

Preliminary Official Statement Dated October 29, 2019

NEW ISSUE: Book-Entry-Only

RATINGS: (See "Ratings" herein)

In the opinion of Bond Counsel, rendered in reliance upon and assuming the accuracy of and continuing compliance by the Town with certain representations and covenants relating to the applicable requirements of the Internal Revenue Code of 1986, as amended (the "Code"), under existing law, interest on the Notes is excluded from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax under the Code. In the opinion of Bond Counsel, under existing statutes, interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Notes. (See "Tax Matters" herein.)



Town of Brookfield, Connecticut \$5,335,000 General Obligation Bond Anticipation Notes (Bank Qualified)

Dated: November 14, 2019
Due: November 13, 2020
CUSIP:¹ 112709___

Rate: ___%
Yield: ___%
Underwriter: TBD

Interest on the Notes will be payable at maturity. The Notes, when issued, will be registered in the name of Cede & Co., as Noteowner and nominee for The Depository Trust Company ("DTC"), New York, New York. Ownership of the Notes may be in principal amounts of \$1,000 or integral multiples thereof. So long as Cede & Co. is the Noteowner, as nominee for DTC, reference herein to the Noteowner or owners shall mean Cede & Co., aforesaid, and shall not mean the Beneficial Owners (as described herein) of the Notes. (See "Book-Entry Only Transfer System" herein.)

The Notes are NOT subject to redemption prior to maturity.

Sealed proposals and electronic bids via PARITY will be received until 11:30 A.M. (Eastern Time) for the Notes on Tuesday, November 5, 2019 at Town Hall, 100 Pocono Road, Brookfield, Connecticut 06804. Telephone bids for the Notes will be received by an authorized agent of Phoenix Advisors, the Town's Municipal Advisor, until 11:30 A.M. on the sale date at (203) 775-7342.

The Notes will be issued in book-entry-only form and will bear interest, at such rate or rates per annum as are specified by the successful bidder or bidders, in accordance with the Notice of Sale, dated October 29, 2019.

The Notes will be general obligations of the Town of Brookfield, Connecticut and the Town will pledge its full faith and credit to pay the principal of and interest on the Notes when due. (See "Security and Remedies" herein.)

The Notes are offered for delivery when, as and if issued, subject to the approving opinion of Pullman & Comley, LLC, Bond Counsel, of Bridgeport and Hartford, Connecticut and certain other conditions. It is expected that delivery of the Notes in book-entry-only form will be made to DTC on or about November 14, 2019. The Registrar, Transfer Agent, Paying Agent, and Certifying Agent will be U.S. Bank National Association.

¹ Copyright, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP numbers have been assigned by an independent company not affiliated with the Town and are included solely for the convenience of the holders of the Notes. The Town is not responsible for the selection or use of these CUSIP numbers, does not undertake any responsibility for their accuracy, and makes no representation as to their correctness on the Notes or as indicated above. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Notes as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Notes.

No dealer, broker, salesman or other person has been authorized by the Town to give any information or to make any representations not contained in this Official Statement or any supplement, which may be issued hereto, and if given or made, such other information or representations must not be relied upon as having been authorized by the Town. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information set forth herein has been obtained by the Town from sources which are believed to be reliable but is not guaranteed as to accuracy or completeness.

This Official Statement has been prepared only in connection with the initial offering and sale of the Notes and may not be reproduced or used in whole or in part for any other purpose. The information, estimates and expressions of opinion in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Notes shall, under any circumstances, create any implication that there has been no material change in the affairs of the Town since the date of this Official Statement.

The Notes will not be registered under the Securities Act of 1933, as amended, in reliance upon an exemption contained in such Act. The Notes have not been registered or qualified under the securities laws of any state. The Notes have not been recommended by any federal or state securities commission or regulatory authority, and the foregoing authorities have neither reviewed nor confirmed the accuracy of this document.

The independent auditors for the Town are not passing upon and do not assume responsibility for the accuracy or completeness of the financial information presented in this Official Statement (other than matters expressly set forth in their opinion in Appendix A), and they make no representation that they have independently verified the same.

Other than as to matters expressly set forth herein as the opinion of Bond Counsel, Bond Counsel is not passing on and does not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and makes no representation that it has independently verified the same.

Bond Counsel is not passing on and does not assume any responsibility for the accuracy or completeness of the statements made in this Official Statement (other than matters expressly set forth as its opinion in Appendix B "Form of Opinion of Bond Counsel") and makes no representation that it has verified the same.

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Issue Summary – The Notes

The information in this Note Issue Summary and the cover page is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. This Official Statement speaks only as of its date and the information herein is subject to change.

Date of Sale:	Tuesday, November 5, 2019 at 11:30 A.M. (Eastern Time).
Location of Sale:	Town Hall, 100 Pocono Road, Brookfield, Connecticut 06804.
Issuer:	Town of Brookfield, Connecticut (the "Town").
Issue:	\$5,335,000 General Obligation Bond Anticipation Notes (the "Notes").
Dated Date:	November 14, 2019.
Interest Due:	At maturity: November 13, 2020.
Principal Due:	At maturity: November 13, 2020.
Authorization and Purpose:	The Notes are being issued to finance various public improvement and school projects.
Redemption:	The Notes are not subject to redemption prior to maturity.
Security and Remedies:	The Notes will be general obligations of the Town, and the Town will pledge its full faith and credit to the payment of principal and interest on the Notes when due.
Credit Rating:	No application was made for a rating on the Notes. The Town's outstanding long-term rating is "AAA" from S&P Global Ratings.
Bond Insurance:	The Town does not expect to purchase a credit enhancement facility.
Basis of Award:	Lowest Net Interest Cost (NIC), as of the dated date.
Tax Exemption:	See "Tax Matters" and Appendix B "Form of Opinion of Bond Counsel" herein.
Bank Qualification:	The Notes <u>shall</u> be designated as qualified tax-exempt obligations by the Town under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for certain interest expense allocable to the Notes.
Continuing Disclosure:	In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, notices of certain events with respect to the Notes pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the form set forth in Appendix C to this Official Statement.
Registrar, Transfer Agent, Certifying Agent & Paying Agent:	U.S. Bank National Association, Goodwin Square, 225 Asylum Street, 23 rd Floor, Hartford, Connecticut 06103.
Legal Opinion:	Pullman & Comley, LLC, of Bridgeport and Hartford, Connecticut will act as Bond Counsel.
Municipal Advisor:	Phoenix Advisors, LLC of Milford, Connecticut will act as Municipal Advisor. Telephone (203) 878-4945.
Delivery and Payment:	It is expected that delivery of the Notes in book-entry-only form will be made to The Depository Trust Company on or about November 14, 2019 against payment in Federal Funds.
Issuer Official:	Questions concerning the Town and this Official Statement should be addressed to Marcia L. Marien, CPA, Finance Director/Controller, Town of Brookfield, 100 Pocono Road, Brookfield, Connecticut 06804. Telephone (203) 775-7308.

I. Note Information

Introduction

This Official Statement, including the cover page and appendices, is provided for the purpose of presenting certain information relating to the Town of Brookfield, Connecticut (the "Town"), in connection with the original issuance and sale of the Town's \$5,335,000 General Obligation Bond Anticipation Notes (the "Notes").

The Notes are being offered for sale at public bidding. The Notice of Sale dated October 29, 2019 has been furnished to prospective bidders. Reference is made to the Notice of Sale, which is included as Appendix D, for the terms and conditions of the bidding.

This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Notes. Any statements made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any such opinion or estimate will be realized. No representation is made that past experience, as might be shown by financial or other information herein, will necessarily continue or be repeated in the future. All quotations from and summaries and explanations of provisions of Statutes, Charters, or other laws and acts and proceedings of the Town contained herein do not purport to be complete, are subject to repeal or amendment, and are qualified in their entirety by reference to such laws and the original official documents. All references to the Notes and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Notes and such proceedings.

U.S. Bank National Association will certify and act as Registrar, Transfer Agent, Paying Agent, and Certifying Agent for the Notes.

The presentation of information in this Official Statement is intended to show recent historical trends and is not intended to indicate future or continuing trends in the financial or other positions of the Town.

The Town deems this Official Statement to be "final" for the purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), but it is subject to revision or amendment.

Municipal Advisor

Phoenix Advisors, LLC, of Milford, Connecticut serves as Municipal Advisor to the Town with respect to the issuance of the Notes (the "Municipal Advisor"). The information in this Official Statement has been prepared by the Town, with the help of the Municipal Advisor. The Municipal Advisor is not obligated to undertake, and has not undertaken, either to make an independent verification of or to assume responsibility for the accuracy, completeness, or fairness of the information contained in the Official Statement and the appendices hereto.

The Municipal Advisor is an independent firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

The Notes

The Notes will be dated November 14, 2019 and will be due and payable as to both principal and interest at maturity, November 13, 2020. The Notes will bear interest calculated on the basis of twelve 30-day months and a 360-day year at such rate or rates per annum as are specified by the successful bidder or bidders. A book-entry system will be employed evidencing ownership of the Notes in principal amounts of \$1,000 or integral multiples thereof, with transfers of ownership effected on the records of DTC, and its participants pursuant to rules and procedures established by DTC and its participants. (See "Book-Entry Only Transfer System" herein.) The Notes are not subject to redemption prior to maturity.

Authorization and Purpose

The Notes are issued pursuant to General Statutes of Connecticut, as amended, the Charter of the Town, and borrowing resolutions approved by the voters of the Town of Brookfield.

Use of Proceeds

The proceeds of the Notes are anticipated to be used for the purposes set forth below:

Project	Total Amount of Authorization	Notes Due 11/13/2020
2018-19 Capital Projects (General Purpose).....	\$ 1,643,050	\$ 1,400,000
2018-19 Capital Projects (School).....	510,000	510,000
2019-20 Capital Projects (General Purpose).....	1,855,160	1,737,985
2019-20 Capital Projects (School).....	1,687,015	1,687,015
Totals.....	\$ 5,695,225	\$ 5,335,000

Book-Entry Only Transfer System

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Notes. The Notes will be issued as fully-registered Notes registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. For the Notes, one fully-registered Note certificate will be issued for each interest rate of the Notes in the aggregate principal amount of such maturity.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has S&P Global Ratings highest rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of the Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Notes are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of the Notes with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Notes

are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of the Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Notes may wish to ascertain that the nominee holding the Notes for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Notes unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments with respect to the Notes will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with Notes held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest, and redemption premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Notes at any time by giving reasonable notice to the Town or its Agent. Under such circumstances, in the event that a successor depository is not obtained, Note certificates are required to be printed and delivered.

The Town may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Note certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Town believes to be reliable, but the Town takes no responsibility for the accuracy thereof.

DTC Practices

The Town can make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners of the Notes will act in a manner described in this Official Statement. DTC is required to act according to rules and procedures established by DTC and its participants which are on file with the Securities and Exchange Commission.

Replacement Notes

In the event that: (a) DTC determines not to continue to act as securities depository for the Notes, and the Town fails to identify another qualified securities depository for the Notes to replace DTC; or (b) the Town determines to discontinue the book-entry system of evidence and transfer of ownership of the Notes, the Town will issue fully-registered Note certificates directly to the Beneficial Owner. A Beneficial Owner of the Notes, upon registration of certificates held in such Beneficial Owner’s name, will become the registered owner of the Notes.

Security and Remedies

The Notes will be general obligations of the Town and the Town will pledge its full faith and credit to pay the principal of and interest on the Notes when due. Unless paid from other sources, the Notes are payable from general property tax revenues. The Town has the power under Connecticut General Statutes to levy ad valorem taxes on all taxable property in the Town without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or qualified disabled persons taxable at limited amounts. The Town may place a lien on the property for the amount of tax relief granted, plus interest, with respect to dwelling houses of qualified elderly persons of low income or qualified disabled persons. Under existing statutes, the State of Connecticut may be obligated to pay the Town the amount of the tax revenue which the Town would have received except for the limitation under certain of the statutes upon its power to tax dwelling houses of qualified elderly persons of low income.

Payment of the Notes is not limited to property tax revenues or any other revenue source, but certain revenues of the Town may be restricted as to use and therefore may not be available to pay debt service on the Notes.

There are no statutory provisions for priorities in the payment of general obligations of the Town. There are no statutory provisions for a lien on any portion of the tax levy or other revenues to secure the Notes or judgments thereon, in priority to other claims.

The Town is subject to suit on its general obligation bonds and notes and a court of competent jurisdiction has power in appropriate proceedings to render a judgment against the Town. Courts of competent jurisdiction also have power in appropriate proceedings to order a payment of a judgment on such debt from funds lawfully available therefor or, in the absence thereof, to order the Town to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising their discretion as to whether to enter such an order, the courts may take into account all relevant factors including the current operating needs of the Town and the availability and adequacy of other remedies.

Enforcement of a claim for payment of principal of or interest on such notes would also be subject to the applicable provisions of federal bankruptcy laws and to provisions of other statutes, if any, hereafter enacted by the U.S. Congress or the Connecticut General Assembly extending to the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied. Under the Federal Bankruptcy Code, the Town may seek relief only, among other requirements, if it is specifically authorized, in its capacity as a municipality or by name, to be a debtor under Chapter 9, Title 11 of the United States Code, or by state law or by a governmental officer or organization empowered by state law to authorize such entity to become a debtor under such Chapter. Connecticut General Statutes Section 7-566 provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior consent of the Governor. This prohibition applies to any town, borough, metropolitan district or any other political subdivision of the State having power to levy taxes or issue bonds or other obligations.

THE TOWN OF BROOKFIELD HAS NEVER DEFAULTED IN THE PAYMENT OF PRINCIPAL OR INTEREST ON ITS BONDS OR NOTES

Qualification for Financial Institutions

The Notes shall be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Notes.

Availability of Continuing Disclosure Information

The Town prepares, in accordance with State law, annual audited financial statements and files such annual audits with the State Office of Policy and Management within six months of the end of its fiscal year. The Town provides, and will continue to provide to the rating agencies ongoing disclosure in the form of independent annual audited financial statements, adopted budgets and other materials relating to its management and financial condition as may be necessary or requested.

The Town will enter into a Continuing Disclosure Agreement with respect to the Notes, substantially in the form attached as Appendix C to this Official Statement to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12(b)(5) (the "Rule"), timely, but not in excess of ten (10) business days after the occurrence of the event, notices of the occurrence of certain events with respect to the Notes. The Connecticut General Statutes also provide for exclusion from the debt limit calculation debt (i) issued in anticipation of taxes; (ii) issued for the supply of water, gas, electricity, electric demand response, conservation and load management, distributed generation and renewable energy projects; for the construction of subways for cables, wires and pipes; for the construction of underground conduits for cables, wires and pipes; for the construction and operation of a municipal community antenna television system and for two or more of such purposes; (iii) issued in anticipation of the receipt of proceeds from assessments levied upon property benefited by any public improvement; (iv) issued in anticipation of the receipt of proceeds from State or Federal grants evidenced by a written commitment or for which allocation has been approved by the State Bond Commission or from a contract with the state, state agencies or another municipality providing for the reimbursement of costs but only to the extent such indebtedness can be paid from such proceeds; (v) issued for certain water pollution control projects; and (vi) upon placement in escrow of the proceeds of refunding bonds, notes or other obligations or other funds of the municipality in an amount sufficient to provide for the payment when due of principal of and interest on such bond, note or other evidence of indebtedness.

The Town has previously undertaken in continuing disclosure agreements entered into for the benefit of holders of certain of its general obligation bonds and notes to provide annual financial information and event notices pursuant to the Rule. The Town has not failed to comply in any material respect with its obligations under such agreements in the last five years, except as follows: (1) the Town (a) failed to file by February 28, 2017 its annual budget and its audited financial statements as part of its timely filing of its Annual Financial Information on February 28, 2017, (b) filed a notice of the failure to file on February 28, 2017, and (c) filed the annual budget on March 1, 2017 and the final Comprehensive Annual Financial Report ("CAFR") on June 2, 2017; and (2) the Town (a) failed to file its audited financial statements by February 28, 2018 as part of its Annual Financial Information timely filed on February 28, 2018, (b) filed a notice of the failure to file on February 28, 2018, and (c) filed the final CAFR on April 30, 2018.

Ratings

No application for a rating on the Notes has been made to S&P Global Ratings ("S&P"). The Town's current outstanding bond rating is "AAA" by S&P. The Town furnished to the rating agencies certain information and materials, some of which may not have been included in this Official Statement. Such ratings reflect only the views of the rating agencies and will be subject to revision or withdrawal, which could affect the market price of the Notes. The rating agencies should be contacted directly for their rating on the Notes and the explanation of such rating.

The Town expects to furnish to the rating agencies information and materials that they may request. However, the Town may issue short-term or other debt for which a rating is not required. The Town's Municipal Advisor, Phoenix Advisors, LLC, recommends that all bonded debt be submitted for a credit rating.

Note Insurance

The Town does not expect to purchase a credit enhancement facility for the Notes.

Tax Matters

Federal Taxes. In the opinion of Bond Counsel, under existing law, (i) interest on the Notes is excluded from gross income for federal income tax purposes, and (ii) such interest is not an item of tax preference for purposes of the federal alternative minimum tax.

Bond Counsel's opinion with respect to the Notes will be rendered in reliance upon and assuming the accuracy of and continuing compliance by the Town with its representations and covenants relating to certain requirements of the Internal Revenue Code of 1986, as amended (the "Code"). The Code and regulations promulgated thereunder establish certain requirements which must be satisfied at and subsequent to the issuance of the Notes in order that interest on the Notes be and remain excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Notes to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Notes irrespective of the date on which such noncompliance occurs. In the Tax Regulatory Agreement, which will be delivered concurrently with the issuance of the Notes, the Town will covenant to comply with certain provisions of the Code and will make certain representations designed to assure compliance with such requirements of the Code including, but not limited to, investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of the Note proceeds and certain other matters. The opinion of Bond Counsel delivered on the date of issuance of the Notes is conditioned upon compliance by the Town with such requirements.

No other opinion is expressed by Bond Counsel regarding the federal tax consequences of the ownership of, or the receipt or accrual of interest on, the Notes.

Original Issue Premium. The initial public offering prices of certain maturities of the Notes may be more than their stated principal amounts payable at maturity (the "OIP Notes). In general, an owner who purchases an OIP Note must amortize the original issue premium as provided in the applicable Treasury Regulations, and amortized premium reduces the owner's basis in the OIP Note for federal income tax purposes. Prospective purchasers of OIP Notes at a premium to its principal amount should consult their tax advisors regarding the amortization of premium and its effect upon basis.

Other Federal Tax Matters. Prospective purchasers of the Notes should be aware that ownership of the Notes may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, certain insurance companies, recipients of Social Security or Railroad Retirement benefits, certain S corporations, foreign corporations subject to the branch profits tax, taxpayers eligible for the earned income credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Bond Counsel does not express any opinion regarding such collateral tax consequences. Prospective purchasers of the Notes should consult their tax advisors regarding collateral federal income tax consequences. Prospective purchasers of the Notes may also wish to consult with their tax advisors with respect to the need to furnish certain taxpayer information in order to avoid backup withholding.

State Taxes. In the opinion of Bond Counsel, under existing statutes, interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based for individuals, trusts and estates required to pay the federal alternative minimum tax.

Interest on the Notes is included in gross income for purposes of the Connecticut corporation business tax.

Owners of the Notes should consult their own tax advisors with respect to the determination for state and local income tax purposes of original issue discount or original issue premium accrued upon sale or redemption thereof, and with respect to the state and local tax consequences of owning or disposing of such Notes.

Changes in Federal and State Tax Law. Legislation affecting tax-exempt obligations is regularly considered by the United States Congress. Court proceedings may also be filed, the outcome of which could modify the tax treatment of obligations such as the Notes. There can be no assurance that legislation enacted or proposed, or actions by a court, after the issuance of the Notes will not have an adverse effect on the tax status of interest on the Notes or the market value or marketability of the Notes. These adverse effects could result, for example, from changes to federal or state income tax rates, changes in the structure of federal or state income taxes (including replacement with another type of tax), or repeal (or reduction in the benefit) of the exclusion of interest on the Notes from gross income for federal or state income tax purposes for all or certain taxpayers.

Investors in the Notes should be aware that future legislative actions may increase, reduce or otherwise change (including retroactively) the financial benefits and the treatment of all or a portion of the interest on the Notes for federal income tax purposes for all or certain taxpayers. In all such events, the market value of the Notes may be adversely affected and the ability of holders to sell their Notes in the secondary market may be reduced. The Notes are not subject to special mandatory redemption, and the interest rates on the Notes are not subject to adjustment, in the event of any such change in the tax treatment of interest on the Notes.

General. The opinion of Bond Counsel is rendered as of its date, and Bond Counsel assumes no obligation to update or supplement its opinion to reflect any facts or circumstances that may come to its attention or any changes in law that may occur after the date of its opinion. Bond Counsel's opinion is based on existing law, which is subject to change. Such opinion is further based on factual representations made to Bond Counsel as of the date of issuance. Moreover, Bond Counsel's opinion is not a guarantee of a particular result, and is not binding on the Internal Revenue Service or the courts; rather, such opinion represents Bond Counsel's professional judgment based on its review of existing law, and in reliance on the representations and covenants that it deems relevant to such opinion.

