	-	-	(3,097)	(6,903)	-
Water Heater at Highway Garage	2018	4,500	-	4,500	-	-	-	(4,500)	-
Water Heater at Old Town Hall	2018	4,500	-	4,500	-	-	(1,222)	(3,278)	-
CT DEEP GIS Mapping and Monitoring	2018	15,000	-	15,000	-	-	(9,264)	(5,736)	-
			(43,040)	926,000	-	-	(661,404)	(28,437)	193,119
Police									
Vehicle Replacement	2018	133,000	-	133,000	-	-	(116,715)	(16,285)	-
Computer and Video Technology	2018	43,660	-	43,660	-	-	(39,856)	(3,804)	-
New boiler for PD	2018	25,000	-	-	25,000	-	(27,158)	2,158	-
Weapon Replacement	2018	2,085	-	2,085	-	-	(2,085)	-	-
			-	178,745	25,000	-	(185,814)	(17,931)	-
Candlewood Fire Department									
Marine 24-Replace Fire Boat	2018	11,000	-	11,000	-	-	(10,565)	(435)	-
			-	11,000	-	-	(10,565)	(435)	-

See Independent Auditors' Report

Schedule of Changes in Fund Balance by Project
Capital Nonrecurring Fund
Year Ended June 30, 2018

	Authorization		Beginning Fund	Original	Additional			Transfers and	Ending Fund
	Year Ended	Amount	Balance	Appropriations	Appropriations	Revenues	Expenditures	Close-Outs	Balance
Center Fire Department									
Rehab equipment	2017	$ 3,500	$ 3,500	$ -	$ -	$ -	$ (3,419)	$ (81)	$ -
Life Pak - EMS	2018	33,000	-	33,000	-	-	(31,093)	(1,907)	-
iPad Replacement	2018	2,500	-	2,500	-	-	-	-	2,500
Ford 550 Superliner	2018	269,089	-	-	-	-	(269,089)	269,089	-
Repairs to Ambulance	2018	18,233	-	-	18,233	-	(18,233)	-	-
Repairs to Engine 5	2018	15,485	-	-	15,485	-	(15,485)	-	-
			3,500	35,500	33,718	-	(337,319)	267,101	2,500
Library									
Ongoing Technology Replacement	2018	10,000	-	10,000	-	-	(10,000)	-	-
			-	10,000	-	-	(10,000)	-	-
Information Technology									
Town Hall Data Center Upgrade	2018	48,000	-	48,000	-	-	(36,688)	(11,312)	-
Town and Police Call Management System	2018	32,500	-	32,500	-	-	(22,961)	-	9,539
Computer Replacement	2018	5,000	-	5,000	-	-	(7,528)	2,528	-
Network Upgrade	2018	10,000	-	10,000	-	-	-	(10,000)	-
Software Upgrade	2018	19,374	-	19,374	-	-	(1,400)	(17,974)	-
Multifunction Copiers	2018	2,500	-	2,500	-	-	(1,450)	(1,050)	-
			-	117,374	-	-	(70,027)	(37,808)	9,539
Education									
Various Projects	2016	Various	92,056	-	-	3,667	(95,723)	-	-
HHES Portable Classroom Units	2017	60,000	26,961	-	-	-	(26,961)	-	-
Wisconier	2017	20,500	20,500	-	-	-	-	-	20,500
Huckleberry	2017	9,500	9,500	-	-	-	-	-	9,500
Center	2017	27,500	27,500	-	-	-	-	-	27,500
High School	2017	20,000	20,000	-	-	-	-	-	20,000
BHS Install Water Softener for Boiler	2018	10,000	-	10,000	-	-	-	-	10,000
BHS refinish old gym floor (st financing)	2018	20,000	-	20,000	-	-	-	-	20,000
WMS Refinish Stage Floor	2018	10,000	-	10,000	-	-	-	-	10,000
WMS Replacement Flooring Program	2018	10,000	-	10,000	-	-	-	-	10,000
WMS Power winches	2018	10,000	-	10,000	-	-	-	-	10,000
CES Clapboard siding - repair replace	2018	15,000	-	15,000	-	-	-	-	15,000
CES Clapboard siding - paint	2018	20,000	-	20,000	-	-	-	-	20,000
CES Replace cafeteria table/chairs	2018	15,000	-	15,000	-	-	-	-	15,000
			196,517	110,000	-	3,667	(122,684)	-	187,500
Uncommitted Fund Balance			190,561	(277,160)	-	-	-	86,599	-
Total Fund Balance			$ 793,038	$ 1,293,444	$ 58,718	$ 3,667	$ (1,397,813)	$ -	$ 751,054

See Independent Auditors' Report

INTERNAL SERVICE FUNDS

- **Heart and Hypertension Fund** is used to account for benefits for police and firefighters (who began employment before July 1, 1996) under the State's heart and hypertension.

