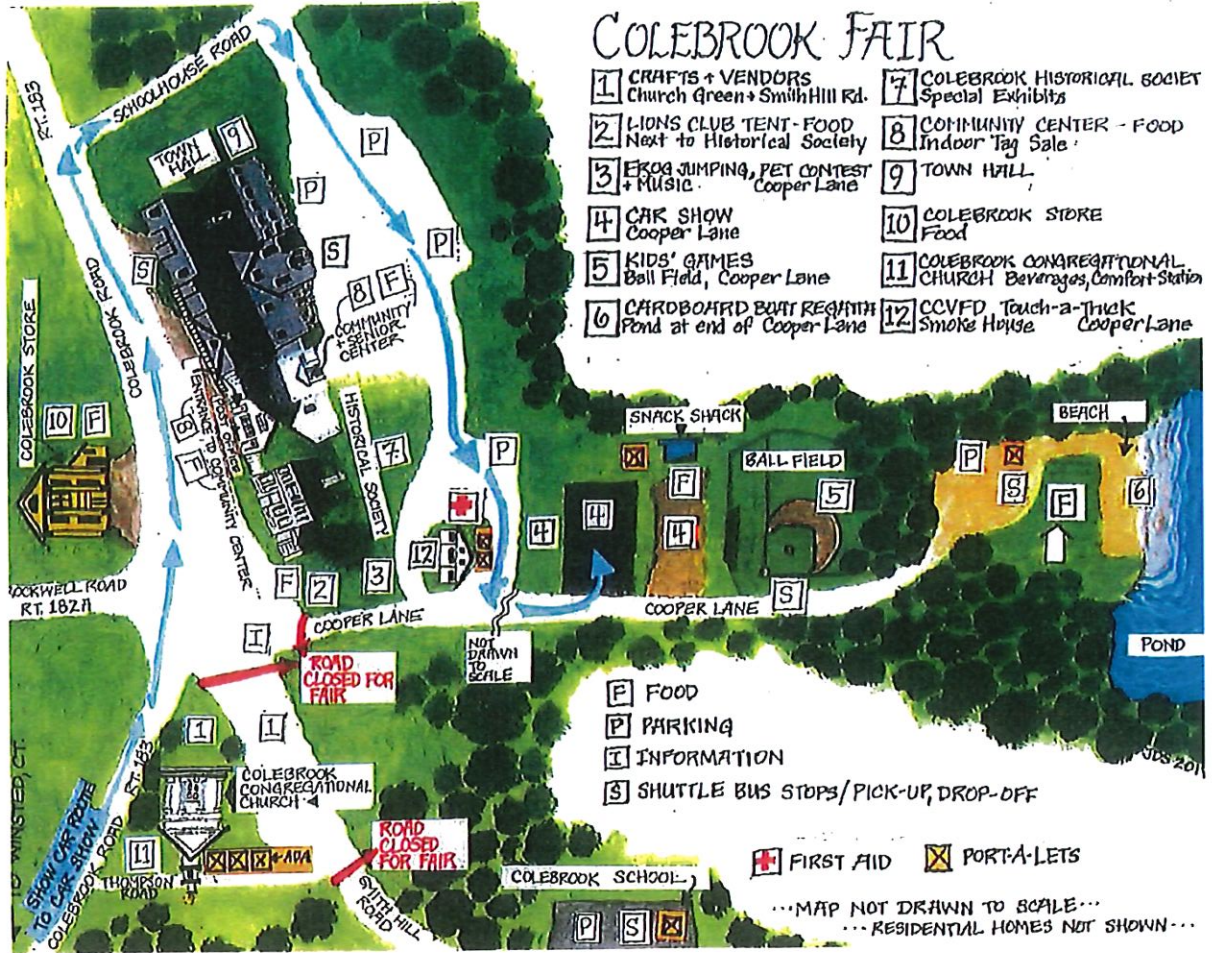


Town of Colebrook, Connecticut

ANNUAL REPORT



for the year ending June 30th, 2016

With my 5th term coming to an end we are dealing with a severe financial situation within the State of Connecticut that could strip us of our state funding. Even though we are currently secure financially, the town would have to adjust to these cuts in future years.

The Prock Hill Road Renovation Project has just been completed and funded in full by a STEAP grant from the State of Connecticut.

The Colebrook Fair again was the largest attended event in years. The Colebrook Store 225th Anniversary event, the Colebrook Historical Society Friday Night events, Open Mic events at the Colebrook Store and Colebrook Senior Community Center events have all been strongly supported.

Again, I would like to thank all the volunteers that serve on town boards, commissions and committees, our Fire Departments and the Colebrook Senior Community Center.

Thomas D. McKeon
First Selectman

TOWN OFFICIALS

OFFICE/INCUMBENT

TERM

BOARD OF SELECTMEN

Thomas D. McKeon, First Selectman
Joseph J. Alciati, Sr., Selectman
Christopher L. Johnstone, Selectman

11/17/15 – 11/21/17
11/17/15 – 11/21/17
11/17/15 – 11/21/17

TOWN CLERK/REGISTRAR OF VITAL STATISTICS

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

01/05/16 – 01/02/18
06/01/16 – 01/02/18

TOWN TREASURER

Amy B. Gardner

11/17/15 – 11/21/17

TAX COLLECTOR

Laura M. Bartlett

11/17/15 – 11/21/17

BOARD OF FINANCE

James Millar, Jr., Chairman
Martha F. Neal
Diane E. Johnstone
Robert D. Carfiro
Thomas R. Corvo
Matthew J. Klimkosky

11/19/13 – 11/19/19
11/22/11 – 11/21/17
11/22/11 – 11/21/17
11/19/13 – 11/19/19
11/17/15 – 11/16/21
11/17/15 – 11/16/21

BOARD OF EDUCATION

Jeanne R. Jones, Chairman
Bernard R. Adams
Melissa J. Miller
Helen Louise Plager
Hope L. Carfiro
Amy B. Gardner
Timothy W. Hill

11/17/15 – 11/19/19
11/19/13 – 11/21/17
11/19/13 – 11/21/17
11/19/13 – 11/21/17
11/17/15 – 11/19/19
11/17/15 – 11/19/19
11/17/15 – 11/19/19

SUPERINTENDENT/PRINCIPAL

Dr. Dani Thibodeau/Beth Driscoll

860-379-2179

ASSESSOR

Michele Sloane, CCMA I

860-379-3359 ext.206

BOARD OF ASSESSORS

Edward A. Allen
Geraldine M. Kassel
Lee Ann Jasmin

BOARD OF ASSESSMENT APPEALS

Frank W. Thompson, Chairman
Nadia M. Corvo
Anthony M. Amato, Jr.

11/17/11 – 11/19/19
11/19/13 – 11/21/17
03/13/17 – 11/07/17

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	01/04/17 – 01/09/19
Karen M. Odell, Democratic	01/04/17 – 01/09/19

JUSTICES OF THE PEACE

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

LAND USE ADMIN/Zoning Enforcement Officer

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

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

Edward G. Lord, III, Chairman	10/17 – 10/20
Charles N. Buchanan	10/15 – 10/18
Edward A. Allen	10/16 – 10/19
James Millar, Jr.	10/16 – 10/19
James L. Bickford	10/17 – 10/20

ALTERNATES

Mark E. Caufield	10/15 – 10/18
Jane E. Vasaturo	10/17 – 10/20
Vacancy	10/16 – 10/19

ZONING BOARD OF APPEALS

Fred P. Williams, Chairman	10/16 – 10/18
Scott T. Norton	10/16 – 10/18
Thomas E. Lawton	10/17 – 10/19
Noah Ullman	10/17 – 10/19
Carol Ann Sherwood	10/17 – 10/19

ALTERNATES

Ronald J. Dorazio	10/15 – 10/18
Helen Campbell	10/17 – 10/20
Vacancy	10/16 – 10/19

OFFICE/INCUMBENT

TERM

INLAND WETLANDS COMMISSION

Duncan Wilber, Chairman	09/15 – 02/18
John H. Lossin	10/16 – 02/18
Todd W. Hiller	09/15 – 02/18
George D. Neal	02/17 – 02/20
Vacancy	02/17 – 02/20

ALTERNATES

John K. Odell, Sr.	10/15 – 05/18
Ray J. Zeyte	05/17 – 05/20
Vacancy	05/16 – 05/19

CONSERVATION COMMISSION

Gregory P. Millard	11/01/14 – 10/31/17
Edward L. Lestinsky	11/01/14 – 10/31/17
Sally A. Stebbins	11/01/14 – 10/31/17
James E. Rogers	11/01/14 – 10/31/17
Edna H. Travis	11/01/15 – 10/31/18
Shayne R. Young	11/01/16 – 10/31/19
Vacancy	11/01/16 – 10/31/19
Vacancy	11/01/14 – 10/31/17
Vacancy	11/01/15 – 10/31/18
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

HISTORIC DISTRICT COMMISSION

Kimberly H. Crocker, Chairman	10/14 – 10/19
James L. Bickford	10/13 – 10/18
Rebecca S. Bodycoat	10/15 – 10/20
Julia Andresen	10/16 – 10/21
Geraldine M. Kassel	10/17 – 10/22

ALTERNATES

Mary L. Baker	10/15 – 10/18
Janet H. Rathbun	10/16 – 10/19
Carol Lord	10/17 – 10/20

RECREATION BOARD

Tracy E. Groman, Chairman	10/15 – 10/18
Amy E. D'Amore	10/15 – 10/18
Shayne R. Young	10/15 – 10/18
Kim Janak	10/16 – 10/19
Gina Satirana	10/16 – 10/19
Justin M. Truskauskas	10/17 – 10/20
Daniel A. Ward	10/17 – 10/20

REGIONAL SCHOOL DISTRICT NO. 7

Theresa J. Kenneson
Lisa Ann B. Fragale

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

SENIOR AND COMMUNITY CENTER

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

860-738-9521

FARMINGTON VALLEY HEALTH DISTRICT

1-800-909-3843

FIRE MARSHAL/FIRE CHEIF

Mark Melanson/Craig Carfiro

860-379-3359 ext. 201

EMERGENCY MANAGEMENT

Alfred R. Tillotson

860-379-3359 ext. 201

BURNING PERMIT OFFICERS

Benjamin Bartlett
Edward Bascetta
Craig Carfiro
Freeman McCaw, Jr.

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

ANIMAL CONTROL OFFICER

Gordon (Mike) Coleman

860-806-1983

JUDGE OF PROBATE (TORRINGTON)

Michael Magistrali, Esq.

