

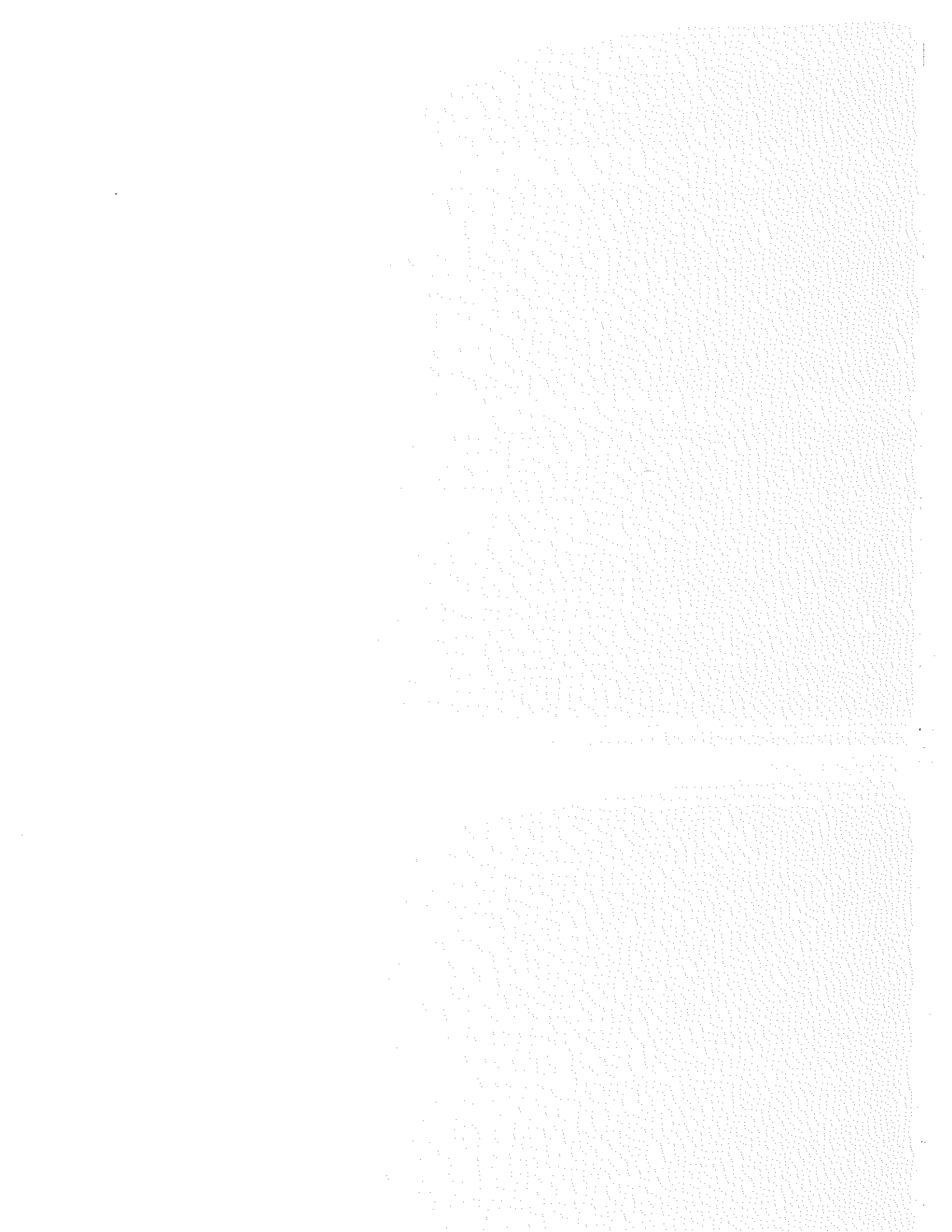
Town of Colebrook

Connecticut

Est. 1779

ANNUAL REPORT

for the year ending June 30th, 2015





ROBERT GRIGG

Bob volunteered extensively throughout his life; for the Winsted Fire Department, Curator for the Colebrook Historical Society, on the Board of Directors for the Colebrook Land Conservancy and Town Historian for the Town of Colebrook. His passion was history and he wrote a weekly article "Historic Bytes" for the Winsted Journal. He participated in area archeological digs, was official photographer for numerous town events and was a major component to the Colebrook Consolidated School "Rock School Day" where schoolchildren would spend the day at the one-room Rock School learning how children from the past learned at school. Because of his extensive help in assisting the Chinese equivalent of Public Television for research of 1800's Chinese Yale student Fun Tang (who died in Colebrook and was buried there) he was invited to and visited China as their official guest. Bob was a genuine treasure to the community, eager to help and always a reliable source of information, historic data and amusing anecdotes. As a friend has said, losing Bob was like seeing a "library burn down". He was loved and will be missed by many.



ELLEN FREDSELL

Ellen was the Postmaster of the Colebrook United States Post Office for 20 years. Important in her life was travelling with her family and as a member of the National Association of Postmasters throughout the United States. As a member of the People to People Management Delegation, she travelled to China and Australia with fellow Postmasters. Ellen was a member of several Colebrook organizations including the Parent-Teacher Association for over 25 years, the Colebrook Women's Fellowship, Colebrook Senior and Community Center, the Historical Society and the Colebrook Associates.

MESSAGE FROM THE FIRST SELECTMAN'S OFFICE:

I would like to welcome our new residents to town as a number of homes have been sold in town in the past year.

The Campbell Road Bridge Project has been completed. The long overdue repaving of Church Hill Road was also accomplished. Our aging backhoe was replaced with a new model, as we continue to upgrade our public works equipment.

The Colebrook Senior Community Center has thrived with the addition of new programs and additional trips. All has been received greatly by our community and new members from adjoining towns.

Again our Colebrook Fair event held on Labor Day weekend annually grew even larger and was by far the most successful yet. A thank you to our Colebrook Fair Committee who works tirelessly to see that the event is a success.

Again, I would like to thank all the volunteers that serve on our town boards and commissions, our Fire Department and the Colebrook Senior Community Center. And, as always the town is looking for members to volunteer for our commissions. Anyone interested in volunteering can contact me at 860-379-3359 x202 or via email tommckeon@colebrooktownhall.org

Thomas D. McKeon
First Selectman

TOWN OFFICIALS

<u>OFFICE/INCUMBENT</u>	<u>TERM</u>
<u>BOARD OF SELECTMEN</u>	
Thomas D. McKeon, First Selectman	11/17/15 – 11/21/17
Joseph J. Alciati, Sr., Selectman	11/17/15 – 11/21/17
Christopher L. Johnstone, Selectman	11/17/15 – 11/21/17
<u>TOWN CLERK/REGISTRAR OF VITAL STATISTICS</u>	
Debra L. McKeon, CCTC	01/05/16 – 01/02/18
N. Joyce Nelson, Assistant	01/05/16 – 01/02/18
<u>TOWN TREASURER</u>	
Amy B. Gardner	11/17/15 – 11/21/17
<u>TAX COLLECTOR</u>	
Laura M. Bartlett	11/17/15 – 11/21/17
<u>BOARD OF FINANCE</u>	
James Millar, Jr., Chairman	11/19/13 – 11/19/19
Martha F. Neal	11/22/11 – 11/22/17
Diane E. Johnstone	11/22/11 – 11/22/17
Robert D. Carfiro	11/19/13 – 11/19/19
Thomas R. Corvo	11/17/15 – 11/16/21
Matthew J. Klimkosky	11/17/15 – 11/16/21
<u>BOARD OF EDUCATION</u>	
Jeanne R. Jones, Chairman	11/17/15 – 11/19/19
Bernard R. Adams	11/19/13 – 11/22/17
Melissa J. Miller	11/19/13 – 11/22/17
Helen Louise Plager	11/19/13 – 11/22/17
Hope L. Carfiro	11/17/15 – 11/19/19
Amy B. Gardner	11/17/15 – 11/19/19
Timothy W. Hill	11/17/15 – 11/19/19
<u>SUPERINTENDENT/PRINCIPAL</u>	
Dr. Dani Thibodeau/Beth Driscoll	860-379-2179
<u>ASSESSOR</u>	
Michele Sloane, CCMA I	860-379-3359 ext.206
<u>BOARD OF ASSESSORS</u>	
Edward A. Allen	
Geraldine M. Kassel	
Lee Ann Jasmin	
<u>BOARD OF ASSESSMENT APPEALS</u>	
Frank W. Thompson, Chairman	11/17/11 – 11/19/19
Nadia M. Corvo	11/19/13 – 11/22/17
Vacancy	11/19/13 – 11/22/17

OFFICE/INCUMBENT

TERM

CONSTABLES

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

REGISTRARS OF VOTERS

Helen Campbell, Republican	01/07/15 – 01/04/17
Karen M. Odell, Democratic	01/07/15 – 01/04/17

JUSTICES OF THE PEACE

Mary L. Baker	01/07/13 – 01/02/17
Sally A. Coleman	01/07/13 – 01/02/17
Todd H. Correll	01/07/13 – 01/02/17
John P. Parisi	01/07/13 – 01/02/17
Janet H. Rathbun	01/16/13 – 01/02/17
Sidney S. VanLeer	01/07/13 – 01/02/17
Harry E. White	01/07/13 – 01/02/17
Penelope F. White	01/16/13 – 01/02/17
Gloria M. Wilber	01/07/13 – 01/02/17
Susan T. Caufield	10/15/14 – 01/02/17

LAND USE ADMIN./Zoning Enforcement Officer

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

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

Edward G. Lord, III, Chairman	10/14 – 10/17
Edward A. Allen	10/13 – 10/16
James Millar, Jr.	10/13 – 10/16
James L. Bickford	10/14 – 10/17
Charles N. Buchanan	10/15 – 10/18

ALTERNATES

Vacancy	10/13 – 10/16
Vacancy	10/14 – 10/17
Mark E. Caufield	10/15 – 10/18

ZONING BOARD OF APPEALS

Fred P. Williams, Chairman	10/14 – 10/16
Vacancy	10/14 – 10/16
Thomas E. Lawton	10/15 – 10/17
Robert R. Lauzier	10/15 – 10/17
Carol Ann Sherwood	10/15 – 10/17

ALTERNATES

Scott T. Norton	10/13 – 10/16
Noah T. Ullman	10/14 – 10/17
Ronald J. Dorazio	10/15 – 10/18

OFFICE/INCUMBENT

TERM

INLAND WETLANDS COMMISSION

Duncan Wilber, Chairman	09/15 – 02/18
Raymond L. Swanton	02/14 – 02/17
George D. Neal	02/14 – 02/17
Todd W. Hiller	09/15 – 02/18
John H. Lossin	05/16 – 02/19

ALTERNATES

John K. Odell, Sr.	10/15 – 05/18
Raymond J. Zeyte	06/14 – 05/17
Vacancy	05/16 – 05/19

CONSERVATION COMMISSION

Jerome Rathbun, Chairman	11/01/15 – 10/31/18
James L. Bickford	11/01/13 – 10/31/16
Shayne R. Young	11/01/13 – 10/31/16
James E. Rogers	11/01/14 – 10/31/17
Sally A. Stebbins	11/01/14 – 10/31/17
Gregory P. Millard	11/01/14 – 10/31/17
Edward L. Lestinsky	11/01/14 – 10/31/17
Edna H. Travis	11/01/15 – 10/31/18
Vacancy	11/01/13 – 10/31/16
Vacancy	11/01/14 – 10/31/17
Vacancy	11/01/15 – 10/31/18

ALTERNATES

Vacancy	11/01/14 – 10/31/17
Vacancy	11/01/15 – 10/31/18
Vacancy	11/01/15 – 10/31/18

