TOWN OF BROOKFIELD, CONNECTICUT

ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2019

TOWN OF BROOKFIELD, CONNECTICUT

Annual Financial Report
Year Ended June 30, 2019

Prepared by Finance Department

Brookfield Town Hall
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Brookfield, Connecticut 06804

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Town of Brookfield, Connecticut

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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, 2019, 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, 2019, 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

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 12 and the information on pages 72 through 94 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 96 through 114 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 January 30, 2020, 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
January 30, 2020

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, 2019. 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 $46,043,199 at June 30, 2019. It improved by $3,107,089 during the year.
- The Town was able to reduce its long-term bonded debt by $2,750,000. This was the result of schedule debt payments for the governmental activities and a pay down of debt by the business-type activities. The Town's general obligation bonds continue to carry a Standard and Poor's rating of "Aaa".
- The General Fund's final budget forecasted a $45,000 deficiency, but delivered a $1,506,944 excess. This was due to revenues $798,891 higher than budget and expenditures $708,053 lower than budget.
- 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, deferred outflows and inflows of resources, and liabilities, with 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	
	2019	2018	2019	2018	2019	2018
ASSETS						
Cash and equivalents	$ 15,837,878	$ 13,858,777	$ 1,764,101	$ 2,387,749	$ 17,601,979	$ 16,246,526
Investments	585,614	539,123	-	-	585,614	539,123
Restricted cash and equivalents	-	-	2,078,754	1,245,803	2,078,754	1,245,803
Receivables	8,398,189	8,880,967	5,758,136	5,509,818	14,156,325	14,390,785
Pension asset, net	1,953,932	-	70,213	-	2,024,145	-
Other assets	-	3,354	28,382	-	28,382	3,354
Capital assets						
Nondepreciable	11,496,471	12,287,310	129,799	647,347	11,626,270	12,934,657
Depreciable	85,293,265	85,494,554	14,682,925	13,582,280	99,976,190	99,076,834
	123,565,349	121,064,085	24,512,310	23,372,997	148,077,659	144,437,082
DEFERRED OUTFLOWS OF RESOURCES						
Related to refunding bonds	781,328	872,480	-	-	781,328	872,480
Related to pensions and OPEB	909,372	1,249,637	28,633	44,765	938,005	1,294,402
	1,690,700	2,122,117	28,633	44,765	1,719,333	2,166,882
LIABILITIES						
Payables, accruals and other liabilities	3,838,598	5,259,932	948,459	800,961	4,787,057	6,060,893
Pension liability, net	-	480,220	-	17,256	-	497,476
Other post-employment benefits liability, net	11,708,600	19,371,928	-	-	11,708,600	19,371,928
Total service awards program liability	2,156,736	1,964,435	-	-	2,156,736	1,964,435
Bond anticipation notes payable	1,910,000	1,335,000	-	2,600,000	1,910,000	3,935,000
Non-current liabilities						
Due within one year	4,240,995	22,831,673	491,601	313,940	4,732,596	23,145,613
Due in more than one year	43,312,845	26,139,969	5,655,350	3,487,898	48,968,195	29,627,867
Total liabilities	67,167,774	77,383,157	7,095,410	7,220,055	74,263,184	84,603,212
DEFERRED INFLOWS OF RESOURCES						
Advance property tax collections	891,356	598,536	-	-	891,356	598,536
Related to pensions and OPEB	11,153,720	2,268,397	103,529	59,052	11,257,249	2,327,449
	12,045,076	2,866,933	103,529	59,052	12,148,605	2,925,985
NET POSITION						
Net investment in capital assets	47,719,672	49,377,952	9,315,070	8,507,178	57,034,742	57,885,130
Restricted	2,670,668	2,383,128	6,673,629	5,747,648	9,344,297	8,130,776
Unrestricted	(4,347,141)	(8,824,968)	1,353,305	1,883,829	(2,993,836)	(6,941,139)
	$ 46,043,199	$ 42,936,112	$ 17,342,004	$ 16,138,655	$ 63,385,203	$ 59,074,767

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

Governmental Activities

- The net pension liability for the Town's defined benefit pension plan changed from a net pension liability of $480,220 in 2018 to a net pension asset of $1,953,932. This is the result of sustained funding at the recommended actuarially determined employer contribution year over year and investment earnings higher than the long-term expected rate of return.

- The allocation of non-current liabilities shifted approximately $18 million from due within one year to due in more than one year as a result of issuing bonds for bond anticipation notes.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

- The net other post-employment benefits liability reduced from a liability of $19,371,928 in 2018 to a liability of $11,708,600 in 2019. This is the result of changing from self-insured for health insurance to commercial insurance, charging higher premiums for retired employees, closing the plan to new entrants and investment earnings higher than the long-term expected rate of return.

Business-Type Activities

- Capital assets increased due to the purchase and build-out of an office condo in the amount of $714,713 to house the Water Pollution Control Authority ("WPCA"). This also resulting in the increase of debt by $400,000 for a mortgage on the WPCA assets.

- Bond anticipation notes in the amount of $2,600,000 were retired with $2,180,000 in new bonding and $420,000 in cash payments.

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 Government	
	2019	2018	2019	2018	2019	2018
Revenues						
Program revenues:						
Charges for services	$ 3,215,634	$ 2,915,742	$ 1,965,129	$ 1,907,536	$ 5,180,763	$ 4,823,278
Operating grants and contributions	8,601,900	12,534,650	-	-	8,601,900	12,534,650
Capital grants and contributions	17,360	1,915,186	862,804	17,975	880,164	1,933,161
General revenues:						
Property taxes	63,818,543	61,190,537	-	-	63,818,543	61,190,537
Grants and contributions	-	22,002	-	-	-	22,002
Interest and investment earnings	325,469	105,804	10,795	32,610	336,264	138,414
Other general revenues	244,571	-	-	-	244,571	-
Total revenues	76,223,477	78,683,921	2,838,728	1,958,121	79,062,205	80,642,042
Program expenses						
General government	7,487,758	8,730,404	-	-	7,487,758	8,730,404
Public safety	6,155,508	5,768,192	-	-	6,155,508	5,768,192
Public works	6,011,463	5,302,817	-	-	6,011,463	5,302,817
Health and welfare	594,888	585,953	-	-	594,888	585,953
Culture and recreation	2,350,065	2,269,581	-	-	2,350,065	2,269,581
Education	48,621,300	53,388,417	-	-	48,621,300	53,388,417
Interest on long-term debt	1,895,406	1,153,039	-	-	1,895,406	1,153,039
Operation of sewer plant	-	-	1,635,378	1,587,940	1,635,378	1,587,940
Total expenses	73,116,388	77,198,403	1,635,378	1,587,940	74,751,766	78,786,343
Excess (deficiency) before transfers	3,107,089	1,485,518	1,203,350	370,181	4,310,439	1,855,699
Increase (decrease) in net position	3,107,089	1,485,518	1,203,350	370,181	4,310,439	1,855,699
Beginning net position	42,936,110	41,450,592	16,138,654	15,768,473	59,074,764	57,219,065
Ending net position	$ 46,043,199	$ 42,936,110	$ 17,342,004	$ 16,138,654	$ 63,385,203	$ 59,074,764

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

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

Governmental Activities

Revenues

- Charges for Services increased by $299,892 (10.29%) because:
  - Building permits increased by approximately $140,000. On May 15, 2018, the Town was hit with a macro-burst causing significant damage to public and private properties. The increase in building permits, which continues to be higher than normal in the 2020 year is primarily the result of repairs and rebuilding from the storm.
  - Police charges for services to private companies. The revenue increased this year by approximately $125,000. This is considered to be a one-time increase and is not expected to continue into future years.
- Operating Grants and Contributions decreased by $3,932,750 (31.38%) due to the following:
  - The net revenue and expense for teachers' pension and OPEB benefits decreased by $5,200,745. These benefits are paid by the State. The Town reports revenue and expenditures for the amount the State contributes to the trust funds (pays in cash) on behalf of our teachers in the modified accrual financial statements (Exhibit 4). The government-wide statements includes revenue and expenses for the pension and OPEB expense (actuarial calculation of the current year's expense, which is different than the cash amount contributed to the trust funds for the year) as shown below:

	Teachers' Pension			Teachers' OPEB			Combined		
	2019	2018	Change	2019	2018	Change	2019	2018	Change
Contributions to the trust paid									
by the Town	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
by the State	6,205,172	4,783,727	1,421,445	172,161	94,156	78,005	6,377,333	4,877,883	1,499,450
Revenue/Expense on Exhibit 4	6,205,172	4,783,727	1,421,445	172,161	94,156	78,005	6,377,333	4,877,883	1,499,450
Adjustment to get to the									
Actuarially Calculated Expense	1,000,591	2,597,838	(1,597,247)	(4,435,871)	667,077	(5,102,948)	(3,435,280)	3,264,915	(6,700,195)
Revenue/Expense on Exhibit 2	$7,205,763	$7,381,565	$ (175,802)	$(4,263,710)	$761,233	$(5,024,943)	$ 2,942,053	$8,142,798	$(5,200,745)

  - The Town received $865,223 more revenue for the May 15th storm in this year than last year. The revenues are reimbursements from the Federal Emergency Management Agency ("FEMA") and the Connecticut Interlocal Risk Management Agency (CIRMA) and are earned when the related expenditures are made. Because the storm was so late in the 2018 fiscal year, most of the clean-up expenditures, and related reimbursement revenues, occurred in the 2018-19 fiscal year:

	May 15, 2018 Storm		
	2019	2018	Change
Expense and Reimbursements			
FEMA	$ 677,920	$ 698,097	$ (20,177)
CIRMA	912,738	27,338	885,400
Storm Revenue/Expense	$1,590,658	$ 725,435	$ 865,223

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

- Finally, the Town received more operating grants from the State in 2019 including $185,000 more in a LOCIP grant. LOCIP provides the Town with an annual allotment and the Town draws it down as needed. This causes the revenue to vary each year.

- Capital Grants and Contributions decreased by $1,897,826 (99.09%). This revenue is recorded when the capital expenditures are made. These, by nature, are not consistent year over year. The following were the primary variances from last year to this year:

  - In 2018, $1,256,081 of revenue was earned for the Streetscape (Four Corners) project – phase 1. This project is being completed by a series of separate phases each summer. Phase 2 was completed in the summer of 2019, but only $17,360 of revenue was earned by June 30, 2019, the end of the fiscal year.

  - In 2018, the Town recorded $285,544 in revenue for a school roof project. There was no similar project in the 2019 fiscal year.

Expenses

- General Government expenses decreased by $1,242,646 (14.23%) – A significant portion of this decrease was caused by a decrease in pension expenses (approximately $386,000) and OPEB expenses (approximately $1,080,000). This is the result of sustained funding year over year, investment earnings higher than the long-term expected rate of return and changes in the OPEB plan as previously discussed.

- Public Safety expenses increased by $387,316 (6.71%) – The Town contracted for the purchase of a rescue boat for Candlewood Volunteer Fire Department to be used on Candlewood Lake. During the year, $100,650 was spent as a down payment on the boat. This was offset by a $100,000 donation from Candlewood Volunteer Fire Department, which is included in operating grants and donations for public safety. Next year, the balance of the boat of approximately $218,000 will be spent. An additional $60,000 of this increase is due to increased depreciation on public safety equipment for recently purchased police vehicles and an ambulance.

- Public Works expenses increased by $708,646 (13.36%) – As shown above, the expenditures for the storm clean up increased from $725,435 in 2018 to $1,590,658 in 2019, an increase of $865,223. The storm clean up expenses ended in 2019. This was offset by a reduction in one time repair and maintenance expenses in 2018 that were not repeated in 2019.

Business-Type Activities

Revenues

- Capital grants and contributions increased due to new assessments for the Rollingwood and Federal North Road lines.

THE TOWN'S FUNDS FINANCIAL ANALYSIS

Governmental Funds

This year showed an increase in fund balance on a modified accrual basis in the governmental funds. The total fund balance for governmental funds increased $2,157,006 over the prior year as shown in Exhibits 3 and 4 in the Financial Statements. The most significant changes are discussed below:

- The **General Fund**'s balance increased by $1,428,882 over the previous year. The fund balance of $8,009,594 is 12.01% of the annual budget. This provides the Town with slightly less than 1.5 months of working capital and is in accordance with the Town's current Fund Balance policy. The explanation of the increase is discussed more thoroughly in the budget discussion below.

- The **Bonded Capital Projects Fund** reported a decrease of $390,757 in fund balance and the **Capital Nonrecurring Fund** reported an increase of $751,054 in fund balance. These funds will have a fund balance that fluctuates year over year based on the timing of the financing and expenditures of the capital projects included.

- The **Gurski Property Fund** reported an increase of $224,492. This is primarily due to the sale of property at 18 Junction Road for $207,920. These proceeds are restricted to open space.

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	$ 63,450,635	$ 63,674,479	$ 223,844
Licenses and permits	460,000	657,378	197,378
Intergovernmental	2,004,425	2,063,298	58,873
Charges for services	479,000	492,482	13,482
Fines and special assessments	52,989	44,460	(8,529)
Investment earnings	75,000	321,962	246,962
Rents and royalties	51,718	58,913	7,195
Other revenue	30,000	50,047	20,047
Other financing sources	27,000	66,639	39,639
Total Revenues	66,630,767	67,429,658	798,891
Expenditures			
Current			
General government	8,120,827	7,744,351	376,476
Public safety	5,291,514	5,174,904	116,610
Public works	2,729,120	2,696,579	32,541
Health and welfare	500,080	497,678	2,402
Culture and recreation	1,707,714	1,705,079	2,635
Education	42,702,503	42,525,114	177,389
Debt service	4,276,271	4,276,271	-
Capital outlay/other	1,347,738	1,347,738	-
Total Expenditures	66,675,767	65,967,714	708,053
Increase (Decrease) in Fund Balance	$ (45,000)	$ 1,461,944	$1,506,944

THE TOWN'S FUNDS FINANCIAL ANALYSIS (Continued)

The significant General Fund budget variances are discussed below:

Revenues

- Tax collections exceeded the budget by $223,844. Much of this was due to the continued efforts of the tax collector to collect delinquent taxes through tax sales, a marshal service and a collection company. As the delinquent tax balance is decreased, the revenue available to collect will decrease so this is not expected to continue to exceed the budget.

- Licenses and permits exceeded the budget by $197,378 primarily through increased building permits after the storm as previously discussed.

- Investment income exceeded the budget by $246,962. During the year the bank accounts and accounting was restructured to pool the bank accounts and establish zero-balance accounts to increase the investment income. This is expected to exceed the budget again in 2020.

Expenditures

- General government expenditures were under expended by $376,476. This is primarily the result of a variance with health insurance in the amount of $278,634. The Town over-estimated the cost of health insurance as it transitioned from self-insurance to commercial insurance. This will not continue into 2020.

- Public safety expenditures were below budget by $116,610. The variance in the police budget made up $80,083 of this total. During the year some police officers were unexpectedly out on leave. Although this required an increase in the overtime budget, those additional costs did not offset the total savings on the absent officers.

- Education expenditures were $177,389 under budget. The most significant variance was with salaries and wages, which were $281,566 under budget. This was attributable to the turnover savings when new hires were hired at a lower wage than a retiring teacher and due to savings from leaves, periodic vacancies and additional turnovers during the year.

Proprietary Funds

The proprietary fund activity is show in Exhibits 5, 6 and 7. These funds include an enterprise fund and an internal service fund. These statement are similar to the government-wide business-type activity statements as previously discussed.

CAPITAL ASSETS

At the end of this year, the Town had a net investment of $96,789,737 in governmental activity capital assets. This amount represents a net decrease (including additions and deductions) of $992,127 from last year. During the year, $3,093,872 of capital assets were added including:

- $1,129,294 infrastructure improvements under the road paving program
- $265,707 building improvements on the high school air conditioning in the auditorium
- $210,000 building improvements with the high school generator
- $213,000 replacement of the street sweeper
- $147,440 paving at the middle school
- $133,480 improvements under the street scape project
- $122,499 replacement police vehicles
- $105,061 replacement of the roadside mower
- $103,829 construction of the high school press box

During the year the Town disposed of $919,371 in capital assets including:

- 48 Federal Road – this property, with a carrying cost of $220,550 was sold for $462,000. The proceeds are unrestricted and were used in 2020 for capital expenditures.
- 18 Junction Road – this property, with a carrying cost of $204,800 was sold for $207,920. The proceeds are restricted for open space.
- A number of vehicles were sold through an online bidding process and generated $66,639 for the Town when they were sold through on-line auctions.

The additions were also offset by $3,660,649 in deprecation on the existing capital assets.

The capital assets used in the Town's business-type activities (WPCA) included the addition of $714,713 for the purchase and built-out of office space for the WPCA office.

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

LONG-TERM LIABILITIES

General Obligation Bonds and Bond Anticipation Notes

At year end, the Town had $43,545,000 in bonds and $1,910,000 in notes outstanding for governmental activities and $2,765,000 in bonds for the business-type activities. This is a net decrease of $2,750,000 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.

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, 2019

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and equivalents	$ 15,837,878	$ 1,764,101	$ 17,601,979
Investments	585,614	-	585,614
Restricted cash and equivalents	-	2,078,754	2,078,754
Receivables			
Property taxes and interest, net	822,983	-	822,983
Assessments	5,262,954	5,244,172	10,507,126
Accounts	248,871	511	249,382
Intergovernmental	1,481,156	-	1,481,156
Loans	468,377	-	468,377
User charges	-	296,818	296,818
Capacity outlet charges	-	77,339	77,339
Interest and fees	-	139,296	139,296
From fiduciary type activities	113,848	-	113,848
Pension asset, net	1,953,932	70,213	2,024,145
Deferred charges	-	28,382	28,382
Capital assets			
Nondepreciable	11,496,471	129,799	11,626,270
Depreciable, net of accumulated depreciation	85,293,265	14,682,925	99,976,190
Total Assets	123,565,349	24,512,310	148,077,659
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding bonds	781,328	-	781,328
Related to pension	796,833	28,633	825,466
Related to volunteer service awards	112,539	-	112,539
Total Deferred Outflows of Resources	1,690,700	28,633	1,719,333
LIABILITIES			
Accounts payable	2,324,102	-	2,324,102
Accrued payroll and related	474,067	5,024	479,091
Other accrued liabilities	-	89,166	89,166
Accrued interest payable	443,273	19,255	462,528
Unearned revenues	333,915	835,014	1,168,929
Claims payable	263,241	-	263,241
Other post-employment benefits liability, net	11,708,600	-	11,708,600
Service awards program liability, gross	2,156,736	-	2,156,736
Bond anticipation notes payable	1,910,000	-	1,910,000
Non-current liabilities			
Due within one year	4,240,995	491,601	4,732,596
Due in more than one year	43,312,845	5,655,350	48,968,195
Total Liabilities	67,167,774	7,095,410	74,263,184
DEFERRED INFLOWS OF RESOURCES			
Advance property tax collections	891,356	-	891,356
Related to pension	2,881,080	103,529	2,984,609
Related to other post-employment benefits	8,194,833	-	8,194,833
Related to volunteer service awards	77,807	-	77,807
Total Deferred Inflows of Resources	12,045,076	103,529	12,148,605
NET POSITION			
Net investment in capital assets	47,719,672	9,315,070	57,034,742
Restricted			
Expendable, restricted by grants and donors	2,303,278	6,673,629	8,976,907
Nonexpendable, trust fund principal	367,390	-	367,390
Unrestricted	(4,347,141)	1,353,305	(2,993,836)
Total Net Position	$ 46,043,199	$ 17,342,004	$ 63,385,203

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, 2019

		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	$ (7,487,758)	$ 1,228,070	$ 469,542	$ 17,360	$ (5,772,786)	$	$ (5,772,786)
Public safety	(6,155,508)	574,334	170,628	-	(5,410,546)		(5,410,546)
Public works	(6,011,463)	70,609	2,098,911	-	(3,841,943)		(3,841,943)
Health and welfare	(594,888)	105,231	50,566	-	(439,091)		(439,091)
Culture and recreation	(2,350,065)	575,625	11,736	-	(1,762,704)		(1,762,704)
Education	(48,621,300)	661,765	5,800,517	-	(42,159,018)		(42,159,018)
Interest on long-term debt	(1,895,406)	-	-	-	(1,895,406)		(1,895,406)
	(73,116,388)	3,215,634	8,601,900	17,360	(61,281,494)		(61,281,494)
Business-type activities							
Operation of sewer system	(1,635,378)	1,965,129	-	862,804		1,192,555	1,192,555
Total Government	$ (74,751,766)	$ 5,180,763	$ 8,601,900	$ 880,164			(60,088,939)
General Revenues							
Property taxes, payments in lieu of taxes, interest and liens					63,818,543	-	63,818,543
Unrestricted interest and investment earnings					325,469	10,795	336,264
Other general revenues					244,571	-	244,571
Total General Revenues					64,388,583	10,795	64,399,378
Change in Net Position					3,107,089	1,203,350	4,310,439
Net Position - Beginning of Year					42,936,110	16,138,654	59,074,764
Net Position - End of Year					$ 46,043,199	$ 17,342,004	$ 63,385,203

