

Town of Colebrook, Connecticut

Annual Report



*For the year ending
June 30, 2018*

In celebration of the retirements of

Michele Sloane

Assessor

July, 2008 to October, 2019

Thomas Lawton

Zoning Board of Appeals

February, 1991 to October, 2019

In Memoriam

Wendy Gray

July 19, 1971 ~ July 15, 2019

Senior and Community Center &
Town Hall ~1999 through 2018

Beverly Odell

May 9, 1939 ~ November 26, 2019

Senior and Community Center
volunteer 2012 through 2019

As I begin my seventh term, the state financial situation has still not improved. Due to fiscal restraints, the Town Of Colebrook is currently financially secure and able to absorb any funding cuts to the town. The town has paid off the last Town Hall debt with a savings of \$35,000 in interest.

The town continues with the upgrade of our roads with either paving or chip sealing. The Pinney St. bridge design portion is nearly complete with construction proposed for summer of 2020.

The Colebrook Fair continues to grow with new additions each year. The Holiday Fair was again a 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.

The students at The Colebrook Consolidated School continue to excel due to the leadership and dedication of the school staff.

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.

A handwritten signature in black ink, appearing to read 'Thomas D. McKeon', written in a cursive style.

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 - Wednesdays, weekly during budge season, then as necessary – Town Hall, 6:00 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 – 1st Thursday of each month – 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 HEARING – Thursday in April – Town Hall, 7:00 P.M.
(Budget Hearing at least two weeks before Town Meeting)

ANNUAL TOWN BUDGET MEETING - 1st Monday of May – Town Hall, 8:00 P.M.

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 3, 2020, 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
Matthew J. Klimkosky, Selectman
Christopher L. Johnstone, Selectman

11/19/19 – 11/16/21
11/19/19 – 11/16/21
11/19/19 – 11/16/21

TOWN CLERK/REGISTRAR OF VITAL STATISTICS

Debra L. McKeon, CCTC
Catherine C. Norton, Assistant

01/06/20 – 01/03/22
01/06/20 – 01/03/22

TOWN TREASURER

Amy B. Gardner

11/19/19 – 11/16/21

TAX COLLECTOR

Laura M. Bartlett, CCMC

11/19/19 – 11/16/21

BOARD OF FINANCE

James Millar, Jr., Chairman
Kate E. Kennedy
Thomas R. Corvo
Martha F. Neal
Diane E. Johnstone
Robert D. Carfiro

11/19/19 – 11/18/25
11/05/19 – 11/16/21
11/17/15 – 11/16/21
11/21/17 – 11/21/23
11/21/17 – 11/21/23
11/19/19 – 11/18/25

BOARD OF EDUCATION

Hope L. Carfiro, Chairman
Melissa J. Miller
Helen Louise Plager
Sarah Robichaud
Andrew Bakulski
Amy B. Gardner
Rebecca Roy

11/19/19 – 11/21/23
11/21/17 – 11/16/21
11/21/17 – 11/16/21
11/21/17 – 11/16/21
11/19/19 – 11/21/23
11/19/19 – 11/21/23
11/19/19 – 11/21/23

SUPERINTENDENT/PRINCIPAL

Dr. Dani Thibodeau/Beth Driscoll

860-379-2179

ASSESSOR

Cory Iacino, CCMA I

860-379-3359 ext.206

BOARD OF ASSESSORS

Edward A. Allen
Lee Ann Jasmin
Geraldine M. Kassel

BOARD OF ASSESSMENT APPEALS

Anthony M. Amato, Jr.
Nadia M. Corvo
Diane Johnstone

11/21/17 – 11/16/21
11/21/17 – 11/16/21
11/19/19 – 11/21/23

OFFICE/INCUMBENT

TERM

CONSTABLES

Timothy W. Hill	11/19/19 – 11/16/21
John H. Lossin	11/19/19 – 11/16/21
Gerald J. Peters	11/19/19 – 11/16/21
Alfred R. Tillotson	11/19/19 – 11/16/21

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
Susan M. Campbell	01/25/19 – 01/04/21
Vacancy	01/03/17 – 01/04/21

LAND USE ADMIN/Zoning Enforcement Officer

Marc Melanson	860-379-3359 ext.209
---------------	----------------------

BUILDING OFFICIAL

Marc Melanson	860-379-3359 ext. 201
---------------	-----------------------

PLANNING AND ZONING COMMISSION

Edward G. Lord, III, Chairman	10/17 – 10/20
James L. Bickford	10/17 – 10/20
Charles N. Buchanan	10/18 – 10/21
James Millar, Jr.	10/19 – 10/22
Scott T. Norton	10/19 – 10/22

ALTERNATES

William M. Sweeney (vacancy term)	10/19 – 10/20
Martha F. Neal	10/18 – 10/21
John Fernandez	10/19 – 10/22

ZONING BOARD OF APPEALS

Fred P. Williams, Chairman	10/18 – 10/20
Penelope F. White (vacancy term)	11/19 – 10/20
Carol Ann Sherwood	10/19 – 10/21
Timothy Brainard	10/19 – 10/21
Catherine C. Norton	10/19 – 10/21

ALTERNATES

Helen Campbell	10/17 – 10/20
Ronald J. Dorazio	10/18 – 10/21
Vacancy	10/19 – 10/22

OFFICE/INCUMBENT

TERM

INLAND WETLANDS COMMISSION

Duncan Wilber, Chairman	02/18 – 02/21
George D. Neal	02/17 – 02/20
John K. Odell, Sr.	12/17 – 02/20
Todd W. Hiller	02/18 – 02/21
John H. Lossin	04/19 – 02/22

ALTERNATES

Vacancy	05/17 – 05/20
Vacancy	05/18 – 05/21
Vacancy	05/19 – 05/22

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

Robertta P. Lawton	07/08/19 – 10/31/19
Vacancy	11/01/17 – 10/31/19
Vacancy	11/01/18 – 10/31/20

HISTORIC DISTRICT COMMISSION

Catherine C. Norton, Chairman (vacancy term)	09/19 – 10/21
Rebecca S. Bodycoat	10/15 – 10/20
Geraldine M. Kassel	10/17 – 10/22
Mary Baker	10/18 – 10/23
Kimberley H. Crocker	10/19 – 10/24

ALTERNATES

Carol Lord	10/17 – 10/20
Sarah W. Estock (vacancy term)	10/18 – 10/21
Janet H. Rathbun	10/19 – 10/22

RECREATION BOARD

Kimberly H. Janak, Chairman	10/19 – 10/22
Justin M. Truskauskas	10/17 – 10/20
Daniel A. Ward	10/17 – 10/20
Roxanne D. Puhalski	10/18 – 10/21
David J. Hotchkiss	10/18 – 10/21
Christopher J. Waring	10/18 – 10/21
Kathleen Martin	10/19 – 10/22

REGIONAL SCHOOL DISTRICT NO. 7

Theresa J. Kenneson
Lisa Ann B. Fragale

07/01/17 – 07/01/21
10/07/19 – 07/01/23

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

Marc Melanson

860-379-3359 ext. 201

FIRE CHIEF

Craig Carfiro, Chief

Center Fire House - 31 Bunnell Street

Benjamin Bartlett, Deputy Chief
Jon Gray, 1st Lieutenant
Sean Barry, 2nd Lieutenant
Todd Correll, Captain
Robert Carfiro, Treasurer
Hannah McCaw, Secretary
Robert Bull, Fire Police
Training Officer, Both Companies will rotate

860-379-5747

Forge Fire House -300 Colebrook River Road

Todd Hiller, Deputy Chief

860-379-1551

BURNING PERMIT OFFICERS

Benjamin Bartlett
Edward Bascetta
Craig Carfiro
Freeman McCaw, Jr.

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

EMERGENCY MANAGEMENT

Alfred R. Tillotson

860-379-3359 ext. 201

ANIMAL CONTROL OFFICER

Gordon (Mike) Coleman

860-806-1983

JUDGE OF PROBATE (TORRINGTON)

Michael Magistrali, Esq.

860-489-2215

TOWN ATTORNEY

Howd, Lavieri and Finch, LLP

860-379-2761

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 have been used a lot are the use of a State Marshal for delinquent accounts, bank executions and 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. If you have any questions you can reach Laura at 860-379-3359 ext. 204 or by email: lbartlett@colebrooktownhall.org

ASSESSOR

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 mill rate for the 2018 Grand List is 30.9.

The Assessor's Office also administers many tax relief and exemption programs. Please visit www.townofcolebrook.org/assessor/ for 2020 Tax Relief Programs offered by the Town of Colebrook and the State of Connecticut. If you would like more information on these programs, please feel free to call 860-379-3359 ext. 206 or email assessor@colebrooktownhall.org.

Cory Iacino
Assessor

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 via email 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 and also coordinates with the Building Department, Department of Public Works, and the Historic District Commission.

The Planning and Zoning Commission, the Zoning Board of Appeals, and the Inland Wetlands and Watercourse Agency have all worked very hard to better understand and interpret their respective regulations as several members have attended workshops and training sessions. Several changes have been made in the Zoning Regulations to hopefully benefit the Town as a whole.

REGISTRARS OF VOTERS

Colebrook Registrar of Voters office is open Tuesdays from 1:00 to 4:30. Our office handles voter registration and any changes to registration (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.

You may also visit Connecticut's official online voter registration website to register or make changes to your registration: voterregistration.ct.gov

Sherri Gray, Republican

Karen Odell, Democratic

Town Clerk's Office

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

Office hours

Monday – Wednesday 8:30 am – 4:30 pm (closed from 12 to 1 for lunch)

Thursday – 8:30 am - 5:30 (closed from 12 to 1 for lunch); Friday – 8:30 am – 12 noon

Phone number (860) 379-3359 x213 - Town Website – www.townofcolebrook.org

Births – Welcome!

Five families welcomed bundles of joy in 2019.

Marriages - Congratulations!

Jessie Sverni and Brittany Guarna

David Perry and Samantha Schlosser

Richard Kissh, Jr. and Jessica Becher

Richard Welch and Paula Petty-Barber

Connor Meehan and Marissa Dubecky

Daniel Morgan and Martha Workman

Connor St. Pierre and Maggie Thibault

Steven Cherhoniak and Ashely Bedford

Daniel Chenard and Stephanie Dubecky

Jeffrey Hart and Joy Correia

Derek McCall and Jennifer Lefebvre

Passings - With Sympathy

Diane Quinitchett

Robert Frink

Colleen Zucco

Constance Frazee

Keith Frink

Patrick Kane

Rita Vaccari

Robert Williams

Wendy Gray

Steven Quinn

Beverly Odell

Donald Sartirana

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 fees for the Trout and Salmon Stamp are \$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.

Important Dates

Budget meetings begin in January 2020 - Be in the know 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 or before in April 20, 2020.

The Annual Town Budget Meeting and Referendum are the first Monday and Tuesday of May, 2020.

The Presidential Preference Primary is April 28, 2020.

The Primary for State Senator and Representative is August 11, 2020.

November 3, 2020 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 in person at the Town Hall or on the Secretary of State's website <https://voterregistration.ct.gov>

Please contact the office for more election information.



The Colebrook Senior and Community Center

2019-2020 Annual Report

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 and affordable meals are prepared on-site twice a week. In addition, we offer occasional potluck dinners with speakers, restaurant lunch trips, 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 activities have included needlecrafts, quilting, crafts, yoga and line dancing, Bingo, movies, and Garden Group. Monthly activities include recreational day trips, health screenings, lunch with Colebrook Consolidated School classes, and scrapbooking. Among other annual and community-based events, the Center participates in the Colebrook Labor Day Fair, the Holiday Craft Fair.

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 have created and maintain a CSCC website and Facebook page.