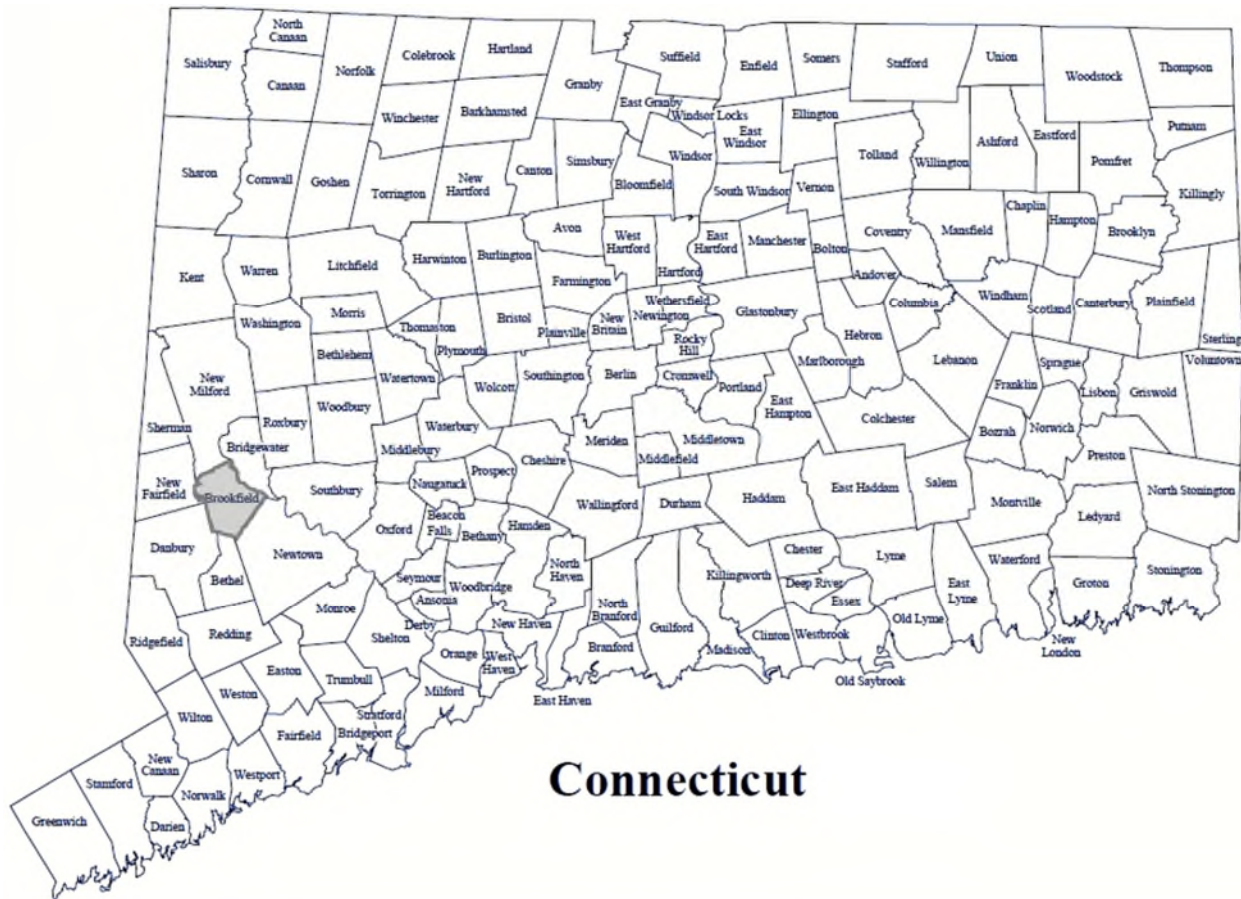
The discussion above does not purport to deal with all aspects of federal or state or local taxation that may be relevant to a particular owner of the Notes. Prospective owners of the Notes, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the federal, state and local tax consequences of owning and disposing of the Notes.

Legal Opinion

The legal opinion for the Notes will be rendered by Pullman & Comley, LLC in substantially the form set forth in Appendix B to this Official Statement.

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II. The Issuer



Description of the Municipality

The Town of Brookfield (the “Town” of “Brookfield”) was incorporated in 1788 and encompasses an area of 19.8 square miles. The Town, located in Fairfield County in western Connecticut, is between two lakes, Candlewood Lake and Lake Lillinonah, approximately 70 miles from New York City. It is bordered on the west by the City of Danbury and the Town of New Fairfield, on the north by the Towns of New Milford and Bridgewater; on the southeast by the Town of Newtown; and on the south by the Town of Bethel. Brookfield has easy access to Interstate 84, and State Routes 7 and 25. Passenger, commercial, and freight air transportation is available at New York’s Kennedy, La Guardia and White Plains Airports; Connecticut’s Bradley International Airport and, more locally, at Danbury Municipal Airport.

Brookfield remained a quiet New England farm community, until the 1960s when it became one of the fastest growing towns in Fairfield County. Planning and zoning have guided an orderly development while maintaining a traditional New England atmosphere. The Town could be divided into four district areas, each with a character of its own:

- The eastern portion of Town bordering Lake Lillinonah, is known as the Historic District. It features colonial architecture and large lots, the majority of which are 1 to 5 acres. Many of the historic structures in that area have been preserved and in 1991 most buildings in Brookfield Center's Historic District were named to the National Register of Historic Places.
- The western side of Town borders the shores of Candlewood Lake. A majority of these homes were built in the 1940's as summer cottages and over the years, have been remodeled and updated to provide year round living. Typical lot sizes range from 0.25/0.5 acre. The market value of waterfront properties on either side of Town is in excess of \$1.5 million.

- Brookfield Town Center (known to locals as "Four Corners") is the downtown shopping district of Brookfield. The area is experiencing heavy growth and revitalization in recent years with new apartment and shopping buildings, bringing over 1,500 new apartments and dozens of new stores since 2015.
- The southern, Federal Road section of Town is home to many national franchises (superstores, such as Costco, BJ's Wholesale Club, Shop-Rite and Kohl's) and local professionals, restaurants and retailers.

Local Economy

Brookfield Four Corners Revitalization:

The Town Center District, a zoning designation for the Four Corners area of Brookfield, is undergoing revitalization. A community supported vision statement and conceptual plan for intersection improvements and sidewalk locations were adopted into the Town's Plan of Conservation and Development (the "Master Plan").

The Four Corners Town Center Revitalization Plan (the "Revitalization Plan") represents an intensive planning effort intended to establish a village center. The Revitalization Plan developed a future scenario for the Four Corners and associated implementation steps to realize the Master Plan. The Town is in phase 3 (of 4) to develop this into a New England-style pedestrian-friendly streetscape.

Federal Road:

Brookfield has seen a large amount of interest from private property owners and investors to develop vacant and/or underdeveloped parcels along Brookfield's commercial corridor, Federal Road. In addition, the State Department of Transportation is beginning a \$6 million project to widen the road, provide sidewalks, left-turn lanes and other safety improvements. The design phase is expected to be completed January 2021 with construction anticipated to start in the summer of 2021. This project will be undertaken with federal and State funds. It does not anticipate any local funds.

Below are some of the recent projects approved and completed in the last 2 years:

Year	Project Name	Residential		Non-Residential		Status
		Units	Type of Units	Square Feet	Use	
2018	Townhouses on Laurel Hill	13	Townhomes	-	-	Completed
2018	Brookfield Village - Phase I	72	Apartments	25,000	Retail	Completed
2018	Brookfield Village - Phase II	70	Apartments	20,000	Retail	In Progress
2018	The Enclave	181	Apartments	3,200	Commercial	Approved
2019	Oak Meadows Condominiums	125	Condominiums	-	-	Completed
2019	540 Federal Road	-	-	6,000	Commercial	Completed
2019	53 Commerce Road	-	-	25,000	Commercial	Completed
2019	450 Federal Road	-	-	30,000	Commercial	In Progress
2019	291 Federal Road	136	Assisted Living	-	-	In Progress
2019	Branson Headquarters	-	-	142,000	Office/Manufacturing	In Progress
2019	401B Federal Road	-	-	22,000	Office (Medical Building)	In Progress
2019	Brookfield Mews	34	Apartments	-	-	Approved
2019	Greene Acres	100	Apartments	5,000	Retail	Approved
2019	Elbow Hill Road	-	-	12,000	Commercial (Indoor Boat Storage)	Approved
2019	58 Old Grey's Bridge Road	-	-	161,000	Commercial (26 Loading Docks)	Approved
2019	YMCA	-	-	NA	Outdoor Parks/Recreation Space	Approved
2019	14 Candlewood Road	-	-	2,000	Office (Bank)	Approved

Source: Land Use Department, Town of Brookfield

Form of Government

The Town has a Town Meeting form of government with a three-member Board of Selectmen, elected to two-year terms, and a six-member Board of Finance, elected to four-year staggered terms. Elections are held bi-annually in November in odd-numbered years. The legislative body also has the powers and privileges conferred and granted to towns and cities under the Constitution and the General Statutes of the State of Connecticut.

The First Selectman is the full-time Chief Executive and Administrative Officer of the Town and oversees the execution of all laws and ordinances governing the Town. He/she presides over the Board of Selectmen and has full voting privileges on the Board of Selectman.

The Board of Finance is responsible for proposing annual budgets and special appropriations at Town Meetings. Brookfield's professional staff also includes a Controller and a part-time elected Treasurer. The Controller is responsible for the coordination of the activities of the accounting staff, the maintenance of the general ledgers of the various funds and account groups of the Town, financial planning and governmental and fund accounting, financial report preparation, and supervision of the annual independent audit. The Treasurer is responsible for the investment of all Town funds.

Principal Municipal Officials

Office	Name	Manner of Selection	Years of Service	Current Term / Appointment
First Selectman	Stephen C. Dunn	Elected	4 years	12/17 - 12/19
Treasurer	John Lucas	Elected	4 years	1/16 - 1/20
Finance Director / Controller	Marcia L. Marien, CPA	Appointed	1 year	8/18 to Present
Chairman, Board of Finance	Sean Hathorn	Elected	4 years	12/15 - 12/19
Superintendent of Schools	John Barile	Appointed	5 years	7/15 to Present
Town Attorney	Thomas Beecher	Appointed	5 years	to Present

Source: Finance Director's Office, Town of Brookfield

Summary of Municipal Services

Police: The Town maintains a police force with an authorized strength of 34 full time officers (including a Chief, Major and Captain), 5 part-time Special Officers, 8 full-time Dispatchers, and 2 full-time Civilian Employees. The department operates with a fleet of vehicles which includes marked patrol vehicles, unmarked detective vehicles, a Mobile Operations Unit, a bus used by the SCUBA Team, a pick-up truck, a Polaris Utility Vehicle and a rubberized SCUBA boat with engine and trailer. The Department responds to approximately 18,500 calls for service annually

Fire: The Town Volunteer Fire Departments consist of approximately 75 volunteer fire fighters and 25 volunteer ambulance personnel in addition to full-time ambulance personnel paid through the fire department budgets and fees charged. Two fire stations are strategically located within the Town and the ambulances are housed in a separate centralized station. In addition to funding specifically approved capital projects, the Town's annual budget includes approximately \$800,000 each year to assist in the operations of the Volunteer Fire Departments and Ambulance Services.

Parks and Recreation: The Town has both active and passive recreation facilities. These include ten parks, eighteen ball fields, a nine-hole public golf course, various tennis/basketball courts, a local YMCA that includes a 50-meter pool and wellness center, and numerous picnic areas. Both Candlewood Lake, which is the largest body of fresh water in Connecticut, and Lake Lillionah, which borders the eastern section of the Town, offer swimming, boating and fishing facilities.

The Parks Department maintains on a year-round basis over 725 acres of municipal land which include parks, ball fields, school grounds, a municipal complex, a police station, two fire stations, a library and several traffic islands. The Department consists of four full-time employees who are supplemented with temporary help during the summer season. Some of the more significant parks and recreation properties include:

- Kid's Kingdom, renovated in 2017, is located at the municipal complex. It includes a modern 16,000 square-foot playground, concert venue, picnic areas and ball fields.

- The 2 mile Still River Greenway is a multi-use trail and greenway along the Still River. The trail runs from the municipal center to the Four Corner’s Town Center and is completely paved. The trail opened in 2016 and, according to the Connecticut Trails Census, had nearly 198,000 users in its first year. In 2019 the Town was awarded a \$207,000 State grant which will allow the town to extend the trail by 2,500 feet and connect the trail to an existing parking lot for additional parking and easier handicapped access.
- In 2015 the Town completed a \$5 million renovation of Cadigan Park and the Town Beach on Candlewood Lake Road. The project involved new drainage systems, tennis courts, a basketball court, renovated bathrooms, a picnic pavilion, a multi-purpose artificial turf field, rebuilding walkways, and major landscaping.

Library: In addition to providing library services in each school, the Town maintains a public library. The library staff includes nine full-time professional librarians, supported by a staff of assistant librarians, clerks and staff aids.

Sewers: The Town of Brookfield has an inter-municipal agreement with the City of Danbury for the treatment of the sewage that is generated in Brookfield. Payments to the City provide for the Town's share of the costs for the operation, maintenance and capital improvements of the plant. The Town levies benefit assessments to the users of the service and other charges for all costs associated with the operation of the Town's Water Pollution Control Authority.

Solid Waste: The Town of Brookfield is a member of the Housatonic Resources Recovery Authority (HRRRA), which is the regional municipal solid waste and recycling management organization for the Housatonic Valley municipalities of Bethel, Bridgewater, Brookfield, Danbury, Kent, New Fairfield, New Milford, Newtown, Redding, Ridgefield, and Sherman. Solid waste from HRRRA municipalities is taken to one of three regional transfer stations operated by Wheelabrator Environmental System, Inc. (WES) in Danbury, Newtown or Ridgefield. From these three regional transfer stations, municipal solid waste is trucked to one of two resource recovery facilities in Bridgeport or Lisbon, Connecticut or taken to other legally permitted WES disposal sites outside Connecticut.

Employee Relations and Collective Bargaining

Municipal Employees

	<i>2019-20</i>	<i>2018-19</i>	<i>2017-18</i>	<i>2016-17</i>	<i>2015-16</i>
General Government.....	117	117	113	107	109
Board of Education. ¹	394	379	388	383	383
Total.....	511	496	501	490	492

¹ Includes full time employees only.

Source: Human Resources Offices, Town of Brookfield and Brookfield Public Schools.

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Employee Bargaining Groups

	Positions Covered	Current Contract Expiration Date
General Government Unions		
Police Department Uniformed Officers.....	31	6/30/2020
Highway Department.....	13	6/30/2020
Clerical, Dispatcher and Maintenance Departments.....	32	6/30/2021
Sub-Total	76	
Board of Education Unions		
Brookfield Administrators Association.....	17	6/30/2022
Brookfield Education Association - Teachers.....	235	6/30/2020 ¹
IFPTE - Educational Secretaries Association.....	27	6/30/2020
CSEA - Brookfield Custodial Association.....	17	6/30/2020
IFPTE - School Nurses Association.....	8	6/30/2020
CSEA - Educational Aids Association.....	70	6/30/2021
Sub-Total	374	
Total	450	

¹ In arbitration.

Source: Human Resources Offices, Town of Brookfield and Brookfield Public Schools.

Connecticut General Statutes Sections 7-473c, 7-474, and 10-153a to 10-153n provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certified teachers and certain other employees. The legislative body of an affected municipality may reject an arbitration panel’s decision by a two-thirds majority vote. The State and the employee organizations must be advised in writing for the reasons for rejection. The State will then appoint a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must accept the last best offer of either party. In reaching its determination, the arbitration panel shall give priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. For binding arbitration of teachers' contracts, in assessing the financial capability of a town, there is an irrefutable presumption that a budget reserve of 5% or less is not available for payment of the cost of any item subject to arbitration. In the light of the employer's financial capability, the panel considers prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and the wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

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Educational System

The Town's school system services grades pre-kindergarten through 12 and is governed by a seven-member Board of Education elected to four-year staggered terms. The primary function of the Board is to establish policy. Some of the areas for which such policies are set include curriculum, budget requests submission, ensuring funds for education as appropriated by the Town are properly expended, implementation of both State and Federal laws, and planning for facilities needed by the system, including construction and renovation.

On March 5, 2019 the Town approved an appropriation of \$78,141,446 to fund the costs of planning, design, acquisition, construction, furnishing and equipping of new elementary school to accommodate the Town’s pre-k through 5th grade student population, including an early childhood learning center. This school will replace and combine Center and Huckleberry Schools and will move the 5th graders out of the Middle School. As is customary in Connecticut, the Town has applied to the State of Connecticut for a grant to offset a portion of the costs and plans to issue general obligation bonds in the aggregate maximum amount not to exceed \$63,295,000 in the future to finance the balance of the project.

School Facilities

School	Grades	Date of Construction (Remodeling)	Number of Classrooms ¹	10/1/2019 Enrollment	Maximum Capacity ²
Center.....	Pre K-1	1938 (44)(52)(54)(81)(96)	28	388	480
Huckleberry.....	2-4	1965 (80)(83)(93)	40	523	713
Whisconier.....	5-8	1970 (77)(84)(93)(01)	52	829	928
High School.....	9-12	1953 (62)(67)(70)(74)(02)(10)	70	870	1,030
Total.....			190	2,610	3,151

¹ Classroom as recommended by Board of Education policy for optimal class size limits.

² Classroom does not include 31 outplaced special education students.

Source: Town of Brookfield, Superintendent’s Office.

School Enrollment

As of October 1	Grades Pre K-4	Grades 5-8	Grades 9-12	Total
Historical				
2015-16	927	872	884	2,683
2016-17	896	918	865	2,679
2017-18	875	884	859	2,618
2018-19	885	854	878	2,617
2019-20	911	829	870	2,610
Projected				
2020-21	934	792	898	2,624
2021-22	945	771	888	2,604
2022-23	978	759	858	2,595
2023-24	1,040	758	823	2,621
2024-25	1,050	767	789	2,606

Source: Town of Brookfield, Superintendent’s Office.

III. Economic and Demographic Information Population and Density

Year	Actual		Density ³
	Population ¹	% Increase	
1970	9,688	22.1%	489
1980	12,872	32.9%	650
1990	14,113	9.6%	713
2000	15,664	11.0%	791
2010	16,452	5.0%	831
2017 ²	17,064	3.7%	862

¹ U.S. Department of Commerce, Bureau of Census.

² U.S. Department of Commerce, Bureau of Census, American Community Survey, 2013-2017

³ Per square mile: 19.8 square miles.

Age Distribution of the Population

Age	Town of Brookfield		State of Connecticut	
	Number	Percent	Number	Percent
Under 5 years	819	4.8%	186,188	5.2%
5 to 9 years	1,157	6.8	206,536	5.7
10 to 14 years	1,379	8.1	225,831	6.3
15 to 19 years	1,146	6.7	249,777	6.9
20 to 24 years	883	5.2	245,849	6.8
25 to 34 years	1,605	9.4	439,239	12.2
35 to 44 years	1,772	10.4	433,401	12.1
45 to 54 years	2,810	16.5	535,611	14.9
55 to 59 years	1,463	8.6	266,501	7.4
60 to 64 years	1,209	7.1	229,788	6.4
65 to 74 years	1,610	9.4	318,515	8.9
75 to 84 years	944	5.5	167,133	4.6
85 years and over	267	1.6	90,109	2.5
Total	17,064	100.0%	3,594,478	100.0%
Median Age (Years).....	43.6		40.8	

Source: American Community Survey, 2013-2017

Income Distribution

Income	Town of Brookfield		State of Connecticut	
	Families	Percent	Families	Percent
Less than \$10,000.....	39	0.8%	27,787	3.1%
\$10,000 to \$14,999.....	27	0.6	16,143	1.8
\$15,000 to \$24,999.....	83	1.8	41,072	4.6
\$25,000 to \$34,999.....	165	3.5	52,218	5.8
\$35,000 to \$49,999.....	294	6.3	82,371	9.2
\$50,000 to \$74,999.....	385	8.2	134,356	15.0
\$75,000 to \$99,999.....	607	13.0	122,244	13.6
\$100,000 to \$149,999.....	1,399	30.0	186,352	20.8
\$150,000 to \$199,999.....	614	13.2	100,359	11.2
\$200,000 or more.....	1,054	22.6	132,765	14.8
Total	4,667	100.0%	895,667	100.0%

Source: American Community Survey, 2013-2017

Income Levels

	Town of Brookfield	State of Connecticut
Per Capita Income, 2017 ¹	\$ 48,576	\$41,365
Per Capita Income, 2010.....	\$ 49,705	\$36,775
Median Family Income, 2017 ¹	\$126,908	\$93,800
Percent Below Poverty, 2017.....	1.9%	7.0%

¹ American Community Survey, 2013-2017

Source: U.S. Department of Commerce, Bureau of Census, 2010

Educational Attainment Persons 25 Years and Older

	Town of Brookfield		State of Connecticut	
	Number	Percent	Number	Percent
Less than 9th grade.....	162	1.4%	104,623	4.2%
9th to 12th grade.....	371	3.2	137,877	5.6
High School graduate.....	2,267	19.4	673,582	27.2
Some college, no degree.....	1,835	15.7	422,535	17.0
Associate's degree	1,094	9.4	188,481	7.6
Bachelor's degree.....	3,774	32.3	532,055	21.5
Graduate or professional degree.....	2,177	18.6	421,144	17.0
Total.....	11,680	100.0%	2,480,297	100.0%
Total high school graduate or higher (%).....	95.4%		90.2%	
Total bachelor's degree or higher (%).....	51.0%		38.4%	

Source: American Community Survey, 2013-2017

Employment by Industry

Sector	Town of Brookfield		State of Connecticut	
	Number	Percent	Number	Percent
Agriculture, forestry, fishing/hunting, & mining	-	0.0%	7,166	0.4%
Construction	545	6.2	104,122	5.8
Manufacturing	916	10.4	191,519	10.6
Wholesale trade	283	3.2	44,741	2.5
Retail trade	1,072	12.2	193,016	10.7
Transportation and warehousing, and utilities	326	3.7	68,926	3.8
Information	135	1.5	42,200	2.3
Finance, insurance, real estate, rental & leasing	1,013	11.6	163,810	9.1
Professional, scientific, management, administrative, and waste mgmt services	1,353	15.4	208,130	11.5
Education, health and social services	1,963	22.4	478,083	26.5
Arts, entertainment, recreation, accommodation and food services	553	6.3	153,679	8.5
Other services (except public administration)	396	4.5	82,538	4.6
Public Administration	212	2.4	67,156	3.7
Total Labor Force, Employed	8,767	100.0%	1,805,086	100.0%

Source: American Community Survey, 2013-2017

**Employment Data
By Place of Residence**

Period	Town of Brookfield		Percentage Unemployed		
	Employed	Unemployed	Town of Brookfield	Danbury Labor Market	State of Connecticut
August 2019	9,159	283	3.0	3.0	3.6
Annual Average					
2018	9,006	330	3.5	3.4	4.1
2017	9,109	362	3.8	3.9	4.7
2016	9,049	387	4.1	4.2	5.1
2015	8,978	405	4.3	4.6	5.7
2014	8,824	481	5.2	5.3	6.6
2013	8,451	560	6.2	6.3	7.8
2012	8,499	611	6.7	6.8	8.3
2011	8,508	623	6.8	7.2	8.8
2010	8,399	687	7.6	7.6	9.1
2009	8,550	650	7.1	7.3	8.3

Note: Not seasonally adjusted.

Source: State of Connecticut, Department of Labor.

**Major Employers
As of October 2019**

Name	Business	Number of Employees
Eastern Account Systems, Inc....	Call Center	850
Town of Brookfield.....	Municipality	511
Costco.....	Retail	292
Shop Rite.....	Retail	225
United Parcel Service.....	Delivery Service	209
Photronic Labs.....	Electronic Manufacturing	158
Pharmco Products.....	Manufacturer	120
YMCA.....	Organization	110
BJ's Wholesale Club.....	Warehouse Club	109
Kohl's.....	Retail	95

Source: Telephone Survey of Employers and Town Officials.