RECREATION BOARD

Tracy E. Groman, Chairman	10/15 – 10/18
Kim Janak	05/16 – 10/16
Greg F. Gardner	10/13 – 10/16
Daniel A. Ward	11/14 – 10/17
Justin Truskauskas	07/16 – 10/17
Amy E. D'Amore	10/15 – 10/18
Shayne R. Young	10/15 – 10/18

HISTORIC DISTRICT COMMISSION

Kimberly H. Crocker, Chairman	10/14 – 10/19
Julia Andresen	10/11 – 10/16
Geraldine M. Kassel	10/14 – 10/17
James L. Bickford	10/13 – 10/18
Rebecca S. Bodycoat	10/15 – 10/20

ALTERNATES

Janet H. Rathbun	10/13 – 10/16
Mary L. Baker	10/15 – 10/18
Vacancy	10/14 – 10/17

OFFICE/INCUMBENT

TERM

REGIONAL SCHOOL DISTRICT NO. 7

Theresa J. Kenneson
Lisa Ann B. Fragale

07/01/13 – 07/01/17
10/07/16 – 07/01/19

SENIOR AND COMMUNITY CENTER

Susan Cantwell, Advisory Board Chairman
Janet Fredsall, Director/Barbara Cormier, Site Manger

860-738-9521

FARMINGTON VALLEY HEALTH DISTRICT

1-800-909-3843

FIRE MARSHAL/FIRE CHEIF

Mark Melanson/Scott Thibault

860-379-3359 ext. 201

FIRE CHIEF

Scott Thibault

860-379-3359 ext. 201

EMERGENCY MANAGEMENT

Alfred R. Tillotson

860-379-3359 ext. 201

BURNING PERMIT OFFICERS

Benjamin Bartlett
Richard Wilber
Craig Carfiro
Edward Bascetta

860-738-4151
860-379-1651
860-379-5747
860-379-9215

ANIMAL CONTROL OFFICER

Gordon (Mike) Coleman

860-806-1983

JUDGE OF PROBATE (TORRINGTON)

Michael Magistrali, Esq.

860-489-2215

TOWN ATTORNEY

Muschell & Simoncelli, LLP

860-482-6501

CALENDAR OF MEETINGS

BOARD OF SELECTMEN

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

BOARD OF FINANCE

3rd Wednesday as necessary – Town Hall, 7:00 P.M.

BOARD OF EDUCATION

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

PLANNING AND ZONING COMMISSION

2nd Monday of each month – Town Hall, 6:30 P.M.

ZONING BOARD OF APPEALS

As necessary – Town Hall, 7:00 P.M.

INLAND WETLANDS COMMISSION

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

CONSERVATION COMMISSION

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

RECREATION BOARD

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

REGIONAL SCHOOL DISTRICT NO. 7

2nd and 4th Wednesdays of each month – Regional School, 6:00 P.M.
(Except July, August and December) Regular meetings during those months will be
July 2nd Wednesday, August 4th Wednesday and December 2nd Wednesday

ANNUAL TOWN BUDGET MEETING

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

ANNUAL TOWN MEETING

3rd Monday of October – Town Hall, 8:00 P.M.

ELECTION DAY

Tuesday, November 8, 2016, 6:00 A.M. – 8:00 P.M.
Town Hall, Meeting Room 2nd Floor

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.

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

TOWN TREASURER

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

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

REGISTRAR OF VOTERS

Colebrook Registrar of Voters office is opened Tuesdays and Thursdays, 9:00am-12noon, or by appointment.

Our office handles all voter registration and any changes to registration (i.e. address, party, etc.)

We are always available and welcome questions regarding voting or the election process.

Phone: 860-379-3359 x211

Email: rov@colebrooktownhall.org

Karen Odell, Democratic Registrar

Helen Campbell, Republican Registrar

LAND USE OFFICE

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

This last year saw the completion of the POCD, the Town Plan Sub Committee did a wonderful job with the update. We are currently working on updating our Zoning Regulations. Both the Wetlands Agency and the Planning and Zoning Commission have worked very hard to better understand and interpret their respective regulations through workshops and training sessions.

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

Michael J. Halloran
Land Use Administrator

ASSESSOR'S OFFICE

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

This year we will also begin preparing for the state mandated October 2015 Revaluation Update of all Real Estate in the Town of Colebrook.

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

Please stop in or call 860-379-3359 ext. 206 for more information or to request applications for any tax relief programs.

Michele Sloane, CCMAI, Assessor



The Colebrook Senior and Community Center

2 School House Road, P.O. Box 5

Colebrook, CT 06021

860-738-9521

seniordirector@colebrooktownhall.org

OUR MISSION

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

HOURS OF OPERATION

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

ACTIVITIES AND SERVICES

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

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

Regularly scheduled programs have included weekly needlecrafts, quilting, crafts, yoga and line dancing, Bingo, movies, and Garden Group. Monthly activities include day trips, health screenings, lunch with Colebrook Consolidated School classes, and scrapbooking. Annually, the Center participates in the Colebrook Fair and the Holiday Craft Fair. It holds popular fundraising dinners each year—including a Chicken BBQ in April, and a Corned Beef and Cabbage Dinner in March.

We publish a monthly Community Newsletter. The 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.

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

Barbara Cormier and Janet Fredsall, Co-Directors

The Colebrook Historical Society

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

The Rock School has been reborn with the completion of building saving stabilization measures along with interior restoration work. Truly a jewel from the past, this school was erected in 1779 educating Colebrook's children until 1911. It has never been electrified nor has it had running water or indoor plumbing! We held a Create Your Own Fairy House project this summer for children to celebrate this unique building. 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.

The Society was greatly saddened by the recent passing of our historian, Bob Grigg, who contributed so much to our board as well as to the community of Colebrook.

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

**FOOTHILLS VISITING NURSE & HOME CARE, INC.
COLEBROOK TOWN REPORT 2015-2016**

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 94 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 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 80 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. A 50% increase from the previous 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.

Seventy one (71%) percent of all our patients were age 65 or older.

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

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

This past year Foothills was able to conduct 6 public and many private flu clinics and administered 1,776 flu and pneumonia 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 seven (27) foot care procedures were performed.

Blood Pressure and Cholesterol screenings are held monthly at the Community Center. Blood Pressure readings are free of charge with Cholesterol Screenings costing \$5.00. Seventy seven (77) blood pressure screenings were performed in 2015-2016.

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 2015-2016 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, 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

NORTHWEST HILLS COUNCIL OF GOVERNMENTS

The Northwest Hills Council of Governments (COG) is the state-designated regional planning organization for the northwest corner of Connecticut. The activities of the COG are directed by the Mayors and First Selectmen from the 21 member towns. The group 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 both regional land use planning and regional service delivery.

Planning activities this year focused on the preparation of a Regional Transportation Plan, Natural Hazard Mitigation Plans, and regional food hub planning. The COG also began outreach and data collection work on a new 21-town Regional Plan of Conservation and Development and worked with member communities to implement village center revitalization strategies. More information on these and other COG activities is available on our website: www.northwesthillscog.org.

The COG secured over \$750,000 in grant funds this year to benefit member towns. These included grant funds for 1) design and engineering of a Regional Animal Shelter to serve the Torrington regional area, 2) a rural broadband and mobile enhancement study, 3) a water/wastewater study in West Cornwall, 4) an alignment study of a section of the HouBike trail in Kent and Cornwall, 5) development of a low-impact development guidebook, 6) development of a food hub feasibility study, 7) preparation of an economic impact study of the Naugatuck River Greenway, and 8) purchase of two material screeners, a sweeper, and a catch basin cleaner for the region's public works equipment cooperative.

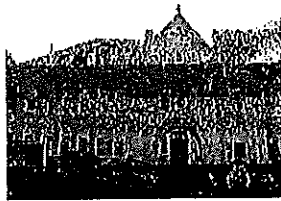
The COG also worked with the NWCT Economic Development Corporation and the NWCT Chamber of Commerce this year to 1) implement the region's Comprehensive Economic Development Strategy (CEDS), and 2) gain formal State and Federal Economic Development District designation for our 21-town region to enhance opportunities for economic development funds.

A variety of issues of regional significance were discussed at the monthly meetings of the COG this year including transportation improvement priorities, recycling and disposal of municipal solid waste, addressing the needs of our aging population, opportunities for a regional food hub to support farm businesses, enhancing broadband and cellular services in the region, responding to a hostile intruder in public buildings, housing trends, and a variety of legislative issues of local concern.

The COG continues to coordinate a number of popular regional service delivery programs including household hazardous waste collection days, a prescription assistance program, a fuel bank program, the Northwest Hills Public Works Equipment Cooperative, and the region's cooperative purchasing program. 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 and Zoning Commission members to meet and discuss items of mutual interest, hear guest speakers, and provide input on regional plans.

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. Serving as officers of the COG in FY 2015-2016 were Don Stein, Chairman; Mark Lyon, Vice Chairman; Sue Dyer, Secretary; and Bruce Adams, Treasurer.

Respectfully submitted,
Rick Lynn, AICP
Executive Director



THE BEARDSLEY LIBRARY

Serving the Towns of Barkhamsted, Colebrook and Winchester

BEARDSLEY LIBRARY BOARD OF TRUSTEES

Louise Van Alstyne, President, Winchester
Robert Geiger, Vice President, Barkhamsted
Anne Dodge, Treasurer, Barkhamsted
Jeannine Frink, Secretary, Colebrook
Heather Cappabianca, Winchester
Curtis K. Case, Barkhamsted
Alan Colavecchio, Winchester
Deborah Kane, Winchester
Richard Laveri, Winchester
Barbara Millar, Colebrook
Barbara McQueen, Barkhamsted

Karin Taylor, Library Services Director
Christine Moscarillo, Business Manager

ANNUAL REPORT TO THE COMMUNITY

2015-2016

The Library's Mission

To enrich the lives of our patrons
by promoting literacy,
lifelong learning,
and cultural enhancement
to all generations of our
diverse community.

40 Munro Place
Winsted, Connecticut 06098
Phone: 860.379.6043
FAX: 860.379.3621
www.beardsleylibrary.org

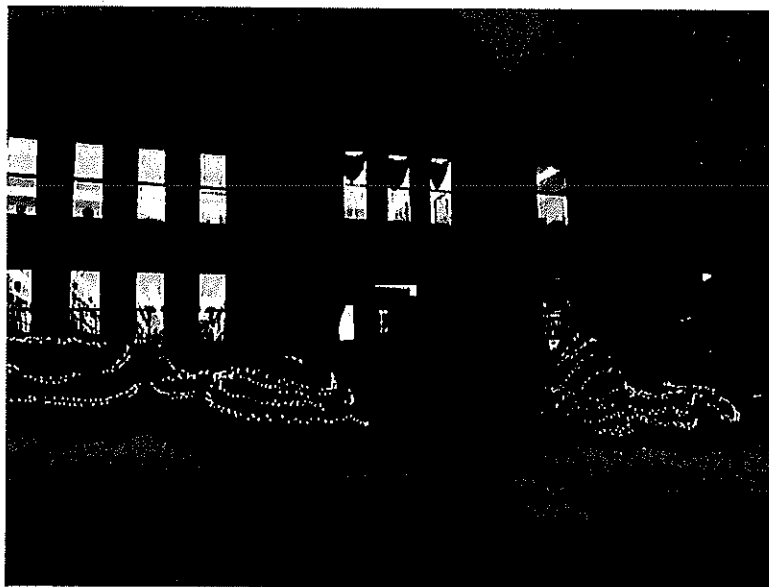


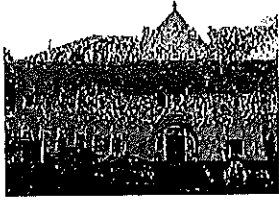
THE BEARDSLEY LIBRARY

Serving the Towns of Barkhamsted, Colebrook and Winchester

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THE BEARDSLEY LIBRARY

Serving the Towns of Barkhamsted, Colebrook and Winchester

From the Library Services Director

The library has a long history of commitment to our mission of promoting literacy, lifelong learning and cultural enhancement to all generations of our diverse community. We faced both challenges and opportunities over the past year. In February we had a flood that produced thousands of dollars of damage to the lower level of the building. Thanks to the swift action of the Winsted Fire Department and other town officials, the damage was minimized and we were able to re-open after just a few weeks. We were also awarded a State Library Construction grant to help us purchase the neighboring property to expand our parking area to accommodate library visitors. Visitors are something we have plenty of at the library as our usage continues to grow! The library is more than just a place to get books. It is a center for culture, a place to access technology, and a space for people to meet and share ideas and interests. The Beardsley Library remains a vital and treasured asset to the community, exemplifying the spirit of the towns we serve.