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, Director

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 textiles. Highlights have been our Friday Night Gatherings, Special Concerts 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 which now include a special post office.. 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 continue to host the 3rd grade class for a special school as it was in during the 1800s. 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 2019 focused on implementing the COG's Comprehensive Economic Development Strategy (CEDS) for the Region. Major strategies in the CEDS include expanding access to high speed fiber optic broadband, promoting tourism/arts/culture, supporting local farms, strengthening manufacturing, and encouraging entrepreneurs/innovation. The COG also pursued implementation of our updated Regional Plan of Conservation and Development this year, and developed a Resiliency Vision and Toolkit for the Northwest Hills. With technical assistance from the Housatonic Valley Association, the NHCOCG also continued to promote the on-line Interactive Regional Trail Map that was developed to enhance access to information on the public access trails in the region. The NHCOCG also coordinated the preparation of a Regional Transportation Safety Plan this year with the assistance of a consultant.

Focus Area Two: Grant writing and administration activities in 2019 focused on administering grant funds awarded for 1) a rural broadband and mobile enhancement study, 2) coordination of a regional food hub, 3) implementation of the CEDS, 4) the design of a regional animal shelter to serve the Torrington area, and 5) 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 2019 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 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 2018-2019 were Bruce Adams, Chairman; Leo Paul, Vice Chairman; Bob Valentine, Secretary; and Don Stein, 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 2018-2019

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 97 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. 30 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 dieticians.

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 seven (77%) percent of all our patients were age 65 or older.

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 1,446 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 five (25) foot care procedures were performed.

Blood Pressure screenings are held monthly at the Community Center. Blood Pressure readings are free of charge. One hundred fourteen (114) blood pressure screenings were performed in 2018-2019.

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 2018-2019 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

2018-2019



Serving the Towns of Barkhamsted,
Colebrook, and Winsted, Connecticut

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

Karin Taylor – Library Services Director

Christine Moscarillo – Business Manager



THE YEAR AT A GLANCE

6700 REGISTERED USERS

Thousands of people benefited from the library's services and activities



LIBRARY

VISITS

21,000

People came to the library to borrow items, to attend programs and meetings, to access technology, and for social engagement.

54,700 ITEMS CIRCULATED

People borrowed both physical and digital items, including books, movies, audiobooks, magazines, and special collections.



PROGRAM ATTENDANCE **7040**



Educational, informational, and recreational programs were held for adults, children, and teens.

STAY UP TO DATE WITH LIBRARY EVENTS

Sign up and join us! Visit
www.beardsleylibrary.org
email us at director@beardsleylibrary.org

THE VALUE OF THE LIBRARY

\$804,690

The amount of money saved by patrons using the library's services last year. *



Created by Gregor Cresnar
from Noon Project

Where did the savings come from?

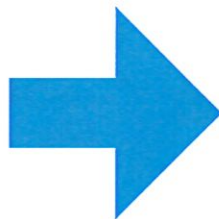
The average cost of a new print book is \$17,
and \$15 for an eBook.

Audiobooks cost an average of \$10 through a
paid service such as Audible.

A Netflix movie costs an average of \$4 per
viewing.

\$17.10

The per capita
cost of the library
to taxpayers in
the three towns
served.



That means for every
\$1.40 per capita spent,
there was a \$172 return
on investment for the
average library user
every month!

*Savings calculation based on the Massachusetts Library Association's Library Value Calculator. Return on investment calculated based on monthly per capita divided by the total value for average user per month.

Literacy, Life Long Learning, Cultural Enhancement

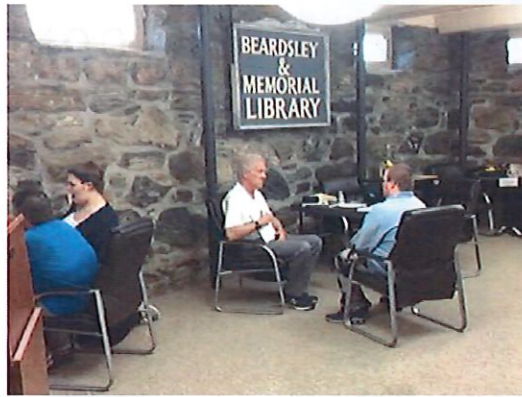


Created by Massimo Karagulya from Noun Project



Created by Feyyaz Wiyra from Noun Project

250 Museum Passes were borrowed by patrons for free and discounted admission to cultural and educational institutions around Connecticut and Massachusetts. The program is made possible by The Friends of the Library.



Through the Libraries Lead With Digital Skills grant project from the Public Library Association, Beardsley received \$1,000 to assist job seekers with improving their skills to gain new or improved employment opportunities.



Book clubs, writing groups, and spoken word open microphone nights meet monthly at the library, as we strive to support literacy and literary endeavors in the community.



Created by Adrien Coquet from Noun Project



Last year the library hosted over 275 educational and enrichment programs for adults, children, and teens.



CHILDREN'S SERVICES



The Children's Room offered 120 programs to 4,525 people this past year!

Summer Reading 2018



Over 225 children registered for the summer reading challenge!

Zero - 6-year-olds logged over 5,600 books

7 - 12-year-olds logged 71,147 pages



Young library-goers were treated to a magic show to kick off the summer of 2018!

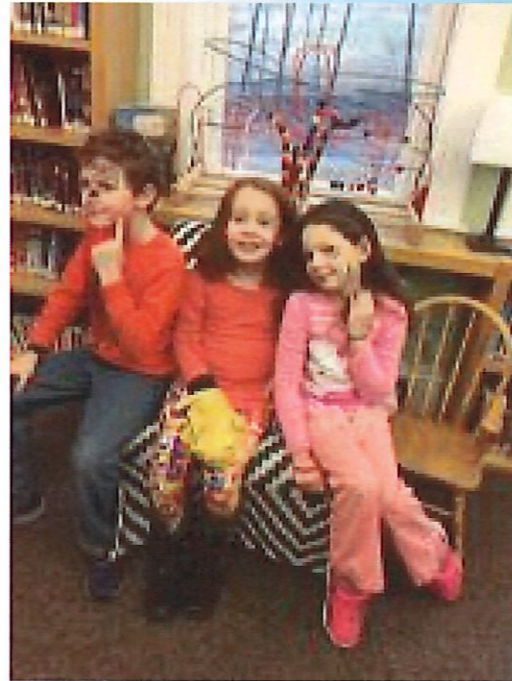
31%

The amount summer reading participation has increased in the past two years.



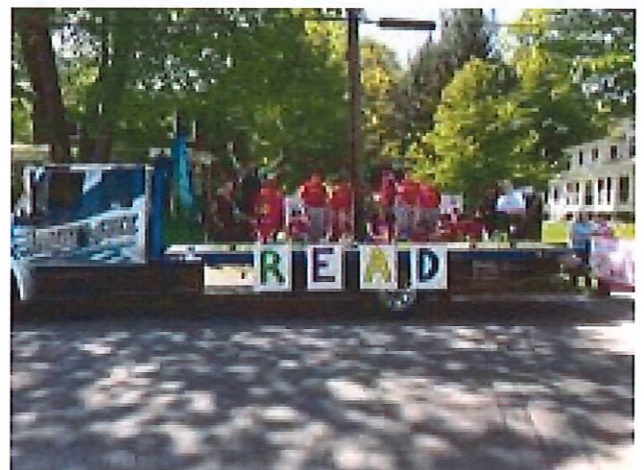
CHILDREN'S SERVICES

Take Your Child To The Library Day is an annual event that started as an idea from a librarian in Waterford, CT several years ago. Since then, it has moved beyond our state to other libraries across the US. This year's event at Beardsley was dog-themed, and children enjoyed stories, games, and face painting.



During April Vacation, the Winchester Land Trust sponsored a visit from the Avian Ambassadors of the Livingston Ripley Waterfowl Conservancy!

Our Dr. Seuss float took 2nd place in the Pet Parade this year. Many thanks to our friends from the Winsted Red Sox and Laurel City Towing for making it such a fun day!



TEEN SERVICES



One of the most popular programs for teens is the annual "Once Upon A Prom" event. People from the community donate gently used formal dresses and accessories, and local businesses donate their time to demonstrate hairstyles, measure for alterations, and give coupons for discounted tuxedos and other items. This year fifteen young women found their perfect gown at Beardsley!

The Teen Room was updated to include new Maker Boxes and giant beanbag chairs through the generosity of a grant from Civic Family Services.



2,727

books, audiobooks, and movies circulated in the Young Adult collection!

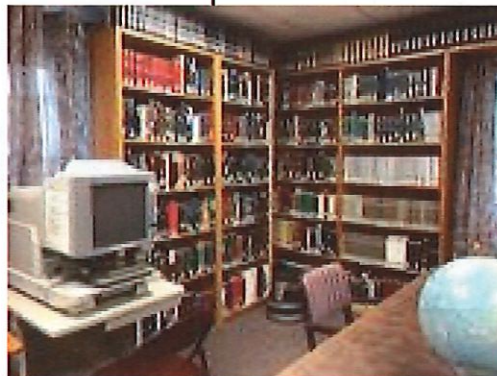


Teens enjoyed classes in everything from cooking to sewing this year. **130** people attended the monthly programs.

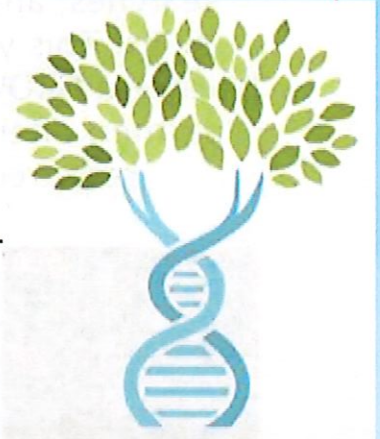
Genealogy & Local History

Exploring Family Roots and Discovering Local History

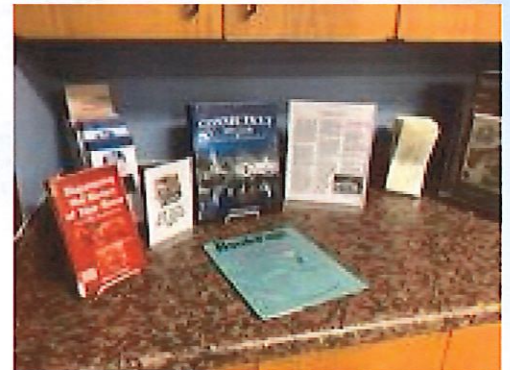
All of the collections of maps were put in clear, protective sleeves for preservation. We have reconfigured the shelves so the maps are easier to handle and view. We recently labeled the shelves in the Genealogy Room, to enable patrons to quickly locate resources. Patrons are encouraged to visit the library's home page and search for genealogy and local history topics by title, author, or topic.



The ongoing interest in DNA testing continues to be reflected in our increased research requests, and our key resources for family searches still include: *Ancestry.com*, *FamilySearch*, *Find-a-Grave*, city directories, and family file folders. House research is also on the rise, and, in addition to the above-mention resources, we have 4 volumes in our Winsted Notebook Collection that relate to houses.



A slide and negative scanner was installed in the Genealogy Room, plus a hand scanner and new desktop scanner/copier. This updated technology benefits staff, patrons, and volunteers.



Research requests fulfilled:
1,400

Resources accessed:
2,900

Whether you are researching a person, place, or historical event, the Genealogy & Local History Room has many resources to aid in your search. For info about our resources, and how to contact us, visit "Local History" at www.beardsleylibrary.org.

Community Outreach

Beardsley enlists volunteers to provide one-on-one career support services as well as technology skills mentoring.

Volunteer Jeff Crothers schedules meetings on a weekly basis with people in need of assistance with resumes, job searches, and interviewing skills. This year Beardsley became a GROW WITH GOOGLE partner, offering additional resources online.



Beardsley partners with the local schools and the CHAMPS after school program to provide weekly enrichment programs, including literacy and STEAM activities. Our children's librarian makes monthly visits to all the local schools for outreach literacy and science programs.



LIBRARY 2 YOU!

The library is in its fourth year offering homebound delivery service of materials to residents of the three towns we serve. The Library 2 You program uses a group of volunteers to deliver and pick up items. This year, we reached a total of over **1,000** items delivered since the program began!

It's not just for books! This year we delivered everything from tax forms to crochet hooks and yarn from our craft collections!

Community Engagement

SMART SPACES

In March of 2019, Beardsley was one of 15 libraries in the United States selected to participate in the Small Libraries Create Smart Spaces grant project sponsored by the Association for Small and Rural Libraries. The purpose is to use community input to help the library design and create an active learning space. Along with funding, the grant provides training and support to complete the 15-month project.

Pictured at right, Children's Librarian Carol Parent and Library Services Director Karin Taylor seek suggestions from a canine friend at the Pet Parade!



Suit Up And Learn!

In June of 2019, Beardsley joined forces with Northwestern Connecticut Community College, The Center for Workforce Development, the Salvation Army, and several other volunteers to sponsor a career and re-employment event. Participants learned about resources available through the library and other organizations and had the opportunity to "shop" for business clothing for interviews and/or new work environments. The event was funded through the Libraries Lead Through Digital Skills project and part of an ongoing effort to assist community members with re-employment issues.



Thank You!

The Beardsley and Memorial Library is a private 501(c)3 organization designated as the principal public library for the Towns of Barkhamsted, Colebrook, and Winchester. Our programs and services would not be possible without the generous support of our volunteers and contributors, including the Board of Trustees, the Friends of the Beardsley Library, and many others who offer their time and services to our patrons.

Annual Report Contributors:

Karin Taylor, Library Services Director
Carol Parent, Children's Services
Kimmie Stack, 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, 2018

	<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	18
REQUIRED SUPPLEMENTARY INFORMATION	
State Teacher's Retirement System-Proportionate Share of Net Pension Liability and Schedule of Contributions	41
State Teacher's Retirement System -Note to Required Supplementary Information	42
Schedule of Town's Proportionate Share of the Net OPEB Liability – Teachers Retirement Plan	43
Schedule of Changes in Net OPEB Liability and Related Ratios	44
SUPPLEMENTAL AND COMBINING INDIVIDUAL NONMAJOR FUND STATEMENTS AND SCHEDULES	
General Fund	
Schedule of Revenues and Expenditures – Budget and Actual	45
Nonmajor Governmental Funds	
Combining Balance Sheet	49
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	50
Fiduciary Funds	
Combining Statement of Fiduciary Net Position	51

TOWN OF COLEBROOK
Audited Financial Statements
Table of Contents
June 30, 2018

	<u>Page</u>
Combining Statement of Revenues, Expenditures, and Changes in Fiduciary Net Position	52
Combining Statement of Changes in Assets and Liabilities	53
 Supplemental Schedules	
Schedule of Property Taxes Levied, Collected, and Outstanding	54
Schedule of Debt Limitation	55
Board of Education Schedule of Expenditures – Budget and Actual	56
 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>	60
 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	62
Schedule of Expenditures of State Financial Assistance	64
Notes to Schedule of Expenditures of State Financial Assistance	65
Schedule of Findings and Questioned Costs	66

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, 2018, 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, 2018, 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 2017 financial statements, and our report dated February 22, 2018, 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, 2017, 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

King, King & Associates, CPAs
Winsted, Connecticut
March 15, 2019

TOWN OF COLEBROOK
Management's Discussion and Analysis
June 30, 2018

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, 2018.

Financial Highlights

- The assets of the Town of Colebrook, CT exceeded its liabilities at the close of the most recent fiscal year by \$10,351,173 (net position). Of this amount, \$1,928,961 (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 \$121,534. 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 \$2,133,978, an increase of \$698,224 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, \$1,916,655 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 \$1,916,655, or 32% 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, 2018

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 \$10,351,173 at the close of the most recent fiscal year.

TOWN OF COLEBROOK
Management's Discussion and Analysis
June 30, 2018

	<u>2018</u>	<u>2017</u>
Current and Other Assets	\$ 2,427,975	\$ 2,178,903
Capital Assets	<u>8,600,678</u>	<u>8,627,203</u>
Total Assets	<u>\$ 11,028,653</u>	<u>\$ 10,806,106</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>
Other Liabilities	\$ 162,483	\$ 602,618
Long-Term Liabilities Outstanding	<u>513,132</u>	<u>548,573</u>
Total Liabilities	<u>675,615</u>	<u>1,151,191</u>
Deferred Inflows of Resources	<u>1,865</u>	<u>-</u>
Net Position:		
Net Investment in Capital Assets	8,300,678	8,277,203
Restricted	121,534	115,657
Unrestricted	<u>1,928,961</u>	<u>1,262,055</u>
Total Net Position	<u>\$ 10,351,173</u>	<u>\$ 9,654,915</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* \$1,928,961 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 \$696,258 during this fiscal year.

TOWN OF COLEBROOK
Management's Discussion and Analysis
June 30, 2018

	<u>2018</u>	<u>2017</u>
Revenues:		
<i>General Revenues:</i>		
Property Taxes	\$ 5,741,960	\$ 5,394,865
Unrestricted Investment Income	22,339	10,435
Grants and Contributions	21,752	55,013
Other Income	24,073	6,850
Loss on Disposal	(25,008)	-
<i>Program Revenues:</i>		
Charges for Services	127,270	76,660
Operating Grants and Contributions	1,046,403	1,088,364
Capital Grants and Contributions	359,532	124,149
Total Revenues	<u>7,318,321</u>	<u>6,756,336</u>
Expenses:		
<i>Governmental Activities:</i>		
General Government	748,602	747,867
Public Safety	155,687	137,148
Highways	1,141,998	1,225,931
Sanitation	208,041	206,873
Health and Welfare	80,382	75,535
Education	4,225,090	4,160,257
Other	62,263	45,017
Total Expenses	<u>6,622,063</u>	<u>6,598,628</u>
<i>Change in Net Position</i>	696,258	157,708
Beginning Net Position, As Restated	<u>9,654,915</u>	<u>9,497,207</u>
Ending Net Position	<u>\$ 10,351,173</u>	<u>\$ 9,654,915</u>

Governmental activities. Governmental activities increased the Town of Colebrook, CT's net position by \$696,258.

Key elements of the activities are as follows:

Seventy-eight percent (78%) of the revenues of the Town were derived from property taxes, followed by nineteen percent (19%) from grants and contributions, followed by two percent (2%) from charges for services, followed by one percent (1%) from investment and other income.

Major revenue factors included:

- Property taxes exceeded budget by 3.1% for a combination of reasons: higher collection of current year taxes (99.1% versus 98.0% budgeted); an unbudgeted motor vehicle supplement of \$57,091; and higher collection of prior year's taxes, interest, and liens.
- State aid exceeded budget by \$21,474, because several of the cuts proposed by the Governor were not approved by the Legislature.
- And finally, interest income exceeded budget by \$19,512 for the first time in many years, and the Board of Education reported one-time tuition income of \$23,791.

For Governmental Activities, 63% of the Town's expenses relate to education and repayment of long-term debt for school construction, 4% relates to public safety and health and welfare, 16% relates to highways, and the remaining 17% relates to government, community services, administration and other areas.

TOWN OF COLEBROOK
Management's Discussion and Analysis
June 30, 2018

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 \$2,133,978, an increase of \$698,224 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 \$1,916,655. This represents an increase of \$388,944, 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 thirty-two percent (32%) of total General Fund expenditures.

General Fund Budgetary Highlights

- Favorable variances of \$77,908 and \$41,758 in the respective expense budget of the Boards of Education and Selectmen were partially offset by a \$60,000 supplemental appropriation for CCS mechanical room.
- The cash balance in the general fund was \$2,029,775 at yearend, comfortably above the Town's informal target to maintain a cash reserve equal to 20% of annual expenditures.

Capital Projects Fund Highlights

- The annual appropriation for the Capital Projects Fund was set at \$450,000.
- Grant revenue totaled \$359,532, of which 94% was related to the Prock Hill Road project..

Other Fund Highlights

- The Post Office Fund showed a \$2,573 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, 2018, amounts to \$8,600,678 (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 Freightliner Truck - \$159,877

TOWN OF COLEBROOK
 Management's Discussion and Analysis
 June 30, 2018

- Prock Hill Road Bridge - \$405,707
- New School Server - \$7,152

	<u>2018</u>	<u>2017</u>
Land and Infrastructure	\$ 4,755,903	\$ 4,628,770
Construction in Progress	27,894	67,721
Buildings and Improvements	2,824,832	2,948,070
Vehicles	894,729	841,424
Machinery and Equipment	<u>97,320</u>	<u>141,218</u>
Total	<u>\$ 8,600,678</u>	<u>\$ 8,627,203</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>2018</u>	<u>2017</u>
Notes Payable	\$ 300,000	\$ 350,000
CVFD Tax Abatement	<u>213,132</u>	<u>123,485</u>
Total	<u>\$ 513,132</u>	<u>\$ 473,485</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 2017-2018 fiscal year.

- State aid, particularly Education Cost Sharing and Town Aid Road, could be reduced sharply as a result of the State's financial situation. Such aid currently makes up about 10% of the Town's total revenue.
- Various legislative changes have been proposed that would redirect motor vehicle taxes from the towns to the State and assign a portion of the cost of teachers retirement benefits to the towns. Such changes are likely to have a significant impact of the Town's finances if enacted.
- Colebrook's share of students at Region 7 is expected to increase next year, resulting in a higher allocation of Region 7's expense budget.

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, 2018

	Governmental Activities
Assets	
<i>Current Assets:</i>	
Cash and Cash Equivalents	\$ 2,261,731
State and Federal Grants Receivable	3,219
Taxes Receivable	100,386
Interest Receivable	43,885
Other Receivables	17,500
Other Current Assets	1,254
Total Current Assets	2,427,975
<i>Noncurrent Assets:</i>	
<i>Capital Assets:</i>	
Nondepreciable	367,977
Depreciable Buildings and Equipment, net	8,232,701
Total Assets	\$ 11,028,653
Deferred Outflows of Resources	-
Liabilities	
<i>Current Liabilities:</i>	
Accounts Payable	\$ 24,751
Accrued Payroll	15,759
Refundable Advances	59,335
Prepaid Taxes	48,751
Due to Others	12,315
Due to State of Connecticut	1,572
Total Current Liabilities	162,483
<i>Noncurrent Liabilities</i>	
Due within One Year	50,000
Due in More than One Year	463,132
Total Noncurrent Liabilities	513,132
Total Liabilities	675,615
Deferred Inflows of Resources	
Deferred Inflows - OPEB	1,865
Total Deferred Inflows of Resources	1,865
Net Position	
Net Investment in Capital Assets	8,300,678
Restricted	121,534
Unrestricted	1,928,961
Total Net Position	\$ 10,351,173

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, 2018

	Program Revenues			Net (expense)/revenue and changes in net position
	Expenses	Charges for Services	Operating Grants and Contributions	
Functions/Programs				
Primary Government:				
Governmental Activities				
General Government	\$ 748,602	\$ 75,160	\$ 4,000	\$ (669,442)
Public Safety	155,687	2,431	-	(153,256)
Highways	1,141,998	624	201,350	(580,492)
Sanitation	208,041	-	-	(208,041)
Health and Welfare	80,382	2,950	-	(77,432)
Education	4,225,090	46,105	841,053	(3,337,932)
Other	62,263	-	-	(62,263)
Total Governmental Activities	<u>6,622,063</u>	<u>127,270</u>	<u>1,046,403</u>	<u>(5,088,858)</u>
Total Primary Government	\$ 6,622,063	\$ 127,270	\$ 1,046,403	\$ 359,532
General Revenues:				
Property Taxes Levied for General Purposes				5,741,960
Unrestricted Investment Income				22,339
Grants and Contributions Not Restricted to Specific Purpose				21,752
Other Income				24,073
Loss on Disposal				(25,008)
Total General Revenues				<u>5,785,116</u>
Change in Net Position				696,258
Net Position - Beginning, As Restated				9,654,915
Net Position - Ending				\$ 10,351,173

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

TOWN OF COLEBROOK
 Balance Sheet
 Governmental Funds
 June 30, 2018
 (With Comparative Totals for June 30, 2017)

Assets	General	Capital	Nonmajor	Total	
	Fund	Projects		Governmental	
		Fund	Funds	Funds	Funds
				2018	2017
Cash and Cash Equivalents	\$ 2,029,775	\$ 79,273	\$ 152,683	\$ 2,261,731	\$ 2,016,021
Taxes Receivable	100,386	-	-	100,386	117,336
State and Federal Grants Receivable	-	-	3,219	3,219	2,578
Interfund Receivables	-	28,308	1,943	30,251	161,715
Other Receivables	-	17,500	-	17,500	-
Inventory	-	-	1,254	1,254	862
Total Assets	<u>\$ 2,130,161</u>	<u>\$ 125,081</u>	<u>\$ 159,099</u>	<u>\$ 2,414,341</u>	<u>\$ 2,298,512</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts Payable	\$ 18,801	\$ 5,950	\$ -	\$ 24,751	\$ 31,657
Accrued Payroll	15,759	-	-	15,759	15,859
Due to State of Connecticut	-	-	1,572	1,572	1,836
Refundable Advances	-	-	18	18	18
Prepaid Taxes	48,751	-	-	48,751	125,699
Due to Others	12,315	-	-	12,315	31,535
Interfund Payables	30,251	-	-	30,251	161,715
Total Liabilities	<u>125,877</u>	<u>5,950</u>	<u>1,590</u>	<u>133,417</u>	<u>368,319</u>
Deferred Inflows of Resources:					
Deferred Revenue-Taxes/Grants	87,629	59,317	-	146,946	495,729
Total Deferred Inflows of Resources	<u>87,629</u>	<u>59,317</u>	<u>-</u>	<u>146,946</u>	<u>495,729</u>
Fund Balance:					
Nonspendable:					
Cafeteria Inventory	-	-	1,254	1,254	862
Restricted For:					
Dog Fund	-	-	3,075	3,075	2,254
Cemetery	-	-	104,016	104,016	101,057
Education Grants	-	-	833	833	844
Historical Document Preservation	-	-	1,943	1,943	1,749
Committed To:					
Capital Projects	-	59,814	-	59,814	-
Post Office	-	-	42,507	42,507	39,934
School Cafeteria	-	-	3,881	3,881	1,927
Unassigned	1,916,655	-	-	1,916,655	1,287,127
Total Fund Balance	<u>1,916,655</u>	<u>59,814</u>	<u>157,509</u>	<u>2,133,978</u>	<u>1,435,754</u>
Total Liabilities and Fund Balance	<u>\$ 2,130,161</u>	<u>\$ 125,081</u>	<u>\$ 159,099</u>	<u>\$ 2,299,802</u>	<u>\$ 2,299,802</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.	8,600,678
Deferred revenue for property taxes are reported in the funds but accrued as revenue in the government-wide statements and added to net position.	87,629
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.	43,885
Certain changes related to pensions are deferred and amortized over time.	
Deferred Inflows - OPEB	(1,865)
Some long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(513,132)
Net position of governmental activities	<u>\$ 10,351,173</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, 2018
(With Comparative Totals for June 30, 2017)

	General Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds	
				2018	2017
Revenues:					
Property Taxes	\$5,750,977	\$ -	\$ -	\$ 5,750,977	\$5,420,995
Investment Income	21,512	507	320	22,339	10,435
Fees and Charges	97,892	624	28,754	127,270	76,660
Intergovernmental Revenue	880,210	359,532	34,681	1,274,423	1,139,312
Other	-	17,500	6,573	24,073	6,850
Total Revenues	<u>6,750,591</u>	<u>378,163</u>	<u>70,328</u>	<u>7,199,082</u>	<u>6,654,252</u>
Expenditures:					
Current					
General Government	638,160	-	8,711	646,871	613,614
Public Safety	81,225	-	1,610	82,835	83,239
Highways	788,889	-	-	788,889	775,350
Senior Center	37,168	-	-	37,168	33,862
Health and Welfare	33,018	-	-	33,018	32,856
Miscellaneous	62,263	-	-	62,263	45,017
Sanitation	208,041	-	-	208,041	206,873
Education	3,938,008	-	51,125	3,989,133	3,978,666
Debt Service	64,875	-	-	64,875	67,000
Capital Outlay	-	587,765	-	587,765	785,692
Total Expenditures	<u>5,851,647</u>	<u>587,765</u>	<u>61,446</u>	<u>6,500,858</u>	<u>6,622,169</u>
Excess/(Deficiency) of Revenues Over Expenditures	898,944	(209,602)	8,882	698,224	32,083
Other Financing Sources/(Uses):					
Operating Transfers Out	(510,000)	-	-	(510,000)	(450,000)
Operating Transfers In	-	510,000	-	510,000	450,000
Total Other Financing Sources/(Uses)	<u>(510,000)</u>	<u>510,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	388,944	300,398	8,882	698,224	32,083
Fund Balance at Beginning of Year , As Restated	<u>1,527,711</u>	<u>(240,584)</u>	<u>148,627</u>	<u>1,435,754</u>	<u>1,403,671</u>
Fund Balance End of Year	<u>\$ 1,916,655</u>	<u>\$ 59,814</u>	<u>\$ 157,509</u>	<u>\$ 2,133,978</u>	<u>\$ 1,435,754</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, 2018

Net Change in Fund Balances - Total Governmental Funds \$ 698,224

**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>	539,340
<i>Depreciation expense</i>	(540,857)

In the statement of activities, only the loss on the disposal of capital assets is reported. Thus the change in net position differs from the change in fund balance by this loss

	(25,008)
--	----------

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>	(10,796)
-----------------------------	----------

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>CVFD Tax Abatement Obligation</i>	(16,424)
<i>Notes Payable principal payments</i>	50,000

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>1,779</u>
--	--------------

Change in net position of governmental activities. \$ 696,258

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, 2018

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Over/ (Under)</u>
Revenues:				
Taxes	\$ 5,604,084	\$ 5,604,084	\$ 5,750,977	\$ 146,893
Investment Income	-	-	21,512	21,512
Fees and Charges	-	-	71,871	71,871
Intergovernmental Revenue	366,241	366,241	678,987	312,746
Other	-	-	-	-
Appropriated from Surplus	-	-	-	-
Total Revenues	<u>5,970,325</u>	<u>5,970,325</u>	<u>6,523,347</u>	<u>553,022</u>
Expenditures:				
General Government	596,093	596,093	577,085	(19,008)
Public Safety	74,483	74,483	80,725	6,242
Highways	815,131	815,131	788,889	(26,242)
Town Hall	57,900	57,900	61,075	3,175
Senior Center	48,942	48,942	37,168	(11,774)
Health and Welfare	31,708	31,708	33,018	1,310
Miscellaneous	52,967	52,967	62,178	9,211
Refuse Disposal	212,500	212,500	208,041	(4,459)
Debt Service	64,875	64,875	64,875	-
Other Expenditures	-	-	585	585
Education	3,789,373	3,789,373	3,710,764	(78,609)
Capital Outlay	450,000	450,000	510,000	60,000
Total Expenditures	<u>6,193,972</u>	<u>6,193,972</u>	<u>6,134,403</u>	<u>(59,569)</u>
Excess of Revenues over Expenditures	<u>\$ (223,647)</u>	<u>\$ (223,647)</u>	<u>\$ 388,944</u>	<u>\$ 612,591</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, 2018
(With Comparative Totals for June 30, 2017)

	<u>Pension</u> <u>Trust Fund</u>	<u>Agency</u> <u>Funds</u>	<u>Totals</u>	
			<u>2018</u>	<u>2017</u>
Assets				
Cash and Cash Equivalents	\$ -	\$ 81,601	\$ 81,601	\$ 80,096
Due from Others	-	6,000	6,000	-
Investments	<u>207,528</u>	<u>-</u>	<u>207,528</u>	<u>215,440</u>
Total Assets	<u>\$ 207,528</u>	<u>\$ 87,601</u>	<u>\$ 295,129</u>	<u>\$ 295,536</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities				
Due to Beneficiaries	\$ -	\$ 85,386	\$ 85,386	\$ 77,360
Due to Others	<u>-</u>	<u>2,215</u>	<u>2,215</u>	<u>2,736</u>
Total Liabilities	<u>-</u>	<u>87,601</u>	<u>87,601</u>	<u>80,096</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position				
Restricted for Pension Benefits	<u>207,528</u>	<u>-</u>	<u>207,528</u>	<u>215,440</u>
Total Net Position	<u>\$ 207,528</u>	<u>\$ -</u>	<u>\$ 207,528</u>	<u>\$ 215,440</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, 2018 and 2017

	Pension Trust Fund	
Additions	<u>2018</u>	<u>2017</u>
Contributions	\$ 13,676	\$ 23,608
Investment Income	<u>23,867</u>	<u>30,875</u>
Total Additions	<u>37,543</u>	<u>54,483</u>
Deductions		
General Government	<u>45,455</u>	<u>21,260</u>
Total Deductions	<u>45,455</u>	<u>21,260</u>
Change in Net Position	(7,912)	33,223
Net Position - Beginning	<u>215,440</u>	<u>182,217</u>
Net Position - Ending	<u>\$ 207,528</u>	<u>\$ 215,440</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	\$ 6,523,347	\$ 6,134,403	\$ -	\$ 388,944
Revenue Adjustments for:				
Fees & Charges	(1,689)	-	-	(1,689)
CT Teacher's Retirement	228,933	-	-	228,933
Transfers In	-	-	-	-
Other Revenues	-	-	-	-
Expenditure Adjustments for:				
Transfers Out	-	(510,000)	(510,000)	-
CT Teacher's Retirement	-	228,933	-	(228,933)
Other Expenditures	-	(1,689)	-	1,689
Balance, GAAP Basis	<u>\$ 6,750,591</u>	<u>\$ 5,851,647</u>	<u>\$ (510,000)</u>	<u>\$ 388,944</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, 2018 and 2017:

	<u>Governmental Funds</u>	<u>Fiduciary Funds</u>	<u>Totals</u>	
			<u>2018</u>	<u>2017</u>
Demand Accounts	\$ 727,226	\$ 81,601	\$ 808,827	\$ 760,047
Short Term Investment Fund	<u>1,534,505</u>	<u>-</u>	<u>1,534,505</u>	<u>1,336,069</u>
Total Cash and Cash Equivalents	<u>\$ 2,261,731</u>	<u>\$ 81,601</u>	<u>\$ 2,343,332</u>	<u>\$ 2,096,116</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 \$808,827 and the bank balance was \$946,294. Of the bank balance, Federal Depository Insurance Corporation covered \$250,000. As of June 30, 2018, \$696,294 of the Town's demand bank balance of \$946,294 was exposed to custodial credit risk as follows:

	<u>Demand Accounts</u>
Uninsured and uncollateralized	\$ 601,665
Uninsured and collateral held by pledging bank's Trust department not in the Town's name	94,629
Total	\$ 696,294

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 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>2018</u>	<u>2017</u>
Mutual Funds	\$ 207,528	\$ 215,440
Total	\$ 207,528	\$ 215,440

As of June 30, 2018, 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	\$ 207,528	N/A	N/A
Total Investments	\$ 207,528	\$ -	\$ -

TOWN OF COLEBROOK
Notes to the Financial Statements

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

<u>Description</u>	June 30, 2018	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	\$ 207,528	\$ 207,528	\$ -	\$ -
Total	\$ 207,528	\$ 207,528	\$ -	\$ -

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>2018</u>	<u>2017</u>
Deferred Property Taxes	\$87,629	\$98,425
Deferred Grant Revenue	\$59,317	\$397,322

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, 2018:

	<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>67,721</u>	<u>27,894</u>	<u>67,721</u>	<u>27,894</u>
Total capital assets, not being depreciated	<u>407,804</u>	<u>27,894</u>	<u>67,721</u>	<u>367,977</u>
Capital assets, being depreciated:				
Buildings & Improvements	5,426,975	-	-	5,426,975
Infrastructure	5,460,213	412,138	-	5,872,351
Furniture & Fixtures	8,468	-	-	8,468
Vehicles	1,843,807	159,877	-	2,003,684
Machinery and Equipment	<u>594,495</u>	<u>7,152</u>	<u>37,049</u>	<u>564,598</u>
Total capital assets being depreciated	<u>13,333,958</u>	<u>579,167</u>	<u>37,049</u>	<u>13,876,076</u>
Less accumulated depreciation for:				
Buildings & Improvements	2,478,905	123,238	-	2,602,143
Infrastructure	1,171,526	285,005	-	1,456,531
Furniture & Fixtures	8,469	-	-	8,469
Vehicles	1,002,383	106,572	-	1,108,955
Machinery and Equipment	<u>453,276</u>	<u>26,042</u>	<u>12,041</u>	<u>467,277</u>
Total accumulated depreciation	<u>5,114,559</u>	<u>540,857</u>	<u>12,041</u>	<u>5,643,375</u>
Total capital assets, being depreciated, net	<u>8,219,399</u>	<u>38,310</u>	<u>25,008</u>	<u>8,232,701</u>
Governmental activities capital assets, net	<u>\$ 8,627,203</u>	<u>\$ 66,204</u>	<u>\$ 92,729</u>	<u>\$ 8,600,678</u>

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

Governmental Activities:	<u>2018</u>	<u>2017</u>
General Government	\$ 78,117	\$ 75,911
Highways	353,109	291,271
Public Safety	53,615	46,505
Health and Welfare	8,817	8,817
Education	<u>47,199</u>	<u>50,479</u>
Total Depreciation Expense	<u>\$ 540,857</u>	<u>\$ 472,983</u>

The Town has active construction projects as of June 30, 2018. The year-end total accumulated construction costs are:

Fire Department Center Generator	\$ 27,894
----------------------------------	-----------

TOWN OF COLEBROOK
Notes to the Financial Statements

The remaining cost to complete the Fire Department Center Generator is \$1,100.

NOTE 5 – PENSION PLANS

Connecticut State Teacher's Retirement System

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

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:

Each teacher is required to contribute 7.00% of salary for the pension benefit.

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions: At June 30, 2018 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		2,995,683
Total	\$	2,995,683

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.

The net pension liability was measured as of June 30, 2017, 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, 2018 the Town has no proportionate share of the net pension liability. For the year ended June 30, 2018, the Town recognized benefits expense and contribution revenue of \$224,563 in the governmental funds for on-behalf amounts for the benefits provided by the state. In the Government-wide financial statements, the Town recognized \$346,513 for pension expense related to actuarial liabilities for on-behalf amounts for the benefits provided by the State.

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of June 30, 2017, using the following actuarial assumptions based on experience study for the period July 1, 2010 - June 30, 2015, applied to all periods included in the measurement.

Inflation	2.75%
Salary increase	3.25-6.50%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from age 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 consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3.0%, and if the return was less than 8.5%, the maximum increase is 1.0%.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense 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 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%	5.8%
Developed non-U.S. Equities	18.00%	6.6%
Emerging Markets (non-U.S.)	9.00%	8.3%
Real Estate	7.00%	5.1%
Private Equity	11.00%	7.6%
Alternative Investments	8.00%	4.1%
Core fixed Income	7.00%	1.3%
High yeild bonds	5.00%	3.9%
Emerging market bond	5.00%	3.7%
Inflation linked bond fund	3.00%	1.0%
Cash	6.00%	0.4%
	<hr/>	
Total	100%	

Discount Rate - The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined contribution rates in the future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

	1% Decrease	Current Discount Rate	1% Increase
	<hr/>	<hr/>	<hr/>
	7.0%	8.0%	9.0%
Net Pension Liability as of June 30, 2018	<u>\$ 3,479,712</u>	<u>\$ 2,995,683</u>	<u>\$ 2,358,199</u>

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 2017-2018. Any participant who is age 50 or older could be eligible for a "catch-up" contribution of \$5,500 in 2017-2018. Income accumulates tax-free until distribution from the plan.

TOWN OF COLEBROOK
Notes to the Financial Statements

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

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

The Town's required 5% contribution was \$10,444. The Board of Education's required 5% contribution was \$4,229. There was \$5,750 in participant contributions for the year, and an employee forfeiture of \$6,746.

At June 30, 2018, membership in the Plan consisted of:

Current employees:	
Fully or partially vested	
Town	5
Board of Education	2
Nonvested	
Terminated/Retired	1
Town	<u>4</u>
Total	<u>12</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

Volunteer Fire Department Tax Abatement Program
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

TOWN OF COLEBROOK
Notes to the Financial Statements

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.75 prospectively.

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. There are no assets accumulated in a trust that meets the criteria in GASB Statement No. 75.

Employees Covered by Benefit Terms

At June 30, 2018, the following members were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	3
Inactive plan members entitled to but not yet receiving benefits	-
Active plan members	<u>39</u>
	<u>42</u>

Total OPEB Liability

The Town's total OPEB liability of \$213,132 was measured as of June 30, 2018, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The Entry Age Normal Actuarial Cost Method was used to determine Annual Required Contributions Other Post-Employment Benefit liabilities. This method identifies and separately amortizes unfunded actuarial liabilities. Unfunded actuarial liabilities are recalculated as of each valuation and then amortized by a level annual amount over the remaining amortization period. The amortization period was 30 years as of July 1,2009 so the remaining period as of July 1, 2017 is 22 years.

The Annual Required Contribution for the year ended June 30, 2018 was \$23,027

The Unfunded Other Post-Employment Benefits liabilities as of July 1, 2017 was \$198,573

The total OPEB liability in the June 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods including the measurement, unless otherwise specified:

Interest	3% per annum
Mortality: Pre-Retirement:	None
Post-Retirement	2017 Applicable Mortality Table
Turnover	None
Salary Scale	None
Retirement Age:	Later of age 60 or 25 Years of certified service
Expenses	Paid Separately
Asset Valuation Basis	Market Value

TOWN OF COLEBROOK
Notes to the Financial Statements

Changes in Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at 6/30/17 - Restated	\$ 198,573
Changes for the Year:	
Service Costs	10,259
Interest	6,265
Changes in benefit Terms	-
Difference between expected and actual experience	(1,965)
Changes of Assumptions	-
Benefit payments	-
Net changes	<u>14,559</u>
Balance at 6/30/18	<u>\$ 213,132</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following represents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.00%) or 1-percentage-point higher (4.00%) than the current discount rate:

	1% Decrease 2.00%	Discount Rate 3.00%	1% Increase 4.00%
Total OPEB Liability	248,780	213,132	184,059

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2018, the recognized OPEB expense is \$14,559. As of June 30, 2018, deferred outflows and inflows of resources related to OPEB are reported as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ -	(1,865)
Changes of assumptions	-	\$ -
	<u>\$ -</u>	<u>\$ (1,865)</u>

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

<u>Year Ending June 30:</u>	
2019	\$ (100)
2020	(100)
2021	(100)
2022	(100)
2023	(100)
Thereafter	(1,460)

TOWN OF COLEBROOK
Notes to the Financial Statements

Connecticut Teachers' Retirement System - OPEB

Plan Description

Teachers, principals, superintendents or supervisors engaged in service of public schools are provided with benefits, including retiree health insurance, through the Connecticut Teachers' Retirement System—a cost sharing multiemployer defined benefit pension plan administered by the TRB. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS issues a publicly available financial report that can be obtained at www.ct.gov/trb.

Benefit Provisions

The Plan covers retired teachers and administrators of public schools in the State who are receiving benefits from the Plan. The Plan provides healthcare insurance benefits to eligible retirees and their spouses. Any member that is currently receiving a retirement or disability benefit through the Plan is eligible to participate in the healthcare portion of the Plan. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the TRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

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

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.

Contributions

Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are amended and certified by the TRB and appropriated by the General Assembly. The State pays for one-third of plan costs through an annual appropriation in the General Fund.

School district employers are not required to make contributions to the Plan. The State of Connecticut's estimated allocated contribution to the Plan on behalf of the Town was \$4,420.

The cost of providing plan benefits is financed on a pay-as-you-go basis as follows: active teachers' pay for one-third of the Plan costs through a contribution of 1.25% of their pensionable salaries, and retired teachers pay for one-third of the Plan costs through monthly premiums, which helps reduce the cost of health insurance for eligible retired members and dependents.

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2016 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Inflation	2.75%
Real Wage Growth	0.50%
Wage Inflation	3.25%
Salary increases	3.25-6.50%, including inflation

TOWN OF COLEBROOK
Notes to the Financial Statements

Long-term investment rate of return	2.75%, net of OPEB plan investment expense, including inflation
<u>Municipal bond index rate:</u>	
Measurement Date	3.56%
Prior Measurement Date	3.01%

The projected fiduciary net position is projected to be depleted in 2018.

Single equivalent interest rate

Measurement Date	3.56%, net of OPEB plan investment expense, including price inflation
Prior Measurement Date	3.01%, net of OPEB plan investment expense, Including price inflation

Healthcare cost trend rates:

Pre-Medicare	7.25% for 2017 decreasing to an ultimate Rate of 5.00% by 2022
Medicare	7.25% for 2017 decreasing to an ultimate Rate of 5.00% by 2022

Mortality rates were based on the RPH-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.

Long-Term Rate of Return

The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluation the long-term rate of return assumption, including the Plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) for each major asset class.

The long-term expected rate of return was determined by weighing the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Expected 10-Year Geometric Real Rate of Return	Standard Deviation
U.S. Treasuries (Cash Equivalents)	100.0%	0.04%	2.79%
Price inflation		2.75%	
Expected rate of return (Rounded nearest 0.25%)		2.75%	

Discount Rate

- The discount rate used to measure the total OPEB liability was 3.56%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection's

TOWN OF COLEBROOK
Notes to the Financial Statements

basis was an actuarial valuation performed as of June 30, 2016. In addition to the actuarial methods and assumptions of the June 30, 2016 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 3.25%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- No future employer contributions were assumed to be made.
- For future plan members, contribution inflows were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

Based on those assumptions, the plan's fiduciary net position was projected to be depleted in 2018 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

Sensitivity of the Net OPEB Liability to Changes in Healthcare Cost Trend Rates

The following presents the total OPEB liability, calculated using current cost trend rates, as well as what the Plan's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than current healthcare cost trend rates:

	1% Lower Trend Rates	Current Trend Rates	1% Higher Trend Rates
Initial Healthcare Cost Trend Rate	6.25%	7.25%	8.25%
Ultimate Healthcare Cost Trend Rate	4.00%	5.00%	6.00%
Total OPEB Liability	\$ 1,143,526	\$ 771,040	\$ 1,719,153

Sensitivity of the Net OPEB Liability to Changes in Discount Rates

The following presents the net OPEB liability, calculated using the current discount rate, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (2.56%)	Current Discount Rate (3.56%)	1% Increase (4.56%)
Net OPEB liability	\$ 1,673,789	\$ 771,040	\$ 1,164,809

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions: At June 30, 2018 the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the Town were as follows:

TOWN OF COLEBROOK
Notes to the Financial Statements

Town's proportionate share of the net OPEB liability	\$	-
State's proportionate share of the net OPEB liability associated with the Town		771,040
Total	\$	771,040

The net OPEB liability was measured as of June 30, 2017, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2016. At June 30, 2018, the Town had no proportionate share of the net OPEB liability.

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, 2018, 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%	\$ 350,000	\$ -	\$ 50,000	\$ 300,000
CVFD Tax Abatement OPEB Obligation		198,573	14,559	-	213,132
Total		<u>\$ 548,573</u>	<u>\$ 14,559</u>	<u>\$ 50,000</u>	<u>\$ 513,132</u>

Current Portion of Long-Term Debt

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

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

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

	<u>2018</u>	<u>2017</u>
Governmental Activities:		
General Government	\$ 14,875	\$ 17,000
Total Interest Expense	<u>\$ 14,875</u>	<u>\$ 17,000</u>

TOWN OF COLEBROOK
Notes to the Financial Statements

Debt Service Requirements Debt service requirements on long-term debt at June 30, 2018 are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>
2019	50,000	12,750
2020	50,000	10,625
2021	50,000	8,500
2022	50,000	6,375
2023	50,000	4,250
2024	50,000	2,125
Total	<u>\$ 300,000</u>	<u>\$ 44,625</u>

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 9.65%, 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	\$1,568,000
Town's Pro Rata %	<u>9.65%</u>
Town's Share	<u>\$ 151,312</u>

NOTE 9 – INTERFUND ACCOUNTS

At June 30, 2018, interfund balances were as follows:

<u>Due From:</u>	<u>Due To:</u>		<u>Totals</u>	
	<u>Nonmajor</u>	<u>Capital</u>		
	<u>Funds</u>	<u>Projects</u>	<u>2018</u>	<u>2017</u>
General Fund	\$ 1,943	\$ 28,308	\$ 30,251	\$ 1,749
Capital Projects	-	-	-	159,965
Nonmajor	-	-	-	1,291
Total	<u>\$ 1,943</u>	<u>\$ 28,308</u>	<u>\$ 30,251</u>	<u>\$ 163,005</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 from the General Fund to Major Funds represents funds owed to the Capital Projects 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>2018</u>	<u>2017</u>
General Fund					
<i>Budgeted Expenditure</i>	\$ -	\$ 510,000	\$ -	\$ 510,000	\$ 450,000
	<u>\$ -</u>	<u>\$ 510,000</u>	<u>\$ -</u>	<u>\$ 510,000</u>	<u>\$ 450,000</u>

TOWN OF COLEBROOK
Notes to the Financial Statements

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.

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:

2019	580
------	-----

NOTE 11 – FUND BALANCES

The following balances were committed at June 30:

	<u>2018</u>	<u>2017</u>
Capital Projects Fund	59,814	-
Post Office Fund	42,507	39,934
School Cafeteria Fund	3,881	1,927
Total	<u>\$ 106,202</u>	<u>\$ 41,861</u>

NOTE 12 – ADOPTION OF NEW ACCOUNTING PRONOUNCEMENT/ PRIOR PERIOD RESTATEMENT

The Town adopted 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. This restated the beginning net position of OPEB obligations under government-wide long-term debt. An adjustment was made to the beginning OPEB Obligation which decreased the beginning government-wide net position by \$75,088.

The Town closed out long-term liability balances from prior years in the general fund for \$11,480 and in the dog fund for \$1,290.

NOTE 13 – 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 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.

TOWN OF COLEBROOK
Notes to the Financial Statements

- 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 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.

This statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment funds, (3) private-purpose funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. The requirements of this statement are effective for reporting periods beginning after December 15, 2018.

- *GASB Statement No. 87- Leases*. This statement improves the accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.
- *GASB Statement No. 88 - Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The primary objective of this statement is to improve the information that is disclosed in the notes to the financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date contractual obligation is established. This statement requires that additional essential information related to debt be disclosed in notes to the financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this statement are effective for reporting periods beginning after June 15, 2018.
- *GASB Statement No. 89 - Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred. As a result, interest cost before the end of a construction period will not be included in the historical cost of the capital asset. The requirements of this statement are effective for reporting periods beginning after December 15, 2019.

- THIS PAGE INTENTIONALLY LEFT BLANK -

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

	<u>2018</u>	<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%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net pension associated with Town	2,995,683	3,160,468	2,463,806	2,277,295
Total	<u>\$ 2,995,683</u>	<u>\$3,160,468</u>	<u>\$2,463,806</u>	<u>\$ 2,277,295</u>
Town's covered payroll	\$ 912,757	\$ 900,964	\$ 786,483	\$ 814,731
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll.	<u>0.00%</u>	<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>	<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, 2018

Change of benefit terms	None
Actuarial Assumptions	The total pension liability was determined by an actuarial valuation as of June 30, 2016
Actuarial Cost Method	Entry Age
Amortization Period	Level percent of salary, closed
Remaining Amortization Period	17.6 years
Asset Valuation Method	4 year smoothed market
Inflation	2.75%
Salary Increases	3.25%-6.5% average, including inflation
Investment Rate of Return	8.0%, net of pension plan investment expense, including inflation

TOWN OF COLEBROOK
State Teacher's Retirement System
Proportionate Share of Net OPEB Liability
June 30, 2018

Schedule of Proportionate Share of Net OPEB Liability

	2018
Town's percentage of the net OPEB liability	0.00%
Town's proportionate share of the net OPEB liability	\$ -
State of Connecticut's proportionate share of the net OPEB liability associated with the Town	771,040
Total	\$ 771,040
Town's covered-employee payroll	\$ 912,757
Town's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll.	0.00%
Plan fiduciary net position as a percentage of the total OPEB liability	1.79%

Notes to Schedule

Changes in Benefit Terms
Changes of Assumptions

None

The discount rate was increased from 3.01% to 3.56% to reflect the change in the Municipal Bond Index Rate.

Changes were made to the assumed initial per capita health care costs, rates of health care inflation used to project the per capita costs, and the rates of Plan participation based upon recent experience and current expectations.

As a result of the experience study for the five-year period ended June 30, 2015, the payroll growth rate assumption was decreased from 3.75% to 3.25% to reflect the decrease in the rate of inflation and the decrease in the rate of real wage increase. Last, the salary growth assumption, the payroll growth rate, the rates of withdrawal, the rates of retirement, the rates of mortality and the rates of disability incidence were adjusted based upon the experience study's findings and their adoption by the Board.

Actuarial Cost Method	Entry age
Amortization Method	Level Percent of Payroll
Remaining Amortization Period	30 years, open
Asset Valuation Method	Market Value of Assets
Investment Rate of Return	4.25%, net of investment related expense

See accountant's report.

TOWN OF COLEBROOK
Schedule of Changes in Net OPEB Liability and Related Ratios
June 30, 2018

	2018
Total OPEB Liability	
Service Costs	\$ 10,259
Interest	6,265
Difference between expected and actual experience	(1,965)
Change in benefit terms	-
Change in assumptions	-
Benefit payments, including refunds of contributions	-
Net change in total OPEB liability	14,559
Total OPEB liability, beginning	198,573
Total OPEB liability, ending (a)	\$ 213,132
 Plan Fiduciary Net Position	
Contributions - employer	\$ -
Contributions - members	-
Net investment income	-
Benefit payments (based on expected)	-
Administrative Expenses	-
Net change in plan fiduciary net position	-
Total fiduciary net position, beginning	-
Total fiduciary net position, ending (b)	\$ -
Net OPEB liability, ending (a) - (b)	\$ 213,132
 Plan fiduciary net position as a percentage of the total OPEB liability	 0.00%
 Covered-employee payroll	 N/A
 Net OPEB liability as a percentage of covered payroll	 N/A

See accountant's report.

TOWN OF COLEBROOK
 General Fund
 Schedule of Revenues and Expenditures - Budget and Actual
 For the Year Ended June 30, 2018

	Original Budget	Amended Budget	Actual	Over (Under)
REVENUES				
Taxes:				
Property Taxes	\$ 5,584,084	\$ 5,584,084	\$ 5,708,145	\$ 124,061
Interest and Liens	20,000	20,000	42,832	22,832
Total Taxes	5,604,084	5,604,084	5,750,977	146,893
Intergovernmental Revenue:				
Telephone Access Line Tax Share	5,600	5,600	4,319	(1,281)
Education Cost Sharing	81,186	81,186	421,002	339,816
Adult Education	374	374	389	15
Municipal Revenue Sharing	42,744	42,744	-	-
State and Federal Property	3,374	3,374	1,629	(1,745)
School Security Grant	-	-	6,234	6,234
Student Tuition - City of Torrington	-	-	23,391	23,391
Town Aid Roads	201,115	201,115	201,350	235
Pequot Funds	9,848	9,848	9,838	(10)
Elderly and Veterans Property Tax Relief	12,000	12,000	3,873	(8,127)
Team Mentors	-	-	550	550
Other Receipts	10,000	10,000	6,412	(3,588)
Total Intergovernmental Revenue	366,241	366,241	678,987	355,490
Other Revenues:				
Town Operations	-	-	71,871	71,871
Interest Income	-	-	21,512	21,512
Miscellaneous	-	-	-	-
Total Other Revenues	-	-	93,383	93,383
Total Revenues before other Financing Sources	5,970,325	5,970,325	6,523,347	595,766
Other Financing Sources:				
Fund Balance Designated to Finance Budget	-	-	-	-
Total Revenues	\$ 5,970,325	\$ 5,970,325	\$ 6,523,347	\$ 595,766

See accountant's report.

TOWN OF COLEBROOK
General Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2018

	Original Budget	Amended Budget	Actual	Over (Under)
EXPENDITURES				
General Government:				
First Selectman	\$ 50,000	\$ 50,000	\$ 50,000	\$ -
2nd & 3rd Selectmen	8,000	8,000	8,028	28
COST	725	725	725	-
Selectmen's Expense	1,500	1,500	2,859	1,359
Probate Court	1,700	1,700	1,459	(241)
Elections	16,000	16,000	12,956	(3,044)
Board of Finance	700	700	385	(315)
Board of Assessors	25,896	25,896	20,592	(5,304)
Assessor's Expense	600	600	15,999	15,399
Board of Assessment Appeals	500	500	109	(391)
Tax Collector	22,382	22,382	22,382	-
Tax Collector's Expense	4,310	4,310	4,008	(302)
Treasurer	16,395	16,395	16,395	-
Treasurer's Expense	500	500	-	(500)
Town Attorney	5,000	5,000	15,596	10,596
Town Clerk	40,592	40,592	40,395	(197)
Town Clerk's Expense	4,000	4,000	3,414	(586)
Assistant Town Clerk	7,000	7,000	7,567	567
Building Inspector	14,061	14,061	14,061	-
Building Inspector's Expense	2,000	2,000	135	(1,865)
Farmington Valley Health District	7,683	7,683	7,683	-
Planning and Zoning Commission	1,500	1,500	10,990	9,490
Zoning Board of Appeals	525	525	443	(82)
Inland-Wetlands Agency	1,500	1,500	3,450	1,950
Town Secretary	32,446	32,446	32,036	(410)
Land Use Sec'y/Enf. Officer	21,317	21,317	18,981	(2,336)
Social Security	45,202	45,202	39,928	(5,274)
Pension Payment	300	300	300	-
Pension Contribution	14,867	14,867	13,964	(903)
Employee Medical Insurance	119,231	119,231	98,738	(20,493)
Insurance (CIRMA)	86,326	86,326	87,294	968
Recreation Board	17,000	17,000	12,881	(4,119)
Auditor	15,060	15,060	9,900	(5,160)
Assistant Tax Collector	1,650	1,650	1,478	(172)
Town Hall Admin. Support	1,575	1,575	-	(1,575)
CCM	1,050	1,050	1,042	(8)
Assessor Assistant	7,000	7,000	912	(6,088)
Total General Government	<u>596,093</u>	<u>596,093</u>	<u>577,085</u>	<u>(19,008)</u>
Public Safety:				
Fire Marshal	4,182	4,182	4,182	-
Fire Marshal's Expense	-	-	72	72
Fire Protection	50,600	50,600	53,438	2,838

See accountant's report.

TOWN OF COLEBROOK

page 3 of 4

General Fund

Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2018

	Original Budget	Amended Budget	Actual	Over (Under)
Constables	\$ 150	\$ 150	\$ 150	\$ -
911	15,551	15,551	15,552	1
Animal Control	4,000	4,000	7,331	3,331
Total Public Safety	74,483	74,483	80,725	6,242
Highways:				
Wages	217,765	217,765	207,513	(10,252)
Overtime	31,986	31,986	38,287	6,301
Town Garage Fuel	22,500	22,500	19,063	(3,437)
Town Garage Lubricants	5,000	5,000	1,006	(3,994)
Town Garage Parts	23,000	23,000	41,807	18,807
Town Garage Repairs	27,300	27,300	13,191	(14,109)
Winter Maintenance	120,000	120,000	181,241	61,241
Road Maintenance	120,000	120,000	76,953	(43,047)
Oil Program	200,000	200,000	163,478	(36,522)
Street Lights	980	980	947	(33)
Garage Utilities	10,700	10,700	8,434	(2,266)
Garage Support	5,000	5,000	7,379	2,379
Tree Removal	20,000	20,000	19,925	(75)
Town Garage Environmental	8,900	8,900	7,760	(1,140)
Town Garage Building Maintenance	2,000	2,000	1,905	(95)
Total Highways	815,131	815,131	788,889	(26,242)
Town Hall:				
Office Supplies	10,000	10,000	9,950	(50)
Town Hall/Community Hall Util.	20,500	20,500	21,673	1,173
Town Hall Maintenance	25,400	25,400	27,295	1,895
Miscellaneous	2,000	2,000	2,157	157
Total Town Hall	57,900	57,900	61,075	3,175
Senior Center:				
Senior Center Maintenance	9,200	9,200	9,637	437
Senior Center Coordinator	8,034	8,034	4,160	(3,874)
Site Manager and Helper	25,708	25,708	22,065	(3,643)
Van & Driver	6,000	6,000	1,306	(4,694)
Total Senior Center	48,942	48,942	37,168	(11,774)
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, 2018

page 4 of 4

	Original Budget	Amended Budget	Actual	Over (Under)
Elderly Nutrition Program	\$ 382	\$ 382	\$ 381	\$ (1)
Elderly Transit Program	734	734	734	-
Regional Mental Health	658	658	158	(500)
Paramedic Intercept	11,565	11,565	13,402	1,837
Norfolk Ambulance	3,652	3,652	3,652	-
Northwest Corner Chore Service	500	500	500	-
Total Health and Welfare	<u>31,708</u>	<u>31,708</u>	<u>33,018</u>	<u>1,310</u>
Miscellaneous:				
Libraries	15,663	15,663	15,663	-
Cemeteries	6,500	6,500	5,558	(942)
Computer IT	10,475	10,475	6,617	(3,858)
Data Processing	14,910	14,910	29,153	14,243
Winsted YSB	2,330	2,330	2,330	-
LHCEO	1,150	1,150	1,149	(1)
Farmington River Watershed	278	278	278	-
Mapping: Micro Filming	1,661	1,661	1,430	(231)
Total Miscellaneous	<u>52,967</u>	<u>52,967</u>	<u>62,178</u>	<u>9,211</u>
Refuse Disposal:				
Town's Refuse/Recycle	212,500	212,500	208,041	(4,459)
Total Refuse Disposal	<u>212,500</u>	<u>212,500</u>	<u>208,041</u>	<u>(4,459)</u>
Debt Service:	<u>64,875</u>	<u>64,875</u>	<u>64,875</u>	<u>-</u>
Education:				
Colebrook School Budget	1,941,598	1,941,598	1,865,462	(76,136)
Northwest Regional # 7	1,847,775	1,847,775	1,845,302	(2,473)
Total Education	<u>3,789,373</u>	<u>3,789,373</u>	<u>3,710,764</u>	<u>(78,609)</u>
Other Expenditures:				
CERT Grant Expense	-	-	500	500
Bank Service Charges	-	-	46	46
Insurance Claims Expense	-	-	39	39
Miscellaneous	-	-	-	-
Total Other Expenditures	<u>-</u>	<u>-</u>	<u>585</u>	<u>585</u>
Capital Improvements:				
Capital Expenditures	450,000	450,000	510,000	60,000
Total Capital Improvements	<u>450,000</u>	<u>450,000</u>	<u>510,000</u>	<u>60,000</u>
Total Expenditures	<u>6,193,972</u>	<u>6,193,972</u>	<u>6,134,403</u>	<u>(59,569)</u>
Excess of Revenues over Expenditures	<u>\$ (223,647)</u>	<u>\$ (223,647)</u>	<u>\$ 388,944</u>	<u>\$ 655,335</u>

See accountant's report.

TOWN OF COLEBROOK
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2018

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	\$ 42,507	\$ 4,647	\$ 1,495	\$ 104,016	\$ -	\$ 18	\$ 152,683
State and Federal Grants Receivable	-	-	2,386	-	-	833	3,219
Other Receivables	-	-	-	-	-	-	-
Interfund Receivables	-	-	-	-	1,943	-	1,943
Inventory	-	-	1,254	-	-	-	1,254
Total Assets	<u>\$ 42,507</u>	<u>\$ 4,647</u>	<u>\$ 5,135</u>	<u>\$ 104,016</u>	<u>\$ 1,943</u>	<u>\$ 851</u>	<u>\$ 159,099</u>
Liabilities							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-	-	-	18	18
Interfund Payable	-	-	-	-	-	-	-
Due to State of CT	-	1,572	-	-	-	-	1,572
Total Liabilities	<u>-</u>	<u>1,572</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18</u>	<u>1,590</u>
Fund Balances							
Nonspendable	-	-	1,254	-	-	-	1,254
Restricted	-	3,075	-	104,016	1,943	833	109,867
Committed	42,507	-	3,881	-	-	-	46,388
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	<u>42,507</u>	<u>3,075</u>	<u>5,135</u>	<u>104,016</u>	<u>1,943</u>	<u>833</u>	<u>157,509</u>
Total Liabilities and Fund Balances	<u>\$ 42,507</u>	<u>\$ 4,647</u>	<u>\$ 5,135</u>	<u>\$ 104,016</u>	<u>\$ 1,943</u>	<u>\$ 851</u>	<u>\$ 159,099</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, 2018

SPECIAL REVENUE FUNDS

	Post Office <u>Fund</u>	Dog Fund	School Cafeteria <u>Fund</u>	Cemetery <u>Fund</u>	Historical Document <u>Fund</u>	Education Grants <u>Fund</u>	<u>Total</u>
Revenues							
Investment Income	\$ -	\$ -	\$ -	\$ 320	\$ -	\$ -	\$ 320
Fees and Charges	-	2,431	22,714	2,950	659	-	28,754
Contributions	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	11,488	-	4,000	19,193	34,681
Other	6,508	-	65	-	-	-	6,573
Total Revenues	<u>6,508</u>	<u>2,431</u>	<u>34,267</u>	<u>3,270</u>	<u>4,659</u>	<u>19,193</u>	<u>70,328</u>
Expenditures							
General Government	3,935	-	-	311	4,465	-	8,711
Public Safety	-	1,610	-	-	-	-	1,610
Health and Welfare	-	-	-	-	-	-	-
Education	-	-	31,921	-	-	19,204	51,125
Total Expenditures	<u>3,935</u>	<u>1,610</u>	<u>31,921</u>	<u>311</u>	<u>4,465</u>	<u>19,204</u>	<u>61,446</u>
Net Changes in Fund Balances Before Other Financing Sources/(Uses)	2,573	821	2,346	2,959	194	(11)	8,882
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	2,573	821	2,346	2,959	194	(11)	8,882
Fund Balances - Beginning, As Restated	39,934	2,254	2,789	101,057	1,749	844	148,627
Fund Balances - Ending	<u>\$ 42,507</u>	<u>\$ 3,075</u>	<u>\$ 5,135</u>	<u>\$ 104,016</u>	<u>\$ 1,943</u>	<u>\$ 833</u>	<u>\$ 157,509</u>

See accountant's report.

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

	Pension Trust Fund	Agency Funds				Total
		Recreation Board Fund	School Activities Fund	Senior Center Fund	Colebrook Fair Fund	
Assets:						
Cash and Cash Equivalents	\$ -	\$ 11,491	\$ 21,566	\$ 43,535	\$ 5,009	\$ 81,601
Due from Others	-	-	-	6,000	-	6,000
Investments	207,528	-	-	-	-	207,528
Total Assets	<u>\$ 207,528</u>	<u>\$ 11,491</u>	<u>\$ 21,566</u>	<u>\$ 49,535</u>	<u>\$ 5,009</u>	<u>\$ 295,129</u>
Deferred Outflows of Resources	-	-	-	-	-	-
Liabilities:						
Due to Beneficiaries	\$ -	\$ 11,491	\$ 21,566	\$ 47,855	\$ 4,474	\$ 85,386
Due to Others	-	-	-	1,680	535	2,215
Total Liabilities	-	<u>11,491</u>	<u>21,566</u>	<u>49,535</u>	<u>5,009</u>	<u>87,601</u>
Deferred Inflows of Resources	-	-	-	-	-	-
Net Position:						
Restricted for Pension Benefits	207,528	-	-	-	-	207,528
Total Net Position	<u>\$ 207,528</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 207,528</u>

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, 2018

	Pension Trust Fund
Revenues:	
Employer Contributions	\$ 7,926
Employee Contributions	5,750
Earnings from Investments	23,867
Total Revenues	37,543
 Expenditures:	
General Government	45,455
Total Expenditures	45,455
Excess (Deficiency) of Revenues Over Expenditures	(7,912)
Net Position, Beginning of Year	215,440
Net Position, End of Year	\$ 207,528

See accountant's report.

TOWN OF COLEBROOK
Combining Statement of Changes in Assets and Liabilities
Fiduciary Funds
For the Year Ended June 30, 2018

	<u>Balance</u> <u>July 1, 2017</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2018</u>
RECREATION BOARD FUND				
Assets:				
Cash	\$ 10,687	\$ 11,009	\$ 10,205	\$ 11,491
Liabilities:				
Due to Beneficiaries	\$ 9,892	\$ 10,188	\$ 9,410	\$ 10,670
Due to Others	\$ 795	\$ 821	\$ 795	\$ 821
	<u>\$ 10,687</u>	<u>\$ 11,009</u>	<u>\$ 10,205</u>	<u>\$ 11,491</u>
SCHOOL ACTIVITIES FUND				
Assets:				
Cash	\$ 21,882	\$ 10,379	\$ 10,695	\$ 21,566
Liabilities:				
Due to Beneficiaries	\$ 21,882	\$ 10,379	\$ 10,695	\$ 21,566
SENIOR CENTER FUND				
Assets:				
Cash	\$ 43,269	\$ 44,192	\$ 43,926	\$ 43,535
Due from Others	-	6,000	-	6,000
	<u>\$ 43,269</u>	<u>\$ 50,192</u>	<u>\$ 43,926</u>	<u>\$ 49,535</u>
Liabilities:				
Due to Beneficiaries	\$ 40,983	\$ 48,512	\$ 41,640	\$ 47,855
Due to Others	2,286	1,680	2,286	1,680
	<u>\$ 43,269</u>	<u>\$ 50,192</u>	<u>\$ 43,926</u>	<u>\$ 49,535</u>
COLEBROOK FAIR FUND				
Assets:				
Cash	\$ 4,258	\$ 4,686	\$ 3,935	\$ 5,009
Liabilities:				
Due to Beneficiaries	\$ 3,808	\$ 4,151	\$ 3,485	\$ 4,474
Due to Others	450	535	450	535
	<u>\$ 4,258</u>	<u>\$ 4,686</u>	<u>\$ 3,935</u>	<u>\$ 5,009</u>
TOTAL ASSETS				
Cash	\$ 80,096	\$ 70,266	\$ 68,761	\$ 81,601
Due from Others	-	6,000	-	6,000
	<u>\$ 80,096</u>	<u>\$ 76,266</u>	<u>\$ 68,761</u>	<u>\$ 87,601</u>
TOTAL LIABILITIES				
Due to Beneficiaries	\$ 76,565	\$ 73,230	\$ 65,230	\$ 84,565
Due to Others	3,531	3,036	3,531	3,036
	<u>\$ 80,096</u>	<u>\$ 76,266</u>	<u>\$ 68,761</u>	<u>\$ 87,601</u>

See accountant's report.