860-489-2215

TOWN ATTORNEY

Muschell & Simoncelli, LLP

860-482-6501

CALENDAR OF MEETINGS

BOARD OF SELECTMEN

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

BOARD OF FINANCE

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

BOARD OF EDUCATION

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

PLANNING AND ZONING COMMISSION

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

ZONING BOARD OF APPEALS

As necessary – Town Hall, 7:00 P.M.

INLAND WETLANDS COMMISSION

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

CONSERVATION COMMISSION

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

RECREATION BOARD

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

REGIONAL SCHOOL DISTRICT NO. 7

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

ANNUAL TOWN BUDGET MEETING

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

ANNUAL TOWN MEETING

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

ELECTION DAY

Tuesday, November 7, 2017, 6:00 A.M. – 8:00 P.M.
Town Hall, Meeting Room 2nd Floor

ASSESSOR'S OFFICE

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

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

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

Michele Sloane
Assessor

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, and the Historic District Commission.

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 as several members have attended workshops and training sessions throughout the year.

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

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



The Colebrook Senior and Community Center

2 School House Road, P.O. Box 5

Colebrook, CT 06021

860-738-9521

seniordirector@colebrooktownhall.org

OUR MISSION

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

HOURS OF OPERATION

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

ACTIVITIES AND SERVICES

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

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

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

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

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

Barbara Cormier and Janet Fredsall, Co-Directors

The Colebrook Historical Society

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

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

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

www.colebrookhistoricalsociety.org

NORTHWEST HILLS COUNCIL OF GOVERNMENTS

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

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

Focus Area One: Regional planning activities in 2017 focused on preparing a Regional Transportation Plan, Regional Natural Hazard Mitigation Plan, Regional Trail Map and Connectivity Assessment, a Regional Profile with town level demographic, housing and economic data and trends, and a new 21-town Regional Plan of Conservation and Development. In 2018, the COG will be initiating an update to the region's Comprehensive Economic Development Strategy.

Focus Area Two: Grant writing and administration activities in 2017 resulted in securing over \$750,000 in grant funds to benefit member towns. These included grant funds for 1) a rural broadband and mobile enhancement study, 2) a water/wastewater study in West Cornwall, 3) an alignment study of a section of the HouBike trail in Kent and Cornwall in cooperation with the Upper Housatonic Valley National Heritage Area, 4) development of a low-impact development guidebook, 5) regional food hub development, and 6) the design of a regional animal shelter to serve the Torrington area. In addition the COG is allocated about \$2M each year from ConnDOT for priority local road improvements, and serves as the oversight agent for about \$350,000 in Homeland Security Grant funding each year for our regional area.

Focus Area Three: Regional service delivery activities in 2017 included on-going coordination of a number of popular programs such as our household hazardous waste collection days, a prescription assistance program in cooperation with the Foundation for Community Health, a fuel bank program, the Northwest Hills Public Works Equipment Cooperative, and the region's cooperative purchasing program. This year we also initiated a new Regional Election Monitor program, Regional Engineer program, and a Neighbor-to-Neighbor program in cooperation with the Berkshire Taconic Community Foundation to provide assistance to people in need to help them through a short-term financial crisis.

A variety of issues of regional significance were discussed at the monthly meetings of the COG this year including revitalizing town centers, climate change, transportation improvement priorities, recycling and disposal of municipal solid waste, water resource management, enhancing broadband and cellular services in the region, tourism promotion, housing trends, and a variety of legislative issues of local concern.

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

Serving as officers of the COG in FY 2016-2017 were Mark Lyon, Chairman; Bruce Adams, Vice Chairman; Leo Paul, Secretary; and Bob Valentine, Treasurer. COG member towns include Barkhamsted, Burlington, Canaan (Falls Village), Colebrook, Cornwall, Goshen, Hartland, Harwinton, Kent, Litchfield, Morris, New Hartford, Norfolk, North Canaan, Roxbury, Salisbury, Sharon, Torrington, Warren, Washington, and Winchester.

Respectfully submitted,
Rick Lynn, AICP
Executive Director

FOOTHILLS VISITING NURSE & HOME CARE, INC.
COLEBROOK TOWN REPORT 2016-2017

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 95 years. In 1973 the Public Health Nursing Associations of Barkhamsted and New Hartford merged with the Winsted Visiting Nurse Association to create Regional Health Services. In 1974 full services were provided to Colebrook and in 1979 Norfolk Public Health Services merged into this group. In 1991 our name changed to Foothills Visiting Nurse & Home Care, Inc.

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

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

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

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

Foothills is proud of its long-standing history with the Town of Colebrook. 34 persons from Colebrook received home health services from Foothills during the past year.

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

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

Seventy three (73%) 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 1,454 flu vaccines to mostly high risk individuals. All ages, 18 and older, were welcome to attend. One clinic was held at the Colebrook Senior Center this past year.

Foot Care Clinics are held every other month at the Community Center. They are currently open to persons 65 or older. Seventeen (17) 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. Fifty nine (59) blood pressure screenings were performed in 2016-2017.

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 2016-2017 were:
Janet Rathbun- Secretary (since – 1989)
Susan Whelchel (since 2016)

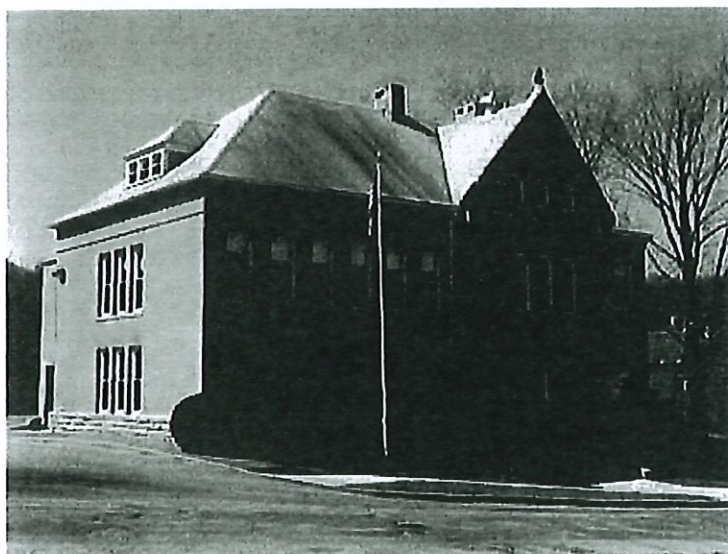
Foothills provides full service to the towns of Colebrook, Barkhamsted, New Hartford, Norfolk, and Winsted/Winchester. Foothills provides therapeutic only services to the towns of Burlington, Canaan, Canton, Goshen, Hartland, Harwinton, Litchfield, Morris, Thomaston, and Torrington.

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

Michael Caselas, Executive Director



2016-2017 Statistical Report



The mission of the library is to support literacy, life long learning, and cultural enhancement for all generations of our diverse community.

Board of Trustees

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

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

Library Staff

Karin P. Taylor, Library Services Director
Christine Moscarillo, Business Manager

Talisha Blackburn – Teen Services
Justin Conn – Library Page
Adam Fassanella – Technical Services
Verna Gilson, Genealogy & Local History
Shelby Goodell, Library Assistant
Wendy Miller, Circulation
Cheryl Nash, Technical Services
Kara Normand, Circulation
Carol Parent, Children's Services
Kimmie Stacks, Library Assistant
Jessica Tessman, Library Assistant

A Note From The Library Services Director

Dear Library Supporters and Patrons,

This has been another fantastic year at the library as we strive to meet the ever changing needs of the community we serve. The Beardsley Library has been part of Winsted's landscape since the late 1800s, and it continues to stand at the end of Main Street serving as a bright spot in town. As you read through the pages of this report, you will see highlights of the ways in which we fulfill our mission of supporting literacy, lifelong learning, and cultural enhancement for all generations of our diverse community. The library is no longer simply a quiet place to locate books and information, it is a community center providing access to many valuable resources both physically and electronically. We could not deliver on our promise without the hard work and dedication of our Board of Trustees, Staff, Friends of the Library, and Volunteers. I thank each of them for their love and commitment to the library, the people who visit here, and all the residents of Barkhamsted, Colebrook, and Winsted.

Sincerely,

Karin Taylor,

Library Services Director



The Year At A Glance:

**Total Collection
Size:**
37,847

Total Circulation:
58,732

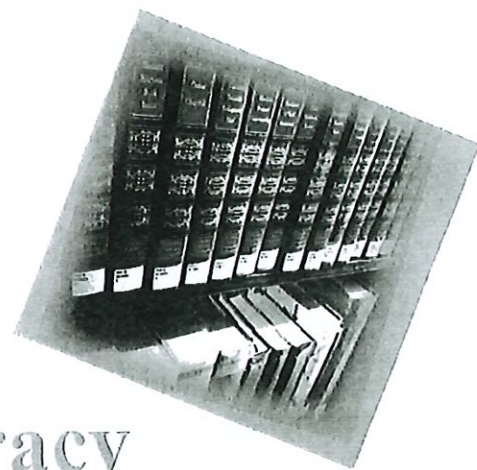
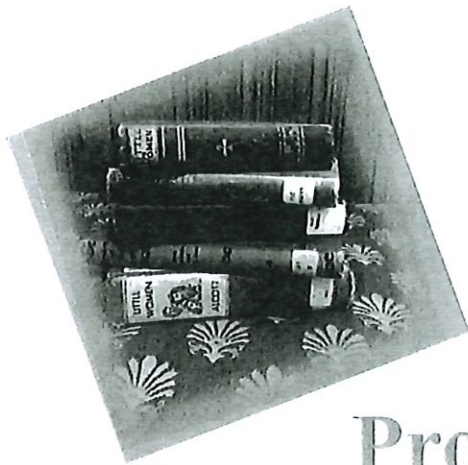
**Total Program
Attendance:**
4,450

**Library Patrons
Added:**
570

Computer Usage:
2,800

**Reference Questions
Answered:**
1,390





Promoting Literacy

Library 2 You

Last July, the Beardsley Library launched a program to utilize a group of volunteers from the community to deliver library materials to residents of Winsted, Barkhamsted, and Colebrook who are unable to come to the library due to physical limitations and medical conditions. We began by soliciting volunteers, and were overwhelmed by the response from the community. Not only did individuals agree to support the program by becoming volunteer delivery drivers, Klebe Fuel Company in Winsted also came on board as a source for the delivery of materials.



Since the launch of the program in July of 2016, 25 residents have registered to receive deliveries and 12 volunteer drivers have delivered over 700 items to those people. The types of items delivered have included all the materials available at the library, including such things as tax forms, DVDs, and audiobooks. People registered for the homebound service have access to any and all materials and information they would have access to within the walls of the library.