- **Health Insurance Fund** was used for the Town's self-insurance program for health insurance. This program has been replaced with commercial insurance and the fund was closed on June 30, 2018.

Combining Statement of Net Position
Internal Service Funds
June 30, 2018

	Heart and Hypertension Fund	Health Insurance Fund	Total Internal Service Funds
ASSETS			
Current assets			
Cash and equivalents	$ 266,328	$ -	$ 266,328
LIABILITIES			
Current liabilities			
Claims payable	13,361	-	13,361
Due to other funds	4,245	-	4,245
Total Current Liabilities	17,606	-	17,606
Noncurrent Liabilities			
Claims payable	253,860	-	253,860
Total Noncurrent Liabilities	253,860	-	253,860
Total Liabilities	271,466	-	271,466
NET POSITION			
Unrestricted	$ (5,138)	$ -	$ (5,138)

See Independent Auditors' Report

Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
Year Ended June 30, 2018

	Heart and Hypertension Fund	Health Insurance Fund	Total Internal Service Funds
Operating Revenues			
Charges for services (premiums)	$ -	$ 18,917	$ 18,917
Total Operating Revenues	-	18,917	18,917
Operating Expenses			
Claims incurred	10,162	-	10,162
Administration	-	8,028	8,028
Total Operating Expenses	10,162	8,028	18,190
Operating Income (Loss)	(10,162)	10,889	727
Transfers Out	-	(667,102)	(667,102)
Change in Net Position	(10,162)	(656,213)	(666,375)
Total Net Position - Beginning of Year, As Restated	5,024	656,213	661,237
Total Net Position - End of Year	$ (5,138)	$ -	$ (5,138)

See Independent Auditors' Report

Combining Statement of Cash Flows
Internal Service Funds
Year Ended June 30, 2018

	Heart and Hypertension Fund	Health Insurance Fund	Total Internal Service Funds
Cash Flows From Operating Activities			
Cash received from customers and users	$ -	$ 18,917	$ 18,917
Cash payments to suppliers and employees	-	(8,028)	(8,028)
Cash payments for benefits and claims	(10,162)	-	(10,162)
Net Cash from Operating Activities	(10,162)	10,889	727
Cash Flows From Non-Capital Financing Activities			
Advances from other funds	1,165	175,208	176,373
Transfers out	-	(667,101)	(667,101)
Net Cash from Non-Capital Financing Activities	1,165	(491,893)	(490,728)
Net Increase (Decrease) in Cash and Equivalents	(8,997)	(481,004)	(490,001)
Cash and Equivalents - Beginning of Year	275,325	481,004	756,329
Cash and Equivalents - End of Year	$ 266,328	$ -	$ 266,328
Reconciliation of Income (Loss) from Operations to Net Cash from Operating Activities			
Income (loss) from operations	$ (10,162)	$ 10,889	$ 727
Net Cash from Operating Activities	$ (10,162)	$ 10,889	$ 727

See Independent Auditors' Report

FIDUCIARY FUNDS

- **Pension Trust Fund** is used to account for the activities of the Town's defined benefit pension plan.

- **Other Post Employment Benefit ("OPEB") Trust Fund** is used to account for the activities of the Town's defined benefit OPEB plan.

Combining Statement of Net Position
Pension Trust Funds
June 30, 2018

	Pension Trust Fund	Other Post Employment Benefits Trust Fund	Total Pension and OPEB Trust Funds
ASSETS			
Cash and equivalents	$ 1,347,249	$ 35,299	$ 1,382,548
Investments, at fair value			
Mutual funds	50,308,255	900,947	51,209,202
U.S. Government Securities	208,604	-	208,604
U.S. Agency Securities	294,329	-	294,329
Total investments	50,811,188	900,947	51,712,135
Receivables	82,508	-	82,508
Accrued income	3,969	44	4,013
Total Assets	52,244,914	936,290	53,181,204
NET POSITION			
Restricted for pensions and OPEB benefits	$ 52,244,914	$ 936,290	$ 53,181,204