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

Town of Brookfield, Connecticut Exhibit 3

Balance Sheet
Governmental Funds
June 30, 2019

	General Fund	Bonded Capital Projects Fund	Water Assessment Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and equivalents	$ 13,205,535	$ 2,166,203	$ -	$ 466,140	$ 15,837,878
Investments	-	-	-	585,614	585,614
Receivables					
Property taxes and related interest, net	822,983	-	-	-	822,983
Assessments	-	-	5,262,954	-	5,262,954
Accounts	138,592	-	-	110,279	248,871
Intergovernmental	1,381,602	-	-	99,554	1,481,156
Loans	-	-	-	468,377	468,377
Due from other funds	129,659	186,759	755,531	3,545,094	4,617,043
Total Assets	$ 15,678,371	$ 2,352,962	$ 6,018,485	$ 5,275,058	$ 29,324,876
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable	$ 902,981	$ 475,723	$ -	$ 943,825	$ 2,322,529
Accrued payroll and related	434,431	3,097	-	36,539	474,067
Bond anticipation notes payable	-	1,910,000	-	-	1,910,000
Due to other funds	4,739,954	-	-	13,751	4,753,705
Unearned revenues	1,365	-	-	332,550	333,915
Total Liabilities	6,078,731	2,388,820	-	1,326,665	9,794,216
Deferred inflows of resources					
Advance property tax collections	891,356	-	-	-	891,356
Revenues not available	698,690	-	5,262,954	-	5,961,644
Total Deferred Inflows of Resources	1,590,046	-	5,262,954	-	6,853,000
Fund balances					
Nonspendable	-	-	-	367,390	367,390
Restricted	-	-	755,531	1,547,747	2,303,278
Committed	-	1,791,091	-	976,798	2,767,889
Assigned	65,860	-	-	1,056,458	1,122,318
Unassigned	7,943,734	(1,826,949)	-	-	6,116,785
Total Fund Balances	8,009,594	(35,858)	755,531	3,948,393	12,677,660
Total Liabilities, Deferred Inflows of Resources and Fund Balances	$ 15,678,371	$ 2,352,962	$ 6,018,485	$ 5,275,058	$ 29,324,876

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, 2019

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)	$ 12,677,660
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Beginning net capital assets	97,781,864
Capital asset additions (net of construction in progress)	3,093,871
Depreciation expense	(3,660,649)
Disposal of capital assets	(425,350)
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	5,961,644
Net pension asset	1,953,932
Deferred outflows - deferred charge on refunding bonds	781,328
Deferred outflows - related to pension	796,833
Deferred outflows - related to volunteer service awards	112,539
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	(14,304)
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	(43,545,000)
Premiums on bonds	(3,035,979)
Loans payable	(122,059)
Assessments payable	(200,918)
Compensated absences	(649,884)
Net OPEB liability	(11,708,600)
Volunteer service awards pension liability	(2,156,736)
Accrued interest	(443,273)
Deferred inflows - related to pension	(2,881,080)
Deferred inflows - related to other post-employment benefits	(8,194,833)
Deferred inflows - related to volunteer service awards	(77,807)
Net Position of Governmental Activities (Exhibit 1)	$ 46,043,199

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, 2019

	General Fund	Bonded Capital Projects Fund	Water Assessment Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	$ 63,674,479	$ -	$ -	$ -	$ 63,674,479
Licenses and permits	657,378	-	-	-	657,378
Intergovernmental	9,811,368	17,360	-	1,206,087	11,034,815
Charges for services	535,810	-	-	1,602,884	2,138,694
Fines and special assessments	44,460	-	459,092	-	503,552
Investment earnings	321,962	3,507	-	67,012	392,481
Rents and royalties	58,913	-	-	42,799	101,712
Other revenue	962,785	-	-	139,743	1,102,528
Total Revenues	76,067,155	20,867	459,092	3,058,525	79,605,639
EXPENDITURES					
Current					
General government	7,740,433	2,166	-	69,130	7,811,729
Public safety	5,174,904	-	-	515,083	5,689,987
Public works	4,287,237	-	-	17,216	4,304,453
Health and welfare	497,678	-	-	51,865	549,543
Culture and recreation	1,705,079	-	-	549,948	2,255,027
Education	49,720,438	-	-	1,514,310	51,234,748
Debt service	4,276,271	365,450	533,401	-	5,175,122
Capital outlay	-	1,806,296	-	1,287,575	3,093,871
Total Expenditures	73,402,040	2,173,912	533,401	4,005,127	80,114,480
Excess (Deficiency) of Revenues Over Expenditures	2,665,115	(2,153,045)	(74,309)	(946,602)	(508,841)
OTHER FINANCING SOURCES (USES)					
Transfers in	61,004	-	-	1,363,876	1,424,880
Transfers out	(1,363,876)	-	-	(61,004)	(1,424,880)
Sale of capital assets	66,639	-	-	669,920	736,559
Premium on financing	-	1,762,288	-	-	1,762,288
Proceeds from long-term debt	-	-	-	167,000	167,000
Total Other Financing Sources (Uses)	(1,236,233)	1,762,288	-	2,139,792	2,665,847
Net Change in Fund Balances	1,428,882	(390,757)	(74,309)	1,193,190	2,157,006
Fund Balances - Beginning of Year	6,580,712	354,899	829,840	2,755,203	10,520,654
Fund Balances - End of Year	$ 8,009,594	$ (35,858)	$ 755,531	$ 3,948,393	$ 12,677,660

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, 2019

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because

Net Change in Fund Balances - Total Governmental Funds (Exhibit 4)	$ 2,157,006
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 outlays exceeded depreciation expense in the current period.	
Capital outlay expenditures	3,093,872
Depreciation expense	(3,660,648)
Undepreciated basis of assets disposed of or sold	($425,350)
	(992,126)
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	134,641
Revenues in the Water Assessment Fund	(392,733)
	(258,092)
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)	
Proceeds from long-term debt - notes payable, loans payable and other long-term debt	(167,000)
Premium on issuance of long-term debt	(1,762,288)
Deferred charge on refunding	(91,152)
Amortization of premium on issuance of long-term debt	312,684
Principal payments on long-term debt - bonds	2,770,000
Principal payments on long-term debt - loans	84,958
Principal payments on long-term debt - assessments	24,872
	1,172,074
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	203,226
Change in compensated absences	154,576
Pension related effects (net pension asset, deferred inflows and outflows of resources)	747,491
Other post-employment benefits	7,136
State Teachers' Retirement Pension and OPEB revenue in excess of the contributions made on the Town's behalf reported in Exhibit 4	(3,435,280)
State Teachers' Retirement Pension and OPEB expenses in excess of the contributions made on the Town's behalf reported in Exhibit 4	3,435,280
Volunteer service awards	(75,036)
	1,037,393
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	(9,166)
Change in Net Position of Governmental Activities (Exhibit 2)	$ 3,107,089

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, 2019

	Business-Type Activities- Enterprise Funds	Internal Service Funds
	Water Pollution Control Authority	Heart and Hypertension
ASSETS		
Current assets		
Cash and equivalents	$ 1,764,101	$ -
Receivables		
Assessments	780,570	-
User charges	296,818	-
Capacity outlet charges	25,780	-
Interest and fees	139,296	-
Due from other funds	511	250,510
Total Current Assets	3,007,076	250,510
Long-term assets		
Restricted cash and equivalents	2,078,754	-
Receivables		
Assessments	4,463,602	-
Capacity outlet charges	51,559	-
Deferred charges	28,382	-
Pension asset, net	70,213	-
Capital assets		
Nondepreciable	129,799	-
Depreciable, Net	14,682,925	-
Total Noncurrent Assets	21,505,234	-
Total Assets	24,512,310	250,510
DEFERRED OUTFLOWS OF RESOURCES - Related to pension	28,633	-
LIABILITIES		
Current liabilities		
Accounts payable	-	1,573
Accrued liabilities	89,166	-
Accrued interest payable	19,255	-
Unearned revenues	835,014	-
Claims payable	-	25,331
Current maturities of bonds payable	300,000	-
Current maturities of notes payable	182,552	-
Current maturities of mortage payable	9,049	-
Compensated absences	5,024	-
Total Current Liabilities	1,440,060	26,904
Long-term liabilities		
Claims payable	-	237,910
Bonds payable, net, less current maturities	2,579,953	-
Notes payable, less current maturities	2,040,957	-
Mortgage payable, less current maturities	385,143	-
Contingent credits on assessments	649,297	-
Total Noncurrent Liabilities	5,655,350	237,910
Total Liabilities	7,095,410	264,814
DEFERRED INFLOWS OF RESOURCES - Related to pension	103,529	-
NET POSITION		
Net investment in capital assets	9,315,070	-
Restricted for debt service	6,673,629	-
Unrestricted	1,353,305	(14,304)
Total Net Position	$ 17,342,004	$ (14,304)

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, 2019

	Business-Type Activities- Enterprise Funds	Internal Service Funds
	Water Pollution Control Authority	Heart and Hypertension
OPERATING REVENUES		
Charges for services - User Fees	$ 1,704,531	$ -
Charges for services - Assessment Fees	260,598	-
Total Operating Revenues	1,965,129	-
OPERATING EXPENSES		
Claims incurred	-	9,166
Administration	49,055	-
Personnel costs	516,206	-
Capacity charges	303,759	-
Depreciation and amortization	263,055	-
Repairs and maintenance	147,322	-
Professional services	62,933	-
Utilities	109,458	-
Office supplies	7,082	-
Total Operating Expenses	1,458,870	9,166
Income (Loss) from Operations	506,259	(9,166)
NON-OPERATING REVENUES (EXPENSES)		
Interest income	10,795	-
Interest expense	(176,508)	-
Net Non-Operating Revenues (Expenses)	(165,713)	-
Income (Loss) Before and Capital Contributions	340,546	(9,166)
Capital contributions		
Assessments and capacity outlet charges	862,804	-
Change in Net Position	1,203,350	(9,166)
Total Net Position - Beginning of Year	16,138,654	(5,138)
Total Net Position - End of Year	$ 17,342,004	$ (14,304)

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, 2019

	Business-Type Activities- Enterprise Funds	Internal Service Funds
	Water Pollution Control Authority	Heart and Hypertension
Cash Flows From Operating Activities		
Cash received from customers and users	$ 2,019,105	$ -
Cash payments to employees	(542,255)	-
Cash payments to suppliers and employees	(753,474)	-
Cash payments for benefits and claims	-	(15,818)
Net Cash from Operating Activities	723,376	(15,818)
Cash Flows From Capital and Related Financing Activities		
Debt issued	2,580,000	-
Principal paid on debt	(2,923,716)	-
Premium on debt issued	118,921	
Acquisition and construction of capital assets	(846,152)	-
Interest paid on debt	(184,972)	-
Deferred charges on debt	(28,383)	-
Assessments and connection charges	759,945	-
Net Cash from Capital and Related Financing Activities	(524,357)	-
Cash Flows From Noncapital Financing Activities		
Advances from other funds	(511)	15,818
Transfers	-	(266,328)
Net Cash from Noncapital Financing Activities	(511)	(250,510)
Cash Flows From Investing Activities		
Interest income	10,795	-
Net Cash from Investing Activities	10,795	-
Net Increase (Decrease) in Cash and Equivalents	209,303	(266,328)
Cash and Equivalents - Beginning of Year	3,633,552	266,328
Cash and Equivalents - End of Year	$ 3,842,855	$ -
Cash and Equivalents - Unrestricted	$ 1,764,101	$ -
Cash and Equivalents - Restricted	2,078,754	-
Cash and Equivalents - End of Year	$ 3,842,855	$ -
Reconciliation of Income (Loss) from Operations to Net Cash from Operating Activities		
Income (loss) from operations	$ 506,259	$ (9,166)
Adjustments to reconcile income (loss) from operations to net cash from operating activities		
Depreciation and amortization included in costs of services	263,055	-
Changes in operating assets and liabilities		
Accounts receivable	(175,040)	-
Accrued liabilities	(99,914)	(6,652)
Unearned revenues	229,016	-
Net Cash from Operating Activities	$ 723,376	$ (15,818)

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, 2019

	Pension and OPEB Trust Funds	Private Purpose Trust Fund Raymond and Viola Martini Waidelich Scholarship Funds	Agency Funds
ASSETS			
Cash and equivalents	$ 735,263	$ -	$ 663,275
Investments, at fair value			
Mutual funds	57,914,412	1,234,752	-
Receivables			
Due from other funds	-	-	1,549
Total Assets	58,649,675	1,234,752	$ 664,824
LIABILITIES			
Amount held as agent	-	-	$ 598,564
Scholarship commitments	-	79,375	-
Due to other funds	49,648	-	66,260
Total Liabilities	49,648	79,375	$ 664,824
NET POSITION			
Restricted for pension benefits	57,385,089	-	
Restricted for OPEB benefits	1,214,938	-	
Restricted for scholarship purposes	-	1,155,377	
Total Net Position	$ 58,600,027	$ 1,155,377	

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, 2019

	Pension and OPEB Trust Funds	Private Purpose Trust Fund Raymond and Viola Martini Waidelich Scholarship Funds
ADDITIONS		
Contributions and Revenue		
Employer contributions	$ 1,891,917	$ -
Teachers' Retirement System contributions	533,816	-
Plan member contributions	29,040	-
Total Contributions	2,454,773	-
Investment Income		
Net change in fair value of investments	5,652,581	(20,560)
Interest and dividends	125,581	59,963
Total Investment Income	5,778,162	39,403
Less investment management fees	-	(4,878)
Net Investment Income	5,778,162	34,525
Total Additions	8,232,935	34,525
DEDUCTIONS		
Pension benefits paid to plan members	2,662,707	-
Scholarships awarded	-	40,000
Total Deductions	2,814,112	40,000
Change in Net Position	5,418,823	(5,475)
Net Position - Beginning of Year	53,181,204	1,160,852
Net Position - End of Year	$ 58,600,027	$ 1,155,377

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 Town provides services as authorized by its charter including public safety (police and fire), public works, social services, library, parks, recreation, education and general administrative services.

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 of the nonfiduciary 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 Authority** ("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 yearend.

1. Summary of Significant Accounting Policies (Continued)

Property taxes are considered to be available if collected within sixty days of the fiscal yearend. 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 quoted 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 yearend.

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 yearend, 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 or OPEB plans 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 or OPEB 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 or OPEB 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:

1. Summary of Significant Accounting Policies (Continued)

- 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).

- 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 can 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, then unassigned.

1. Summary of Significant Accounting Policies (Continued)

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 yearend are generally reported as assigned fund balance since they do not constitute expenditures or liabilities.

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, $177,624 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”). The Town uses a 5% spending rate for the allocation.

I. Tax Incentives

The Town has extended two tax incentives under the Town’s Business Incentive Ordinance for deferral of assessment increases. In exchange for construction and timing requirements, the Town will abate a portion of the additional assessments 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 from up to 100% and gradually decreasing down to 20%, of the additional assessment on the new construction will be abated for up to eight 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.

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.

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.

2. Stewardship, Compliance and Accountability (Continued)

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 yearend 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.

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, $68,000 of additional appropriations were authorized. This included $45,000 to replace wooden light poles damaged in the May 15, 2018 macro-burst with metal poles. Additionally, both the revenue and expenditures were increased by $23,000 to report the revenue and expenditures in the Senior Center programs separately instead of netting them together.

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.

2. Stewardship, Compliance and Accountability (Continued)

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 expected. The modified accrual basis would require these to be shown as revenue from refunding, renewing or issuing lease debt and a related expenditure for debt service or equipment purchased under a lease.
- **Encumbrances** - Unless committed through a formal encumbrance (for example purchase orders, signed contracts), all annual appropriations lapse at fiscal yearend. Encumbrances outstanding at yearend are reported on the budgetary basis statements as expenditures.

D. Fund Deficits

The following funds had deficit unassigned fund balances at yearend:

		Expected Coverage	
	Deficit	Future Revenues	Other Funds
Capital Projects Fund			
Bonded Capital Projects Fund	$ 35,858	$ 35,858	$ -
Internal Service Funds			
Heart and Hypertension Fund	14,304	-	14,304

3. Cash, Cash Equivalents and Investments

Cash, cash equivalents and investments of the Town consist of the following:

Statement of Net Position (Exhibit 1)	
Cash and equivalents	$ 17,601,979
Restricted cash and equivalents	2,078,754
Investments	585,614
	20,266,347
Fiduciary Funds (Exhibit 8)	
Cash and equivalents - pension/OPEB trusts	735,263
Cash and equivalents - agency funds	663,275
Investments - pension and OPEB trust funds	57,914,412
Investments - private purpose trusts	1,234,752
	60,547,702
Total Cash and Investments	$ 80,814,049

3. Cash, Cash Equivalents and Investments (Continued)

A. Cash and Equivalents - The deposits were exposed to custodial credit risk as follows:

Covered by Federal depository insurance	$ 702,805
Collateralized by securities held in trust	
In the Town's name	9,698,182
Not in the Town's name	1,069,335
Uninsured and uncollateralized	9,624,020
	$ 21,094,342

B. Investments – Money market mutual funds are included in the financial statements as a cash equivalent, but are included in the disclosures as an investment. Investments are summarized as follows:

	Other Governmental Funds	Pension and OPEB Trust Funds	Private Purpose Trust Funds	Total Investments
Mutual funds	$ -	$ 57,914,412	$ 1,234,752	$ 59,149,164
Money market mutual funds	10,889	533,744	-	544,633
Equity securities	585,614	-	-	585,614
	$ 596,503	$ 58,448,156	$ 1,234,752	$ 60,279,411

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

	Average		Investment Maturities (in Years)		
Type of Investment	Credit Rating	Fair Value	Less Than 1 Year	1-5 Years	Over 5 Years
Mutual funds	NA	$ 59,149,164	$ 59,149,164	$ -	$ -
Money market mutual funds	NA	544,633	544,633	-	-
Equity securities	NA	585,614	585,614	-	-
Total		$ 60,279,411	$ 60,279,411	$ -	$ -

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
Mutual funds	$ -	$ 59,149,164	$ -	$ -	$ 59,149,164
Money market mutual funds	544,633	-	-	-	544,633
Equity securities	-	585,614	-	-	585,614
Total	$ 544,633	$ 59,734,778	$ -	$ -	$ 60,279,411

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 $5,262,954 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 receivables estimated to not meet the policy to be considered "available" to liquidate liabilities of the current period. Taxes in the amount of $698,690 and the water assessments in the amount of $5,262,954 were reported as *deferred inflows*, instead of revenue, because they were not received within the policy to be considered "available" at yearend.

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 Funds	Other Governmental Funds	Total
Fees collected in advance	$ 1,365	$ 189,206	$ 190,571
Advances on grants	-	143,344	143,344
	$ 1,365	$ 332,550	$ 333,915

5. Interfund Transactions

The balances between funds are mainly from the time lag between the dates that: 1) interfund 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	Other governmental funds	$ 13,751
General fund	Fiduciary funds	115,908
Fiduciary funds	General fund	1,549
Internal service funds	General fund	250,510
Water Pollution Control Authority	General fund	511
Bonded capital projects fund	General fund	186,759
Water Assessment Fund	General fund	755,531
Other governmental funds	General fund	3,545,094
		$ 4,869,613

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	$ -	$ 1,363,876	$ 1,363,876
Other governmental funds	61,004	-	61,004
	$ 61,004	$ 1,363,876	$ 1,424,880

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	$ 11,577,981	$ -	$ (425,350)	$ 11,152,631
Construction in progress	709,329	343,840	(709,329)	343,840
	12,287,310	343,840	(1,134,679)	11,496,471
Capital assets being depreciated				
Buildings and improvements	69,943,033	1,334,447	-	71,277,480
Vehicles	6,191,952	311,438	(494,021)	6,009,369
Machinery and equipment	7,042,449	627,806	-	7,670,255
Infrastructure	47,020,906	1,185,669	-	48,206,575
	130,198,340	3,459,360	(494,021)	133,163,679
Less accumulated depreciation				
Buildings and improvements	(23,275,522)	(1,339,809)	-	(24,615,331)
Vehicles	(3,842,415)	(404,781)	494,021	(3,753,175)
Machinery and equipment	(4,610,571)	(462,296)	-	(5,072,867)
Infrastructure	(12,975,278)	(1,453,763)	-	(14,429,041)
	(44,703,786)	(3,660,649)	494,021	(47,870,414)
Net Capital Assets being Depreciated	85,494,554	(201,289)	-	85,293,265
	$ 97,781,864	$ 142,551	$ (1,134,679)	$ 96,789,736

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	$ 269,184
Public safety	393,211
Public works	1,735,529
Parks and recreation	93,665
Education	1,169,060
	$ 3,660,649

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	$ 647,347	$ 382,765	$ (900,313)	$ 129,799
Capital assets being depreciated				
Buildings and improvements	2,866,314	714,713	-	3,581,027
Vehicles	180,749	-		180,749
Office furniture and equipment	4,635	19,550	-	24,185
Machinery and equipment	1,210,430	41,946	-	1,252,376
Infrastructure	12,642,491	587,010	-	13,229,501
	16,904,619	1,363,219	-	18,267,838
Less accumulated depreciation				
Buildings and improvements	(536,944)	(71,621)	-	(608,565)
Vehicles	(118,082)	(8,913)	-	(126,995)
Office furniture and equipment	(927)	(4,292)	-	(5,219)
Machinery and equipment	(844,695)	(45,756)	-	(890,451)
Infrastructure	(1,821,691)	(131,992)	-	(1,953,683)
	(3,322,339)	(262,574)	-	(3,584,913)
Net Capital Assets being Depreciated	13,582,280	1,100,645	-	14,682,925
	$ 14,229,627	$ 1,483,410	$ (900,313)	$ 14,812,724

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	$ 26,640,000	$ 19,675,000	$ (2,770,000)	$ 43,545,000	$ 3,900,000	$ 39,645,000
Bond Anticipation Note as LTD	19,675,000	-	(19,675,000)	-	-	-
Premium on bonds	1,586,375	1,762,288	(312,684)	3,035,979	-	3,035,979
	47,901,375	21,437,288	(22,757,684)	46,580,979	3,900,000	42,680,979
Direct borrowing	40,017	167,000	(84,958)	122,059	55,500	66,559
Assessment payable	225,790	-	(24,872)	200,918	25,542	175,376
Compensated absences						
Town	188,603	19,319	(86,164)	121,758	48,703	73,055
Education	615,857	134,164	(221,895)	528,126	211,250	316,876
	$ 48,971,642	$ 21,757,771	$ (23,175,573)	$ 47,553,840	$ 4,240,995	$ 43,312,845

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.