Outreach Services

The library began an outreach literacy program this year to engage patrons from local group homes and adult day care facilities. Once a month, groups visit the children's room to enjoy reading books and doing crafts with our children's services librarian. Other groups visit weekly and engage in library activities with their caretakers.



A Center for The Community

The library serves as a meeting place for numerous groups, including book clubs, a Scrabble club, the Northwest Knitwits, Girl Scouts, and many more. Last year nearly 1200 people met at the library for public sponsored programs.

Children's Services

—Carol Parent,
Children's Services Specialist

July, 2016 found us already deep into our Summer Reading Program theme, "Exercise Your Mind, READ!" From decorating Frisbees to designing paper Indian Kites, visiting with exotic creatures to Mad Scientists, we had 950 people attending our regular and special summer programs.

Studies have shown that children who participate in reading programs during the summer maintain or improve their reading skills when they return to school in September.

Over 500 of our total attendance for July and August joined us for Story Time! Story Time programs for preschoolers also offer many benefits including the development of listening skills and helping children become better readers and learners.



Two children's room patrons enjoying a treat at the New Year's Party.

Reaching Out



The Library was joined by members of the Winsted Pirates baseball team on our Pet Parade float this year. Special thanks to Laurel City Towing for providing the truck!

2017 started off with a fun and noisy New Year's Party, a blow out Beauty and the Beast extravaganza in March and a series of outreach story times with the Colebrook Kindergarten students and two first grade classes in Barkhamsted which continued through June.

During April, Libraries celebrate National Library Week which coincide with our area school's



**11,350 Children's items
circulated in 2016-17**

**Over 500 children's
programs were offered
and attended by over
2,500 people.**

*You're never too old, too
wacky, too wild, to pick up a
book and read to a child..*

-----Dr. Seuss



spring vacation. We held special programs about bugs and butterflies and brought in an entertaining magical magician.

In May through June the home school science classes began again and we also started further collaboration with area schools by promoting the 2017 Summer Reading Program during several assemblies.



The library was a magical place during Spring Break in April 2017!

Teen Literacy

—Talisha Blackburn,
Teen Services

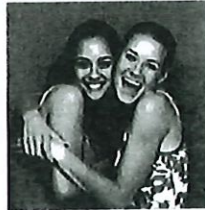
The Teen Services Department was a busy place this past year. The teens made mittens out of old donated sweaters in November of 2016, and donated the mittens and unused sweaters to the Homeless Shelter at the Winsted YMCA.

For Prom season, different business vendors came out to Beardsley to help the students get ready for prom time. Among these vendors were Sheer Dimensions of Torrington, and Men's WearHouse of West Simsbury. Gift certificates were also donated by T&T Nails of Winsted. Dresses were donated from members of the community, and Time After Time Boutique of Winsted.

During Summer Reading, teens worked on different STEM related crafts that encouraged them to build, create, and use their imagination and their critical thinking skills. At one such workshop, the teens built miniature



Making mittens for a cause.



Bristle Bot robots using small batteries, tiny motors, and the head of a toothbrush. They then raced their completed robots. The next workshop, teens had to draw the blueprint of a medieval castle, and then construct it into a 3-D model

2,240 items from the
YA collection
circulated this year.

150 Teens attended
library programs.



2nd Annual Once Upon A
Prom

using Project blocks (1 inch
painted foam blocks).

The YA room added a new shelving unit, and also a new seating area. On a bookshelf near the seating area, we've added new maker space boxes for teens to use in house. These boxes have different crafts for them to do such as; felting, artist markers, pixel beads, and duct tape crafts.



Genealogy & Local History

- Verna Gilson, Genealogy & Local History Research Assistant

The Genealogy & Local History Room (G&LHR) continues to expand its resources, in response to a growing interest in local history and family roots. In addition to research requests and in-house projects, scholarly research has increased. In 2016/17, two historians extensively researched The Gilbert Home for Children. Another researched the Civil Conservation Corp in CT, including camps in Winsted and Barkhamsted. Both searches resulted in programs at the library.

The G&LHR is increasingly sharing resources with museums, historical societies, and civic organizations, within the community and beyond. The American Mural Project recently invited me to be interviewed and to describe my job at the library. Local history topics might be included in future exhibits at AMP.

The G&LHR encourages the donation of local history memorabilia and has recently received audio-visuals, books, documents, maps, journals, photographs, scrapbooks, and other items relating to Winsted and surrounding communities. The *Winsted Journal* donated 31 bound volumes of the newspaper, dating from 1999 to 2015. They are available in the library's Biography Room.

A new patron computer was recently installed in the G&LHR, to provide access to the library's web-page, *Ancestry.com*, and other genealogy websites. A second computer is being used to access the Winsted newspapers on microfilm, which date from 1856 to the present. My newspaper column, "On Winsted and Winchester," which has appeared in the *Winsted Journal* for several years, will soon be available on the library's webpage.

Several volunteers have been of great assistance, in researching topics such as Winsted's camps, cemeteries, streets, and natural disasters. They have also indexed and organized many resources in the G&LHR and assisted with searching through the newspapers on microfilm.



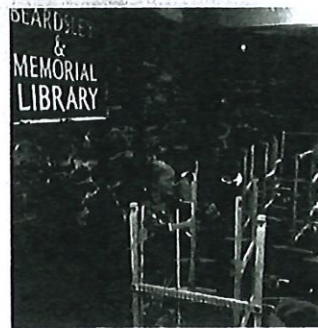
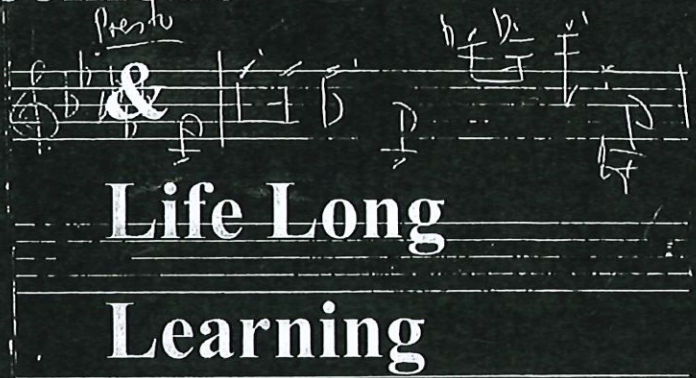
The bookshelf located outside the G&LHR offers circulating copies of many resources that were formerly for reference use only. It has been very well received by patrons. The glass display cases, across from the G&LHR, continue to feature historical topics and are done in collaboration with Talisha Blackburn, our Young Adult Librarian.



Many Winsted resources have been digitized and placed on the *Local History* webpage, including city directories, centennial publications, history books, and a number of smaller works. Future goals for the G&LHR are to digitize additional resources and to increase our subscriptions to genealogy-based websites.

Cultural Enhancement

The library offered over 30 educational and entertaining programs this past year and has ongoing opportunities for learning. Below are a few highlights of what we've been doing.



This year the library held a series of programs called "Try It Tuesdays" where patrons learned a variety of new skills and were able to try out different arts and crafts activities.



The Winchester Land Trust sponsored a visit from White Memorial for a program entitled "Nature's Not So Cuddly Creatures".

4,450 people attended programs at the library from July of 2016 to June of 2017



Our Volunteers Make A Difference!

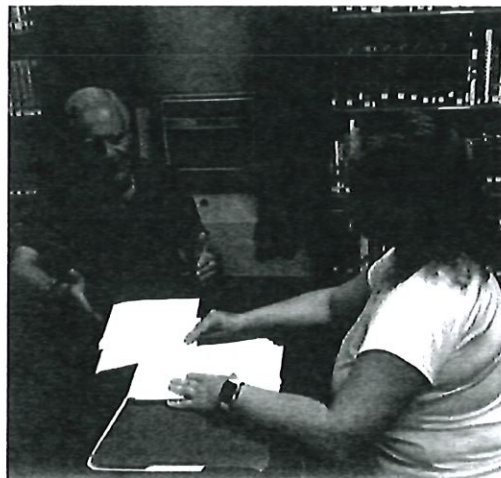
The library supported information literacy by hosting a series of one-on-one training sessions for older adults to learn how to utilize technology, including computers, smart phones, and tablets. Local college and high school students volunteered as mentors for the program. Over 40 sessions were held.



Northwestern Regional 7 student volunteer, Jacob T., teaches a patron how to create an email account and compose and send a message.

"Jessica helped me use Skype to connect with my family overseas. I'm so grateful for her help!" ~Sylvia G.

This year the library offered ongoing one-on-one career, resume, and job search coaching thanks to the generosity of our volunteer, Jeff Crothers. Over 60 sessions were held for adults seeking Jeff's assistance with career counseling.



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, 2016, 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, 2016, 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 2015 financial statements, and our report dated January 20, 2015, 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, 2015, 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 March 24, 2016, on our consideration of the Town of Colebrook, CT's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Colebrook, CT's internal control over financial reporting and compliance.

King, King & Associates

King, King & Associates, CPAs
Winsted, Connecticut
March 24, 2017

TOWN OF COLEBROOK
Management's Discussion and Analysis
June 30, 2016

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, 2016.

Financial Highlights

- The assets of the Town of Colebrook, CT exceeded its liabilities at the close of the most recent fiscal year by \$9,559,525 (net position). Of this amount, \$1,316,756 (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 \$117,321. 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 \$1,390,901, a decrease of \$9,721 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, \$1,245,466 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 \$1,276,047, or 23% 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, 2016

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

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

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

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

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

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

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

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

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Colebrook, CT, assets exceeded liabilities by \$9,559,525 at the close of the most recent fiscal year.

TOWN OF COLEBROOK
Management's Discussion and Analysis
June 30, 2016

Major expense factors include:

- Unanticipated repairs to aging trucks, equipment, and Town buildings resulted in increased expense in these areas.
- Recreation Board expenses were higher than anticipated due to needed pond dredging & building 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 \$1,390,901, a decrease of \$9,721 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 \$1,276,047 of which \$0 was assigned for subsequent year's appropriations. This represents a decrease of \$186,655, lower than anticipated Property tax and Town Operations revenues..

As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents twenty-three percent (23%) of total General Fund expenditures.

General Fund Budgetary Highlights

- Property tax revenue collections were less than anticipated due primarily to several large tax assessment appeals.
- Total spending on education was 1% less than budgeted; the Colebrook Consolidated School ended the year with a 1.8% budget surplus.
- Increased receipts from building permits, conveyance taxes and a refund from CIRMA contributed to revenues from Town Operations exceeding budget by nearly 120%.

Capital Projects Fund Highlights

- The annual appropriation for the Capital Projects Fund was set at \$400,000.
- Grant revenue totaled \$454,447, of which 82% was related to the Campbell Road Bridge project.