See Independent Auditors' Report

Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
Year Ended June 30, 2018

	Defined Benefit Pension Trust Fund	Other Post Employment Benefits Trust Fund	Total Pension and OPEB Trust Funds
ADDITIONS			
Contributions			
Employer	$ 1,186,161	$ 561,610	$ 1,747,771
Plan members	492,109	-	492,109
Other	4,490	532	5,022
Total Contributions	1,682,760	562,142	2,244,902
Investment income			
Net change in fair value of investments	3,832,313	32,947	3,865,260
Interest and dividends	147,268	17,282	164,550
Total Investment Income	3,979,581	50,229	4,029,810
Less investment management fees	(74,222)	-	(74,222)
Net Investment Income	3,905,359	50,229	3,955,588
Total Additions	5,588,119	612,371	6,200,490
DEDUCTIONS			
Pension and OPEB benefits	2,109,243	361,610	2,470,853
Administrative fees	-	2,459	2,459
Total Deductions	2,109,243	364,069	2,473,312
Change in Net Position	3,478,876	248,302	3,727,178
Net Position - Beginning of Year	48,766,038	687,988	49,454,026
Net Position - End of Year	$ 52,244,914	$ 936,290	$ 53,181,204

See Independent Auditors' Report

Combining Statement of Changes in Assets and Liabilities
Agency Funds
Year Ended June 30, 2018

	Balance Beginning	Additions	Deductions	Balance Ending
Student Activity Fund				
Assets				
Cash and equivalents	$ 486,203	$ 786,177	$ (790,005)	$482,375
Liabilities				
Amount held as agent	$ 486,203	$ 783,473	$ (790,005)	$479,671
Due to other funds	-	2,704	-	2,704
Total Liabilities	$ 486,203	$ 786,177	$ (790,005)	$482,375
Performance Bonds				
Assets				
Cash and equivalents	$ 338,335	$ -	$ (121,413)	$216,922
Liabilities				
Amount held as agent	$ 298,273	$ -	$ (103,569)	$194,704
Due to other funds	40,062	-	(17,844)	22,218
Total liabilities	$ 338,335	$ -	$ (121,413)	$216,922
Total				
Assets				
Cash and equivalents	$ 824,538	$ 786,177	$ (911,418)	$699,297
Liabilities				
Amount held as agent	$ 784,476	$ 783,473	$ (893,574)	$674,375
Due to other funds	40,062	2,704	(17,844)	24,922
Total Liabilities	$ 824,538	$ 786,177	$ (911,418)	$699,297

See Independent Auditors' Report

TOWN OF BROOKFIELD, CONNECTICUT

FEDERAL AND STATE
SINGLE AUDITS

FOR THE YEAR ENDED JUNE 30, 2018

TOWN OF BROOKFIELD, CONNECTICUT
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MahoneySabol
CPAs and Advisors

180 Glastonbury Boulevard, Suite 400
Glastonbury, CT 06033

860.541.2000 main
860.541.2001 fax

mahoneysabol.com

Glastonbury
Middletown
Essex

INDEPENDENT AUDITOR'S 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*

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, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated March 15, 2019.

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 opinions 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

Mahoney Sabol + Company, LLP

Certified Public Accountants
Glastonbury, Connecticut
March 15, 2019

MahoneySabol
CPAs and Advisors

180 Glastonbury Boulevard, Suite 400
Glastonbury, CT 06033

860.541.2000 main
860.541.2001 fax

mahoneysabol.com

Glastonbury
Middletown
Essex

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE, AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Finance
Town of Brookfield, Connecticut

Report on Compliance for Each Major Federal 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, 2018. 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 programs.

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 of Brookfield, Connecticut 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, 2018.

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.

Purpose of this Report

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, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon dated March 15, 2019, 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 expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Mahoney Sabol + Company, LLP