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:

Purpose	Year of Issue	Original Amount	Final Maturity	Interest Rates	Outstanding by Purpose	Outstanding by Issuance
General Government	2018	$ 12,553,300	2038	4-5%	$ 12,553,300	
School	2018	3,081,700	2038	4-5%	3,081,700	$ 15,635,000
General Government, Taxable	2018	1,733,800	2038	4-4.5%	1,733,800	
School, Taxable	2018	391,200	2038	4-4.5%	391,200	
Water, Taxable	2018	1,915,000	2038	4-4.5%	1,915,000	4,040,000
Water, Refunding	2015	5,510,000	2034	2-3%	4,305,000	4,305,000
General Government, Refunding	2014	370,000	2026	2-5%	210,000	
School, Refunding	2014	14,380,000	2026	2-5%	8,695,000	
Water, Refunding	2014	350,000	2026	2-5%	215,000	9,120,000
General Government	2013	5,480,000	2034	3-4%	4,550,000	
School	2013	3,100,000	2034	3-4%	580,000	5,130,000
General Government	2010	5,120,000	2031	2-4%	3,815,000	
School	2010	330,000	2031	2-4%	165,000	3,980,000
General Government	2002	100,000	2022	4-5%	15,198	
School	2002	7,800,000	2022	4-5%	1,184,802	1,200,000
General Government	2000	2,705,000	2020	4.75-5.875%	135,000	135,000
					$ 43,545,000	$ 43,545,000

7. Long-Term Liabilities - Governmental 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
2020	$ 3,900,000	$ 1,765,101	2030	1,865,000	458,040
2021	3,775,000	1,594,244	2031	1,695,000	384,174
2022	3,785,000	1,428,778	2032	1,320,000	319,011
2023	3,445,000	1,262,346	2033	1,315,000	263,263
2024	3,455,000	1,115,325	2034	1,310,000	211,091
2025	3,370,000	969,343	2035	855,000	167,744
2026	3,370,000	824,849	2036	925,000	131,731
2027	2,110,000	710,899	2037	925,000	94,113
2028	2,110,000	627,259	2038	920,000	56,400
2029	2,175,000	540,789	2039	920,000	18,800
				$ 43,545,000	$ 12,943,300

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

Projects	Year Approved	Total Bond Authorization	Bonds Issued or Repurposed	Grants and Other Proceeds Applied	Authorized But Unissued Debt
New Combined Elementary School	2018-19	$ 63,295,000	$ -	$ -	$ 63,295,000
Four Corners Project - Phase 1	2017-18	1,950,000	1,570,000	-	380,000
Four Corners Project - Phase 3	2018-19	260,000	76,610	-	183,390
Four Corners Project - Phase 4	2019-20	480,000	-	-	480,000
Various Capital Projects - Town	2019-20	1,737,985	-	-	1,737,985
Various Capital Projects - School	2019-20	1,687,015	-	-	1,687,015
		$ 69,410,000	$ 1,646,610	$ -	$ 67,763,390

On January 8, 2020, the bonds issued in 2010 (shown above in the amount of $3,980,000) were refunded with $3,490,000 in new bonds. This allowed the Town to have a lower interest rate without extending the term of the bonds. The net present value of the savings is $256,156.

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

A. Bond Anticipation Notes

The annual activity for the bond anticipation notes is as follows:

Purpose	Interest Rate	Maturity Date	Beginning Balance	Additions	Reductions	Ending Balance
Reported as a Liability in the Fund						
Town	2.50%	Nov 2019	$ -	$ 1,400,000	$ -	$ 1,400,000
School	2.50%	Nov 2019	-	510,000	-	510,000
Water	2.25%	Nov 2018	1,335,000	-	(1,335,000)	-
Treated as Long-Term Debt						
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	580,000	-	(580,000)	-
			$ 21,010,000	$ 1,910,000	$ (21,010,000)	$ 1,910,000

On November 14, 2019, the Town paid the $1,910,000 in Bond Anticipation Notes due and issued additional bond anticipation notes in the amount of $5,335,000 due November 13, 2020 at an interest rate of 2.25% for the following purposes:

2018-19 Capital projects (general purpose)	$ 1,400,000
2018-19 Capital projects (education)	510,000
2019-20 Capital projects (general purpose)	1,737,985
2019-20 Capital projects (education)	1,687,015
	$ 5,335,000

B. Loans Payable from Direct Borrowings

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%. Payments to maturity are:

Year End	Principal	Interest
2020	$ 55,500	$ 2,459
2021	56,930	1,030
2022	9,629	31
	$ 122,059	$ 3,520

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

C. Assessment Payable

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

Year End	Principal	Interest	Year End	Principal	Interest
2020	$ 25,542	$ 5,574	2026	$ 27,904	$ 1,101
2021	26,207	4,867	2027	9,913	332
2022	26,102	4,142	2028	812	50
2023	26,831	3,413	2029	829	33
2024	27,581	2,664	2030	846	17
2025	28,351	1,894		$ 200,918	$ 24,087

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 up to 90 days at termination of employment. Education employees with more than 12 years of service are entitled to payment of a limited number of sick days at a fixed hourly rate at termination. The number of days and hourly rates vary by collective bargaining units. The estimated liability of all compensated absences which will be paid at termination 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 yearend, $1,446,000 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	$ 63,808,153
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	$ 64,361,173

	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation					
2 1/4 times base	$ 144,812,639	$ -	$ -	$ -	$ -
4 1/2 times base	-	289,625,279	-	-	-
3 3/4 times base	-	-	241,354,399	-	-
3 1/4 times base	-	-	-	209,173,812	-
3 times base	-	-	-	-	193,083,519
Total debt limitation	144,812,639	289,625,279	241,354,399	209,173,812	193,083,519

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

	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Indebtedness					
General obligation bonds	29,447,298	14,097,702	2,765,000	-	-
Bond anticipation notes	1,400,000	510,000	-	-	-
Mortgage/Notes payable	122,059	-	2,617,701	-	-
Authorized but Unissued	2,781,375	64,982,015	-	-	-
Debt of conterminous governments:					
Candlewood Shores District	-	-	-	-	-
Total indebtedness	33,750,732	79,589,717	5,382,701	-	-
Debt limitation in excess of debt outstanding and authorized	$111,061,907	$210,035,562	$235,971,698	$209,173,812	$193,083,519

In no case shall total indebtedness exceed seven times the annual receipts from taxation	$450,528,211
This debt limitation exceeds the debt in the Town of Brookfield, Connecticut by	$331,805,061

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	$ 720,000	$ 2,180,000	$ (135,000)	$ 2,765,000	$ 300,000	$ 2,465,000
Premium on bonds	-	118,921	(3,968)	114,953	-	114,953
	720,000	2,298,921	(138,968)	2,879,953	300,000	2,579,953
Note payable	2,402,449	-	(178,940)	2,223,509	182,552	2,040,957
Mortgage payable	-	400,000	(5,808)	394,192	9,049	385,143
Compensated absences	4,213	5,024	(4,213)	5,024	5,024	-
Permanent maintenance deposits	24,583	-	(24,543)	40	40	-
Contingent credits-assessments	654,806	-	(5,509)	649,297	-	649,297
	$ 3,806,051	$ 2,703,945	$ (357,981)	$ 6,152,015	$ 496,665	$ 5,655,350

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	2018	$ 2,180,000	2038	4-5%	$ 2,180,000
WPCA	2010	330,000	2031	2-4%	240,000
WPCA	1993	3,400,000	2021	3.65-5.375%	345,000
					$ 2,765,000
Loan Payable from Direct Borrowing					
Clean Water Fund Note	2010	3,747,082	2030	2.00%	$ 2,223,509

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
2020	$ 300,000	$ 123,395	2028	$ 190,000	$ 36,745
2021	300,000	108,770	2029	135,000	29,008
2022	300,000	94,300	2030	120,000	22,995
2023	190,000	82,550	2031	120,000	17,335
2024	195,000	73,405	2032	90,000	12,250
2025	195,000	64,115	2033	90,000	8,200
2026	190,000	54,930	2034	90,000	4,600
2027	190,000	45,845	2035	70,000	1,400
				$ 2,765,000	$ 779,843

Payments to maturity on the loan are as follows:

	Note Payable			Note Payable	
Year End	Principal	Interest	Year End	Principal	Interest
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
2025	201,734	23,636	2031	$ 2,223,509	$ 255,461

B. Mortgage Payable

The WPCA has a mortgage dated September 28, 2019 in the original amount of $400,000 secured by property and equipment. The mortgage is payable over 25 years in monthly payments of $2,238 inclusive of principal and interest at a rate of 4.566% per year.

	Mortgage Payable			Mortgage Payable	
Year End	Principal	Interest	Year End	Principal	Interest
2020	$ 9,049	$ 17,810	2033	$ 16,365	$ 10,495
2021	9,471	17,388	2034	17,128	9,732
2022	9,913	16,946	2035	17,926	8,933
2023	10,375	16,484	2036	18,762	8,097
2024	10,859	16,001	2037	19,637	7,223
2025	11,365	15,494	2038	20,552	6,307
2026	11,895	14,964	2039	21,511	5,349
2027	12,450	14,410	2040	22,514	4,346
2028	13,030	13,829	2041	23,563	3,296
2029	13,638	13,222	2042	24,662	2,198
2030	14,274	12,586	2043	25,812	1,048
2031	14,939	11,920	2044	8,866	85
2032	15,636	11,224		$ 394,192	$ 259,387

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

C. 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	2.25%	Nov 2018	$ 1,950,000	$ -	$ (1,950,000)	$ -
WPCA	2.50%	Nov 2018	650,000	-	(650,000)	-
			$ 2,600,000	$ -	$ (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	$ -	$ -	$ -	$ 367,390	$ 367,390
	$ -	$ -	$ -	$ 367,390	$ 367,390
Restricted					
Rehabilitation loans	$ -	$ -	$ -	$ 525,084	$ 525,084
Debt	-	-	755,531	-	755,531
General government	-	-	-	58,756	58,756
Public safety	-	-	-	87,503	87,503
Health and welfare	-	-	-	13,221	13,221
Library	-	-	-	184,157	184,157
Education	-	-	-	321,255	321,255
Open space	-	-	-	357,771	357,771
	$ -	$ -	$ 755,531	$ 1,547,747	$ 2,303,278
Committed					
Capital Projects	$ -	$ 1,791,091	$ -	$ 976,798	$ 2,767,889
	$ -	$ 1,791,091	$ -	$ 976,798	$ 2,767,889
Assigned					
General government	$ 3,918	$ -	$ -	$ -	$ 3,918
Public safety	-	-	-	177,890	177,890
Conservation	-	-	-	232,110	232,110
Culture and recreation	-	-	-	16,493	16,493
Library	-	-	-	12,618	12,618
Education	61,942	-	-		61,942
Capital Projects	-	-	-	617,347	617,347
	$ 65,860	$ -	$ -	$ 1,056,458	$ 1,122,318

10. The Town of Brookfield Defined Benefit Pension Plan

A. Plan Description - The Town is the administrator of a single-employer defined benefit public employee retirement system ("Defined Benefit Plan") established and administered by the Town to provide pension benefits for its union and nonunion employees including Water Pollution Control Authority ("WPCA") employees, but excluding teachers covered under the Connecticut State Teachers' Retirement System ("TRS"). The Defined Benefit 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 pension trust fund. A separate stand-alone financial report is not issued. Benefits may be changed or terminated by the Board of Selectmen subject to any applicable collective bargaining agreement.

The Defined Benefit Plan was established July 1, 1968 and, amended and restated as of January 1, 2015, with additional amendments as needed. Some of the plan amendments are still being implemented with the various bargaining units. For this reason certain provisions are described as for employees hired "before the effective date" and "on or after the effective date". This is a brief description of the Defined Benefit Plan and does not interpret, extend or change the provisions of the Defined Benefit Plan in any way.

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

B. Defined Benefit Plan Benefits -

Eligible employees include the following full-time employees, except employees who have elected to participate in the Town of Brookfield 401(a) Plan:

- Town non-union employees (excluding elected officials and including the Town Clerk), and Town union employees,
- Employees of the Water Pollution Control Authority ("WPCA"),
- Board of Education employees who are not certified employees of the Board of Education. This includes non-union employees, custodial employees, school nurses and secretarial employees.

Participant Contributions - Participants, except police officers, contribute 5% of their compensation. Police officers contribute 6% of their compensation. A participant must make contributions for all years of credited service except:

- Employees do not contribution in their first year of service,
- Police officers do not contribute after 30 years, and
- Employees hired after January 1, 2019 do not contribute after 20 years

10. The Town of Brookfield Defined Benefit Pension Plan (Continued)

Vesting - The vesting schedule for employees is as follows and depends on the effective date of the amendments to their bargaining group:

Hired before effective date Plus all police officers and public works employees	Hired on/after effective date Except police officers and public works employees
50% at 5 years	20% at 2 years
60% at 6 years	40% at 3 years
70% at 7 years	60% at 4 years
80% at 8 years	80% at 5 years
90% at 9 years	100% at 6 years
100% at 10 years	

Normal Retirement Benefit - 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. For employees hired after the effective date, the years of service stop accumulating at 20 years of service. The employees is then moved to the defined contribution plan discussed later. Average final earnings is defined 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 $6,000, 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. The final earnings are calculated on 5 years of earnings for employees hired after the effective date.

Retirement Dates - Upon attaining the normal retirement date, participants are entitled to an annual retirement benefit. The normal retirement date for employees hired before the effective date of the plan change is age 62. After that date it is age 64. If an employee terminates employment with the Town the normal retirement date, early retirement date and before being eligible for a deferred vested benefit, the employee will receive a refund of the contributions made to the Defined Benefit Plan, plus interest.

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 begin prior to age 62.

C. Defined Benefit Plan Membership - As of the date of the latest actuarial valuation (January 1, 2018), membership consisted of the following:

Active members	173
Terminated employees entitled to benefits, but not yet receiving them	19
Retirees, disabled and beneficiaries receiving benefits	108
	300

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.

10. The Town of Brookfield Defined Benefit Pension Plan (Continued)

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	45%	35% - 55%
Equity	Domestic and foreign small/mid cap	15%	10% - 20%
Fixed Income		35%	25% - 45%
Cash		5%	0% - 10%

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

ASSETS	
Cash and equivalents	$ 524,016
Investments, at fair value	
Mutual funds	56,910,721
Total Assets	57,434,737
LIABILITIES	
Due to other funds	49,648
NET POSITION	
Restricted for pensions benefits	$ 57,385,089

G. Long-Term Expected Rate of Return - the long-term expected rate of return was determined using a building-block method in which best-estimate ranges of expected future real rates of return were developed by Wells Fargo Institutional Asset Advisors using an arithmetic mean:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Weighting
Large cap	36.00%	5.30%	1.91%
International equity	15.00%	5.00%	0.75%
Small cap	9.00%	6.00%	0.54%
Core fixed income	38.00%	0.60%	0.23%
Cash	2.00%	0.00%	0.00%
	100.00%		3.43%
	Long-Term Inflation		2.75%
	Long-Term Expected Nominal Return		6.18%

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 fiscal year was 11.05%

10. The Town of Brookfield Defined Benefit Pension Plan (Continued)

I. Net Pension Liability (Asset) - The components of the net pension liability (asset) are:

Total pension liability	$ 55,410,592
Less: Plan fiduciary net position	(57,434,737)
Net pension liability (asset)	$ (2,024,145)
Plan fiduciary net position as a percentage of total pension liability	103.65%

Changes in the net pension liability (asset) during the year were as follows using the cash basis of accounting as used in the required supplemental information:

Total Pension Liability	
Service cost	$ 1,252,986
Interest on total pension liability	3,433,557
Differences between expected and actual experience	579,534
Effect of assumption changes or inputs	(302,729)
Benefit payments	(2,212,638)
Net change in total pension liability	2,750,710
Total pension liability, beginning	52,659,882
Total pension liability, ending	55,410,592
Fiduciary Net Position	
Employer contributions	1,270,888
Member contributions	616,324
Investment income net of investment expenses	5,697,754
Benefit payments	(2,212,638)
Administrative expenses	(151,604)
Other	51,607
Net change in plan fiduciary net position	5,272,331
Fiduciary net position (cash basis), beginning	52,162,406
Fiduciary net position (cash basis), ending	57,434,737
Net pension liability, beginning	497,476
Net pension asset, ending	$ (2,024,145)

10. The Town of Brookfield Defined Benefit Pension Plan (Continued)

J. Actuarial Methods and Significant Assumptions - The January 1, 2018 valuation was projected forward to a measurement date of June 30, 2019. The methods and assumptions are as follows:

Valuation timing	Annual - The January 1, 2017 valuation calculated the 2019 ADEC
Actuarial cost method	Entry Age Normal Actuarial Cost Method (level percent of salary)
Amortization method	Amortized over 15 years on an open basis
Asset valuation method	3 year smoothing recognizing 33.3% 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-2017

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 members' 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 Defined Benefit Plan and the Defined Benefit Plan Assumptions - The mortality assumption was updated to the latest published pension mortality study released by the Society of Actuaries to better reflect actual and anticipated experience. The change in the assumption decreased liabilities by about 0.5%.

K. Sensitivity Analysis - The following presents the net pension liability (asset) of the Town, calculated using the current discount rate, as well as what the Town's net pension liability (asset) 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)	$ 4,319,702	$ (2,024,145)	$ (7,346,921)

10. The Town of Brookfield Defined Benefit Pension Plan (Continued)

L. Pension Expense - The total pension expense recognized for fiscal year was $496,537. Future pension expense will be affected by the following deferred outflows and inflows of resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Out(In)Flows of Resources
Difference between expected and actual experience	$ 908,805	$ (275,723)	$ 633,082
Changes in assumptions and demographics	582,834	(390,450)	192,384
Difference between projected and actual earning on investments	-	(2,984,609)	(2,984,609)
Total	$ 1,491,639	$ (3,650,782)	$ (2,159,143)

Year Ending	
2020	$ (483,081)
2021	(951,254)
2022	(391,221)
2023	(275,962)
2024	(47,872)
Thereafter	(9,753)
	$ (2,159,143)

M. Investments that Represent 5% or More of the Defined Benefit Plan's Fiduciary Net Position

The following mutual funds represent 5% or more of the Plan's fiduciary net position:

Fund	Percentage
500 Index (Vanguard)	25.27
Premier Core Bond (Barings)	14.53
Total International Stock Index Fund (Vanguard)	10.03
Sel Stratbond (Western)	9.85
International Large Cap Growth (T. Rowe Price)	7.19
Washington Mutual Investment (Amer Fund)	7.13
Small Cap Index (Vanguard)	6.05
Mid Cap Index (Vanguard)	5.18
Long-Term Bond Index Fund (Vanguard)	5.18

11. The Town of Brookfield Defined Contribution Pension Plan

The Town has established a defined contribution pension plan known as the Town of Brookfield 401(a) Plan ("Defined Contribution Plan") effective March 1, 2019 which is administered by the Board of Selectmen. Employees (currently excluding police and highway union employees) may opt for, or change to, the Defined Contribution Plan in lieu of the defined benefit pension plan discussed above. Employees hired after the effective date will convert from the defined benefit plan to the defined contribution plan automatically after 20 years of service. Employees in this plan are required to contribute 5% of their income to the plan in pretax dollars. The Town will match 100% of the employees required contribution. Employee contributions and employer matching contributions to the Defined Contribution Plan were $0 each during the fiscal year.

11. The Town of Brookfield Defined Contribution Pension Plan (Continued)

In addition, employees in this Plan can voluntarily contribute under the Internal Revenue Code (IRC) Code Section 457. The Town will match 75% of the employee's 457 contribution up to an employee contribution of 8% (including the 5% required contribution noted above). Although an employee may contribute more depending on the IRC, the Town will never match more than 6% of the total employee contribution. Employee contributions and employer matching contributions to the 457 plan were $0 and $0, respectively, during the fiscal year.

12. Town of Brookfield 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.

A. Plan Description - The Town is the administrator of a single-employer defined benefit other post-employment ("OPEB Plan") plan established and administered by the Town to provide post-employment benefits, other than pensions, for certain union and nonunion employees (including certain WPCA employees). The OPEB 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 an OPEB trust fund. A separate stand-alone financial report is not issued. Benefits may be changed or terminated by the Board of Selectmen subject to any applicable collective bargaining agreement.

The Board of Selectmen oversees the OPEB administration. The RBAC provides advice to the Selectmen.