Land Use Summary

Land Use Category	Acres	Percent of Total Land
Residential.....	6,591	48.8%
Business.....	650	4.8%
Public and Institutional Uses.....	326	2.4%
Public Land and Open Space.....	3,290	24.4%
Other.....	1,424	10.5%
Developed/Committed.....	12,281	91.0%
Vacant/Underdeveloped.....	1,217	9.0%
Total Land Area.....	13,498	100.0%

Note: There are 1,217 acres of land in Brookfield that are capable of supporting additional development in the future. Approximately 853 acres are zoned residentially and the remaining 364 acres are zoned for business development. It is estimated that the residentially zoned land may support about 1,200 housing units in the next 15 years if fully developed under existing zoning. There were about 6,500 housing units in the year 2015. Based on typical household sizes at the present time, Brookfield could eventually be a community of about 22,000 people.

Source: Plan of Conservation and Development 2015, Town of Brookfield.

Building Permits

Calendar Year	Residential		Commercial		Other		Totals	
	No.	Value	No.	Value	No.	Value	No.	Value
2019 ¹	195	\$ 4,374,459	30	\$ 4,663,461	-	\$ -	225	\$ 9,037,920
2018	562	19,482,890	99	1,908,382	22	507,832	683	21,899,104
2017	492	8,982,097	81	8,494,941	21	744,648	594	18,221,686
2016	228	9,783,100	53	6,364,000	257	1,842,700	538	17,989,800
2015	268	5,667,855	68	3,060,889	90	976,078	426	9,704,822
2014	244	10,515,477	69	8,812,498	259	1,784,465	572	21,112,440
2013	217	10,310,035	68	5,242,899	235	1,351,543	520	16,904,477
2012	246	6,217,622	109	22,674,947	339	2,794,081	694	31,686,650
2011	266	6,909,010	102	4,427,509	190	575,600	558	11,912,119
2010	238	8,258,036	106	4,258,654	260	925,500	604	13,442,190

¹ As of June 30, 2019.

Source: Land Use Office, Town of Brookfield.

Age Distribution of Housing

Year Built	Town of Brookfield		State of Connecticut	
	Units	Percent	Units	Percent
1939 or earlier.....	405	6.2%	338,011	22.4%
1940 to 1969.....	2,398	36.5	535,477	35.5
1970 to 1979.....	1,267	19.3	200,217	13.3
1980 to 1989.....	1,402	21.3	191,939	12.7
1990 to 1999.....	301	4.6	114,261	7.6
2000 or 2009.....	681	10.4	105,131	7.0
2010 or later.....	119	1.8	22,675	1.5
Total Housing Units.....	6,573	100.0%	1,507,711	100.0%

Percent Owner Occupied 82.3% 66.6%

Source: American Community Survey, 2013-2017

Housing Inventory

Type	Town of Brookfield		State of Connecticut	
	Units	Percent	Units	Percent
1-unit, detached.....	4,711	71.7%	892,621	59.2%
1-unit, attached.....	448	6.8	81,393	5.4
2 units.....	117	1.8	123,040	8.2
3 or 4 units.....	256	3.9	130,914	8.7
5 to 9 units.....	391	5.9	82,787	5.5
10 to 19 units.....	362	5.5	56,540	3.8
20 or more units.....	288	4.4	128,477	8.5
Mobile home.....	-	-	11,564	0.8
Boat, RV, van, etc.....	-	-	375	0.0
Total Inventory.....	6,573	100.0%	1,507,711	100.0%

Source: American Community Survey, 2013-2017

Owner-Occupied Housing Values

Specified Owner-Occupied Units	Town of Brookfield		State of Connecticut	
	Number	Percent	Number	Percent
Less than \$50,000.....	75	1.5%	24,038	2.7%
\$50,000 to \$99,999.....	8	0.2	29,789	3.3
\$100,000 to \$149,999.....	228	4.5	83,320	9.2
\$150,000 to \$199,999.....	324	6.4	141,024	15.6
\$200,000 to \$299,999.....	956	19.0	244,356	26.9
\$300,000 to \$499,999.....	2,424	48.1	236,671	26.1
\$500,000 to \$999,999.....	959	19.0	106,192	11.7
\$1,000,000 or more.....	63	1.3	41,408	4.6
Total.....	5,037	100.0%	906,798	100.0%
Median Sales Price.....	\$370,000		\$270,100	

Source: American Community Survey, 2013-2017

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IV. Tax Base Data

Property Tax - Assessments

The Town of Brookfield had a general property revaluation of all real estate, effective on the Grand List (as defined below) of October 1, 2016. Under Section 12-62 of the Connecticut General Statutes, the Town must do a revaluation every five years and the assessor must fully inspect each parcel, including measuring or verifying the exterior dimensions of a building and entering and examining the interior of the building, once every ten years. Section 12-62 also imposes a penalty on municipalities that fail to effect revaluations as required, with certain exceptions. Municipalities may choose to phase-in real property assessment increases resulting from a revaluation, but such phase-in must be implementing in less than five assessment years. The maintenance of an equitable tax base and the location and appraisal of all real and personal property within the Town for inclusion onto the Grand List are the responsibilities of the assessor's office. The Grand List represents the total of assessed values for all taxable real and personal property located within the Town on October 1 (the "Grand List"). A Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments for real property are computed at 70 percent of the estimated market value at the time of the last general revaluation.

When a new structure or modification to an existing structure is undertaken, the assessor's office receives a copy of the permit issued by the Building Inspector. A physical appraisal is then completed and the structure classified and priced from a schedule developed at the time of the last revaluation. Property depreciation and obsolescence factors are also considered when arriving at an equitable value.

All personal property (furniture, fixtures, equipment, and machinery) is revalued annually. An assessor's check and audit is completed periodically. Assessments for personal property are computed at 70 percent of present value.

Connecticut General Statutes Section 12-71e, as amended, allows municipalities to tax motor vehicles at a different rate than other taxable property and creates a cap on the local property tax mill rate for motor vehicles. The State of Connecticut's 2017-2019 biennium budget legislation amended that statute to provide that (1) for the assessment year October 1, 2016 (the Fiscal Year ending June 1, 2018), the mill rate for motor vehicles shall not exceed 39 mills, and (2) for the assessment year October 1, 2017 (the Fiscal Year ending June 30, 2019), and each assessment year thereafter, the mill rate for motor vehicles shall not exceed 45 mills. No district or borough may set a motor vehicle mill rate that if combined with the motor vehicle mill rate of the municipality in which such district or borough is located would result in a combined motor vehicle mill rate in excess of these mill rate caps. The Town's mill rate for motor vehicles for the assessment year commencing October 1, 2018 (the Fiscal Year ending June 30, 2020) is 29.14 mills.

Motor vehicle lists are furnished to the Town by the State of Connecticut, and appraisals of motor vehicles are accomplished in accordance with an automobile price schedule developed by the State of Connecticut Office of Policy and Management and the Assessor of the Town of Brookfield. Section 12-71b of the Connecticut General Statutes provides that motor vehicles which are registered with the Commissioner of Motor Vehicles after the October 1 assessment date but before the next August 1 are subject to a property tax as if the motor vehicle had been included on the October 1 Grand List. The tax is prorated, and the proration is based on the number of months of ownership between October 1 and the following August 1. Motor vehicles purchased in August and September are not taxed until the next October 1 Grand List. If the motor vehicle replaces a motor vehicle that was taxed on the October 1 Grand List, the taxpayer is entitled to certain credits. Assessments for motor vehicles are computed at 70 percent of the annual appraisal of market value.

Levy

Taxes for the fiscal year are levied on all taxable property on the Grand List of the prior October 1, and are due July 1. Real property taxes are payable in two installments, on July 1 and January 1 and personal property taxes are payable in one installment on July 1 with motor vehicle supplemental bills payable on January 1. A margin against delinquencies, legal reductions, and Grand List adjustments, such as assessors errors, is provided by adjusting the Grand List downward when computing anticipated property tax revenue from the current levy. Outstanding interest and lien fees anticipated to be collected during the fiscal year are normally included as a revenue item in the budget. Interest is charged at the rate of one and one-half percent per month with a minimum charge of \$2. In accordance with State law, all interest is collected first and then taxes in the order of the oldest outstanding tax first. Outstanding real estate tax accounts are automatically liened each year prior to June 30 with legal demands. Alias tax warrants are used in the collection of personal property and motor vehicle tax bills. Delinquent motor vehicle and personal property taxes that the Tax Collector deems uncollectible are annually transferred to suspense subject to approval of the Board of Finance. Pursuant to State statutes, all taxes uncollected 15 years from the original due date must be written off as uncollectible.

Comparative Assessed Valuations

Grand List of 10/1	Residential	Commercial/Industrial	Other	Personal Property (%)	Motor Vehicle (%)	Gross Taxable Grand List	Less Exemption	Net Taxable Grand List	Percent Growth
	Real Property (%)	Real Property (%)	Real Property (%)						
2018	69.2	14.7	3.3	6.0	6.8	\$2,298,486,162	\$ 22,366,173	\$2,276,119,989	1.48
2017	69.2	14.7	3.3	6.0	6.8	2,265,243,225	22,323,907	2,242,919,318	0.37
2016 ¹	70.0	18.0	-	5.4	6.6	2,254,942,499	20,369,820	2,234,572,679	(1.53)
2015	74.0	15.0	-	5.0	6.0	2,289,809,249	20,436,650	2,269,372,599	1.30
2014	74.0	15.0	-	5.0	6.0	2,259,480,585	19,290,499	2,240,190,086	1.45
2013	74.0	13.0	2.0	5.0	6.0	2,228,742,482	20,567,866	2,208,174,616	1.17
2012	74.0	13.0	2.0	5.0	6.0	2,202,971,622	20,240,714	2,182,730,908	0.41
2011 ¹	74.2	14.0	2.3	4.0	5.5	2,188,742,243	14,880,470	2,173,861,773	(16.96)
2010	74.7	14.0	2.3	4.0	5.0	2,633,989,049	16,273,862	2,617,715,187	0.89
2009	75.3	14.0	2.3	3.6	4.8	2,609,367,536	14,674,698	2,594,692,838	1.09

² Revaluation.

Source: Assessor's Office, Town of Brookfield.

Property Tax Levies and Collections

Grand List of 10/1	Fiscal Year Ending 6/30	Net Taxable Grand List	Mill Rate	Adjusted Annual Levy	Percent of Annual Levy Collected at End of Fiscal Year	Percent of Annual Levy Uncollected at End of Fiscal Year	Percent of Annual Levy Uncollected as of 6/30/2019
2018	2020	\$ 2,276,119,989	29.14	\$ 65,755,144	IN PROCESS		
2017	2019	2,242,919,318	28.34	62,896,909	99.1%	0.9%	0.9%
2016 ¹	2018	2,234,572,679	27.29	60,360,346	99.0%	1.0%	0.3%
2015	2017	2,269,372,599	26.40	59,984,612	99.0%	1.0%	0.1%
2014	2016	2,240,190,086	25.70	56,949,884	99.2%	0.8%	0.0%
2013	2015	2,208,174,616	25.83	55,901,087	99.0%	1.0%	0.0%
2012	2014	2,182,730,908	25.40	55,212,107	99.1%	0.9%	0.0%
2011 ¹	2013	2,173,861,773	24.54	52,885,463	99.1%	0.9%	0.0%
2010	2012	2,617,715,187	24.06	51,739,800	99.2%	0.8%	0.0%
2009	2011	2,594,692,838	23.57	50,060,590	99.0%	1.0%	0.0%

¹ Revaluation.

Sources: Tax Collector's Office, Town of Brookfield.

Property Tax Receivable

Fiscal Year Ending 6/30	Total Uncollected	Uncollected for Current Year of Levy
2019 ¹	\$809,894	\$553,684
2018	902,343	573,784
2017	881,872	579,337
2016	751,548	449,780
2015	988,604	544,170

¹ Subject to audit.

Source: Tax Collector's Report, Town of Brookfield Annual Audited
Financial Statements, 2015-2018. Finance Department, 2019.

Ten Largest Taxpayers

Name	Nature of Business	Taxable Valuation	Percent of Net Taxable Grand List ¹
Eversource.....	Utility	\$ 48,190,150	2.12%
Candlewood Lake Rd. LLC.....	Real Estate	23,187,543	1.02%
Iroquois Gas Transmission Sys LP.....	Utility	21,160,690	0.93%
S&W Brookfield LLC (BJ's).....	Shopping Center	21,030,364	0.92%
BRT Barnbeck Place LLC.....	Apartments	13,261,650	0.58%
Michael & Michael II LLC.....	Shopping Center	12,980,289	0.57%
Photronic Labs Inc.	Manufacturing	12,648,490	0.56%
Brookfield (E&A) LLC.....	Shopping Center	10,044,290	0.44%
Towne Brook Commons LLC.....	Apartments	8,917,640	0.39%
246A Federal Road Brookfield LLC...	Real Estate	8,832,620	0.39%
Total.....		\$ 180,253,726	7.92%

¹Based on the October 1, 2018 Net Taxable Grand List of \$2,276,119,989.

Source: Assessor's Office, Town of Brookfield.

Equalized Net Grand List

Grand List of 10/1	Equalized Net Grand List	% Growth
2017	\$ 3,439,647,398	7.78%
2016	3,191,478,027	(4.28%)
2015	3,334,293,606	5.67%
2014	3,155,246,251	(1.32%)
2013	3,197,487,613	0.18%
2012	3,191,616,523	2.92%
2011	3,101,025,713	(0.59%)
2010	3,119,479,688	(5.91%)
2009	3,315,269,259	(0.14%)
2008	3,320,021,556	(8.81%)

Source: State of Connecticut, Office of Policy and Management.

V. Debt Summary
Principal Amount of Bonded Indebtedness
As of November 14, 2019
(Pro-Forma)

Long-Term Debt			Amount of	Outstanding	Fiscal Year
Date	Purpose	Rate %	Original Issue	After This Issue ¹	of Final Maturity
10/15/93	Sewers.....	3.65-5.375	\$ 3,400,000	\$ 230,000	2023
12/01/99	General Purpose.....	4.75-5.875	2,705,000	135,000	2021
01/15/02	General Purpose.....	4.00-5.00	100,000	15,198	2022
01/15/02	Schools.....	4.00-5.00	7,800,000	1,184,802	2022
09/01/10	General Purpose.....	2.00-4.00	6,400,000	3,490,000	2031
09/01/10	Schools.....	2.00-4.00	300,000	150,000	2030
09/01/10	Sewers.....	2.00-4.00	430,000	220,000	2031
06/30/11	Sewers - CWF 584-C.....	2.00	3,747,082	2,163,064	2030
11/21/13	General Purpose.....	3.00-4.00	5,480,000	4,550,000	2034
11/21/13	Schools.....	3.00-4.00	700,000	580,000	2034
06/24/14	General Purpose Refunding.....	2.00-5.00	370,000	175,000	2025
06/24/14	Schools Refunding.....	2.00-5.00	14,380,000	7,460,000	2026
06/24/14	Water Refunding.....	2.00-5.00	350,000	185,000	2026
03/24/15	Water Refunding - Taxable.....	2.00-3.65	5,510,000	4,305,000	2034
11/15/18	General Purpose.....	4.00-5.00	12,553,300	12,553,300	2038
11/15/18	Schools.....	4.00-5.00	3,081,700	3,081,700	2038
11/15/18	Sewers.....	4.00-5.00	2,180,000	2,180,000	2035
11/15/18	General Purpose - Taxable.....	4.00-4.50	1,733,800	1,733,800	2038
11/15/18	Schools - Taxable.....	4.00-4.50	391,200	391,200	2038
11/15/18	Water - Taxable.....	4.00-4.50	1,915,000	1,915,000	2037
Total.....			\$ 73,527,082	\$ 46,698,064	

¹ Excludes Refunded Bonds.

Short-Term Debt
As of November 14, 2019
(Pro-Forma)

Project	Total Amount of Authorization	Notes Due 11/13/2020
2018-19 Capital Projects (General Purpose).....	\$ 1,643,050	\$ 1,400,000
2018-19 Capital Projects (School).....	510,000	510,000
2019-20 Capital Projects (General Purpose).....	1,855,160	1,737,985
2019-20 Capital Projects (School).....	1,687,015	1,687,015
Totals.....	\$ 5,695,225	\$ 5,335,000

Capital Leases

As of November 14, 2019, the Town does not have any outstanding capital leases, but has several operating leases for copy machines.

Other Obligations

In October 2018, the WPCA signed a mortgage on its office space in the original amount of \$400,000. In July 2018, the Town signed a loan for vehicles in the original amount of \$158,294.

Annual Bonded Debt Maturity Schedule ¹
As of November 14, 2019
(Pro-Forma)

Town Funded Debt

Year Ended	Principal	Interest	Total	Total	Cumulative Principal Retired
2020 ²	\$ 1,820,000	\$ 1,247,013	\$ 3,067,013	\$ 1,820,000	5.1%
2021	3,305,000	1,399,812	4,704,812	3,305,000	14.4%
2022	3,325,000	1,247,314	4,572,314	3,325,000	23.8%
2023	2,985,000	1,094,464	4,079,464	2,985,000	32.2%
2024	2,995,000	961,654	3,956,654	2,995,000	40.6%
2025	2,905,000	830,534	3,735,534	2,905,000	48.8%
2026	2,885,000	701,854	3,586,854	2,885,000	57.0%
2027	1,655,000	603,756	2,258,756	1,655,000	61.6%
2028	1,655,000	535,468	2,190,468	1,655,000	66.3%
2029	1,710,000	464,923	2,174,923	1,710,000	71.1%
2030	1,420,000	398,271	1,818,271	1,420,000	75.1%
2031	1,355,000	338,320	1,693,320	1,355,000	78.9%
2032	1,075,000	283,919	1,358,919	1,075,000	81.9%
2033	1,065,000	237,656	1,302,656	1,065,000	84.9%
2034	1,065,000	194,969	1,259,969	1,065,000	87.9%
2035	760,000	158,338	918,338	760,000	90.1%
2036	820,000	126,575	946,575	820,000	92.4%
2037	860,000	92,650	952,650	860,000	94.8%
2038	920,000	56,400	976,400	920,000	97.4%
2039	920,000	18,800	938,800	920,000	100.0%
Total.....	\$ 35,500,000	\$ 10,992,690	\$ 46,492,690	\$ 35,500,000	

¹ Excludes outstanding Notes, long-term capital lease mortgages, clean water fund debt loans and Refunded Bonds.

² Excludes \$1,605,000 in principal payments and \$310,882 in interest payments from July 1, 2019 through November 14, 2019.

Self-Supporting Water and Sewer Debt

Year Ended	Principal	Interest	Total	Total	Cumulative Principal Retired
2020 ²	\$ 727,106	\$ 341,144	\$ 1,068,250	\$ 727,106	6.5%
2021	956,237	342,354	1,298,590	956,237	15.0%
2022	949,996	311,156	1,261,151	949,996	23.5%
2023	843,831	281,990	1,125,820	843,831	31.1%
2024	852,743	254,722	1,107,465	852,743	38.7%
2025	861,734	226,577	1,088,311	861,734	46.4%
2026	880,806	197,506	1,078,313	880,806	54.2%
2027	854,960	168,416	1,023,376	854,960	61.9%
2028	859,198	139,727	998,925	859,198	69.5%
2029	818,521	111,723	930,244	818,521	76.8%
2030	787,932	85,184	873,116	787,932	83.9%
2031	460,000	63,189	523,189	460,000	88.0%
2032	335,000	47,342	382,342	335,000	91.0%
2033	340,000	33,807	373,807	340,000	94.0%
2034	335,000	20,722	355,722	335,000	97.0%
2035	165,000	10,806	175,806	165,000	98.5%
2036	105,000	5,156	110,156	105,000	99.4%
2037	65,000	1,463	66,463	65,000	100.0%
Total.....	\$ 11,198,064	\$ 2,642,983	\$ 13,841,046	\$ 11,198,064	

¹ Excludes outstanding Notes, long-term capital lease mortgages and Refunded Bonds. Includes Clean Water Fund debt.

² Excludes \$225,445 in principal payments and \$32,195 in interest payments from July 1, 2019 through November 14, 2019.

School Building Construction Grants Reimbursement

Pursuant to Section 10-287i of the Connecticut General Statutes, as amended, for all school building projects approved after July 1, 1996, the State provides proportional progress payments during construction for the State's share of the eligible construction costs. The State grant will be paid directly to the municipality after it submits its request for progress payments, and accordingly, the municipality will issue its bonds only for its share of project costs.

Overlapping/Underlying Debt

The Town of Brookfield has no overlapping debt. However, the Candlewood Shores Tax District is located within the boundaries of the Town. The Candlewood Shores Tax District has no outstanding debt. The Town of Brookfield makes no representation that it has independently verified the same.

Debt Statement ¹
As of November 14, 2019
(Pro-Forma)

Long-Term Debt Outstanding:

General Purpose	\$ 22,652,298
Schools	12,847,702
Sewers	4,793,064
Water	6,405,000
Total Long-Term Debt	46,698,064

Short-Term Debt:

Bond Anticipation Notes (This Issue: Due 11/13/20).....	5,335,000
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Total Short-Term Debt	5,335,000
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Total Overall Debt	52,033,064
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Less: School Construction Grants Receivable (As of June 30, 2019)	-
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Total Overall Net Debt	\$ 52,033,064
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¹ Excludes capital leases.

Current Debt Ratios
As of November 14, 2019
(Pro-Forma)

Population (2017) ¹	17,064
Net Taxable Grand List (10/1/18)	\$ 2,276,119,989
Estimated Full Value	\$ 3,251,599,984
Equalized Grand List (10/1/17) ²	\$ 3,439,647,398
Money Income per Capita (2017) ¹	\$ 48,576

	<u>Total Overall Debt</u>	<u>Total Overall Net Debt</u>
Per Capita.....	\$3,049.29	\$3,049.29
Ratio to Net Taxable Grand List.....	2.29%	2.29%
Ratio to Estimated Full Value.....	1.60%	1.60%
Ratio to Equalized Grand List.....	1.51%	1.51%
Debt per Capita to Money Income per Capita.....	6.28%	6.28%

¹ U.S. Department of Commerce, Bureau of Census, American Community Survey, 2013-2017.

² Office of Policy and Management, State of Connecticut.

Bond Authorization

The Town of Brookfield has the power to incur indebtedness by issuing its bonds or notes as authorized by the Connecticut General Statutes ("CGS") subject to statutory debt limitations. The issuance of bonds and notes is authorized upon the recommendation of the Board of Finance and approved by the voters at a Town Meeting or a referendum, except for refunding bonds which are authorized by the Board of Selectmen.

Maturities

General obligation bonds, with the exception of refunding bonds, are required to be payable in maturities wherein a succeeding maturity may not exceed any prior maturity by more than 50% or aggregate annual principal and interest payments must be substantially equal. The term of an issue may not exceed twenty years except in the case of school and sewer bonds which may mature in up to thirty years.

Temporary Financing

When general obligation bonds have been authorized, bond anticipation notes may be issued maturing in not more than two years (CGS Sec. 7-378). Temporary notes may be renewed up to ten years from their original date of issue as long as all project grant payments are applied toward payment of temporary notes when they become due and payable and the legislative body schedules principal reductions by the end of the third year and for all subsequent years during which such temporary notes remain outstanding in an amount equal to a minimum of 1/20th (1/30th for sewer projects) of the estimated net project cost (CGS Sec. 7-378a). The term of the bond issue is reduced by the amount of time temporary financing exceeds two years, or, for sewer projects, by the amount of time temporary financing has been outstanding.

Temporary notes must be permanently funded no later than eleven years from the initial borrowing date except for sewer notes issued in anticipation of State and/or Federal grants. If a written commitment exists, the municipality may renew the notes from time to time in terms not to exceed six months until such time that the final grant payments are received (CGS Sec. 7-378b).

Temporary notes may also be issued for up to fifteen years for certain capital projects associated with the operation of a waterworks system (CGS Sec. 7-244a) or a sewage system (CGS Sec. 7-264a). In the first year following the completion of the project(s), or in the sixth year (whichever is sooner), and in each year thereafter, the notes must be reduced by at least 1/15 of the total amount of the notes issued by funds derived from certain sources of payment.

Temporary notes may be issued in one year maturities for up to fifteen years in anticipation of sewer assessments receivable, such notes to be reduced annually by the amount of assessments received during the preceding year (CGS Sec. 7-269a).

Clean Water Fund Program

The Town of Brookfield is a participant in the State of Connecticut's Clean Water Fund Program (Connecticut General Statutes Section 22a-475 et seq., as amended) which provides financial assistance through a combination of grants and loans bearing interest at the rate of 2% per annum. All participating municipalities receive funding for eligible expenses of 20% grant and 80% loan, except for combined sewer overflow projects (50% grant and 50% loan) and denitrofication projects (30% grant and 70% loan). Loans to each municipality are made pursuant to a Project Loan and Grant Agreement. During construction the municipality enters into a short-term borrowing agreement with the State called an Interim Funding Obligation ("IFO") from which it pays project costs as needed. Each municipality is obligated to repay only that amount which it draws down for the payment of project costs. Upon project completion a 20-year debt obligation called a Project Loan Obligation ("PLO") is issued to the State. The municipal obligations issued to the State are secured by the full faith and credit of the municipality and/or a dedicated source of revenue of such municipality.

Amortization of each loan is required to begin one year from the earlier of the scheduled completion date specified in the Loan Agreement or the actual project completion date. The final maturity of each loan is twenty years from the scheduled completion date. Principal and interest payments are made (1) in monthly installments commencing one month after the scheduled completion date, or (2) in single annual installments representing 1/20 of total principal not later than one year from the scheduled completion date specified in the Loan Agreement repayable thereafter in monthly installments. Monthly installments may be in level debt service or amortized with level principal payments. Loans made under loan agreements entered into prior to July 1, 1989 are repayable in annual installments. Borrowers may elect to make level debt service payments or level principal payments. Borrowers may prepay their loans at any time prior to maturity without penalty.

Limitation of Indebtedness

Municipalities shall not incur indebtedness through the issuance of bonds which will cause aggregate indebtedness by class to exceed the following:

General Purposes:	2.25 times annual receipts from taxation
School Purposes:	4.50 times annual receipts from taxation
Sewer Purposes:	3.75 times annual receipts from taxation
Urban Renewal Purposes:	3.25 times annual receipts from taxation
Unfunded Past Pension Purposes:	3.00 times annual receipts from taxation

In no case however, shall total indebtedness exceed seven times the annual receipts from taxation. Annual receipts from taxation (the "base") are defined as total tax collections (including interest and penalties) and state payments for revenue loss under the Connecticut General Statutes Sections 12-129d and 7-528. In no case shall total indebtedness exceed seven times the base.

The Connecticut General Statutes also provide for exclusion from the debt limit calculation debt (i) issued in anticipation of taxes; (ii) issued for the supply of water, gas, electricity, electric demand response, conservation and load management, distributed generation and renewable energy projects; for the construction of subways for cables, wires and pipes; for the construction of underground conduits for cables, wires and pipes; for the construction and operation of a municipal community antenna television system and for two or more of such purposes; (iii) issued in anticipation of the receipt of proceeds from assessments levied upon property benefited by any public improvement; (iv) issued in anticipation of the receipt of proceeds from State or Federal grants evidenced by a written commitment or for which allocation has been approved by the State Bond Commission or from a contract with the state, state agencies or another municipality providing for the reimbursement of costs but only to the extent such indebtedness can be paid from such proceeds; (v) issued for certain water pollution control projects; and (vi) upon placement in escrow of the proceeds of refunding bonds, notes or other obligations or other funds of the municipality in an amount sufficient to provide for the payment when due of principal of and interest on such bond, note or other evidence of indebtedness.

Statement of Statutory Debt Limitation ¹
As of November 14, 2019
(Pro Forma)

Total Tax Collections (including interest and lien fees)	
Received by the Treasurer for the year ended June 30, 2019 (unaudited).....	\$ 64,308,153
Reimbursement For Revenue Loss:	
Tax relief for elderly	-
Base for Debt Limitation Computation	<u>\$ 64,308,153</u>

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Unfunded Pension</u>
Debt Limitation:					
2 1/4 times base.....	\$ 144,693,344	-	-	-	-
4 1/2 times base.....	-	\$ 289,386,689	-	-	-
3 3/4 times base.....	-	-	\$ 241,155,574	-	-
3 1/4 times base.....	-	-	-	\$ 209,001,497	-
3 times base.....	-	-	-	-	\$ 192,924,459
Total Debt Limitation	<u>\$ 144,693,344</u>	<u>\$ 289,386,689</u>	<u>\$ 241,155,574</u>	<u>\$ 209,001,497</u>	<u>\$ 192,924,459</u>

Indebtedness:					
Bonds Outstanding.....	22,652,298	12,847,702	2,630,000	-	-
Notes - This Issue	3,137,985	2,197,015	-	-	-
CWF Interim Finance Obligation (IFO).....	-	-	-	-	-
CWF Project Loan Obligation (PLO).....	-	-	2,163,064	-	-
Debt Authorized But Unissued.....	1,589,034	63,383,098	300,000	-	-
Total Indebtedness	<u>27,379,317</u>	<u>78,427,815</u>	<u>5,093,064</u>	<u>-</u>	<u>-</u>
Less:					
State School Grants Receivable	-	-	-	-	-
Total Net Indebtedness	<u>27,379,317</u>	<u>78,427,815</u>	<u>5,093,064</u>	<u>-</u>	<u>-</u>

DEBT LIMITATION IN EXCESS					
OF OUTSTANDING INDEBTEDNESS	<u>\$ 117,314,027</u>	<u>\$ 210,958,874</u>	<u>\$ 236,062,510</u>	<u>\$ 209,001,497</u>	<u>\$ 192,924,459</u>

Excludes Water Bonds in the amount of \$6,405,000 as allowed under Connecticut General Statute.

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation or \$450,157,071.

Authorized but Unissued Debt
As of November 14, 2019
(Pro Forma)

Project	Total Amount of Authorization	Bonds Issued	Paydowns	Grants	Maturing Notes Due: 11/14/2019	This Issue: Notes Due 11/13/2020	Authorized But Unissued			
							General Purpose	Schools	Sewers	Total
Four Corners Streetscape Project - Phase I.....	\$ 1,950,000	\$ 1,570,000	-	-	\$ -	\$ -	\$ 380,000	\$ -	\$ -	\$ 380,000 ²
Four Corners Streetscape Project - Phase III.....	260,000	76,610	-	-	-	-	183,390	-	-	183,390
Four Corners Streetscape Project - Phase IV.....	480,000	-	-	-	-	-	480,000	-	-	480,000
2018-19 Capital Projects (General Purpose).....	1,643,050	-	-	-	1,400,000	1,400,000	243,050	-	-	243,050 ³
2018-19 Capital Projects (School).....	510,000	-	-	-	510,000	510,000	-	-	-	-
2019-20 Capital Projects (General Purpose).....	1,855,160	117,175	-	-	-	1,737,985	-	-	-	-
2019-20 Capital Projects (School).....	1,687,015	-	-	-	-	1,687,015	-	-	-	-
Huckleberry Hill Elementary School.....	63,295,000	-	-	-	-	-	-	63,295,000	-	63,295,000
Sewer Main Extension - High Meadow.....	2,500,000	2,200,000	-	-	-	-	-	-	300,000	300,000 ³
Del Mar Sewer Line.....	397,800	295,000	-	-	-	-	102,800	-	-	102,800 ³
BV Water Line.....	894,718	890,000	-	-	-	-	4,718	-	-	4,718 ³
2014-15 Capital Projects.....	1,037,000	1,035,000	-	-	-	-	2,000	-	-	2,000 ³
Still River Greenway.....	481,400	480,000	-	-	-	-	1,400	-	-	1,400 ³
2015-16 Town Facilities.....	2,102,000	2,100,000	-	-	-	-	2,000	-	-	2,000 ³
2016-17 Remedial Town Projects (Town).....	2,239,650	2,136,480	-	-	-	-	103,170	-	-	103,170 ³
2016-17 Remedial Town Projects (School).....	595,350	518,520	-	-	-	-	-	76,830	-	76,830 ³
2017-18 Capital Projects (General Purpose).....	1,415,506	1,329,000	-	-	-	-	86,506	-	-	86,506 ³
2017-18 Capital Projects (School).....	187,268	176,000	-	-	-	-	-	11,268	-	11,268 ³
Totals	<u>\$ 83,530,917</u>	<u>\$ 12,923,785</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,910,000</u>	<u>\$ 5,335,000</u>	<u>\$ 1,589,034</u>	<u>\$ 63,383,098</u>	<u>\$ 300,000</u>	<u>\$ 65,272,132</u>

¹ It is expected that the costs of the sewer and water projects will be paid by the benefiting users.

² Town does not expect any future borrowing.

³ The Town expects to deauthorize this project at a Board of Selectmen meeting on November 4, 2019.

**THE TOWN OF BROOKFIELD HAS NEVER DEFAULTED IN THE PAYMENT OF
PRINCIPAL OR INTEREST ON ITS BONDS OR NOTES.**

**Principal Amount of Outstanding Government Activities Debt
Last Five Fiscal Years Ending June 30**

Long-Term Debt	2019 ¹	2018	2017	2016	2015
Bonds.....	\$ 43,545,000	\$ 26,640,000	\$ 29,385,000	\$ 32,315,000	\$ 34,435,000
Short-Term Debt					
Bond Anticipation Notes...	1,910,000	23,610,000	21,355,000	19,450,000	11,280,000
Grand Total.....	\$ 45,455,000	\$ 50,250,000	\$ 50,740,000	\$ 51,765,000	\$ 45,715,000

¹ Subject to audit.

Ratios of Net Long-Term Debt to Valuation, Population, and Income

Fiscal Year Ended 6/30	Net Assessed Value (000s)	Net Estimated Full Value¹ (000s)	Net Long-Term Debt¹ (000s)	Ratio of Net Long-Term Debt to Assessed Value (%)	Ratio of Net Long-Term Debt to Estimated Full Value (%)	Population²	Net Long-Term Debt per Capita	Ratio of Net Long-Term Debt per Capita to Per Capita Income³ (%)
2019 ⁴	\$ 2,242,919	\$ 3,204,170	\$ 45,725	2.04%	1.43%	17,064	\$ 2,679.62	5.52%
2018	2,234,573	3,192,247	26,640	1.19%	0.83%	17,133	1,554.89	3.20%
2017	2,269,373	3,241,961	29,385	1.29%	0.91%	17,133	1,715.11	3.53%
2016	2,240,190	3,200,272	32,315	1.44%	1.01%	17,098	1,889.99	3.89%
2015	2,208,175	3,154,535	34,435	1.56%	1.09%	17,143	2,008.69	4.14%

¹ Reflects deductions for contractual state school building construction grants receivable over the life of the respective issues. Includes long-term notes payable; does not include outstanding BANs, or authorized but unissued debt.

² U.S. Department of Commerce, Bureau of Census, ACS 2013-2017.

³ Money Income per Capita: ACS Estimates 2013-2017 data: \$48,576 used for all calculations.

⁴ Subject to audit.

Note: Excludes capital leases.

**Ratios of Annual Long-Term Government Activities Debt Service Expenditures
To Total General Fund Expenditures**

Fiscal Year Ended 6/30	Total Debt Service	Total General Fund Expenditures¹	Ratio of General Fund Debt Service To Total General Fund Expenditures (%)
2019 ²	\$ 4,276,271	\$ 68,362,158	6.26%
2018	3,911,883	70,504,101	5.55%
2017	4,699,494	68,341,719	6.88%
2016	3,449,436	65,319,689	5.28%
2015	4,099,328	67,010,119	6.12%
2014	4,026,296	64,134,473	6.28%

¹ GAAP basis of accounting. Includes Transfers out.

² Budgetary basis of accounting; subject to audit

VI. Financial Administration

Fiscal Year

The Town's fiscal year begins July 1 and ends June 30.

Accounting Policies

The financial statements of the Town of Brookfield, Connecticut have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

The reporting model includes the following segments:

Management's Discussion and Analysis ("MD&A") - provides introductory information on basic financial statements and an analytical overview of the Town's financial activities.

Government-wide financial statements - consist of a statement of net assets and a statement of activities, which are prepared on the accrual basis of accounting. These statements distinguish between governmental activities and business-type activities and exclude fiduciary activities (pension and OPEB trust funds, private purpose trust funds, and agency funds). Capital assets, including infrastructure and long-term obligations are included along with current assets and liabilities.

Fund financial statements - provide information about the Town's governmental, proprietary and fiduciary funds. These statements emphasize major fund activity and, depending on the fund type, utilize different basis of accounting.

Required supplementary information - in addition to the MD&A, budgetary comparison schedules are presented for the General Fund.

Please refer to Appendix A "Notes to Financial Statements" herein for measurement focus and basis of accounting of the government-wide financial statements as well as the fiduciary fund financial statements of the Town of Brookfield.

Budget Procedure

Financial controls are under a six-person Board of Finance responsible for recommending annual budgets, all other Town appropriations, and determination of the tax rate. The annual budget making process for the Town is outlined in the Town Charter.

At least 165 days before the end of the fiscal year.

Departmental heads with the exception of the Board of Education, submit their budget request to the First Selectman.

150 days before the end of the fiscal year.

The Board of Education submits their budget request to the First Selectman.

Not later than 135 days before the end of the fiscal year.

The First Selectman presents the Board of Selectmen and Board of Finance a First Selectman Proposed Budget.

Not less than 120 days before the end of the fiscal year

The Board of Selectmen submits budget recommendations to the Board of Finance.

Not less than 14 days before the Annual Town Meeting.

The Board of Finance must hold a Public Budget Hearing.

First Tuesday in May.

The Annual Town Meeting is held in accordance with provisions of the Town Charter.

Not less than 8 days nor more than 14 days following the Annual Town Meeting

The budget is submitted to referendum vote.

Not more than 15 days after the adoption of the Annual Town Budget

The Board of Finance shall meet and set the tax rate for the fiscal year beginning July 1.

Finances are under the direction of a full-time Controller who, in conjunction with the First Selectman, also serves as the purchasing authority. The Town utilizes in-house computer capabilities, line-item budgeting and a modified accrual accounting system.

Connecticut General Statutes Section 4-661 creates a cap on adopted general budget expenditures for municipalities in Connecticut in order for municipalities to be eligible to receive the full amount of the State's municipal revenue sharing grant. Beginning in fiscal year ending June 30, 2018, and in each fiscal year thereafter, the Office of Policy and Management ("OPM") must reduce the municipal revenue sharing grant amount for those municipalities whose adopted general budget expenditures (with certain exceptions including but not limited to debt service, special education, implementation of court orders or arbitration awards, budgeting for an audited deficit, nonrecurring grants, capital expenditures of \$100,000 or more, or payments on unfunded pension liabilities, and certain major disaster or emergency expenditures) exceeds the spending limits specified in the statute. For each applicable fiscal year, OPM must determine the municipality's percentage growth in general budget expenditures over the prior fiscal year and reduce the grant if the growth rate is equal to or greater than 2.5% of the inflation rate, whichever is greater, each of those amounts adjusted by an amount proportionate to any increase in the municipality's population from the previous fiscal year. The reduction is generally equal to 50 cents for every dollar the municipality spends over this cap. Each municipality must annually certify to the Secretary of the OPM whether such municipality has exceeded the cap set forth in the statute and if so the amount by which the cap was exceeded. The 2017-2019 biennium budget legislation does not provide funding for the municipal revenue sharing grant in the fiscal years ending June 30, 2018 and June 30, 2019, but provides that such funding will resume following July 1, 2019.

Annual Audit

Pursuant to Connecticut Law, the Town is required to undergo an annual examination by an independent certified public accountant. The audit must be conducted under the guidelines issued by the State of Connecticut, Office of Policy and Management, and a copy of the report must be filed with such Office within six months of the end of the fiscal year. For the fiscal year ended June 30, 2019, the examination is being conducted by the firm of Mahoney Sabol & Company, LLP, Glastonbury, Connecticut.

Pensions

Town of Brookfield Pension Plan: The Town administers the Town of Brookfield Pension Plan (the "Plan") which is a single employer, contributory, defined benefit plan. Plan benefits and contribution requirements are established by the plan document as adopted July 1, 1968, as amended and restated January 1, 2015 and subsequent amendments, by approval of the Board of Selectmen. All full time employees eligible to participate in the Plan become a Plan participant on the first day of the month following completion of one year of service. The Plan is considered to be a part of the Town's financial reporting entity and is included in the Town's financial statements as a pension trust fund. The Plan does not issue stand-alone financial statements.

The contribution requirements of the plan members and the Town are established and may be amended by the Board of Selectmen. The Town's funding policy provides for periodic employer contributions at rates that, when expressed as a percentage of annual covered payroll, are designed to accumulate sufficient assets to pay benefits when due. Employees are required to contribute 5.0% of their earnings to the Plan. For the year ended June 30, 2019, employer contributions to the Plan represented approximately 11.5% of covered payroll.

The annual general operating budget appropriates sufficient funds for the funding of the Town's Actuarially Determined Employer Contribution ("ADEC") to the Pension Plan.

	2019	2018	2017	2016	2015
Actuarially Determined Employer					
Contribution (ADEC).....	\$ 1,270,888	\$ 1,186,161	\$ 1,204,271	\$ 1,224,455	\$ 1,622,929
Contributions in Relation to the ADEC....	1,270,888	1,186,161	1,204,271	916,398	1,622,929
Contribution Deficiency (Excess).....	\$ -	\$ -	\$ -	\$ 308,057	\$ -
Covered Employee Payroll.....	\$ 9,686,105	\$10,275,989	\$10,121,474	\$ 9,580,299	\$ 9,360,761
Contributions as a Percentage of					
Covered Employee Payroll.....	13.12%	11.54%	11.90%	9.57%	17.34%

The following net pension liability of the Town Plan at June 30, 2018, determined by an actuarial valuation as of January 1, 2016 and based on actuarial assumptions as of that date, were as follows:

Total Pension Liability.....	\$ 52,659,882
Plan Fiduciary Net Position.....	52,162,406
Town Net Pension Liability.....	\$ 497,476
Plan Fiduciary Net Position	
as % of Total Pension Liability.....	99.06%

The following presents the net pension liability, calculated using the discount rate of 6.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1% Decrease	Current	1% Increase
	5.50%	Discount Rate	7.50%
	5.50%	6.50%	7.50%
Net Pension Liability (Asset).....	\$ 6,554,835	\$ 497,476	\$ (4,585,473)

Teachers' Retirement System: The faculty and professional personnel of the Board of Education participate in a contributory defined benefit plan, established under Chapter 167a of the Connecticut General Statutes, which is administered by the Connecticut State Teachers' Retirement Board. Certain part-time and all full-time certified teachers are eligible to participate in the plan and are required to contribute 7.25% of their annual earnings to the plan. The Town does not and is not legally responsible to contribute to the plan.

Board of Education Defined Contribution Plan: The Board of Education offers employees who are eligible for benefits a defined contribution plan in accordance with Internal Revenue Code Section 403(b). The Board of Education is not required to make contributions to this plan. Benefits are not available to participants until termination, retirement, death or unforeseeable emergency. All amounts contributed under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights are held in trust for the exclusive benefit of the plan participants and their beneficiaries. The Board of Education has no trustee or other fiduciary responsibilities related to participant accounts and therefore the plan is not accounted for in the fiduciary fund financial statements of the Town.

Please refer to Note 10 in the attached "Notes to the Basic Financial Statements" included herein in Appendix A for additional information on the Town's Pension Plan.

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Other Post Employment Benefits (OPEB)

The Town of Brookfield has established an Other Post-Employment Benefits Trust Fund, which incorporates a single-employer, post-retirement healthcare plan for the eligible employees. The plan provides medical, dental and prescription benefits for eligible retirees and their spouses. The plan does not issue stand-alone financials. Benefits and contributions are established by contract and may be amended by union agreements.

For fiscal year 2018, the Town contributed \$561,610 towards these benefits, of which \$216,490 was contributed to the OPEB Trust Fund. The Plan is financed on a pay-as-you-go basis. The Town’s Actuarially Determined Employer Contribution (ADEC) for fiscal year 2019 was \$1,978,271.

The following reflects the results of an actuarial valuation of Post-Employment Benefits as of July 1, 2018:

	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially Determined Employer Contribution (ADEC)....	\$ 1,978,271	\$ 1,963,189	\$ 2,678,075
Contributions in Relation to the ADEC.....	N/A	561,610	593,545
Contribution Deficiency (Excess).....	N/A	\$ 1,401,579	\$ 2,084,530
Covered Employee Payroll.....	N/A	\$ 34,116,653	\$ 33,122,964
Contributions as a Percentage of Covered Employee Payroll.....	N/A	1.65%	1.79%

The Town implemented GASB Statement No. 74 effective in Fiscal Year 2019. The following net OPEB liability of the Town Plan at June 30, 2018, determined by an actuarial valuation as of July 1, 2018 and based on actuarial assumptions as of that date, were as follows:

Total OPEB Liability.....	\$ 20,308,218
Plan Fiduciary Net Position.....	936,290
Town Net OPEB Liability.....	\$ 19,371,928
Plan Fiduciary Net Position as % of Total OPEB Liability.....	4.61%

The following presents the net OPEB liability, calculated using the discount rate of 6.50%, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
	<u>5.50%</u>	<u>6.50%</u>	<u>7.50%</u>
Town Plan's Net OPEB Liability	\$ 22,163,149	\$ 19,371,928	\$ 17,081,669

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

	<u>1% Decrease</u>	<u>Current Cost Trend Rate</u>	<u>1% Increase</u>
	<u>7.75%</u>	<u>8.75%</u>	<u>9.75%</u>
Current Percent.....	7.75%	8.75%	9.75%
Decreasing to.....	3.75%	4.75%	5.75%
Net OPEB Liability	\$ 16,600,292	\$ 19,371,928	\$ 22,830,613

Please refer to Note 11 in the attached "Notes to the Basic Financial Statements" included herein in Appendix A for additional information on the Other Post-Employment Benefits.

Investment Practices

The Town Charter and Sections 7-400 and 7-402 of the Connecticut General Statutes govern the investments the Town is permitted to acquire. Generally, the Town may invest in certificates of deposit, municipal bonds and notes, obligations of the United States of America, including joint and several obligations of the Federal Home Loan Mortgage Association, the Federal Savings and Loan Insurance Corporation, obligations of the United States Postal Service, all the Federal Home Loan Banks, all Federal Land Banks, the Tennessee Valley Authority, or any other agency of the United States government, and money market mutual funds.

The Town's operating funds are invested under the responsibility and authority of the Town Treasurer. Currently, the Town's short-term investments consist of certificates of deposit and money market accounts.

The Town's investment practices are in compliance with its charter and the Connecticut General Statutes.

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General Fund Balance Sheet
Five Year Summary of Assets, Liabilities, and General Fund Equity

Assets:	Unaudited 6/30/2019	Actual 6/30/2018	Actual 6/30/2017	Actual 6/30/2016	Actual 6/30/2015
Cash and cash equivalents	\$ 3,472,333	\$ 4,434,518	\$ 5,575,637	\$ 3,331,824	\$ 4,422,472
Investments	9,733,202	-	489,946	461,838	476,409
Receivables, net.....	2,342,176	1,676,484	924,573	715,956	1,206,076
Due from other funds	129,658	6,248,770	4,666,148	4,041,693	2,119,987
Inventories.....	-	3,354	-	-	-
Total Assets	15,677,369	12,363,126	11,656,304	8,551,311	8,224,944
Liabilities, Equity, & Other Credits:					
<u>Current Liabilities</u>					
Accounts Payables.....	937,346	2,757,198	1,208,269	573,001	977,323
Accrued Liabilities	434,431	613,235	487,966	620,085	319,714
Bond Anticipation Notes Payable.....	-	-	-	-	-
Due to Other Funds	4,739,953	827,955	1,134,096	373,477	677,866
Unearned Revenues	1,365	421,441	-	-	-
Total Liabilities	6,113,095	4,619,829	2,830,331	1,566,563	1,974,903
<u>Deferred Inflow of Resources</u>					
Unavailable Revenue	678,031	564,049	848,587	1,647,738	1,115,787
Advance Property Tax Collections	891,356	598,536	1,656,543	-	-
Total Deferred Inflow of Resources	1,569,387	1,162,585	2,505,130	1,647,738	1,115,787
<u>Equity & Other Credits</u>					
Nonspendable	-	-	-	-	-
Committed	-	-	786,906	390,319	1,387,364
Assigned	29,209	1,024,892	-	-	-
Unassigned.....	7,965,678	5,555,820	5,533,937	4,946,691	3,746,890
Total Equity & Other Credits	7,994,887	6,580,712	6,320,843	5,337,010	5,134,254
Total Liabilities, Equity & Other Credits ...	\$ 15,677,369	\$ 12,363,126	\$ 11,656,304	\$ 8,551,311	\$ 8,224,944

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General Fund Revenues and Expenditures
Four Year Summary of Audited Revenues and Expenditures (GAAP Basis) and
Estimated Actuals and Current Year Budget (Budgetary Basis)

	Adopted Budget ¹ 6/30/2020	Estimated Actual ² 6/30/2019	Actual 6/30/2018	Actual 6/30/2017	Actual 6/30/2016	Actual 6/30/2015
Revenues:						
Property Taxes, Interest and Liens.....	\$ 66,675,355	\$ 63,695,139	\$ 61,466,118	\$ 60,034,842	\$ 57,852,688	\$ 56,899,846
Licenses and Permits.....	960,100	657,378	508,507	-	-	-
Intergovernmental.....	1,695,361	3,434,035	8,234,605	7,596,465	6,560,717	6,750,156
Charges for Services.....	546,600	535,810	588,964	1,135,740	966,927	986,082
Fines and Permits.....	17,500	44,460	8,451	-	-	-
Investment Income.....	120,000	321,962	102,408	117,521	23,132	7,317
Rents and Royalties.....	39,115	58,913	71,866	-	-	-
Other Revenue.....	3,000	961,997	81,384	53,530	5,461	395,424
Total.....	\$ 70,057,031	\$ 69,709,694	\$ 71,062,303	\$ 68,938,098	\$ 65,408,925	\$ 65,038,825
Expenditures:						
General Government.....	\$ 8,284,422	\$ 7,737,184	\$ 7,520,918	\$ 7,456,073	\$ 7,248,241	\$ 7,407,079
Public Safety.....	5,579,522	5,174,904	4,982,078	2,642,789	4,506,847	4,292,050
Public Works.....	2,774,726	4,287,238	3,326,243	4,731,006	2,487,155	2,797,598
Health and Welfare.....	495,105	497,678	462,272	225,226	202,524	201,153
Culture and Recreation.....	1,710,144	1,705,079	1,560,323	1,581,167	1,427,463	1,403,204
Education.....	44,136,914	43,336,066	47,167,673	45,509,306	44,101,873	43,046,911
Debt Service.....	5,212,273	4,276,271	3,911,883	4,699,494	3,449,436	4,099,328
Capital Outlay and Contingency.....	1,863,925	-	220,550	-	909,929	1,016,560
Total.....	\$ 70,057,031	\$ 67,014,420	\$ 69,151,940	\$ 66,845,061	\$ 64,333,468	\$ 64,263,883
Excess (Deficiency) of Revenues						
Over Expenditures.....	\$ -	\$ 2,695,274	\$ 1,910,363	\$ 2,093,037	\$ 1,075,457	\$ 774,942
Other Financing Sources (Uses):						
Premium on Bond Issuance.....	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Premium on Bond Anticipation Notes.....	-	-	-	158,582	-	-
Premium on Refunding Bonds.....	-	-	-	-	-	-
Proceeds from Bond Issuance.....	-	-	-	-	-	-
Proceeds from Bond Refunding.....	-	-	-	-	-	-
Payment to Escrow Agent.....	-	-	-	-	-	-
Sale of Capital Assets.....	-	66,639	-	-	-	-
Capital Lease Financing.....	-	-	195,422	-	113,520	-
Transfers in.....	-	-	718,027	228,872	-	952,794
Transfers out.....	-	(1,347,738)	(1,352,161)	(1,496,658)	(986,221)	(2,746,236)
Net Other Financing Sources (Uses).....	\$ -	\$ (1,281,099)	\$ (438,712)	\$ (1,109,204)	\$ (872,701)	\$ (1,793,442)
Excess (Deficiency) Of Revenues And Other						
Financing Sources Over Expenditures and						
Other Financing Uses.....	-	1,414,175	1,471,651	983,833	202,756	(1,018,500)
Fund Equity, Beginning of Year.....	7,994,887	6,580,712	5,109,061	5,337,010	5,134,254	6,152,754
Fund Equity, End of Year.....	\$ 7,994,887	\$ 7,994,887	\$ 6,580,712	\$ 6,320,843	\$ 5,337,010	\$ 5,134,254

¹ Budgetary basis.

² Subject to audit.

³ As Restated.

VII. Legal and Other Information

Legal Matters

Pullman & Comley, LLC is serving as Bond Counsel with respect to the Notes and will render its opinions in substantially the form attached hereto as Appendix B.

Litigation

The Town of Brookfield, its officers, employees, boards and commissions are named defendants in various lawsuits. The Town Attorney is of the opinion that pending litigation will not be finally determined so as to result individually or in the aggregate in a final judgment against the Town which would have a materially adverse affect upon its financial position.

Transcript and Closing Documents

Upon delivery of the Notes, the winning purchaser(s) will be furnished with the following documents:

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Notes or the levy or collection of taxes to pay them.
2. A Certificate on behalf of the Town, signed by the First Selectman, Treasurer and the Controller which will be dated the date of delivery, and which will certify, to the best of said officials' knowledge and belief, that at the time bids were accepted on the Notes, the descriptions and statements in the Official Statement relating to the Town and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Official Statement.
3. A receipt for the purchase price of the Notes.
4. An executed continuing disclosure agreement for the Notes substantially in the form attached hereto as Appendix C.
5. The approving opinion of Pullman & Comley, LLC, Bond Counsel.
6. The Town has prepared an Official Statement for the Notes which is dated November __, 2019. The Town deems such Official Statement final as of its date for purposes of SEC Rule 15c2-12(b)(1), but is subject to revision or amendment. The Town will make available to the winning purchasers of the Notes ten (10) copies of the final Official Statement at the Town's expense. The copies of the Official Statement will be made available to the winning purchasers within seven business days of the bid opening. If the Town's Municipal Advisor is provided with the necessary information from the winning purchasers by noon of the day following the day bids on the Notes are received, the copies of the Official Statement will include an additional cover page and other pages indicating the interest rates, ratings, yields or re-offering prices, the name of the managing underwriter, and the name of the insurer, if any, on the Notes. The winning purchasers shall arrange with the Municipal Advisor the method of delivery of the copies of the Official Statement. Additional copies of the Official Statement may be obtained by the winning purchasers at their own expense by arrangement with the printer.

A transcript of the proceedings taken by the Town in authorizing the Bonds will be kept on file at the offices of U.S. Bank National Association, Goodwin Square, 225 Asylum Street, 23rd Floor, Hartford, Connecticut 06103 and may be examined upon reasonable request.

Concluding Statement

To the extent that any statements made in this Official Statement involve matters of opinion or estimates such statements are made as such and not as representations of fact or certainty, and no representation is made that any of such statements will be realized. Information herein has been derived by the Town from official and other sources and is believed by the Town to be reliable, but such information other than that obtained from official records of the Town has not been independently confirmed or verified by the Town and its accuracy is not guaranteed.

Any questions concerning this Official Statement should be directed to Marcia L. Marien, CPA, Finance Director/Controller, Town of Brookfield, 100 Pocono Road, Brookfield, Connecticut 06804, telephone number (203) 775-7342. This Official Statement has been duly prepared and delivered by the Town, and executed for and on behalf of the Town by the following officials:

TOWN OF BROOKFIELD, CONNECTICUT

By: _____
Stephen C. Dunn, *First Selectman*

By: _____
John Lucas, *Treasurer*

By: _____
Marcia L. Marien, *Finance Director / Controller*

Dated as of November __, 2019

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Appendix A

2018 General Purpose Financial Statements

The following includes excerpts from the Comprehensive Annual Financial Report of the Town of Brookfield, Connecticut for the fiscal year ended June 30, 2018. The supplemental data which was a part of that report has not been reproduced herein. A copy of the complete report is available upon request from Matthew A. Spoerndle, Senior Managing Director, Phoenix Advisors, LLC, 53 River Street, Milford, Connecticut 06460. Telephone (203) 878-4945.

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INDEPENDENT AUDITOR'S REPORT

To the Board of Finance
Town of Brookfield, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Brookfield, Connecticut (the "Town") as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Brookfield, Connecticut, as of June 30, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Change in Accounting Principle

As discussed in Note 1K to the financial statements, the Town adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*. Our opinions are not modified with respect to this matter.

Correction of Errors in Previously Issued Financial Statements

As discussed in Note 1K to the financial statements, the Town restated amounts previously reported in its financial statements as of and for the year ended June 30, 2017 for the correction of certain errors. Our opinions are not modified with respect to these matters.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 10 and the information on pages 64 through 87 to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund financial statements on pages 88 through 110 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 15, 2019, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



Certified Public Accountants
Glastonbury, Connecticut
March 15, 2019

Town of Brookfield, Connecticut

Management's Discussion and Analysis
June 30, 2018

Our discussion and analysis of the Town of Brookfield, Connecticut's ("Town") financial performance provides an overview of the Town's financial activities for the fiscal year ended June 30, 2018. Please read it in conjunction with the Town's financial statements and notes to the financial statements, which begin with Exhibit 1 in the financial section.

FINANCIAL HIGHLIGHTS

- The Town's total government activities net position, a measure of the Town's long-term health, was \$42,936,112 at June 30, 2018. It improved by \$1,485,518 during the year.
- The net depreciable governmental capital assets have increased by \$3,001,331 during the year. At the same time, the Town was able to reduce its long-term bonded debt by \$325,000.
- The Town's general obligation bonds continue to carry a Standard and Poor's rating of "Aaa".
- The General Fund's final budget was budgeted for a \$1,725,000 deficiency but delivered a \$1,448,662 excess, largely as a result of a declaration of disaster for the May 15th storm. This allowed the Town to apply for FEMA funding.
- The State of Connecticut's considerable financial challenges have not, as yet, had a significant material impact on the finances of the Town. Nevertheless, there remains an ongoing risk that there may be some, possibly material, future impact.

USING THIS ANNUAL FINANCIAL REPORT

Management's discussion and analysis is intended to be an introduction to the Town of Brookfield's annual financial report. This annual financial report consists of a series of financial statements.

Government-Wide Financial Statements – The government-wide statements (Exhibits 1 and 2 in the Financial Statements) provide information about the activities of the Town as a whole, and present a long-term view of the Town's finances. These two statements reflect all assets, liabilities and operations using the *accrual basis of accounting*, which is similar to the accounting method used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

- The *statement of net position* (Exhibit 1 in the financial statements) provides information about the Town's assets and liabilities, with the difference between two, the equity, reported as net position. Over time, increases and decreases in the net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. You need to consider other nonfinancial factors to assess the *overall health* of the Town; such as changes in the Town's property tax base and the condition of the Town's roads and structures.
- The *statement of activities* (Exhibit 2 in the financial statements) presents information showing how the Town's net position changed during the most recent fiscal year.

In the statement of net position and the statement of activities, the Town is divided into two types of activities:

- **Governmental Activities**—Most of the Town's basic services are reported here, including education, public works, and general administration. Property taxes, state and federal grants and local revenues (such as fees and licenses) finance most of these activities. The governmental activities of the Town include general government, public safety, public works, health and welfare, parks and recreation and education.

Town of Brookfield, Connecticut

Management's Discussion and Analysis
June 30, 2018

USING THIS ANNUAL FINANCIAL REPORT (Continued)

- *Business-type Activities*—The Town charges fees to users to cover all or most of the cost of certain services it provides. This is used for the operation of the sewer system under the water pollution control authority.

Fund Financial Statements – A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds in the Town can be divided into three categories:

- *Governmental Funds* – These are used to account for essentially the same functions as reported in governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources at the end of the fiscal year. It might be easiest to think of these funds as measuring the fund's working capital. The most significant governmental funds' financial statements, as measured by size, are included in Exhibits 3 and 4.
- *Proprietary Funds* – These include *enterprise funds* which are used to account for the operations that are included as business-type activities on the government-wide statements. When there is more than one enterprise fund, you would be able to see the net position, annual activity and cash flows of each. Proprietary funds also include *internal service funds* which account for the Town's risk financing activities. Because the Town's internal service funds primarily report the Town's governmental funds, these are including in the governmental-activities in the government-wide statements. The Town's proprietary funds are included in Exhibits 5, 6 and 7.
- *Fiduciary Funds* - The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of other entities in the extended community. Fiduciary funds are not included in the government-wide financial statements because the resources of those funds are not available to support the Town's own programs. The Town's fiduciary funds are included in Exhibits 8 and 9.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the aforementioned financial statements.

Required Supplementary Information ("RSI") – The Governmental Accounting Standards Board ("GASB") requires these statements to be included in the financial report. GASB considers them to be an essential part of financial reporting to place the financial statements in an appropriate operational, economic and/or historical context. The RSI includes this management's discussion and analysis, a detailed report showing the comparison between the budgeted and actual revenues and expenditures for each legally approved annual budget, and details on each of the Town's pension and other-post employment benefit plans.

Combining and Individual Fund Financial Statement – The less significant funds, based on the size of the fund, are each detailed in the combining fund statements. This section also includes more details on several of the funds.

Town of Brookfield, Connecticut

Management's Discussion and Analysis
June 30, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve as a useful indicator of the Town's financial position. Below is a comparison of the Town's governmental and business-type activities net position as of the end of the fiscal year for the last two years. These figures are taken from Exhibit 1 in the financial statements.

Table 1
Net Position (Figures taken from Exhibit 1)

	Governmental Activities		Business-Type Activities		Total Government	
	2018	2017	2018	2017	2018	2017
ASSETS						
Cash and equivalents	\$ 13,858,777	\$ 15,916,254	\$ 2,387,749	\$ 1,947,354	\$ 16,246,526	\$ 17,863,608
Investments	539,123	489,946	-	-	539,123	489,946
Restricted cash and equivalents	-	-	1,245,803	1,566,768	1,245,803	1,566,768
Receivables	8,880,967	7,167,756	5,509,818	6,075,893	14,390,785	13,243,649
Other assets	3,354	-	-	-	3,354	-
Capital assets						
Nondepreciable	12,287,310	11,953,832	647,347	832,184	12,934,657	12,786,016
Depreciable	85,494,554	82,493,223	13,582,280	13,074,251	99,076,834	95,567,474
	121,064,085	118,021,011	23,372,997	23,496,450	144,437,082	141,517,461
DEFERRED OUTFLOWS OF RESOURCES						
Related to refunding bonds	872,480	1,176,970	-	-	872,480	1,176,970
Related to pensions and OPEB	1,249,637	963,632	44,765	40,827	1,294,402	1,004,459
	2,122,117	2,140,602	44,765	40,827	2,166,882	2,181,429
LIABILITIES						
Payables, accruals and other liabilities	5,259,932	3,437,972	800,961	661,725	6,060,893	4,099,697
Pension liability, net	480,220	1,786,592	17,256	66,722	497,476	1,853,314
Other post-employment benefits liability, net	19,371,928	18,828,554	-	-	19,371,928	18,828,554
Total service awards program liability	1,964,435	1,973,896	-	-	1,964,435	1,973,896
Bond anticipation notes payable	1,335,000	18,455,000	2,600,000	2,900,000	3,935,000	21,355,000
Non-current liabilities						
Due within one year	22,831,673	3,269,929	313,940	313,601	23,145,613	3,583,530
Due in more than one year	26,139,969	28,957,494	3,487,898	3,816,708	29,627,867	32,774,202
Total liabilities	77,383,157	76,709,437	7,220,055	7,758,756	84,603,212	84,468,193
DEFERRED INFLOWS OF RESOURCES						
Advance property tax collections	598,536	1,656,543	-	-	598,536	1,656,543
Related to pensions and OPEB	2,268,397	293,185	59,052	10,170	2,327,449	303,355
	2,866,933	1,949,728	59,052	10,170	2,925,985	1,959,898
NET POSITION						
Net investment in capital assets	49,377,952	48,381,745	8,507,178	8,130,194	57,885,130	56,511,939
Restricted	2,383,128	7,349,096	5,747,648	6,065,863	8,130,776	13,414,959
Unrestricted	(8,824,968)	(14,228,393)	1,883,829	1,572,294	(6,941,139)	(12,656,099)
	\$ 42,936,112	\$ 41,502,448	\$ 16,138,655	\$ 15,768,351	\$ 59,074,767	\$ 57,270,799

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

Governmental Activities

- Capital assets increase by \$3,334,809. This is a net increase, after depreciation, of 3.53% and is the result of the Town's continued significant investment in its buildings, infrastructure and equipment. Capital assets are discussed in more detail below.
- Bond anticipation notes decreased by \$17,120,000 and non-current liabilities due within one year increased by \$19,561,744. Because a portion of the bond anticipation notes were refinanced with permanent financing subsequent to the year end, in November 2018, accounting rules require that the bond anticipation notes be reclassified to the non-current liabilities category. Long-term debt is discussed in more detail below.

Town of Brookfield, Connecticut

Management's Discussion and Analysis
June 30, 2018

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Business-Type Activities - There were no significant changes in the business-type activities.

Below is a comparison of the Town's governmental and business-type activities financial activity during the last two years. These figures are taken from Exhibit 2 in the financial statements.

Table 2
Change in Net Position (Figures taken from Exhibit 2)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Revenues						
Program revenues:						
Charges for services	\$ 2,892,742	\$ 3,021,084	\$ 1,907,536	\$ 1,539,008	\$ 4,800,278	\$ 4,560,092
Operating grants and contributions	12,534,650	10,982,908	-	-	12,534,650	10,982,908
Capital grants and contributions	1,915,186	7,460,000	17,975	286,777	1,933,161	7,746,777
General revenues:						
Property taxes	61,190,537	60,043,844	-	-	61,190,537	60,043,844
Grants and contributions	22,002	365,305	-	-	22,002	365,305
Interest and investment earnings	105,804	56,871	32,610	28,417	138,414	85,288
Total revenues	78,660,921	81,930,012	1,958,121	1,854,202	80,619,042	83,784,214
Program expenses						
General government	8,817,674	8,357,736	-	-	8,817,674	8,357,736
Public safety	5,768,192	5,437,976	-	-	5,768,192	5,437,976
Public works	5,525,981	5,171,761	-	-	5,525,981	5,171,761
Health and welfare	517,608	474,223	-	-	517,608	474,223
Culture and recreation	2,227,656	2,207,713	-	-	2,227,656	2,207,713
Education	53,165,253	51,263,898	-	-	53,165,253	51,263,898
Interest on long-term debt	1,153,039	1,227,806	-	-	1,153,039	1,227,806
Operation of sewer plant	-	-	1,587,940	1,542,630	1,587,940	1,542,630
Total expenses	77,175,403	74,141,113	1,587,940	1,542,630	78,763,343	75,683,743
Excess (deficiency) before transfers	1,485,518	7,788,899	370,181	311,572	1,855,699	8,100,471
Increase (decrease) in net position	1,485,518	7,788,899	370,181	311,572	1,855,699	8,100,471
Beginning net position, as restated	41,450,594	33,661,695	15,768,474	15,456,902	57,219,068	49,118,597
Ending net position	\$ 42,936,112	\$ 41,450,594	\$ 16,138,655	\$ 15,768,474	\$ 59,074,767	\$ 57,219,068

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

Governmental Activities

- Capital grants and contributions decreased by \$5,544,814 from \$7,460,000 to \$1,915,186 from 2017 to 2018, respectively. In 2017 there was a one-time increase in this category because the Town finalized a \$4,718,862 assessment on users of capital improvements to the water delivery system. The users will repay the assessments. This will be used to pay the debt on the capital improvements. This allows the Town to provide needed services, but charge them to just the citizens that benefit from the improvements.

Business-Type Activities - There were no significant changes in the business-type activities.

Town of Brookfield, Connecticut

Management's Discussion and Analysis
June 30, 2018

THE TOWN'S FUNDS FINANCIAL ANALYSIS

Governmental Funds

This year showed a large increase in fund balance on a modified accrual basis in the governmental funds. The total fund balance for governmental funds increased \$17,279,958 over the prior year as shown in Exhibits 3 and 4 in the Financial Statements.

The **General Fund's** balance increased by \$1,471,651 over the previous year. The fund balance of \$6,580,712, is 10.36% of the annual budget. This provides the Town with slightly more than 1 month of working capital and is in accordance with the Town's current Fund Balance policy.

The Town also approved an additional appropriation of \$1,700,000 during the year to fund clean-up costs from a microburst that hit the Town on May 15, 2018. During the year ended June 30, 2018, the Town incurred \$698,097 in clean up costs. The storm was declared a disaster and is expected to be reimbursed by a grant from the Federal Emergency Management Agency ("FEMA"). The \$1,001,903, that was not expended, was approved to be carried over into the 2018-19 fiscal year. It is included in the General Fund's assigned fund balance at June 30, 2018.

The **Bonded Capital Projects Fund** reported an increase of \$15,838,837 in fund balance. This is the result of permanently funding \$19,675,000 of the bond anticipation notes.

General Fund Budgetary Highlights

Below is a summarized view of the final budget and actual results for the General Fund:

Table 3
General Fund - Budget Summary

	Final Budget	Actual	Variance
Revenues			
Taxes	\$ 61,478,607	\$ 61,466,118	\$ (12,489)
Licenses and permits	482,082	508,507	26,425
Intergovernmental	2,297,874	1,844,505	(453,369)
Charges for services	440,000	549,374	109,374
Fines and special assessments	-	8,451	8,451
Investment earnings	15,000	102,408	87,408
Rents and royalties	42,118	71,866	29,748
Other revenue	27,000	54,046	27,046
Other financing sources	-	392,773	392,773
Total Revenues	64,782,681	64,998,048	215,367
Expenditures			
Current			
General government	8,013,183	7,520,918	492,265
Public safety	5,177,231	4,982,078	195,153
Public works	2,722,752	2,600,808	121,944
Health and welfare	462,445	462,272	173
Culture and recreation	1,568,296	1,560,323	7,973
Education	41,004,800	40,938,393	66,407
Debt service	4,020,687	3,911,883	108,804
Capital outlay/other	3,538,287	1,572,711	1,965,576
Total Expenditures	66,507,681	63,549,386	2,958,295
Increase (Decrease) in Fund Balance	\$ (1,725,000)	\$ 1,448,662	\$ 3,173,662

Town of Brookfield, Connecticut

Management's Discussion and Analysis
June 30, 2018

THE TOWN'S FUNDS FINANCIAL ANALYSIS (Continued)

The significant budget variances are discussed below:

Revenues

- In the current year, current year tax collections were under budget by \$310,782 as the collections were 98.96% of the total tax levy. This is down slightly from the 99.31% average collection rate over the last five years which serves as a basis for the budgeted revenue. However, collections of delinquent taxes were higher than budget by \$231,351 and collections of interest on delinquent taxes were higher than budgeted by \$69,843.
- Intergovernmental revenues were \$453,369 under budget. These revenues are from the State of Connecticut. The State did not complete its budget until October 2017, four months into the fiscal year and six months after the Town had to estimate the budgeted revenues from the State. The final State budget discontinued funding the municipal revenue sharing grant which was budgeted as \$494,620 in revenue. But, the State did fund the \$220,999 grants for municipal projects. Finally, the Town did not earn \$184,131 of the LOCIP grant. The LOCIP grant carries over from year to year. This funding will be earned and received in the subsequent fiscal year.
- Other financing sources included \$195,422 from a premium on bond anticipation notes. Since premiums on bonds are based on the market rates at the time, the Town generally does not include them in the budgeted revenues. In addition, the Town received a one time transfer in from closing the self-insurance fund for health insurance.

Expenditures

- General government expenditures were under expended by \$492,265. This is primarily the result of a variance with health insurance in the amount of \$352,781. The Town over estimated the cost of health insurance as it transitions from self-insurance to commercial insurance.
- Public safety expenditures were below budget by \$195,153. The variance in the police budget made up \$176,653 of this total. During the year the police officers were unexpectedly out on leave. Although this required an increase the overtime budget, those additional costs did not offset the total savings on the absent officers.
- Public works expenditures were below budget by \$121,944. This is primarily the result of paying off assessments to the WPCA in the prior years.
- Education expenditures were \$434,888 more than the original budget as a result of a large increase in the number of students requiring special education services. This was offset by an additional appropriation of \$120,792 and additional revenues (a transfer in from the self-insured health insurance fund) of \$470,500. Ultimately, after these adjustments, the net education expenditures were \$66,407 less than the final budget.
- Finally, capital outlay/other was \$1,965,576 under budget. This is the result of not fully expending the May 15th storm expenditures by June 30th. The unexpended portion totaled \$1,001,903. In addition, subsequent to year end, the President declared the May 15th storm as a disaster. This enables the Town to receive FEMA funding which offset the \$698,087 of storm expenditures. Lastly, the Town did not spend \$265,576 in budgeted contingency funds.

Town of Brookfield, Connecticut

Management's Discussion and Analysis
June 30, 2018

THE TOWN'S FUNDS FINANCIAL ANALYSIS (Continued)

Proprietary Funds

The proprietary fund activity is shown in Exhibits 5, 6 and 7. These funds include enterprise funds and internal service funds.

- In 2016 the Town chose to switch from a self-insured plan, accounting for the revenue and expenses in an internal service fund, to commercial insurance. The self-insured plan was closed in the current fiscal year.

CAPITAL ASSETS

At the end of this year, the Town had a net investment of \$97,781,864 in government activity capital assets. This amount represents a net increase (including additions and deductions) of \$3,334,809 from last year. The most significant of the \$6,686,318 in additions were:

- \$2,100,330 in land improvements under the four-corners development projects
- \$1,517,394 in infrastructure improvements under the road paving program
- \$920,120 in building improvements with the replacement of the high school roof
- \$351,638 for continued land improvements for the greenway trail
- \$269,089 for a 2017 Ford F550 Superliner ambulance
- \$220,550 as a planned short-term investment in a parking lot that will be held for resale
- \$212,718 to replace the fuel tanks at the Town garage

The additions were offset by \$3,351,509 in depreciation on the existing capital assets.

The capital assets used in the Town's business type activities (WPCA) included the addition of \$532,263 in construction in progress and \$740,158 in improvements to pumping stations. Subsequent to year end, the WPCA purchased and built out office space for the WPCA office.

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

LONG-TERM LIABILITIES

General Obligation Bonds and Bond Anticipation Notes

At year end, the Town had \$26,640,000 in bonds and \$21,010,000 in notes outstanding for governmental activities and \$720,000 in bonds for the business-type activities. This is a net decrease of \$325,000 from last year. The Town's general obligation bond rating carries a 'Aaa' rating from Standard and Poor's Investor Services.

Further detail on the Town's debt can be found in the Long-term liability Notes 7 and 8 to the Financial Statements.

Town of Brookfield, Connecticut

Management's Discussion and Analysis
June 30, 2018

LONG-TERM LIABILITIES (Continued)

Pension Liability - Town

The Town sponsors a defined benefit pension plan for its employees (excluding teachers). The Town's policy is to fund the actuarially determined contribution each year. The plan is currently 99.21% funded. More information about the plan can be found in Note 9 to the financial statements and in the required supplemental information as RSI-2a and RSI-2b.

Other Post-Employment Benefits ("OPEB") Liability

The Town sponsors a defined benefit OPEB plan for its employees hired on or before January 1, 2013 (excluding teachers). The Town's policy is to fund \$200,000 to the trust each year and fund the remainder on a pay-as-you-go basis. The plan is 4.61% funded. Of the \$19,371,928 OPEB liability, the actuaries estimate that approximately 33% is the result of an implicit rate subsidy. The implicit rate subsidy is the estimated increases in premiums of allowing retired teachers to be on the plan as required by State Statutes. This would generally not be funded in a trust.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Brookfield

The Town of Brookfield has enjoyed lower tax rates than other towns in the state in a similar socio-economic status. Going forward the Town will need to consider some significant investments in its aging school buildings and increased capital spending to maintain its current infrastructure. Management is working to offset some of these costs to the citizens with increased revenues from new development in Town.

State Financial Issues

The State's financial condition is integral to the ultimate financial health of every town in the State. The State's fiscal condition is already having an adverse effect on businesses and individuals in the State, particularly in Fairfield County. The uncertainties surrounding how these issues will be resolved, diminished state support for wealthy towns; towns sharing the burden with the State on teachers' pension obligations and their OPEB costs; rising taxes, and the general business climate have already caused major businesses to leave the State and have caused the population, particularly of high net worth individuals, to decrease.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the Town's finances and to show the Town's accountability to its stakeholders. Requests for additional financial information should be addressed to the First Selectman of the Town of Brookfield, 100 Pocono Road, Brookfield, CT 06804.

**BASIC FINANCIAL
STATEMENTS**

Statement of Net Position
June 30, 2018

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and equivalents	\$ 13,858,777	\$ 2,387,749	\$ 16,246,526
Investments	539,123	-	539,123
Restricted cash and equivalents	-	1,245,803	1,245,803
Receivables			
Property taxes and interest, net	941,302	-	941,302
Assessments	5,655,687	5,156,651	10,812,338
Accounts	13,275	-	13,275
Intergovernmental	1,777,404	-	1,777,404
Loans	468,377	-	468,377
User charges	-	100,598	100,598
Capacity outlet charges	-	122,626	122,626
Interest and fees	-	129,943	129,943
From fiduciary type activities	24,922	-	24,922
Other assets	3,354	-	3,354
Capital assets			
Nondepreciable	12,287,310	647,347	12,934,657
Depreciable, net of accumulated depreciation	85,494,554	13,582,280	99,076,834
Total Assets	<u>121,064,085</u>	<u>23,372,997</u>	<u>144,437,082</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding bonds	872,480	-	872,480
Related to pension	1,245,763	44,765	1,290,528
Related to other post-employment benefits	661	-	661
Related to volunteer service awards	3,213	-	3,213
Total Deferred Outflows of Resources	<u>2,122,117</u>	<u>44,765</u>	<u>2,166,882</u>
LIABILITIES			
Accounts payable	2,903,864	-	2,903,864
Accrued payroll and related	613,235	4,213	617,448
Other accrued liabilities	-	163,031	163,031
Accrued interest payable	646,499	27,719	674,218
Unearned revenues	829,113	605,998	1,435,111
Claims payable	267,221	-	267,221
Pension liability, net	480,220	17,256	497,476
Other postemployment benefits liability, net	19,371,928	-	19,371,928
Service awards program liability, gross	1,964,435	-	1,964,435
Bond anticipation notes payable	1,335,000	2,600,000	3,935,000
Non-current liabilities			
Due within one year	22,831,673	313,940	23,145,613
Due in more than one year	26,139,969	3,487,898	29,627,867
Total Liabilities	<u>77,383,157</u>	<u>7,220,055</u>	<u>84,603,212</u>
DEFERRED INFLOWS OF RESOURCES			
Advance property tax collections	598,536	-	598,536
Related to pension	1,643,349	59,052	1,702,401
Related to other post-employment benefits	539,302	-	539,302
Related to volunteer service awards	85,746	-	85,746
Total Deferred Inflows of Resources	<u>2,866,933</u>	<u>59,052</u>	<u>2,925,985</u>
NET POSITION			
Net investment in capital assets	49,377,952	8,507,178	57,885,130
Restricted			
Expendable, restricted by grants and donors	2,054,892	5,747,648	7,802,540
Nonexpendable, trust fund principal	328,236	-	328,236
Unrestricted	(8,824,968)	1,883,829	(6,941,139)
Total Net Position	<u>\$ 42,936,112</u>	<u>\$ 16,138,655</u>	<u>\$ 59,074,767</u>

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

Statement of Activities
Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business- Type Activities	
Governmental activities							
General government	\$ (8,817,674)	\$ 1,079,492	\$ 355,690	\$ 1,573,757	\$ (5,808,735)	\$	\$ (5,808,735)
Public safety	(5,768,192)	449,287	49,597	-	(5,269,308)		(5,269,308)
Public works	(5,525,981)	59,401	1,040,508	-	(4,426,072)		(4,426,072)
Health and welfare	(517,608)	66,444	59,922	-	(391,242)		(391,242)
Culture and recreation	(2,227,656)	588,092	1,546	54,885	(1,583,133)		(1,583,133)
Education	(53,165,253)	650,026	11,027,387	286,544	(41,201,296)		(41,201,296)
Interest on long-term debt	(1,153,039)	-	-	-	(1,153,039)		(1,153,039)
	<u>(77,175,403)</u>	<u>2,892,742</u>	<u>12,534,650</u>	<u>1,915,186</u>	<u>(59,832,825)</u>		<u>(59,832,825)</u>
Business-type activities							
Operation of sewer system	<u>(1,587,940)</u>	<u>1,907,536</u>	<u>-</u>	<u>17,975</u>		<u>337,571</u>	<u>337,571</u>
Total Government	<u>\$ (78,763,343)</u>	<u>\$ 4,800,278</u>	<u>\$ 12,534,650</u>	<u>\$ 1,933,161</u>			<u>(59,495,254)</u>
General Revenues							
Property taxes, payments in lieu of taxes, interest and liens					61,190,537	-	61,190,537
Grants and contributions not restricted to specific programs					22,002	-	22,002
Unrestricted interest and investment earnings					<u>105,804</u>	<u>32,610</u>	<u>138,414</u>
Total General Revenues					61,318,343	32,610	61,350,953
Change in Net Position					1,485,518	370,181	1,855,699
Net Position - Beginning of Year, as restated (Note 1.K)					<u>41,450,594</u>	<u>15,768,474</u>	<u>57,219,068</u>
Net Position - End of Year					<u>\$ 42,936,112</u>	<u>\$ 16,138,655</u>	<u>\$ 59,074,767</u>

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

Balance Sheet
Governmental Funds
June 30, 2018

	General Fund	Bonded Capital Projects Fund	Water Assessment Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and equivalents	\$ 4,434,518	\$ 6,151,192	\$ 50,804	\$ 2,955,935	\$ 13,592,449
Investments	-	-	-	539,123	539,123
Receivables					
Property taxes and related interest, net	941,302	-	-	-	941,302
Assessments	-	-	5,655,687	-	5,655,687
Accounts	3,343	-	-	9,932	13,275
Intergovernmental	731,839	965,382	-	80,183	1,777,404
Loans	-	-	-	468,377	468,377
Due from other funds	6,248,770	-	779,036	48,919	7,076,725
Other assets	3,354	-	-	-	3,354
Total Assets	<u>\$ 12,363,126</u>	<u>\$ 7,116,574</u>	<u>\$ 6,485,527</u>	<u>\$ 4,102,469</u>	<u>\$ 30,067,696</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 2,757,198	\$ 145,530	\$ -	\$ 1,136	\$ 2,903,864
Accrued payroll and related	613,235	-	-	-	613,235
Bond anticipation notes payable	-	1,335,000	-	-	1,335,000
Due to other funds	827,955	5,281,145	-	938,458	7,047,558
Unearned revenues	421,441	-	-	407,672	829,113
Total Liabilities	<u>4,619,829</u>	<u>6,761,675</u>	<u>-</u>	<u>1,347,266</u>	<u>12,728,770</u>
Deferred inflows of resources					
Advance property tax collections	598,536	-	-	-	598,536
Revenues not available	564,049	-	5,655,687	-	6,219,736
Total Deferred Inflows of Resources	<u>1,162,585</u>	<u>-</u>	<u>5,655,687</u>	<u>-</u>	<u>6,818,272</u>
Fund balances					
Nonspendable	-	-	-	328,236	328,236
Restricted	-	-	829,840	1,225,052	2,054,892
Committed	-	2,009,249	-	983,170	2,992,419
Assigned	1,024,892	-	-	239,923	1,264,815
Unassigned	5,555,820	(1,654,350)	-	(21,178)	3,880,292
Total Fund Balances	<u>6,580,712</u>	<u>354,899</u>	<u>829,840</u>	<u>2,755,203</u>	<u>10,520,654</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 12,363,126</u>	<u>\$ 7,116,574</u>	<u>\$ 6,485,527</u>	<u>\$ 4,102,469</u>	<u>\$ 30,067,696</u>

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

Reconciliation of Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position - Governmental Activities
June 30, 2018

Amounts reported for governmental activities in the Statement of Net Position (Exhibit 1)
are different from the Governmental Fund Balance Sheet. The differences are due to:

Total Fund Balances (Exhibit 3)	\$ 10,520,654
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Beginning net capital assets	94,447,055
Capital asset additions (net of construction in progress)	6,686,318
Depreciation expense	(3,351,509)
Other long-term assets and deferred outflows are not available resources and, therefore, are not reported in the funds:	
Receivables not considered available because they were not collected in 60 days	6,219,736
Deferred outflows - deferred charge on refunding bonds	872,480
Deferred outflows - related to pension	1,245,763
Deferred outflows - related to other postemployment benefits	661
Deferred outflows - related to volunteer service awards	3,213
Internal service funds are used by management to charge the cost of medical insurance to individual departments:	
The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position	(5,138)
Long-term liabilities and deferred inflows are not due and payable in the current period and, therefore, are not reported in the funds:	
General obligation bonds	(26,640,000)
Bond anticipation notes treated as long-term debt	(19,675,000)
Premiums on bonds	(1,586,375)
Loans payable	(40,017)
Assessments payable	(225,790)
Compensated absences	(804,460)
Net pension liability	(480,220)
Net OPEB liability	(19,371,928)
Volunteer service awards pension liability	(1,964,435)
Accrued interest	(646,499)
Deferred inflows - related to pension	(1,643,349)
Deferred inflows - related to other postemployment benefits	(539,302)
Deferred inflows - related to volunteer service awards	<u>(85,746)</u>
Net Position of Governmental Activities (Exhibit 1)	<u>\$ 42,936,112</u>

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended June 30, 2018

	General Fund	Bonded Capital Projects Fund	Water Assessment Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Taxes	\$ 61,466,118	\$ -	\$ -	\$ -	\$ 61,466,118
Licenses and permits	508,507	-	-	-	508,507
Intergovernmental	8,234,605	1,915,186	-	1,011,077	11,160,868
Charges for services	588,964	-	-	1,468,732	2,057,696
Fines and special assessments	8,451	-	556,297	-	564,748
Investment earnings	102,408	3,277	-	47,628	153,313
Rents and royalties	71,866	-	-	43,763	115,629
Other revenue	81,384	-	-	53,814	135,198
Total Revenues	<u>71,062,303</u>	<u>1,918,463</u>	<u>556,297</u>	<u>2,625,014</u>	<u>76,162,077</u>
EXPENDITURES					
Current					
General government	7,520,918	-	-	156,084	7,677,002
Public safety	4,982,078	-	-	389,644	5,371,722
Public works	3,326,243	596,802	14,796	30,854	3,968,695
Health and welfare	462,272	-	-	55,336	517,608
Culture and recreation	1,560,323	-	-	569,076	2,129,399
Education	47,167,673	-	-	1,512,383	48,680,056
Debt service	3,911,883	-	476,960	-	4,388,843
Capital outlay	220,550	5,157,824	-	1,307,944	6,686,318
Total Expenditures	<u>69,151,940</u>	<u>5,754,626</u>	<u>491,756</u>	<u>4,021,321</u>	<u>79,419,643</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,910,363</u>	<u>(3,836,163)</u>	<u>64,541</u>	<u>(1,396,307)</u>	<u>(3,257,566)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	718,027	-	-	1,356,797	2,074,824
Transfers out	(1,352,161)	-	-	(55,561)	(1,407,722)
Premium on financing	195,422	-	-	-	195,422
Proceeds from long-term debt	-	19,675,000	-	-	19,675,000
Total Other Financing Sources	<u>(438,712)</u>	<u>19,675,000</u>	<u>-</u>	<u>1,301,236</u>	<u>20,537,524</u>
Net Change in Fund Balances	1,471,651	15,838,837	64,541	(95,071)	17,279,958
Fund Balances - Beginning of Year, As Restated (Note 1.K)	<u>5,109,061</u>	<u>(15,483,938)</u>	<u>765,299</u>	<u>2,850,274</u>	<u>(6,759,304)</u>
Fund Balances - End of Year	<u>\$ 6,580,712</u>	<u>\$ 354,899</u>	<u>\$ 829,840</u>	<u>\$ 2,755,203</u>	<u>\$ 10,520,654</u>

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

Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended June 30, 2018

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

Net Change in Fund Balances - Total Governmental Funds (Exhibit 4)	\$ 17,279,958
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities (Exhibit 2), the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense in the current period.</p>	
Capital outlay expenditures	6,686,318
Depreciation expense	<u>(3,351,509)</u>
	<u>3,334,809</u>
<p>Revenues in the Statement of Activities (Exhibit 2) that do not provide current financial resources (cash within 60 days) are not reported as revenues in the funds.</p>	
Real property taxes and other revenues in the General Fund	(284,538)
Revenues in the Water Assessment Fund	<u>(500,450)</u>
	<u>(784,988)</u>
<p>Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position (Exhibit 1). Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position (Exhibit 1)</p>	
Issuance of long-term debt - general obligation bonds	(19,675,000)
Deferred charge on refunding	(91,152)
Amortization of premium on issuance of long-term debt	224,571
Principal payments on long-term debt - bonds	2,745,000
Principal payments on long-term debt - loans	225,251
Principal payments on long-term debt - assessments	<u>24,219</u>
	<u>(16,547,111)</u>
<p>Some expenses reported in the Statement of Activities (Exhibit 2) do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds, including the change in</p>	
Accrued interest	(63,288)
Change in compensated absences	(38,251)
Pension related effects (net pension liability, deferred inflows and outflows of resources)	125,851
Other post-employment benefits	(1,082,015)
State Teachers' Retirement Pension and OPEB revenue in excess of the contributions made on the Town's behalf reported in Exhibit 4	3,264,915
State Teachers' Retirement Pension and OPEB expenses in excess of the contributions made on the Town's behalf reported in Exhibit 4	(3,264,915)
Volunteer service awards	<u>(73,072)</u>
	<u>(1,130,775)</u>
<p>Internal service funds are used by management to charge the costs of medical, risk management and other claims to individuals funds. The net revenue of certain activities of internal service funds is reported with governmental activities</p>	
	<u>(666,375)</u>
Change in Net Position of Governmental Activities (Exhibit 2)	<u>\$ 1,485,518</u>

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

Statement of Net Position
 Proprietary Funds
 June 30, 2018

	Business-Type Activities- Enterprise Funds	
	Water Pollution Control Authority	Internal Service Funds
ASSETS		
Current assets		
Cash and equivalents	\$ 2,387,749	\$ 266,328
Receivables		
Assessments	644,975	-
User charges	100,598	-
Capacity outlet charges	45,287	-
Interest and fees	129,943	-
Total Current Assets	<u>3,308,552</u>	<u>266,328</u>
Long-term assets		
Restricted cash and equivalents	1,245,803	-
Receivables		
Assessments	4,511,676	-
Capacity outlet charges	77,339	-
Capital assets		
Nondepreciable	647,347	-
Depreciable, Net	13,582,280	-
Total Noncurrent Assets	<u>20,064,445</u>	<u>-</u>
Total Assets	<u>23,372,997</u>	<u>266,328</u>
DEFERRED OUTFLOWS OF RESOURCES - Related to pension		
	<u>44,765</u>	<u>-</u>
LIABILITIES		
Current liabilities		
Accrued liabilities	163,031	-
Accrued interest payable	27,719	-
Due to other funds	-	4,245
Bond anticipation notes payable	2,600,000	-
Unearned revenues	605,998	-
Claims payable	-	13,361
Current maturities of bonds payable	135,000	-
Current maturities of notes payable	178,940	-
Compensated absences	4,213	-
Total Current Liabilities	<u>3,714,901</u>	<u>17,606</u>
Long-term liabilities		
Claims payable	-	253,860
Bonds payable, less current maturities	585,000	-
Notes payable, less current maturities	2,223,509	-
Pension liability	17,256	-
Permanent maintenance deposits	24,583	-
Contingent credits on assessments	654,806	-
Total Noncurrent Liabilities	<u>3,505,154</u>	<u>253,860</u>
Total Liabilities	<u>7,220,055</u>	<u>271,466</u>
DEFERRED INFLOWS OF RESOURCES - Related to pension		
	<u>59,052</u>	<u>-</u>
NET POSITION		
Net investment in capital assets	8,507,178	-
Restricted for debt service	5,747,648	-
Unrestricted	1,883,829	(5,138)
Total Net Position	<u>\$ 16,138,655</u>	<u>\$ (5,138)</u>

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

Statement of Revenues, Expenses and Changes in Net Position
 Proprietary Funds
 Year Ended June 30, 2018

	Business-Type Activities- Enterprise Funds	Internal Service Funds
	Water Pollution Control Authority	
OPERATING REVENUES		
Charges for services - Health Insurance Fees	\$ -	\$ 18,917
Charges for services - User Fees	1,676,948	-
Charges for services - Assessment Fees	<u>230,588</u>	<u>-</u>
Total Operating Revenues	<u>1,907,536</u>	<u>18,917</u>
OPERATING EXPENSES		
Claims incurred	-	10,162
Administration	37,956	8,028
Personnel costs	565,677	-
Capacity charges	294,818	-
Depreciation	236,764	-
Equipment repairs and maintenance	144,010	-
Professional services	80,815	-
Utilities	88,196	-
Office supplies	<u>4,915</u>	<u>-</u>
Total Operating Expenses	<u>1,453,151</u>	<u>18,190</u>
Income from Operations	<u>454,385</u>	<u>727</u>
NON-OPERATING REVENUES (EXPENSES)		
Interest income	32,610	-
Interest expense	<u>(134,789)</u>	<u>-</u>
Net Non-Operating Revenues (Expenses)	<u>(102,179)</u>	<u>-</u>
Income Before Transfers and Capital Contributions	352,206	727
Capital contributions		
Assessments and capacity outlet charges	17,975	-
Transfers out	<u>-</u>	<u>(667,102)</u>
Change in Net Position	370,181	(666,375)
Total Net Position - Beginning of Year, as Restated	<u>15,768,474</u>	<u>661,237</u>
Total Net Position - End of Year	<u>\$ 16,138,655</u>	<u>\$ (5,138)</u>

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

Statement of Cash Flows
Proprietary Funds
Year Ended June 30, 2018

	Business-Type Activities- Enterprise Funds	
	Water Pollution Control Authority	Internal Service Funds
Cash Flows From Operating Activities		
Cash received from customers and users	\$ 1,837,303	\$ 18,917
Cash payments to employees	(569,187)	-
Cash payments to suppliers and employees	(535,824)	(8,028)
Cash payments for benefits and claims	-	(10,162)
Net Cash from Operating Activities	<u>732,292</u>	<u>727</u>
Cash Flows From Capital and Related Financing Activities		
Bonds issued	2,600,000	-
Principal paid on debt	(3,210,400)	-
Acquisition and construction of capital assets	(559,956)	-
Interest paid on debt	(137,376)	-
Assessments and connection charges	662,260	-
Net Cash from Capital and Related Financing Activities	<u>(645,472)</u>	<u>-</u>
Cash Flows From Noncapital Financing Activities		
Advances from other funds	-	176,373
Transfers	-	(667,101)
Net Cash from Noncapital Financing Activities	<u>-</u>	<u>(490,728)</u>
Cash Flows From Investing Activities		
Interest income	32,610	-
Net Cash from Investing Activities	<u>32,610</u>	<u>-</u>
Net Increase (Decrease) in Cash and Equivalents	119,430	(490,001)
Cash and Equivalents - Beginning of Year	3,514,122	756,329
Cash and Equivalents - End of Year	<u>\$ 3,633,552</u>	<u>\$ 266,328</u>
Cash and Equivalents - Unrestricted	2,387,749	266,328
Cash and Equivalents - Restricted	1,245,803	-
Cash and Equivalents - End of Year	<u>\$ 3,633,552</u>	<u>\$ 266,328</u>
Reconciliation of Income (Loss) from Operations to Net Cash from Operating Activities		
Income (loss) from operations	\$ 454,385	\$ 727
Adjustments to reconcile income (loss) from operations to net cash from operating activities		
Depreciation included in costs of services	236,764	-
Changes in operating assets and liabilities		
Accounts receivable	(110,807)	-
Accrued liabilities	111,376	-
Unearned revenues	40,574	-
Net Cash from Operating Activities	<u>\$ 732,292</u>	<u>\$ 727</u>

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

Statement of Fiduciary Net Position
 Fiduciary Funds
 June 30, 2018

	Pension and OPEB Trust Funds	Private Purpose Trust Fund Raymond and Viola Martini Waidelich Scholarship Funds	Agency Funds
ASSETS			
Cash and equivalents	\$ 1,382,548	\$ -	\$ 699,297
Investments, at fair value			
Mutual funds	51,209,202	1,200,227	-
U.S. Government Securities	208,604	-	-
U.S. Agency Securities	294,329	-	-
Total Investments	51,712,135	1,200,227	-
Receivables	82,508	-	-
Accrued interest and dividends	4,013	-	-
 Total Assets	 53,181,204	 1,200,227	 699,297
LIABILITIES			
Amount held as agent	-	-	674,375
Scholarship commitments	-	39,375	-
Due to other funds	-	-	24,922
 Total Liabilities	 -	 39,375	 699,297
NET POSITION			
Restricted for pension benefits	52,244,914	-	-
Assets held in trust for OPEB benefits	936,290	-	-
Restricted for scholarship purposes	-	1,160,852	-
 Total Net Position	 \$ 53,181,204	 \$ 1,160,852	 \$ -

Statement of Changes in Fiduciary Net Position
 Fiduciary Funds
 Year Ended June 30, 2018

	Pension and OPEB Trust Funds	Private Purpose Trust Fund Raymond and Viola Martini Waidelich Scholarship Funds
ADDITIONS		
Contributions and Revenue		
Employer contributions	\$ 1,747,771	\$ -
Teachers' Retirement System contributions	492,109	-
Plan member contributions	<u>5,022</u>	<u>-</u>
Total Contributions	<u>2,244,902</u>	<u>-</u>
Investment Income		
Net change in fair value of investments	3,865,260	74,187
Interest and dividends	<u>164,550</u>	<u>13,489</u>
Total Investment Income	4,029,810	87,676
Less investment management fees	<u>(74,222)</u>	<u>-</u>
Net Investment Income	<u>3,955,588</u>	<u>87,676</u>
Total Additions	<u>6,200,490</u>	<u>87,676</u>
DEDUCTIONS		
Pension benefits paid to plan members	2,470,853	-
Scholarships awarded	<u>-</u>	<u>9,125</u>
Total Deductions	<u>2,473,312</u>	<u>9,125</u>
Change in Net Position	3,727,178	78,551
Net Position - Beginning of Year, as Restated	<u>49,454,026</u>	<u>1,082,301</u>
Net Position - End of Year	<u>\$ 53,181,204</u>	<u>\$ 1,160,852</u>

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

Town of Brookfield, Connecticut

Notes to Financial Statements
June 30, 2018

1. Summary of Significant Accounting Policies

The Town of Brookfield, Connecticut ("Town") was settled in 1788 and adopted its original charter in 1975. The Town operates under a town meeting, Board of Selectmen and Board of Finance form of government. Under this form of government the town meeting is the legislative body. The administrative branch is led by an elected three-member Board of Selectmen. The Selectmen oversee most of the activities not assigned specifically to another body. An elected Board of Education oversees the public school system.

The accounting policies conform to generally accepted accounting principles as applicable to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the Town's more significant accounting policies:

A. Financial Reporting Entity

The financial reporting entity consists of: a) the primary government; b) organizations for which the primary government is financially accountable and c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth by GASB.

In evaluating how to define the financial reporting entity, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in this reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. The criterion set forth by GASB for including another agency or entity in the Town's financial reporting has been considered and there are no other agencies or entities which would qualify to be included.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position in exhibit 1 and the statement of activities in exhibit 2) report information on all non-fiduciary activities of the primary government as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities (if any), which rely to a significant extent on fees and charges for support.

The statement of net position presents the financial position of the Town at the end of its fiscal year. The statement of activities demonstrates the degree to which direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The Town does not allocate indirect expenses to functions in the statement of activities.

1. **Summary of Significant Accounting Policies (Continued)**

C. Fund Financial Statements

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The Town maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. The Town maintains proprietary and fiduciary funds, which are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation.

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

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operation. The principal operating revenues of the enterprise funds and the internal service funds are charges to customers for services. Operating expenses for the enterprise funds and the internal service funds include the cost of services, administrative expenses, depreciation, and benefit costs. All revenues and expenses not meeting the definition are reported as non-operating revenues and expenses.

The fund financial statements show the Town's resources in three broad fund categories:

Fund Categories

- a) Governmental Funds - Governmental funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The following are the Town's major governmental funds:

The **General Fund** constitutes the primary operating fund of the Town and is used to account for and report all financial resources not accounted for and reported in another fund.

The **Bonded Capital Projects Fund** is a capital projects fund used to provide working capital for projects that will be ultimately financed through general obligation bonds. Some bonded capital projects will be extensive enough that the Town may decide they deserve their own fund.

Town of Brookfield, Connecticut

Notes to Financial Statements (Continued)
June 30, 2018

1. Summary of Significant Accounting Policies (Continued)

The **Water Assessment Fund** is a special revenue fund used to account for assessments to the citizens to pay principal and interest payments on debt for water lines that benefit these citizens.

- b) **Proprietary Funds** - Proprietary funds include enterprise and internal service funds. Enterprise funds are used to account for operations that are financed and operated in a manner similar to private enterprises or where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is necessary for management accountability. Enterprise funds are used to account for those operations that provide services to the public. The Town's **Water Pollution Control Account** ("WPCA") is the Town's only enterprise fund. The WPCA handles waste water for certain sections of the Town.

Internal service funds are used to account for the Town's risk financing activities; specifically the Town reports the revenues and expenses of the self-insured **Heart and Hypertension Fund**. This fund administers the benefits for qualifying firefighters and police officers under Connecticut's 1977 Heart and Hypertension Act.

- c) **Fiduciary Funds** (Not included in the government-wide financial statements) - The fiduciary funds are used to account for assets held by the Town in an agency capacity on behalf of others. These include pension trust, private-purpose trust, and agency funds. The pension trust funds are provided to account for the activities of the Town's defined benefit pension plan and the other post-employment benefit trust funds, which accumulate resources for pension and health benefit payments to qualified employees upon retirement. The private-purpose trust fund is used to account for resources legally held in trust for the benefit of individuals. The agency funds are utilized to account for monies held as custodian for others.

D. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary funds and pension trust funds. The agency funds have no measurement focus, but utilize the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Except for property tax revenues, revenues are considered to be available if collected within one year of the fiscal year end.

1. Summary of Significant Accounting Policies (Continued)

Property taxes are considered to be available if collected within sixty days of the fiscal year end. Property taxes associated with the current fiscal period, as well as charges for services and intergovernmental revenues are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenues from federal and State grants are accrued when the expenditure is made.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures, when applicable, related to early retirement incentives, compensated absences, capital leases, post-closure landfill costs, pollution remediation obligations, other post-employment benefit obligations, certain pension obligations and certain claims payable are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/ Fund Balances

Deposits, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts, certificates of deposit, money market funds, State of Connecticut treasurer's short-term investment fund and treasury bills with original maturities of less than three months.

The Town's custodial credit risk policy is to only allow the Town to use banks that are in the State of Connecticut. The State of Connecticut requires that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk-based capital ratio.

General Investments - The investment policies of the Town conform to the policies as set forth by the State of Connecticut. The Town's policy is to only allow prequalified financial institution broker/dealers and advisors. The Town policy allows investments in the following: (1) obligations of the United States and its agencies; (2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof; and (3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. The statutes (section 3-27f) also provides for investment in shares of the Connecticut short-term investment fund.

The Town follows U.S. GAAP guidance on *fair value measurements* which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quote prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

1. Summary of Significant Accounting Policies (Continued)

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment’s level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

Other provisions of the statutes cover specific municipal pension funds with particular investment authority and do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries (i.e., prudent person rule) and the provisions of the applicable plan. Their approved policies target an asset mix to provide the probability of meeting or exceeding the return objectives at the lowest possible risk.

Pension and OPEB Investments – The Board of Selectmen has established the following investment mix for the asset allocation for the pension and OPEB funds:

	Target	Range
Domestic & Foreign Large Cap Equity	40%	30% - 50%
Domestic & Foreign Small / Mid Cap Equity	15%	10% - 20%
Total Equities	55%	40% - 70%
Fixed Income	40%	25% - 55%
Cash & Equivalents	5%	0% – 10%

Interest Rate Risk - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. The Town minimizes interest rate risk by structuring the investment portfolio so that the securities mature to meet cash requirements for ongoing operations, avoiding the need to sell securities on the open market prior to maturity. Generally, the Town does not invest in any long-term investment obligations but has no formal policy.

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a bank failure, the Town’s deposits may not be returned to it. The Town has no formal policy but its practice for custodial credit risk is to invest in obligations allowable under the Connecticut general statutes as described previously and pre-qualifying institutions with which the Town may do business.

Credit Risk – Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity’s complete failure. The Town’s policy for credit risk is to invest in obligations allowable under the Connecticut general statutes as described previously and pre-qualifying institutions with which the Town may do business.

Concentration of Credit Risk – Concentration of credit risk is the risk attributed to the magnitude of a government’s investments in a single issuer. The Town follows the limitations specified in the Connecticut general statutes. Generally, the Town’s deposits cannot be 75% or more of the total capital of any one depository.

Foreign Currency Risk - Foreign currency risk is the risk that changes in foreign exchange rates will adversely affect the fair value of an investment. The Town does not have policies for foreign currency risk. Currently, the Town only invests in mutual funds that hold non-US equity stocks. These investments are stated in US dollars.

Town of Brookfield, Connecticut

Notes to Financial Statements (Continued)
June 30, 2018

1. Summary of Significant Accounting Policies (Continued)

Taxes Receivable - Property taxes are assessed on property values as of October 1st. The tax levy is divided into two billings; the following July 1st and January 1st. This is used to finance the fiscal year from the first billing (July 1st) to June 30th of the following year. The billings are considered due on those dates; however, the actual due date is based on a period ending 31 days after the tax bill. On these dates (August 1st and February 1st), the bill becomes delinquent at which time the applicable property is subject to lien, and penalties and interest are assessed.

Under State statutes, the Town has the right to impose a lien on a taxpayer if any personal property tax, other than a motor vehicle tax, due to the Town is not paid within the time limited by any local charter or ordinance. The lien shall be effective for a period of fifteen years from the date of filing unless discharged. A notice of tax lien shall not be effective if filed more than two years from the date of assessment for the taxes claimed to be due.

An allowance for uncollectible taxes of \$145,000 has been recorded net with taxes and interest receivable at year end.

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided by the Town. Receivables are recorded and revenues recognized as earned or as specific program expenditures/expenses are incurred. Allowances are recorded when appropriate.

Prepaid Expenses/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the government-wide and fund financial statements. Reported amounts are equally offset by nonspendable fund balance, in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Due From/To Other Funds - During the course of its operations, the Town has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of year end, balances of interfund amounts receivable or payable have been recorded in the fund financial statements. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as internal balances.

Capital Assets - Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than the capitalization threshold for that asset type and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

Intangible assets lack physical substance, are nonfinancial in nature and their useful lives extend beyond a single reporting period. These are reported at historical cost if identifiable. Intangible assets with no legal, contractual, regulatory, technological or other factors limiting their useful life are considered to have an indefinite useful life and are not amortized.

Town of Brookfield, Connecticut

Notes to Financial Statements (Continued)
June 30, 2018

1. Summary of Significant Accounting Policies (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Land is considered inexhaustible and, therefore, not depreciated. Construction in progress has not been put into service yet and, therefore, is not depreciated. Property, plant, and equipment of the Town are depreciated or amortized using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>	<u>Capitalization Threshold</u>
Land	N/A	\$ 5,000
Construction in progress	N/A	5,000
Buildings and improvements	50	5,000
Infrastructure	12-100	20,000
Machinery and equipment	5-25	5,000
Vehicles	5-20	5,000
Intangible assets	Varies, if any	5,000

Unearned Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Unearned revenues consist of revenue received in advance and/or amounts from grants received before the eligibility requirements have been met.

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The Town reports deferred outflows and inflows of resources related to pensions and other post-employment benefits in the government-wide statement of net position. A deferred outflow or inflow of resources related to pension results from differences between expected and actual experience, the net difference between projected and actual earnings, and a change in assumptions. These amounts are deferred and included in pension expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees).

Deferred outflows of resources also include deferred outflows relating to advance refunding of debt. These amounts are deferred and are amortized over the life of the debt.

Finally, deferred inflows of resources in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Such amounts in the fund financial statements have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

Town of Brookfield, Connecticut

Notes to Financial Statements (Continued)
June 30, 2018

1. Summary of Significant Accounting Policies (Continued)

Long-Term Liabilities - In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the respective statement of net position.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, and debt payments, are reported as expenditures.

Net Position - Net position represents the difference between assets, liabilities and deferred outflows/inflows of resources. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position on the statement of net position includes three categories - net investment in capital assets, restricted net position and unrestricted net position – as described below:

- *Net Investment in Capital Assets* - the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.
- *Restricted Net Position - Nonexpendable* - the component of net position that reflects funds set aside in accordance with laws, regulations, grants, and other agreements that must be kept intact and cannot be spent. This is made up of \$328,236 in trust fund principal.
- *Restricted Net Position – Expendable* - the component of net position that reflects funds that can only be spent subject to the laws, regulations, grants, and other agreements relating to these funds.
- *Unrestricted Net Position* – all other amounts that do not meet the definition of “restricted” or “net investment in capital assets”.

In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town’s policy to consider restricted net position to have been completely depleted before unrestricted net position is applied.

Fund Balance - Generally, fund balance represents the difference between current assets and current liabilities. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard, the fund balance classifications are as follows:

- *Nonspendable fund balance* includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Town of Brookfield, Connecticut

Notes to Financial Statements (Continued)
June 30, 2018

1. Summary of Significant Accounting Policies (Continued)

- Fund balances are to be reported as restricted when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification will be used to report funds that are restricted for debt service obligations and for other items contained in the Connecticut statutes.
- Committed fund balances are those that can only be used for specific purposes pursuant to formal action of the Town's highest level of decision making authority. The town meeting is the highest level of decision making authority for the Town that can, by the adoption of a resolution prior to the end of the fiscal year, commit a fund balance. Once committed, these funds may only be used for the purpose specified unless the Town removes or changes the purpose by taking the same action that was used to establish the commitment.
- Assigned fund balance, in the general fund, represents amounts constrained either by policies of the Board of Finance for amounts assigned for balancing the subsequent year's budget or management for amounts assigned for encumbrances. Unlike commitments, assignments generally only exist temporarily, in that additional action does not normally have to be taken for the removal of an assignment. An assignment cannot result in a deficit in the unassigned fund balance in the general fund. Assigned fund balances in all funds except the general fund includes all remaining amounts, except for negative balances, that are not classified as nonspendable and are neither restricted nor committed.
- Unassigned fund balance, in the general fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The general fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the general fund, unassigned fund balances would necessarily be negative, since the fund's liabilities and deferred inflows, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets and deferred outflows.

In order to calculate the amounts to report as restricted and unrestricted fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Town's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, it is the Town's policy to use fund balance in the following order: committed, assigned, and unassigned.

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the general fund. Encumbrances outstanding at year-end are generally reported as assigned fund balance since they do not constitute expenditures or liabilities.

Town of Brookfield, Connecticut

Notes to Financial Statements (Continued)
June 30, 2018

1. Summary of Significant Accounting Policies (Continued)

G. Use of Estimates

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

H. Donor-Restricted Endowment

The Town has received an endowment for library purposes. The amounts are reflected in the statement of net position as restricted for endowment and the governmental balance sheet as nonspendable fund balance. Investment income is approved for disbursement by the Library Board of Directors and is included as restricted net position and restricted fund balance. At the end of the year, \$228,929 was available for appropriation.

The Town allocates investment income of donor-restricted endowments in accordance with donor restrictions and Connecticut law, which has adopted the provisions of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA").

I. Tax Incentives

The Town has extended a tax incentive under the Town's Business Incentive Ordinance for a deferral of assessment increases. In exchange for construction and timing requirements, the Town will abate a portion of the additional assessment on the new construction. The rates of abatement and length of abatement depend on the number of requirements met in the written agreement. If all the requirements are met, a portion, beginning at 100% and gradually decreasing down to 20%, of the additional assessment on the new construction will be abated for seven years.

J. Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

K. Prior Period Adjustments

In preparing the financial statements the Town made a number of adjustments to the beginning balances of equity. These were treated as prior period adjustments in that the beginning balances of equity were changed. One of the changes was to implement a new accounting standard, Governmental Accounting Standards Board ("GASB") Statement 75 – Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. This is discussed further in Note 11. The remaining adjustments were considered corrections of errors in prior period financial statements.

Town of Brookfield, Connecticut

Notes to Financial Statements (Continued)
June 30, 2018

1. Summary of Significant Accounting Policies (Continued)

	Changes in the Fund Financial Statements					
	General Fund	Bonded Projects Fund	Other Governmental Funds	Private Purpose		Government Wide - Net Position
				Trust Fund Waidelich Scholarship	Internal Service Fund - Heart & Hypertension	
As Originally Reported	\$ 6,320,843	\$(15,567,728)	\$ 1,428,302	\$ 1,121,677	\$ -	\$ 39,433,169
Implement GASB Statement 75	-	-	-	-	-	3,906,260
Record LOSAP Liability	-	-	-	-	-	(1,973,896)
Record Sewer Assessment	-	-	-	-	-	(250,009)
Allocate Pension to WPCA	-	-	-	-	-	36,065
Adjust Pension for Timing	-	-	-	-	-	39,377
Record Accounts Receivable	46,858	-	37,761	-	-	84,619
Record Loans Receivable	-	-	500,684	-	-	500,684
Adjust Accounts Payable	(23,977)	-	4,899	(39,376)	-	(58,454)
Heart and Hypertension:						
Establish a Separate Fund	(272,245)	-	-	-	272,245	-
Record Claims Payable	-	-	-	-	(267,221)	(267,221)
Library:						
Move Library Endowment	(509,656)	-	509,656	-	-	-
Move Library Revenue Fund	(23,077)	-	23,077	-	-	-
Reclassify to Properly Fund:						
Bonded Capital Projects	(83,790)	83,790	-	-	-	-
Capital Nonrecurring Fund	(537,427)	-	537,427	-	-	-
Town Grant Fund	191,532	-	(191,532)	-	-	-
As Restated	<u>\$ 5,109,061</u>	<u>\$(15,483,938)</u>	<u>\$ 2,850,274</u>	<u>\$ 1,082,301</u>	<u>\$ 5,024</u>	<u>\$ 41,450,594</u>

2. Stewardship, Compliance and Accountability

Below are summaries of the budget procedures. The full detail can be found in the Town Charter.

A. Budget Calendar

Requests for Annual Appropriations – At least 165 days (150 days for the Board of Education) before the end of the fiscal year, the head of each department, office or agency of the Town which is supported by Town funds files a detailed estimate of the expenditures to be made by them, and the revenues, other than property tax revenues, to be collected in the next fiscal year. These estimates are accompanied by a statement setting forth the services, activities and work accomplished, or to be accomplished, during the current year and planned for the next fiscal year.

First Selectman Budget Recommendations – The First Selectman reviews the budget estimates with the heads of each department, office or agency. Not later than 135 days before the end of the fiscal year, the First Selectman will present these budgets, together with any recommended changes, to the Board of Selectmen and Board of Finance. The First Selectman will include a budget message describing the important features of the proposed Town budget including: a general summary of the budget including a summary of revenues, expenditures, and major changes, including the reasons for the changes, from the current year. The First Selectman will also provide a recommendation for the capital projects to be undertaken during the next fiscal year and the method of financing these projects.

Town of Brookfield, Connecticut

Notes to Financial Statements (Continued)
June 30, 2018

2. Stewardship, Compliance and Accountability (Continued)

Board of Selectmen Budget Recommendations – The Board of Selectman will review the budgets submitted by the First Selectman and may make further revisions. Not later than 120 days before the end of the fiscal year, the Board of Selectman will submit its recommendations to the Board of Finance.

Board of Finance Budget Recommendations – The Board of Finance, after receipt of the recommended budget from, and in coordination with, the Board of Selectmen shall afford each department, office and agency an opportunity for a hearing on their proposed section of the budgets.

The proposed Town budget may include a contingency fund, established in accordance with the Connecticut General Statutes, an appropriation for capital and nonrecurring expenditures, and the payment of debts of the Town. The proposed Town budget will also include estimates of the revenue to the Town from all sources for the next year.

Public Hearing, Town Meeting and Referendum – The Board of Finance will hold one or more public hearings concerning the proposed Town budget. At least ten days prior to the public hearing, the Board of Finance will make copies of the budget available in the Town Clerk's office. One such hearing will be held at least fourteen days before the Annual Town Meeting and will allow persons qualified to vote at the Annual Town Meeting to be heard. The Board of Finance may then revise the proposed Town budgets as it deems advisable.

The Board of Finance will publish the budget in a newspaper of general circulation in the Town and make the budgets available as prescribed by law. The Annual Town Meeting for the consideration of the budgets will be held on the first Tuesday in May.

Adoption of the budgets submitted by the Board of Finance shall be by vote at a referendum between eight and fourteen days following the Annual Town Meeting. The general government and education budgets will be considered separately and will include non-binding advisory questions for the general government and education budgets on the referendum.

Within 15 days after the adoption of the Annual Town Budget, the Board of Finance shall meet and lay such tax as required by the Connecticut General Statutes.

Any portion of an annual appropriation remaining unexpended and unencumbered at year end will lapse at June 30th. Appropriations for capital shall not lapse until the purpose for which the appropriation was made has been accomplished or abandoned. A project will be deemed to be abandoned with three fiscal years have lapsed without any expenditure or encumbrance.

B. Budget Control

The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level except expenditures for education and the library, which are, by State Statutes, appropriated as one department.

Transfers within a Single Department – The Board of Selectman, when requested by any general government department, may transfer unexpended balances from one appropriation to another within the same department. The Board of Education may transfer unexpended balance from one appropriation to another in accordance with Connecticut General Statutes.

Town of Brookfield, Connecticut

Notes to Financial Statements (Continued)
June 30, 2018

2. Stewardship, Compliance and Accountability (Continued)

Transfers between Departments or from Contingency – The Board of Selectman, when requested by any department and with the approval of the Board of Finance, may transfer unexpended balances from one appropriation to another or from any approved contingency fund.

Additional Appropriations - The Board of Selectman, when requested by any department and with the approval of the Board of Finance, may increase the total budget with an additional appropriation. The additional appropriation may be financed by the General Fund's fund balance, borrowing or any approved contingency fund. This may not exceed 10% of the amount appropriated for the department or \$40,000, whichever is greater. The total of all such additional appropriations for the year may not exceed 1% of the total annual budget. Any amounts exceeding these limits must be acted upon by the Board of Finance and a Town Meeting.

During the year \$1,725,000 of additional appropriations were made. Included in these additional appropriations was \$1,700,000 for cleanup costs for a microburst that hit the Town on May 15, 2018. This is expected to be reimbursed by a FEMA grant from the Federal government.

Emergency Appropriations – For the purpose of meeting a public emergency threatening the lives, health or property of citizens, emergency appropriations may be made upon the recommendation of a majority of the members of the Board of Selectmen and by an affirmative vote of at least four members of the Board of Finance. The total emergency appropriation cannot be greater than one half of one percent of the annual budget.

C. Budget Basis

A formal, legally approved, annual budget is adopted for the General Fund. This budget is adopted on a basis consistent with generally accepted accounting principles (modified accrual basis) with the following exceptions:

- **Teachers' Retirement** - The Town does not recognize as income or expenditures payments made for the teachers' retirement by the State of Connecticut under a special funding situation in its budget. GASB requires that the employer government recognize payments for salaries and fringe benefits paid under a special funding situation for its employees.
- **Board of Education Revenues Net with Board of Education Expenditures** – The Board of Education nets certain revenues with their expenditures in the budget.
- **Long-Term Debt and Lease Financing** - Revenues and expenditures from refunding or renewing long-term debt or issuing lease financing are included in the budget as the net revenues or expenditures are expected.
- **Encumbrances** - Unless committed through a formal encumbrance (e.g., purchase orders, signed contracts), all annual appropriations lapse at fiscal year-end. Encumbrances outstanding at year end are reported on the budgetary basis statements as expenditures.

Town of Brookfield, Connecticut

Notes to Financial Statements (Continued)
June 30, 2018

2. Stewardship, Compliance and Accountability (Continued)

D. Fund Deficits

The following funds had deficit unassigned fund balances at year end:

	Deficit	Expected Coverage	
		Future Revenues	Other Fund
Special Revenue Funds			
Building Use Fund	\$ 21,178	\$ 21,178	\$ -
Internal Service Funds			
Heart and Hypertension Fund	5,138	-	5,138

In addition, the Bonded Capital Projects Fund, although not showing a deficit fund balance, had a deficit to cover the approved projects. This will be funded with the November 2018 premiums.

3. Cash, Cash Equivalents and Investments

Cash and investments of the Town consist of the following:

Statement of Net Position (Exhibit 1)	
Cash and equivalents	\$ 16,246,526
Restricted cash and equivalents	1,245,803
Investments	539,123
	<u>18,031,452</u>
Fiduciary Funds (Exhibit 8)	
Cash and equivalents - pension/OPEB trusts	1,382,548
Cash and equivalents - agency funds	699,297
Investments - pension and OPEB trust funds	51,712,135
Investments - private purpose trusts	1,200,227
	<u>54,994,207</u>
Total Cash and Investments	<u>\$ 73,025,659</u>

A. Cash and Equivalents - The carrying amount of the deposits with financial institutions was:

Cash and Cash Equivalents	
Deposits with financial institutions	\$ 18,173,584
Plus money market fund (in investments)	1,400,590
	<u>\$ 19,574,174</u>

The bank balance of the deposits was \$18,293,694 and was exposed to custodial credit risk as follows:

Covered by Federal depository insurance	\$ 559,943
Collateralized by securities held in trust	
Not in the Town's name	1,773,375
Uninsured and uncollateralized	15,960,376
	<u>\$ 18,293,694</u>

Town of Brookfield, Connecticut

Notes to Financial Statements (Continued)
June 30, 2018

3. Cash, Cash Equivalents and Investments (Continued)

B. Investments – Investments are summarized as follows:

	Other Governmental Funds	Pension and OPEB Trust Funds	Private Purpose Trust Funds	Total Investments
Money market mutual funds	\$ 18,042	\$ 1,382,548	\$ -	\$ 1,400,590
Mutual funds	-	51,209,202	1,200,227	52,409,429
U.S. Government securities	-	208,604	-	208,604
U.S. Agency securities	-	294,329	-	294,329
Equity securities	539,123	-	-	539,123
	<u>\$ 557,165</u>	<u>\$ 53,094,683</u>	<u>\$ 1,200,227</u>	<u>\$ 54,852,075</u>

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

Type of Investment	Average Credit Rating	Fair Value	Investment Maturities (in Years)		
			Less Than 1 Year	1-5 Years	Over 5 Years
Money market mutual funds	NA	\$ 1,400,590	\$ 1,400,590	\$ -	\$ -
Mutual funds	NA	52,409,429	52,409,429	-	-
U.S. Government securities	NA	208,604	-	208,604	-
U.S. Agency securities	AAA	294,329	4,072	13,653	276,604
Equity securities	NA	539,123	539,123	-	-
Total		<u>\$ 54,852,075</u>	<u>\$ 54,353,214</u>	<u>\$ 222,257</u>	<u>\$ 276,604</u>

NA Not applicable

The following are major categories of investments measured at fair value on a recurring basis, grouped by the fair value hierarchy.

Type of Investment	Investments Using NAV to Approximate Fair Value	Quoted Prices in active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Money market mutual funds	\$ 1,400,590	\$ -	\$ -	\$ -	\$ 1,400,590
Mutual funds	-	52,409,429	-	-	52,409,429
U.S. Government securities	-	208,604	-	-	208,604
U.S. Agency securities	-	-	294,329	-	294,329
Equity securities	-	539,123	-	-	539,123
Total	<u>\$ 1,400,590</u>	<u>\$ 53,157,156</u>	<u>\$ 294,329</u>	<u>\$ -</u>	<u>\$ 54,852,075</u>

Town of Brookfield, Connecticut

Notes to Financial Statements (Continued)
June 30, 2018

4. Receivables, Deferred Inflows and Unearned Revenue

A. Long-Term Receivables not expected to be collected within one year include:

- Assessments receivable in the water assessment fund totaling \$5,655,687 and
- Loans receivable in the small cities grant fund, totaling \$468,377.

B. Revenues Not Available – Governmental funds report deferred inflows on the modified accrual basis (Exhibit 3) in connection with certain receivables are estimated to not meet the policy to be considered “available” to liquidate liabilities of the current period. Taxes in the amount amount of \$598,536 and the water assessments in the amount of \$5,655,687 were reported as *deferred inflows*, instead of revenue, because they were not received within the policy to be considered “available” as of the year end.

C. Unearned Revenue – Both government-wide activities and governmental funds defer revenue recognition in connection with resources that have been received, but not yet earned as follows:

	Governmental Type Activities	Other Governmental Funds	Total
Fees collected in advance	\$ -	\$ 187,929	\$ 187,929
Advances on grants	-	219,743	219,743
Advances on insurance	421,441	-	421,441
	<u>\$ 421,441</u>	<u>\$ 407,672</u>	<u>\$ 829,113</u>

5. Interfund Transactions

The outstanding balances between funds result mainly from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur; 2) transactions are recorded in the accounting system; and 3) payments between funds are made. These are summarized as follows:

Receivable fund	Payable Fund	Amount
General fund	Bonded capital projects fund	\$ 5,281,145
General fund	Other governmental funds	938,458
General fund	Internal service funds	4,245
General fund	Fiduciary funds	24,922
Water Assessment Fund	General fund	779,036
Other governmental funds	General fund	48,919
		<u>\$ 7,076,725</u>

Fund transfers are generally used to fund capital projects with general fund revenues. Transfers during the year were as follows:

	Transfers into:		
	General Fund	Other Governmental Funds	Total
Transfers out of:			
General fund	\$ -	\$ 1,352,161	\$ 1,352,161
Internal service funds	667,102	-	667,102
Other governmental funds	50,925	4,636	55,561
	<u>\$ 718,027</u>	<u>\$ 1,356,797</u>	<u>\$ 2,074,824</u>

Town of Brookfield, Connecticut

Notes to Financial Statements (Continued)
June 30, 2018

6. Capital Assets

A. Changes in the Town's capital assets used in the governmental activities are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated				
Land	\$ 11,357,431	\$ 220,550	\$ -	\$ 11,577,981
Construction in progress	596,401	112,928	-	709,329
	<u>11,953,832</u>	<u>333,478</u>	<u>-</u>	<u>12,287,310</u>
Capital assets being depreciated				
Buildings and improvements	65,935,180	4,007,853	-	69,943,033
Vehicles	5,641,802	550,150	-	6,191,952
Machinery and equipment	6,765,006	277,443	-	7,042,449
Infrastructure	45,503,512	1,517,394	-	47,020,906
	<u>123,845,500</u>	<u>6,352,840</u>	<u>-</u>	<u>130,198,340</u>
Less accumulated depreciation				
Buildings and improvements	(22,021,301)	(1,254,221)	-	(23,275,522)
Machinery and equipment	(3,479,065)	(363,350)	-	(3,842,415)
Vehicles	(4,222,259)	(388,312)	-	(4,610,571)
Infrastructure	(11,629,652)	(1,345,626)	-	(12,975,278)
	<u>(41,352,277)</u>	<u>(3,351,509)</u>	<u>-</u>	<u>(44,703,786)</u>
Net Capital Assets being Depreciated	<u>82,493,223</u>	<u>3,001,331</u>	<u>-</u>	<u>85,494,554</u>
	<u>\$ 94,447,055</u>	<u>\$ 3,334,809</u>	<u>\$ -</u>	<u>\$ 97,781,864</u>

Construction in progress includes the initial costs of a number of capital projects in progress. Depreciation and amortization expense was charged to the governmental activities as follows:

General government	\$ 158,961
Public safety	323,398
Public works	1,581,505
Parks and recreation	98,257
Education	1,189,388
	<u>\$ 3,351,509</u>

B. Changes in the Town's capital assets used in the business-type activities are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated				
Construction in progress	\$ 832,184	\$ 532,263	\$ (717,100)	\$ 647,347
Capital assets being depreciated				
Buildings and improvements	2,866,314	-	-	2,866,314
Infrastructure	11,902,339	740,152	-	12,642,491
Machinery and equipment	1,210,430	-	-	1,210,430
Office furniture and equipment	-	4,635	-	4,635
Vehicles	180,749	-	-	180,749
	<u>16,159,832</u>	<u>744,787</u>	<u>-</u>	<u>16,904,619</u>
Less accumulated depreciation				
Buildings and improvements	(479,618)	(57,326)	-	(536,944)
Infrastructure	(1,695,570)	(126,121)	-	(1,821,691)
Machinery and equipment	(801,469)	(43,226)	-	(844,695)
Office furniture and equipment	-	(927)	-	(927)
Vehicles	(108,924)	(9,158)	-	(118,082)
	<u>(3,085,581)</u>	<u>(236,758)</u>	<u>-</u>	<u>(3,322,339)</u>
Net Capital Assets being Depreciated	<u>13,074,251</u>	<u>508,029</u>	<u>-</u>	<u>13,582,280</u>
	<u>\$ 13,906,435</u>	<u>\$ 1,040,292</u>	<u>\$ (717,100)</u>	<u>\$ 14,229,627</u>

Town of Brookfield, Connecticut

Notes to Financial Statements (Continued)
June 30, 2018

7. Long-Term Liabilities – Governmental Funds

The following table summarizes changes in the Town’s governmental long-term indebtedness:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due in More Than One Year
General obligation bonds	\$ 29,385,000	\$ -	\$ (2,745,000)	\$ 26,640,000	\$ 2,770,000	\$ 23,870,000
Bond Anticipation Note as LTD	-	19,675,000	-	19,675,000	19,675,000	-
Premium on bonds	1,810,946	-	(224,571)	1,586,375	-	1,586,375
	<u>31,195,946</u>	<u>19,675,000</u>	<u>(2,969,571)</u>	<u>47,901,375</u>	<u>22,445,000</u>	<u>25,456,375</u>
Loans payable	265,268	-	(225,251)	40,017	40,017	-
Assessment payable	250,009	-	(24,219)	225,790	24,872	200,918
Compensated absences	766,209	123,159	(84,908)	804,460	321,784	482,676
	<u>\$ 32,477,432</u>	<u>\$ 19,798,159</u>	<u>\$ (3,303,949)</u>	<u>\$ 48,971,642</u>	<u>\$ 22,831,673</u>	<u>\$ 26,139,969</u>

Each governmental funds’ liability and interest on the liability is liquidated by the respective fund to which it relates. The liabilities and related interest, once permanently financed, are liquidated by the General Fund and, if they relate to water lines which will be paid for by the user they are liquidated by the Water Assessment Fund.

In accordance with generally accepted accounting principles, included in long-term debt is \$19,675,000 of bond anticipation notes that were refunded after the end of the year with permanent financing. These were paid off on November 15, 2018 as part of a debt package discussed below under A. General Obligation Bonds. The full activity for the bond anticipation notes is as follows:

Purpose	Interest Rate	Maturity Date	Beginning Balance	Additions	Reductions	Reclassified to Long-Term Debt	Ending Balance
Town	2.00%	Nov 2017	\$ 11,302,680	\$ -	\$ (11,302,680)	\$ -	\$ -
School	2.00%	Nov 2017	3,102,320	-	(3,102,320)	-	-
Town	1.30%	Nov 2017	1,733,800	-	(1,733,800)	-	-
School	1.30%	Nov 2017	301,200	-	(301,200)	-	-
Water	1.30%	Nov 2017	2,015,000	-	(2,015,000)	-	-
Town	2.25%	Nov 2018	-	13,747,480	-	(13,747,480)	-
School	2.25%	Nov 2018	-	3,192,520	-	(3,192,520)	-
Town	2.50%	Nov 2018	-	1,768,000	-	(1,768,000)	-
School	2.50%	Nov 2018	-	387,000	-	(387,000)	-
Water	2.50%	Nov 2018	-	1,915,000	-	(580,000)	1,335,000
			<u>\$ 18,455,000</u>	<u>\$ 21,010,000</u>	<u>\$ (18,455,000)</u>	<u>\$ (19,675,000)</u>	<u>\$ 1,335,000</u>

A. General Obligation Bonds

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations of the Town and pledge the full faith and credit of the Town. These bonds generally are issued as 20-year serial bonds with equal amounts of principal maturing each year. General obligation bonds at yearend consisted of the following:

Town of Brookfield, Connecticut

Notes to Financial Statements (Continued)
June 30, 2018

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

Purpose	Year of Issue	Original Amount	Final Maturity	Interest Rates	Outstanding by Purpose	Outstanding by Issuance
General Government	2000	\$ 2,705,000	2020	4.75-5.875%	\$ 270,000	\$ 270,000
School	2002	7,800,000	2022	4-5%	1,579,736	
General Government	2002	100,000	2022	4-5%	20,264	1,600,000
School	2010	330,000	2031	2-4%	180,000	
General Government	2010	5,120,000	2031	2-4%	4,140,000	4,320,000
School	2013	3,100,000	2034	3-4%	610,000	
General Government	2013	5,480,000	2034	3-4%	4,795,000	5,405,000
Water, Refunding	2014	350,000	2026	2-5%	245,000	
School, Refunding	2014	14,380,000	2026	2-5%	9,925,000	
General Government, Refunding	2014	370,000	2026	2-5%	245,000	10,415,000
Water, Refunding	2015	5,510,000	2034	2-3%	4,630,000	4,630,000
					<u>\$ 26,640,000</u>	<u>\$ 26,640,000</u>

Payments to maturity on the general obligation bonds are as follows:

Year End	General Obligation Bonds		Year End	General Obligation Bonds	
	Principal	Interest		Principal	Interest
2019	\$ 2,770,000	\$ 1,011,093	2027	\$ 1,020,000	\$ 205,380
2020	2,805,000	894,748	2028	1,020,000	173,840
2021	2,680,000	776,250	2029	1,030,000	140,846
2022	2,690,000	663,161	2030	1,035,000	105,446
2023	2,355,000	548,928	2031	865,000	71,430
2024	2,370,000	453,881	2032	480,000	46,470
2025	2,285,000	359,749	2033	480,000	27,804
2026	2,280,000	267,230	2034	475,000	9,238
				<u>\$ 26,640,000</u>	<u>\$ 5,755,494</u>

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

Projects	Year Approved	Total Bond Authorization	Bonds Issued	Grants and Other Proceeds Applied	Authorized But Unissued Debt
Town Facilities Capital Projects	2015-16	\$ 2,102,000	\$ 2,100,000	\$ -	\$ 2,000
Various Capital Projects	2016-17	2,835,000	2,655,000	-	180,000
Four Corners Project - Phase 1	2016-17	1,950,000	1,570,000	-	380,000
Various Capital Projects	2017-18	1,602,774	1,505,000	-	97,774
Various Capital Projects	2018-19	2,153,050	-	-	2,153,050
		<u>\$ 10,642,824</u>	<u>\$ 7,830,000</u>	<u>\$ -</u>	<u>\$ 2,812,824</u>

On November 15, 2018, the Town refinanced issued additional debt consisting of:

- \$17,815,000 in 20-year tax-exempt general obligation bonds with interest rates of 4.0 to 5.0%
- \$4,040,000 in 20-year taxable general obligation bonds with interest rates of 4.0 to 4.5%
- \$1,910,000 in bond anticipation notes due November 14, 2019 with an interest rate of 3.0%

The proceeds of the new general obligation bonds was used to refinance general obligation bonds including \$19,575,000 for governmental activities and \$2,900,000 for enterprise funds. In addition, the proceeds included \$620,000 of new borrowing on existing authorized but unissued debt and \$1,910,000 of new borrowing on debt authorized for the 2018-19 fiscal year.

Town of Brookfield, