

Town of Colebrook, Connecticut

Annual Report



*For the year ending
June 30, 2017*

***Celebrate the retirement of
Selectman Joseph J. Alciati, Sr.
and his years of service to the Town of Colebrook***



Dates of Service to the Town of Colebrook

*November 7, 1975 to November 20, 1979 - Elected to the Board of Education
November 21, 1995 to October 16, 1999 - Elected to Board of Education, Democrat
February 2, 2007 to October 10, 2008 - Appointed to Zoning Board of Appeals
November 3, 2009 to November 21, 2017 - Elected to Board of Selectmen*

In Memoriam

Inge Gomez

*May 7, 1927 - September 23, 2018
Democratic Registrar of Voters*

Donald Roudi

*January 29, 1923 - June 28, 2018
Assessor and Board of Finance*

Sidney VanLeer

*February 7, 1925 - September 25, 2018
Democratic Registrar of Voters and Colebrook Board of Education*

Now that my sixth term is in its final year, the state financial situation has not improved. Due to fiscal restraints, the Town Of Colebrook is currently financially secure and able to absorb any funding cuts to the town.

We have continued to upgrade our roads and bridges. Old Colebrook Road was repaved this past summer and we received a Federal Bridge grant for replacement of the Sandy Brook Road bridge east of Pisgah Mountain Road along with the rehab of the bridge on Old Creamery Road. The town also received a state grant to replace the Pinney Street bridge just north of Route 44. The state will cover 50% of the cost.

2018 saw the opening of Norbrook Farm Brewery on Route 182, which has been strongly supported by the town. The Colebrook Fair continues to grow with new additions each year. The Holiday Fair was a huge success, and the Colebrook Historical Society gatherings have been well attended. The Colebrook Senior and Community Center has seen growth with Tuesday breakfast and bingo events every Tuesday afternoon and Thursday evenings once a month, along with a monthly movie day. These events are successful due to the dedication of the volunteers that spend countless hours to make them happen.

I want to thank ALL of the volunteers that serve on the town boards, commissions and committees, along with the Colebrook Volunteer Fire Departments, The Colebrook Senior and Community Center staff, and our Town Hall and Public Works employees. Their dedication makes Colebrook a better place.

Thomas D. McKeon
First Selectman

CALENDAR OF MEETINGS

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

BOARD OF FINANCE - 3rd Wednesday as necessary – Town Hall, 7:00 P.M.

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

PLANNING AND ZONING COMMISSION - 2nd Monday of each month – Town Hall, 6:30 P.M.

ZONING BOARD OF APPEALS - As necessary – Town Hall, 7:00 P.M.

INLAND WETLANDS COMMISSION - 3rd Tuesday of each month – Town Hall, 7:00 P.M.

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

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

REGIONAL SCHOOL DISTRICT NO. 7

2nd and 4th Wednesdays of each month – Newbury Library-Media Center at NW Regional High School/Middle School 6:00 P.M. (Except July, August and December)
Regular meetings during those months will be the 2nd Wednesday in July, the 4th Wednesday in August and the 2nd Wednesday in December.

ANNUAL TOWN BUDGET MEETING - 1st Monday of May – Town Hall, 8:00 P.M.
(Budget Hearing at least two weeks before Town Meeting)

ANNUAL TOWN BUDGET REFERENDUM – 1st Tuesday of May – 6:00 A.M. – 8:00 P.M. Town Hall, Meeting Room 2nd Floor

ANNUAL TOWN MEETING - 3rd Monday of October – Town Hall, 8:00 P.M.

ELECTION DAY - Tuesday, November 5, 2019, 6:00 A.M. – 8:00 P.M.
Town Hall, Meeting Room 2nd Floor

TOWN OFFICIALS

OFFICE/INCUMBENT

TERM

BOARD OF SELECTMEN

Thomas D. McKeon, First Selectman	11/21/17 – 11/19/19
Matthew J. Klimkosky, Selectman	11/21/17 – 11/19/19
Christopher L. Johnstone, Selectman	11/21/17 – 11/19/19

TOWN CLERK/REGISTRAR OF VITAL STATISTICS

Debra L. McKeon, CCTC	01/02/18 – 01/06/20
Catherine C. Norton, Assistant	01/02/18 – 01/06/20

TOWN TREASURER

Amy B. Gardner	11/21/17 – 11/19/19
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TAX COLLECTOR

Laura M. Bartlett	11/21/17 – 11/19/19
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BOARD OF FINANCE

James Millar, Jr., Chairman	11/19/13 – 11/19/19
Robert D. Carfiro	11/19/13 – 11/19/19
Kate E. Kennedy	12/06/17 – 11/16/19
Thomas R. Corvo	11/17/15 – 11/16/21
Martha F. Neal	11/21/17 – 11/21/23
Diane E. Johnstone	11/21/17 – 11/21/23

BOARD OF EDUCATION

Amy B. Gardner, Chairman	11/17/15 – 11/19/19
Hope L. Carfiro	11/17/15 – 11/19/19
Timothy W. Hill	11/17/15 – 11/19/19
Andrew Bakulski	01/10/18 – 11/19/19
Melissa J. Miller	11/21/17 – 11/16/21
Helen Louise Plager	11/21/17 – 11/16/21
Sarah Robichaud	11/21/17 – 11/16/21

SUPERINTENDENT/PRINCIPAL

Dr. Dani Thibodeau/Beth Driscoll	860-379-2179
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ASSESSOR

Michele Sloane, CCMA I	860-379-3359 ext.206
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BOARD OF ASSESSORS

Edward A. Allen
Geraldine M. Kassel
Lee Ann Jasmin

BOARD OF ASSESSMENT APPEALS

Frank W. Thompson, Chairman	11/17/11 – 11/19/19
Nadia M. Corvo	11/21/17 – 11/16/21
Anthony M. Amato, Jr.	11/21/17 – 11/16/21

OFFICE/INCUMBENT

TERM

CONSTABLES

John H. Lossin	11/21/17 – 11/19/19
Gerald J. Peters	11/17/15 – 11/19/19
Alfred R. Tillotson	11/17/15 – 11/19/19
Fletcher H. Smith	11/17/15 – 11/19/19

REGISTRARS OF VOTERS

Sherri P. Gray, Republican	01/09/19 – 01/06/21
Karen M. Odell, Democratic	01/09/19 – 01/06/21

JUSTICES OF THE PEACE

Mary L. Baker	01/03/17 – 01/04/21
Sally A. Coleman	01/03/17 – 01/04/21
Todd H. Correll	01/03/17 – 01/04/21
John P. Parisi	01/03/17 – 01/04/21
Janet H. Rathbun	01/03/17 – 01/04/21
Harry E. White	01/03/17 – 01/04/21
Penelope F. White	01/03/17 – 01/04/21
Gloria M. Wilber	01/03/17 – 01/04/21

LAND USE ADMIN/Zoning Enforcement Officer

Michael Halloran	860-379-3359 ext.209
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BUILDING OFFICIAL

Marc C. Melanson	860-379-3359 ext. 201
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PLANNING AND ZONING COMMISSION

Edward G. Lord, III, Chairman	10/17 – 10/20
Edward A. Allen	10/16 – 10/19
James Millar, Jr.	10/16 – 10/19
James L. Bickford	10/17 – 10/20
Charles N. Buchanan	10/18 – 10/21

ALTERNATES

Vacancy	10/16 – 10/19
Jane E. Vasaturo	10/17 – 10/20
Martha F. Neal	10/18 – 10/21

ZONING BOARD OF APPEALS

Fred P. Williams, Chairman	10/18 – 10/20
Thomas E. Lawton	10/17 – 10/19
Noah T. Ullman	10/17 – 10/19
Carol Ann Sherwood	10/17 – 10/19
Scott T. Norton	10/18 – 10/20

ALTERNATES

Vacancy	10/16 – 10/19
Helen Campbell	10/17 – 10/20
Ronald J. Dorazio	10/18 – 10/21

OFFICE/INCUMBENT

TERM

INLAND WETLANDS COMMISSION

Duncan Wilber, Chairman	02/18 – 02/21
John H. Lossin	10/16 – 02/19
George D. Neal	02/17 – 02/20
John K. Odell, Sr.	12/17 – 02/20
Todd W. Hiller	02/18 – 02/21

ALTERNATES

Ray J. Zeyte	05/17 – 05/20
Vacancy	05/16 – 05/19
Vacancy	05/18 – 05/21

CONSERVATION COMMISSION

Shayne R. Young	11/01/16 – 10/31/19
Sarah Stebbins	07/09/18 – 10/31/19
Edward Lestinsky	08/13/18 – 10/31/20
Linda Bickford	08/13/18 – 10/31/20
Edna H. Travis	11/01/18 – 10/31/21
Matt Klimkosky	11/01/18 – 10/31/21
Joyce Hemingson	11/01/18 – 10/31/21
Vacancy	11/01/16 – 10/31/19
Vacancy	11/01/17 – 10/31/20
Vacancy	11/01/18 – 10/31/21
Vacancy	11/01/18 – 10/31/21

ALTERNATES

Vacancy	11/01/17 – 10/31/19
Vacancy	11/01/17 – 10/31/19
Vacancy	11/01/18 – 10/31/20

HISTORIC DISTRICT COMMISSION

Kimberly H. Crocker, Chairman	10/14 – 10/19
Rebecca S. Bodycoat	10/15 – 10/20
Julia Andresen	10/16 – 10/21
Geraldine M. Kassel	10/17 – 10/22
Mary Baker	10/18 – 10/23

ALTERNATES

Janet H. Rathbun	10/16 – 10/19
Carol Lord	10/17 – 10/20
Catherine Norton	10/18 – 10/21

RECREATION BOARD

Kim Janak, Chairman	10/16 – 10/19
Gina Satirana	10/16 – 10/19
Justin M. Truskauskas	10/17 – 10/20
Daniel A. Ward	10/17 – 10/20
Roxanne Puhalski	10/18 – 10/21
David J. Hotchkiss	10/18 – 10/21
Christopher J. Waring	10/18 – 10/21

REGIONAL SCHOOL DISTRICT NO. 7

Theresa J. Kenneson
Lisa Ann B. Fragale

07/01/17 – 07/01/20
10/07/16 – 07/01/19

SENIOR AND COMMUNITY CENTER

Susan Cantwell, Advisory Board Chairman
Barbara Cormier, Site Manger

860-738-9521

FARMINGTON VALLEY HEALTH DISTRICT

1-800-909-3843

FIRE MARSHAL/FIRE CHEIF

Mark Melanson/Craig Carfiro

860-379-3359 ext. 201

EMERGENCY MANAGEMENT

Alfred R. Tillotson

860-379-3359 ext. 201

BURNING PERMIT OFFICERS

Benjamin Bartlett
Edward Bascetta
Craig Carfiro
Freeman McCaw, Jr.

860-738-4151
860-379-9215
860-379-5747
860-379-8306

ANIMAL CONTROL OFFICER

Gordon (Mike) Coleman

860-806-1983

JUDGE OF PROBATE (TORRINGTON)

Michael Magistrali, Esq.

860-489-2215

TOWN ATTORNEY

Muschell & Simoncelli, LLP

860-482-6501

TAX COLLECTOR

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

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

The Tax Department now accepts payments on line at www.townofcolebrook.org. There is a convenience fee involved for the taxpayer. This has been a great help for taxpayers and is used daily. Other collection tools that I used often are State Marshal for delinquent accounts, bank executions and lastly tax sales.

Laura Bartlett has been the Tax Collector for Colebrook since November 2004. This is a part-time elected position. Laura is a Certified Connecticut Municipal Collector and is a member of the Connecticut Tax Collector's Association, Inc. and the Litchfield County Tax Collector's Association. Office hours are posted, or you can reach Laura at 860-379-3359 Ext. 204 or by email: lbartlett@colebrooktownhall.org

ASSESSOR'S OFFICE

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

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

Please stop in, call 860-379-3359 Ext. 206 or email msloane@colebrooktownhall.org for information or to request applications for any tax relief programs.

Michele Sloane
Assessor

TOWN TREASURER

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

Amy Gardner has been the Treasurer for Colebrook since November 2012. This is a part-time elected position. Amy can be reached at 379-3359 Ext. 212 or by email at agardner@colebrooktownhall.org

LAND USE OFFICE

The responsibility of the Land Use Office is to work with residents and members of the general public who have concerns, questions, and needs relating to the use of all land in the Town of Colebrook. The Land Use Office works with three boards, The Planning and Zoning Commission, the Zoning Board of Appeals, and the Inland Wetlands and Watercourse Agency. We also coordinate with the building department, public works, and the Historic District Commission.

The Wetlands Agency, the Planning and Zoning Commission, and ZBA have all worked very hard to better understand and interpret their respective regulations as several members have attended workshops and training sessions throughout the year. In the last year several changes were made in the Zoning Regulations to hopefully benefit the Town as a whole.

Currently the office hours are Mondays 1:00 to 5:00 and Wednesdays 9:00 to 5:00. I can be reached by phone at 860-379-3359 Ext. 209 or by email at mhalloran@colebrooktownhall.org

Michael J. Halloran
Land Use Administrator

REGISTRAR OF VOTERS

Colebrook Registrar of Voters office is open Tuesdays 1:00 to 4:00. Our office handles all voter registration and any changes to registration (i.e. address, party, etc.). We are always available and welcome questions regarding voting or the election process. You may contact the office by phone at 860-379-3359 Ext 211 or by email at rov@colebrooktownhall.org

Karen Odell, Democratic Registrar
Sherri Gray, Republican Registrar

Town Clerk's Office
Debra L. McKeon, CCTC, Town Clerk
Catherine C. Norton, Assistant Town Clerk

Office hours

Monday through Wednesday: 8:30 - 4:30 (closed from 12 to 1 for lunch)

Thursday: 8:30 - 5:30 (closed from 12 to 1 for lunch)

Friday: 8:30 - 12:00

Phone number: 860-379-3359 x213

Town website: www.townofcolebrook.org

Births – Welcome!

Seven families welcomed bundles of joy in 2018.

Marriages - Congratulations!

Dennis Joseph Sverni and Nicole Marie Jasmin

Todd Joseph Michaud and Brianna Delle Patton

Rodney Blake Winchell and Cynthia Jean Purcell

Devon Michael Molway and Alexandra Nicole Dorazio

Dustin Martin Lombardi and Molly Teresa Lantage

Robert Corey Goewey and Sara Elizabeth DeAngelis

Sean Dennis Riddick and Lianna Walker Meskun

Harrison McKelvey Conway and Rebecca Ellen Bruey

Dane Adam Sumner and Emily Margaret Madore

Javil Quillan John and Makenzi Strilkauskas Hurtado

Passings - With Sympathy

Lauzier, Robert

Roudi, Donald F.

Lauzier, Beatrice

Skinger, Joanna Mary

Van Leer, Sidney S.

Gomez, Inge M.

Dog License news

June is dog license month. To avoid late penalties, dog licenses need to be renewed by June 30th. Be sure your dog's rabies vaccination is up to date before you renew and remember; we only accept cash or check.

Hunting and Fishing news from the Department of Energy and Environmental Protection

The Trout and Salmon Stamp is now required for anglers fishing in any designated Trout Management Area, Wild Trout Management Area, Trout Park, or Atlantic Salmon Broodstock Area and for anglers harvesting trout or salmon anywhere throughout the state. The fee for the Trout and Salmon Stamp is \$5.00 for resident anglers who are 18 and older, \$3.00 for CT residents ages 16 or 17 and \$5.00 for nonresident anglers age 16 and older.

More information can be found on their website <https://www.ct.gov/deep>

For your convenience, you may purchase license and stamps during regular business hours.

Save the dates

Budget meetings begin in January 2019 - Be informed and attend Board of Finance meetings. They are scheduled monthly and posted on the official sign board outside Town Hall as well as on the website. The Town Budget hearing takes place on April, 2019 and the Budget Referendum will be held in May, 2019. Absentee ballots will be available from the Town Clerk's office during regular business hours.