B. OPEB Plan Benefits -

Eligible employees - include:

- Town non-union employees (age 62 with 20 years of service) hired before 2013,
- CSEA union employees (age 62 with 20 years of service) hired before 2011,
- Highway and public works employees (age 62 or older) hired before July 1, 2010,
- Police (age 55 with 20 years or 25 years of service with no age limit) hired before July 1, 2017
- Certified education employees (age 50 with 25 years of service, age 55 with 20 years of service or age 60 with 10 years of service)
- Education nurses (age 55 with 12 years of service)

12. Town of Brookfield Other Post-Employment Benefits ("OPEB") (Continued)

Participant contributions

- Town non-union and CSEA union employees - prior to age 65 the retiree and spouse pay a varying percentage of the premiums based on years of service at retirement. At 20 years, the retiree pays 35% of the premium, dropping 5% per year until at 25 years, the retiree pays 10% of the cost. The Town pays 100% of the cost for retirees with over 25 years of service. The retiree pays 0% for an $8,000 life insurance policy.
- Highway and public works employees - retiring at less than 20 years of service, the retiree pays 100% of the premiums for self and spouse. At 20 years and prior to age 65, the retiree pays 45% of the premium. At 20 years and after age 65, the retiree pays 25% percent of the retiree premium and 30% of the spouse premium. The retiree pays 0% for an $8,000 life insurance policy.
- Police - prior to age 65 the retiree pays 25% for the retiree and spouse premium for 5 years. After 5 years the retiree pays 25% for the retiree and 100% for the spouse premium. After age 65 the retiree pays 25% for the retiree and spouse.
- Certified education employees and education nurses - the retiree pays 100% of the premium

C. Plan Membership - As of the date of the latest actuarial valuation (July 1, 2018), membership consisted of the following:

Active plan members	370
Inactive plan members or beneficiaries currently receiving benefits	61
	431

D. Funding Policy - The Town 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	45%	35% - 55%
Equity	Domestic and foreign small/mid cap	15%	10% - 20%
Fixed Income		35%	25% - 45%
Cash		5%	0% - 10%

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

ASSETS	
Cash and equivalents	$ 211,247
Investments, at fair value	
Mutual funds	1,003,691
Total Assets	1,214,938
NET POSITION	
Restricted for OPEB benefits	$ 1,214,938

12. Town of Brookfield Other Post-Employment Benefits ("OPEB") (Continued)

G. Long-Term Expected Rate of Return - The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return were developed by HHIA using a geometric mean:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Weighting
US Large Cap	39.00%	4.50%	1.76%
US Mid/Small Cap	11.00%	5.00%	0.55%
Developed International Equities	9.00%	5.25%	0.47%
Emerging Market Equities	1.00%	6.25%	0.06%
Intermediate Corporate	20.00%	2.50%	0.50%
Intermediate Government	12.00%	1.50%	0.18%
High-Yield Bonds	7.00%	3.25%	0.23%
Money Market/Short Term Bonds	1.00%	0.25%	0.00%
	100.00%		3.75%
Long-Term Inflation			2.50%
Long-Term Expected Nominal Return			6.25%

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 fiscal year was 8.63%

I. Net OPEB Liability

The components of the net OPEB liability were as follows:

Total OPEB liability	$ 12,923,538
Less: Plan fiduciary net position	(1,214,938)
Net OPEB liability	$ 11,708,600

Plan fiduciary net position as a percentage of total OPEB liability 9.40%

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

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

Total OPEB Liability	
Service cost	$ 496,650
Interest on total OPEB liability	1,337,919
Change in benefit terms	(374,505)
Differences between expected and actual experience	(6,007,048)
Effect of assumption changes or inputs	(2,387,627)
Benefit payments	(450,069)
Net change in total OPEB liability	(7,384,680)
Total OPEB liability, beginning	20,308,218
Total OPEB liability, ending	12,923,538
Fiduciary Net Position	
Employer contributions	621,029
Teachers' Retirement Board contributions	29,040
Investment income net of investment expenses	80,408
Benefit payments	(450,069)
Administrative expenses	(2,052)
Other	292
Net change in plan fiduciary net position	278,648
Fiduciary net position, beginning	936,290
Fiduciary net position, ending	1,214,938
Net OPEB liability, beginning	19,371,928
Net OPEB liability, ending	$ 11,708,600

J. Actuarial Methods and Significant Assumptions - The July 1, 2018 valuation was projected forward to a measurement date of June 30, 2019 with methods and assumptions as follows:

Valuation timing	Biannual
Actuarial cost method	Entry Age Normal Actuarial Cost Method (level percentage of salary)
Actuarial amortization method	Closed 25 year period, decreasing 1 year each year until reaching an open 15 year period as a level dollar amount
Asset valuation method	Fair value of plan assets
Inflation	2.50%
Payroll growth	2.50%
Investment rate of return	6.50%
Cost trend rate:	
Healthcare	7.50% decreasing .5% per year to a rate of 4.50% for 2024 and later
Dental	4.50% per year
Retirement age	Town and nurses at age 62, police age 55
Post-retirement mortality	RP-2014 projected to the valuation date with Scale MP-2018

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

Discount Rate - The discount rate used to measure the total OPEB liability was 6.5%. Based on the plan's current net OPEB liability and current contribution policy, the plan's projected fiduciary net position will be sufficient to cover projected benefit payments and administrative expenses indefinitely.

Changes in the Plan and the Plan Assumptions - There were no significant plan changes since the last valuation. The following were changes in the plan assumptions:

- The mortality assumption was updated to the latest published pension mortality study released by the Society of Actuaries to better reflect actual and anticipated experience.
- The retirement assumption was updated to better reflect actual experience.
- The inflation assumption was lowered from 2.75% to 2.50% to better reflect expected experience.
- The rate of compensation increase was lowered from 3.00% to 2.50% to better reflect expected experience.
- Healthcare cost trends were reduced to reflect both the current and long-term outlook in healthcare costs and to align with the lowered inflation assumptions.
- The utilization rates will reduced to better reflect actual experience.

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	$ 13,326,728	$ 11,708,600	$ 10,354,670

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	6.50%	7.50%	8.50%
Decreasing to	3.50%	4.50%	5.50%
Net OPEB Liability	$ 10,146,303	$ 11,708,600	$ 13,619,852

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

L. OPEB Expense - The total OPEB expense recognized for the year was $613,893. Future OPEB expense will be affected by the following deferred outflows and inflows of resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Out(In)Flows of Resources
Difference between expected and actual experience	$ -	$ (5,986,630)	$ (5,986,630)
Changes in assumptions and demographics	-	(2,198,133)	(2,198,133)
Difference between projected and actual earning on investments	-	(10,070)	(10,070)
Total	$ -	$ (8,194,833)	$ (8,194,833)

Year Ending	
2020	$ (751,690)
2021	(751,690)
2022	(751,689)
2023	(751,857)
2024	(749,214)
Thereafter	(4,438,693)
	$ (8,194,833)

M. Investments that Represent 5% or More of the Defined Benefit Plan's Fiduciary Net Position

The following accounts and mutual funds represent 5% or more of the Plan's fiduciary net position:

Fund	Percentage
Fidelity 500 Index Fund	21.03
Schwab Bank	16.59
PGIM Total Return	8.31
Western Asset Core Bond Fund	8.27
T. Rowe Price Blue Chip Growth	5.87

13. Town of Brookfield Length of Service Awards Plan ("LOSAP")

A. Plan Description - The Town is the sponsor of a Length of Service Awards Plan ("LOSAP Plan") established and administered by the Town to provide pension benefits for its fire department volunteers. This is a single-employer defined benefit plan. The plan was established July 1, 1996 by the Town. Changes to the plan, including discontinuation of the LOSAP Plan, may be made by the Town.

B. LOSAP Plan Benefits -

Eligible participants - 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.

Vesting - 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.

13. Town of Brookfield Length of Service Awards Plan ("LOSAP") (Continued)

Retirement Benefit - 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.

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

Active plan members	88
Inactive plan members entitled to benefits, but not yet receiving them	73
Inactive plan members or beneficiaries currently 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 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. Changes in the total pension liability during the year were as follows:

Total Pension Liability	
Service cost	$ 45,649
Interest on total pension liability	76,834
Effect of assumption changes or inputs	119,773
Benefit payments	(49,955)
Net change in total pension liability	192,301
Total pension liability, beginning	1,964,435
Total pension liability, ending	$ 2,156,736

F. Actuarial Methods and Significant Assumptions - the January 1, 2018 valuation was projected forward to a measurement date of June 30, 2019 using the following methods and assumptions:

Actuarial cost method	Entry Age Normal Actuarial Cost Method (level percentage of salary)
Inflation	2.75%
Cost of living adjustment	None
Investment rate of return	3.51%
Mortality	RP-2014 Adjusted to 2006 projected with Scale MP-2017

Discount Rate - Since the plan is not funded the selection of the discount rate is consistent with the GASB standards inking the discount rate to the 20-year AA municipal bond index for unfunded plans. The discount rate used for this disclosure is equal to the published Bond Buyer GO 20-Bond Municipal Index as of yearend. For June 30, 2019 this rate was 3.51%.

13. Town of Brookfield Length of Service Awards Plan ("LOSAP") (Continued)

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

G. 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 2.51%	Current Discount Rate 3.51%	1% Increase 4.51%
Total Pension Liability	$ 2,548,207	$ 2,156,736	$ 1,847,015

H. LOSAP Expense - The total pension expense recognized for the year was $124,991. Future LOSAP expense will be affected by the following deferred outflows and inflows of resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Out(In)Flows of Resources
Difference between expected and actual experience	$ 2,916	$ -	$ 2,916
Changes in assumptions and demographics	109,623	(77,807)	31,816
Total	$ 112,539	$ (77,807)	$ 34,732

Year Ending	
2019	$ 2,508
2020	2,508
2021	2,508
2022	2,508
2023	2,508
Thereafter	22,192
	$ 34,732

14. Connecticut 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 plan established under Chapter 167a of the Connecticut General Statutes. The TRS was established to provide retirement and other benefits for teachers, their survivors and beneficiaries. TRS is administered by the Teachers' Retirement Board ("TRB"). TRS issues a publicly available financial report that can be obtained at www.ct.gov.

B. Plan Benefits - Plan provisions are set by the Connecticut General Statutes 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 60 and has accumulated 20 of credited service in the public schools of Connecticut or (2) has attained any age and has accumulated 35 years of credited service, at least 25 years of which are service in the public schools of Connecticut.

14. Connecticut Teachers' Retirement System - Pension Plan (Continued)

The normal retirement benefit is 2% times the number of years of credited service multiplied by their average annual salary received during the 3 years of highest salary. In no event will such benefit exceed 75% 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 25 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 25 years of credited service, at least 25 of which are service in the public schools of Connecticut or (2) has reached the age of 55 and has accumulated 20 years of credited service, at least 15 years of which are service in the public schools of Connecticut.

The early retirement benefit is reduced 6% per year for the first 5 years preceding normal retirement age and 4% 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 3% per year by which retirement precedes normal retirement date.

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 TRB 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 7% 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 (expected returns net of pension plan investment expense plus 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. Inflation is not added because the real rates of return includes inflation. The table below shows the target asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class:

14. Connecticut 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 Connecticut 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	64,203,987
Net Pension Liability	$ 64,203,987

Portion of the State of Connecticut's Net Pension Liability which is related to the Town of Brookfield employees	0.487722%
Pension expense	7,205,763
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, 2018 (valuation date and measurement date) for use in the June 30, 2019 financial statements (reporting date):

14. Connecticut Teachers' Retirement System - Pension Plan (Continued)

Experience study dates	July 1, 2010 - June 30, 2015
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 Social Security Benefits and return on assets
Post-retirement mortality	RPH-2014 White Collar Mortality Table projected to 2020

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 contribution paid by the State on-behalf of the Town's employees as revenue and expense in its GAAP financial statements (Exhibits 3 and 4) which amounted to $6,205,172 as revenue and expense. In addition, in the government-wide financial statements (Exhibits 1 and 2) reported on the full accrual basis of accounting, the Town must record the total pension expense which was $7,205,763. This increases the education expenses and operating grants.

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.

15. 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 Connecticut General 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.

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

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: (1) subsidized local school district coverage provides a subsidy paid to members still receiving coverage through their former employer; (2) and the TRB 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 TRB. 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 TRB 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

Connecticut General Statutes, Section 10-183t, contribution requirements of active employees and the State are amended and certified by the TRB 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.

The Town is not required to make contributions to the plan.

Each employee is required to contribute 1.25% of their annual salary.

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

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 plus 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.

All the plan assets are assumed to be invested in cash equivalents due to the need for liquidity. The expected rate of return is 3.00%.

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	12,834,790
Net OPEB Liability	$ 12,834,790
Portion of the State of Connecticut's Net OPEB Liability which is related to the Town of Brookfield employees	0.487722%
OPEB expense	4,263,710
Proportion Basis	Employee contributions
Change in proportion since prior measurement date	None

The net OPEB liability was measured as of June 30, 2018, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. The Town has no proportionate share of the net OPEB liability.

G. Actuarial Assumptions - The total OPEB liability was determined 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	3.00%, net of plan investment expense, including inflation
Year fund will be depleted	2019
Single equivalent interest rate	
Measurement date	3.87%, net of plan investment expense, including inflation
Prior measurement date	3.56%, net of plan investment expense, including inflation
Health care costs trend rate	
Pre-Medicare	5.95% decreasing to 4.75% by 2025
Medicare	5.00% decreasing to 4.75% by 2028
Mortality Rates	RPH-2014 White Collar Mortality Table projected to 2020

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

Discount Rate - 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.

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 contribution paid by the State on behalf of the Town's employees as revenue and expense in its GAAP financial statements (Exhibits 3 and 4) which amounted to $172,161 as revenue and expense. In addition, in the government-wide financial statements (Exhibits 1 and 2) reported on the full accrual basis of accounting, the Town must record the total OPEB expense which was a negative expense of $4,263,710. This reduces the education expenses and operating grants.

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.

16. 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.

16. 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
2019	267,211	-	(3,970)	263,241

17. 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.

18. State of Connecticut Information and Restrictions

A. State's Financial Condition - Although the Town of Brookfield holds an 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 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 $3,868,818 in payments from the State plus the State paid $6,205,172 and $172,161 on-behalf of the Town for teachers' retirement and other post-employment 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.

As discussed in notes 14 and 15 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 post-employment 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 (Connecticut General Statute 12-71e). The motor vehicle mill rate cap for fiscal year 2020 and thereafter will be 45 mills.

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 (Connecticut General Statute 4-661). 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 2017-2019 biennium budget legislation did not provide funding for the municipal revenue sharing grant in the fiscal years ending June 30, 2018 and June 30, 2019. The 2019-2021 biennium budget legislation does not provide for the municipal revenue sharing grant in fiscal years ending June 30, 2020 and June 30, 2021, but will resume such funding following July 1, 2021.

19. IMPACT OF NEW ACCOUNTING STANDARDS NOT YET EFFECTIVE

- GASB Statement No. 84, *Fiduciary Activities.* The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This is effective beginning July 1, 2019. The Town is currently evaluating the potential impact of adopting this Statement on its financial statements.

- GASB Statement No. 87, *Leases.* The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This is effective beginning July 1, 2020. The Town is currently evaluating the potential impact of adopting this Statement on its financial statements.

- GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objective of this Statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (b) to simplify accounting for interest cost incurred before the end of a construction period. This is effective beginning July 1, 2020. The Town does not expect this statement to have a material effect on its financial statements.

- GASB Statement No. 90, *Majority Equity Interests - An Amendment of GASB Statements No. 14 and No. 61,* The objectives of this statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This is effective beginning July 1, 2019. The Town does not expect this statement to have a material effect on its financial statements.

- GASB Statement No. 91, *Conduit Debt Obligations.* The objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. This is effective beginning July 1, 2021. The Town does not expect this statement to have a material effect on its financial statements.

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, 2019

	Budgeted Amounts				
	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual Budgetary Basis	Variance with Final Budget
REVENUES					
Taxes					
Current Year Tax Revenue	$ 62,411,909	$ -	$ 62,411,909	$ 62,312,775	$ (99,134)
Prior Year Tax Revenue	275,524	-	275,524	466,434	190,910
Supplemental Taxes	466,985	-	466,985	590,677	123,692
Interest and Fees	247,611	-	247,611	258,861	11,250
Telephone Tax Payment	48,606	-	48,606	45,732	(2,874)
	63,450,635	-	63,450,635	63,674,479	223,844
Licenses and Permits					
Land Use Licenses and Permits					
Health Permits and Fees	55,000	-	55,000	78,136	23,136
Building Permits and Fees	280,000	-	280,000	415,027	135,027
Planning and Zoning Permits& Fees	75,000	-	75,000	108,569	33,569
Fire Marshal	50,000	-	50,000	47,796	(2,204)
Other Licenses and Permits					
HRRA/Hauler Registration Fees	-	-	-	4,250	4,250
Vendor Permits	-	-	-	3,600	3,600
	460,000	-	460,000	657,378	197,378
Intergovernmental Revenue					
Education Grants					
Education Cost Sharing	1,144,183	-	1,144,183	1,147,360	3,177
General Government Grants					
Grants for Municipal Projects	118,281	-	118,281	118,281	-
Municipal Stabilization Grant	272,396	-	272,396	272,396	-
Veterans Exemption	-	-	-	8,105	8,105
Disability Tax Relief	-	-	-	1,318	1,318
Judicial Fees	-	-	-	14,990	14,990
Town Aid Road	305,929	-	305,929	307,143	1,214
LOCIP	122,346	-	122,346	193,705	71,359
Police Grants	37,537	-	37,537	-	(37,537)
Other State Grants	3,753	-	3,753	-	(3,753)
	2,004,425	-	2,004,425	2,063,298	58,873
Charges for Services					
Town Clerk					
Marriage License Fees	2,000	-	2,000	2,480	480
Dog License Fees	1,500	-	1,500	1,294	(206)
Town Clerk Fees	19,650	-	19,650	22,632	2,982
Recording Fees	55,000	-	55,000	58,172	3,172
Copies of Land Records	20,000	-	20,000	19,318	(682)
Conveyance Tax	317,850	-	317,850	315,765	(2,085)
Document Charges	40,000	-	40,000	35,322	(4,678)
Other Charges for Services					
Senior Center Programs	-	23,000	23,000	27,095	4,095
Police Reports	-	-	-	8,838	8,838
Assessor Books Map and Copies	-	-	-	1,566	1,566
	456,000	23,000	479,000	492,482	13,482
Fines and Assessments					
Police Fines	-	-	-	50	50
Blight Fines	15,000	-	15,000	16,700	1,700
Wetlands Fines	15,000	-	15,000	17,000	2,000
Alarm Fines	22,989	-	22,989	10,710	(12,279)
	52,989	-	52,989	44,460	(8,529)

(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, 2019

	Budgeted Amounts				
	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual Budgetary Basis	Variance with Final Budget
Investment Income					
Interest Income	$ 75,000	$ -	$ 75,000	$ 321,962	$ 246,962
	75,000	-	75,000	321,962	246,962
Rents and Royalties					
Building	30,118	-	30,118	36,446	6,328
Cell Tower	21,600	-	21,600	22,467	867
	51,718	-	51,718	58,913	7,195
Other Revenues					
Miscellaneous Revenues	30,000	-	30,000	50,047	20,047
	30,000	-	30,000	50,047	20,047
Other Financing Sources					
Proceeds from Asset Disposition	27,000	-	27,000	66,639	39,639
	27,000	-	27,000	66,639	39,639
Total Revenues	**66,607,767**	**23,000**	**66,630,767**	**67,429,658**	**798,891**

(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, 2019

	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	$ 87,589	$ 890	$ 88,479	$ 88,479	$ -
Board of Selectmen	8,754	21	8,775	8,775	-
Nonunion Wages	68,282	-	68,282	68,282	-
Other Wages	5,255	13	5,268	5,268	-
	169,880	924	170,804	170,804	-
Legal Retainer	60,000	-	60,000	60,000	-
Tax Litigation	6,000	3,267	9,267	9,267	-
Legal Fees	155,000	(91,224)	63,776	63,776	-
Tax Appeals	3,000	49,860	52,860	52,860	-
Codify Laws	3,250	(1,541)	1,709	1,709	-
Postage	-	1,594	1,594	1,448	146
Travel and Conferences	3,500	(2,000)	1,500	1,360	140
Office Supplies	2,500	(1,367)	1,133	1,133	-
	233,250	(41,411)	191,839	191,553	286
Total Selectmen	**403,130**	**(40,487)**	**362,643**	**362,357**	**286**
Board of Finance					
Salaries and Wages					
Seasonal/Sporadic Wages	3,329	-	3,329	2,682	647
	3,329	-	3,329	2,682	647
Purchased Professional Services	35,000	(14,600)	20,400	20,000	400
Office Supplies	-	600	600	228	372
	35,000	(14,000)	21,000	20,228	772
Total Board of Finance	**38,329**	**(14,000)**	**24,329**	**22,910**	**1,419**
Finance					
Salaries and Wages					
Elected Officials	12,485	30	12,515	12,515	-
Nonunion Wages	224,400	11,946	236,346	236,346	-
Union Wages	100,434	437	100,871	100,871	-
Part-Time Wages	46,818	837	47,655	47,655	-
Other Pay	-	250	250	250	-
Overtime Wages	-	21,215	21,215	20,771	444
	384,137	34,715	418,852	418,408	444
Purchased Professional Services	-	2,120	2,120	2,120	-
Travel and Conferences	4,542	(2,870)	1,672	1,672	-
Office Supplies	2,610	714	3,324	3,324	-
	7,152	(36)	7,116	7,116	-
Total Finance	**391,289**	**34,679**	**425,968**	**425,524**	**444**
Assessor					
Salaries and Wages					
Nonunion Wages	91,800	933	92,733	92,732	1
Union Wages	131,032	5,362	136,394	136,308	86
Seasonal/Sporadic Wages	5,000	(5,000)	-		-
Other Pay	-	250	250	250	-
Overtime Wages	-	5,049	5,049	5,049	-
	227,832	6,594	234,426	234,339	87
Dept. Specific Outside Services	14,550	(3,805)	10,745	10,745	-
Postage	900	50	950	936	14
Travel and Conferences	2,000	1,120	3,120	3,062	58
Office Supplies	2,800	-	2,800	2,794	6
Software	38,775	-	38,775	37,825	950
	59,025	(2,635)	56,390	55,362	1,028
Total Assessor	**286,857**	**3,959**	**290,816**	**289,701**	**1,115**