Certified Public Accountants
Glastonbury, Connecticut
March 15, 2019

Town of Brookfield, Connecticut

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2018

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures to Sub-Recipients	Total Federal Expenditures
U.S. Department of Justice				
Pass-Through programs from:				
Connecticut Department of Emergency Services and Public Protection				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	12060-DPS32523-26185	$ -	$ 10,432
Total U.S. Department of Justice			-	10,432
U.S. Department of Transportation:				
Pass-Through programs from:				
Connecticut Department of Transportation				
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	12062-DOT57171-22108	-	45,366
Highway Planning and Construction	20.205	12062-DOT57124-22108	-	1,746
Total Highway Planning and Construction Cluster			-	47,112
Federal Highway Safety Programs	20.600	12062-DOT57513-20559	-	1,731
National Priority Safety Programs	20.616	12062-DOT57513-22600	-	19,346
Total U.S. Department of Transportation			-	68,189
U.S. Department of Education:				
Pass-Through programs from:				
Connecticut State Department of Education				
Special Education Cluster (IDEA)				
Special Education - Grants to States	84.027	12060-SDE64370-20977 18	-	367,669
Special Education - Grants to States	84.027	12060-SDE64370-20977 17	-	16,469
Subtotal	84.027		-	384,138
Special Education - Preschool Grants	84.173	12060-SDE64370-20983 18	-	18,648
Special Education - Preschool Grants	84.173	12060-SDE64370-20983 18	-	-
Subtotal	84.173		-	18,648
Total Special Education Cluster (IDEA)			-	402,786
Title I Improving Basic Programs	84.010	12060-SDE64370-20679 18	-	73,846
Title I Improving Basic Programs	84.010	12060-SDE64370-20679 17	-	2,908
Subtotal	84.010		-	76,754
Title II Improving Teacher Quality	84.367	12060-SDE64370-20858 18	-	19,063
Title II Improving Teacher Quality	84.367	12060-SDE64370-20858 17	-	26,981
Subtotal	84.367		-	46,044
Title III English Language Acquisition State Grant	84.365	12060-SDE64370-20868 18	-	2,971
Title III English Language Acquisition State Grant	84.365	12060-SDE64370-20868 17	-	1,783
Subtotal	84.365		-	4,754
Title IV Student Support and Academic Enrichment Grant	84.424	12060-SDE64370-22854 18	-	10,000
Carl Perkins Career and Technical Education Act	84.048	12060-SDE64370-20742 18	-	15,913
School Improvement Grant	84.377	12060-SDE64370-22223 16	-	62,957
Total U.S. Department of Education			-	619,208

(Continued)

The notes are an integral part of this schedule

Schedule of Expenditures of Federal Awards *(Continued)*
Year Ended June 30, 2018

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal CFDA Number	Pass-Through Entity Identifying Number	Expenditures to Sub-Recipients	Total Federal Expenditures
U.S. Department of Agriculture				
Child Nutrition Cluster				
Pass-Through programs from:				
Connecticut State Department of Administrative Services				
National School Lunch Program - USDA Commodities	10.555	-	$ -	$ 38,949
Pass-Through programs from:				
Connecticut State Department of Education				
National School Lunch Program	10.555	12060-SDE64370-20560	-	165,281
Total U.S. Department of Agriculture			-	204,230
Total Federal Financial Assistance			$ -	$ 902,059

(Concluded)

The notes are an integral part of this schedule

NOTE 1 - ACCOUNTING BASIS

BASIC FINANCIAL STATEMENTS

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.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The accompanying schedule of expenditures of federal awards has been prepared on the accrual basis consistent with the preparation of the basic financial statements. Information included in the schedule of expenditures of federal awards is presented in accordance with the requirements of the Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations.*

For cost reimbursement awards, revenues are recognized to the extent of expenditures. Expenditures have been recognized to the extent the related obligation was incurred within the applicable grant period and liquidated within 90 days after the end of the grant period.

For performance based awards, revenues are recognized to the extent of performance achieved during the grant period.

Certain financial assistance is not dependent on expenditure activity or the achievement of performance goals and, accordingly, is considered expended in the fiscal year of receipt. These financial assistance program receipts are reflected in the expenditures column of the schedule of expenditures of federal awards.

COST ALLOCATION PRINCIPLES

The Town has elected not to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance. The Town has no federal awards for which an indirect cost rate is applicable.

NOTE 2 - OTHER FEDERAL ASSISTANCE

The United States Department of Agriculture provides commodities to the Town's schools. An amount of $38,949 has been reflected in the expenditures column in the accompanying schedule of expenditures of federal awards, which represents the fair market value of such commodities received during the year ended June 30, 2018.

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

SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? ____ Yes ✓ No

FEDERAL FINANCIAL ASSISTANCE

Internal control over major programs:

- Material weakness(es) identified? ____ Yes ✓ No
- Significant deficiency(ies) identified? ____ Yes ✓ 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 the Uniform Guidance, Section 200.516? ____ Yes ✓ No

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

CFDA Number	Name of Federal Program
84.027, 84.173	Special Education Cluster (IDEA)

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

Auditee qualified as low-risk auditee? ____ Yes ✓ No

SUMMARY SCHEDULE OF THE STATUS OF PRIOR AUDIT FINDINGS

Finding 2017-001: *Material Weakness in Internal Control over Financial Reporting* is no longer considered to be a material weakness.