Other Fund Highlights

- The Post Office Fund showed a \$5,583 surplus this year.

TOWN OF COLEBROOK
 Management's Discussion and Analysis
 June 30, 2016

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, 2016, amounts to \$8,525,448 (net of accumulated depreciation and related debt). This investment in capital assets includes land and infrastructure, buildings, vehicles, machinery and equipment, and construction in progress.

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

- School Well Project - \$85,793
- Campbell Road Bridge - \$501,513
- School Boiler - \$27,897

	<u>2016</u>	<u>2015</u>
Land and Infrastructure	\$ 3,792,975	\$ 4,012,974
Construction in Progress	1,032,345	558,732
Buildings and Improvements	3,041,330	3,034,910
Furniture and Fixtures	-	536
Vehicles	519,040	602,674
Machinery and Equipment	139,758	136,281
Total	<u>\$ 8,525,448</u>	<u>\$ 8,346,107</u>

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

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

	<u>2016</u>	<u>2015</u>
Notes Payable	\$ 400,000	\$ 450,000
CVFD Tax Abatement	123,485	150,389
Total	<u>\$ 523,485</u>	<u>\$ 600,389</u>

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

Economic Factors and Next Year's Budgets and Rates

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

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

Request for Information

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

TOWN OF COLEBROOK

Statement of Net Position

June 30, 2016

	Governmental Activities
Assets	
<i>Current Assets:</i>	
Cash and Cash Equivalents	\$ 1,675,906
State and Federal Grants Receivable	18,192
Taxes Receivable	147,704
Interest Receivable	51,000
Other Current Assets	1,168
Total Current Assets	1,893,970
<i>Noncurrent Assets:</i>	
<i>Capital Assets:</i>	
Nondepreciable	1,372,428
Depreciable Buildings and Equipment, net	7,153,020
Total Assets	\$ 10,419,418
 Deferred Outflows of Resources	
	-
 Liabilities	
<i>Current Liabilities:</i>	
Accounts Payable	\$ 59,901
Accrued Payroll	28,062
Refundable Advances	18
Prepaid Taxes	198,691
Due to Others	48,187
Due to State of Connecticut	1,549
Total Current Liabilities	336,408
<i>Noncurrent Liabilities</i>	
Due within One Year	50,000
Due in More than One Year	473,485
Total Noncurrent Liabilities	523,485
Total Liabilities	859,893
 Deferred Inflows of Resources	
	-
 Net Position	
Net Investment in Capital Assets	8,125,448
Restricted	117,321
Unrestricted	1,316,756
Total Net Position	\$ 9,559,525

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, 2016

	<u>Program Revenues</u>			<u>Net (expense)/revenue and changes in net position</u>
	<u>Expenses</u>	<u>Charges for Services and Contributions</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Functions/Programs				
Primary Government:				
Governmental Activities				
General Government	\$ 737,085	\$ 109,090	\$ 3,000	\$ 12,117
Public Safety	122,532	2,399	1,305	525
Highways	1,024,767	690	201,187	372,310
Sanitation	201,390	-	-	-
Health and Welfare	78,116	1,220	1,109	-
Education	3,929,774	24,674	732,782	70,020
Other	64,116	-	-	-
Total Governmental Activities	<u>6,157,780</u>	<u>138,073</u>	<u>939,383</u>	<u>454,972</u>
Total Primary Government	\$ 6,157,780	\$ 138,073	\$ 939,383	\$ 454,972
				(612,878)
				(118,303)
				(450,580)
				(201,390)
				(75,787)
				(3,102,298)
				(64,116)
				(4,625,352)
				4,881,013
				5,484
				24,653
				9,406
				4,920,556
				295,204
				9,264,321
				\$ 9,559,525

General Revenues:

Property Taxes Levied for General Purposes	4,881,013
Unrestricted Investment Income	5,484
Grants and Contributions Not Restricted to Specific Purpose	24,653
Other Income	9,406
Total General Revenues	4,920,556
Change in Net Position	295,204
Net Position - Beginning	9,264,321
Net Position - Ending	\$ 9,559,525

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

TOWN OF COLEBROOK
 Balance Sheet
 Governmental Funds
 June 30, 2016
 (With Comparative Totals for June 30, 2015)

Assets	General	Capital	Nonmajor	Total	
	Fund	Projects		Funds	Governmental
		Fund		2016	2015
Cash and Cash Equivalents	\$ 1,316,063	\$ 218,813	\$ 141,030	\$ 1,675,906	\$ 1,343,695
Taxes Receivable	147,704	-	-	147,704	174,873
State and Federal Grants Receivable	-	16,053	2,139	18,192	265,009
Interfund Receivables	261,257	-	3,956	265,213	362,307
Inventory	-	-	1,168	1,168	622
Total Assets	<u>\$ 1,725,024</u>	<u>\$ 234,866</u>	<u>\$ 148,293</u>	<u>\$ 2,108,183</u>	<u>\$ 2,146,506</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities:					
Accounts Payable	\$ 54,420	\$ 5,481	\$ -	\$ 59,901	\$ 289,977
Accrued Payroll	28,062	-	-	28,062	13,431
Due to State of Connecticut	-	-	1,549	1,549	1,845
Refundable Advances	-	-	18	18	881
Prepaid Taxes	198,691	-	-	198,691	-
Due to Others	48,187	-	-	48,187	13,829
Interfund Payables	3,956	259,966	1,291	265,213	362,307
Total Liabilities	<u>333,316</u>	<u>265,447</u>	<u>2,858</u>	<u>601,621</u>	<u>682,270</u>
Deferred Inflows of Resources:					
Deferred Revenue-Taxes	115,661	-	-	115,661	63,614
Total Deferred Inflows of Resources	<u>115,661</u>	<u>-</u>	<u>-</u>	<u>115,661</u>	<u>63,614</u>
Fund Balance:					
Nonspendable:					
Cafeteria Inventory	-	-	1,168	1,168	622
Restricted For:					
Dog Fund	-	-	193	193	1,547
Cemetery	-	-	101,710	101,710	100,419
Education Grants	-	-	1,106	1,106	466
Historical Document Preservation	-	-	3,956	3,956	3,262
Committed To:					
Capital Projects	-	-	-	-	-
Post Office	-	-	33,986	33,986	28,403
School Cafeteria	-	-	3,316	3,316	4,938
Unassigned	1,276,047	(30,581)	-	1,245,466	1,260,965
Total Fund Balance	<u>1,276,047</u>	<u>(30,581)</u>	<u>145,435</u>	<u>1,390,901</u>	<u>1,400,622</u>
Total Liabilities and Fund Balance	<u>\$ 1,725,024</u>	<u>\$ 234,866</u>	<u>\$ 148,293</u>	<u>\$ 2,108,183</u>	<u>\$ 2,146,506</u>

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	8,525,448
Deferred revenue for property taxes are reported in the funds but accrued as revenue in the government-wide statements and added to net position.	115,661
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.	51,000
Some long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(523,485)</u>
Net position of governmental activities	<u>\$ 9,559,525</u>

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

TOWN OF COLEBROOK

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

For the Year Ended June 30, 2016
(With Comparative Totals for June 30, 2015)

	General Fund	Capital Projects Fund	Nonmajor Funds	Total Governmental Funds	
				2016	2015
Revenues:					
Property Taxes	\$4,832,333	\$ -	\$ -	\$ 4,832,333	\$5,281,552
Investment Income	4,906	507	71	5,484	1,725
Fees and Charges	108,396	690	28,987	138,073	94,918
Contributions	-	525	-	525	5,830
Intergovernmental Revenue	929,084	454,447	29,686	1,413,217	1,662,315
Other	2,348	550	6,508	9,406	17,202
Total Revenues	<u>5,877,067</u>	<u>456,719</u>	<u>65,252</u>	<u>6,399,038</u>	<u>7,063,542</u>
Expenditures:					
Current					
General Government	620,971	-	3,925	624,896	591,695
Public Safety	84,736	-	1,753	86,489	74,755
Highways	684,544	-	-	684,544	827,762
Senior Center	38,521	-	-	38,521	37,196
Health and Welfare	30,778	-	-	30,778	30,496
Miscellaneous	64,116	-	-	64,116	44,531
Sanitation	201,390	-	-	201,390	200,970
Education	3,821,541	-	51,796	3,873,337	3,994,836
Debt Service	69,125	-	-	69,125	71,250
Capital Outlay	-	735,563	-	735,563	1,364,351
Total Expenditures	<u>5,615,722</u>	<u>735,563</u>	<u>57,474</u>	<u>6,408,759</u>	<u>7,237,842</u>
Excess/(Deficiency) of Revenues Over Expenditures	261,345	(278,844)	7,778	(9,721)	(174,300)
Other Financing Sources/(Uses):					
Operating Transfers Out	(450,000)	-	(2,000)	(452,000)	(492,000)
Operating Transfers In	2,000	450,000	-	452,000	492,000
Total Other Financing Sources/(Uses)	<u>(448,000)</u>	<u>450,000</u>	<u>(2,000)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(186,655)	171,156	5,778	(9,721)	(174,300)
Fund Balance at Beginning 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>
Fund Balance End of Year	<u>\$ 1,276,047</u>	<u>\$ (30,581)</u>	<u>\$ 145,435</u>	<u>\$ 1,390,901</u>	<u>\$ 1,400,622</u>

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, 2016

Net Change in Fund Balances - Total Governmental Funds \$ (9,721)

**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>	631,779
<i>Depreciation expense</i>	(452,438)

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>	52,047
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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>CVFD Tax Abatement Obligation</i>	26,904
<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>(3,367)</u>
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Change in net position of governmental activities. \$ 295,204

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, 2016

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Over/ (Under)</u>
Revenues:				
Taxes	\$ 5,111,432	\$ 5,111,432	\$ 4,832,333	\$ (279,099)
Investment Income	2,000	2,000	4,906	2,906
Fees and Charges	45,000	45,000	98,841	53,841
Intergovernmental Revenue	751,077	751,077	742,743	(8,334)
Other	15,000	15,000	2,348	(12,652)
Appropriated from Surplus	-	-	-	-
Total Revenues	<u>5,924,509</u>	<u>5,924,509</u>	<u>5,681,171</u>	<u>(243,338)</u>
Expenditures:				
General Government	528,890	528,890	568,102	39,212
Public Safety	73,178	73,178	84,436	11,258
Highways	783,633	783,633	684,544	(99,089)
Town Hall	50,800	50,800	52,869	2,069
Senior Center	52,361	52,361	38,521	(13,840)
Health and Welfare	31,304	31,304	30,778	(526)
Miscellaneous	47,763	47,763	52,804	5,041
Refuse Disposal	208,000	208,000	201,390	(6,610)
Debt Service	69,125	69,125	69,125	-
Other Expenditures	-	-	12,023	12,023
Education	3,673,629	3,673,629	3,630,781	(42,848)
Capital Outlay	400,000	400,000	450,000	50,000
Total Expenditures	<u>5,918,683</u>	<u>5,918,683</u>	<u>5,875,373</u>	<u>(43,310)</u>
Excess of Revenues over Expenditures	<u>\$ 5,826</u>	<u>\$ 5,826</u>	<u>\$ (194,202)</u>	<u>\$ (200,028)</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, 2016
(With Comparative Totals for June 30, 2015)