(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, 2019

	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	$ 1,500	$ 100	$ 1,600	$ 1,599	$ 1
	1,500	100	1,600	1,599	1
Travel and Conferences	150	(100)	50	-	50
Office Supplies	25		25	-	25
	175	(100)	75	-	75
Board of Assessment Appeals	**1,675**	**-**	**1,675**	**1,599**	**76**
Tax Collector					
Salaries and Wages					
Nonunion Wages	80,945	(167)	80,778	80,778	-
Union Wages	90,622	2,053	92,675	92,673	2
Seasonal/Sporadic Wages	3,570	1,550	5,120	5,120	-
Other Pay	-	250	250	250	-
Overtime Wages	765	(210)	555	555	-
	175,902	3,476	179,378	179,376	2
Dept. Specific Outside Services	2,250	(325)	1,925	1,925	-
Postage	15,500	(2,007)	13,493	13,493	-
Travel and Conferences	2,150	(230)	1,920	1,803	117
Office Supplies	6,600	(721)	5,879	5,677	202
Software	18,250	-	18,250	17,984	266
	44,750	(3,283)	41,467	40,882	585
Total Tax Collector	**220,652**	**193**	**220,845**	**220,258**	**587**
Personnel					
Salaries and Wages					
Nonunion Wages	141,854	1,057	142,911	142,898	13
Overtime Wages	-	531	531	531	-
	141,854	1,588	143,442	143,429	13
Pension Consulting	48,340	272,698	321,038	321,038	-
Dept. Specific Outside Services	13,500	(544)	12,956	12,151	805
Legal Notices/Advertising	1,000	(200)	800	614	186
Travel and Conferences	1,750	6	1,756	1,756	-
Office Supplies	2,000	(500)	1,500	1,479	21
	66,590	271,460	338,050	337,038	1,012
Total Personnel	**208,444**	**273,048**	**481,492**	**480,467**	**1,025**
Information Technology					
Salaries and Wages					
Nonunion Wages	153,735	241	153,976	153,976	-
Seasonal/Sporadic Wages	5,000	(2,000)	3,000	2,318	682
	158,735	(1,759)	156,976	156,294	682
Dept. Specific Outside Services	14,000	(7,666)	6,334	6,302	32
Software Maintenance	90,000	(17,060)	72,940	72,940	-
Hardware Maintenance	21,000	(240)	20,760	16,141	4,619
Travel and Conferences	5,500	(3,200)	2,300	2,239	61
Office Supplies	7,500	-	7,500	5,022	2,478
Dept. Specific Supplies	16,000	(3,100)	12,900	11,218	1,682
	154,000	(31,266)	122,734	113,862	8,872
Total Information Technology	**312,735**	**(33,025)**	**279,710**	**270,156**	**9,554**

(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, 2019

	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	$ 73,880	$ 181	$ 74,061	$ 74,061	$ -
Union Wages	128,196	(3,463)	124,733	123,354	1,379
Other Pay	-	250	250	250	-
	202,076	(3,032)	199,044	197,665	1,379
Facilities improvements	-	2,350	2,350	2,115	235
Legal Notices/Advertising	40,000	-	40,000	37,459	2,541
Travel and Conferences	3,100	(1,500)	1,600	1,538	62
Office Supplies	5,000	(2,100)	2,900	2,679	221
Dept. Specific Supplies	1,000	1,000	2,000	1,865	135
Software	22,000	-	22,000	20,070	1,930
	71,100	(250)	70,850	65,726	5,124
Total Town Clerk	**273,176**	**(3,282)**	**269,894**	**263,391**	**6,503**
Registrar of Voters					
Salaries and Wages					
Elected Officials	26,780	66	26,846	26,834	12
Part-Time Wages	418	176	594	594	-
Seasonal/Sporadic Wages	2,132	-	2,132	797	1,335
	29,330	242	29,572	28,225	1,347
Travel and Conferences	3,555	(176)	3,379	1,403	1,976
Office Supplies	1,350	-	1,350	1,222	128
Dept. Specific Supplies	75,046	-	75,046	71,886	3,160
	79,951	(176)	79,775	74,511	5,264
Total Registrar of Voters	**109,281**	**66**	**109,347**	**102,736**	**6,611**
Land Use - Planning					
Salaries and Wages					
Nonunion Wages	139,966	344	140,310	140,310	-
Union Wages	82,444	4,829	87,273	87,273	-
Seasonal/Sporadic Wages	9,884	13,697	23,581	23,061	520
Other Pay	-	300	300	300	-
	232,294	19,170	251,464	250,944	520
Dept. Specific Outside Services	36,803	(11,500)	25,303	21,271	4,032
Travel and Conferences	2,600	(1,740)	860	860	-
Office Supplies	3,500	210	3,710	3,710	-
Dept. Specific Supplies	1,250	25	1,275	1,273	2
	44,153	(13,005)	31,148	27,114	4,034
Total Land Use - Planning	**276,447**	**6,165**	**282,612**	**278,058**	**4,554**
Land Use - Building					
Salaries and Wages					
Nonunion Wages	164,293	703	164,996	164,996	-
Union Wages	40,405	3,148	43,553	43,553	-
Seasonal/Sporadic Wages	-	13,298	13,298	11,821	1,477
	204,698	17,149	221,847	220,370	1,477
Dept. Specific Outside Services	20,000	(7,572)	12,428	8,706	3,722
Forms and Printing	1,000	-	1,000	1,000	-
Travel and Conferences	750	374	1,124	1,124	-
Dept. Specific Supplies	1,400	(1,297)	103	103	-
	23,150	(8,495)	14,655	10,933	3,722
Total Land Use - Building	**227,848**	**8,654**	**236,502**	**231,303**	**5,199**
Property Insurance					
Municipal Package	253,895	(432)	253,463	253,463	-
Fidelity Bonds	3,927	(2,801)	1,126	780	346
E/O Town Clerk Contingency	2,200	(2,200)	-	-	-
Total Property Insurance	**260,022**	**(5,433)**	**254,589**	**254,243**	**346**

(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, 2019

	Budgeted Amounts				
	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual Budgetary Basis	Variance with Final Budget
GENERAL GOVERNMENT (Continued)					
Conservation Commission					
Salaries and Wages					
Seasonal/Sporadic Wages	$ -	$ 165	$ 165	$ 165	$ -
	-	165	165	165	-
Dept. Specific Outside Services/Gurski	22,000	(10,157)	11,843	5,496	6,347
Travel and Conferences	200	(8)	192	192	-
	22,200	(10,165)	12,035	5,688	6,347
Total Conservation Commission	**22,200**	**(10,000)**	**12,200**	**5,853**	**6,347**
Economic Development Commission					
Salaries and Wages					
Seasonal/Sporadic Wages	510	80	590	590	-
	510	80	590	590	-
Travel and Conferences	1,300	(500)	800	762	38
Office Supplies	100	(80)	20	-	20
Dept. Specific Supplies	-	500	500	318	182
	1,400	(80)	1,320	1,080	240
Total Economic Development Comm.	**1,910**	**-**	**1,910**	**1,670**	**240**
Community Development					
Salaries and Wages					
Nonunion Wages	78,030	(23,342)	54,688	54,555	133
	78,030	(23,342)	54,688	54,555	133
Forms and Printing	200	-	200	131	69
Travel and Conferences	1,500	1,100	2,600	1,375	1,225
Dept. Specific Supplies	2,500	-	2,500	1,975	525
	4,200	1,100	5,300	3,481	1,819
Total Community Development	**82,230**	**(22,242)**	**59,988**	**58,036**	**1,952**
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	9,876	-	9,876	9,786	90
Candlewood Lake Authority	79,900	-	79,900	79,900	-
Brookfield Veterans	5,775	-	5,775	3,753	2,022
Regional Animal Control	80,805	-	80,805	80,805	-
Regional Probate Court	9,664	-	9,664	9,664	-
Sweethart Senior Trans.	76,600	-	76,600	76,600	-
HART	29,958	-	29,958	29,958	-
Council of Small Towns	1,400	(122)	1,278	1,025	253
Total Regional Memberships/Services	**329,887**	**-**	**329,887**	**327,522**	**2,365**
Employee Benefits					
FICA and Medicare Tax	607,045	41,258	648,303	624,961	23,342
Unemployment	10,500	(10,065)	435	104	331
Workers' Compensation	280,615	(31,746)	248,869	242,620	6,249
Health Insurance	2,394,600	(248,737)	2,145,863	1,867,229	278,634
Life Ins/Disability/Medicare Ins	395,416	(6,956)	388,460	369,163	19,297
OPEB Contribution	200,000	16,490	216,490	216,490	-
Pension Contribution	829,000	(1,000)	828,000	828,000	-
Total Employee Benefits	**4,717,176**	**(240,756)**	**4,476,420**	**4,148,567**	**327,853**
TOTAL GENERAL GOVERNMENT	**8,163,288**	**(42,461)**	**8,120,827**	**7,744,351**	**376,476**

(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, 2019

	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	$ 326,968	$ (4,491)	$ 322,477	$ 322,477	$ -
Union Wages - Police	2,456,201	(94,789)	2,361,412	2,355,469	5,943
Union Wages - Clerical	98,751	3,879	102,630	102,443	187
Union Wages - Dispatchers	426,066	(2,890)	423,176	414,133	9,043
Specialty Pay	65,910	-	65,910	61,582	4,328
Holiday Wages	129,227	9,517	138,744	138,744	-
Overtime Wages	203,000	(27,346)	175,654	175,654	-
Wages While Training	68,763	39,591	108,354	108,354	-
Traffic Services - Town Portion	36,705	(36,705)	-	-	-
	3,811,591	(113,234)	3,698,357	3,678,856	19,501
Health Maintenance	-	3,000	3,000	3,000	-
Recruiting	6,000	(3,767)	2,233	2,181	52
Teleprocessing	4,000	-	4,000	2,644	1,356
Abandoned Vehicles	880	-	880	-	880
Memberships and Dues	7,135	-	7,135	4,691	2,444
Maintenance - Buildings	33,967	-	33,967	33,653	314
Safety equipment	6,718	-	6,718	6,136	582
Maintenance - Vehicles	38,433	(3,000)	35,433	34,838	595
Maintenance - Equipment	85,607	-	85,607	73,129	12,478
Communications	92,810	(4,000)	88,810	74,553	14,257
Office Supplies	19,137	-	19,137	17,586	1,551
Uniforms	69,310	-	69,310	55,975	13,335
Prisoner Maintenance	1,393	-	1,393	479	914
Equipment	26,881	-	26,881	26,347	534
Photo ID	1,893	-	1,893	1,891	2
Dept. Specific Supplies	14,258	(3,000)	11,258	9,863	1,395
Travel/cont. ed/dues/training supplies	51,400	-	51,400	41,507	9,893
	459,822	(10,767)	449,055	388,473	60,582
	4,271,413	**(124,001)**	**4,147,412**	**4,067,329**	**80,083**
Fire - Center Department					
Annual Allocation	323,635	-	323,635	323,635	-
Fire - Candlewood Department					
Annual Allocation	155,180	-	155,180	155,180	-
Equip. Maint. and Repair	-	31,800	31,800	31,800	-
	155,180	**31,800**	**186,980**	**186,980**	**-**
Fire - Combined Expenses					
VFF Stipends	100,500	-	100,500	100,500	-
VFF Service Awards Program	42,000	18,325	60,325	50,365	9,960
Health Maintenance	-	35,000	35,000	12,120	22,880
	142,500	**53,325**	**195,825**	**162,985**	**32,840**
Emergency Medical Services					
Annual Allocation	292,099	-	292,099	292,099	-
Fire Marshal					
Salaries and Wages					
Nonunion Wages	79,839	36,232	116,071	116,071	-
Part-Time Wages	30,600	(28,620)	1,980	1,526	454
	110,439	7,612	118,051	117,597	454
Dept. Specific Outside Services	5,000	(3,500)	1,500	400	1,100
Forms and Printing	2,000	-	2,000	1,947	53
Travel and Conferences	2,000	-	2,000	1,267	733
Dept. Specific Supplies	5,000	5,900	10,900	9,553	1,347
	14,000	2,400	16,400	13,167	3,233
Total Fire Marshal	**124,439**	**10,012**	**134,451**	**130,764**	**3,687**
Civil Defense					
Homeland Security	5,000	6,112	11,112	11,112	-
TOTAL PUBLIC SAFETY	**5,314,266**	**(22,752)**	**5,291,514**	**5,174,904**	**116,610**

(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, 2019

	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	$ 177,766	$ 1,805	$ 179,571	$ 179,571	$ -
Union Wages	751,388	(85,251)	666,137	666,137	-
Seasonal/Sporadic Wages	27,951	43,890	71,841	71,841	-
Overtime Wages	43,697	33,082	76,779	76,779	-
	1,000,802	(6,474)	994,328	994,328	-
Sand and salt	286,000	(32,440)	253,560	253,560	-
Maintenance - Roads	271,000	31,906	302,906	302,906	-
Tree Removal	50,000	23,891	73,891	73,891	-
Safety Equipment	1,500	1,675	3,175	3,175	-
Hand tools - Contract	1,000	(1,000)	-	-	-
Maintenance - Equipment	155,000	(6,729)	148,271	148,271	-
Storm Water Testing	10,800	1,085	11,885	11,885	-
Communications	3,500	1,471	4,971	4,971	-
Uniforms - Contract	7,995	(258)	7,737	7,737	-
Vehicle Fuel	171,150	1,266	172,416	172,416	-
	957,945	20,867	978,812	978,812	-
Total Highway Department	**1,958,747**	**14,393**	**1,973,140**	**1,973,140**	**-**
Facilities					
Salaries and Wages					
Nonunion Wages	68,672	528	69,200	69,200	-
Union Wages	150,131	1,240	151,371	151,370	1
Other Pay	-	250	250	250	-
Overtime Wages	510	400	910	905	5
	219,313	2,418	221,731	221,725	6
Maintenance - Building	69,500	2,040	71,540	71,540	-
Maintenance - Facilities	14,725	383	15,108	15,108	-
Supplies	41,850	(4,504)	37,346	31,421	5,925
	126,075	(2,081)	123,994	118,069	5,925
Total Facilities	**345,388**	**337**	**345,725**	**339,794**	**5,931**
Recycling					
Salaries and Wages					
Part-Time Wages	5,100	2,148	7,248	7,248	-
	5,100	2,148	7,248	7,248	-
Recycling/Refuse	30,000	(348)	29,652	28,752	900
Hazardous Waste	8,400	(1,800)	6,600	6,557	43
	38,400	(2,148)	36,252	35,309	943
Total Recycling	**43,500**	**-**	**43,500**	**42,557**	**943**
Utilities					
Electric	130,000	(23,124)	106,876	106,876	-
Fuel Oil for Heating	52,615	-	52,615	46,318	6,297
Sewer Use	1,508	6,000	7,508	5,346	2,162
Sewer Assessment	176,000	(144,044)	31,956	31,133	823
Street Lighting	32,500	-	32,500	28,597	3,903
Communications	24,300	13	24,313	24,313	-
Postage	-	25,000	25,000	24,327	673
Water	6,000	1,117	7,117	7,117	-
Safety and Security	5,000	-	5,000	4,388	612
Hydrants	75,000	(1,130)	73,870	62,673	11,197
Total Utilities	**502,923**	**(136,168)**	**366,755**	**341,088**	**25,667**
TOTAL PUBLIC WORKS	**2,850,558**	**(121,438)**	**2,729,120**	**2,696,579**	**32,541**

(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, 2019

	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					
Nonunion Wages	$ 126,901	$ 311	$ 127,212	$ 127,212	$ -
Union Wages	40,405	3,089	43,494	43,457	37
Part-Time Wages	61,629	151	61,780	61,780	-
	228,935	3,551	232,486	232,449	37
Dept. Specific Outside Services	4,350	540	4,890	4,890	-
Forms and Printing	500	15	515	515	-
Travel and Conferences	1,000	1,000	2,000	2,000	-
Dept. Specific Supplies	400		400	393	7
	6,250	1,555	7,805	7,798	7
Total Health Department	**235,185**	**5,106**	**240,291**	**240,247**	**44**
Senior Center					
Salaries and Wages					
Nonunion Wages	122,334	774	123,108	123,108	-
	122,334	774	123,108	123,108	-
Programs	19,000	24,686	43,686	42,888	798
Dept. Specific Outside Services	5,600	(1,686)	3,914	3,890	24
Communications	1,500	-	1,500	1,050	450
Travel and Conferences	600	(4)	596	562	34
Office Supplies	1,640	-	1,640	771	869
Dept. Specific Supplies	1,500	(763)	737	554	183
	29,840	22,233	52,073	49,715	2,358
Total Senior Center	**152,174**	**23,007**	**175,181**	**172,823**	**2,358**
Social Services					
Salaries and Wages					
Nonunion Wages	66,200	185	66,385	66,385	-
	66,200	185	66,385	66,385	-
Dept. Specific Outside Services	750	4	754	754	-
Communications	600	21	621	621	-
Travel and Conferences	450	(84)	366	366	-
Office Supplies	750	(118)	632	632	-
	2,550	(177)	2,373	2,373	-
Social Services	**68,750**	**8**	**68,758**	**68,758**	**-**
Regional Social Services					
Ability Beyond Disability	3,000	-	3,000	3,000	-
Women's Center	4,000	-	4,000	4,000	-
Hospice	4,000	-	4,000	4,000	-
Other	4,850	-	4,850	4,850	-
Regional Social Services	**15,850**	**-**	**15,850**	**15,850**	**-**
TOTAL HEALTH AND WELFARE	**471,959**	**28,121**	**500,080**	**497,678**	**2,402**

(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, 2019

	Budgeted Amounts				
	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual Budgetary Basis	Variance with Final Budget
CULTURE AND RECREATION					
Library					
Salaries and Wages					
Nonunion Wages	$ 552,120	$ 2,527	$ 554,647	$ 554,647	$ -
Social Security	-	41,925	41,925	41,925	-
	552,120	44,452	596,572	596,572	-
Dept. Specific Outside Services	45,500	28	45,528	45,528	-
Maintenance and Utilities	36,150	137	36,287	36,287	-
Facility Maint. and Repair	2,200	(95)	2,105	2,105	-
Equip. Maint. and Repair	10,000	(43)	9,957	9,957	-
Office Supplies	15,500	(244)	15,256	15,256	-
Dept. Specific Supplies	86,097	(2,215)	83,882	83,882	-
Programs	14,097	(100)	13,997	13,997	-
	209,544	(2,532)	207,012	207,012	-
Total Library	**761,664**	**41,920**	**803,584**	**803,584**	**-**
Recreation					
Salaries and Wages					
Nonunion Wages	149,274	666	149,940	149,940	-
Union Wages	40,405	3,447	43,852	43,852	-
Seasonal/Sporadic Wages	1,040	(488)	552	552	-
	190,719	3,625	194,344	194,344	-
Dept. Specific Outside Services	4,750	1,794	6,544	6,544	-
Utilities	26,094	2,581	28,675	28,675	-
Equip. Maint. and Repair	5,500	(1,768)	3,732	3,732	-
Communications	3,900	(279)	3,621	3,621	-
Travel and Conferences	2,470	(1,070)	1,400	1,400	-
Office Supplies	2,000	(123)	1,877	1,877	-
Dept. Specific Supplies	4,700	(60)	4,640	4,640	-
	49,414	1,075	50,489	50,489	-
Total Recreation	**240,133**	**4,700**	**244,833**	**244,833**	**-**
Park/Grounds					
Salaries and Wages					
Nonunion Wages	63,706	908	64,614	64,614	-
Union Wages	157,583	1	157,584	157,584	-
Part-Time Wages	46,610	(10,404)	36,206	36,206	-
Seasonal/Sporadic Wages	3,668	707	4,375	4,375	-
Other Pay	-	650	650	650	-
Overtime Wages	23,148	11,089	34,237	34,237	-
	294,715	2,951	297,666	297,666	-
Grounds Supplies	30,000	-	30,000	29,524	476
Grounds Maintenance	281,857	20,750	302,607	302,607	-
Equip. Maint. and Repair	21,225	-	21,225	21,016	209
	333,082	20,750	353,832	353,147	685
Total Parks/Grounds	**627,797**	**23,701**	**651,498**	**650,813**	**685**
Historical Commission					
Salaries and Wages					
Part-Time Wages	1,500	-	1,500	-	1,500
Seasonal/Sporadic Wages	600	90	690	690	-
	2,100	90	2,190	690	1,500
Cemetery Maintenance	1,000	545	1,545	1,545	-
Postage	50	(36)	14	-	14
Travel and Conferences	900	(600)	300	-	300
Dept. Specific Supplies	250	-	250	164	86
	2,200	(91)	2,109	1,709	400
Total Historical Commission	**4,300**	**(1)**	**4,299**	**2,399**	**1,900**
Arts Commission					
Dept. Specific Outside Services	3,500	-	3,500	3,450	50
TOTAL CULTURE AND RECREATION	**1,637,394**	**70,320**	**1,707,714**	**1,705,079**	**2,635**
TOTAL GENERAL GOV'T OPERATING	**18,437,465**	**(88,210)**	**18,349,255**	**17,818,591**	**530,664**

(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, 2019

	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	$ 2,612,156	266,974	$ 2,879,130	$ 2,887,531	$ (8,401)
Team/Curriculum Leaders	58,729	(15,922)	42,807	45,595	(2,788)
Teachers' Salaries	18,085,982	(331,052)	17,754,930	17,304,431	450,499
Teacher Turnover Savings	(80,000)	80,000	-	-	-
Aides and Paraprofessionals	1,120,978	-	1,120,978	1,174,701	(53,723)
Tutors	34,032	-	34,032	56,791	(22,759)
Substitutes	350,000	-	350,000	653,586	(303,586)
Clerical/Computer Technicians	1,860,193	-	1,860,193	1,897,511	(37,318)
Health Staff	360,030	-	360,030	333,151	26,879
Custodians	927,854	-	927,854	868,995	58,859
Maintenance	276,308	-	276,308	182,437	93,871
Monitors	114,279	-	114,279	90,917	23,362
Co-Curricular Coaches	372,654	-	372,654	384,683	(12,029)
Transportation / Messenger	11,248	-	11,248	11,388	(140)
Extended Duty	249,106	-	249,106	189,153	59,953
Student Safety	42,643	-	42,643	45,567	(2,924)
Overtime	40,000	20,000	60,000	55,978	4,022
Occupational/Physical Therapy	278,134	-	278,134	270,345	7,789
Total Salaries and Wages	**26,714,326**	**20,000**	**26,734,326**	**26,452,760**	**281,566**
Employee Benefits					
Group Insurance	72,000	-	72,000	65,505	6,495
Social Security	693,638	-	693,638	679,975	13,663
Pension Contribution	400,948	-	400,948	400,948	-
Education Programs	4,000	-	4,000	-	4,000
Unemployment	15,000	-	15,000	25,302	(10,302)
Workers Compensation	216,000	-	216,000	214,008	1,992
Health Insurance	5,246,580	-	5,246,580	5,332,913	(86,333)
Disability Insurance	160,000	-	160,000	159,345	655
Total Employee Benefits	**6,808,166**	**-**	**6,808,166**	**6,877,996**	**(69,830)**
Purchased Professional Services					
Legal Fees	145,000	-	145,000	199,044	(54,044)
Professional Educational	267,621	(59,671)	207,950	196,116	11,834
Other Professional Services	1,191,581	-	1,191,581	1,121,341	70,240
Technical Services	34,000	-	34,000	30,357	3,643
Total Purchased Professional Svs	**1,638,202**	**(59,671)**	**1,578,531**	**1,546,858**	**31,673**
Purchased Property Services					
Maintenance and Utilities	95,039	-	95,039	75,315	19,724
Building and Maintenance	195,000	-	195,000	165,953	29,047
Lease/Rent	41,116	-	41,116	36,862	4,254
Lease/Copier	198,598	-	198,598	152,726	45,872
Total Purchased Property Services	**529,753**	**-**	**529,753**	**430,856**	**98,897**

(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, 2019

	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	$ 2,186,954	$ -	$ 2,186,954	$ 2,083,017	$ 103,937
Transportation - Sp Educ - In Town	15,300	-	15,300	101,969	(86,669)
Transportation - Sp Educ - Out of Town	648,938	-	648,938	694,474	(45,536)
Transportation - Athletics	123,430	-	123,430	126,693	(3,263)
Transportation - Field Trips	26,186	-	26,186	21,183	5,003
Property Liability Insurance	223,500	-	223,500	212,463	11,037
Communications - Telephone	80,500	-	80,500	91,458	(10,958)
Postage	36,755	-	36,755	22,372	14,383
Communications - Data Line	67,000	-	67,000	69,945	(2,945)
Forms and Printing	8,700	-	8,700	4,069	4,631
Tuition - Vocational/Agric.	65,000	-	65,000	61,405	3,595
Magnet School Tuition	76,712	-	76,712	86,000	(9,288)
Special Education Tuition	1,936,262	-	1,936,262	1,941,988	(5,726)
Travel and Conferences	33,038	-	33,038	17,445	15,593
Total Purchased Other Services	**5,528,275**	**-**	**5,528,275**	**5,534,481**	**(6,206)**
Supplies					
Office Supplies	28,497	-	28,497	17,221	11,276
Instructional Supplies	307,985	59,671	367,656	340,165	27,491
Custodial Supplies	77,500	-	77,500	90,601	(13,101)
Maintenance Supplies	20,000	-	20,000	23,356	(3,356)
Transportation Fuel	170,250	-	170,250	186,072	(15,822)
Electric Charges	575,000	-	575,000	598,763	(23,763)
Fuel Oil	262,500	-	262,500	339,522	(77,022)
Propane	5,000	-	5,000	5,881	(881)
Other Supplies	169,080	13,300	182,380	138,893	43,487
Water Charges	76,699	-	76,699	76,699	-
Refuse Charges	36,000	-	36,000	34,112	1,888
Books and Periodicals	18,383	-	18,383	16,829	1,554
Textbooks	174,367	-	174,367	133,324	41,043
Library Books	38,251	-	38,251	38,016	235
Total Supplies	**1,959,512**	**72,971**	**2,032,483**	**2,039,454**	**(6,971)**
Capital Assets					
Furniture and Fixtures	27,276	-	27,276	26,021	1,255
Instructional Equipment - New	23,700	-	23,700	40,895	(17,195)
Instructional Equipment - Replacement	35,100	-	35,100	31,896	3,204
Other Equipment	385,552	26,700	412,252	461,634	(49,382)
Total Capital Assets	**471,628**	**26,700**	**498,328**	**560,446**	**(62,118)**
Miscellaneous					
Due and Fees	93,095	-	93,095	71,404	21,691
Total Education Expenditures	**43,742,957**	**60,000**	**43,802,957**	**43,514,255**	**288,702**
Less: Education Revenues					
Medicaid Reimbursement	100,000	-	100,000	27,005	(72,995)
Special Ed Excess Cost	779,028	-	779,028	646,811	(132,217)
Adult Education Grant	3,600	-	3,600	4,499	899
Magnet School Transportation	29,000	-	29,000	31,140	2,140
Health Services Grant	9,500	-	9,500	10,367	867
Pre-Kindergarten Tuition	46,000	-	46,000	43,328	(2,672)
Building Use Revenues	-	20,000	20,000	26,395	6,395
Universal Services Fund E-Rate	73,326	-	73,326	62,070	(11,256)
Chromebook Revenues	-	40,000	40,000	58,342	18,342
Nonlapsing Fund	-	-	-	79,184	79,184
Total Education Revenues	**1,040,454**	**60,000**	**1,100,454**	**989,141**	**(111,313)**
NET EDUCATION EXPENDITURES	**42,702,503**	**-**	**42,702,503**	**42,525,114**	**177,389**

(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, 2019

	Budgeted Amounts				
	Original Budget	Additional Appropriations and Transfers	Final Budget	Actual Budgetary Basis	Variance with Final Budget
DEBT SERVICE					
Bond Interest	$ 1,201,333	$ 79,618	$ 1,280,951	$ 1,280,951	$ -
Short-Term financing (P&I)	246,062	(157,622)	88,440	88,440	-
BAN Interest	250,961	240,919	491,880	491,880	-
Bonds Principal	2,415,000	-	2,415,000	2,415,000	-
TOTAL DEBT SERVICE	**4,113,356**	**162,915**	**4,276,271**	**4,276,271**	**-**
CAPITAL OUTLAY/OTHER					
Transfer to CNR Fund	1,298,943	48,795	1,347,738	1,347,738	-
Contingencies					
General	50,000	(50,000)	-	-	-
Personnel	5,500	(5,500)	-	-	-
Storm Expenses					
FEMA	-	1,001,903	1,001,903	677,920	323,983
FEMA est. reimbursement	-	(1,001,903)	(1,001,903)	(677,920)	(323,983)
CIRMA	-	-	-	912,738	(912,738)
CIRMA reimbursement	-	-	-	(912,738)	912,738
TOTAL CAPITAL OUTLAY/OTHER	**1,354,443**	**(6,705)**	**1,347,738**	**1,347,738**	**-**
Total Expenditures and Other Financing Uses	**66,607,767**	**68,000**	**66,675,767**	**65,967,714**	**708,053**
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources/ Uses - Budgetary Basis	**$ -**	**$ (45,000)**	**$ (45,000)**	**1,461,944**	**$ 1,506,944**
Adjustments to Generally Accepted Accounting Principles (GAAP):					
Payments On-Behalf of the Town Not Recorded on a Budgetary Basis:					
Intergovernmental Revenues from Teachers' Retirement System for Pensions Paid				6,205,172	
Education Expenditures for Teachers' Retirement System for Pensions Paid				(6,205,172)	
Intergovovernmental Revenues from Teachers' Retirement System for Retiree Health Care				172,161	
Education Expenditures for Teachers' Retirement System for Retiree Health Care Benefits				(172,161)	
Other Education Revenues Net in the Education Budget					
Excess Cost Grant				646,811	
Adult Education Grant				4,499	
Health Services Grant				10,367	
Magnet School Transportation				31,140	
Preschool Tuition				43,328	
Education Expenditures				(736,145)	
Nonlapsing Fund (budget adjustment, not a revenue)				(79,184)	
Transfers Reported Net in the Education Budget					
Transfer in to close iPad Fund				(61,004)	
Transfer out to close Building Use Fund				16,138	
Transfer in				61,004	
Transfer out				(16,138)	
Storm Expenses Net with Reimbursements in the Budget					
Intergovernmental Revenues				677,920	
Other Revenue				912,738	
Public Works Expenditures				(1,590,658)	
Encumbrances recorded on Budget Basis, but not on the Modified Accrual Basis:					
Current year general government				3,918	
Current year education encumbrances				61,942	
Previous year education encumbrances				(19,738)	
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses - GAAP Basis (Exhibit 4)				$ 1,428,882	

(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, 2019

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 refunding 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 6 Years

	2019	2018	2017	2016	2015	2014
The Funded Retirement Plan of the Town of Brookfield						
Total Pension Liability						
Service cost	$ 1,252,986	$ 1,187,471	$ 1,103,550	$ 1,041,005	$ 1,010,684	$ 979,892
Interest on total pension liability	3,433,557	3,300,793	3,157,723	2,885,710	2,775,281	2,643,325
Differences between expected and actual experience	579,534	(351,115)	97,033	785,133	(391,125)	-
Effect of assumption changes or inputs	(302,729)	-	(243,228)	1,196,346	-	-
Benefit payments, including refunds of member contributions	(2,212,638)	(2,109,243)	(1,890,040)	(1,685,066)	(1,766,161)	(1,486,080)
Net change in total pension liability	2,750,710	2,027,906	2,225,038	4,223,128	1,628,679	2,137,137
Total pension liability, beginning	52,659,882	50,631,976	48,406,938	44,183,810	42,555,131	40,417,994
Total pension liability, ending	55,410,592	52,659,882	50,631,976	48,406,938	44,183,810	42,555,131
Fiduciary Net Position						
Employer contributions	1,270,888	1,186,161	1,204,271	916,398	1,622,929	1,871,103
Member contributions	616,324	467,170	497,476	431,829	473,380	456,483
Investment income net of investment expenses	5,697,754	3,979,581	5,610,603	348,872	1,508,205	5,843,034
Benefit payments	(2,212,638)	(2,109,243)	(1,890,040)	(1,685,066)	(1,766,161)	(1,486,080)
Administrative expenses	(151,604)	(74,222)	(86,276)	(90,093)	(87,795)	(79,382)
Other	51,607	4,490	-	308,057	-	-
Net change in plan fiduciary net position	5,272,331	3,453,937	5,336,034	229,997	1,750,558	6,605,158
Fiduciary net position, beginning	52,162,406	48,708,469	43,372,435	43,142,438	41,391,880	34,786,722
Fiduciary net position, ending	57,434,737	52,162,406	48,708,469	43,372,435	43,142,438	41,391,880
Net pension liability (asset), ending	$ (2,024,145)	$ 497,476	$ 1,923,507	$ 5,034,503	$ 1,041,372	$ 1,163,251
Fiduciary net position as a % of total pension liability	103.65%	99.06%	96.20%	89.60%	97.64%	97.27%
Covered payroll	$ 11,303,738	$ 10,275,989	$ 10,121,474	$ 9,580,299	$ 9,360,761	$ 9,417,984
Net pension liability (asset) as a % of covered payroll	-17.91%	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.

Required Supplementary Information
The Funded Retirement Plan of the Town of Brookfield
Schedule of Employer Contributions and investment returns
Last 6 Years

	2019	2018	2017	2016	2015	2014
Actuarily determined contribution	$ 1,270,888	$ 1,186,161	$ 1,204,271	$ 1,224,455	$ 1,622,929	$ 1,809,130
Contributions in relation to the actuarily determined contribution	1,270,888	1,186,161	1,204,271	916,398	1,622,929	1,871,103
Contibution deficiency (excess)	$ -	$ -	$ -	$ 308,057	$ -	$ (61,973)
Covered payroll	$ 11,303,738	$ 10,275,989	$ 10,121,474	$ 9,580,299	$ 9,360,761	$ 9,417,984
Contributions as a percentage of covered payroll	11.24%	11.54%	11.90%	9.57%	17.34%	19.87%
Annual money-weighted rate of return, net of investment expense	11.05%	8.16%	12.99%	0.80%	3.59%	16.33%

Notes to the Schedule

Valuation Date	January 1, 2017 was used to calculate the contribution
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 3 Years

	2019	2018	2017
Other Post-Employment Benefit Plan			
Total OPEB Liability			
Service cost	$ 496,650	$ 486,901	$ 472,719
Interest	1,337,919	1,288,657	1,218,814
Changes of benefits terms	(374,505)	-	-
Differences between expected and actual experience	(6,007,048)	(622,272)	(564,326)
Changes of assumptions	(2,387,627)	-	-
Benefit payments, including refunds of member contributions	(450,069)	(361,610)	(328,128)
Net change in total OPEB liability	(7,384,680)	791,676	799,079
Total OPEB liability - beginning	20,308,218	19,516,542	18,717,463
Total OPEB liability - ending	12,923,538	20,308,218	19,516,542
Plan Fiduciary Net Position			
Employer contributions	621,029	561,610	593,545
Contributions - Teachers' Retirement System	29,040	-	34,729
Net investment income	80,408	50,229	47,082
Benefit payments, including refunds of members contributions	(450,069)	(361,610)	(328,128)
Administrative expenses	(2,052)	(2,459)	(1,393)
Other	292	532	-
Net change in plan fiduciary net position	278,648	248,302	345,835
Fiduciary net position - beginning	936,290	687,988	342,153
Fiduciary net position - ending	1,214,938	936,290	687,988
Net OPEB liability, ending	$ 11,708,600	$ 19,371,928	$ 18,828,554
Fiduciary net position as a % of total OPEB liability	9.40%	4.61%	3.53%
Covered employee payroll	$ 28,079,245	$ 34,116,653	$ 33,122,964
Net OPEB liability as a % of covered employee payroll	41.70%	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 3 Years

	2019	2018	2017
Actuarily determined employer contribution ("ADEC")	$ 1,978,271	$ 1,963,189	$ 2,678,075
Contributions in relation to the ADEC	621,029	561,610	593,545
Contibution deficiency (excess)	$ 1,357,242	$ 1,401,579	$ 2,084,530
Covered employee payroll	$28,079,245	$ 34,116,653	$ 33,122,964
Contributions as a percentage of covered employee payroll	2.21%	1.65%	1.79%
Annual money-weighted rate of return, net of investment expense	8.63%	6.07%	Not Available

Notes to the Schedule

Valuation Date	July 1, 2016 was used to develop the contribution
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

Changes in the assumptions as of the July 1, 2018 valuation are listed below:
- The rate of compensation increase (including inflation) was reduced from 3.00% to 2.50%
- The rate of inflation was reduced from 2.75% to 2.50% to better reflect expected experience
- The mortality rate was updated to use scale MP-2018 from MP-2016
- The rates of retirement were updated to better relect actual experience
- The utilization rates were reduced from 100% to a range of 75% to 90% to better reflect actual experience
- The healthcare trend rates were reducted to align with the inflation assumption change

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 5 years

		2019	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%	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		64,203,987	63,815,288	67,325,617	53,912,476	49,831,280
Total proportionate share of the collective net pension liability		$64,203,987	$63,815,288	$67,325,617	$53,912,476	$49,831,280
Town's covered payroll	(1)	N/A	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%	0.00%
Plan fiduciary net position as a % of total pension liability		57.69%	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 5 Years

Notes to Required Supplementary Information

Changes of benefit term	Beginning January 2018 member contributions increased from 6% to 7% of salary
Changes of assumptions	None
Actuarial cost method	Entry Age, Normal
Amortization method	Level percent of salary, closed
Asset valuation method	4 year smoothed market
Inflation	2.75%
Salary increases	3.25%-6.50%, average, including inflation
Investment rate of return	8.00% net of pension plan investment expense, including inflation

Required Supplementary Information
Connecticut Teachers Retirement System - Retiree Health Insurance Plan
Last 2 years

		2019	2018
Schedule of Changes in Net OPEB Liability and Related Ratios			
Town's percentage of collective net OPEB liability		0.00%	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		12,834,790	16,425,345
Total proportionate share of the collective net OPEB liability		$ 12,834,790	$ 16,425,345
Town's covered employee payroll	(1)	N/A	N/A
Town's proportionate share of the collective net OPEB liability as a % of covered employee payroll		0.00%	0.00%
Plan fiduciary net position as a % of total OPEB liability		1.49%	1.79%
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 2 Years

Notes to Required Supplementary Information

Changes of benefit term	None
Changes of assumptions	None
Actuarial cost method	Entry Age, Normal
Amortization method	Level percent of salary, open
Asset valuation method	Fair value
Inflation	2.75%
Salary increases	3.25%-6.50%, average, including inflation
Investment rate of return	3.00%

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

Required Supplementary Information
Length of Service Award for the Volunteer Fire Department
Schedule of Changes in Total Pension Liability
Last 2 Years

	2019	2018
Length of Service Award for the Volunteer Fire Department		
Total Pension Liability		
Service cost	$ 45,649	$ 45,649
Interest on total pension liability	76,834	71,650
Differences between expected and actual experience	-	3,510
Changes of assumptions	119,773	(93,685)
Benefit payments	(49,955)	(36,585)
Net change in total pension liability	192,301	(9,461)
Total pension liability - beginning	1,964,435	1,973,896
Total pension liability - ending*	$ 2,156,736	$ 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, 2019

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
2017	$ -	$ 63,657,742	$ 118,534	$ (207,629)	$ (10,475)	$ 63,558,172	$ 63,004,488	$ 138,081	$ 20,765	$ 63,163,334	$ 553,684
2016	573,784	-	15,341	(53,430)	(28,974)	506,721	349,392	80,801	10,656	440,849	157,329
2015	218,600	-	6,805	(36,612)	(40,311)	148,482	99,672	45,627	10,308	155,607	48,810
2014	60,891	-	304	(77)	(28,802)	32,316	19,410	10,366	1,462	31,238	12,906
2013	13,180	-	-	-	-	13,180	4,800	1,710	614	7,124	8,380
2012	6,476	-	-	-	-	6,476	-	-	-	-	6,476
2011	6,231	-	-	-	-	6,231	-	-	-	-	6,231
2010	8,304	-	-	-	-	8,304	2,768	806	24	3,598	5,536
2009	5,394	-	-	-	-	5,394	-	-	-	-	5,394
2008	2,609	-	-	-	-	2,609	-	-	-	-	2,609
2007	2,539	-	-	-	-	2,539	-	-	-	-	2,539
2006	4,335	-	-	-	-	4,335	4,335	2,020	48	6,403	-
	$ 902,343	$ 63,657,742	$ 140,984	$ (297,748)	$ (108,562)	$ 64,294,759	$ 63,484,865	$ 279,411	$ 43,877	$ 63,808,153	809,894

Tax interest receivable	158,089
Tax allowance for doubtful accounts	(145,000)
Net taxes receivable - General Fund	$ 822,983

Reconciliation of Collections:

Total Collections on the Report of the Property Tax Collector - Cash Basis	$ 63,808,153
Accrual Adjustments	
Current year taxes and interest receivable	967,983
Prior year taxes and interest receivable	(1,086,303)
Current year taxes deferred revenue	(698,690)
Prior year taxes deferred revenue	564,049
Current year allowance for doubtful accounts	145,000
Prior year allowance for doubtful accounts	(145,000)
Telephone tax payment	45,732
Collections on suspensed taxes	108,448
Other	(34,893)
Amount reported on Exhibit 4 and also in the Budget versus Actual	$ 63,674,479

See Independent Auditors' Report

Schedule of Change in Fund Balance by Project
Bonded Capital Projects Fund
Year Ended June 30, 2019

Project #	Description	Authorization Year Ended	Beginning Fund Balance	Bond Proceeds	Revenues	Expenditures	Transfers and Close-Outs	Ending Fund Balance
	Education							
	High School							
5HS01	Replace AC in auditorium	Nontaxable - 2014-15 Cap Projects 1	$ 120,000	$ -	$ -	$ (265,707)	$ 164,156	$ 18,449
6HS01	Various capital projects	Nontaxable - 2015-16 Cap Projects 1	402,859	-	-	(138,904)	(263,955)	-
6BH11	Press box	Nontaxable - 2015-16 Cap Projects 1	-	-	-	(103,829)	103,829	-
7HS01	Renovation of 2 lavatories	Nontaxable - 2016-17 Cap Projects	24,000	-	-	-	-	24,000
7HS02	Paving and concrete restoration	Nontaxable - 2016-17 Cap Projects	25,000	-	-	-	-	25,000
7HS03 *	Design, renovation, equipping world language lab	Nontaxable - 2016-17 Cap Projects	108,500	-	-	-	(108,500)	-
8HS01 *	Peeling duct insulation in old gym	Taxable - 2017-18 Cap Projects	4,500	-	-	-	(4,500)	-
8HS02 *	Steam piping, traps and insulation	Taxable - 2017-18 Cap Projects	30,000	-	-	-	(30,000)	-
9HS03	Renovate boys' locker room	2018-19 Bond Anticipation Notes	-	50,000	-	-	-	50,000
9HS01	Acquire and install new generator	2018-19 Bond Anticipation Notes	-	350,000	-	(210,000)	-	140,000
9HS02	Install new transfer switch	2018-19 Bond Anticipation Notes	-	50,000	-	-	-	50,000
	Middle School							
6MS01**	Various capital projects	Nontaxable - 2015-16 Cap Projects	365,663	-	-	(147,440)	(58,223)	160,000
7MS01	Renovate two bathrooms	Nontaxable - 2016-17 Cap Projects	24,000	-	-	-	-	24,000
7MS02	Classroom ventilators	Taxable - 2016-17 Cap Projects	10,320	-	-	-	-	10,320
	Huckleberry Hill Elementary School							
7HH01**	Renovate two bathrooms	Nontaxable - 2016-17 Cap Projects	24,000	-	-	-	(24,000)	-
7HH02**	Paving and concrete renovations	Nontaxable - 2016-17 Cap Projects	17,700	-	-	-	(17,700)	-
7HH03**	Acquire and install public address system	Nontaxable - 2016-17 Cap Projects	21,144	-	-	-	(21,144)	-
	Center Elementary School							
7CE01**	Renovate two bathrooms	Nontaxable - 2016-17 Cap Projects	24,000	-	-	-	(24,000)	-
7CE02**	Paving and concrete renovation	Nontaxable - 2016-17 Cap Projects	12,735	-	-	-	(12,735)	-
	District Wide							
7DW01	Building management system	Taxable - 2016-17 Cap Projects	15,000	-	-	-	-	15,000
8DW01	Domestic water chlorine	Nontaxable - 2017-18 Cap Projects	40,000	-	-	-	-	40,000
8DW02	Security upgrades	Taxable - 2017-18 Cap Projects	18,100	-	-	(18,094)	-	6
9DW01	Aquire and install time and attendance system	2018-19 Bond Anticipation Notes	-	60,000	-	-	-	60,000
			1,287,521	510,000	-	(883,974)	(296,772)	616,775
	Public Works							
8PW01	Road Paving program (2018)	Nontaxable - 2017-18 Cap Projects	32,726	-	-	(32,726)	-	-
9PW01	Replace Roadside Mower	2018-19 Bond Anticipation Notes	-	129,000	-	(105,061)	(23,939)	-
9PW02	Replace Ford 1990 Truck	2018-19 Bond Anticipation Notes	-	54,000	-	(55,583)	1,583	-
9PW03	Replace Ford 2000 Truck	2018-19 Bond Anticipation Notes	-	27,000	-	(27,553)	553	-
9PW04	Replace Street Sweeper	2018-19 Bond Anticipation Notes	-	225,000	-	(213,000)	(12,000)	-
9PW05	Road Paving program (2019)	2018-19 Bond Anticipation Notes	-	650,000	-	(222,731)	-	427,269
9PW06	Library - Design and Engineer Windows	2018-19 Bond Anticipation Notes	-	15,000	-	(1,545)	-	13,455
9PW07	Install Canopy over Fueling Station	2018-19 Bond Anticipation Notes	-	50,000	-	(47,351)	-	2,649
			32,726	1,150,000	-	(705,550)	(33,803)	443,373
	Police							
7PO01	Body Cameras	Nontaxable - 2016-17 Cap Projects	76,000	-	-	-	-	76,000
7PO02	Police Evidence and records storage	Taxable - 2016-17 Cap Projects	10,404	-	-	-	-	10,404
			86,404	-	-	-	-	86,404

See Independent Auditors' Report

Town of Brookfield, Connecticut

Schedule of Change in Fund Balance by Project
Bonded Capital Projects Fund
Year Ended June 30, 2019

Project #	Description	Authorization Year Ended	Beginning Fund Balance	Bond Proceeds	Revenues	Expenditures	Transfers and Close-Outs	Ending Fund Balance
	Parks and Recreation							
9PR01	Replace Ford 550 Truck	2018-19 Bond Anticipation Notes	$ -	$ 65,000	$ -	$ -	$ -	$ 65,000
9PR02	Acquire Toro Precore Aerator	2018-19 Bond Anticipation Notes	-	26,550	-	(28,316)	1,766	-
9PR03	Improvements to BHS Maintenance Building	2018-19 Bond Anticipation Notes	-	65,000	-	-	(1,766)	63,234
			-	156,550	-	(28,316)	-	128,234
	Land Use							
7LU01	Update geographic information system (GIS)	Nontaxable - 2016-17 Cap Projects	36,000	-	-	-	-	36,000
7LU02	Shingle the Gurski property	Nontaxable - 2016-17 Cap Projects	35,000	-	-	-	-	35,000
7LU03	Zoning laws	Taxable - 2016-17 Cap Projects	4,140	-	-	(2,166)	(1,974)	-
9LU01	Replace Vehicle - Health	2018-19 Bond Anticipation Notes	-	26,000	-	(25,443)	(557)	-
			75,140	26,000	-	(27,609)	(2,531)	71,000
	Street Scape at Four Corners							
STSC1	Phase 1	Approved individually	135,129	-	-	(6,774)	-	128,355
STSC2	Phase 2	Approved individually	369,569	-	17,360	(127,038)	-	259,891
STSC3	Phase 3	Approved individually in YE 2019	-	-	-	(6,374)	-	(6,374)
STSC4	Phase 4	Approved individually in YE 2020	-	-	-	(67)	-	(67)
			504,698	-	17,360	(140,253)	-	381,805
	Fire Companies							
8CW01	Candlewood Fire Bay Floor Resurfacing	Nontaxable - 2017-18 Cap Projects	22,760	-	-	(22,760)	-	-
9CT01	Center Fire Aquire and Install New Generator	2018-19 Bond Anticipation Notes	-	40,000	-	-	-	40,000
			22,760	40,000	-	(22,760)	-	40,000
	Other							
9LB01	Library - ADA Compliance Improvemnts-Bathroom	2018-19 Bond Anticipation Notes	-	23,500	-	-	-	23,500
			-	23,500	-	-	-	23,500
	Total Committed Fund Balance		2,009,249	1,906,050	17,360	(1,808,462)	(333,106)	1,791,091
	Total Uncommitted Fund Balance							
	Premium Income/Interest Income/Issuance expense		(1,654,350)	(1,906,050)	1,765,795	(365,450)	333,106	(1,826,949)
	Total Fund Balance		**$ 354,899**	**$ -**	**$ 1,783,155**	**$ (2,173,912)**	**$ -**	**$ (35,858)**

Reconciliation of Fund Balance to Committed Fund Balance

Sources of Funding in the Future		
Bond Anticipation Notes reported on Balance Sheet	$ -	$ 1,910,000
Reallocation of issued but unused proceeds	-	(76,610)
Bonding Transaction November 30, 2018		
Premium on Long-Term Financing	1,762,288	-
Closing Fees	(107,938)	-
	1,654,350	1,833,390
Commitments to be Funded		
Deficit Uncommitted Fund Balance	1,654,350	1,826,949
Street Scape at Four Corners - Phase 3	-	6,374
Street Scape at Four Corners - Phase 4	-	67
Total to be funded	1,654,350	1,833,390
Excess (Deficiency)	$ -	$ -

* Paid with other funds in prior year(s)
** Changed based on approval of new school

See Independent Auditors' Report

Report of the Property Tax Collector
Water Assessment Collections
Year Ended June 30, 2019

Grand List Year	Beginning Receivable Balance	New Billings	Transfer to Suspense	Net Assessments Collectible	Collections During the Year - Cash Basis: Current Year Assessments	Total Assessments	Past Due Interest	Liens	Total	Net Ending Receivable Balance
2016 Southern Federal Road										
2018	$ -	$ 208,738	$ -	$ 208,738	$ 204,263	$ 14,978	$ 907	$ 6,448	$ 226,596	$ 4,475
2017	3,696	-	-	3,696	1,118	5,221	247	136	6,722	2,578
2016	3,024	-	-	3,024	907	-	406	175	1,488	2,117
	$ 6,720	$ 208,738	$ -	$ 215,458	$ 206,288	$ 20,199	$ 1,560	$ 6,759	$ 234,806	$ 9,170

Assessment balance (interest and principal), beginning of year	$ 3,756,352
Less: Payments on current year assessments	(206,288)
Less: Additional payments towards total assessments	(20,199)
Assessment balance (interest and principal), end of year	$ 3,529,865

Grand List Year	Beginning Receivable Balance	New Billings	Transfer to Suspense	Net Assessments Collectible	Collections During the Year - Cash Basis: Current Year Assessments	Total Assessments	All Interest	Liens	Total	Net Ending Receivable Balance
2010 Northern Federal Road										
2018	$ -	$ 150,305	$ -	$ 150,305	$ 140,011	$ 18,201	$ 49,919	$ 3,489	$ 211,620	$ 10,294
2017	10,192	-	-	10,192	2,955	2,692	1,890	89	7,626	7,237
2016	6,848	-	-	6,848	674	-	481	62	1,217	6,174
2015	4,722	-	-	4,722	951	-	1,140	116	2,207	3,771
2014	3,233	-	-	3,233	224	-	262	29	515	3,009
2013	3,233	-	-	3,233	44	-	305	-	349	3,189
2012	3,227	-	-	3,227	218	-	328	25	571	3,009
2011	3,008	-	-	3,008	-	-	-	-	-	3,008
2010	3,008	-	-	3,008	-	-	-	-	-	3,008
	$ 37,471	$ 150,305	$ -	$ 187,776	$ 145,077	$ 20,893	$ 54,325	$ 3,810	$ 224,105	$ 42,699

Assessment balance (principal), beginning of year	$ 1,899,059
Less: Payments on current year assessments	(145,077)
Less: Additional payments towards total assessments	(20,893)
Assessment balance (principal), end of year	$ 1,733,089

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 programs.
- **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

- **Library 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, 2019

	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	$ 12,942	$ 66,990	$ -	$ 16,689	$ -	$ -	$ 356,906	$ -	$ -
Investments - equity securities	-	-	-	-	-	-	-	-	-
Receivables									
Accounts	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	42,310	-	43,070	-	-
Loans	-	468,377	-	-	-	-	-	-	-
Due from other funds	202,831	-	443,892	-	16,607	144,211	-	-	-
Total Assets	$ 215,773	$ 535,367	$ 443,892	$ 16,689	$ 58,917	$ 144,211	$ 399,976	$ -	$ -
LIABILITIES AND FUND BALANCES (DEFICITS)									
Liabilities									
Accounts payable	$ 21,748	$ -	$ 812	$ -	$ 161	$ -	$ 47,585	$ -	$ -
Accrued payroll and related	22,512	-	-	-	-	867	-	-	-
Due to other funds	-	10,283	-	3,468	-	-	-	-	-
Unearned revenues	155,020	-	3,050	-	-	143,344	31,136	-	-
Total Liabilities	199,280	10,283	3,862	3,468	161	144,211	78,721	-	-
Fund balances (deficits)									
Nonspendable	-	-	-	-	-	-	-	-	-
Restricted	-	525,084	207,920	13,221	58,756	-	321,255	-	-
Committed	-	-	-	-	-	-	-	-	-
Assigned	16,493	-	232,110	-	-	-	-	-	-
Total Fund Balances (Deficits)	16,493	525,084	440,030	13,221	58,756	-	321,255	-	-
Total Liabilities and Fund Balances (Deficits)	$ 215,773	$ 535,367	$ 443,892	$ 16,689	$ 58,917	$ 144,211	$ 399,976	$ -	$ -

* See detailed schedules

(Continued)

Combining Balance Sheet
Other Governmental Funds
June 30, 2019

	Special Revenue Funds			Permanent Fund	Capital Project Funds		
	Police Funds		Library Funds				
	Contract Services Fund *	Asset Forfeiture Fund *	Library Revenue Fund	Library Endowment Fund	Open Space Fund	Capital Nonrecurring Fund *	Total Nonmajor Funds
ASSETS							
Cash and equivalents	$ -	$ -	$ 438	$ 12,175	$ -	$ -	$ 466,140
Investments - equity securities	-	-	-	585,614	-	-	585,614
Receivables							
Accounts	110,279	-	-	-	-	-	110,279
Intergovernmental	-	-	-	-	-	14,174	99,554
Loans	-	-	-	-	-	-	468,377
Due from other funds	85,348	87,503	24,031	-	149,851	2,390,820	3,545,094
Total Assets	$ 195,627	$ 87,503	$ 24,469	$ 597,789	$ 149,851	$ 2,404,994	$ 5,275,058
LIABILITIES AND FUND BALANCES (DEFICITS)							
Liabilities							
Accounts payable	$ 4,577	$ -	$ 5,318	$ 52,775	$ -	$ 810,849	$ 943,825
Accrued payroll and related	13,160	-	-	-	-	-	36,539
Due to other funds	-	-	-	-	-	-	13,751
Unearned revenues	-	-	-	-	-	-	332,550
Total Liabilities	17,737	-	5,318	52,775	-	810,849	1,326,665
Fund balances (deficits)							
Nonspendable	-	-	-	367,390	-	-	367,390
Restricted	-	87,503	6,533	177,624	149,851	-	1,547,747
Committed	-	-	-	-	-	976,798	976,798
Assigned	177,890	-	12,618	-	-	617,347	1,056,458
Total Fund Balances (Deficits)	177,890	87,503	19,151	545,014	149,851	1,594,145	3,948,393
Total Liabilities and Fund Balances (Deficits)	$ 195,627	$ 87,503	$ 24,469	$ 597,789	$ 149,851	$ 2,404,994	$ 5,275,058

* See detailed schedules

See Independent Auditors' Report

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
Year Ended June 30, 2019

	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	$ 455,041	$ -	$ -	$ -	$ 9,271	$ -	$ 576,578	$ 6,546	$ 35,309
Intergovernmental	-	8,000	-	-	105,331	728,016	290,271	-	-
Income from investments	-	-	-	-	-	-	-	-	-
Rents and royalties	-	-	41,149	-	-	-	-	-	-
Other income	-	-	67	31,995	-	-	4	-	-
Total Revenues	455,041	8,000	41,216	31,995	114,602	728,016	866,853	6,546	35,309
EXPENDITURES									
Current									
General government	-	9,160	-	-	35,442	-	-	-	-
Public safety	-	-	-	-	53,474	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	35,352	16,513	-	-	-	-
Culture and recreation	498,817	-	24,644	-	2,664	-	-	-	-
Education	-	-	-	-	-	728,016	754,871	1,506	10,045
Capital outlays	-	-	-	-	-	-	-	-	-
Total Expenditures	498,817	9,160	24,644	35,352	108,093	728,016	754,871	1,506	10,045
Excess (Deficiency) of Revenues Over Expenditures	(43,776)	(1,160)	16,572	(3,357)	6,509	-	111,982	5,040	25,264
OTHER FINANCING SOURCES (USES)									
Transfers in	-	-	-	-	-	-	-	16,138	-
Transfers out	-	-	-	-	-	-	-	-	(61,004)
Sale of capital assets	-	-	207,920	-	-	-	-	-	-
Proceeds from long-term loan	-	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	207,920	-	-	-	-	16,138	(61,004)
Net Change in Fund Balances	(43,776)	(1,160)	224,492	(3,357)	6,509	-	111,982	21,178	(35,740)
Fund Balances (Deficits) - Beginning of Year	60,269	526,244	215,538	16,578	52,247	-	209,273	(21,178)	35,740
Fund Balances (Deficits) - End of Year	$ 16,493	$ 525,084	$ 440,030	$ 13,221	$ 58,756	$ -	$ 321,255	$ -	$ -

* 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, 2019

	Special Revenue Funds			Permanent Fund	Capital Project Funds		
	Police Funds		Library Funds				
	Contract Services Fund *	Asset Forfeiture Fund *	Library Revenue Fund	Library Endowment Fund	Open Space Fund	Capital Nonrecurring Fund *	Total Nonmajor Funds
REVENUES							
Charges for services	$ 491,860	$ -	$ 10,524	$ -	$ 17,755	$ -	$ 1,602,884
Intergovernmental	-	17,030	7,849	-	-	49,590	1,206,087
Income from investments	-	-	-	67,012	-	-	67,012
Rents and royalties	-	-	1,650	-	-	-	42,799
Other income	-	90	182	-	-	107,405	139,743
Total Revenues	491,860	17,120	20,205	67,012	17,755	156,995	3,058,525
EXPENDITURES							
Current							
General government	-	-	-	-	-	24,528	69,130
Public safety	337,147	5,880	-	-	-	118,582	515,083
Public works	-	-	-	-	-	17,216	17,216
Health and welfare	-	-	-	-	-	-	51,865
Culture and recreation	-	-	13,123	-	-	10,700	549,948
Education	-	-	-	-	-	19,872	1,514,310
Capital outlay	108,668	-	-	79,163	-	1,099,744	1,287,575
Total Expenditures	445,815	5,880	13,123	79,163	-	1,290,642	4,005,127
Excess (Deficiency) of Revenues Over Expenditures	46,045	11,240	7,082	(12,151)	17,755	(1,133,647)	(946,602)
OTHER FINANCING SOURCES (USES)							
Transfers in	-		-	-	-	1,347,738	1,363,876
Transfers out	-	-	-	-	-	-	(61,004)
Sale of capital assets	-	-	-	-	-	462,000	669,920
Proceeds from long-term loan	-	-	-	-	-	167,000	167,000
Total Other Financing Sources (Uses)	-	-	-	-	-	1,976,738	2,139,792
Net Change in Fund Balances	46,045	11,240	7,082	(12,151)	17,755	843,091	1,193,190
Fund Balances (Deficits) - Beginning of Year	131,845	76,263	12,069	557,165	132,096	751,054	2,755,203
Fund Balances (Deficits) - End of Year	$ 177,890	$ 87,503	$ 19,151	$ 545,014	$ 149,851	$ 1,594,145	$ 3,948,393

* See detailed schedules

See Independent Auditors' Report

Schedule of Changes in Fund Balance by Grant/Program
Town Grant Fund
Year Ended June 30, 2019

Project #	Grant/Program Name	Beginning Fund Balance	Revenues	Expenditures	Ending Fund Balance
	Police K-9 donation	$ 26,000	$ -	$ -	$ 26,000
	Police grants				
PDDD	Distracted driving (Spring 2019)	-	15,362	(15,362)	-
PDDD	Distracted driving (Fall 2018)	-	8,458	(8,458)	-
9DOJ1	Police Department of Justice Grant	-	15,030	(15,030)	-
9PO03	JAG local violence prevention grant	-	3,000	(2,876)	124
8PDLT	State task force overtime	-	11,748	(11,748)	-
8PHPH	Public health grant	17,963	8,301	(9,195)	17,069
8GECD	Brownfield assessment grant	-	24,775	(24,775)	-
	Bright ideas grant - Town Hall Lights	2,114	-	-	2,114
	Social Services/Senior Center				
SCDG1	Senior center donations	-	2,018	-	2,018
9EB01	WCAAA Evidence based senior center grant	-	4,000	(3,217)	783
	Healthy living grant	1,909	-	(1,909)	-
9NSB1	Newtown Savings Bank	-	1,000	(109)	891
9SS01	United Way Alice Grant	-	2,802	(2,083)	719
9AMP1	Aging mastery program	-	450	-	450
	Town Clerk preservation funds				
9TC01	State Library preservation grant	-	4,500	(4,500)	-
TCR02	Dollar Fund ($1 CGS 7-34a)	3,713	2,200	(2,299)	3,614
TCR03	MERS Fund ($10 PA 13-247)	160	2,356	-	2,516
TCR01	Historic Preservation ($2 CGS 7-34a)	388	4,715	(3,868)	1,235
	Farmers Market				
9FM01	Grant	-	489	(489)	-
TOBFM	Operations	-	3,398	(2,175)	1,223
	Total Fund Balance	$ 52,247	$ 114,602	$ (108,093)	$ 58,756

See Independent Auditors' Report

Schedule of Changes in Unearned Revenue by Grant
Education Grant Fund
Year Ended June 30, 2019

Project #	Grant Name	Term	Beginning Unearned Revenue	Increases	Decreases	Ending Unearned Revenue
9117	Title I, Improving Basic Programs	7/1/17-6/30/19	$ 3,855	$ -	$ (2,855)	$ 1,000
9118	Title I, Improving Basic Programs	7/1/18-6/30/20	-	77,148	(60,911)	16,237
9216	Title II, Improving Teacher Quality	7/1/16-6/30/18	4,169	-	-	4,169
9217	Title II, Improving Teacher Quality	7/1/17-6/30/19	10,937	8,516	(18,367)	1,086
9218	Title II, Improving Teacher Quality	7/1/18-6/30/20	-	10,000	(196)	9,804
9316	Title III, English Language Acquisition	7/1/16-6/30/18	186	-	-	186
9317	Title III, English Language Acquisition	7/1/17-6/30/19	3,029	6,118	(8,855)	292
9318	Title III, English Language Acquisition	7/1/18-6/30/20	-	10,000	(4,990)	5,010
9416	School Improvement	7/1/16-6/30/21	50,915	80,000	(79,640)	51,275
9517	IDEA Part B 611, Children with Disabilities	7/1/17-6/30/19	144,455	-	(142,090)	2,365
9518	IDEA Part B 611, Children with Disabilities	7/1/18-6/30/20	-	395,000	(353,971)	41,029
9617	IDEA Part B 619, Special Education Preschool	7/1/17-6/30/19	552	-	-	552
9618	IDEA Part B 619, Special Education Preschool	7/1/18-6/30/20	-	19,756	(19,200)	556
9717	Carl Perkins Career and Tech. Educ Act	7/1/17-6/30/18	1,645	-	-	1,645
9718	Carl Perkins Career and Tech. Educ Act	7/1/18-6/30/19	-	19,329	(17,191)	2,138
9018	Emergency Aid for Displaced Students	7/1/18-6/30/20	-	9,750	(9,750)	-
8120	Improving Outcomes for Students	7/1/18-6/30/19	-	6,000	-	6,000
9818	Title IV, Student Support and Enrichment	7/1/18-6/30/19	-	10,000	(10,000)	-
	Total Unearned Revenue		$ 219,743	$ 651,617	$ (728,016)	$ 143,344

See Independent Auditors' Report

Schedule of Changes in Fund Balance by Grant/Project
Police Forfeiture Fund
Year Ended June 30, 2019

Grant/Program Name	Beginning Fund Balance	Revenues	Expenditures	Ending Fund Balance
Federal Equitable Sharing Program	$ 30,280	$ 6,089	$ (2,180)	$ 34,189
State Forfeiture (85% under CGS 54-36i)	34,312	9,300	(3,700)	39,912
State Forfeiture (15% under CGS 54-36i)	6,183	1,641	-	7,824
Subtotal for reporting	70,775	17,030	(5,880)	81,925
Other State Funding	101	-	-	101
Donations:				
For Police Purposes	3,568	-	-	3,568
For Police Testing	866	-	-	866
For Youth Programs	370	90	-	460
For Police K-9	583	-	-	583
Total Fund Balance	$ 76,263	$ 17,120	$ (5,880)	$ 87,503

Schedule of Changes in Fund Balance by Project
Police Contract Services Fund
Year Ended June 30, 2019

Grant/Program Name	Beginning Fund Balance	Transfer to Approved Projects	Net Revenue (Expenditures)	Project Close Out	Ending Fund Balance
Fund Balance not designated for a project	$ 116,613	$ (161,737)	$ 169,945	$ 13,069	$ 137,890
Projects Approved:					
Training Gear	5,332	-	(5,332)	-	-
Facility Needs Study	5,000	-	(5,000)	-	-
Police Procedures	4,900	-	(4,900)	-	-
Police F-350 Vehicle/Equipment	-	60,000	(53,853)	(6,147)	-
Police Technology Needs	-	61,737	(54,815)	(6,922)	-
SCUBA Vehicle/Equipment	-	40,000	-	-	40,000
Total Fund Balance	$ 131,845	$ -	$ 46,045	$ -	$ 177,890

See Independent Auditors' Report

Schedule of Changes in Fund Balance by Project
Capital Nonrecurring Fund
Year Ended June 30, 2019

Project #		Authorization Year Ended	Authorization Amount	Beginning Fund Balance	Original Appropriations	Additional Appropriations	Revenues	Expenditures	Transfers and Close-Outs	Ending Fund Balance
	Fund Balance Reserves									
	Fire Apparatus	2016 and prior	Various	$ 100,000	$ -	$ -	$ -	$ -	$ (50,000)	$ 50,000
9CT02	Center Fire Department	Cumulative	Various	104,000	75,000	-	-	-	-	179,000
9CW01	Candlewood Fire Department	Cumulative	Various	65,000	75,000	-	-	-	(140,000)	-
9CT03	Emergency Medical Services	Cumulative	Various	(53,014)	69,458	-	-	-	-	16,444
9PR05	Turf Fields at High School	Cumulative	Various	50,000	-	-	-	-	-	50,000
9AS01	Revaluation	Cumulative	Various	50,000	117,500	-	-	-	-	167,500
				315,986	336,958	-	-	-	(190,000)	462,944
	Education									
	High School									
7HS06	Various Projects	2017	$ 20,000	20,000	-	-	-	-	(20,000)	-
8HS03	Install Water Softener for Boiler	2018	$ 10,000	10,000	-	-	-	-	-	10,000
8HS04	Refinish old gym floor (st financing)	2018	$ 20,000	20,000	-	-	-	(19,872)	(128)	-
	Middle School									
7WS01	Various Projects	2017	$ 20,500	20,500	-	-	-	-	(20,500)	-
8MS01	Refinish Stage Floor	2018	$ 10,000	10,000	-	-	-	-	-	10,000
8MS02	Replacement Flooring Program	2018	$ 10,000	10,000	-	-	-	-	-	10,000
8MS03	Power winches	2018	$ 10,000	10,000	-	-	-	-	-	10,000
	Huckleberry Elementary School									
7HH04	Various Projects	2017	$ 9,500	9,500	-	-	-	-	(9,500)	-
	Center Elementary School									
7CE03	Various Projects	2017	$ 27,500	27,500	-	-	-	-	(27,500)	-
8CES1*	Clapboard siding - repair replace	2018	$ 15,000	15,000	-	-	-	-	-	15,000
8CES2*	Clapboard siding - paint	2018	$ 20,000	20,000	-	-	-	-	-	20,000
8CES3*	Replace cafeteria table/chairs	2018	$ 15,000	15,000	-	-	-	-	-	15,000
				187,500	-	-	-	(19,872)	(77,628)	90,000
	Public Works									
8PD01	Generator Repair and Maintenance	2018	$ 5,000	5,000	-	-	-	(2,569)	-	2,431
8PW01	Paving (Additional in Bonded Capital Proj.)	Cumulative	$ 850,000	188,119	-	-	-	(188,119)	-	-
9PW08	Replace AC Unit at garage	2019	$ 5,000	-	5,000	-	-	(4,755)	(245)	-
9PW09	Replace 2 heat pumps in Town Hall	2019	$ 12,000	-	12,000	-	-	(8,895)	-	3,105
9PW10	Paving (Additional in Bonded Capital Proj.)	2019	$ 850,000	-	850,000	-	-	(718,445)	-	131,555
9PW11	Misc repairs at Town Hall	2019	$ 5,000	-	5,000	-	-	(997)	-	4,003
PW202	Hillside Circle Repairs	2020		-	-	-	7,405	-	-	7,405
				193,119	872,000	-	7,405	(923,780)	(245)	148,499
	Police									
9PO01	3 Marked Patrol Cars (to be financed)	2019	$ 125,000	-	-	-	125,000	(122,499)	(2,501)	-
9PO02	Traffic Radar	2019	$ 4,385	-	4,385	-	-	(4,256)	(129)	-
				-	4,385	-	125,000	(126,755)	(2,630)	-

See Independent Auditors' Report

Schedule of Changes in Fund Balance by Project
Capital Nonrecurring Fund
Year Ended June 30, 2019

Project #		Authorization Year Ended	Authorization Amount	Beginning Fund Balance	Original Appropriations	Additional Appropriations	Revenues	Expenditures	Transfers and Close-Outs	Ending Fund Balance
	Parks and Recreation									
7PR01	Crack Seal Tennis Courts	2017	$ 14,725	$ 7,500	$ -	$ -	$ -	$ -	$ -	$ 7,500
9PR04	Crack Seal Tennis Courts	2019	$ 25,000	-	25,000	-	-	(2,200)	-	22,800
7HS05	New lighting on High School Main Field	2017	$ 30,000	30,000	-	-	-	(30,000)	-	-
7HS04	Tie into High School Sewer Line	2018	$ 4,910	4,910	-	-	-	-	-	4,910
				42,410	25,000	-	-	(32,200)	-	35,210
	Fire Companies									
8CW02	iPad Replacement	2018	$ 2,500	2,500	-	-	-	(2,299)	(201)	-
9CW02	Candlewood Rescue Boat	2019	$ 318,795	-	-	28,795	100,000	(100,650)	190,000	218,145
9CT04	Replace gas detector meter	2019		-	12,000	-	-	(11,377)	(623)	-
				2,500	12,000	28,795	100,000	(114,326)	189,176	218,145
	Information Technology									
8IT01	Town and Police Call Mgmt System	2018	$ 32,500	9,539	-	-	-	-	(9,539)	-
9IT01	Normal Computer Replacement	2019	$ 5,000	-	5,000	-	-	(4,853)	(147)	-
9IT02	Upgrade Network	2019	$ 13,000	-	13,000	-	-	(3,275)	(9,725)	-
9IT03	Software Licences	2019	$ 20,100	-	20,100	-	-	(16,400)	(3,700)	-
9IT04	Printer	2019	$ 2,000	-	2,000	-	-	-	-	2,000
				9,539	40,100	-	-	(24,528)	(23,111)	2,000
	Other									
9LU02	Land use vehicle (to be financed)	2019	$ 37,000	-	-	-	37,000	(26,507)	(10,493)	-
9SR00	Still River Greenway original	various	Various	-	-	-	13,096	(13,096)	-	-
9SRG2	Still River Greenway ext (grant funded)	2019	$ 207,355	-	-	-	1,078	(1,078)	-	-
9SRG3	Still River Greenway design	2019	$ 20,000	-	-	20,000	-	-	-	20,000
9LB02	Library computer replacement	2019	$ 8,500	-	8,500	-	-	(8,500)	-	-
				-	8,500	20,000	51,174	(49,181)	(10,493)	20,000
	Assigned Fund Balance **			-	-	-	502,416	-	114,931	617,347
	Total Fund Balance			$ 751,054	$ 1,298,943	$ 48,795	$ 785,995	$ (1,290,642)	$ -	$ 1,594,145

* In Fiscal Year 2019-20, $50,000 of these authorized projects were repurposed to new capital projects because of the potential new school.
* In Fiscal Year 2019-20, $215,813 of the proceeds from the sale of property was used to balance the 2019-20 capital budget.

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, 2019

	Pension Trust Fund	Other Post Employment Benefits Trust Fund	Total Pension and OPEB Trust Funds
ASSETS			
Cash and equivalents	$ 524,016	$ 211,247	$ 735,263
Investments, at fair value			
Mutual funds	56,910,721	1,003,691	57,914,412
Total Assets	57,434,737	1,214,938	58,649,675
LIABILITIES			
Due to other funds	49,648	-	49,648
Total Liabilities	49,648	-	49,648
NET POSITION			
Restricted for pensions and OPEB benefits	$ 57,385,089	$ 1,214,938	$ 58,600,027

See Independent Auditors' Report

Combining Statement of Changes in Fiduciary Net Position
Pension Trust Funds
Year Ended June 30, 2019

	Defined Benefit Pension Trust Fund	Other Post Employment Benefits Trust Fund	Total Pension and OPEB Trust Funds
ADDITIONS			
Contributions			
Employer	$ 1,270,888	$ 621,029	$ 1,891,917
Plan members	533,816	-	533,816
Teachers Retirement Board subsidy	-	29,040	29,040
Total Contributions	1,804,704	650,069	2,454,773
Investment income			
Net change in fair value of investments	5,594,119	58,462	5,652,581
Interest and dividends	103,635	21,946	125,581
Total Investment Income	5,697,754	80,408	5,778,162
Less investment management fees	-	-	-
Net Investment Income	5,697,754	80,408	5,778,162
Total Additions	7,502,458	730,477	8,232,935
DEDUCTIONS			
Pension and OPEB benefits	2,212,638	450,069	2,662,707
Administrative fees	149,645	1,760	151,405
Total Deductions	2,362,283	451,829	2,814,112
Change in Net Position	5,140,175	278,648	5,418,823
Net Position - Beginning of Year	52,244,914	936,290	53,181,204
Net Position - End of Year	$ 57,385,089	$ 1,214,938	$ 58,600,027

See Independent Auditors' Report

Combining Statement of Changes in Assets and Liabilities
Agency Funds
Year Ended June 30, 2019

	Balance Beginning	Additions	Deductions	Balance Ending
Student Activity Fund				
Assets				
Cash and equivalents	$ 482,375	$ 651,627	$ (798,907)	$ 335,095
Due from other funds	-	1,549	-	1,549
Total assets	$ 482,375	$ 653,176	$ (798,907)	$ 336,644
Liabilities				
Amount held as agent	$ 479,671	$ 653,176	$ (796,203)	$ 336,644
Due to other funds	2,704	-	(2,704)	-
Total Liabilities	$ 482,375	$ 653,176	$ (798,907)	$ 336,644
Performance Bonds				
Assets				
Cash and equivalents	$ 216,922	$ 207,331	$ (96,073)	$ 328,180
Liabilities				
Amount held as agent	$ 194,704	$ 160,209	$ (92,993)	$ 261,920
Due to other funds	22,218	47,122	(3,080)	66,260
Total liabilities	$ 216,922	$ 207,331	$ (96,073)	$ 328,180
Total				
Assets				
Cash and equivalents	$ 699,297	$ 858,958	$ (894,980)	$ 663,275
Due from other funds	-	1,549	-	1,549
Total assets	$ 699,297	$ 860,507	$ (894,980)	$ 664,824
Liabilities				
Amount held as agent	$ 674,375	$ 813,385	$ (889,196)	$ 598,564
Due to other funds	24,922	47,122	(5,784)	66,260
Total Liabilities	$ 699,297	$ 860,507	$ (894,980)	$ 664,824

See Independent Auditors' Report

TOWN OF BROOKFIELD, CONNECTICUT

FEDERAL AND STATE
SINGLE AUDITS

FOR THE YEAR ENDED JUNE 30, 2019

TOWN OF BROOKFIELD, CONNECTICUT
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Glastonbury
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, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated January 30, 2020.

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
January 30, 2020

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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, 2019. 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, 2019.

Report on Internal Control over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we did identify a certain deficiency in internal control, described in the accompanying schedule of federal findings and questioned costs as item 2019-001, that we consider to be a significant deficiency.

Management's Response to Findings

Management's response to the finding identified in our audit is described in the accompanying schedule of federal findings and questioned costs. Management's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

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, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon dated January 30, 2020, 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
January 30, 2020

TOWN OF BROOKFIELD, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2019

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:				
CT Department of Emergency Services and Public Protection				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	12060-DPS32523-26185	$ -	$ 26,778
CT Office of Policy and Management				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	12060-OPM20350-21921	-	3,000
Total U.S. Department of Justice			-	29,778
U.S. Department of Transportation:				
Pass-Through programs from:				
CT Department of Transportation				
Highway Planning and Construction Cluster				
Highway Planning and Construction	20.205	12062-DOT57123-22108	-	17,360
Highway Planning and Construction	20.205	12062-DOT57124-22108	-	129
Total Highway Planning and Construction Cluster	20.205		-	17,489
National Priority Safety Programs	20.616	12062-DOT57513-22600	-	23,820
Total U.S. Department of Transportation			-	41,309
U.S. Department of Education:				
Pass-Through programs from:				
CT Department of Education				
Special Education Cluster (IDEA)				
Special Education - Grants to States	84.027	12060-SDE64370-20977 19	-	353,971
Special Education - Grants to States	84.027	12060-SDE64370-20977 18	-	142,091
Subtotal	84.027		-	496,062
Special Education - Preschool Grants	84.173	12060-SDE64370-20983 18	-	19,200
Subtotal	84.173		-	19,200
Total Special Education Cluster (IDEA)			-	515,262
Title I Improving Basic Programs	84.010	12060-SDE64370-20679 19	-	60,911
Title I Improving Basic Programs	84.010	12060-SDE64370-20679 18	-	2,855
Subtotal	84.010		-	63,766
Title II Improving Teacher Quality	84.367	12060-SDE64370-20858 19	-	196
Title II Improving Teacher Quality	84.367	12060-SDE64370-20858 18	-	19,453
Subtotal	84.367		-	19,649
Title III English Language Acquisition State Grant	84.365	12060-SDE64370-20868 19	-	4,990
Title III English Language Acquisition State Grant	84.365	12060-SDE64370-20868 18	-	8,855
Subtotal	84.365		-	13,845
Title IV Student Support and Academic Enrichment Grant	84.424	12060-SDE64370-22854 19	-	10,000
Carl Perkins Career and Technical Education Act	84.048	12060-SDE64370-20742 19	-	17,191
School Improvement Grant	84.377	12060-SDE64370-22223 16	-	79,639
Emergency Aid for Displaced Students	84.938C	12060-SDE64370-22223 16	-	9,750
Total U.S. Department of Education			-	729,102

(Continued)

The notes are an integral part of this schedule

TOWN OF BROOKFIELD, CONNECTICUT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS *(Continued)*

YEAR ENDED JUNE 30, 2019

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:				
CT Department of Administrative Services				
National School Lunch Program - USDA Commodities	10.555	-	$ -	$ 43,343
Pass-Through programs from:				
CT Department of Education				
National School Lunch Program	10.555	12060-SDE64370-20560	-	221,699
Total Child Nutrition Cluster			-	265,042
Total U.S. Department of Agriculture			-	265,042
U.S. Department of Housing and Urban Development				
Pass-Through programs from:				
CT Department of Housing				
Small Cities Program	14.228	12060-DOH46930-20730	-	8,000
U.S. Department of Homeland Security				
Pass-Through programs from:				
CT Department of Emergency Services and Public Protection				
FEMA Public Assistance	97.036	-	-	52,986
Total Expenditures of Federal Awards			$ -	$ 1,126,217

(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 $43,343 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, 2019.

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

TOWN OF BROOKFIELD, CONNECTICUT
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

I. SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? _____ Yes ✓ No

FEDERAL AWARDS

Internal control over major programs:

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

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

II. FINANCIAL STATEMENT FINDINGS

No findings are reported.

III. FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

Finding 2019-001: Significant Deficiency in Internal Control over Compliance
Grantor: Department of Education
Pass-through Grantor: CT Department of Education
Program Name: Special Education Cluster (IDEA)
Grant CFDA Number: 84.027, 84.173

Criteria: Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs. In addition, management is responsible for establishing and maintaining effective internal control over compliance to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. Per the IDEA compliance supplement, IDEA funds received by a school district cannot be used, except under certain limited circumstances, to reduce the level of expenditures for the education of children with disabilities made by the school district from local funds, or a combination of State and local funds, below the level of those expenditures for the preceding fiscal year.

Condition: The School District does not have a formalized process in place to either ensure or to determine compliance with IDEA maintenance of effort requirements for actual expenditures.

Questioned Costs: No costs were questioned.

Context: The School District did not perform a calculation based on actual expenditures to support compliance with IDEA maintenance of effort requirements. However, initial calculations, considering allowable allowances, indicated that the School District was in compliance.

Effect: This deficiency could lead to noncompliance in future reporting periods.

Cause: Management was unaware of the applicable compliance requirement.

Auditor's Recommendation: We recommend that management of the School District review and understand the compliance requirements of the program. We recommend that a calculation template be utilized by management to ensure compliance with IDEA maintenance of effort requirements for actual expenditures.

Management's Response: Management of the School District agrees with the finding and intends to take corrective action to address the identified instances of noncompliance and related deficiencies.

SUMMARY SCHEDULE OF THE STATUS OF PRIOR AUDIT FINDINGS

There were no prior year audit findings.

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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* that could have a direct and material effect on each of the Town's major state programs for the year ended June 30, 2019. 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, 2019.

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, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon dated January 30, 2020, 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
January 30, 2020

TOWN OF BROOKFIELD, CONNECTICUT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

YEAR ENDED JUNE 30, 2019

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	$ -	$ 1,316
Historic Documents Preservation Grants	12060-CSL66094-35150	-	4,500
Total Connecticut State Library		-	5,816
Department of Economic and Community Development			
Small Town Economic Assistance Program ("STEAP")	12052-ECD46000-42411	-	-
Brownfield Remediation and Development	12060-ECD46260-35533	-	24,775
Total Department of Economic and Community Development		-	24,775
Department of Transportation			
Town Aid Road Grants Transportation Fund	12052-DOT57131-43455	-	153,571
Town Aid Road Grants Transportation Fund	13033-DOT57131-43459	-	153,571
Community Connectivity Grant Program	13033-DOT57000-43667	-	14,174
Total Department of Transportation		-	321,316
Department of Emergency Services and Public Protection			
Drug Asset Forfeiture Revenue Account	12060-DPS32155-35142	-	10,942
Department of Justice			
Court Fees	34001-JUD95162-40001	-	14,990
Office of Policy and Management			
Reimbursement of Property Tax - Disability Exemption	11000-OPM20600-17011	-	1,318
Property Tax Relief for Veterans	11000-OPM20600-17024	-	8,105
Local Capital Improvement Program (LOCIP)	12050-OPM20600-40254	-	193,705
Municipal Grants-In-Aid	12052-OPM20600-43587	-	118,281
Total Office of Policy and Management		-	321,409
Department of Education			
Child Nutrition State Match	11000-SDE64370-16211	-	8,684
Health Foods Initiative	11000-SED64370-16212	-	16,546
Adult Education	11000-SDE64370-17030	-	4,499
Health and Welfare - Private School Pupil	11000-SDE64370-17034	-	10,367
Magnet Schools	11000-SDE64370-17057	-	31,140
Talent Development	11000-SDE64370-12552	-	8,636
Total Department of Education		-	79,872
Total State Financial Assistance before Exempt Programs		$ -	$ 779,120

(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, 2019

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	$ -	1,161,439
Special Education - Excess Cost - Student Based	11000-SDE64370-17047	-	632,732
Total Department of Education		-	1,794,171
Department of Administrative Services			
School Construction Grants	13010-DAS27635-40901	-	35,416
Office of Policy and Management			
Municipal Stabilization Grants	11000-OPM20600-17104	-	272,396
Total Exempt Programs		-	2,101,983
Total State Financial Assistance		$ -	$ 2,881,103

(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, 2019. 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, 2019:

Department of Energy and Environmental Protection: Clean Water Fund Loan

Project	Issue Year	Interest Rate	Original Amount	Beginning Balance, July 1, 2018	Repayments	Ending Balance, June 30, 2019
6865-3100-888	2010	2.0%	$ 3,747,082	$ 2,402,449	$ 178,940	$ 2,223,509

TOWN OF BROOKFIELD, CONNECTICUT
SCHEDULE OF STATE FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2019

I. SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued:	Unmodified			
Internal control over financial reporting:				
❍ Material weakness(es) identified?	_____	Yes	✓	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:		
Town Aid Road	12052-DOT57131-43455	$ 153,571
Town Aid Road	13033-DOT57131-43459	153,571
Department of Economic and Community Development:		
Local Capital Improvement Program	12050-OPM20600-40254	193,705

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

II. FINANCIAL STATEMENT FINDINGS

No findings are reported.

III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

No findings are reported.

SUMMARY SCHEDULE OF THE STATUS OF PRIOR AUDIT FINDINGS

There were no prior year audit findings.