November 5, 2019 is the Municipal Election. Voting takes place at Town Hall in the second floor meeting room from 6:00 am to 8:00 pm. Absentee Ballots will be available from the Town Clerk's office during regular business hours. You may register to vote on the Secretary of State's website <https://voterregistration.ct.gov>

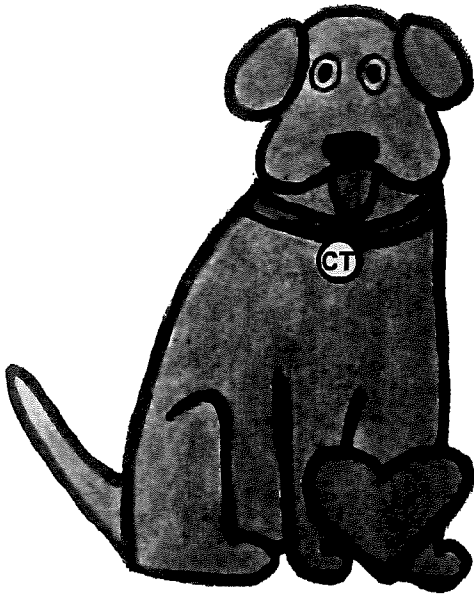
Please contact the office for more election information.

June is Dog License Month

Please complete this form and mail to:

Colebrook Town Clerk, P.O. Box 5, Colebrook, CT 06021

Connecticut Dog License Application



Annie Blumenfeld
Fairfield Warde High School

Did You Know?

- All dogs over six months **must** be licensed.
- All dogs **must** be licensed by the 30th of June of each year. A one dollar fee **will** be charged for each month late.
- All dogs **must** have a current rabies vaccination.
- A license is a lost dog's ticket home.
- Licensing provides vaccination and sterilization benefits for pets.
- Heartworm disease in dogs is preventable. Talk to your veterinarian.

Application

Name		
Street		
City	State	Zip
Telephone Number ()		
Dog's Name		
Predominant Breed		
Color	Dog's Date of Birth	

FEE SCHEDULE (Please check one)

- Male/Female \$19.00
- Male Neutered \$ 8.00
- Female/Spayed \$ 8.00

Amount enclosed \$ _____

Please mail a **copy** of the following with this application:

- Rabies Vaccination Certificate
- Spay/Neuter certificate (if applicable)

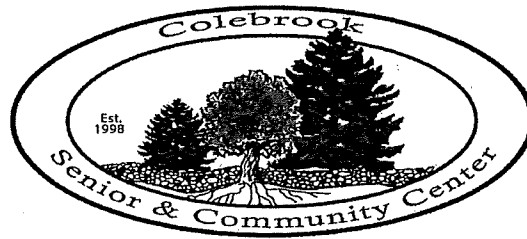
Note: Applicants **must** include a self-addressed stamped envelope. Please mail this application to your local Town Clerk.

For more information, please contact your Town Clerk or Municipal Animal Control Officer.

THIS FORM MAY BE REPRODUCED.

Provided as a courtesy by the Connecticut Department of Agriculture.
Rev. 1/2015

Remember to enclose Proof of Rabies, Spay or Neuter Certificate, Microchip number, check made payable to the "Colebrook Town Clerk" and a self-addressed stamped envelope.



The Colebrook Senior and Community Center

2 School House Road, P.O. Box 5

Colebrook, CT 06021

860-738-9521

seniordirector@colebrooktownhall.org

OUR MISSION

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

HOURS OF OPERATION

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

ACTIVITIES AND SERVICES

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

Van transportation is available and provided through an agreement between Northwest Transit, the Town of Colebrook, and a State grant. Residents in need of transportation to or from the Center for activities, events, shopping, town meetings, or appointments, may utilize this service.

Regularly scheduled programs have included weekly needlecrafts, quilting, crafts, yoga and line dancing, Bingo, movies, and Garden Group. Monthly activities include day trips, health screenings, lunch with Colebrook Consolidated School classes, and scrapbooking. Annually, the Center participates in the Colebrook Fair, the Holiday Craft Fair and the Ladies Spa Day.

We produce a monthly Newsletter that includes a Courtesy Postings section where other organizations in Town may post their events. The Colebrook Senior and Community Center Newsletter is available at the Center, the Colebrook Post Office, the Colebrook Store, the Colebrook Town Hall, and online. It is also available via email. We expect to have an updated website and new Facebook page in the new year.

Our staff and advisory committee continue to explore ways to minimize the Center’s operational cost to the town, through fundraising and grant awards. We are indebted to our loyal and hardworking volunteers who make many events and activities possible. We are deeply grateful to the townspeople of Colebrook for their generous donations. We hope to provide activities and services to our community well into the future with your continued support.

Barbara Cormier and Janet Fredsall, Co-Directors

The Colebrook Historical Society

Located in the village center The Seymour Inn, built in 1816, is the home of the Colebrook Historical Society. The museum houses a rich collection representing various aspects of life in Colebrook from the mid 1700's to the present as well as an extensive genealogy department. Work continues by volunteers to restore the interior of the building to its former simplicity and beauty. Special exhibits are held during the summer and fall season as well as community receptions. This year's exhibit features miniatures. Highlights have been our Friday Night Gatherings, occasional Fireside Chats featuring speakers who share their unique and personal historical expertise and experience and the Christmas Open House – successful events for all the community to enjoy.

The Rock School has been reborn with the completion of building saving stabilization measures along with interior restoration work. Truly a jewel from the past, this school was erected in 1779 educating Colebrook's children until 1911. It has never been electrified nor has it had running water or indoor plumbing! We held two summer workshop projects this year. Our hope is that the Rock School will continue to be a place where the school children gather as well as the community – a place where young and old can share their knowledge and dreams.

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

www.colebrookhistoricalsociety.org

NORTHWEST HILLS COUNCIL OF GOVERNMENTS

The Northwest Hills Council of Governments (COG) consists of the Mayors and First Selectmen from 21 member towns in the northwest corner. It is one of the nine Councils of Governments that have been established in Connecticut.

The COG meets on a monthly basis to discuss issues of municipal concern, oversee COG projects, and explore new opportunities for regional cooperation. The COG's work program includes activities in three focus areas: regional planning, grant writing and administration, and regional service delivery. Activities in each of these three focus areas are summarized below. More information on these and other COG activities is available at: www.northwesthillscog.org.

Focus Area One: Regional planning activities in 2018 focused on preparing a Comprehensive Economic Development Strategy (CEDS) for the Region. Major strategies in the CEDS include expanding the fiber optic network, promoting tourism/arts/culture, supporting local farms, strengthening manufacturing, and encouraging entrepreneurs/innovation. The COG also adopted an updated Regional Plan of Conservation and Development this year, and initiated the development of a Resiliency Vision and Toolkit for the Northwest Hills. With technical assistance from the Housatonic Valley Association, the NHCOG also prepared an on-line Interactive Regional Trail Map to enhance access to information on the public access trails in the region.

Focus Area Two: Grant writing and administration activities in 2018 focused on administering grant funds awarded for 1) a rural broadband and mobile enhancement study, 2) a water/wastewater study in West Cornwall, 3) an alignment study of a section of the HouBike trail in Kent and Cornwall in cooperation with the Upper Housatonic Valley National Heritage Area, 4) the completion of a low-impact development guidebook, 5) implementation of the CEDS, 6) development of a Regional Resiliency Vision and Toolkit for the region, 7) the design of a regional animal shelter to serve the Torrington area, and 8) implementation of the Rural Independent Transportation Service. In addition the COG is allocated about \$2M each year from ConnDOT for priority local road improvements, and serves as the oversight agent for about \$350,000 in Homeland Security Grant funding each year for our regional area.

Focus Area Three: Regional service delivery activities in 2018 included on-going coordination of a number of popular programs such as our household hazardous waste collection days, a prescription assistance program in cooperation with the Foundation for Community Health, a Neighbor-to-Neighbor program in cooperation with the Berkshire Taconic Community Foundation, a fuel bank program, the Northwest Hills Public Works Equipment Cooperative, and the region's cooperative purchasing program.

A variety of issues of regional significance were discussed at the monthly meetings of the COG this year including water supply planning, transportation safety planning, economic development priorities, broadband service, GIS service, the opioid epidemic, legislative priorities, cyber security, recycling and disposal of municipal solid waste, housing issues, and demographic changes in the region.

The COG also provides assistance to a number of organizations in the region including the Regional Housing Council, Northwest Hills Road Supervisors Association, Public Safety Task Force, Recycling Advisory Committee, and the Housatonic River Commission. In addition, the COG hosts a quarterly "5th Thursday" forum for area Planning, Zoning, and Conservation Commission members to meet and discuss items of mutual interest, hear guest speakers, and provide input on regional plans.

Serving as officers of the COG in FY 2017-2018 were Mark Lyon, Chairman; Bruce Adams, Vice Chairman; Leo Paul, Secretary; and Bob Valentine, Treasurer. COG member towns include Barkhamsted, Burlington, Canaan (Falls Village), Colebrook, Cornwall, Goshen, Hartland, Harwinton, Kent, Litchfield, Morris, New Hartford, Norfolk, North Canaan, Roxbury, Salisbury, Sharon, Torrington, Warren, Washington, and Winchester.

Respectfully submitted,
Rick Lynn, AICP
Executive Director

FOOTHILLS VISITING NURSE & HOME CARE, INC.
COLEBROOK TOWN REPORT 2017-2018

Organized as the Winsted Visiting Nurse Assoc. in 1922 by the Red Cross, Foothills Visiting Nurse & Home Care, Inc. has been providing expert, compassionate home health, Hospice and palliative care to the residents of Northwest Connecticut for 96 years. In 1973 the Public Health Nursing Associations of Barkhamsted and New Hartford merged with the Winsted Visiting Nurse Association to create Regional Health Services. In 1974 full services were provided to Colebrook and in 1979 Norfolk Public Health Services merged into this group. In 1991 our name changed to Foothills Visiting Nurse & Home Care, Inc.

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

Foothills VNA is very proud to be named to the 2016, 2015, 2014, 2013, 2012, 2011, 2010, 2009 and 2008 HomeCare Elite and identified as one of the best Home Care Agencies in the United States.

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

Foothills employs 90 people, 95% of whom reside locally in Northwest Connecticut.

Foothills is proud of its long-standing history with the Town of Colebrook. 35 persons from Colebrook received home health services from Foothills during the past year.

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

Structured Bereavement Groups are held twice a year. The groups are free and open to anyone in the community who has lost a family member or friend. The bereavement coordinator is also always available to meet privately with people. Just before the holiday season, an event, The Tree of Lights is held to honor and remember Foothills patients who have died within the past 18 months to which family members and caregivers are invited.

Seventy five (75%) percent of all our patients were age 65 or older.

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

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

This past year Foothills was able to conduct 6 public and many private flu clinics and administered 1,421 flu vaccines to mostly high risk individuals. All ages, 18 and older, were welcome to attend. One clinic was held at the Colebrook Senior Center this past year.

Foot Care Clinics are held every other month at the Community Center. They are currently open to persons 65 or older. Twenty (20) foot care procedures were performed.

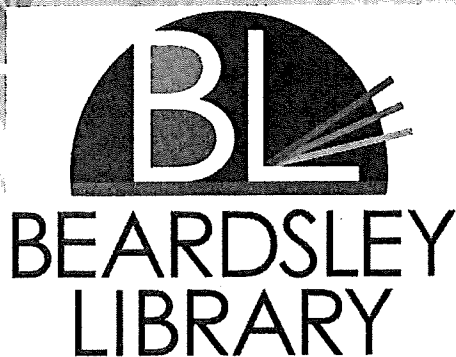
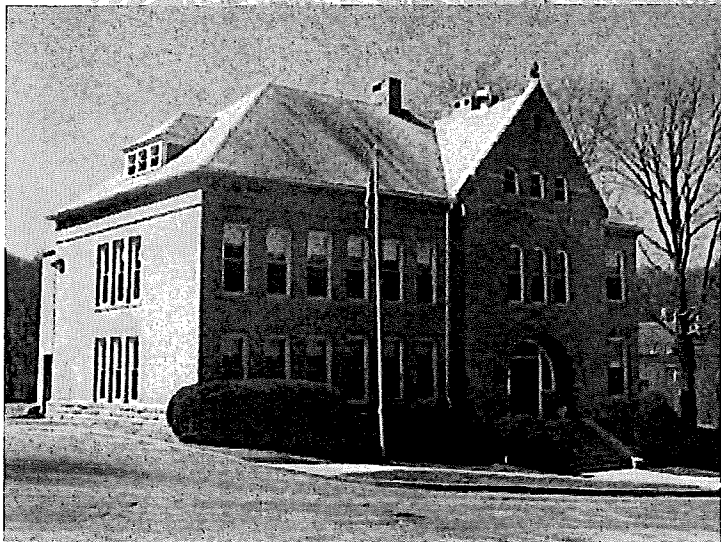
Blood Pressure and Cholesterol screenings are held monthly at the Community Center. Blood Pressure readings are free of charge with Cholesterol Screenings costing \$5.00. One hundred nineteen (119) blood pressure screenings were performed in 2017-2018.

Since Foothills is a non-profit health agency, the Board of Directors serve on a voluntary basis and represent all the towns in which full services are provided. The representatives from Colebrook for 2017-2018 were:
Janet Rathbun- Secretary (since - 1989)
Susan Whelchel (since 2016)

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

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

Michael Caselas, Executive Director



ANNUAL REPORT

2017-2018

The mission of the Beardsley & Memorial Library is to promote literacy, lifelong learning, and cultural enrichment for all generations of the diverse community it serves.

BOARD OF TRUSTEES

Louise Van Alstyne, President – Winsted
Robert Geiger, Vice President – Barkhamsted
Jeannine Frink, Secretary – Colebrook
Anne Dodge, Treasurer – Barkhamsted

Heather Cappabianca, Trustee – Winsted
Curtis Case, Trustee – Barkhamsted
Alan Colavecchio, Trustee – Winsted
Deborah Kane, Trustee – Winsted
Richard Lavieri, Trustee – Winsted
Barbara Millar, Trustee – Colebrook
Barbara McQueen, Trustee – Barkhamsted

A LETTER FROM THE LIBRARY SERVICES DIRECTOR

This year brought some major changes and improvements to the building and grounds at the library. We were very pleased to complete our newly expanded parking lot and also our circulation area renovation project through the generosity of donors, such as the Friends of the Library, and grants from The Northwest Connecticut Community Foundation, the Draper Foundation Fund, and the CT State Library. We are now better able to serve the public with increased accessibility to the library building and its collections.

Our goal is quite simply to create a vibrant place in the community where all people are free to meet, access information, and be provided with the resources they need for literacy, lifelong learning, and cultural enrichment. With the help of our dedicated staff, Board of Trustees, Friends of the Library, and the numerous patrons who value and support our mission, we are able to reach our goal year after year! Thank you.

Sincerely,

Karin Taylor
Library Services Director

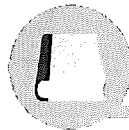
BY THE NUMBERS

The Library continues to be a very popular destination for people in the community.

From July of 2017 through June of 2018, the library had over **21,000** visitors!

Nearly **6,000** people attended one of the adult, children, teen, and public programs at the library. Each year this number grows as Beardsley is established as a community center for education, culture, and recreation.

Community groups and organizations used library meeting rooms over **200** times for meetings, discussions, and public forums.



LIBRARY TO YOU

One of the newer services being offered by the library is home delivery for people unable to come to the building due to medical issues. The Library 2 You program has 25 patrons registered for service and uses a team of 11 volunteer delivery drivers. Since its launch date in November of 2016, the library has delivered over 830 items to people in need.

Beardsley has over **7,600** registered borrowers!