TOWN OF COLEBROOK

Schedule of Property Taxes Levied, Collected, and Outstanding
For the Year Ended June 30, 2018

List of 10/1:	Out- Standing 07/01/17	Current Lewy	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 06/30/18
2016		5,683,624	32,787	12,559	5,703,852	5,648,004	23,571	5,671,575	-	266	56,114
2015	\$ 72,111	-	695	1,545	71,261	48,747	12,200	60,947	-	25	22,539
2014	24,993	-	-	351	24,642	15,959	5,172	21,131	3,619	58	5,122
2013	8,185	-	7	165	8,027	3,355	634	3,989	-	-	4,672
2012	3,182	-	30	-	3,212	-	-	-	-	-	3,212
2011	2,878	-	-	-	2,878	-	-	-	-	-	2,878
2010	2,790	-	-	-	2,790	-	-	-	-	-	2,790
2009	1,873	-	-	-	1,873	-	-	-	-	-	1,873
2008	1,097	-	-	-	1,097	-	-	-	-	-	1,097
2007	1,078	-	-	-	1,078	-	-	-	-	-	1,078
2006	1,028	-	-	-	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
	<u>\$ 50,087</u>	<u>\$5,683,624</u>	<u>\$ 33,519</u>	<u>\$ 14,620</u>	<u>\$5,824,721</u>	<u>5,716,065</u>	<u>41,577</u>	<u>5,757,642</u>	<u>\$ 3,619</u>	<u>\$ 349</u>	<u>\$ 105,386</u>

	Less: Refunds	-
	Suspense Collections	2,009
	<u>Total Collections</u>	<u>\$ 43,586</u>

Net Grand List - October 1, 2016
Tax Rate 30.09 Mills

	Total Collections	\$ 5,762,267
--	-------------------	--------------

TOWN OF COLEBROOK
Schedule of Debt Limitation
June 30, 2018

Total Tax Collections (Prior Year)		
Taxes, Liens and Fees	\$	5,237,211
Reimbursement for Loss on:		
Tax Relief for the Elderly		8,150
Base	\$	<u>5,245,361</u>

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>
Debt Limitation:				
2 1/4 times base	\$ 11,802,062	\$ -	\$ -	\$ -
4 1/2 times base	-	23,604,125	-	-
3 3/4 times base	-	-	19,670,104	-
3 1/4 times base	-	-	-	17,047,423
Total Debt Limitation	<u>11,802,062</u>	<u>23,604,125</u>	<u>19,670,104</u>	<u>17,047,423</u>
Indebtedness:				
Loans Payable	300,000	-	-	-
Overlapping Debt:				
Regional School District No. 7	-	151,312	-	-
Total Indebtedness	<u>300,000</u>	<u>151,312</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u>\$ 11,502,062</u>	<u>\$ 23,452,813</u>	<u>\$ 19,670,104</u>	<u>\$ 17,047,423</u>

Note: In no case should this total indebtedness exceed seven times the base of \$5,245,361 or \$36,717,527.

See accountant's report.

TOWN OF COLEBROOK
Board of Education
Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Original Budget	Amended Budget	Actual	Over/ (Under)
Salaries				
<i>Certified Personnel</i>				
Superintendent	\$ 63,500	\$ 63,500	\$ 62,250	\$ (1,250)
Principal	109,608	109,608	109,608	-
Teachers	656,425	656,425	630,424	(26,001)
Substitutes	10,000	10,000	18,382	8,382
Head Teacher	1,500	1,500	1,500	-
Extra Hours	1,000	1,000	824	(176)
Reading Consultant	89,769	89,769	89,769	-
<i>Non-Certified</i>				
Aide	93,341	93,341	89,642	(3,699)
Substitutes	3,500	3,500	2,752	(748)
Team Mentor	500	500	500	-
Overnight Stipend	525	525	450	(75)
School Nurse	36,905	36,905	36,905	-
Administrative Asst.	44,870	44,870	44,870	-
Call Substitute	800	800	800	-
Bookkeeper	39,701	39,701	39,701	-
Custodian / Full	38,544	38,544	39,000	456
Custodian / Part	6,000	6,000	6,806	806
Custodial Overtime	-	-	1,786	1,786
Total Salaries	<u>1,196,488</u>	<u>1,196,488</u>	<u>1,175,969</u>	<u>(20,519)</u>
Employee Benefits				
Medical Insurance	178,610	178,610	146,875	(31,735)
Dental Insurance	11,086	11,086	8,699	(2,387)
Life Insurance	3,166	3,166	2,380	(786)
Comp. FICA	19,320	19,320	22,020	2,700
Medicare Company	16,910	16,910	16,596	(314)
Pension	6,160	6,160	4,229	(1,931)
H.S.A. Contribution	16,000	16,000	13,000	(3,000)
Medicaid Supplement	4,000	4,000	4,000	-
Retirement Incentive	7,577	7,577	7,577	-
Tuition Reimbursement	5,000	5,000	-	(5,000)
Vaccines	250	250	-	(250)
Unemployment Comp	150	150	11,836	11,686
Total Employee Benefits	<u>\$ 268,229</u>	<u>\$ 268,229</u>	<u>\$ 237,212</u>	<u>\$ (31,017)</u>

See accountant's report.

TOWN OF COLEBROOK
Board of Education
Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Original Budget	Amended Budget	Actual	Over/ (Under)
Purchased Services				
Admin Seminars (Workshops)	\$ 500	\$ 500	\$ -	\$ (500)
Staff Seminars (Workshops)	7,000	7,000	528	(6,472)
Curriculum Development	-	-	270	270
Program Enhancement	7,000	7,000	2,133	(4,867)
Legal Fees	3,000	3,000	3,598	598
Audit Services	3,600	3,600	-	(3,600)
Doctor	650	650	600	(50)
Therapists	20,000	20,000	22,458	2,458
Psychologist	-	-	6,268	6,268
Fingerprinting	100	100	132	32
Computer Support	-	-	1,237	1,237
<i>Purchased Property Services</i>				
Well Monitor	5,500	5,500	3,888	(1,612)
<i>Repair and Maintenance Services</i>				
Cleaning Services	1,300	1,300	1,120	(180)
Building Maint. & Repairs	8,000	8,000	7,983	(17)
Bldg. Insp./Asbestos	1,000	1,000	330	(670)
Equipment Repairs	5,000	5,000	964	(4,036)
Service Contracts	4,000	4,000	2,039	(1,961)
Software Upgrade	5,825	5,825	2,845	(2,980)
Copier Maintenance	2,200	2,200	3,032	832
Equipment Lease	2,520	2,520	2,589	69
Property Service	-	-	1,600	1,600
<i>Student Transportation</i>				
Regular Local	90,096	90,096	90,338	242
Special Education	42,000	42,000	31,058	(10,942)
<i>Communication</i>				
Telephone	3,150	3,150	3,345	195
Postage	1,000	1,000	744	(256)
Internet	2,130	2,130	1,500	(630)
Alert Now	300	300	281	(19)
Advertising	1,200	1,200	-	(1,200)
<i>Miscellaneous Purchased Services</i>				
Other School District	65,000	65,000	76,142	11,142
Education Service in CT	6,500	6,500	4,600	(1,900)

See accountant's report.

TOWN OF COLEBROOK
Board of Education
Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	Original Budget	Amended Budget	Actual	Over/ (Under)
Travel	1,300	1,300	1,075	(225)
Shared Services/Outplacement	113,950	113,950	110,317	(3,633)
Total Purchased Services	\$ 403,821	\$ 403,821	\$ 383,014	\$ (20,807)
Purchases				
<i>Supplies and Materials</i>				
Office Supplies	\$ 1,100	\$ 1,100	\$ 343	\$ (757)
Teaching Supplies	855	855	552	(303)
Audio Visual Supplies	300	300	477	177
Computer Supplies	5,000	5,000	8,096	3,096
Custodial Supplies	6,000	6,000	3,252	(2,748)
Health Supplies	1,275	1,275	925	(350)
Board of Education Supplies	400	400	750	350
Library Supplies	200	200	75	(125)
School Supplies	6,000	6,000	4,131	(1,869)
Principal Supplies	250	250	41	(209)
<i>Energy</i>				
Electricity	15,500	15,500	17,205	1,705
Propane Gas	2,000	2,000	2,000	-
Heating Oil	24,000	24,000	21,727	(2,273)
<i>Textbooks & Periodicals</i>				
Textbooks	680	680	1,110	430
Workbooks	2,025	2,025	1,869	(156)
Library Books	850	850	953	103
Magazines	400	400	288	(112)
Teacher Guides	250	250	220	(30)
Spanish Supplies	100	100	652	552
Music Supplies	800	800	410	(390)
Art Supplies	700	700	635	(65)
Physical Education Supplies	500	500	94	(406)
Total Purchases	69,185	69,185	65,805	(3,380)
Capital Outlay				
Furniture & Fixtures	275	275	(45)	(320)
Equipment	-	-	-	-
Total Capital Outlay	275	275	(45)	(320)

See accountant's report.

TOWN OF COLEBROOK
Board of Education
Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2018

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Over/ (Under)</u>
Other Objects				
Dues & Fees	3,500	3,500	2,351	(1,149)
Miscellaneous	<u>100</u>	<u>100</u>	<u>1,156</u>	<u>1,056</u>
Total Other Objects	<u>3,600</u>	<u>3,600</u>	<u>3,507</u>	<u>(93)</u>
Total Board of Education	<u>\$ 1,941,598</u>	<u>\$ 1,941,598</u>	<u>\$ 1,865,462</u>	<u>\$ (76,136)</u>

See accountant's report.

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, 2018, 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 March 15, 2019.

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

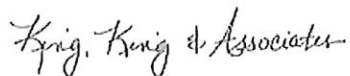
As part of obtaining reasonable assurance about whether the Town of Colebrook, CT's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct 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
March 15, 2019

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, 2018. 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, 2018.

Report on Internal Control over Compliance

Management of the Town, is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing 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
March 15, 2019

TOWN OF COLEBROOK
Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2018

<u>State Grantor/Pass Through Grantor/Program Title</u>	<u>State Grant Program Identification Number</u>	<u>Expenditures</u>
Connecticut State Library		
Historic Document Preservation	12060-CSL66094-35150	\$ 4,000
Department of Public Safety		
School Security Infrastructure	12052-DPS32161-43546	6,234
State Department of Education		
Adult Education	11000-SDE64370-17030	389
Child Nutrition Program	11000-SDE64370-16211	402
Healthy Food Certification	11000-SDE64370-16212	764
Department of Transportation		
Town Aid Road Grant	12052-DOT57131-43455	201,350
Small Town Economic Assistance Program	12052-DOT57191-42411	337,987
Judicial Department		
Parking Fines	34001-JUD95162-40001	1,200
Office of Policy and Management		
Property Tax Relief:		
Tax Exempt State Property	11000-OPM20600-17004	1,104
Totally Disabled	11000-OPM20600-17011	165
Veteran's Exemptions	11000-OPM20600-17024	3,708
Municipal Grants-In-Aid	12052-OPM20600-43587	550
Total State Financial Assistance Before Exempt Programs		<u>557,853</u>
EXEMPT PROGRAMS		
Office of Policy and Management		
Mashantucket Pequot and Mohegan Fund	12009-OPM20600-17005	9,838
Department of Education		
Education Cost Sharing	11000-SDE64370-17041	421,002
Total Exempt Programs		<u>430,840</u>
Total State Financial Assistance		<u>\$ 988,693</u>

See notes to schedule.

TOWN OF COLEBROOK
Notes to Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2018

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, 2018. 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, 2018

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, 2018 and issued our unmodified report thereon dated March 15, 2019.

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:		
Small Town Economic Assistance Program	12052-DOT57191-42411	\$ 337,987
• Dollar threshold to distinguish between type A and type B programs		<u>\$ 100,000</u>

II. FINANCIAL STATEMENT FINDINGS

- We issued reports, dated March 15, 2019, 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.