	Pension <u>Trust Fund</u>	Agency <u>Funds</u>	<u>Totals</u>	
			<u>2016</u>	<u>2015</u>
Assets				
Cash and Cash Equivalents	\$ -	\$ 64,884	\$ 64,884	\$ 58,890
Investments	<u>182,217</u>	<u>-</u>	<u>182,217</u>	<u>167,012</u>
Total Assets	<u>\$ 182,217</u>	<u>\$ 64,884</u>	<u>\$ 247,101</u>	<u>\$ 225,902</u>
Deferred Outflows of Resources				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities				
Due to Beneficiaries	\$ -	\$ 62,507	\$ 62,507	\$ 57,668
Due to Others	<u>-</u>	<u>2,377</u>	<u>2,377</u>	<u>1,222</u>
Total Liabilities	<u>-</u>	<u>64,884</u>	<u>64,884</u>	<u>58,890</u>
Deferred Inflows of Resources				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Position				
Restricted for Pension Benefits	<u>182,217</u>	<u>-</u>	<u>182,217</u>	<u>167,012</u>
Total Net Position	<u>\$ 182,217</u>	<u>\$ -</u>	<u>\$ 182,217</u>	<u>\$ 167,012</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, 2016 and 2015

	Pension Trust Fund	
Additions	<u>2016</u>	<u>2015</u>
Contributions	\$ 17,387	\$ 12,671
Investment Income	<u>(457)</u>	<u>6,167</u>
Total Additions	<u>16,930</u>	<u>18,838</u>
Deductions		
General Government	<u>1,725</u>	<u>2,924</u>
Total Deductions	<u>1,725</u>	<u>2,924</u>
Change in Net Position	15,205	15,914
Net Position - Beginning	<u>167,012</u>	<u>151,098</u>
Net Position - Ending	<u>\$ 182,217</u>	<u>\$ 167,012</u>

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

TOWN OF COLEBROOK
Notes to the Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

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

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

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

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

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

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

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

TOWN OF COLEBROOK
Notes to the Financial Statements

Government-wide and fund financial statements

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

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

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

Measurement focus, basis of accounting, and financial statements presentation

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

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

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

The government reports the following major governmental funds:

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

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

Additionally, the government reports the following fund types:

Fiduciary Fund Types

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

TOWN OF COLEBROOK
Notes to the Financial Statements

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

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

Estimates

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

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

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

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

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

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

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

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

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

TOWN OF COLEBROOK
Notes to the Financial Statements

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

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

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

Investments carried at fair value are presented in Note 3.

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

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

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

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

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

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

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

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

TOWN OF COLEBROOK
Notes to the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

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

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

TOWN OF COLEBROOK
Notes to the Financial Statements

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

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information and Accounting

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

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

Budgetary/GAAP Reconciliation

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

TOWN OF COLEBROOK
Notes to the Financial Statements

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

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Financing Sources/(Uses)</u>	<u>Net Change</u>
Balance, Budgetary Basis	\$ 5,681,171	\$ 5,875,373	\$ -	\$ (194,202)
Revenue Adjustments for:				
Fees & Charges	3,749	-	-	3,749
CT Teacher's Retirement	192,147	-	-	192,147
Transfers In	-	-	2,000	2,000
Other Revenues	-	-	-	-
Expenditure Adjustments for:				
Transfers Out	-	(450,000)	(450,000)	-
CT Teacher's Retirement	-	192,147	-	(192,147)
Other Expenditures	-	(1,798)	-	1,798
Balance, GAAP Basis	<u>\$ 5,877,067</u>	<u>\$ 5,615,722</u>	<u>\$ (448,000)</u>	<u>\$ (186,655)</u>

Risk Management

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

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

NOTE 3 – CASH EQUIVALENTS, INVESTMENTS, AND DEFERRED REVENUE

Cash and Cash Equivalents

The deposits of public funds are controlled by the Connecticut General Statutes. The following is a summary of cash and cash equivalents at June 30, 2016 and 2015:

	<u>Governmental Funds</u>	<u>Fiduciary Funds</u>	<u>Totals</u>	
			<u>2016</u>	<u>2015</u>
Demand Accounts	\$ 560,004	\$ 64,558	\$ 624,562	\$ 380,348
Short Term Investment Fund	1,115,902	-	1,115,902	1,022,237
MBIA CLASS Fund	-	-	-	-
Total Cash and Cash Equivalents	<u>\$ 1,675,906</u>	<u>\$ 64,558</u>	<u>\$ 1,740,464</u>	<u>\$ 1,402,585</u>

TOWN OF COLEBROOK
Notes to the Financial Statements

Detailed Cash Notes on all Funds

Deposits and Investments

Custodial Credit Risk - Deposits: Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. At year-end, the town's carrying amount of deposits was \$624,562 and the bank balance was \$660,896. Of the bank balance, Federal Depository Insurance Corporation covered \$250,000. As of June 30, 2016, \$410,896 of the Town's demand bank balance of \$660,896 was exposed to custodial credit risk as follows:

	<u>Demand Accounts</u>
Uninsured and uncollateralized	\$ 344,806
Uninsured and collateral held by pledging bank's Trust department not in the Town's name	66,090
Total	\$ 410,896

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>2016</u>	<u>2015</u>
Mutual Funds	\$ 182,217	\$ 167,012
Total	\$ 182,217	\$ 167,012

As of June 30, 2016, the Town had the following investments:

	<u>Fair Value</u>	<u>Investment Maturities</u>	
		<u>Less Than 1 yr.</u>	<u>1-5 yrs.</u>
Mutual Funds	\$ 182,217	N/A	N/A
Total Investments	\$ 182,217	\$ -	\$ -

TOWN OF COLEBROOK
Notes to the Financial Statements

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

<u>Description</u>	June 30, <u>2016</u>	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Mutual Funds	\$ 182,217	\$ 182,217	\$ -	\$ -
Total	<u>\$ 182,217</u>	<u>\$ 182,217</u>	<u>\$ -</u>	<u>\$ -</u>

Deferred Revenue

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

	<u>2016</u>	<u>2015</u>
Deferred Property Taxes	\$115,661	\$63,614
Deferred Grant Revenue	\$18	\$ 881

TOWN OF COLEBROOK
Notes to the Financial Statements

NOTE 4 – CAPITAL ASSETS

The following is a summary of net changes in fixed assets for the fiscal year ending June 30, 2016:

	<u>Beginning</u> <u>Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending</u> <u>Balances</u>
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 340,083	\$ -	\$ -	\$ 340,083
Construction in Progress	<u>558,732</u>	<u>509,863</u>	<u>36,250</u>	<u>1,032,345</u>
Total capital assets, not being depreciated	<u>898,815</u>	<u>509,863</u>	<u>36,250</u>	<u>1,372,428</u>
Capital assets, being depreciated:				
Buildings & Improvements	5,263,573	130,269	-	5,393,842
Infrastructure	4,400,000	-	-	4,400,000
Furniture & Fixtures	8,468	-	-	8,468
Vehicles	1,565,762	-	87,696	1,478,066
Machinery and Equipment	<u>554,323</u>	<u>27,897</u>	<u>-</u>	<u>582,220</u>
Total capital assets being depreciated	<u>11,792,126</u>	<u>158,166</u>	<u>87,696</u>	<u>11,862,596</u>
Less accumulated depreciation for:				
Buildings & Improvements	2,228,664	123,848	-	2,352,512
Infrastructure	727,108	220,000	-	947,108
Furniture & Fixtures	7,933	536	-	8,469
Vehicles	963,089	83,634	87,696	959,027
Machinery and Equipment	<u>418,040</u>	<u>24,420</u>	<u>-</u>	<u>442,460</u>
Total accumulated depreciation	<u>4,344,834</u>	<u>452,438</u>	<u>87,696</u>	<u>4,709,576</u>
Total capital assets, being depreciated, net	<u>7,447,292</u>	<u>(294,272)</u>	<u>-</u>	<u>7,153,020</u>
Governmental activities capital assets, net	<u>\$ 8,346,107</u>	<u>\$ 215,591</u>	<u>\$ 36,250</u>	<u>\$ 8,525,448</u>

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

Governmental Activities:	<u>2016</u>	<u>2015</u>
General Government	\$ 67,570	\$ 63,817
Highways	287,067	280,079
Public Safety	42,334	46,749
Health and Welfare	8,817	7,055
Education	<u>46,650</u>	<u>49,444</u>
Total Depreciation Expense	<u>\$ 452,438</u>	<u>\$ 447,144</u>

The Town has active construction projects as of June 30, 2016. The year-end total accumulated construction costs are:

Campbell Brook Bridge	\$ 860,743
Nutmeg Network	<u>\$ 8,350</u>
	<u>\$ 869,093</u>

TOWN OF COLEBROOK
Notes to the Financial Statements

The remaining cost to complete the Campbell Brook Bridge is estimated to be \$9,286. The remaining cost to complete the Nutmeg Network is \$21,583.

NOTE 5 – PENSION PLANS

Connecticut State Teacher's Retirement System

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

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

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

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

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

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

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

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

TOWN OF COLEBROOK
Notes to the Financial Statements

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>2,463,806</u>
Total	\$	<u>2,463,806</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, 2016 the Town had no proportionate share of the net pension liability.

For the year ended June 30, 2016, the Town recognized benefits expense and contribution revenue of \$197,147 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized \$5,266 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, including inflation.		8.50 Percent

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:

TOWN OF COLEBROOK
Notes to the Financial Statements

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large cap U.S. Equities	21.00%	5.8%
Developed non-U.S. Equities	18.00%	6.6%
Emerging Markets (non-U.S.)	9.00%	8.3%
Core Fixed Income	7.00%	1.3%
Inflation linked Bond Funds	3.00%	1.0%
Emerging Market Bond	5.00%	3.7%
High-yield Bonds	5.00%	3.9%
Real Estate	7.00%	5.1%
Private Equity	11.00%	7.6%
Alternative Investments	8.00%	4.1%
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 1,800 hours during the plan year, and who is actively employed as of the annual plan valuation date.

The Town is required to contribute an amount equal to 5% of annual covered payroll. A provision has been included to allow pre-tax employee contributions up to 100% of compensation, subject to IRS dollar limits of \$17,500 for 2015-2016. Any participant who is age 50 or older could be eligible for a "catch-up" contribution of \$5,500 in 2015-2016. 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%

TOWN OF COLEBROOK
Notes to the Financial Statements

6 but less than 7	80%
7 or more	100%

The Town's required 5% contribution was \$10,862. The Board of Education's required 5% contribution was \$4,024. There was \$2,500 in participant contributions for the year.

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

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

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

Significant Accounting Policies

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

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

NOTE 6 – OTHER POSTEMPLOYMENT BENEFITS

Description

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

Funding Policy

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

TOWN OF COLEBROOK
Notes to the Financial Statements

Debt Service Requirements

Debt service requirements on long-term debt at June 30, 2016 are as follows:

<u>Year Ending</u>	<u>Principal</u>	<u>Interest</u>
2017	50,000	17,000
2018	50,000	14,875
2019	50,000	12,750
2020	50,000	10,625
2021	50,000	8,500
2022-2024	150,000	12,750
Total	<u>\$ 400,000</u>	<u>\$ 76,500</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 9.79%, which is based upon student enrollment. The Town's portion of the bond principal for Regional School District No. 7 is as follows:

	<u>Principal</u>
Bonds Outstanding	\$2,784,919
Town's Pro Rata %	<u>9.79%</u>
Town's Share	<u>\$ 272,644</u>

NOTE 9 – INTERFUND ACCOUNTS

At June 30, 2016, interfund balances were as follows:

<u>Due From:</u>	<u>Due To:</u>		<u>Totals</u>	
	<u>Nonmajor</u>	<u>General</u>	<u>2016</u>	<u>2015</u>
	<u>Funds</u>	<u>Fund</u>		
General Fund	\$ 3,956	\$ -	\$ 3,956	\$ 101,051
Capital Projects	-	259,966	259,966	259,965
Nonmajor	-	1,291	1,291	1,291
Total	<u>\$ 3,956</u>	<u>\$ 261,257</u>	<u>\$ 265,213</u>	<u>\$ 362,307</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.

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.

TOWN OF COLEBROOK
Notes to the Financial Statements

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>2016</u>	<u>2015</u>
General Fund					
<i>Budgeted Expenditure</i>	\$ -	\$ 450,000	\$ -	\$ 450,000	\$ 492,000
Non major	<u>2,000</u>	<u>-</u>	<u>-</u>	<u>2,000</u>	<u>-</u>
	<u>\$ 2,000</u>	<u>\$ 450,000</u>	<u>\$ -</u>	<u>\$ 452,000</u>	<u>\$ 492,000</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:

2017	\$3,480
2018	3,480
2019	580

NOTE 11 – FUND BALANCES

The following balances were committed at June 30:

	<u>2016</u>	<u>2015</u>
Post Office Fund	33,986	28,403
School Cafeteria Fund	<u>3,316</u>	<u>4,938</u>
Total	<u>\$ 37,302</u>	<u>\$ 33,341</u>

NOTE 12 – ADOPTION OF NEW ACCOUNTING PRONOUNCEMENT

The Town adopted GASB Statement No. 72, *Fair Value Measurement and Application*, during the fiscal year. The adoption of these standards required additions to the footnote disclosures regarding the fair value of investments.

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, 2016

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, 2016

TOWN OF COLEBROOK POST-EMPLOYMENT FIRE DEPARTMENT TAX ABATEMENT BENEFITS

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

See accountants report.

TOWN OF COLEBROOK
General Fund
Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2016

	Original Budget	Amended Budget	Actual	Over (Under)
REVENUES				
Taxes:				
Property Taxes	\$ 5,072,624	\$ 5,072,624	\$ 4,989,986	\$ (82,638)
MDC Tax Refund	-	-	(198,691)	(198,691)
Interest and Liens	38,808	38,808	41,038	2,230
Total Taxes	5,111,432	5,111,432	4,832,333	(279,099)
Intergovernmental Revenue:				
Senior Center Grants	-	-	1,109	1,109
Telephone Access Line Tax Share	5,600	5,600	5,806	206
Education Cost Sharing	508,008	508,008	505,155	(2,853)
School Transportation	3,026	3,026	2,744	(282)
Adult Education	277	277	284	7
State and Federal Property	5,782	5,782	542	(5,240)
Town Aid Roads	200,862	200,862	201,187	325
Pequot Funds	9,972	9,972	10,461	489
Elderly and Veterans Property Tax Relief	12,000	12,000	13,650	1,650
Team Mentors	-	-	500	500
Other Receipts	5,000	5,000	-	(5,000)
Misc. - Boats, Machinery, & Comm. MV	550	550	1,305	755
Total Intergovernmental Revenue	751,077	751,077	742,743	(8,334)
Other Revenues:				
Town Operations	45,000	45,000	98,841	53,841
Interest Income	2,000	2,000	4,906	2,906
Miscellaneous	15,000	15,000	2,348	(12,652)
Total Other Revenues	62,000	62,000	106,095	44,095
Total Revenues before other				
Financing Sources	5,924,509	5,924,509	5,681,171	(243,338)
Other Financing Sources:				
Fund Balance Designated to Finance Budget	-	-	-	-
Total Revenues	\$ 5,924,509	\$ 5,924,509	\$ 5,681,171	\$ (243,338)

See accountant's report.

TOWN OF COLEBROOK

General Fund

Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2016

	Original Budget	Amended Budget	Actual	Over (Under)
EXPENDITURES				
General Government:				
First Selectman	\$ 33,037	\$ 33,037	\$ 33,038	\$ 1
2nd & 3rd Selectmen	2,000	2,000	2,000	-
COST	725	725	795	70
Selectmen's Expense	1,500	1,500	1,388	(112)
Probate Court	1,700	1,700	1,469	(231)
Elections	15,260	15,260	19,967	4,707
Board of Finance	700	700	585	(115)
Board of Assessors	23,005	23,005	27,789	4,784
Assessor's Expense	600	600	24,385	23,785
Board of Assessment Appeals	800	800	759	(41)
Tax Collector	21,305	21,305	21,305	-
Tax Collector's Expense	5,890	5,890	4,306	(1,584)
Treasurer	15,606	15,606	15,606	-
Treasurer's Expense	500	500	-	(500)
Town Attorney	5,000	5,000	10,400	5,400
Town Clerk	38,638	38,638	38,638	-
Town Clerk's Expense	4,000	4,000	3,160	(840)
Assistant Town Clerk	7,000	7,000	8,125	1,125
Building Inspector	13,385	13,385	13,385	-
Building Inspector's Expense	2,000	2,000	135	(1,865)
Farmington Valley Health District	7,504	7,504	7,504	-
Planning and Zoning Commission	1,500	1,500	890	(610)
Zoning Board of Appeals	525	525	167	(358)
Inland-Wetlands Agency	1,500	1,500	708	(792)
Town Secretary	30,888	30,888	34,648	3,760
Land Use Sec'y/Enf. Officer	16,230	16,230	15,402	(828)
Social Security	36,177	36,177	33,988	(2,189)
Pension Payment	300	300	300	-
Pension Contribution	11,828	11,828	11,378	(450)
Employee Medical Insurance	114,567	114,567	109,503	(5,064)
Insurance (CIRMA)	81,370	81,370	81,214	(156)
Recreation Board	17,000	17,000	27,406	10,406
Auditor	14,400	14,400	14,400	-
Assistant Tax Collector	500	500	620	120
Town Hall Admin. Support	900	900	1,697	797
CCM	1,050	1,050	1,042	(8)
Total General Government	528,890	528,890	568,102	39,212
Public Safety:				
Fire Marshal	3,981	3,981	4,001	20
Fire Marshal's Expense	-	-	200	200
Fire Protection	50,600	50,600	62,695	12,095

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, 2016

	Original Budget	Amended Budget	Actual	Over (Under)
Constables	\$ 150	\$ 150	\$ 105	\$ (45)
911	15,947	15,947	14,993	(954)
Animal Control	2,500	2,500	2,442	(58)
Total Public Safety	73,178	73,178	84,436	11,258
Highways:				
Wages	182,631	182,631	187,478	4,847
Overtime	26,707	26,707	6,241	(20,466)
Town Garage Fuel	32,800	32,800	17,835	(14,965)
Town Garage Lubricants	5,000	5,000	1,010	(3,990)
Town Garage Parts	21,615	21,615	23,276	1,661
Town Garage Repairs	27,300	27,300	28,595	1,295
Winter Maintenance	120,000	120,000	92,703	(27,297)
Road Maintenance	110,000	110,000	69,424	(40,576)
Oil Program	190,000	190,000	190,000	-
Street Lights	980	980	890	(90)
Garage Utilities	10,700	10,700	5,440	(5,260)
Garage Support	5,000	5,000	3,825	(1,175)
Tree Removal	20,000	20,000	19,700	(300)
Town Garage Environmental	8,900	8,900	926	(7,974)
Town Garage Building Maintenance	22,000	22,000	37,201	15,201
Total Highways	783,633	783,633	684,544	(99,089)
Town Hall:				
Office Supplies	10,000	10,000	10,037	37
Town Hall/Community Hall Util.	20,500	20,500	15,036	(5,464)
Town Hall Maintenance	18,300	18,300	25,199	6,899
Unemployment	-	-	304	304
Miscellaneous	2,000	2,000	2,293	293
Total Town Hall	50,800	50,800	52,869	2,069
Senior Center:				
Senior Center Utilities	6,745	6,745	5,673	(1,072)
Senior Center Maintenance	9,200	9,200	6,642	(2,558)
Senior Center Coordinator	6,439	6,439	3,949	(2,490)
Site Manager and Helper	23,977	23,977	20,629	(3,348)
Van & Driver	6,000	6,000	1,628	(4,372)
Total Senior Center	52,361	52,361	38,521	(13,840)
Health and Welfare:				
Vital Statistics	26	26	-	(26)
Foothills Nursing	6,039	6,039	6,039	-
Susan B. Anthony	1,500	1,500	1,000	(500)
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, 2016

	Original Budget	Amended Budget	Actual	Over (Under)
Elderly Nutrition Program	\$ 521	\$ 521	\$ 521	\$ -
Elderly Transit Program	734	734	734	-
Regional Mental Health	160	160	160	-
Paramedic Intercept	11,270	11,270	11,270	-
Norfolk Ambulance	3,652	3,652	3,652	-
Northwest Corner Chore Service	750	750	750	-
Total Health and Welfare	31,304	31,304	30,778	(526)
Miscellaneous:				
Libraries	14,926	14,926	14,926	-
Cemeteries	6,500	6,500	8,265	1,765
Data Processing	21,000	21,000	19,380	(1,620)
Winsted YSB	2,262	2,262	2,262	-
LHCEO	1,165	1,165	1,166	1
Farmington River Watershed	249	249	249	-
Mapping: Micro Filming	1,661	1,661	6,556	4,895
Total Miscellaneous	47,763	47,763	52,804	5,041
Refuse Disposal:				
Town's Refuse/Recycle	208,000	208,000	201,390	(6,610)
Total Refuse Disposal	208,000	208,000	201,390	(6,610)
Debt Service:				
	69,125	69,125	69,125	-
Education:				
Colebrook School Budget	1,874,966	1,874,966	1,840,828	(34,138)
Northwest Regional # 7	1,798,663	1,798,663	1,789,953	(8,710)
Total Education	3,673,629	3,673,629	3,630,781	(42,848)
Other Expenditures:				
Colebrook School Consolidated Study	-	-	411	411
CERT Grant Expense	-	-	300	300
Insurance Claims Expense	-	-	4,140	4,140
Miscellaneous	-	-	7,172	7,172
Total Other Expenditures	-	-	12,023	12,023
Capital Improvements:				
Capital Expenditures	400,000	400,000	450,000	(50,000)
Total Capital Improvements	400,000	400,000	450,000	(50,000)
Total Expenditures	5,918,683	5,918,683	5,875,373	(143,310)
Excess of Revenues over Expenditures	\$ 5,826	\$ 5,826	\$ (194,202)	\$ (100,028)

See accountant's report.

TOWN OF COLEBROOK
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2016

SPECIAL REVENUE FUNDS

	<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>	<u>Total</u>
Assets							
Cash and Cash Equivalents	\$ 33,986	\$ 3,033	\$ 2,283	\$ 101,710	\$ -	\$ 18	\$ 141,030
State and Federal Grants Receivable	-	-	1,033	-	-	1,106	2,139
Other Receivables	-	-	-	-	-	-	-
Interfund Receivables	-	-	-	-	3,956	-	3,956
Inventory	-	-	1,168	-	-	-	1,168
Total Assets	<u>\$ 33,986</u>	<u>\$ 3,033</u>	<u>\$ 4,484</u>	<u>\$ 101,710</u>	<u>\$ 3,956</u>	<u>\$ 1,124</u>	<u>\$ 148,293</u>
Liabilities							
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred Revenue	-	-	-	-	-	18	18
Interfund Payable	-	1,291	-	-	-	-	1,291
Due to State of CT	-	1,549	-	-	-	-	1,549
Total Liabilities	<u>-</u>	<u>2,840</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18</u>	<u>2,858</u>
Fund Balances							
Nonspendable	-	-	1,168	-	-	-	1,168
Restricted	-	193	-	101,710	3,956	1,106	106,965
Committed	33,986	-	3,316	-	-	-	37,302
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	<u>33,986</u>	<u>193</u>	<u>4,484</u>	<u>101,710</u>	<u>3,956</u>	<u>1,106</u>	<u>145,435</u>
Total Liabilities and Fund Balances	<u>\$ 33,986</u>	<u>\$ 3,033</u>	<u>\$ 4,484</u>	<u>\$ 101,710</u>	<u>\$ 3,956</u>	<u>\$ 1,124</u>	<u>\$ 148,293</u>

See accountant's report.

TOWN OF COLEBROOK
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2016

SPECIAL REVENUE FUNDS

	Post Office Fund	Dog Fund	School Cafeteria Fund	Cemetery Fund	Historical Document Fund	Education Grants Fund	Total
Revenues							
Investment Income	\$ -	\$ -	\$ -	\$ 71	\$ -	\$ -	\$ 71
Fees and Charges	-	2,399	24,674	1,220	694	-	28,987
Contributions	-	-	-	-	-	-	-
Intergovernmental Revenues	-	-	9,303	-	3,000	17,383	29,686
Other	6,508	-	-	-	-	-	6,508
Total Revenues	<u>6,508</u>	<u>2,399</u>	<u>33,977</u>	<u>1,291</u>	<u>3,694</u>	<u>17,383</u>	<u>65,252</u>
Expenditures							
General Government	925	-	-	-	3,000	-	3,925
Public Safety	-	1,753	-	-	-	-	1,753
Health and Welfare	-	-	-	-	-	-	-
Education	-	-	35,053	-	-	16,743	51,796
Debt Service	-	-	-	-	-	-	-
Total Expenditures	<u>925</u>	<u>1,753</u>	<u>35,053</u>	<u>-</u>	<u>3,000</u>	<u>16,743</u>	<u>57,474</u>
Net Changes in Fund Balances Before Other Financing Sources/(Uses)	5,583	646	(1,076)	1,291	694	640	7,778
Other Financing Sources/(Uses)							
Transfers In	-	-	-	-	-	-	-
Transfers Out	-	(2,000)	-	-	-	-	(2,000)
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	5,583	(1,354)	(1,076)	1,291	694	640	5,778
Fund Balances - Beginning	<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>
Fund Balances - Ending	<u>\$ 33,986</u>	<u>\$ 193</u>	<u>\$4,484</u>	<u>\$ 101,710</u>	<u>\$ 3,956</u>	<u>\$ 1,106</u>	<u>\$ 145,435</u>

See accountant's report.

TOWN OF COLEBROOK
Combining Statement of Fiduciary Net Position
June 30, 2016

	Agency Funds					Total
	Pension Trust Fund	Recreation Board Fund	School Activities Fund	Senior Center Fund	Colebrook Fair Fund	
Assets:						
Cash and Cash Equivalents	\$ -	\$ 9,458	\$ 19,836	\$ 31,296	\$ 4,294	\$ 64,884
Investments	182,217	-	-	-	-	182,217
Total Assets	\$ 182,217	\$ 9,458	\$ 19,836	\$ 31,296	\$ 4,294	\$ 247,101
Deferred Outflows of Resources	-	-	-	-	-	-
Liabilities:						
Due to Beneficiaries	\$ -	\$ 9,458	\$ 19,836	\$ 30,269	\$ 2,944	\$ 62,507
Due to Others	-	-	-	1,027	1,350	2,377
Total Liabilities	-	9,458	19,836	31,296	4,294	64,884
Deferred Inflows of Resources	-	-	-	-	-	-
Net Position:						
Restricted for Pension Benefits	182,217	-	-	-	-	182,217
Total Net Position	\$ 182,217	\$ -	\$ -	\$ -	\$ -	\$ 182,217

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, 2016

	<u>Pension Trust Fund</u>
Revenues:	
Employer Contributions	\$ 14,887
Employee Contributions	2,500
Earnings from Investments	<u>(457)</u>
Total Revenues	<u>16,930</u>
Expenditures:	
General Government	<u>1,725</u>
Total Expenditures	<u>1,725</u>
Excess (Deficiency) of Revenues Over Expenditures	15,205
Net Position, Beginning of Year	<u>167,012</u>
Net Position, End of Year	<u>\$ 182,217</u>

See accountant's report.

TOWN OF COLEBROOK
Combining Statement of Changes in Assets and Liabilities
Fiduciary Funds
For the Year Ended June 30, 2016

	Balance <u>July 1, 2015</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>June 30, 2016</u>
RECREATION BOARD FUND				
Assets:				
Cash	\$ 9,922	\$ 4,768	\$ 5,232	\$ 9,458
Liabilities:				
Due to Beneficiaries	\$ 9,677	\$ 4,768	\$ 4,987	\$ 9,458
Due to Others	245	-	245	-
	<u>\$ 9,922</u>	<u>\$ 4,768</u>	<u>\$ 5,232</u>	<u>\$ 9,458</u>
SCHOOL ACTIVITIES FUND				
Assets:				
Cash	\$ 20,793	\$ 30,340	\$ 31,297	\$ 19,836
Liabilities:				
Due to Beneficiaries	\$ 20,793	\$ 30,340	\$ 31,297	\$ 19,836
SENIOR CENTER FUND				
Assets:				
Cash	\$ 25,986	\$ 34,746	\$ 29,436	\$ 31,296
Liabilities:				
Due to Beneficiaries	\$ 25,009	\$ 33,719	\$ 28,459	\$ 30,269
Due to Others	977	1,027	977	1,027
	<u>\$ 25,986</u>	<u>\$ 34,746</u>	<u>\$ 29,436</u>	<u>\$ 31,296</u>
COLEBROOK FAIR FUND				
Assets:				
Cash	\$ 2,189	\$ 4,712	\$ 2,607	\$ 4,294
Liabilities:				
Due to Beneficiaries	\$ 2,189	\$ 3,362	\$ 2,607	\$ 2,944
Due to Others	-	1,350	-	1,350
	<u>\$ 2,189</u>	<u>\$ 4,712</u>	<u>\$ 2,607</u>	<u>\$ 4,294</u>
TOTAL ASSETS				
Cash	\$ 51,096	\$ 74,566	\$ 68,572	\$ 57,090
TOTAL LIABILITIES				
Due to Beneficiaries	\$ 49,502	\$ 72,189	\$ 67,350	\$ 54,341
Due to Others	1,222	2,377	1,222	2,377
	<u>\$ 50,724</u>	<u>\$ 74,566</u>	<u>\$ 68,572</u>	<u>\$ 56,718</u>

See accountant's report.

TOWN OF COLEBROOK

**Schedule of Property Taxes Levied, Collected, and Outstanding
For the Year Ended June 30, 2016**

List of 10/1:	Out- Standing 07/01/15	Current Levy	Additions	Deductions	Collectable Taxes	Receipt of Taxes	Receipt of Interest, Liens, and Legal Fees	Total Receipts	Transfers to / (from) Suspense	Transfers to / (from) Over Paid	Out- Standing 06/30/16
2014		\$ 5,128,086	\$ 13,655	122,713	\$ 5,019,028	\$ 4,940,233	\$ 16,849	\$ 4,957,082	\$ -	\$ -	\$ 78,795
2013	\$ 113,734	-	423	143	114,014	65,751	13,377	79,128	-	-	48,263
2012	30,360	-	-	128	30,232	19,147	8,351	27,498	158	-	10,927
2011	16,826	-	89	90	16,825	10,241	4,701	14,942	3,706	-	2,878
2010	9,330	-	-	63	9,267	2,970	2,196	5,166	3,507	-	2,790
2009	2,005	-	-	132	1,873	-	-	-	-	-	1,873
2008	1,096	-	-	104	992	-	-	-	-	-	992
2007	1,079	-	-	163	916	-	-	-	-	-	916
2006	1,028	-	-	92	936	-	-	-	-	-	936
2005	1,028	-	-	-	1,028	-	-	-	-	-	1,028
2004	504	-	-	-	504	-	-	-	-	-	504
2003	491	-	-	-	491	-	-	-	-	-	491
2002	492	-	-	-	492	-	-	-	-	-	492
2001	468	-	-	-	468	-	-	-	-	-	468
2000	444	-	-	-	444	-	-	-	-	-	444
1999	907	-	-	-	907	-	-	-	-	-	907
		\$ 5,128,086	\$ 14,167	\$ 123,628	\$ 5,198,417	5,038,342	45,474	5,083,816	\$ 7,371	\$ -	\$ 152,704

Net Grand List - October 1, 2014	Less: Refunds	-
Tax Rate 27.80 Mills	Suspense Collections	2,616
	Total Collections	\$ 47,483
		\$ 5,088,441

See accountant's report.