61,299
items circulated
from the Library
last year!



CHILDREN'S SERVICES

SUMMER READING

In July of 2017 the library was already into its second month of the Summer Reading Program, "Build a Better World!" The children (and parents) were entertained by animals, theatre, 4-H, fire trucks and ambulance programs and joined in with dancing, marching and Hula Hoops! **Over 900 people attended our regular and special children's summer programs and over 500 of our total attendance attended Story Time!** Story Times encourage kids to enjoy reading at an early age, which leads to higher success in school.



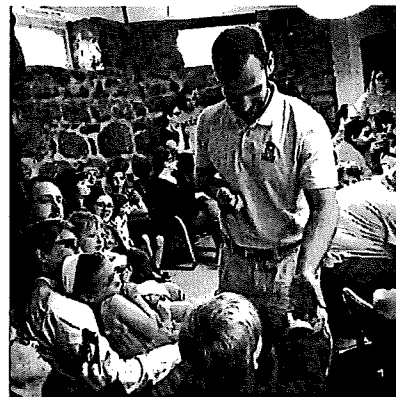
Members of Winsted's Volunteer Ambulance taught children how to "Build A Better World" through community service.

Connecting With Schools

Carol Parent, Children's Librarian at Beardsley, joined the local Early Childhood Education Council and was able to make significant connections with other educators from the community. This opened doors for a series of outreach programs in the Winsted Schools which lasted throughout the school year, including story times at Batcheller, and several science classes for Pearson students as part of March's Read Across America Program.

Last year, Mrs. Parent also pushed for a greater outreach program and collaboration with schools in Colebrook, Barkhamsted and Winsted regarding summer reading. It resulted in a considerable jump in attendance. For example, in 2014, 30 preschoolers registered and read 728 books and 26 children registered and read 22,093 pages. During the summer of 2017, 55 preschoolers registered and read 1,361 books and 117 children registered and read a total of 63,665 pages! Outreach works!

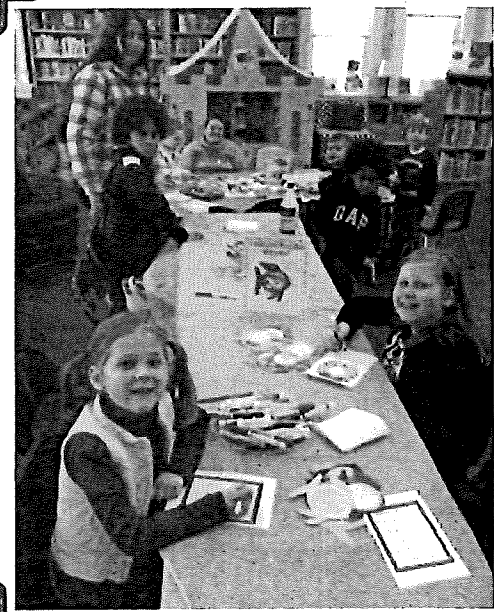
The library had **87** children's programs attended by **3,954** people!



Families enjoyed learning about nature and animals together during a program with the Beardsley Zoo in the community room.



You never know who is going to show up for Read, Rattle and Roll!



Children enjoyed pre-New Year's Eve fun and created their own "Good Luck Fish"!

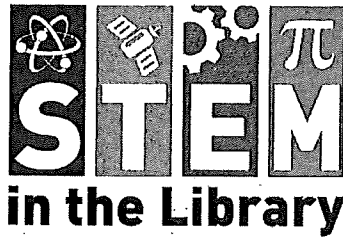


Service dogs from ECAD(Educated Canines Assisting with Disabilities) visited during National Library Week.

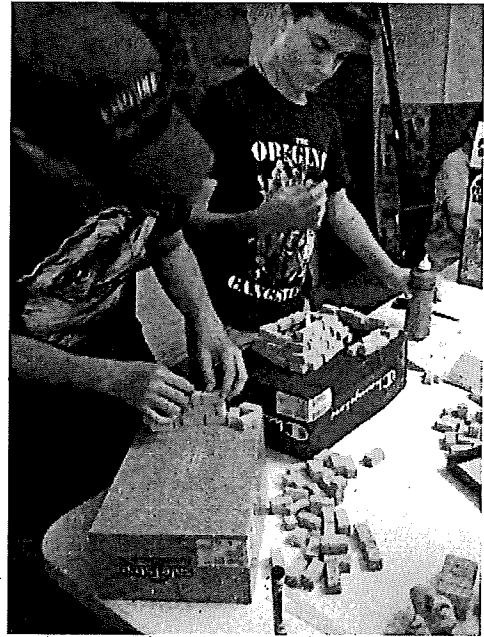


The Children's Room became a "Giant Jumparee" on Take Your Child to the Library Day

YOUNG ADULT SERVICES



Teens had fun at Beardsley this year participating in a variety of STEM (Science, Technology, Engineering, and Math) related crafts and projects. They used different building materials such as miniature foam building blocks, Popsicle sticks, batteries, and more. Teens got a kick out of engineering their own Bristlebots and then racing them to see who had the faster robot.



Beardsley teens also put their crafting skills to use as they built castles, fairy houses out of paper mache boxes, and mini spring topiaries made out of foam craft balls, moss, and paper butterflies. A total of **125** young people attended programs sponsored by the YA Department. A collection of "Makerspace" boxes are available to patrons in the teen room on a regular basis. Boxes contain all the materials needed to create a variety of crafts.



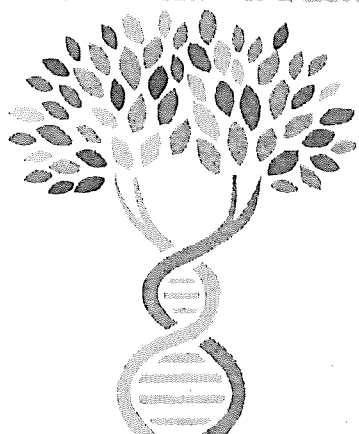
TOP TEEN TITLES At Beardsley.....

1. **One of Us Is Lying** by Karen McManus
2. **Milk and Honey** by Rupi Kaur
3. **Harry Potter and the Chamber of Secrets** by JK Rowling
4. **The Outsiders** by S.E. Hinton
5. **The Giver** by Lois Lowry

TEENS READ!

2,916 books, DVDs, and magazines circulated in the YA Department in 2017-2018!

The Genealogy & Local History Room



Exploring Family Roots and Discovering Local History

With the growing interest in DNA testing and reconnecting with family roots, genealogy requests have greatly increased. As a result, more researchers are taking advantage of the library's free in-house access to *Ancestry.com* and other genealogy databases. We recently installed a new patron computer in the Genealogy & Local History Room that is designated for accessing these sites, and we continue to maintain our microfilm reader/printer for viewing issues of the Winsted newspapers that date from 1856 to the present.

Research that is conducted on behalf of our patrons is often added to our local history archives, which are also growing. We have recently explored such topics as the Elizabeth Home at Highland Park, Winsted Monumental Works, the Laurel Festival, Hannon's Ice House, and the origin of Winsted's street names. We regularly update our expanding scrapbook collection, which covers Winsted and surrounding towns, and our family history files now include over 300 surnames.

CONNECTED WITH THE COMMUNITY

In 2017, Martin "Marty" Podskoch, author of the 2017 book, "The Civil Conservation Corps in CT," invited the library to submit a profile on Winchester for his upcoming book, "Club 169," a travel journal on the 169 towns in CT. Winchester's article was one of those selected to be featured in the travel section of several CT newspapers. "Club 169" will be released in the fall, and we look forward to having Mr. Podskoch do a book-signing at the library.

The G&LH Room recently participated in a program at the Winsted Soldiers' Monument and presented an exhibit on our WWII Oral History Project and Winsted on the home-front. In late September, we will again host a genealogy workshop with the Brooks-Green Woods Chapter of the D.A.R.

Volunteers greatly contribute to the library's success, including, Martha Walsh, who spends countless hours assisting with projects and research requests in the Genealogy Room. We thank her for being such a faithful and dedicated volunteer!



Projects abound in the Genealogy Room and several long-term projects have involved transcribing historical documents and processing donations of local memorabilia. We are currently inserting our historical maps in protective, acid-free sleeves, for easy viewing and copying, and we have digitized more of our Winsted resources, which are available on the library's web-site. All of these projects make our resources more easily accessible to researchers.

Beardsley Library was recently chosen to participate in the CT State Library's *Travelling Archivist Program*. An archivist from the state library assessed the resources in the Genealogy Room and recommended that we feature our Winsted notebooks/scrapbooks, family and town history files, and ephemera collection on *CTArchivesOnline.org*. We have already received favorable responses from researchers who have accessed this database and are grateful for the opportunity to promote our impressive collection alongside many larger CT institutions, such as Litchfield Historical Society and Middletown's Godfrey Library.

Research requests answered:

1,051

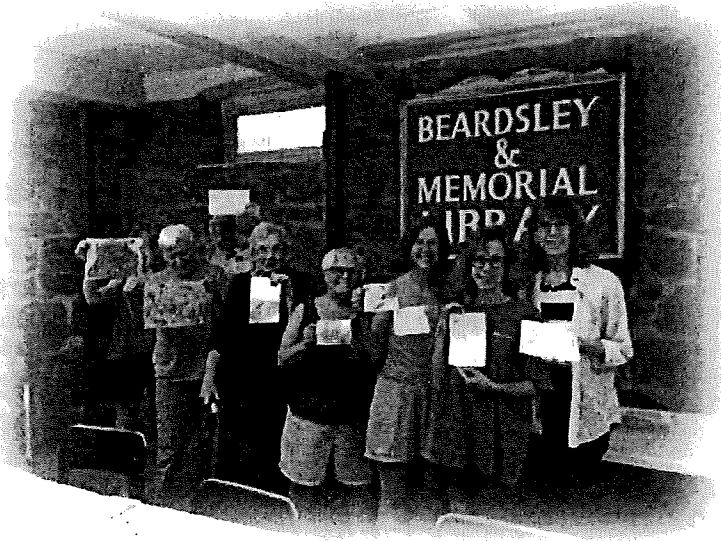
Resources accessed:

2,211

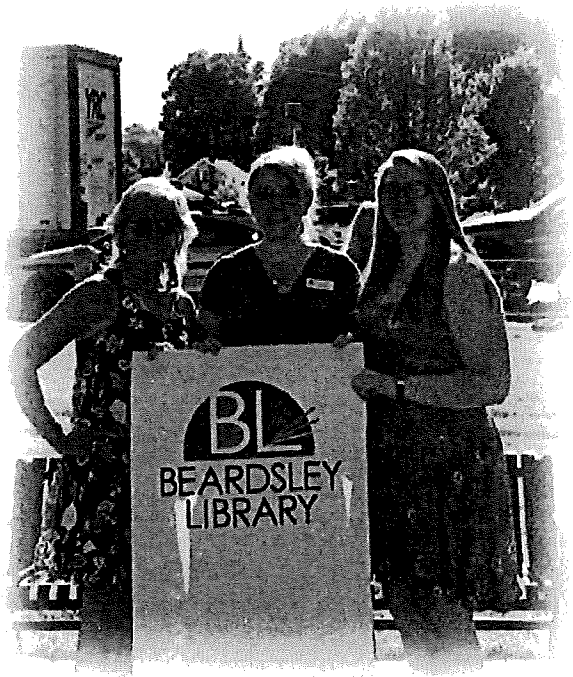
LIBRARY HIGHLIGHTS



This year the library was fortunate to gain support in the form of grants and contributions from The Northwest Connecticut Community Foundation, the Draper Foundation Fund, the Friends of the Library, the Valley Thrift Shop, and other private donors in order to complete the renovation of the entranceway and the stacks area to make the building and its collections more accessible to people with mobility challenges. Groups such as the Adult Daycare Center (photo on left) visit the library on a weekly basis and are now able to more easily access all the library has to offer thanks to the generosity of our supporters!



"Try It Thursdays" gave adults the opportunity to experiment with new and trending ideas and projects at the library this year. Among the workshops offered were paper marbling (photo above) chocolate and coffee pairing, and essential oils classes.



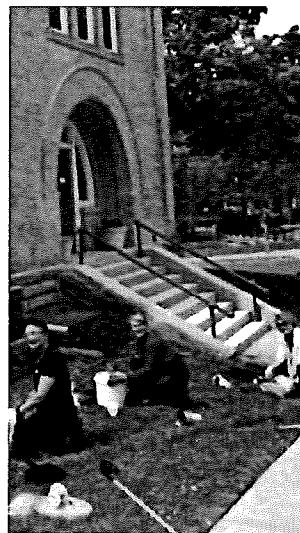
Library staff members Chris Moscarillo, Karin Taylor, and Shelby Goodell represented Beardsley as part of the community when WFSB featured Winsted in its "20 Towns in 20 Days" program.

LIBRARY HIGHLIGHTS



The Friends of the Library helped support the library during the month of December with their "Brighten Beardsley" fundraiser. Patron donations added lights to the 14 foot evergreen tree adorning the bank near Main Street outside the building. Each year the Friends raise thousands of dollars to help the library achieve its goals for the community.

We value our dedicated volunteers, such as our Library To You delivery drivers, our youth volunteers, Jeff Crothers, who volunteers his career counseling services free of charge every week at the library, and many more! In November, our volunteers were treated to a celebratory luncheon as a way of showing our thanks.



Our staff regularly goes above and beyond to help make the library better and brighter!

Staff members working to beautify the library grounds!

Contributors:

Karin Taylor, Library Services Director
Carol Parent, Children's Services
Talisha Blackburn, Young Adult Services
Verna Gilson, Genealogy & Local History

Beardsley & Memorial Library
40 Munro Place Winsted, CT 06098
860.379.6043
www.beardsleylibrary.org

TOWN OF COLEBROOK
Audited Financial Statements
Table of Contents
June 30, 2017

	<u>Page</u>
Independent Auditor's Report	1
Management's Discussion and Analysis	4
 BASIC FINANCIAL STATEMENTS	
Government-Wide Financial Statements:	
Statement of Net Position	10
Statement of Activities	11
 Fund Financial Statements:	
 Governmental Funds	
Balance Sheet	12
Statement of Revenues, Expenditures, and Changes in Fund Balances	13
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	14
Budgetary Comparison Statement – General Fund	15
 Fiduciary Funds	
Statement of Fiduciary Net Position	16
Statements of Changes in Fiduciary Net Position	17
Notes to the Financial Statements	19
 REQUIRED SUPPLEMENTARY INFORMATION	
State Teacher's Retirement System-Proportionate Share of Net Pension Liability and Schedule of Contributions	37
Note to the Required Supplementary Information	38
Schedule of Funding Progress	39
 SUPPLEMENTAL AND COMBINING INDIVIDUAL NONMAJOR FUND STATEMENTS AND SCHEDULES	
 General Fund	
Schedule of Revenues and Expenditures – Budget and Actual	40
 Nonmajor Governmental Funds	
Combining Balance Sheet	44
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	45
 Fiduciary Funds	
Combining Statement of Fiduciary Net Position	46
Combining Statement of Revenues, Expenditures, and Changes in Fiduciary Net Position	47
Combining Statement of Changes in Assets and Liabilities	48

TOWN OF COLEBROOK
Audited Financial Statements
Table of Contents
June 30, 2017

	<u>Page</u>
Supplemental Schedules	
Schedule of Property Taxes Levied, Collected, and Outstanding	49
Schedule of Debt Limitation	50
Board of Education Schedule of Expenditures – Budget and Actual	51
 COMPLIANCE REPORTS AND SUPPLEMENTARY SCHEDULES	
Report on Internal Control over Financial Reporting and on Compliance and Other Matters and Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	55
Connecticut Single Audit	
Report on Compliance for Each Major State Program; Report on Internal Control over Compliance; and Report on the Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act	57
Schedule of Expenditures of State Financial Assistance	59
Notes to Schedule of Expenditures of State Financial Assistance	60
Schedule of Findings and Questioned Costs	61

INDEPENDENT AUDITOR'S REPORT

To the Board of Finance of
Town of Colebrook, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Colebrook, CT, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town of Colebrook, CT'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, each major fund, and the aggregate remaining fund information of the Town of Colebrook, CT, as of June 30, 2017, and the respective changes in financial position and the respective budgetary comparison for the General Fund thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Town of Colebrook, CT's 2016 financial statements, and our report dated March 24, 2017, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements of the governmental activities, each major fund, and the aggregate remaining fund information from which it has been derived.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of funding progress on pages 4-10 and 34 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

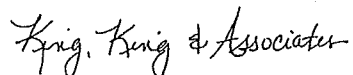
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Colebrook, CT's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and supplemental schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the Connecticut State Single Audit Act and is not a required part of the financial statements.

The combining and individual nonmajor fund financial statements, and the schedule of expenditures of state financial assistance 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 nonmajor fund financial statements, and the schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 22, 2018, on our consideration of the Town of Colebrook, CT's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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 of Colebrook, CT's internal control over financial reporting and compliance.



King, King & Associates, CPAs
Winsted, Connecticut
February 22, 2018

TOWN OF COLEBROOK
Management's Discussion and Analysis
June 30, 2017

As management of the Town of Colebrook, CT, we offer readers of the Town of Colebrook, CT's financial statements this narrative overview and analysis of the financial activities of the Town of Colebrook, CT for the fiscal year ended June 30, 2017.

Financial Highlights

- The assets of the Town of Colebrook, CT exceeded its liabilities at the close of the most recent fiscal year by \$9,717,233 (net position). Of this amount, \$1,324,373 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors. The Capital Projects, Dog, Cemetery, Education Grants, and Historical Preservation funds had Restricted Net Position that amounted to \$115,657. The remainder of the government's net position is invested in capital assets.
- As of the close of the current fiscal year, the Town of Colebrook, CT's governmental funds reported combined ending fund balances of \$1,422,984, an increase of \$32,083 in comparison with the prior year and attributable to increased property tax collection rates, supplemental motor vehicle taxes and an unbudgeted addition to state aid. Of this amount, \$1,275,647 is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, the fund balance for the General Fund was \$1,516,231, or 26% percent of total General Fund expenditures.

Overview of the Financial Statements

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

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

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

The *statement of activities* presents information showing how the government's net position has changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in future cash inflows (revenues) and outflows (expenditures.)

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

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

TOWN OF COLEBROOK
Management's Discussion and Analysis
June 30, 2017

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Colebrook, CT, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Colebrook, CT can be divided into two categories: governmental funds and fiduciary funds.

Governmental Funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

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

The Town of Colebrook, CT maintains eight (8) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund. The town also reports the Capital Improvement Fund as a major fund.

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

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

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

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

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18-35 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Colebrook, CT, assets exceeded liabilities by \$9,717,233 at the close of the most recent fiscal year.

TOWN OF COLEBROOK
Management's Discussion and Analysis
June 30, 2017

	<u>2017</u>	<u>2016</u>
Current and Other Assets	\$ 2,178,903	\$ 1,893,970
Capital Assets	<u>8,627,203</u>	<u>8,525,448</u>
Total Assets	<u>\$ 10,806,106</u>	<u>\$ 10,419,418</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>
Other Liabilities	\$ 615,388	\$ 336,408
Long-Term Liabilities Outstanding	<u>473,485</u>	<u>523,485</u>
Total Liabilities	<u>1,088,873</u>	<u>859,893</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>
Net Position:		
Net Investment in Capital Assets	8,277,203	8,125,448
Restricted	115,657	117,321
Unrestricted	<u>1,324,373</u>	<u>1,316,756</u>
Total Net Position	<u>\$ 9,717,233</u>	<u>\$ 9,559,525</u>

The restricted portion of the Town of Colebrook, CT's net position represents net position restricted for capital projects. The balance of *unrestricted net position* \$1,324,373 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town of Colebrook, CT is able to report that all categories of net position increased by \$157,708 during this fiscal year.

TOWN OF COLEBROOK
Management's Discussion and Analysis
June 30, 2017

	<u>2017</u>	<u>2016</u>
Revenues:		
<i>General Revenues:</i>		
Property Taxes	\$ 5,394,865	\$ 4,881,013
Unrestricted Investment Income	10,435	5,484
Grants and Contributions	55,013	24,653
Other Income	6,850	9,406
<i>Program Revenues:</i>		
Charges for Services	76,660	138,073
Operating Grants and Contributions	1,088,364	939,383
Capital Grants and Contributions	124,149	454,972
Total Revenues	6,756,336	6,452,984
Expenses:		
<i>Governmental Activities:</i>		
General Government	747,867	737,085
Public Safety	137,148	122,532
Highways	1,225,931	1,024,767
Sanitation	206,873	201,390
Health and Welfare	75,535	78,116
Education	4,160,257	3,929,774
Other	45,017	64,116
Total Expenses	6,598,628	6,157,780
<i>Change in Net Position</i>	157,708	295,204
Beginning Net Position	9,559,525	9,264,321
Ending Net Position	\$ 9,717,233	\$ 9,559,525

Governmental activities. Governmental activities increased the Town of Colebrook, CT's net position by \$157,708.

Key elements of the activities are as follows:

Seventy-nine percent (79%) of the revenues of the Town were derived from property taxes, followed by nineteen percent (19%) from grants and contributions, followed by less than one percent (1%) from charges for services, followed by less than one percent (1%) from investment and other income.

Major revenue factors included:

- Property taxes exceeded budget by 3.0% due to higher than expected collections of current year taxes, the settlement of several prior year accounts, and supplemental motor vehicle taxes.
- State aid was 4.1% better than budget principally because of a new revenue sharing program.

For Governmental Activities, 63% of the Town's expenses relate to education and repayment of long-term debt for school construction, 3% relates to public safety and health and welfare, 19% relates to highways, and the remaining 15% relates to government, community services, administration and other areas.

TOWN OF COLEBROOK
Management's Discussion and Analysis
June 30, 2017

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the Town of Colebrook, CT's governmental funds reported combined ending fund balances of \$1,422,984, an increase of \$32,083 in comparison with the prior year. Eighty-nine percent (89%) of this total amount constitutes *unassigned fund balance*, which is available for spending at the government's discretion.

The General Fund is the chief operating fund of the Town of Colebrook, CT. At the end of the current fiscal year, total fund balance of the General Fund was \$1,516,231. This represents a decrease of \$240,184, lower than anticipated Property tax and Town Operations revenues.

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents twenty-six percent (26%) of total General Fund expenditures.

General Fund Budgetary Highlights

- Expenses were within 0.2% of budget.
- The year-end cash balance in the General Fund was \$1,552,785, and increase of 17.9% over the prior year.

Capital Projects Fund Highlights

- The annual appropriation for the Capital Projects Fund was set at \$450,000.
- Grant revenue totaled \$521,453, of which 89% was related to the Campbell Road Bridge project.

Other Fund Highlights

- The Post Office Fund showed a \$5,948 surplus this year.

Capital Asset and Debt Administration

Capital assets. The Town of Colebrook, CT's investment in capital assets for its governmental activities as of June 30, 2017, amounts to \$8,633,485 (net of accumulated depreciation and related debt). This investment in capital assets includes land and infrastructure, buildings, vehicles, machinery and equipment, and construction in progress.

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

- New Fire Truck - \$319,469
- Repaving Church Hill Road - \$158,361
- Backhoe replacement - \$98,272

TOWN OF COLEBROOK
 Management's Discussion and Analysis
 June 30, 2017

	<u>2017</u>	<u>2016</u>
Land and Infrastructure	\$ 4,628,770	\$ 3,792,975
Construction in Progress	67,721	1,032,345
Buildings and Improvements	2,948,070	3,041,330
Vehicles	841,424	519,040
Machinery and Equipment	<u>141,218</u>	<u>139,758</u>
Total	<u>\$ 8,627,203</u>	<u>\$ 8,525,448</u>

Additional information on the Town of Colebrook, CT's capital assets can be found in Note 4 on pages 27-28 of this report.

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

	<u>2017</u>	<u>2016</u>
Notes Payable	\$ 350,000	\$ 400,000
CVFD Tax Abatement	<u>123,485</u>	<u>123,485</u>
Total	<u>\$ 473,485</u>	<u>\$ 523,485</u>

Additional information on the Town of Colebrook, CT's long-term debt can be found in Note 7 on pages 33-34 of this report.

Economic Factors and Next Year's Budgets and Rates

These factors were considered in preparing the Town of Colebrook, CT's budget for the 2016-2017 fiscal year.

- Unforeseen changes in State and Federal funding levels could impact decisions related to major capital projects, including bridge replacements, road repairs, and future maintenance and improvements to the Colebrook Consolidated School.
- Special education cost increases cannot be predicted.
- Unpredictable swings in energy prices will impact Town utility, fuel, road material, and maintenance budgets. Major winter storms or other unusual weather events cannot be predicted and can significantly affect budgets.

Request for Information

This financial report is designed to provide a general overview of the Town of Colebrook, CT's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Office, Town of Colebrook, P.O. Box 5, Colebrook 06021.

TOWN OF COLEBROOK
Statement of Net Position
June 30, 2017

	Governmental Activities
Assets	
<i>Current Assets:</i>	
Cash and Cash Equivalents	\$ 2,016,021
State and Federal Grants Receivable	2,578
Taxes Receivable	117,336
Interest Receivable	42,106
Other Current Assets	862
Total Current Assets	2,178,903
<i>Noncurrent Assets:</i>	
<i>Capital Assets:</i>	
Nondepreciable	407,804
Depreciable Buildings and Equipment, net	8,219,399
Total Assets	\$ 10,806,106
Deferred Outflows of Resources	-
Liabilities	
<i>Current Liabilities:</i>	
Accounts Payable	\$ 31,657
Accrued Payroll	15,859
Refundable Advances	397,322
Prepaid Taxes	125,699
Due to Others	43,015
Due to State of Connecticut	1,836
Total Current Liabilities	615,388
<i>Noncurrent Liabilities</i>	
Due within One Year	50,000
Due in More than One Year	423,485
Total Noncurrent Liabilities	473,485
Total Liabilities	1,088,873
Deferred Inflows of Resources	-
Net Position	
Net Investment in Capital Assets	8,277,203
Restricted	115,657
Unrestricted	1,324,373
Total Net Position	\$ 9,717,233

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

TOWN OF COLEBROOK

Statement of Activities

For the Year Ended June 30, 2017

	Program Revenues			Net (expense)/revenue and changes in net position
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	
Functions/Programs				
Primary Government:				
Governmental Activities				Governmental Activities
General Government	\$ 747,867	\$ 50,681	\$ 4,000	\$ (693,186)
Public Safety	137,148	2,890	-	(134,258)
Highways	1,225,931	687	201,115	(914,840)
Sanitation	206,873	-	-	(206,873)
Health and Welfare	75,535	1,600	2,128	(71,807)
Education	4,160,257	20,802	881,121	(3,243,474)
Other	45,017	-	-	(45,017)
Total Governmental Activities	<u>6,598,628</u>	<u>76,660</u>	<u>1,088,364</u>	<u>(5,309,455)</u>
Total Primary Government	\$ 6,598,628	\$ 76,660	\$ 1,088,364	\$ 124,149
			<u>124,149</u>	<u>124,149</u>
General Revenues:				
Property Taxes Levied for General Purposes				5,394,865
Unrestricted Investment Income				10,435
Grants and Contributions Not Restricted to Specific Purpose				55,013
Other Income				6,850
Total General Revenues				<u>5,467,163</u>
Change in Net Position				157,708
Net Position - Beginning				9,559,525
Net Position - Ending				\$ 9,717,233

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

TOWN OF COLEBROOK
 Balance Sheet
 Governmental Funds
 June 30, 2017
 (With Comparative Totals for June 30, 2016)

Assets	General	Capital	Nonmajor	Total Governmental Funds	
	Fund	Projects Fund		Funds	2017
Cash and Cash Equivalents	\$ 1,552,785	\$ 317,943	\$ 145,293	\$ 2,016,021	\$ 1,675,906
Taxes Receivable	117,336	-	-	117,336	147,704
State and Federal Grants Receivable	-	-	2,578	2,578	18,192
Interfund Receivables	161,256	-	1,749	163,005	265,213
Inventory	-	-	862	862	1,168
Total Assets	<u>\$ 1,831,377</u>	<u>\$ 317,943</u>	<u>\$ 150,482</u>	<u>\$ 2,299,802</u>	<u>\$ 2,108,183</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts Payable	\$ 30,399	\$ 1,258	\$ -	\$ 31,657	\$ 59,901
Accrued Payroll	15,859	-	-	15,859	28,062
Due to State of Connecticut	-	-	1,836	1,836	1,549
Refundable Advances	-	-	18	18	18
Prepaid Taxes	125,699	-	-	125,699	198,691
Due to Others	43,015	-	-	43,015	48,187
Interfund Payables	1,749	159,965	1,291	163,005	265,213
Total Liabilities	<u>216,721</u>	<u>161,223</u>	<u>3,145</u>	<u>381,089</u>	<u>601,621</u>
Deferred Inflows of Resources:					
Deferred Revenue-Taxes/Grants	98,425	397,304	-	495,729	115,661
Total Deferred Inflows of Resources	<u>98,425</u>	<u>397,304</u>	<u>-</u>	<u>495,729</u>	<u>115,661</u>
Fund Balance:					
Nonspendable:					
Cafeteria Inventory	-	-	862	862	1,168
Restricted For:					
Dog Fund	-	-	964	964	193
Cemetery	-	-	101,057	101,057	101,710
Education Grants	-	-	844	844	1,106
Historical Document Preservation	-	-	1,749	1,749	3,956
Committed To:					
Capital Projects	-	-	-	-	-
Post Office	-	-	39,934	39,934	33,986
School Cafeteria	-	-	1,927	1,927	3,316
Unassigned	1,516,231	(240,584)	-	1,275,647	1,245,466
Total Fund Balance	<u>1,516,231</u>	<u>(240,584)</u>	<u>147,337</u>	<u>1,422,984</u>	<u>1,390,901</u>
Total Liabilities and Fund Balance	<u>\$ 1,831,377</u>	<u>\$ 317,943</u>	<u>\$ 150,482</u>	<u>\$ 2,299,802</u>	<u>\$ 2,108,183</u>

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	8,627,203
Deferred revenue for property taxes are reported in the funds but accrued as revenue in the government-wide statements and added to net position.	98,425
The governmental funds Balance Sheet includes revenues that will only be available to pay current period liabilities. Adjustments are necessary to accrue receivables of all earned revenues.	42,106
Some long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(473,485)</u>
Net position of governmental activities	<u>\$ 9,717,233</u>

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

TOWN OF COLEBROOK

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

For the Year Ended June 30, 2017
(With Comparative Totals for June 30, 2016)

	General Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds	
				2017	2016
Revenues:					
Property Taxes	\$5,420,995	\$ -	\$ -	\$ 5,420,995	\$4,832,333
Investment Income	9,335	853	247	10,435	5,484
Fees and Charges	49,941	687	26,032	76,660	138,073
Contributions	-	-	-	-	525
Intergovernmental Revenue	980,358	124,149	34,805	1,139,312	1,413,217
Other	-	-	6,850	6,850	9,406
Total Revenues	<u>6,460,629</u>	<u>125,689</u>	<u>67,934</u>	<u>6,654,252</u>	<u>6,399,038</u>
Expenditures:					
Current					
General Government	603,607	-	10,007	613,614	624,896
Public Safety	81,120	-	2,119	83,239	86,489
Highways	775,350	-	-	775,350	684,544
Senior Center	33,862	-	-	33,862	38,521
Health and Welfare	32,856	-	-	32,856	30,778
Miscellaneous	45,017	-	-	45,017	64,116
Sanitation	206,873	-	-	206,873	201,390
Education	3,924,760	-	53,906	3,978,666	3,873,337
Debt Service	67,000	-	-	67,000	69,125
Capital Outlay	-	785,692	-	785,692	735,563
Total Expenditures	<u>5,770,445</u>	<u>785,692</u>	<u>66,032</u>	<u>6,622,169</u>	<u>6,408,759</u>
Excess/(Deficiency) of Revenues Over Expenditures	690,184	(660,003)	1,902	32,083	(9,721)
Other Financing Sources/(Uses):					
Operating Transfers Out	(450,000)	-	-	(450,000)	(452,000)
Operating Transfers In	-	450,000	-	450,000	452,000
Total Other Financing Sources/(Uses)	<u>(450,000)</u>	<u>450,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	240,184	(210,003)	1,902	32,083	(9,721)
Fund Balance at Beginning of Year	<u>1,276,047</u>	<u>(30,581)</u>	<u>145,435</u>	<u>1,390,901</u>	<u>1,400,622</u>
Fund Balance End of Year	<u>\$ 1,516,231</u>	<u>\$ (240,584)</u>	<u>\$ 147,337</u>	<u>\$ 1,422,984</u>	<u>\$ 1,390,901</u>

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

TOWN OF COLEBROOK

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended June 30, 2017

Net Change in Fund Balances - Total Governmental Funds \$ 32,083

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

<i>Capital expenditures</i>	574,738
<i>Depreciation expense</i>	(472,983)

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

<i>Deferred tax revenue</i>	(17,236)
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Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

<i>Notes Payable principal payments</i>	50,000
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Some receivables provide current financial resources to governmental funds, but reduce grant receivables in the Statement of Net Position. These are the amounts of current economic resources reclassified as a balance sheet adjustment.

<i>Net change in interest receivable</i>	<u>(8,894)</u>
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Change in net position of governmental activities. \$ 157,708

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

TOWN OF COLEBROOK
 Budgetary Comparison Statement
 General Fund
 For the Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Over/ (Under)</u>
Revenues:				
Taxes	\$ 5,361,701	\$ 5,361,701	\$ 5,420,995	\$ 59,294
Investment Income	-	-	9,335	9,335
Fees and Charges	-	-	47,080	47,080
Intergovernmental Revenue	731,532	731,532	769,645	38,113
Other	-	-	-	-
Appropriated from Surplus	-	-	-	-
Total Revenues	<u>6,093,233</u>	<u>6,093,233</u>	<u>6,247,055</u>	<u>153,822</u>
Expenditures:				
General Government	547,032	547,032	542,129	(4,903)
Public Safety	73,156	73,156	80,870	7,714
Highways	776,262	776,262	775,350	(912)
Town Hall	49,500	49,500	61,478	11,978
Senior Center	46,227	46,227	33,862	(12,365)
Health and Welfare	31,843	31,843	32,856	1,013
Miscellaneous	48,404	48,404	44,007	(4,397)
Refuse Disposal	210,000	210,000	206,873	(3,127)
Debt Service	67,000	67,000	67,000	-
Other Expenditures	-	-	1,260	1,260
Education	3,684,268	3,684,268	3,710,405	26,137
Capital Outlay	<u>400,000</u>	<u>400,000</u>	<u>450,000</u>	<u>50,000</u>
Total Expenditures	<u>5,933,692</u>	<u>5,933,692</u>	<u>6,006,090</u>	<u>72,398</u>
Excess of Revenues over Expenditures	<u>\$ 159,541</u>	<u>\$ 159,541</u>	<u>\$ 240,965</u>	<u>\$ 81,424</u>

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

TOWN OF COLEBROOK
 Statements of Fiduciary Net Position
 Fiduciary Funds
 June 30, 2017
 (With Comparative Totals for June 30, 2016)

	<u>Pension</u> <u>Trust Fund</u>	<u>Agency</u> <u>Funds</u>	<u>Totals</u>	
			<u>2017</u>	<u>2016</u>
Assets				
Cash and Cash Equivalents	\$ -	\$ 80,096	\$ 80,096	\$ 64,884
Investments	<u>215,440</u>	<u>-</u>	<u>215,440</u>	<u>182,217</u>
Total Assets	<u>\$ 215,440</u>	<u>\$ 80,096</u>	<u>\$ 295,536</u>	<u>\$ 247,101</u>
Deferred Outflows of Resources				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities				
Due to Beneficiaries	\$ -	\$ 77,360	\$ 77,360	\$ 62,507
Due to Others	<u>-</u>	<u>2,736</u>	<u>2,736</u>	<u>2,377</u>
Total Liabilities	<u>-</u>	<u>80,096</u>	<u>80,096</u>	<u>64,884</u>
Deferred Inflows of Resources				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position				
Restricted for Pension Benefits	<u>215,440</u>	<u>-</u>	<u>215,440</u>	<u>182,217</u>
Total Net Position	<u>\$ 215,440</u>	<u>\$ -</u>	<u>\$ 215,440</u>	<u>\$ 182,217</u>

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

TOWN OF COLEBROOK
 Statements of Changes in Fiduciary Net Position
 Fiduciary Funds
 For the Years Ended June 30, 2017 and 2016

	Pension Trust Fund	
Additions	<u>2017</u>	<u>2016</u>
Contributions	\$ 23,608	\$ 17,387
Investment Income	<u>30,875</u>	<u>(457)</u>
Total Additions	<u>54,483</u>	<u>16,930</u>
Deductions		
General Government	<u>21,260</u>	<u>1,725</u>
Total Deductions	<u>21,260</u>	<u>1,725</u>
Change in Net Position	33,223	15,205
Net Position - Beginning	<u>182,217</u>	<u>167,012</u>
Net Position - Ending	<u>\$ 215,440</u>	<u>\$ 182,217</u>

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

TOWN OF COLEBROOK
Notes to the Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

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

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

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

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

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

TOWN OF COLEBROOK
Notes to the Financial Statements

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement focus, basis of accounting, and financial statements presentation

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Their revenues are recognized when they become measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Exceptions to this general rule include: voluntary non-exchange transactions when all eligibility requirements have been met. Expenditures are generally recorded when a liability is incurred. Exceptions to this general rule include: compensated absences, debt service, and claims and judgments that are recorded only when payment is due.

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

The government reports the following major governmental funds:

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

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

Additionally, the government reports the following fund types:

Fiduciary Fund Types

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

TOWN OF COLEBROOK
Notes to the Financial Statements

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

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

Estimates

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

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity

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

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

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

Investments – In general, State of Connecticut Statutes allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust, in obligations of any state or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. Other trust funds may also invest in stocks, bonds, or other securities selected by the Trustee. The pension fund participants invest in various mutual funds provided by the Trustee.

Fair Value of Financial Instruments - In accordance with GASB Statement No. 72, the Town is required to measure the fair value of its assets and liabilities under a three-level hierarchy, as follows:

Level 1: Quoted market prices for identical assets or liabilities to which an entity has access to at the measurement date.

Level 2: Inputs and information other than quoted market indices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

TOWN OF COLEBROOK
Notes to the Financial Statements

- a. Quoted prices for similar assets or liabilities in active markets.
- b. Quoted prices for identical or similar assets in markets that are not active;
- c. Observable inputs other than quoted prices for the assets or liability;
- d. Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

Level 3: Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

Observable inputs reflect the assumptions market participants would use in pricing the asset or liability developed from sources independent of the reporting entity; and *unobservable inputs* reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

Investments carried at fair value are presented in Note 3.

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

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

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

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

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

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

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

Long-term obligations – In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

TOWN OF COLEBROOK
Notes to the Financial Statements

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

Fund equity and net position– In the government-wide financial statements, net position is classified in the following categories:

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

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

Unrestricted Net Position – This category represents the net position of the Town, which is not restricted for any project or other purpose.

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

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

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

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

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

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

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

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

TOWN OF COLEBROOK
Notes to the Financial Statements

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

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information and Accounting

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

- A proposed operating budget is submitted for the fiscal year.
- Public hearings are conducted in the Town to obtain taxpayer comments.
- The budget is legally enacted through passage at a Town meeting. The operating budget includes proposed expenditures and the means of financing them.
- The Board of Finance is authorized to transfer budgeted amounts between departments within any fund; however, any additional appropriations exceeding \$20,000 over the total budget must be approved at a Town meeting.
- Formal budgetary integration is employed as a management control device during the year for the General Fund.
- All noncontinuing appropriations lapse at year-end. Capital appropriations do not lapse until completion of the applicable projects.
- Encumbrance accounting is not used.

Budgetary/GAAP Reconciliation

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

TOWN OF COLEBROOK
Notes to the Financial Statements

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

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources/(Uses)</u>	<u>Net Change</u>
Balance, Budgetary Basis	\$ 6,247,055	\$ 6,006,090	\$ -	\$ 240,965
Revenue Adjustments for:				
Fees & Charges	(2,872)	-	-	(2,872)
CT Teacher's Retirement	216,446	-	-	216,446
Transfers In	-	-	-	-
Other Revenues	-	-	-	-
Expenditure Adjustments for:				
Transfers Out	-	(450,000)	(450,000)	-
CT Teacher's Retirement	-	216,446	-	(216,446)
Other Expenditures	-	(2,091)	-	2,091
Balance, GAAP Basis	<u>\$ 6,460,629</u>	<u>\$ 5,770,445</u>	<u>\$ (450,000)</u>	<u>\$ 240,184</u>

Risk Management

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

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

NOTE 3 – CASH EQUIVALENTS, INVESTMENTS, AND DEFERRED REVENUE

Cash and Cash Equivalents

The deposits of public funds are controlled by the Connecticut General Statutes. The following is a summary of cash and cash equivalents at June 30, 2017 and 2016:

	<u>Governmental Funds</u>	<u>Fiduciary Funds</u>	<u>Totals</u>	
			<u>2017</u>	<u>2016</u>
Demand Accounts	\$ 679,951	\$ 80,096	\$ 760,047	\$ 624,562
Short Term Investment Fund	<u>1,336,069</u>	<u>-</u>	<u>1,336,069</u>	<u>1,115,902</u>
Total Cash and Cash Equivalents	<u>\$ 2,016,020</u>	<u>\$ 80,096</u>	<u>\$ 2,096,116</u>	<u>\$ 1,740,464</u>

TOWN OF COLEBROOK
Notes to the Financial Statements

Detailed Cash Notes on all Funds

Deposits and Investments

Custodial Credit Risk - Deposits: Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. At year-end, the town's carrying amount of deposits was \$759,502 and the bank balance was \$931,868. Of the bank balance, Federal Depository Insurance Corporation covered \$250,000. As of June 30, 2017, \$681,868 of the Town's demand bank balance of \$931,868 was exposed to custodial credit risk as follows:

	<u>Demand Accounts</u>
Uninsured and uncollateralized	\$ 588,681
Uninsured and collateral held by pledging bank's Trust department not in the Town's name	93,187
Total	<u>\$ 681,868</u>

Interest Rate Risk. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk. The Town has no investment policy that limits the investment choices further than the State Statutes listed above. The STIF and CLASS Funds are Standard & Poor's AAAM rated investment pools of high-quality, short term money market instruments.

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

	<u>2017</u>	<u>2016</u>
Mutual Funds	\$ 215,440	\$ 182,217
Total	<u>\$ 215,440</u>	<u>\$ 182,217</u>

As of June 30, 2017, the Town had the following investments:

	<u>Fair Value</u>	<u>Investment Maturities</u>	
		<u>Less Than 1 yr.</u>	<u>1-5 yrs.</u>
Mutual Funds	\$ 215,440	N/A	N/A
Total Investments	<u>\$ 215,440</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF COLEBROOK
Notes to the Financial Statements

The following is a schedule of assets measured at Fair Value.

<u>Description</u>	June 30, <u>2017</u>	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds	\$ 215,440	\$ 215,440	\$ -	\$ -
Total	<u>\$ 215,440</u>	<u>\$ 215,440</u>	<u>\$ -</u>	<u>\$ -</u>

Deferred Revenue

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	<u>2017</u>	<u>2016</u>
Deferred Property Taxes	\$98,425	\$115,661
Deferred Grant Revenue	\$397,322	\$18

TOWN OF COLEBROOK
Notes to the Financial Statements

NOTE 4 – CAPITAL ASSETS

The following is a summary of net changes in fixed assets for the fiscal year ending June 30, 2017:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 340,083	\$ -	\$ -	\$ 340,083
Construction in Progress	<u>1,032,345</u>	<u>67,721</u>	<u>1,032,345</u>	<u>67,721</u>
Total capital assets, not being depreciated	<u>1,372,428</u>	<u>67,721</u>	<u>1,032,345</u>	<u>407,804</u>
Capital assets, being depreciated:				
Buildings & Improvements	5,393,842	33,133	-	5,426,975
Infrastructure	4,400,000	1,060,213	-	5,460,213
Furniture & Fixtures	8,468	-	-	8,468
Vehicles	1,478,066	417,741	52,000	1,843,807
Machinery and Equipment	<u>582,220</u>	<u>28,275</u>	<u>16,000</u>	<u>594,495</u>
Total capital assets being depreciated	<u>11,862,596</u>	<u>1,539,362</u>	<u>68,000</u>	<u>13,333,958</u>
Less accumulated depreciation for:				
Buildings & Improvements	2,352,512	126,393	-	2,478,905
Infrastructure	947,108	224,418	-	1,171,526
Furniture & Fixtures	8,469	-	-	8,469
Vehicles	959,027	95,356	52,000	1,002,383
Machinery and Equipment	<u>442,460</u>	<u>26,816</u>	<u>16,000</u>	<u>453,276</u>
Total accumulated depreciation	<u>4,709,576</u>	<u>472,983</u>	<u>68,000</u>	<u>5,114,559</u>
Total capital assets, being depreciated, net	<u>7,153,020</u>	<u>1,066,379</u>	<u>-</u>	<u>8,219,399</u>
Governmental activities capital assets, net	<u>\$ 8,525,448</u>	<u>\$ 1,134,100</u>	<u>\$ 1,032,345</u>	<u>\$ 8,627,203</u>

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

General Government	\$ 75,911	\$ 67,570
Highways	291,271	287,067
Public Safety	46,505	42,334
Health and Welfare	8,817	8,817
Education	<u>50,479</u>	<u>46,650</u>
Total Depreciation Expense	<u>\$ 472,983</u>	<u>\$ 452,438</u>

The Town has active construction projects as of June 30, 2017. The year-end total accumulated construction costs are:

Prock Hill Road	\$ 67,721
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TOWN OF COLEBROOK
Notes to the Financial Statements

The remaining cost to complete Prock Hill Road is \$338,929.

NOTE 5 – PENSION PLANS

Connecticut State Teacher's Retirement System

Certified teachers in the Town are eligible to participate in the State of Connecticut's Teacher's *Plan Description*: Teachers, principals, superintendents, or supervisors engaged in service of public schools are provided with pensions through the Connecticut State Teachers' Retirement System (the "System"). The System is a cost sharing multiple-employer defined benefit pension plan administered by the Connecticut State Teachers' Retirement Board (CTRB). Chapter 167a of the State Statutes grants authority to establish and amend the benefited terms to the CTRB Board. The CTRB issues a publicly available financial report that can be obtained at www.ct.gov, or by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106. *Benefit Provisions*: The Plan provides retirement, disability and death benefits. Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

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

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

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

Contributions: Per Connecticut General Studies Section 10-183z, contribution requirements of active employees and the State of Connecticut are approved, amended, and certified by the State Teachers Retirement Board and appropriated by the General Assembly.