You will see in the following pages a snapshot of the many things the library has to offer. Through the generosity of our supporters, we are inspired to continue the tradition of providing library services on the leading edge. We are proud of our ability to preserve the historical character of Beardsley while striving to provide modern services. We are truly a 21st century library with 19th century charm!

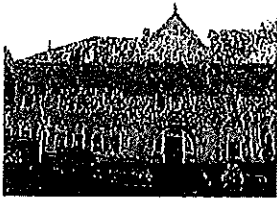


Breaking Ground!

Library Services Director, Karin Taylor, helped dig in to the new parking lot project!

Sincerely,

Karin Taylor



THE BEARDSLEY LIBRARY

Serving the Towns of Barkhamsted, Colebrook and Winchester

Statistical Highlights

Annual Circulation

60,635

Registered Borrowers

8,141

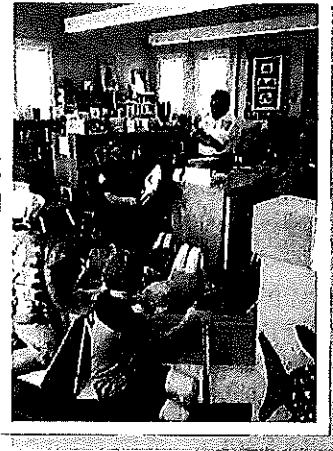
Program Attendance

Adult: 1,512

Children's: 3,038

Young Adult: 184

Public Sponsored: 656



Library Visits

24,172

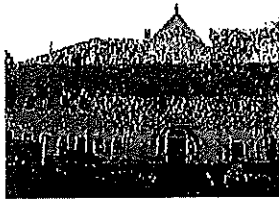
New Library Cards

567

**Total program
attendance up
11% in 2016!**

Annual Public Service Hours

2,080



THE BEARDSLEY LIBRARY

Serving the Towns of Barkhamsted, Colebrook and Winchester

Programs and Services

The Beardsley Library is very proud of our ability to expand and deliver top quality programming thanks to the generosity of organizations such as the Draper Foundation, Civic Family Services, and the Friends of the Library. In fact, our program attendance has increased over 50% since 2014! Below are a few highlights of activities over the past year.



A teen volunteer mentoring a patron in our Teens Teaching Tech program last winter .

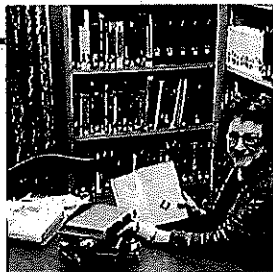


Members of our weekly Scrabble club enjoying a game on a Friday afternoon.



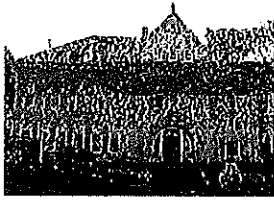
A group of young adults enjoying an after school craft activity in the Youth Room.

Our Genealogy & Local History Collection and Research Assistance is a unique service offered by the library. This year the library received over 1,000 reference requests.



Access to computers and electronic resources is one of the most important services the library offers to the community. In the past year:

- 2,754 public access computer sessions were logged.
- 3,788 eBooks circulated.
- 423 downloadable audiobooks were checked out.
- 10,993 users accessed the library's website.



THE BEARDSLEY LIBRARY

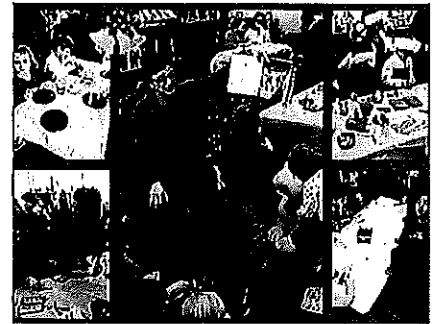
Serving the Towns of Barkhamsted, Colebrook and Winchester

Our Mission in Action

Literacy

The library strengthened its commitment to fostering literacy in the community by offering support to the local schools in several different ways.

Our staff teamed up with both the reading and library media specialists at Hinsdale and Batchelor Schools to provide books for classroom teachers to support their new reading curriculum. The children's library specialist also visited schools in Winsted, Colebrook and Barkhamsted to do outreach story times and to promote the summer reading program.



Lifelong Learning



The library serves as an incubator for learning and exploration by providing people with the opportunity to explore new concepts, subjects and skills. In fact, many of our hands-on classes this year required offering multiple sessions due to their popularity. We hosted workshops on such topics as stone wall building, pottery, painting, re-upholstery, and bee keeping, just to name a few. Pictured to the left is a group of adults learning the art of needle felting.

Cultural Enhancement

This year the library partnered with Northwestern Connecticut Community College on The Big Read. The two libraries received a \$15,000 grant from the National Endowment for the Arts to sponsor a series of programs related to one book and its themes. We chose "When the Emperor Was Divine," by Julie Otsuka. Some of the highlights of The Big Read were a traditional Japanese tea ceremony performed by The Japan Society of Greater Hartford, a Japanese music concert with the Kaoru Watanabe quartet on the Green at East End Park, over 12 book discussions, and many craft and cultural programs for children and teens.



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, 2015, 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, 2015, 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 2014 financial statements, and our report dated January 20, 2014, 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, 2014, 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

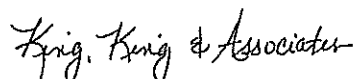
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Colebrook, CT's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and supplemental schedules, are presented for 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 January 20, 2014, on our consideration of the Town of Colebrook, CT's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Colebrook, CT's internal control over financial reporting and compliance.



King, King & Associates, CPAs
Winsted, Connecticut
January 22, 2016

TOWN OF COLEBROOK
Management's Discussion and Analysis
June 30, 2015

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, 2015.

Financial Highlights

- The assets of the Town of Colebrook, CT exceeded its liabilities at the close of the most recent fiscal year by \$9,264,321 (net position). Of this amount, \$1,252,854 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors. The Capital Projects, Dog, Cemetery, Education Grants, and Historical Preservation funds had Restricted Net Position that amounted to \$115,360. The remainder of the government's net position is invested in capital assets.
- As of the close of the current fiscal year, the Town of Colebrook, CT's governmental funds reported combined ending fund balances of \$1,400,622, an decrease of \$174,300 in comparison with the prior year and attributable to increased property tax collection rates and expense related to education, refuse disposal and general government being less than anticipated. Of this amount, \$1,260,965 is available for spending at the government's discretion (unassigned fund balance), and \$0 has been assigned for subsequent year's appropriations.
- At the end of the current fiscal year, the fund balance for the General Fund was \$1,462,702, or 25% 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 is 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, 2015

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 18-34 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Colebrook, CT, assets exceeded liabilities by \$9,466,166 at the close of the most recent fiscal year.

TOWN OF COLEBROOK
Management's Discussion and Analysis
June 30, 2015

	<u>2015</u>	<u>2014</u>
Current and Other Assets	\$ 1,838,566	\$ 1,996,935
Capital Assets	<u>8,346,107</u>	<u>7,924,901</u>
Total Assets	<u>\$ 10,184,673</u>	<u>\$ 9,921,836</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>
Other Liabilities	\$ 319,963	\$ 250,438
Long-Term Liabilities Outstanding	<u>600,389</u>	<u>657,389</u>
Total Liabilities	<u>920,352</u>	<u>907,827</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>
Net Position:		
Net Investment in Capital Assets	7,896,107	7,424,901
Restricted	115,360	105,116
Unrestricted	<u>1,252,854</u>	<u>1,483,992</u>
Total Net Position	<u>\$ 9,264,321</u>	<u>\$ 9,014,009</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* (\$1,252,854) 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 \$250,312 during this fiscal year.

TOWN OF COLEBROOK
Management's Discussion and Analysis
June 30, 2015

Revenues:

General Revenues:

Property Taxes	\$ 5,227,958	\$ 5,037,434
Unrestricted Investment Income	1,725	1,211
Grants and Contributions	49,509	49,204
Other Income	17,202	37,121

Program Revenues:

Charges for Services	94,918	77,172
Operating Grants and Contributions	983,946	971,249
Capital Grants and Contributions	596,976	213,465

Total Revenues	<u>6,972,234</u>	<u>6,386,856</u>
-----------------------	-------------------------	-------------------------

Expenses:

Governmental Activities:

General Government	694,634	635,467
Public Safety	131,536	157,373
Highways	1,557,841	898,952
Sanitation	200,970	198,283
Health and Welfare	78,122	79,104
Education	4,014,288	3,887,177
Other	44,531	45,582

Total Expenses	<u>6,721,922</u>	<u>5,901,938</u>
-----------------------	-------------------------	-------------------------

<i>Change in Net Position</i>	250,312	484,918
Beginning Net Position	<u>9,014,009</u>	<u>8,529,091</u>
Ending Net Position	<u>\$ 9,264,321</u>	<u>\$ 9,014,009</u>

Governmental activities. Governmental activities increased the Town of Colebrook, CT's net position by \$250,312.

Key elements of the activities are as follows:

Seventy-five percent (75%) of the revenues of the Town were derived from property taxes, followed by twenty-three percent (23%) from grants and contributions, followed by one percent (1%) from charges for services, followed by one percent (1%) from investment and other income.

Major revenue factors included:

- Total intergovernmental revenues received by the General Fund exceeded budget by approximately 10%.
- Net revenue from property taxes was 2% more than budgeted. The increase in current year tax collections was helped by better-than-expected collection of prior year taxes and interest, liens, and fees.

For Governmental Activities, 60% of the Town's expenses relate to education and repayment of long-term debt for school construction, 3% relates to public safety and health and welfare, 23% relates to highways, and the remaining 14% relates to government, community services, administration and other areas.

TOWN OF COLEBROOK
Management's Discussion and Analysis
June 30, 2015

Major expense factors include:

- Unanticipated repairs to aging trucks, equipment, and Town buildings resulted in increased expense in these areas.
- Road maintenance expenses were higher than estimated due to increased winter maintenance.

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the Town of Colebrook, CT's governmental funds reported combined ending fund balances of \$1,400,622, a decrease of \$174,300 in comparison with the prior year. Ninety percent (90%) 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 \$1,462,702 of which \$0 was assigned for subsequent year's appropriations. This represents an increase of \$85,346, primarily due to higher than anticipated Property tax and Town Operations revenues.

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents twenty-five percent (25%) of total General Fund expenditures.

General Fund Budgetary Highlights

- Property tax revenue collections were greater than anticipated.
- Total spending on education was 1% less than budgeted; the Colebrook Consolidated School ended the year with a 1.7% budget surplus.
- Revenues from Town Operations increased 25% from budget.

Capital Projects Fund Highlights

- The annual appropriation for the Capital Projects Fund was set at \$400,000.
- Grant revenue totaled \$202,742, of which 35% was related to the Campbell Road Bridge project.

Other Fund Highlights

- The Post Office Fund showed a \$4,471 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, 2015, amounts to \$8,546,107 (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.

TOWN OF COLEBROOK
 Management's Discussion and Analysis
 June 30, 2015

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

- Old Forge Bridge – \$251,098
- Campbell Road Bridge - \$359,230
- CFD Replacement Tanker - \$29,000
- Senior Center Van - \$51,645
- Historical Society Exterior Painting - \$63,383

	<u>2015</u>	<u>2014</u>
Land and Infrastructure	\$ 4,012,974	\$ 3,969,923
Construction in Progress	558,732	172,993
Buildings and Improvements	3,034,910	3,065,970
Furniture and Fixtures	536	1,745
Vehicles	602,674	607,736
Machinery and Equipment	136,281	106,534
Total	<u>\$ 8,346,107</u>	<u>\$ 7,924,901</u>

Additional information on the Town of Colebrook, CT's capital assets can be found in Note 4 on pages 25-26 of this report.

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

	<u>2015</u>	<u>2014</u>
Notes Payable	\$ 450,000	\$ 500,000
Early Retirement Incentive	-	7,000
CVFD Tax Abatement	150,389	150,389
Total	<u>\$ 600,389</u>	<u>\$ 657,389</u>

Additional information on the Town of Colebrook, CT's long-term debt can be found in Note 7 on pages 31-32 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 2015-2016 fiscal year.

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

Request for Information

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

TOWN OF COLEBROOK

Statement of Net Position

June 30, 2015

	Governmental Activities
Assets	
<i>Current Assets:</i>	
Cash and Cash Equivalents	\$ 1,343,695
State and Federal Grants Receivable	265,009
Taxes Receivable	174,873
Interest Receivable	54,367
Other Receivables	-
Other Current Assets	622
Total Current Assets	1,838,566
<i>Noncurrent Assets:</i>	
<i>Capital Assets:</i>	
Nondepreciable	898,815
Depreciable Buildings and Equipment, net	7,447,292
Total Assets	\$ 10,184,673
 Deferred Outflows of Resources	 -
Liabilities	
<i>Current Liabilities:</i>	
Accounts Payable	\$ 289,977
Accrued Payroll	13,431
Refundable Advances	881
Due to Others	13,829
Due to State of Connecticut	1,845
Total Current Liabilities	319,963
<i>Noncurrent Liabilities</i>	
Due within One Year	50,000
Due in More than One Year	550,389
Total Noncurrent Liabilities	600,389
Total Liabilities	920,352
 Deferred Inflows of Resources	 -
Net Position	
Net Investment in Capital Assets	7,896,107
Restricted	115,360
Unrestricted	1,252,854
Total Net Position	\$ 9,264,321

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, 2015

Functions/Programs	Program Revenues			Net (expense)/revenue and changes in net position
	Expenses	Charges for Services	Operating Grants and Contributions	
Primary Government:				
Governmental Activities				
General Government	\$ 694,634	\$ 59,379	\$ 5,517	\$ 63,383
Public Safety	131,536	2,915	1,050	5,830
Highways	1,557,841	603	200,862	498,679
Sanitation	200,970	-	-	-
Health and Welfare	78,122	7,520	54,721	25,000
Education	4,014,288	24,501	721,796	4,084
Other	44,531	-	-	-
Total Governmental Activities	6,721,922	94,918	983,946	596,976
Total Primary Government	\$ 6,721,922	\$ 94,918	\$ 983,946	\$ 596,976
General Revenues:				
Property Taxes Levied for General Purposes				5,227,958
Unrestricted Investment Income				1,725
Grants and Contributions Not Restricted to Specific Purpose				49,509
Other Income				17,202
Total General Revenues				5,296,394
Change in Net Position				250,312
Net Position - Beginning				9,014,009
Net Position - Ending				\$ 9,264,321

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

TOWN OF COLEBROOK
 Balance Sheet
 Governmental Funds
 June 30, 2015
 (With Comparative Totals for June 30, 2014)

Assets	General Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds	
				2015	2014
Cash and Cash Equivalents	\$ 1,282,319	\$ 22,341	\$ 39,035	\$ 1,343,695	\$ 1,700,886
Taxes Receivable	174,873	-	-	174,873	140,468
State and Federal Grants Receivable	-	262,043	2,966	265,009	81,390
Other Receivables	-	-	-	-	-
Interfund Receivables	261,256	-	101,051	362,307	108,491
Inventory	-	-	622	622	1,208
Total Assets	\$ 1,718,448	\$ 284,384	\$ 143,674	\$ 2,146,506	\$ 2,032,443
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts Payable	\$ 63,821	\$ 226,156	\$ -	\$ 289,977	\$ 16,761
Accrued Payroll	13,431	-	-	13,431	14,580
Due to State of Connecticut	-	-	1,845	1,845	1,693
Refundable Advances	-	-	881	881	205,321
Due to Others	13,829	-	-	13,829	12,083
Interfund Payables	101,051	259,965	1,291	362,307	108,491
Total Liabilities	192,132	486,121	4,017	682,270	358,929
Deferred Inflows of Resources:					
Deferred Revenue-Taxes	63,614	-	-	63,614	98,592
Total Deferred Inflows of Resources	63,614	-	-	63,614	98,592
Fund Balance:					
Nonspendable:					
Cafeteria Inventory	-	-	622	622	1,208
Restricted For:					
Dog Fund	-	-	1,547	1,547	-
Cemetery	-	-	100,419	100,419	92,891
Education Grants	-	-	466	466	466
Historical Document Preservation	-	-	3,262	3,262	2,696
Committed To:					
Capital Projects	-	-	-	-	73,592
Post Office	-	-	28,403	28,403	23,932
School Cafeteria	-	-	4,938	4,938	3,640
Unassigned	1,462,702	(201,737)	-	1,260,965	1,376,497
Total Fund Balance	1,462,702	(201,737)	139,657	1,400,622	1,574,922
Total Liabilities and Fund Balance	\$ 1,718,448	\$ 284,384	\$ 143,674	\$ 2,146,506	\$ 2,032,443

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.	8,346,107
Deferred revenue for property taxes are reported in the funds but accrued as revenue in the government-wide statements and added to net position.	63,614
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.	54,367
Some long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(600,389)
Net position of governmental activities	\$ 9,264,321

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, 2015
(With Comparative Totals for June 30, 2014)

	General Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds	
				2015	2014
Revenues:					
Property Taxes	\$5,281,552	\$ -	\$ -	\$ 5,281,552	\$5,068,981
Investment Income	1,649	68	8	1,725	1,211
Fees and Charges	58,781	603	35,534	94,918	77,172
Contributions	-	5,830	-	5,830	14,610
Intergovernmental Revenue	1,026,933	591,146	44,236	1,662,315	1,219,308
Other	9,273	1,375	6,554	17,202	37,121
Total Revenues	<u>6,378,188</u>	<u>599,022</u>	<u>86,332</u>	<u>7,063,542</u>	<u>6,418,403</u>
Expenditures:					
Current					
General Government	584,744	-	6,951	591,695	547,349
Public Safety	72,246	-	2,509	74,755	102,462
Highways	827,762	-	-	827,762	727,626
Senior Center	37,196	-	-	37,196	40,240
Health and Welfare	30,496	-	-	30,496	31,555
Miscellaneous	44,531	-	-	44,531	45,582
Sanitation	200,970	-	-	200,970	198,283
Education	3,931,647	-	63,189	3,994,836	3,844,670
Debt Service	71,250	-	-	71,250	73,375
Capital Outlay	-	1,364,351	-	1,364,351	579,867
Total Expenditures	<u>5,800,842</u>	<u>1,364,351</u>	<u>72,649</u>	<u>7,237,842</u>	<u>6,191,009</u>
Excess/(Deficiency) of Revenues Over Expenditures	577,346	(765,329)	13,683	(174,300)	227,394
Other Financing Sources/(Uses):					
Operating Transfers Out	(492,000)	-	-	(492,000)	(400,000)
Operating Transfers In	-	490,000	2,000	492,000	400,000
Total Other Financing Sources/(Uses)	<u>(492,000)</u>	<u>490,000</u>	<u>2,000</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	85,346	(275,329)	15,683	(174,300)	227,394
Fund Balance at Beginning of Year	<u>1,377,356</u>	<u>73,592</u>	<u>123,974</u>	<u>1,574,922</u>	<u>1,347,528</u>
Fund Balance End of Year	<u>\$ 1,462,702</u>	<u>\$ (201,737)</u>	<u>\$ 139,657</u>	<u>\$ 1,400,622</u>	<u>\$ 1,574,922</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, 2015

Net Change in Fund Balances - Total Governmental Funds \$ (174,300)

**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>	1,068,350
<i>Depreciation expense</i>	(447,144)

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>	(34,978)
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Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

<i>Early Retirement Incentive</i>	7,000
<i>CVFD Tax Abatement Obligation</i>	-
<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>(18,616)</u>
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Change in net position of governmental activities. \$ 450,312

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, 2015

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Over/ (Under)</u>
Revenues:				
Taxes	\$ 5,166,046	\$ 5,166,046	\$ 5,281,552	\$ 115,506
Investment Income	2,000	2,000	1,649	(351)
Fees and Charges	40,000	40,000	54,199	14,199
Intergovernmental Revenue	748,380	748,380	824,162	75,782
Other	10,000	10,000	9,273	(727)
Appropriated from Surplus	-	-	-	-
Total Revenues	<u>5,966,426</u>	<u>5,966,426</u>	<u>6,170,835</u>	<u>204,409</u>
Expenditures:				
General Government	529,106	529,106	505,698	(23,408)
Public Safety	72,862	72,862	73,991	1,129
Highways	740,769	740,769	776,809	36,040
Town Hall	50,000	50,000	79,046	29,046
Senior Center	51,767	51,767	37,196	(14,571)
Health and Welfare	32,633	32,633	30,496	(2,137)
Miscellaneous	47,331	47,331	43,194	(4,137)
Refuse Disposal	208,000	208,000	200,970	(7,030)
Debt Service	71,250	71,250	71,250	-
Other Expenditures	-	-	63,216	63,216
Education	3,741,101	3,741,101	3,711,092	(30,009)
Capital Outlay	400,000	400,000	490,000	90,000
Total Expenditures	<u>5,944,819</u>	<u>5,944,819</u>	<u>6,082,958</u>	<u>138,139</u>
Excess of Revenues over Expenditures	<u>\$ 21,607</u>	<u>\$ 21,607</u>	<u>\$ 87,877</u>	<u>\$ 66,270</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, 2015
(With Comparative Totals for June 30, 2014)

	<u>Pension</u> <u>Trust Fund</u>	<u>Agency</u> <u>Funds</u>	<u>Totals</u>	
			<u>2015</u>	<u>2014</u>
Assets				
Cash and Cash Equivalents	\$ -	\$ 58,890	\$ 58,890	\$ 51,096
Investments	<u>167,012</u>	<u>-</u>	<u>167,012</u>	<u>151,098</u>
Total Assets	<u>\$ 167,012</u>	<u>\$ 58,890</u>	<u>\$ 225,902</u>	<u>\$ 202,194</u>
Deferred Outflows of Resources				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities				
Due to Beneficiaries	\$ -	\$ 57,668	\$ 57,668	\$ 49,502
Due to Others	<u>-</u>	<u>1,222</u>	<u>1,222</u>	<u>1,594</u>
Total Liabilities	<u>-</u>	<u>58,890</u>	<u>58,890</u>	<u>51,096</u>
Deferred Inflows of Resources				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position				
Restricted for Pension Benefits	<u>167,012</u>	<u>-</u>	<u>167,012</u>	<u>151,098</u>
Total Net Position	<u>\$ 167,012</u>	<u>\$ -</u>	<u>\$ 167,012</u>	<u>\$ 151,098</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, 2015 and 2014

	Pension Trust Fund	
Additions	<u>2015</u>	<u>2014</u>
Contributions	\$ 12,671	\$ 12,833
Investment Income	<u>6,167</u>	<u>38,127</u>
Total Additions	<u>18,838</u>	<u>50,960</u>
Deductions		
General Government	<u>2,924</u>	<u>82,805</u>
Total Deductions	<u>2,924</u>	<u>82,805</u>
Change in Net Position	15,914	(31,845)
Net Position - Beginning	<u>151,098</u>	<u>182,943</u>
Net Position - Ending	<u>\$ 167,012</u>	<u>\$ 151,098</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.