TOWN OF COLEBROOK
Schedule of Debt Limitation
June 30, 2016

Total Tax Collections (Prior Year)

Taxes, Liens and Fees		\$ 5,212,403
Reimbursement for Loss on:		
Tax Relief for the Elderly	9,417	
Base		<u>\$ 5,221,820</u>

	<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	-	-	-	16,970,915
 Total Debt Limitation	 11,749,095	 23,498,190	 19,581,825	 16,970,915
 Indebtedness:				
Loans Payable	400,000	-	-	-
Overlapping Debt:				
Regional School District No. 7	-	272,644	-	-
 Total Indebtedness	 400,000	 272,644	 -	 -
 Debt limitation in excess of outstanding and authorized debt	 \$ 11,349,095	 \$ 23,225,546	 \$ 19,581,825	 \$ 16,970,915

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, 2016

	Original Budget	Amended Budget	Actual	Over/ (Under)
Salaries				
<i>Certified Personnel</i>				
Superintendent	\$ 54,889	\$ 54,889	\$ 54,889	\$ -
Principal	104,327	104,327	104,327	-
Teachers	636,605	616,605	587,760	(28,845)
Substitutes	13,000	13,000	36,169	23,169
Head Teacher	1,500	1,500	1,500	-
Extra Hours	1,000	1,000	38	(962)
Reading Consultant	87,380	87,380	87,380	-
<i>Non-Certified</i>				
Aide	76,362	76,362	72,740	(3,622)
Team Mentor	-	-	500	500
Overnight Stipend	525	525	450	(75)
School Nurse	35,037	35,037	35,124	87
Administrative Asst.	43,505	43,505	43,505	-
Bookkeeper	37,782	37,782	37,782	-
Custodian / Full	36,686	36,686	36,040	(646)
Custodian / Part	-	-	-	-
Custodial Overtime	6,665	6,665	3,972	(2,693)
Total Salaries	1,135,263	1,115,263	1,102,176	(13,087)
Employee Benefits				
Medical Insurance	158,950	158,950	151,960	(6,990)
Dental Insurance	10,080	10,080	9,431	(649)
Life Insurance	2,985	2,985	2,424	(561)
Comp. FICA	20,170	20,170	20,153	(17)
Medicare Company	15,790	15,790	15,535	(255)
Pension	5,860	5,860	5,859	(1)
H.S.A. Contribution	14,000	14,000	13,000	(1,000)
Medicaid Supplement	4,000	4,000	3,443	(557)
Retirement Incentive	8,600	8,600	7,548	(1,052)
Tuition Reimbursement	5,000	5,000	5,000	-
Unemployment Comp.	150	150	-	(150)
Vaccines	250	250	-	(250)
Total Employee Benefits	\$ 245,835	\$ 245,835	\$ 234,353	\$ (11,482)

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, 2016

	Original Budget	Amended Budget	Actual	Over/ (Under)
Purchased Services				
Admin Seminars (Workshops)	\$ 500	\$ 500	\$ 1,080	\$ 580
Staff Seminars (Workshops)	3,000	3,000	200	(2,800)
Curriculum Development	1,000	1,000	-	(1,000)
Legal Fees	2,000	2,000	2,425	425
Audit Services	3,400	3,400	3,725	325
Doctor	650	650	1,125	475
Therapists	22,150	22,150	27,276	5,126
Psychologist	-	-	3,195	3,195
Fingerprinting	100	100	94	(6)
<i>Purchased Property Services</i>				
Water/Water Coolers	3,500	3,500	2,375	(1,125)
Well Monitor	3,800	3,800	6,836	3,036
<i>Repair and Maintenance Services</i>				
Cleaning Services	1,300	1,300	5,025	3,725
Building Maint. & Repairs	7,500	7,500	5,741	(1,759)
Bldg. Insp./Asbestos	1,000	1,000	1,602	602
Equipment Repairs	5,000	5,000	10,410	5,410
Service Contracts	1,930	1,930	2,302	372
Software Upgrade	5,520	5,520	2,546	(2,974)
Copier Maintenance	1,600	1,600	1,732	132
Equipment Lease	2,520	2,520	2,304	(216)
<i>Student Transportation</i>				
Regular Local	84,924	84,924	85,355	431
Special Education	28,881	28,881	41,184	12,303
<i>Communication</i>				
Telephone	5,400	5,400	3,271	(2,129)
Postage	1,500	1,500	478	(1,022)
Internet	330	330	-	(330)
Alert Now	300	300	281	(19)
Advertising	750	750	1,669	919
<i>Travel-Other Transportation</i>				
Travel	1,200	1,200	1,004	(196)
<i>Miscellaneous Purchased Services</i>				
Other School District	96,412	96,412	55,846	(40,566)
Private School	4,000	4,000	8,410	4,410
Education Service in CT	16,000	16,000	9,601	(6,399)
Shared Services/Outplacement	102,895	102,895	105,904	3,009
Total Purchased Services	\$ 409,062	\$ 409,062	\$ 392,996	\$ (16,066)

See accountant's report.

TOWN OF COLEBROOK

Board of Education

Schedule of Expenditures - Budget and Actual
For the Fiscal Year Ended June 30, 2016

	Original Budget	Amended Budget	Actual	Over/ (Under)
Purchases				
<i>Supplies and Materials</i>				
Office Supplies	\$ 1,250	\$ 1,250	\$ 485	\$ (765)
Teaching Supplies	2,011	2,011	939	(1,072)
Instructional Equipment	-	-	325	325
Testing Supplies	1,903	1,903	1,606	(297)
Audio Visual Supplies	250	250	397	147
Computer Supplies	6,105	6,105	10,283	4,178
Custodial Supplies	6,000	6,000	5,003	(997)
Health Supplies	1,138	1,138	1,133	(5)
Board of Education Supplies	400	400	566	166
Library Supplies	200	200	-	(200)
School Supplies	6,000	6,000	4,667	(1,333)
Principal Supplies	400	400	310	(90)
<i>Energy</i>				
Electricity	16,000	16,000	14,574	(1,426)
Propane Gas	-	-	863	863
Heating Oil	30,000	30,000	26,442	(3,558)
<i>Textbooks & Periodicals</i>				
Textbooks	3,095	3,095	1,015	(2,080)
Workbooks	1,794	1,794	2,245	451
Library Books	550	550	310	(240)
Magazines	275	275	615	340
Teacher Guides	152	152	456	304
Spanish Supplies	-	-	-	-
Music Supplies	800	800	715	(85)
Art Supplies	700	700	24	(676)
Physical Education Supplies	500	500	687	187
Total Purchases	<u>79,523</u>	<u>79,523</u>	<u>73,660</u>	<u>(5,863)</u>
Capital Outlay				
Furniture & Fixtures	1,800	1,800	10,983	9,183
Equipment	-	20,000	22,427	2,427
Total Capital Outlay	<u>1,800</u>	<u>21,800</u>	<u>33,410</u>	<u>11,610</u>
Other Objects				
Dues & Fees	3,383	3,383	4,023	640
Miscellaneous	100	100	210	110
Total Other Objects	<u>3,483</u>	<u>3,483</u>	<u>4,233</u>	<u>750</u>
Total Board of Education	<u>\$ 1,874,966</u>	<u>\$ 1,874,966</u>	<u>\$ 1,840,828</u>	<u>\$ (34,138)</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, 2016, and the related notes to the financial statements, which collectively comprise the Town of Colebrook, CT's basic financial statements, and have issued our report thereon dated March 24, 2017.

Internal Control over Financial Reporting

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

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

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

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

Compliance and Other Matters

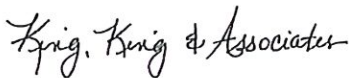
As part of obtaining reasonable assurance about whether the Town of Colebrook, CT's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Town of Colebrook, CT's Response to Findings

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Town of Colebrook, CT's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Colebrook, CT's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



King, King & Associates, CPAs
March 24, 2017

**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, 2016. 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, 2016.

Report on Internal Control over Compliance

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

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

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

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

King, King & Associates

King, King & Associates, CPAs
March 24, 2017

TOWN OF COLEBROOK
Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2016

<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	\$ 3,000
State Department of Education		
Adult Education	11000-SDE64370-17030	284
Child Nutrition Program	11000-SDE64370-16211	454
Healthy Food Certification	11000-SDE64370-16212	934
Department of Transportation		
Town Aid Road Grant	12052-DOT57131-43455	201,187
Judicial Department		
Parking Fines	34001-JUD95162-40001	1,305
Department of Economic Development		
Small Town Economic Assistance Program	12052-ECD46260-42411	16,053
Office of Policy and Management		
Nutmeg Network	12060-OPM20600-35525	34,700
Property Tax Relief:		
Totally Disabled	11000-OPM20600-17011	164
Veteran's Exemptions	11000-OPM20600-17024	3,681
Elderly Exemptions	11000-OPM20600-17018	9,805
Municipal Grants-In-Aid	12052-OPM20600-43587	550
Total State Financial Assistance Before Exempt Programs		<u>272,117</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-DAS27635-40901	21,210
School Construction Grants	13010-DAS27636-40901	28,220
Department of Education		
Education Cost Sharing	11000-SDE64370-17041	505,155
Transportation of School Children	11000-SDE64370-17027	2,744
Total Exempt Programs		<u>567,790</u>
Total State Financial Assistance		<u>\$ 839,907</u>

See notes to schedule.

TOWN OF COLEBROOK
Notes to Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2016

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, 2016. 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, 2016

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, 2016 and issued our unmodified report thereon dated March 24, 2017.

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:

State Grantor And Program	State Core-CT Number	Expenditures
Department of Transportation:		
Town Aid Road	12052-DOT57131-43455	\$ 201,187

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

II. FINANCIAL STATEMENT FINDINGS

- We issued reports, dated March 24, 2017, 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.