Findings 2017-002: *Significant Deficiency over the Bank Reconciliation Process* is no longer considered to be a significant deficiency.

Findings 2017-003: *Significant Deficiency over the Tracking of Capital Projects* is no longer considered to be a significant deficiency.

Findings 2017-004: *Significant Deficiency in Internal Control over Compliance* is no longer considered to be a significant deficiency.

MahoneySabol
CPAs and Advisors

180 Glastonbury Boulevard, Suite 400
Glastonbury, CT 06033

860.541.2000 main
860.541.2001 fax

mahoneysabol.com

Glastonbury
Middletown
Essex

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE, AND ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE REQUIRED BY THE CONNECTICUT STATE SINGLE AUDIT ACT

To the Board of Finance
Town of Brookfield, Connecticut

Report on Compliance for Each Major State Program

We have audited the Town of Brookfield, Connecticut's (the "Town") compliance with the types of compliance requirements described in the State of Connecticut, Office of Policy and Management's *Compliance Supplement to the State Single Audit Act* that could have a direct and material effect on each of the Town's major state programs for the year ended June 30, 2018. The Town's major state programs are identified in the summary of auditor's results section of the accompanying schedule of state 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.

Auditor's 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 of Brookfield, Connecticut 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, 2018.

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 an 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 a 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.

Purpose of this Report

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 Connecticut 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, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon dated March 15, 2019, 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 state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the basic financial statements. The schedule of expenditures of state financial assistance is the responsibility of management and was 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 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.

Mahoney Sabol + Company, LLP

Certified Public Accountants
Glastonbury, Connecticut
March 15, 2019

Town of Brookfield, Connecticut

Schedule of Expenditures of State Financial Assistance
Year Ended June 30, 2018

State Grantor Pass-Through Grantor Program Title	State Grant Program Core-CT Number	Passed Through to Subrecipients	Total Expenditures
Connecticut State Library			
Connecticard Payments	11000-CSL66051-17010	$ -	$ 1,546
Historic Documents Preservation Grants	12060-CSL66094-35150	-	4,000
Total Connecticut State Library		-	5,546
Department of Economic and Community Development			
Small Town Economic Assistance Program ("STEAP")	12052-ECD46000-42411	-	678,838
Brownfield Remediation and Development	12060-ECD46260-35533	-	87,868
Total Department of Economic and Community Development		-	766,706
Department of Transportation			
Town Aid Road Grants Transportation Fund	12052-DOT57131-43455	-	153,473
Town Aid Road Grants Transportation Fund	13033-DOT57131-43459	-	153,473
Local Transportation Capital Program	13033-DOT57121-43584	-	24,553
Local Transportation Capital Program	13033-DOT57197-43584	-	773,798
Total Department of Transportation		-	1,105,297
Department of Emergency Services and Public Protection			
Drug Asset Forfeiture Revenue Account	12060-DPS32155-35142	-	8,886
School Security Infrastructure	12052-DPS32161-43546	-	3,667
Total Department of Emergency Services and Public Protection		-	12,553
Department of Justice			
Court Fees	34001-JUD95162-40001	-	11,761
Total Department of Justice		-	11,761
Department of Energy and Environmental Protection			
Environmental Settlements	12060-DEP43930-35169	-	7,020
RGGI-Regional Greenhouse Gas	12060-DEP44165-35402	-	2,499
Total Department of Energy and Environmental Protection		-	9,519
Office of Policy and Management			
Reimbursement to Towns - Tax Loss on State Owned Property	11000-OPM20600-17004	-	308
Reimbursement of Property Tax - Disability Exemption	11000-OPM20600-17011	-	1,480
Property Tax Relief for Veterans	11000-OPM20600-17024	-	7,477
Local Capital Improvement Program (LOCIP)	12050-OPM20600-40254	-	104,695
Municipal Grants-In-Aid	12052-OPM20600-43587	-	118,281
Municipal Reimbursement and Revenue Account	12060-OPM20600-35525	-	30,000
Total Office of Policy and Management		-	262,241
Department of Agriculture			
Agricultural Viability PA05228	12060-DAG42710-90456	-	2,500
Total Department of Agriculture		-	2,500
Department of Education			
Child Nutrition State Match	11000-SDE64370-16211	-	7,495
Health Foods Initiative	11000-SED64370-16212	-	14,254
Adult Education	11000-SDE64370-17030	-	4,019
Health and Welfare - Private School Pupil	11000-SDE64370-17034	-	9,596
Magnet Schools	11000-SDE64370-17057	-	29,902
Total Department of Education		-	65,266
Total State Financial Assistance before Exempt Programs		$ -	$ 2,241,389