Employer (School Districts): School District employers are not required to make contributions to the plan. The statutes require the State of Connecticut to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount, that, when combined with employee contributions, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

Employees: Participants are required to contribute 7.25% of their annual salary to the System as required by the CGS Section 10-183b(7). For the year ended June 30, 2016 the certified teachers' contribution to the Connecticut Teachers Retirement Board was \$57,020. Covered payroll for the district for the year ended June 30, 2016 was approximately \$786,483.

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions: At June 30, 2016 the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Town were as follows:

TOWN OF COLEBROOK
Notes to the Financial Statements

Town's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Town		<u>3,160,468</u>
Total	\$	<u>3,160,468</u>

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

For the year ended June 30, 2017, the Town recognized benefits expense and contribution revenue of \$216,446 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized \$344,660 for pension expense related to actuarial liabilities for on-behalf amounts for the benefits provided by the State.

Actuarial Assumptions: The actuarial assumptions used in the June 30, 2015 valuation were based on the results of an actuarial experience study for the period July 1, 2005 through June 30, 2010. The total pension liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.75 Percent
Salary increases, including inflation	3.25-6.50 Percent
Long-term investment rate of return, net of pension investment expense, including inflation.	8.00 Percent

Mortality rates were based on the RP-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

Future Cost-of-Living increases for members who retire on or after September 1, 1992 are assumed to receive an annual cost-of-living adjustment of 2%. The long-term expected rate of return on pension investments was determined using a log-normal distributions analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

TOWN OF COLEBROOK
Notes to the Financial Statements

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
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	<u>6.00%</u>	0.40%
Total	<u>100.00%</u>	

Discount Rate: The discount rate used to measure the total pension liability was 8.5%. The projection of cash flows used to determine the discount rate assumed that 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's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The Town's proportionate share of the net pension liability is \$0 and therefore the change in the discount rate would only impact the amount recorded by the State of Connecticut.

Town Employees

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

An eligible employee is one who has worked a minimum of 1,800 hours during the plan year, and who is actively employed as of the annual plan valuation date.

The Town is required to contribute an amount equal to 5% of annual covered payroll. A provision has been included to allow pre-tax employee contributions up to 100% of compensation, subject to IRS dollar limits of \$17,500 for 2016-2017. Any participant who is age 50 or older could be eligible for a "catch-up" contribution of \$5,500 in 2016-2017. Income accumulated tax-free until distribution from the plan.

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

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

TOWN OF COLEBROOK
Notes to the Financial Statements

The Town's required 5% contribution was \$11,452. The Board of Education's required 5% contribution was \$4,126. There was \$6,150 in participant contributions for the year, and no employee forfeitures.

At June 30, 2016, membership in the Plan consisted of:

Current employees:	
Fully or partially vested	
Town	6
Board of Education	2
Nonvested	
Terminated/Retired	1
Town	<u>1</u>
Total	<u>10</u>

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

Significant Accounting Policies

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

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

NOTE 6 – OTHER POSTEMPLOYMENT BENEFITS

Description

The Town has established and administers the Town of Colebrook Volunteer Fire Department Tax Abatement Program. The program provides a real estate and/or motor vehicle property tax abatement for eligible members and senior members for up to but not to exceed \$1,000 or amount of their property for the fiscal year immediately following the certification date. Active members must earn 60 service points in the calendar year preceding the start of the Town's next fiscal year. Senior members receive a "Post Employment" lifetime tax abatement benefit. To be eligible for senior member status, a member must: complete at least 25 years as an active member; turn age 60 or greater by December 31st during the preceding tax year of senior member tax abatement; be an active current member to be eligible for lifetime abatement; once an active member becomes a lifetime member, they do not have to continue to be an active member beyond the first eligibility year; own taxable or real property in Town of Colebrook, benefits will cease at anytime the participant does not own taxable or real property in Town of Colebrook. Benefits will cease at death and will not be available to spouse. The Town is applying the requirements of GASB No.45 prospectively. The plan currently includes 39 active participants and 3 retired participants receiving the benefit.

Funding Policy

The contribution requirements are established and may be amended by the Town. The Town appropriates funds annually for the costs associated with this retirement benefit through the General Fund. The revenue loss for the tax abatement program is recognized on the budget basis as a reduction of property tax revenue. During the year the revenue loss totaled \$18,146.

Annual OPEB Cost and Net OPEB Obligation

TOWN OF COLEBROOK
Notes to the Financial Statements

The Town's annual OPEB (other post employment benefit) cost is calculated based on the vested other post employment benefits accumulated obligation and non-vested other post employment benefits accumulated obligation. The following table presents the components of the Town's unfunded OPEB projected obligation.

	<u>June 30, 2016</u>
Vested Other Post Employment Benefits Accumulated Obligation	
Active Participants	\$ -
Retired and Vested Terminated Participants	<u>21,665</u>
Total	21,665
Non-Vested Other Post Employment Benefits Accumulated Obligation	<u>101,820</u>
Total Other Post Employment Benefits Accumulated Obligation	123,485
Effects of Estimated Future Pay Increases	<u>-</u>
Total Other Post Employment Benefits Projected Obligation	<u>123,485</u>
Market Value of Assets (including receivables)	<u>-</u>
Unfunded Other Post Employment Benefits Projected Obligation	<u><u>\$ 123,485</u></u>

The Town's vested OPEB accumulated obligation, the non-vested OPEB accumulated obligation, and the unfunded OPEB projected obligation for 2016 are as follows:

Valuation <u>Date</u>	Vested OPEB Accumulated <u>Obligation</u>	Non-Vested OPEB Accumulated <u>Obligation</u>	Unfunded OPEB Projected <u>Obligation</u>
7/1/2015	\$ 21,665	\$ 101,820	\$ 123,485
7/1/2012	64,225	86,164	150,389
7/1/2009	27,614	66,251	93,865

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

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

Fiscal Year <u>Ending</u>	Annual Required Contribution (ARC)	Employer Contributions Paid	Percentage of ARC Paid
June 30, 2018	\$ 15,226	\$ -	0.00%
June 30, 2017	15,226	-	0.00%
June 30, 2016	15,226	-	0.00%

Funding Status and Funding Progress

As of June 30, 2016, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$123,485. The Town's policy is to fund the benefits through a reduction of property tax revenue annually, resulting in an unfunded actuarial accrued liability (UAAL) of \$123,485.

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-

TOWN OF COLEBROOK
Notes to the Financial Statements

term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. In the June 30, 2016 actuarial valuation, the projected unit credit actuarial cost method was applied. The actuarial assumptions included a 5.0 percent discount rate. No assumption was made for rate of inflation. The amortization method is level annual amount. The UAAL is being amortized over a closed period of 24 years as of July 1, 2015. The asset valuation basis is market value. The valuation followed generally accepted actuarial methods and included tests as considered necessary to assure the accuracy of the results.

NOTE 7 – LONG-TERM OBLIGATIONS

Long-Term Obligation Activity

The Town has used long-term notes for the acquisition and construction of major capital facilities. The General Fund has historically been used to liquidate other long-term liabilities.

Changes in long-term obligations for the year ended June 30, 2017, are as follows:

	<u>Interest Rate</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities					
Notes Payable	4.25%-6.0%	\$ 400,000	\$ -	\$ 50,000	\$ 350,000
CVFD Tax Abatement OPEB Obligation		150,389	-	26,904	123,485
Total		<u>\$ 550,389</u>	<u>\$ -</u>	<u>\$ 76,904</u>	<u>\$ 473,485</u>

Current Portion of Long-Term Debt

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

Notes Payable	<u>\$ 50,000</u>
Total	<u>\$ 50,000</u>

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

Governmental Activities:	<u>2017</u>	<u>2016</u>
General Government	<u>\$ 17,000</u>	<u>\$ 19,125</u>
Total Interest Expense	<u>\$ 17,000</u>	<u>\$ 19,125</u>

Debt Service Requirements Debt service requirements on long-term debt at June 30, 2017 are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>
2018	50,000	14,875
2019	50,000	12,750
2020	50,000	10,625
2021	50,000	8,500
2022	50,000	6,375
2023-2024	100,000	6,375
Total	<u>\$ 350,000</u>	<u>\$ 59,500</u>

TOWN OF COLEBROOK
Notes to the Financial Statements

NOTE 8 – OVERLAPPING DEBT

Colebrook is a member of the Regional School District No. 7, along with the Towns of Barkhamsted, New Hartford, and Norfolk. Colebrook's scheduled payment to the School District is a pro rata share of 9.62%, which is based upon student enrollment. The Town's portion of the bond principal for Regional School District No. 7 is as follows:

	<u>Principal</u>
Bonds Outstanding	\$2,163,000
Town's Pro Rata %	<u>9.62%</u>
Town's Share	<u>\$ 208,081</u>

NOTE 9 – INTERFUND ACCOUNTS

At June 30, 2017, interfund balances were as follows:

<u>Due From:</u>	<u>Due To:</u>		<u>Totals</u>	
	<u>Nonmajor</u>	<u>General</u>	<u>2017</u>	<u>2016</u>
	<u>Funds</u>	<u>Fund</u>		
General Fund	\$ 1,749	\$ -	\$ 1,749	\$ 3,956
Capital Projects	-	159,965	159,965	259,966
Nonmajor	-	1,291	1,291	1,291
Total	<u>\$ 1,749</u>	<u>\$ 161,256</u>	<u>\$ 163,005</u>	<u>\$ 265,213</u>

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

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

Interfund Transfers for the year are summarized below:

<u>Transfers From and Purpose</u>	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Funds</u>	<u>Totals</u>	
				<u>2017</u>	<u>2016</u>
General Fund					
<i>Budgeted Expenditure</i>	\$ -	\$ 450,000	\$ -	\$ 450,000	\$ 450,000
Nonmajor	-	-	-	-	<u>2,000</u>
	<u>\$ -</u>	<u>\$ 450,000</u>	<u>\$ -</u>	<u>\$ 450,000</u>	<u>\$ 452,000</u>

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

NOTE 10 – OPERATING LEASES

In May 2011, the Board of Education signed a lease for two copiers. The lease requires 60 monthly payments of \$209. Total lease payments in the current fiscal year were \$2,706.

TOWN OF COLEBROOK
Notes to the Financial Statements

In September 2013, the Town of Colebrook signed a lease for two copiers. The lease requires 60 monthly payments of \$290. Total lease payments in the current fiscal year were \$3,480.

Future minimum lease payments under current agreements are as follows:

2018	3,480
2019	580

NOTE 11 – FUND BALANCES

The following balances were committed at June 30:

	<u>2017</u>	<u>2016</u>
Post Office Fund	39,934	33,986
School Cafeteria Fund	1,927	3,316
Total	<u>\$ 41,861</u>	<u>\$ 37,302</u>

The following Governmental fund had a deficit fund balance at June 30:

	<u>2017</u>	<u>2016</u>
Capital Projects Fund	1,927	3,316
Total	<u>\$ 1,927</u>	<u>\$ 3,316</u>

NOTE 12 – GASB PRONOUNCEMENTS ISSUED, BUT NOT YET EFFECTIVE

The Governmental Accounting Standards Board (GASB) is the standard setting board for governmental entities. The following are statements which have been approved by GASB, but are not yet effective:

- GASB Statement 75 – *Accounting and Financial Reporting for Postemployment Benefits (OPEB) Other than Pensions* – This Statement establishes standards of accounting and financial reporting for defined benefit OPEB and defined contribution OPEB that are provided to the employees of state and local governmental employers through OPEB plans that are administered through trusts or equivalent arrangements (thereby jointly referred to as trusts) and applies to all governments whose employees are provided with OPEB. The requirements of this Statement are effective for fiscal years beginning after June 15, 2017.
- GASB No. Statement 82 – *Pension Issues an amendment of GASB Statements No. 67, No. 68, and No. 73* – This statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The pronouncement is effective for fiscal years beginning after June 15, 2017.
- GASB Statement No. 83 – *Certain Asset Retirement Obligations* – this Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflows of resources for asset retirement obligations. The pronouncement is effective for fiscal years beginning after June 15, 2018.
- GASB Statement No. 84 – *Fiduciary Activities* – establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a

TOWN OF COLEBROOK
Notes to the Financial Statements

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. The pronouncement is effective for fiscal years beginning after December 15, 2018.

- GASB Statement No. 85 – *Omnibus 2017* – This Statement addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement an application, and postemployment benefits (pensions and other postemployment benefits other than pensions - OPEB. The pronouncement is effective for fiscal years beginning after June 15, 2017.

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TOWN OF COLEBROOK
 State Teacher's Retirement System
 Proportionate Share of Net Pension Liability and Schedule of Contributions
 Last Three Fiscal Years

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Schedule of Proportionate Share of Net Pension Liability			
Town's proportion of the net pension liability	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net pension associated with Town	<u>3,160,468</u>	<u>2,463,806</u>	<u>2,277,295</u>
Total	<u>\$3,160,468</u>	<u>\$2,463,806</u>	<u>\$ 2,277,295</u>
Town's covered-employee payroll	<u>\$1,143,246</u>	<u>\$ 786,483</u>	<u>\$ 814,731</u>
Town's proportionate share of the net pension liability (asset) as a percentage of its covered -employee payroll.	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>

See accountant's report.

TOWN OF COLEBROOK
 State Teacher's Retirement System
 Note to Required Supplementary Information
 Schedule of Proportionate Share of the Net Pension Liability
 Year-ended June 30, 2017

Change of benefit terms	None
Changes of assumptions	In 2011, rates of withdrawal, retirement and assumed rates of salary increase were adjusted more closely to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five year period ended June 30, 2010.
Actuarial Cost Method	Entry Age
Amortization Period	Level percent of salary, closed
Remaining Amortization Period	22.4 years
Asset Valuation Method	4 year smoothed market
Inflation	2.75%
Salary Increases	3.25%-6.00% average, including inflation
Investment Rate of Return	8.00%, net of pension plan investment expense, including inflation

Town of Colebrook
 Schedule of Funding Progress
 For the Year Ended June 30, 2017

TOWN OF COLEBROOK POST-EMPLOYMENT FIRE DEPARTMENT TAX ABATEMENT BENEFITS

Actuarial Valuation Date	(1) Actuarial Value of Assets Available For Benefits	(2) Actuarial Liability- Aggregate Cost Method	(3) Funded Ratio (1)/(2)	(4) Unfunded Actuarial Liability (2)-(1)	(5) Covered Payroll	(6) Unfunded Actuarial Accrued Liability as a Percentage of Covered Payroll (4)/(5)
July 1, 2015	\$ -	\$ 123,485	0.0%	\$ 123,485	\$ -	N/A
July 1, 2012	-	150,389	0.0%	150,389	-	N/A
July 1, 2009	-	93,865	0.0%	93,865	-	N/A

See accountants report.

TOWN OF COLEBROOK

page 1 of 4

General Fund

Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2017

	Original Budget	Amended Budget	Actual	Over (Under)
REVENUES				
Taxes:				
Property Taxes	\$ 5,317,857	\$ 5,317,857	\$ 5,373,175	\$ 55,318
Interest and Liens	43,844	43,844	47,820	3,976
Total Taxes	<u>5,361,701</u>	<u>5,361,701</u>	<u>5,420,995</u>	<u>59,294</u>
Intergovernmental Revenue:				
Senior Center Grants	-	-	2,128	2,128
Telephone Access Line Tax Share	5,600	5,600	5,733	133
Education Cost Sharing	486,955	486,955	495,711	8,756
School Transportation	3,827	3,827	-	(3,827)
Adult Education	334	334	355	21
Special Education	-	-	8,540	8,540
State and Federal Property	1,215	1,215	1,721	506
Town Aid Roads	201,187	201,187	201,115	(72)
Pequot Funds	9,864	9,864	9,838	(26)
Elderly and Veterans Property Tax Relief	12,000	12,000	12,095	95
Team Mentors	-	-	1,050	1,050
Other Receipts	10,000	10,000	1,665	(8,335)
Manufacturing Transition Grant	-	-	29,694	29,694
Misc. - Boats, Machinery, & Comm. MV	550	550	-	(550)
Total Intergovernmental Revenue	<u>731,532</u>	<u>731,532</u>	<u>769,645</u>	<u>38,113</u>
Other Revenues:				
Town Operations	-	-	47,080	47,080
Interest Income	-	-	9,335	9,335
Miscellaneous	-	-	-	-
Total Other Revenues	<u>-</u>	<u>-</u>	<u>56,415</u>	<u>56,415</u>
Total Revenues before other Financing Sources				
	<u>6,093,233</u>	<u>6,093,233</u>	<u>6,247,055</u>	<u>153,822</u>
Other Financing Sources:				
Fund Balance Designated to Finance Budget	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	<u>\$ 6,093,233</u>	<u>\$ 6,093,233</u>	<u>\$ 6,247,055</u>	<u>\$ 153,822</u>

See accountant's report.

TOWN OF COLEBROOK

General Fund

Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2017

	Original Budget	Amended Budget	Actual	Over (Under)
EXPENDITURES				
General Government:				
First Selectman	\$ 33,689	\$ 33,689	\$ 33,698	\$ 9
2nd & 3rd Selectmen	2,200	2,200	2,200	-
COST	725	725	725	-
Selectmen's Expense	1,500	1,500	1,813	313
Probate Court	1,700	1,700	1,438	(262)
Elections	16,000	16,000	17,174	1,174
Board of Finance	700	700	363	(337)
Board of Assessors	23,463	23,463	20,128	(3,335)
Assessor's Expense	600	600	14,258	13,658
Board of Assessment Appeals	800	800	590	(210)
Tax Collector	21,730	21,730	21,731	1
Tax Collector's Expense	5,106	5,106	4,522	(584)
Treasurer	15,918	15,918	15,918	-
Treasurer's Expense	500	500	13	(487)
Town Attorney	5,000	5,000	15,149	10,149
Town Clerk	39,410	39,410	39,435	25
Town Clerk's Expense	4,000	4,000	4,112	112
Assistant Town Clerk	7,000	7,000	3,428	(3,572)
Building Inspector	13,652	13,652	13,652	-
Building Inspector's Expense	2,000	2,000	135	(1,865)
Farmington Valley Health District	7,586	7,586	7,586	-
Planning and Zoning Commission	1,500	1,500	3,363	1,863
Zoning Board of Appeals	525	525	-	(525)
Inland-Wetlands Agency	1,500	1,500	942	(558)
Town Secretary	31,502	31,502	31,139	(363)
Land Use Sec'y/Enf. Officer	20,693	20,693	17,948	(2,745)
Social Security	36,820	36,820	32,426	(4,394)
Pension Payment	300	300	300	-
Pension Contribution	13,202	13,202	11,452	(1,750)
Employee Medical Insurance	115,055	115,055	107,074	(7,981)
Insurance (CIRMA)	83,811	83,811	84,085	274
Recreation Board	17,000	17,000	13,638	(3,362)
Auditor	14,695	14,695	14,695	-
Assistant Tax Collector	1,200	1,200	1,305	105
Town Hall Admin. Support	900	900	1,178	278
CCM	1,050	1,050	1,042	(8)
Assessor Assistant	4,000	4,000	3,474	(526)
Total General Government	<u>547,032</u>	<u>547,032</u>	<u>542,129</u>	<u>(4,903)</u>
Public Safety:				
Fire Marshal	4,060	4,060	4,061	1
Fire Marshal's Expense	-	-	25	25
Fire Protection	50,600	50,600	58,298	7,698

See accountant's report.

TOWN OF COLEBROOK

General Fund

Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2017

	Original Budget	Amended Budget	Actual	Over (Under)
Constables	\$ 150	\$ 150	\$ 140	\$ (10)
911	15,346	15,346	15,346	-
Animal Control	3,000	3,000	3,000	-
Total Public Safety	<u>73,156</u>	<u>73,156</u>	<u>80,870</u>	<u>7,714</u>
Highways:				
Wages	183,632	183,632	148,373	(35,259)
Overtime	27,250	27,250	28,845	1,595
Town Garage Fuel	22,500	22,500	14,177	(8,323)
Town Garage Lubricants	5,000	5,000	2,867	(2,133)
Town Garage Parts	23,000	23,000	18,253	(4,747)
Town Garage Repairs	27,300	27,300	32,173	4,873
Winter Maintenance	120,000	120,000	203,419	83,419
Road Maintenance	120,000	120,000	88,781	(31,219)
Oil Program	200,000	200,000	192,978	(7,022)
Street Lights	980	980	812	(168)
Garage Utilities	10,700	10,700	5,378	(5,322)
Garage Support	5,000	5,000	11,841	6,841
Tree Removal	20,000	20,000	19,950	(50)
Town Garage Environmental	8,900	8,900	5,068	(3,832)
Town Garage Building Maintenance	2,000	2,000	2,435	435
Total Highways	<u>776,262</u>	<u>776,262</u>	<u>775,350</u>	<u>(912)</u>
Town Hall:				
Office Supplies	10,000	10,000	10,691	691
Town Hall/Community Hall Util.	20,500	20,500	17,162	(3,338)
Town Hall Maintenance	17,000	17,000	31,853	14,853
Miscellaneous	2,000	2,000	1,772	(228)
Total Town Hall	<u>49,500</u>	<u>49,500</u>	<u>61,478</u>	<u>11,978</u>
Senior Center:				
Senior Center Maintenance	9,200	9,200	6,123	(3,077)
Senior Center Coordinator	6,567	6,567	3,938	(2,629)
Site Manager and Helper	24,460	24,460	21,272	(3,188)
Van & Driver	6,000	6,000	2,529	(3,471)
Total Senior Center	<u>46,227</u>	<u>46,227</u>	<u>33,862</u>	<u>(12,365)</u>
Health and Welfare:				
Vital Statistics	26	26	-	(26)
Foothills Nursing	6,039	6,039	6,039	-
Susan B. Anthony	1,500	1,500	1,500	-
Winsted Ambulance	6,652	6,652	6,652	-

See accountant's report.

TOWN OF COLEBROOK
General Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2017

	Original Budget	Amended Budget	Actual	Over (Under)
Elderly Nutrition Program	\$ 698	\$ 698	\$ 698	\$ -
Elderly Transit Program	734	734	734	-
Regional Mental Health	659	659	659	-
Paramedic Intercept	11,383	11,383	12,422	1,039
Norfolk Ambulance	3,652	3,652	3,652	-
Northwest Corner Chore Service	500	500	500	-
Total Health and Welfare	<u>31,843</u>	<u>31,843</u>	<u>32,856</u>	<u>1,013</u>
Miscellaneous:				
Libraries	15,508	15,508	15,508	-
Cemeteries	6,500	6,500	2,605	(3,895)
Data Processing	21,000	21,000	20,974	(26)
Winsted YSB	2,330	2,330	2,330	-
LHCEO	1,156	1,156	1,156	-
Farmington River Watershed	249	249	249	-
Mapping: Micro Filming	1,661	1,661	1,185	(476)
Total Miscellaneous	<u>48,404</u>	<u>48,404</u>	<u>44,007</u>	<u>(4,397)</u>
Refuse Disposal:				
Town's Refuse/Recycle	210,000	210,000	206,873	(3,127)
Total Refuse Disposal	<u>210,000</u>	<u>210,000</u>	<u>206,873</u>	<u>(3,127)</u>
Debt Service:	<u>67,000</u>	<u>67,000</u>	<u>67,000</u>	<u>-</u>
Education:				
Colebrook School Budget	1,901,843	1,901,843	1,926,431	24,588
Northwest Regional # 7	1,782,425	1,782,425	1,783,974	1,549
Total Education	<u>3,684,268</u>	<u>3,684,268</u>	<u>3,710,405</u>	<u>26,137</u>
Other Expenditures:				
CERT Grant Expense	-	-	250	250
Insurance Claims Expense	-	-	1,000	1,000
Miscellaneous	-	-	10	10
Total Other Expenditures	<u>-</u>	<u>-</u>	<u>1,260</u>	<u>1,260</u>
Capital Improvements:				
Capital Expenditures	400,000	400,000	450,000	50,000
Total Capital Improvements	<u>400,000</u>	<u>400,000</u>	<u>450,000</u>	<u>50,000</u>
Total Expenditures	<u>5,933,692</u>	<u>5,933,692</u>	<u>6,006,090</u>	<u>72,398</u>
Excess of Revenues over Expenditures	<u>\$ 159,541</u>	<u>\$ 159,541</u>	<u>\$ 240,965</u>	<u>\$ 81,424</u>

See accountant's report.

TOWN OF COLEBROOK
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2017

SPECIAL REVENUE FUNDS

	Post Office Fund	Dog Fund	School Cafeteria Fund	Cemetery Fund	Historical Document Fund	Education Grants Fund	Total
Assets							
Cash and Cash Equivalents	\$ 39,934	\$ 4,091	\$ 193	\$ 101,057	\$ -	\$ 18	\$ 145,293
State and Federal Grants Receivable	-	-	1,734	-	-	844	2,578
Other Receivables	-	-	-	-	-	-	-
Interfund Receivables	-	-	-	-	1,749	-	1,749
Inventory	-	-	862	-	-	-	862
Total Assets	<u>\$ 39,934</u>	<u>\$ 4,091</u>	<u>\$ 2,789</u>	<u>\$ 101,057</u>	<u>\$ 1,749</u>	<u>\$ 862</u>	<u>\$ 150,482</u>
Liabilities							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-	-	-	18	18
Interfund Payable	-	1,291	-	-	-	-	1,291
Due to State of CT	-	1,836	-	-	-	-	1,836
Total Liabilities	<u>-</u>	<u>3,127</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18</u>	<u>3,145</u>
Fund Balances							
Nonspendable	-	-	862	-	-	-	862
Restricted	-	964	-	101,057	1,749	844	104,614
Committed	39,934	-	1,927	-	-	-	41,861
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	<u>39,934</u>	<u>964</u>	<u>2,789</u>	<u>101,057</u>	<u>1,749</u>	<u>844</u>	<u>147,337</u>
Total Liabilities and Fund Balances	<u>\$ 39,934</u>	<u>\$ 4,091</u>	<u>\$ 2,789</u>	<u>\$ 101,057</u>	<u>\$ 1,749</u>	<u>\$ 862</u>	<u>\$ 150,482</u>

See accountant's report.

TOWN OF COLEBROOK
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2017

SPECIAL REVENUE FUNDS

	Post Office Fund	Dog Fund	School Cafeteria Fund	Cemetery Fund	Historical Document Fund	Education Grants Fund	Total
Revenues							
Investment Income	\$ -	\$ -	\$ -	\$ 247	\$ -	\$ -	\$ 247
Fees and Charges	-	2,890	20,802	1,600	740	-	26,032
Contributions	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	9,719	-	4,000	21,086	34,805
Other	6,508	-	342	-	-	-	6,850
Total Revenues	<u>6,508</u>	<u>2,890</u>	<u>30,863</u>	<u>1,847</u>	<u>4,740</u>	<u>21,086</u>	<u>67,934</u>
Expenditures							
General Government	560	-	-	2,500	6,947	-	10,007
Public Safety	-	2,119	-	-	-	-	2,119
Health and Welfare	-	-	-	-	-	-	-
Education	-	-	32,558	-	-	21,348	53,906
Total Expenditures	<u>560</u>	<u>2,119</u>	<u>32,558</u>	<u>2,500</u>	<u>6,947</u>	<u>21,348</u>	<u>66,032</u>
Net Changes in Fund Balances Before Other Financing Sources/(Uses)	5,948	771	(1,695)	(653)	(2,207)	(262)	1,902
Other Financing Sources/(Uses)							
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Changes in Fund Balances	5,948	771	(1,695)	(653)	(2,207)	(262)	1,902
Fund Balances - Beginning	<u>33,986</u>	<u>193</u>	<u>4,484</u>	<u>101,710</u>	<u>3,956</u>	<u>1,106</u>	<u>145,435</u>
Fund Balances - Ending	<u>\$ 39,934</u>	<u>\$ 964</u>	<u>\$ 2,789</u>	<u>\$ 101,057</u>	<u>\$ 1,749</u>	<u>\$ 844</u>	<u>\$ 147,337</u>

See accountant's report.

TOWN OF COLEBROOK
Combining Statement of Fiduciary Net Position
June 30, 2017

	Agency Funds					Total
	Pension Trust Fund	Recreation Board Fund	School Activities Fund	Senior Center Fund	Colebrook Fair Fund	
Assets:						
Cash and Cash Equivalents	\$ -	\$ 10,687	\$ 21,882	\$ 43,269	\$ 4,258	\$ 80,096
Investments	215,440	-	-	-	-	215,440
Total Assets	\$ 215,440	\$ 10,687	\$ 21,882	\$ 43,269	\$ 4,258	\$ 295,536
Deferred Outflows of Resources	-	-	-	-	-	-
Liabilities:						
Due to Beneficiaries	\$ -	\$ 10,687	\$ 21,882	\$ 40,983	\$ 3,808	\$ 77,360
Due to Others	-	-	-	2,286	450	2,736
Total Liabilities	-	10,687	21,882	43,269	4,258	80,096
Deferred Inflows of Resources	-	-	-	-	-	-
Net Position:						
Restricted for Pension Benefits	215,440	-	-	-	-	215,440
Total Net Position	\$ 215,440	\$ -	\$ -	\$ -	\$ -	\$ 215,440

See accountant's report.

TOWN OF COLEBROOK

Combining Statement of Revenues, Expenditures, and Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2017

	<u>Pension Trust Fund</u>
Revenues:	
Employer Contributions	\$ 17,458
Employee Contributions	6,150
Earnings from Investments	<u>30,875</u>
Total Revenues	<u>54,483</u>
Expenditures:	
General Government	<u>21,260</u>
Total Expenditures	<u>21,260</u>
Excess (Deficiency) of Revenues Over Expenditures	33,223
Net Position, Beginning of Year	<u>182,217</u>
Net Position, End of Year	<u>\$ 215,440</u>

See accountant's report.

TOWN OF COLEBROOK
Combining Statement of Changes in Assets and Liabilities
Fiduciary Funds
For the Year Ended June 30, 2017

	Balance July 1, 2016	Additions	Deductions	Balance June 30, 2017
RECREATION BOARD FUND				
Assets:				
Cash	\$ 9,458	\$ 7,874	\$ 6,645	\$ 10,687
Liabilities:				
Due to Beneficiaries	\$ 9,458	\$ 7,874	\$ 6,645	\$ 10,687
SCHOOL ACTIVITIES FUND				
Assets:				
Cash	\$ 19,836	\$ 10,739	\$ 8,693	\$ 21,882
Liabilities:				
Due to Beneficiaries	\$ 19,836	\$ 10,739	\$ 8,693	\$ 21,882
SENIOR CENTER FUND				
Assets:				
Cash	\$ 31,296	\$ 55,849	\$ 43,876	\$ 43,269
Liabilities:				
Due to Beneficiaries	\$ 30,269	\$ 53,563	\$ 42,849	\$ 40,983
Due to Others	1,027	2,286	1,027	2,286
	<u>\$ 31,296</u>	<u>\$ 55,849</u>	<u>\$ 43,876</u>	<u>\$ 43,269</u>
COLEBROOK FAIR FUND				
Assets:				
Cash	\$ 4,294	\$ 4,771	\$ 4,807	\$ 4,258
Liabilities:				
Due to Beneficiaries	\$ 2,944	\$ 4,321	\$ 3,457	\$ 3,808
Due to Others	1,350	450	1,350	450
	<u>\$ 4,294</u>	<u>\$ 4,771</u>	<u>\$ 4,807</u>	<u>\$ 4,258</u>
TOTAL ASSETS				
Cash	\$ 64,884	\$ 79,233	\$ 64,021	\$ 80,096
TOTAL LIABILITIES				
Due to Beneficiaries	\$ 62,507	\$ 76,497	\$ 61,644	\$ 77,360
Due to Others	2,377	2,736	2,377	2,736
	<u>\$ 64,884</u>	<u>\$ 79,233</u>	<u>\$ 64,021</u>	<u>\$ 80,096</u>

See accountant's report.

TOWN OF COLEBROOK

Schedule of Property Taxes Levied, Collected, and Outstanding
For the Year Ended June 30, 2017

List of	Out- Standing 07/01/16	Current Lew	Additions	Deductions	Collectable Taxes	Receipt of Taxes	Receipt of Interest, Liens, and Legal Fees	Total Receipts	Transfers to / (from) Suspense	Transfers to / (from) Over Paid	Out- Standing 06/30/17
10/1:											
2015		5,163,045	11,135	16,496	5,157,684	5,089,333	15,333	5,104,666	140	3,901	72,111
2014	\$ 78,795	-	746	1,015	78,526	53,598	12,616	66,214	186	251	24,993
2013	\$ 48,263	-	-	187	48,076	36,235	15,279	51,514	3,821	165	8,185
2012	10,927	-	-	-	10,927	6,687	3,506	10,193	1,047	-	3,192
2011	2,878	-	-	-	2,878	-	-	-	-	-	2,878
2010	2,790	-	-	-	2,790	-	-	-	-	-	2,790
2009	1,873	-	-	-	1,873	-	-	-	-	-	1,873
2008	992	-	104	-	1,097	-	-	-	-	-	1,097
2007	916	-	162	-	1,078	-	-	-	-	-	1,078
2006	936	-	92	-	1,028	-	-	-	-	-	1,028
2005	1,028	-	-	-	1,028	-	-	-	-	-	1,028
2004	504	-	-	-	504	-	-	-	-	-	504
2003	491	-	-	-	491	-	-	-	-	-	491
2002	492	-	-	-	492	-	-	-	-	-	492
2001	468	-	-	-	468	-	-	-	-	-	468
2000	444	-	-	-	444	-	-	-	-	-	444
	\$ 151,797	\$ 5,163,045	\$ 12,239	\$ 17,698	\$ 5,309,383	5,185,853	46,733	5,232,586	\$ 5,195	\$ 4,316	\$ 122,652

Net Grand List - October 1, 2015	-	-	-	-	-	-	-	-	-	-	-
Tax Rate 27.80 Mills						2,616	2,009	4,625			
						\$ 5,188,469	\$ 48,742	\$ 5,237,211			

See accountant's report.

TOWN OF COLEBROOK
Schedule of Debt Limitation
June 30, 2017

Total Tax Collections (Prior Year)

Taxes, Liens and Fees \$ 5,088,441

Reimbursement for Loss on:

Tax Relief for the Elderly 9,805

Base **\$ 5,098,246**

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>
Debt Limitation:				
2 1/4 times base	\$ 11,471,054	\$ -	\$ -	\$ -
4 1/2 times base	-	22,942,107	-	-
3 3/4 times base	-	-	19,118,423	-
3 1/4 times base	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,569,300</u>
 Total Debt Limitation	 <u>11,471,054</u>	 <u>22,942,107</u>	 <u>19,118,423</u>	 <u>16,569,300</u>
 Indebtedness:				
Loans Payable	350,000	-	-	-
Overlapping Debt:				
Regional School District No. 7	<u>-</u>	<u>208,081</u>	<u>-</u>	<u>-</u>
 Total Indebtedness	 <u>350,000</u>	 <u>208,081</u>	 <u>-</u>	 <u>-</u>
 Debt limitation in excess of outstanding and authorized debt	 <u>\$ 11,121,054</u>	 <u>\$ 22,734,026</u>	 <u>\$ 19,118,423</u>	 <u>\$ 16,569,300</u>

Note: In no case should this total indebtedness exceed seven times the base of \$5,098,246 or \$35,687,772.

See accountant's report.

TOWN OF COLEBROOK
 Board of Education
 Schedule of Expenditures - Budget and Actual
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Amended Budget	Actual	Over/ (Under)
Salaries				
<i>Certified Personnel</i>				
Superintendent	\$ 62,250	\$ 62,250	\$ 62,250	\$ -
Principal	106,935	106,935	106,935	-
Teachers	652,578	652,578	633,780	(18,798)
Substitutes	10,000	10,000	7,176	(2,824)
Head Teacher	1,500	1,500	1,500	-
Extra Hours	1,000	1,000	443	(557)
Reading Consultant	88,880	88,880	88,880	-
<i>Non-Certified</i>				
Aide	77,641	77,641	77,953	312
Substitutes	3,000	3,000	5,254	2,254
Team Mentor	500	500	500	-
Overnight Stipend	525	525	450	(75)
School Nurse	36,002	36,002	35,803	(199)
Administrative Asst.	44,578	44,578	44,578	-
Bookkeeper	38,732	38,732	38,732	-
Custodian / Full	37,605	37,605	34,121	(3,484)
Custodian / Part	-	-	1,744	1,744
Custodial Overtime	6,000	6,000	3,147	(2,853)
Total Salaries	<u>1,167,726</u>	<u>1,167,726</u>	<u>1,143,246</u>	<u>(24,480)</u>
Employee Benefits				
Medical Insurance	155,455	155,455	151,772	(3,683)
Dental Insurance	10,950	10,950	9,344	(1,606)
Life Insurance	2,775	2,775	2,398	(377)
Comp. FICA	19,400	19,400	19,773	373
Medicare Company	16,850	16,850	16,163	(687)
Pension	6,006	6,006	6,006	-
H.S.A. Contribution	13,000	13,000	13,700	700
Medicaid Supplement	4,000	4,000	3,800	(200)
Retirement Incentive	7,580	7,580	7,537	(43)
Tuition Reimbursement	5,000	5,000	5,000	-
Vaccines	250	250	-	(250)
Unemployment Comp	150	150	-	(150)
Unused Sick Days	-	-	2,020	-
Total Employee Benefits	<u>\$ 241,416</u>	<u>\$ 241,416</u>	<u>\$ 237,513</u>	<u>\$ (5,923)</u>

See accountant's report.

TOWN OF COLEBROOK

Board of Education

Schedule of Expenditures - Budget and Actual

For the Fiscal Year Ended June 30, 2017

	Original Budget	Amended Budget	Actual	Over/ (Under)
Purchased Services				
Admin Seminars (Workshops)	\$ 500	\$ 500	\$ 153	\$ (347)
Staff Seminars (Workshops)	700	700	361	(339)
Test Scoring	-	-	660	660
Curriculum Development	-	-	935	935
Program Enhancement	7,000	7,000	6,183	(817)
Legal Fees	5,000	5,000	3,273	(1,727)
Audit Services	3,500	3,500	3,530	30
Doctor	650	650	1,150	500
Therapists	24,270	24,270	28,739	4,469
Psychologist	1,000	1,000	2,000	1,000
Fingerprinting	100	100	155	55
<i>Purchased Property Services</i>				
Water/Water Coolers	700	700	-	(700)
Well Monitor	3,300	3,300	4,378	1,078
<i>Repair and Maintenance Services</i>				
Cleaning Services	1,300	1,300	1,535	235
Building Maint. & Repairs	8,500	8,500	4,887	(3,613)
Bldg. Insp./Asbestos	1,000	1,000	2,604	1,604
Equipment Repairs	5,000	5,000	7,089	2,089
Service Contracts	2,955	2,955	2,314	(641)
Software Upgrade	5,625	5,625	4,604	(1,021)
Copier Maintenance	1,700	1,700	2,398	698
Equipment Lease	2,520	2,520	2,706	186
Property Service	-	-	300	300
<i>Student Transportation</i>				
Regular Local	87,473	87,473	87,523	50
Special Education	49,711	49,711	47,908	(1,803)
<i>Communication</i>				
Telephone	3,120	3,120	2,854	(266)
Postage	-	-	144	144
Internet	330	330	1,800	1,470
Alert Now	300	300	280	(20)
Advertising	1,000	1,000	2,751	1,751
Petty Cash	1,300	1,300	1,000	(300)
<i>Travel-Other Transportation</i>				
Travel	1,300	1,300	974	(326)
<i>Miscellaneous Purchased Services</i>				
Other School District	64,016	64,016	138,610	74,594
Private School	9,000	9,000	-	(9,000)
Education Service in CT	14,775	14,775	5,682	(9,093)

See accountant's report.

TOWN OF COLEBROOK
 Board of Education
 Schedule of Expenditures - Budget and Actual
 For the Fiscal Year Ended June 30, 2017

	Original Budget	Amended Budget	Actual	Over/ (Under)
Travel	1,300	1,300	974	(326)
Shared Services/Outplacement	109,084	109,084	108,829	(255)
Total Purchased Services	<u>\$ 418,029</u>	<u>\$ 418,029</u>	<u>\$ 479,283</u>	<u>\$ 61,254</u>
Purchases				
<i>Supplies and Materials</i>				
Office Supplies	\$ 1,100	\$ 1,100	\$ 427	\$ (673)
Teaching Supplies	782	782	192	(590)
Testing Supplies	92	92	66	(26)
Audio Visual Supplies	300	300	195	(105)
Computer Supplies	5,500	5,500	1,578	(3,922)
Custodial Supplies	6,000	6,000	5,863	(137)
Health Supplies	1,250	1,250	368	(882)
Board of Education Supplies	400	400	541	141
Library Supplies	200	200	75	(125)
School Supplies	6,000	6,000	4,956	(1,044)
Principal Supplies	250	250	-	(250)
<i>Energy</i>				
Electricity	16,000	16,000	15,410	(590)
Propane Gas	2,000	2,000	1,801	(199)
Heating Oil	24,000	24,000	22,529	(1,471)
<i>Textbooks & Periodicals</i>				
Textbooks	1,816	1,816	1,731	(85)
Workbooks	2,015	2,015	2,694	679
Library Books	550	550	496	(54)
Magazines	335	335	530	195
Teacher Guides	150	150	380	230
Spanish Supplies	100	100	-	(100)
Music Supplies	800	800	815	15
Art Supplies	700	700	153	(547)
Physical Education Supplies	500	500	372	(128)
Total Purchases	<u>70,840</u>	<u>70,840</u>	<u>61,172</u>	<u>(9,668)</u>
Capital Outlay				
Furniture & Fixtures	300	300	488	188
Equipment	-	-	1,113	1,113
Total Capital Outlay	<u>300</u>	<u>300</u>	<u>1,601</u>	<u>1,301</u>

See accountant's report.

TOWN OF COLEBROOK

Board of Education
Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2017

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Over/ (Under)</u>
Other Objects				
Dues & Fees	3,432	3,432	3,368	(64)
Miscellaneous	<u>100</u>	<u>100</u>	<u>248</u>	<u>148</u>
Total Other Objects	<u>3,532</u>	<u>3,532</u>	<u>3,616</u>	<u>84</u>
Total Board of Education	<u>\$ 1,901,843</u>	<u>\$ 1,901,843</u>	<u>\$ 1,926,431</u>	<u>\$ 22,568</u>

See accountant's report.

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

Independent Auditor's Report

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

We have audited, 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 the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Colebrook, CT, as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town of Colebrook, CT's basic financial statements, and have issued our report thereon dated February 22, 2018.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Colebrook, CT's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Colebrook, CT's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Colebrook, CT's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item #12-1 to be a significant deficiency.

Compliance and Other Matters

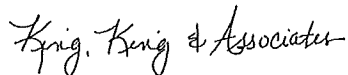
As part of obtaining reasonable assurance about whether the Town of Colebrook, CT's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct 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*.

The Town of Colebrook, CT's Response to Findings

The Town of Colebrook, CT's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town of Colebrook, CT'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 is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Town of Colebrook, CT'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 of Colebrook, CT's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



King, King & Associates, CPAs
February 22, 2018

**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON THE
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE REQUIRED BY
THE STATE SINGLE AUDIT ACT**

Independent Auditor's Report

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

Report on Compliance for Each Major State Program

We have audited the Town of Colebrook, CT's (the Town) compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the Town's major state programs for the year ended June 30, 2017. The Town's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Town's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major State Program

In our opinion, the Town, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2017.

Report on Internal Control over Compliance

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

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

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

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

King, King & Associates

King, King & Associates, CPAs
February 22, 2018

TOWN OF COLEBROOK
Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2017

State Grantor/Pass Through Grantor/Program Title	State Grant Program. Identification Number	<u>Expenditures</u>
Connecticut State Library		
Historic Document Preservation	12060-CSL66094-35150	\$ 4,000
State Department of Education		
Adult Education	11000-SDE64370-17030	355
Child Nutrition Program	11000-SDE64370-16211	438
Healthy Food Certification	11000-SDE64370-16212	889
Department of Transportation		
Town Aid Road Grant	12052-DOT57131-43455	201,115
Small Town Economic Assistance Program	12052-DOT57191-42411	67,721
Judicial Department		
Parking Fines	34001-JUD95162-40001	1,665
Office of Policy and Management		
Property Tax Relief:		
Tax Exempt State Property	11000-OPM20600-17004	1,206
Totally Disabled	11000-OPM20600-17011	161
Veteran's Exemptions	11000-OPM20600-17024	3,784
Elderly Exemptions	11000-OPM20600-17018	8,150
Municipal Grants-In-Aid	12052-OPM20600-43587	550
Total State Financial Assistance Before Exempt Programs		<u>290,034</u>
EXEMPT PROGRAMS		
Office of Policy and Management		
Municipal Revenue Sharring	12002-OPM20600-17102	29,694
Mashantucket Pequot and Mohegan Fund	12009-OPM20600-17005	9,838
Department of Administrative Services		
School Construction Grants	13010-DAS27635-40901	1,860
Department of Education		
Education Cost Sharing	11000-SDE64370-17041	491,388
Transportation of School Children	11000-SDE64370-17027	12,863
Total Exempt Programs		<u>545,643</u>
Total State Financial Assistance		<u>\$ 835,677</u>

See notes to schedule.

TOWN OF COLEBROOK
Notes to Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2017

The accompanying schedule of expenditures of state financial assistance includes state grant activity of the Town of Colebrook, CT under programs of the State of Connecticut for the fiscal year ended June 30, 2017. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs including the construction and maintenance of public roads.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Colebrook, CT conform to accounting principles generally accepted in the United States of America as applicable to governments.

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.

Basis of Accounting

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

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

The expenditures reported on the Schedule of Expenditures of State Financial Assistance are reported on the modified accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations of the State Single Audit Act, certain grants are not dependent on expenditure activity, and accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule of Expenditures of State Financial Assistance.

TOWN OF COLEBROOK, CT
 Schedule of Findings and Questioned Costs
 For the Year Ended June 30, 2017

I. SUMMARY OF AUDITOR'S RESULTS

Financial Statements

We audited the financial statements of the Town of Colebrook, CT as of and for the year ended June 30, 2017 and issued our unmodified report thereon dated February 22, 2018.

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

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

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

Yes No

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

<u>State Grantor And Program</u>	<u>State Core-CT Number</u>	<u>Expenditures</u>
Department of Transportation:		
Town Aid Road	12052-DOT57131-43455	\$ 201,115
Small Town Economic Assistance Program	12052-DOT57191-42411	\$67,721

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

II. FINANCIAL STATEMENT FINDINGS

- We issued reports, dated February 22, 2018, on internal control over financial reporting and on compliance and other matters based on an audit of financial statements performed in accordance with *Government Auditing Standards*.
- Our report on compliance indicated no reportable instances of noncompliance.
- Our report on internal control over financial reporting indicated significant deficiencies, as described below:

FINDING #12-1

Condition

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

Context

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

Effect

Internal controls over financial reporting for fixed assets are weakened.

Cause

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

Recommendation

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

Views of Responsible Officials and Planned Corrective Actions

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

III. STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

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