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.

TOWN OF COLEBROOK
Notes to the Financial Statements

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.

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.

TOWN OF COLEBROOK
Notes to the Financial Statements

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.

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.

TOWN OF COLEBROOK
Notes to the Financial Statements

- 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.

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	\$ 6,170,835	\$ 6,082,958	\$ -	\$ 87,877
Revenue Adjustments for:				
Fees & Charges	(1,223)	-	-	(1,223)
CT Teacher's Retirement	208,576	-	-	208,576
Other Revenues	-	-	-	-
Expenditure Adjustments for:				
Transfers Out	-	(492,000)	(492,000)	-
CT Teacher's Retirement	-	208,576	-	(208,576)
Other Expenditures	-	1,308	-	(1,308)
Balance, GAAP Basis	<u>\$ 6,378,188</u>	<u>\$ 5,800,842</u>	<u>\$ (492,000)</u>	<u>\$ 85,346</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.

TOWN OF COLEBROOK
Notes to the Financial Statements

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, 2014 and 2013:

	Governmental	Fiduciary	Totals	
	Funds	Funds	<u>2015</u>	<u>2014</u>
Demand Accounts	\$ 321,458	\$ 58,890	\$ 380,348	\$ 329,764
Short Term Investment Fund	1,022,237	-	1,022,237	992,054
MBIA CLASS Fund	-	-	-	430,164
Total Cash and Cash Equivalents	<u>\$ 1,343,695</u>	<u>\$ 58,890</u>	<u>\$ 1,402,585</u>	<u>\$ 1,751,982</u>

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 \$380,348 and the bank balance was \$576,714. Of the bank balance, Federal Depository Insurance Corporation covered \$250,000. As of June 30, 2015, \$262,583 of the Town's demand bank balance of \$576,714 was exposed to custodial credit risk as follows:

	<u>Demand Accounts</u>
Uninsured and uncollateralized	\$ 238,325
Uninsured and collateral held by pledging bank's Trust department not in the Town's name	<u>24,258</u>
Total	<u>\$ 262,583</u>

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

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

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

	<u>2015</u>	<u>2014</u>
Mutual Funds	\$ 167,012	\$ 151,098
Total	<u>\$ 167,012</u>	<u>\$ 151,098</u>

TOWN OF COLEBROOK
Notes to the Financial Statements

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>2015</u>	<u>2014</u>
Deferred Property Taxes	\$63,614	\$98,592
Deferred Grant Revenue	\$881	\$205,321

NOTE 4 – CAPITAL ASSETS

The following is a summary of net changes in fixed assets for the fiscal year ending June 30, 2015:

	<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	172,993	385,739	-	558,732
Total capital assets, not being depreciated	513,076	385,739	-	898,815
Capital assets, being depreciated:				
Buildings & Improvements	5,174,219	89,354	-	5,263,573
Infrastructure	4,141,413	258,587	-	4,400,000
Furniture & Fixtures	8,468	-	-	8,468
Vehicles	1,485,117	80,645	-	1,565,762
Machinery and Equipment	500,298	54,025	-	554,323
Total capital assets being depreciated	11,309,515	482,611	-	11,792,126
Less accumulated depreciation for:				
Buildings & Improvements	2,108,249	120,415	-	2,228,664
Infrastructure	511,573	215,535	-	727,108
Furniture & Fixtures	6,723	1,210	-	7,933
Vehicles	877,381	85,708	-	963,089
Machinery and Equipment	393,764	24,276	-	418,040
Total accumulated depreciation	3,897,690	447,144	-	4,344,834
Total capital assets, being depreciated, net	7,411,825	35,467	-	7,447,292
Governmental activities capital assets, net	\$ 7,924,901	\$ 421,206	\$ -	\$ 8,346,107

TOWN OF COLEBROOK
Notes to the Financial Statements

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

Governmental Activities:	<u>2015</u>	<u>2014</u>
General Government	\$ 63,817	\$ 61,763
Highways	280,079	171,129
Public Safety	46,749	46,652
Health and Welfare	7,055	7,309
Education	<u>49,444</u>	<u>52,488</u>
Total Depreciation Expense	<u>\$ 447,144</u>	<u>\$ 339,341</u>

The Town has active construction projects as of June 30, 2015. The year-end total accumulated construction costs are:

Campbell Brook Bridge	\$ 522,482
School Well Project	<u>\$ 36,250</u>
	<u>\$ 558,732</u>

The remaining cost to complete the Campbell Brook Bridge is estimated to be \$512,000. The remaining cost to complete the School Well Project is \$49,543.

NOTE 5 – PENSION PLANS

Connecticut State Teacher's Retirement System

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

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

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

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

TOWN OF COLEBROOK
Notes to the Financial Statements

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. The contributions made by the State on behalf of the District for the year ended June 30, 2015 were estimated to be \$170,862, and were recognized as revenues and expenditures in the General Fund.

Employees: Participants are required to contribute 7.25% of their annual salary to the System as required by the CGS Section 10-183b(7). For the year ended June 30, 2015 the certified teachers' contribution to the Connecticut Teachers Retirement Board was \$59,068. Covered payroll for the district for the year ended June 30, 2015 was approximately \$814,731.

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions: At June 30, 2015 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's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>2,277,295</u>
Total	<u>\$ 2,277,295</u>

The net pension liability was measured as of June 30, 2014, 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, 2015 the Town had no proportionate share of the net pension liability.

For the year ended June 30, 2015, the Town recognized benefits expense and contribution revenue of \$170,862 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized \$208,576 for pension expense related to actuarial liabilities for on-behalf amounts for the benefits provided by the State.

Actuarial Assumptions: The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005 through June 30, 2010. The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	3.00 Percent
Salary increases, including inflation	3.75-7.00 Percent
Long-term investment rate of return, net of pension investment expense,	8.50 Percent

TOWN OF COLEBROOK
Notes to the Financial Statements

including inflation.

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large cap U.S. Equities	21.00%	7.3%
Developed non-U.S. Equities	18.00%	7.5%
Emerging Markets (non-U.S.)	9.00%	8.6%
Core Fixed Income	7.00%	1.7%
Inflation linked Bond Funds	3.00%	1.3%
Emerging Market Bond	5.00%	4.8%
High-yield Bonds	5.00%	3.7%
Real Estate	7.00%	5.9%
Private Equity	11.00%	10.9%
Alternative Investments	8.00%	0.7%
Liquidity Fund	6.00%	0.4%
Total	<u>100%</u>	

Discount Rate: The discount rate used to measure the total pension liability was 8.5%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Town Employees

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

An eligible employee is one who has worked a minimum of 1,675 hours during the plan year, and who is actively employed as of the annual plan valuation date.

TOWN OF COLEBROOK
Notes to the Financial Statements

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 2014-2015. Any participant who is age 50 or older could be eligible for a "catch-up" contribution of \$5,500 in 2014-2015. Income accumulated tax-free until distribution from the plan.

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

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

The Town's required 5% contribution was \$10,588. The Board of Education's required 5% contribution was \$2,084. There were \$2,924 in benefit payouts this year. There were no participant contributions for the year.

At June 30, 2015, membership in the Plan consisted of:

Current employees:	
Fully or partially vested	
Town	4
Board of Education	1
Nonvested	
Terminated/Retired	1
Town	1
Total	<u>7</u>

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

Significant Accounting Policies

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

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

NOTE 6 – OTHER POSTEMPLOYMENT BENEFITS

Description

The Town has established and administers the Town of Colebrook Volunteer Fire Department Tax Abatement Program. The program provides a real estate and/or motor vehicle property tax abatement for eligible members and senior members for up to but not to exceed \$1,000 or amount of their property for the fiscal year immediately following the certification date. Active members must earn 60 service points in the calendar year preceding the start of the Town's next fiscal year. Senior members receive a "Post Employment" lifetime tax abatement benefit. To be eligible for senior member status, a member must: complete at least 25 years as an active member; turn age 60 or

TOWN OF COLEBROOK
Notes to the Financial Statements

greater by December 31st during the preceding tax year of senior member tax abatement; be an active current member to be eligible for lifetime abatement; once an active member becomes a lifetime member, they do not have to continue to be an active member beyond the first eligibility year; own taxable or real property in Town of Colebrook, benefits will cease at anytime the participant does not own taxable or real property in Town of Colebrook. Benefits will cease at death and will not be available to spouse. The Town is applying the requirements of GASB No.45 prospectively. The plan currently includes 60 active participants and 3 retired participants receiving the benefit.

Funding Policy

The contribution requirements are established and may be amended by the Town. The Town appropriates funds annually for the costs associated with this retirement benefit through the General Fund. The revenue loss for the tax abatement program is recognized on the budget basis as a reduction of property tax revenue. During the year the revenue loss totaled \$16,814.

Annual OPEB Cost and Net OPEB Obligation

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

	<u>June 30, 2013</u>
Vested Other Post Employment Benefits Accumulated Obligation	
Active Participants	\$ 39,606
Retired and Vested Terminated Participants	24,619
Total	64,225
Non-Vested Other Post Employment Benefits Accumulated Obligation	86,164
Total Other Post Employment Benefits Accumulated Obligation	150,389
Effects of Estimated Future Pay Increases	-
Total Other Post Employment Benefits Projected Obligation	150,389
Market Value of Assets (including receivables)	-
Unfunded Other Post Employment Benefits Projected Obligation	\$ 150,389

The Town's vested OPEB accumulated obligation, the non-vested OPEB accumulated obligation, and the unfunded OPEB projected obligation for 2013 are as follows:

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

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

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

Fiscal Year Ending	Annual Required Contribution (ARC)	Employer Contributions Paid	Percentage of ARC Paid
June 30, 2015	\$ 17,215	\$ -	0.00%
June 30, 2014	\$ 17,215	\$ -	0.00%
June 30, 2013	17,215	-	0.00%

TOWN OF COLEBROOK
Notes to the Financial Statements

Funding Status and Funding Progress

As of June 30, 2013, the most recent actuarial valuation date, the actuarial accrued liability for benefits was \$150,389. The Town's policy is to fund the benefits through a reduction of property tax revenue annually, resulting in an unfunded actuarial accrued liability (UAAL) of \$150,389.

Actuarial Methods and Assumptions

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Projections of benefits for financial reporting purposes are based on the substantive plan and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. In the June 30, 2013 actuarial valuation, the projected unit credit actuarial cost method was applied. The actuarial assumptions included a 5.0 percent discount rate. No assumption was made for rate of inflation. The amortization method is level annual amount. The UAAL is being amortized over a closed period of 27 years as of July 1, 2012. The asset valuation basis is market value. The valuation followed generally accepted actuarial methods and included tests as considered necessary to assure the accuracy of the results.

NOTE 7 – LONG-TERM OBLIGATIONS

Long-Term Obligation Activity

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

Early retirement incentives were accepted by two teachers in the 2011-2012 fiscal year. The offers consist of three years of payments totaling 56,000. The final payment was made in the 2014-2015 fiscal year.

Changes in long-term obligations for the year ended June 30, 2015, 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%	\$ 500,000	\$ -	\$ 50,000	\$ 450,000
Early Retirement Incentive-BOE		7,000	-	7,000	-
CVFD Tax Abatement OPEB Obligation		150,389	-	-	150,389
Total		<u>\$ 657,389</u>	<u>\$ -</u>	<u>\$ 57,000</u>	<u>\$ 600,389</u>

Current Portion of Long-Term Debt

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

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

TOWN OF COLEBROOK
Notes to the Financial Statements

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

Governmental Activities:	<u>2015</u>	<u>2014</u>
General Government	\$ 21,250	\$ 23,375
Total Interest Expense	<u>\$ 21,250</u>	<u>\$ 23,375</u>

Debt Service Requirements

Debt service requirements on long-term debt at June 30, 2014 are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>
2016	50,000	19,125
2017	50,000	17,000
2018	50,000	14,875
2019	50,000	12,750
2020	50,000	10,625
2021-2024	<u>200,000</u>	<u>21,250</u>
Total	<u>\$ 450,000</u>	<u>\$ 95,625</u>

NOTE 8 – CONTINGENT LIABILITIES

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 10.68%, which is based upon student enrollment. The Town's portion of the bond principal for Regional School District No. 7 is as follows:

Bonds Outstanding	<u>Principal</u> \$3,436,386
Town's Pro Rata %	10.68%
Town's Share	<u>\$ 367,006</u>

NOTE 9 – INTERFUND ACCOUNTS

At June 30, 2015, interfund balances were as follows:

<u>Due From:</u>	<u>Due To:</u>		<u>Totals</u>	
	<u>Nonmajor</u> <u>Funds</u>	<u>General</u> <u>Fund</u>	<u>2015</u>	<u>2014</u>
General Fund	\$ 101,051	\$ -	\$ 101,051	\$ 106,980
Capital Projects	-	259,965	259,965	220
Nonmajor	-	1,291	<u>1,291</u>	<u>1,291</u>
Total	<u>\$ 101,051</u>	<u>\$ 261,256</u>	<u>\$ 362,307</u>	<u>\$ 108,491</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 the Capital Projects Fund represents funds held in the General Fund for Capital Projects.

TOWN OF COLEBROOK
Notes to the Financial Statements

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

Interfund Transfers for the year are summarized below:

Transfers From <u>and Purpose</u>	General <u>Fund</u>	Capital Projects <u>Fund</u>	Nonmajor <u>Funds</u>	<u>Totals</u>	
				<u>2015</u>	<u>2014</u>
General Fund					
<i>Budgeted Expenditure</i>	\$ -	\$ 490,000	\$ 2,000	\$ 492,000	\$ 400,000
	<u>\$ -</u>	<u>\$ 490,000</u>	<u>\$ 2,000</u>	<u>\$ 492,000</u>	<u>\$ 400,000</u>

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

NOTE 10 – OPERATING LEASES

In May 2011, the Board of Education signed a lease for two copiers. The lease requires 60 monthly payments of \$209. Total lease payments in the current fiscal year were \$2,304.

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:

2016	5,784
2017	3,480
2018	3,480
2019	580

NOTE 11 – FUND BALANCES

The following balances were committed at June 30:

	<u>2015</u>	<u>2014</u>
Capital Projects	\$ -	\$ 73,592
Post Office Fund	28,403	23,932
School Cafeteria Fund	<u>4,938</u>	<u>3,640</u>
Total	<u>\$ 33,341</u>	<u>\$ 101,164</u>

The following nonmajor funds had deficit fund balances at June 30:

<i>Governmental Funds</i>		
Dog Fund	-	(859)
	<u>\$ -</u>	<u>\$ (859)</u>

TOWN OF COLEBROOK
Notes to the Financial Statements

NOTE 12 – ADOPTION OF NEW ACCOUNTING PRONOUNCEMENT

The Town adopted GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* during the fiscal year. The most significant change in reporting for the Town's defined contribution plan is the disclosure of employee forfeitures that occur in the trust account. The adoption of these standards also required significant additions to the footnote disclosures and required supplementary information regarding the Connecticut State Teachers' Retirement System.

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TOWN OF COLEBROOK
 State Teacher's Retirement System
 Proportionate Share of Net Pension Liability and Schedule of Contributions
 June 30, 2015

Schedule of Proportionate Share of Net Pension Liability

Town's proportion of the net pension liability	0.00%
Town's proportionate share of the net pension liability	\$ -
State of Connecticut's proportionate share of the net pension associated with Town	<u>2,277,295</u>
Total	<u>\$ 2,277,295</u>
Town's covered-employee payroll	<u>\$ 814,731</u>
Town's proportionate share of the net pension liability (asset) as a percentage of its covered -employee payroll.	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>0.00%</u>

Schedule of Contributions

Contractually required contribution (1)	(1) \$ -
Contributions in relation to the contractually required contribution	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>
Town's covered payroll	<u>\$ 814,731</u>
Contributions as a percentage of covered-employee payroll	<u>0.00%</u>

(1) Local employees are not required to contribute to the plan

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, 2015

Change of benefit terms	None
Changes of assumptions	In 2011, rates of withdrawal, retirement and assumed rates of salary increase were adjusted more closely to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five year period ended June 30, 2010.
Actuarial Cost Method	Entry Age
Amortization Period	Level percent of salary, closed
Remaining Amortization Period	22.4 years
Asset Valuation Method	4 year smoothed market
Inflation	3.00%
Salary Increases	3.75%-7.00% average, including inflation
Investment Rate of Return	8.50%, net of pension plan investment expense, including inflation

Town of Colebrook
 Schedule of Funding Progress
 For the Year Ended June 30, 2015

TOWN OF COLEBROOK POST-EMPLOYMENT FIRE DEPARTMENT TAX ABATEMENT BENEFITS

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

TOWN OF COLEBROOK

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General Fund

Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2015

	Original Budget	Amended Budget	Actual	Over (Under)
REVENUES				
Taxes:				
Property Taxes	\$ 5,106,046	\$ 5,106,046	\$ 5,232,991	\$ 126,945
Interest and Liens	60,000	60,000	48,561	(11,439)
Total Taxes	<u>5,166,046</u>	<u>5,166,046</u>	<u>5,281,552</u>	<u>115,506</u>
Intergovernmental Revenue:				
Senior Center Grants	-	-	3,768	3,768
Telephone Access Line Tax Share	5,600	5,600	5,805	205
Education Cost Sharing	508,008	508,008	508,008	-
School Transportation	2,883	2,883	2,919	36
Adult Education	274	274	271	(3)
State and Federal Property	6,081	6,081	7,825	1,744
Town Aid Roads	200,863	200,863	200,862	(1)
Pequot Funds	7,154	7,154	10,461	3,307
Elderly and Veterans Property Tax Relief	12,000	12,000	29,723	17,723
Manufacturing Transition Grant	-	-	-	-
Team Mentors	-	-	500	500
Municipal Grants in Aid	517	517	517	-
FEMA	-	-	-	-
LOCIP	-	-	50,953	50,953
Other Receipts	5,000	5,000	1,500	(3,500)
Misc. - Boats, Machinery, & Comm. MV	-	-	1,050	1,050
Total Intergovernmental Revenue	<u>748,380</u>	<u>748,380</u>	<u>824,162</u>	<u>75,782</u>
Other Revenues:				
Town Operations	40,000	40,000	54,199	14,199
Interest Income	2,000	2,000	1,649	(351)
Miscellaneous	10,000	10,000	9,273	(727)
Total Other Revenues	<u>52,000</u>	<u>52,000</u>	<u>65,121</u>	<u>13,121</u>
Total Revenues before other Financing Sources				
	<u>5,966,426</u>	<u>5,966,426</u>	<u>6,170,835</u>	<u>204,409</u>
Other Financing Sources:				
Fund Balance Designated to Finance Budget	-	-	-	-
Total Revenues	<u>\$ 5,966,426</u>	<u>\$ 5,966,426</u>	<u>\$ 6,170,835</u>	<u>\$ 204,409</u>

See accountant's report.

TOWN OF COLEBROOK

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General Fund

Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2015

	Original Budget	Amended Budget	Actual	Over (Under)
EXPENDITURES				
General Government:				
First Selectman	\$ 32,390	\$ 32,390	\$ 32,390	\$ -
2ND & 3RD Selectmen	2,000	2,000	2,000	-
COST	725	725	795	70
Selectmen's Expense	1,500	1,500	1,699	199
Probate Court	1,700	1,700	1,354	(346)
Elections	14,000	14,000	13,530	(470)
Board of Finance	750	750	650	(100)
Board of Assessors	22,554	22,554	21,233	(1,321)
Assessor's Expense	600	600	893	293
Board of Assessment Appeals	600	600	536	(64)
Tax Collector	20,887	20,887	20,887	-
Tax Collector's Expense	5,650	5,650	4,861	(789)
Treasurer	15,300	15,300	15,300	-
Treasurer's Expense	500	500	96	(404)
Town Attorney	5,000	5,000	6,482	1,482
Town Clerk	37,880	37,880	37,880	-
Town Clerk's Expense	4,000	4,000	2,113	(1,887)
Assistant Town Clerk	7,000	7,000	12,270	5,270
Building Inspector	13,122	13,122	13,122	-
Building Inspector's Expense	2,000	2,000	1,691	(309)
Farmington Valley Health District	7,378	7,378	7,378	-
Planning and Zoning Commission	1,500	1,500	2,235	735
Zoning Board of Appeals	525	525	-	(525)
Inland-Wetlands Agency	1,500	1,500	988	(512)
Town Secretary	30,281	30,281	29,829	(452)
Land Use Sec'y/Enf. Officer	15,912	15,912	16,904	992
Social Security	34,929	34,929	33,371	(1,558)
Pension Payment	300	300	300	-
Pension Contribution	11,598	11,598	10,373	(1,225)
Employee Medical Insurance	124,540	124,540	100,106	(24,434)
Insurance (CIRMA)	79,000	79,000	78,865	(135)
Recreation Board	17,000	17,000	18,671	1,671
Auditor	14,035	14,035	14,035	-
Assistant Tax Collector	500	500	1,151	651
Town Hall Admin. Support	900	900	668	(232)
CCM	1,050	1,050	1,042	(8)
Total General Government	529,106	529,106	505,698	(23,408)
Public Safety:				
Fire Marshal	3,903	3,903	3,903	-
Fire Marshal's Expense	-	-	630	630
Fire Protection	\$ 50,600	\$ 50,600	\$ 50,957	\$ 357

See accountant's report.

TOWN OF COLEBROOK

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General Fund

Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2015

	Original Budget	Amended Budget	Actual	Over (Under)
Constables	\$ 150	\$ 150	\$ 140	\$ (10)
911	16,209	16,209	14,303	(1,906)
Animal Control	2,000	2,000	4,058	2,058
Total Public Safety	<u>72,862</u>	<u>72,862</u>	<u>73,991</u>	<u>1,129</u>
Highways:				
Wages	177,890	177,890	172,273	(5,617)
Overtime	26,184	26,184	25,521	(663)
Town Garage Fuel	36,200	36,200	24,319	(11,881)
Town Garage Lubricants	5,000	5,000	1,643	(3,357)
Town Garage Parts	21,615	21,615	19,996	(1,619)
Town Garage Repairs	21,300	21,300	44,423	23,123
Winter Maintenance	115,000	115,000	173,581	58,581
Road Maintenance	110,000	110,000	89,875	(20,125)
Oil Program	180,000	180,000	171,124	(8,876)
Street Lights	980	980	1,027	47
Garage Utilities	10,700	10,700	10,172	(528)
Garage Support	5,000	5,000	4,939	(61)
Tree Removal	20,000	20,000	25,680	5,680
Town Garage Environmental	8,900	8,900	6,872	(2,028)
Town Garage Building Maintenance	2,000	2,000	5,364	3,364
Total Highways	<u>740,769</u>	<u>740,769</u>	<u>776,809</u>	<u>36,040</u>
Town Hall:				
Office Supplies	10,000	10,000	11,184	1,184
Town Hall/Community Hall Util.	20,500	20,500	19,797	(703)
Town Hall Maintenance	17,500	17,500	44,880	27,380
Unemployment	-	-	737	
Miscellaneous	2,000	2,000	2,448	448
Total Town Hall	<u>50,000</u>	<u>50,000</u>	<u>79,046</u>	<u>28,309</u>
Senior Center:				
Senior Center Utilities	6,745	6,745	5,800	(945)
Senior Center Maintenance	9,200	9,200	7,070	(2,130)
Senior Center Coordinator	6,313	6,313	2,856	(3,457)
Site Manager and Helper	23,509	23,509	18,272	(5,237)
Van & Driver	6,000	6,000	3,198	(2,802)
Total Senior Center	<u>51,767</u>	<u>51,767</u>	<u>37,196</u>	<u>(14,571)</u>
Health and Welfare:				
Vital Statistics	26	26	-	(26)
Foothills Nursing	6,039	6,039	6,039	-
Susan B. Anthony	1,000	1,000	1,000	-
Winsted Ambulance	\$ 6,652	\$ 6,652	\$ 6,652	\$ -

See accountant's report.

TOWN OF COLEBROOK

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General Fund

Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2015

	Original Budget	Amended Budget	Actual	Over (Under)
Elderly Nutrition Program	\$ 290	\$ 290	\$ 290	\$ -
Elderly Transit Program	713	713	713	-
Regional Mental Health	161	161	161	-
Paramedic Intercept	13,350	13,350	11,489	(1,861)
Norfolk Ambulance	3,652	3,652	3,652	-
Northwest Corner Chore Service	750	750	500	(250)
Total Health and Welfare	<u>32,633</u>	<u>32,633</u>	<u>30,496</u>	<u>(2,137)</u>
Miscellaneous:				
Libraries	14,491	14,491	14,491	-
Cemeteries	6,500	6,500	5,416	(1,084)
Data Processing	21,000	21,000	18,035	(2,965)
Winsted YSB	2,262	2,262	2,262	-
LHCEO	1,168	1,168	1,169	1
Farmington River Watershed	249	249	249	-
Mapping: Micro Filming	1,661	1,661	1,572	(89)
Total Miscellaneous	<u>47,331</u>	<u>47,331</u>	<u>43,194</u>	<u>(4,137)</u>
Refuse Disposal:				
Town's Refuse/Recycle	<u>208,000</u>	<u>208,000</u>	<u>200,970</u>	<u>(7,030)</u>
Total Refuse Disposal	<u>208,000</u>	<u>208,000</u>	<u>200,970</u>	<u>(7,030)</u>
Debt Service:	<u>71,250</u>	<u>71,250</u>	<u>71,250</u>	<u>-</u>
Education:				
Colebrook School Budget	1,851,478	1,851,478	1,819,920	(31,558)
Northwest Regional # 7	1,889,623	1,889,623	1,891,172	1,549
Total Education	<u>3,741,101</u>	<u>3,741,101</u>	<u>3,711,092</u>	<u>(30,009)</u>
Other Expenditures:				
Locip Funded Projects	-	-	50,953	50,953
Colebrook School Consolidated Study	-	-	10,671	10,671
CERT Grant Expense	-	-	255	255
Insurance Claims Expense	-	-	1,337	1,337
Total Other Expenditures	<u>-</u>	<u>-</u>	<u>63,216</u>	<u>63,216</u>
Capital Improvements:				
Capital Expenditures	<u>400,000</u>	<u>400,000</u>	<u>490,000</u>	<u>(90,000)</u>
Total Capital Improvements	<u>400,000</u>	<u>400,000</u>	<u>490,000</u>	<u>(90,000)</u>
Total Expenditures	<u>5,944,819</u>	<u>5,944,819</u>	<u>6,082,958</u>	<u>(42,598)</u>
Excess of Revenues over Expenditures	<u>\$ 21,607</u>	<u>\$ 21,607</u>	<u>\$ 87,877</u>	<u>\$ 247,007</u>

See accountant's report.

TOWN OF COLEBROOK
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2015

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	\$ 28,403	\$ 4,683	\$ 3,301	\$ 2,630	\$ -	\$ 18	\$ 39,035
State and Federal Grants Receivable	-	-	1,637	-	-	1,329	2,966
Other Receivables	-	-	-	-	-	-	-
Interfund Receivables	-	-	-	97,789	3,262	-	101,051
Inventory	-	-	622	-	-	-	622
Total Assets	\$ 28,403	\$ 4,683	\$ 5,560	\$ 100,419	\$ 3,262	\$ 1,347	\$ 143,674
Liabilities							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-	-	-	881	881
Interfund Payable	-	1,291	-	-	-	-	1,291
Due to State of CT	-	1,845	-	-	-	-	1,845
Total Liabilities	-	3,136	-	-	-	881	4,017
Fund Balances							
Nonspendable	-	-	622	-	-	-	622
Restricted	-	1,547	-	100,419	3,262	466	105,694
Committed	28,403	-	4,938	-	-	-	33,341
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	28,403	1,547	5,560	100,419	3,262	466	139,657
Total Liabilities and Fund Balances	\$ 28,403	\$ 4,683	\$ 5,560	\$ 100,419	\$ 3,262	\$ 1,347	\$ 143,674

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, 2015

	SPECIAL REVENUE FUNDS						<u>Total</u>
	<u>Post Office Fund</u>	<u>Dog Fund</u>	<u>School Cafeteria Fund</u>	<u>Cemetery Fund</u>	<u>Historical Document Fund</u>	<u>Education Grants Fund</u>	
Revenues							
Investment Income	\$ -	\$ -	\$ -	\$ 8	\$ -	\$ -	\$ 8
Fees and Charges	-	2,915	24,501	7,520	598	-	35,534
Contributions	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	10,848	-	5,000	28,388	44,236
Other	<u>6,390</u>	<u>-</u>	<u>164</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,554</u>
Total Revenues	<u>6,390</u>	<u>2,915</u>	<u>35,513</u>	<u>7,528</u>	<u>5,598</u>	<u>28,388</u>	<u>86,332</u>
Expenditures							
General Government	1,919	-	-	-	5,032	-	6,951
Public Safety	-	2,509	-	-	-	-	2,509
Health and Welfare	-	-	-	-	-	-	-
Education	-	-	34,801	-	-	28,388	63,189
Debt Service	-	-	-	-	-	-	-
Total Expenditures	<u>1,919</u>	<u>2,509</u>	<u>34,801</u>	<u>-</u>	<u>5,032</u>	<u>28,388</u>	<u>72,649</u>
Net Changes in Fund Balances Before Other Financing Sources/(Uses)	4,471	406	712	7,528	566	-	13,683
Other Financing Sources/(Uses)							
Transfers In	-	2,000	-	-	-	-	2,000
Transfers Out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources/(Uses)	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000</u>
Changes in Fund Balances	4,471	2,406	712	7,528	566	-	15,683
Fund Balances - Beginning	<u>23,932</u>	<u>(859)</u>	<u>4,848</u>	<u>92,891</u>	<u>2,696</u>	<u>466</u>	<u>123,974</u>
Fund Balances - Ending	<u>\$ 28,403</u>	<u>\$ 1,547</u>	<u>\$ 5,560</u>	<u>\$ 100,419</u>	<u>\$ 3,262</u>	<u>\$ 466</u>	<u>\$ 139,657</u>

See accountant's report.

TOWN OF COLEBROOK

Combining Statement of Fiduciary Net Position
June 30, 2015

	Agency Funds					Total
	Pension Trust Fund	Recreation Board Fund	School Activities Fund	Senior Center Fund	Colebrook Fair Fund	
Assets:						
Cash and Cash Equivalents	\$ -	\$ 9,922	\$ 20,793	\$ 25,986	\$ 2,189	\$ 58,890
Investments	167,012	-	-	-	-	167,012
Total Assets	<u>\$ 167,012</u>	<u>\$ 9,922</u>	<u>\$ 20,793</u>	<u>\$ 25,986</u>	<u>\$ 2,189</u>	<u>\$ 225,902</u>
Deferred Outflows of Resources	-	-	-	-	-	-
Liabilities:						
Due to Beneficiaries	\$ -	\$ 9,677	\$ 20,793	\$ 25,009	\$ 2,189	\$ 57,668
Due to Others	-	245	-	977	-	1,222
Total Liabilities	-	<u>9,922</u>	<u>20,793</u>	<u>25,986</u>	<u>2,189</u>	<u>58,890</u>
Deferred Inflows of Resources	-	-	-	-	-	-
Net Position:						
Restricted for Pension Benefits	167,012	-	-	-	-	167,012
Total Net Position	<u>\$ 167,012</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 167,012</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, 2015

	<u>Pension Trust Fund</u>
Revenues:	
Employer Contributions	\$ 12,671
Earnings from Investments	<u>6,167</u>
Total Revenues	<u>18,838</u>
Expenditures:	
General Government	<u>2,924</u>
Total Expenditures	<u>2,924</u>
Excess (Deficiency) of Revenues Over Expenditures	15,914
Net Position, Beginning of Year	<u>151,098</u>
Net Position, End of Year	<u>\$ 167,012</u>

See accountant's report.

TOWN OF COLEBROOK
 Combining Statement of Changes in Assets and Liabilities
 Fiduciary Funds
 For the Year Ended June 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2015</u>
RECREATION BOARD FUND				
Assets:				
Cash	\$ 7,615	\$ 6,458	\$ 4,151	\$ 9,922
Liabilities:				
Due to Beneficiaries	\$ 7,500	\$ 6,213	\$ 4,036	\$ 9,677
Due to Others	115	245	115	245
	<u>\$ 7,615</u>	<u>\$ 6,458</u>	<u>\$ 4,151</u>	<u>\$ 9,922</u>
SCHOOL ACTIVITIES FUND				
Assets:				
Cash	\$ 21,520	\$ 13,667	\$ 14,394	\$ 20,793
Liabilities:				
Due to Beneficiaries	\$ 21,520	\$ 13,667	\$ 14,394	\$ 20,793
SENIOR CENTER FUND				
Assets:				
Cash	\$ 20,104	\$ 34,730	\$ 28,848	\$ 25,986
Liabilities:				
Due to Beneficiaries	\$ 18,674	\$ 33,753	\$ 27,418	\$ 25,009
Due to Others	1,430	977	1,430	977
	<u>\$ 20,104</u>	<u>\$ 34,730</u>	<u>\$ 28,848</u>	<u>\$ 25,986</u>
COLEBROOK FAIR FUND				
Assets:				
Cash	\$ 1,857	\$ 3,041	\$ 2,709	\$ 2,189
Liabilities:				
Due to Beneficiaries	\$ 1,808	\$ 3,041	\$ 2,660	\$ 2,189
Due to Others	49	-	49	-
	<u>\$ 1,857</u>	<u>\$ 3,041</u>	<u>\$ 2,709</u>	<u>\$ 2,189</u>
TOTAL ASSETS				
Cash	\$ 51,096	\$ 57,896	\$ 50,102	\$ 58,890
TOTAL LIABILITIES				
Due to Beneficiaries	\$ 49,502	\$ 56,674	\$ 48,508	\$ 57,668
Due to Others	1,594	1,222	1,594	1,222
	<u>\$ 51,096</u>	<u>\$ 57,896</u>	<u>\$ 50,102</u>	<u>\$ 58,890</u>

See accountant's report.

TOWN OF COLEBROOK

Schedule of Debt Limitation

June 30, 2015

Total Tax Collections for the Year

Taxes, Liens and Fees \$ 5,212,403

Reimbursement for Loss on:
Tax Relief for the Elderly

9,417

Base

\$ 5,221,820

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>
Debt Limitation:				
2 1/4 times base	\$ 11,749,095	\$ -	\$ -	\$ -
4 1/2 times base	-	23,498,190	-	-
3 3/4 times base	-	-	19,581,825	-
3 1/4 times base	-	-	-	<u>16,970,915</u>
 Total Debt Limitation	 <u>11,749,095</u>	 <u>23,498,190</u>	 <u>19,581,825</u>	 <u>16,970,915</u>
 Indebtedness:				
Loans Payable	450,000	-	-	-
Overlapping Debt:				
Regional School District No. 7	-	<u>367,006</u>	-	-
 Total Indebtedness	 <u>450,000</u>	 <u>367,006</u>	 <u>-</u>	 <u>-</u>
 Debt limitation in excess of outstanding and authorized debt	 <u>\$ 11,299,095</u>	 <u>\$ 23,131,184</u>	 <u>\$ 19,581,825</u>	 <u>\$ 16,970,915</u>

Note: In no case should this total indebtedness exceed seven times the base of \$5,221,820 or \$36,552,740.

See accountant's report.

TOWN OF COLEBROOK
 Board of Education
 Schedule of Expenditures - Budget and Actual
 For the Fiscal Year Ended June 30, 2015

	Original Budget	Amended Budget	Actual	Over/ (Under)
Salaries				
<i>Certified Personnel</i>				
Superintendent	\$ 53,550	\$ 53,550	\$ 53,550	\$ -
Principal	101,286	101,286	101,782	496
Teachers	630,399	630,399	640,312	9,913
Substitutes	12,000	12,000	15,948	3,948
Head Teacher	1,500	1,500	1,500	-
Extra Hours	1,000	1,000	628	(372)
Reading Consultant	85,880	85,880	85,880	-
<i>Non-Certified</i>				
Aide	73,993	73,993	73,633	(360)
Team Mentor	500	500	500	-
Overnight Stipend	525	525	600	75
School Nurse	34,129	34,129	34,186	57
Administrative Asst.	41,672	41,672	42,472	800
Bookkeeper	32,288	32,288	32,288	-
Custodian / Full	35,651	35,651	35,788	137
Custodian / Part	5,772	5,772	-	(5,772)
Custodial Overtime	750	750	5,740	4,990
Total Salaries	<u>1,110,895</u>	<u>1,110,895</u>	<u>1,124,807</u>	<u>13,912</u>
Employee Benefits				
Medical Insurance	155,925	155,925	147,879	(8,046)
Dental Insurance	11,885	11,885	10,414	(1,471)
Life Insurance	2,660	2,660	2,352	(308)
Comp. FICA	19,530	19,530	19,103	(427)
Medicare Company	14,910	14,910	14,537	(373)
Pension	3,868	3,868	3,873	5
H.S.A. Contribution	19,720	19,720	16,240	(3,480)
Medicaid Supplement	4,000	4,000	2,618	(1,382)
Retirement Incentive	8,000	8,000	8,000	-
Tuition Reimbursement	4,000	4,000	3,520	(480)
Unemployment Comp.	150	150	-	(150)
Vaccines	250	250	-	(250)
Total Employee Benefits	<u>\$ 244,898</u>	<u>\$ 244,898</u>	<u>\$ 228,536</u>	<u>\$ (16,362)</u>

See accountant's report.

TOWN OF COLEBROOK

page 2 of 3

Board of Education
 Schedule of Expenditures - Budget and Actual
 For the Fiscal Year Ended June 30, 2015

	Original Budget	Amended Budget	Actual	Over/ (Under)
Purchased Services				
Staff Seminars (Workshops)	\$ 3,500	\$ 3,500	\$ 1,446	\$ (2,054)
Curriculum Development	1,000	1,000	200	(800)
Legal Fees	3,000	3,000	646	(2,354)
Audit Services	3,200	3,200	3,340	140
Doctor	650	650	600	(50)
Therapists	22,125	22,125	26,211	4,086
Psychologist	-	-	4,500	4,500
Fingerprinting	100	100	130	30
<i>Purchased Property Services</i>				
Water/Water Coolers	4,500	4,500	2,427	(2,073)
Well Monitor	3,800	3,800	3,012	(788)
<i>Repair and Maintenance Services</i>				
Cleaning Services	1,300	1,300	1,220	(80)
Building Maint. & Repairs	7,500	7,500	6,001	(1,499)
Bldg. Insp./Asbestos	1,500	1,500	877	(623)
Equipment Repairs	5,000	5,000	5,262	262
Service Contracts	1,685	1,685	1,715	30
Software Upgrade	5,210	5,210	4,825	(385)
Copier Maintenance	1,350	1,350	1,729	379
Equipment Lease	2,520	2,520	2,514	(6)
<i>Student Transportation</i>				
Regular Local	83,353	83,353	83,178	(175)
Special Education	24,361	24,361	36,861	12,500
<i>Communication</i>				
Telephone	4,750	4,750	3,944	(806)
Postage	1,800	1,800	1,000	(800)
Internet	330	330	-	(330)
Alert Now	300	300	281	(19)
Advertising	750	750	3,520	2,770
<i>Travel-Other Transportation</i>				
Travel	1,200	1,200	1,406	206
<i>Miscellaneous Purchased Services</i>				
Other School District	95,000	95,000	63,197	(31,803)
Private School	4,000	4,000	4,205	205
Education Service in CT	13,310	13,310	10,796	(2,514)
Shared Services/Outplacement	99,675	99,675	101,711	2,036
Total Purchased Services	<u>\$ 396,769</u>	<u>\$ 396,769</u>	<u>\$ 376,754</u>	<u>\$ (20,015)</u>

See accountant's report.

TOWN OF COLEBROOK
 Board of Education
 Schedule of Expenditures - Budget and Actual
 For the Fiscal Year Ended June 30, 2015

	Original Budget	Amended Budget	Actual	Over/ (Under)
Purchases				
<i>Supplies and Materials</i>				
Office Supplies	\$ 1,250	\$ 1,250	\$ 599	\$ (651)
Teaching Supplies	2,297	2,297	1,296	(1,001)
Testing Supplies	-	-	430	430
Audio Visual Supplies	450	450	436	(14)
Computer Supplies	5,600	5,600	6,300	700
Custodial Supplies	5,500	5,500	6,080	580
Health Supplies	815	815	1,107	292
Board of Education Supplies	400	400	444	44
Library Supplies	200	200	99	(101)
School Supplies	6,000	6,000	5,366	(634)
Principal Supplies	500	500	163	(337)
<i>Energy</i>				
Electricity	20,000	20,000	15,080	(4,920)
Heating Oil	39,600	39,600	35,639	(3,961)
<i>Textbooks & Periodicals</i>				
Textbooks	4,357	4,357	4,191	(166)
Workbooks	1,932	1,932	3,121	1,189
Library Books	550	550	661	111
Magazines	350	350	333	(17)
Teacher Guides	2,250	2,250	186	(2,064)
Spanish Supplies	-	-	40	40
Music Supplies	800	800	455	(345)
Art Supplies	700	700	186	(514)
Physical Education Supplies	450	450	-	(450)
Total Purchases	<u>94,001</u>	<u>94,001</u>	<u>82,212</u>	<u>(11,789)</u>
Capital Outlay				
Furniture & Fixtures	<u>1,615</u>	<u>1,615</u>	<u>3,787</u>	<u>2,172</u>
Total Capital Outlay	<u>1,615</u>	<u>1,615</u>	<u>3,787</u>	<u>2,172</u>
Other Objects				
Dues & Fees	3,200	3,200	3,729	529
Miscellaneous	<u>100</u>	<u>100</u>	<u>95</u>	<u>(5)</u>
Total Other Objects	<u>3,300</u>	<u>3,300</u>	<u>3,824</u>	<u>524</u>
Total Board of Education	<u>\$ 1,851,478</u>	<u>\$ 1,851,478</u>	<u>\$ 1,819,920</u>	<u>\$ (31,558)</u>

See accountant's report.

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

Independent Auditor's Report

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Colebrook, CT, as of and for the year ended June 30, 2015, 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 January 19, 2016.

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

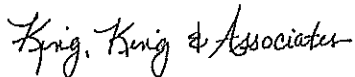
As part of obtaining reasonable assurance about whether the Town of Colebrook, CT's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct 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
January 22, 2016

**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, 2015. 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, 2015.

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
January 22, 2016

TOWN OF COLEBROOK
Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2015

<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	\$ 5,000
State Department of Education		
Adult Education	11000-SDE64370-17030	271
Child Nutrition Program	11000-SDE64000-16211	508
Healthy Food Certification	11000-SDE64000-16212	1,043
Department of Transportation		
Town Aid Road Grant	13033-DOT57131-43459	200,862
Small Town Economic Assistance Program	12052-ECD46400-42411	205,303
Judicial Department		
Parking Fines	34001-JUD95162-40001	1,050
Department of Economic Development		
Small Town Economic Assistance Program	12052-ECD46000-42411-149	63,383
Department of Veterans Affairs		
Headstones	11000-DVA21134-16049	100
Office of Policy and Management		
Local Capital Improvement	12050-OPM20600-40254	50,953
Property Tax Relief:		
Totally Disabled	11000-OPM20600-17011	166
Payment in Lieu of Taxes (PILOT)	11000-OPM20600-17004	7,370
Veteran's Exemptions	11000-OPM20600-17024	4,509
Elderly Exemptions	11000-OPM20600-17018	9,417
Property Tax Relief	11000-OPM20600-17086	15,531
Municipal Grants-In-Aid	12052-OPM20600-43587	517
Total State Financial Assistance Before Exempt Programs		<u>565,983</u>
EXEMPT PROGRAMS		
Office of Policy and Management		
Mashantucket Pequot and Mohegan Fund	12009-OPM20600-17005	10,461
Department of Administrative Services		
School Construction Grants	13010-DAS27636-40901	4,084
Department of Education		
Education Cost Sharing	11000-SDE64000-17041	508,008
Transportation of School Children	11000-SDE64000-17027	2,919
Total Exempt Programs		<u>525,472</u>
Total State Financial Assistance		<u>\$ 1,091,455</u>

See notes to schedule.

TOWN OF COLEBROOK
Notes to Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2015

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, 2015. 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, 2015

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, 2015 and issued our unmodified report thereon dated January 19, 2016.

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
 - Significant deficiency(ies) identified? Yes None Reported
- Noncompliance material to financial statements noted? Yes No

State Financial Assistance

Internal control over major programs:

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

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

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

Yes No

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

<u>State Grantor And Program</u>	<u>State Core-CT Number</u>	<u>Expenditures</u>
Department of Transportation:		
Town Aid Road	13033-DOT57131-43459	\$ 200,862
Payment in Lieu of Taxes (PILOT)	12052-ECD46400-42411	\$ 205,303
• Dollar threshold to distinguish between type A and type B programs		<u>\$ 100,000</u>

II. FINANCIAL STATEMENT FINDINGS

- We issued reports, dated January 19, 2016, 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.