(Continued)

The notes are an integral part of this schedule

Town of Brookfield, Connecticut

Schedule of Expenditures of State Financial Assistance *(Continued)*
Year Ended June 30, 2018

State Grantor Pass-Through Grantor Program Title	State Grant Program Core-CT Number	Passed Through to Subrecipients	Total Expenditures
EXEMPT PROGRAMS			
Department of Education			
Education Cost Sharing	11000-SDE64370-17041	$ -	$ 1,225,281
School Construction Grants	13010-SDE64000-40901	-	286,544
Special Education - Excess Cost - Student Based	11000-SDE64370-17047	-	770,603
Total Department of Education		-	2,282,428
Office of Policy and Management			
Municipal Stabilization Grant	11000-OPM20600-17104	-	102,713
Mashantucket Pequot and Mohegan Fund Grant	12009-OPM20600-17005	-	21,694
Total Office of Policy and Management		-	124,407
Total Exempt Programs		-	2,406,835
Total State Financial Assistance		$ -	$ 4,648,224

(Concluded)

The notes are an integral part of this schedule

The accompanying schedule of expenditures of state financial assistance includes state grant activity of the Town of Brookfield, Connecticut (the "Town") under programs of the State of Connecticut for the fiscal year ended June 30, 2018. Various departments and agencies of the State of Connecticut have provided financial assistance to the Town through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs of the Town.

NOTE 1 - 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 information in the schedule of expenditures of state financial assistance is presented based upon regulations established by the State of Connecticut, Office of Policy and Management. The following is a summary of the more significant policies relating to the aforementioned grant programs.

BASIS OF ACCOUNTING

The accompanying schedule of expenditures of state financial assistance has been prepared on the accrual basis consistent with the preparation of the basic financial statements.

For cost reimbursement awards, revenues are recognized to the extent of expenditures. Expenditures have been recognized to the extent the related obligation was incurred within the applicable grant period and liquidated within 90 days after the end of the grant period.

For performance based awards, revenues are recognized to the extent of performance achieved during the grant period.

Certain financial assistance is not dependent on expenditure activity or the achievement of performance goals and, accordingly, is considered expended in the fiscal year of receipt. In accordance with Section 4-236-22 of the regulations to the Connecticut State Single Audit Act, these financial assistance program receipts are reflected in the expenditures column of the schedule of expenditures of state financial assistance.

NOTE 2 - 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 finance assistance shall include loans and loan activities. The following is a summary of the loan program activity for the year ended June 30, 2018:

Department of Energy and Environmental Protection: Clean Water Fund Loan

Project	Issue Year	Interest Rate	Original Amount	Beginning Balance, July 1, 2017	Issued	Repayments	Ending Balance, June 30, 2018
6865-3100-888	2010	2.0%	$ 3,747,082	$ 2,577,849	$ -	$ 175,400	$ 2,402,449

SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? _____ Yes ✓ No

STATE FINANCIAL ASSISTANCE

Internal control over major programs:

- Material weakness(es) identified? _____ Yes ✓ No
- Significant deficiency(ies) identified? _____ Yes ✓ 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 ✓ No

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

State Grantor/ Program	State Grant Program Core-CT Number	Expenditures
Department of Transportation:		
Local Transportation Capital Program	12052-DOT57197-43584	$ 773,798
Local Transportation Capital Program	13033-DOT57121-43584	24,553
Department of Economic and Community Development:		
Small Town Economic Assistance Program	12052-ECD46000-42411	678,838

Dollar threshold used to distinguish between Type A and Type B programs: $200,000

SUMMARY SCHEDULE OF THE STATUS OF PRIOR AUDIT FINDINGS

Finding 2017-001: *Material Weakness in Internal Control over Financial Reporting* is no longer considered to be a material weakness.

Findings 2017-002: *Significant Deficiency over the Bank Reconciliation Process* is no longer considered to be a significant deficiency.

Findings 2017-003: *Significant Deficiency over the Tracking of Capital Projects* is no longer considered to be a significant deficiency.

Findings 2017-004: *Significant Deficiency in Internal Control over Compliance* is no longer considered to be a significant deficiency.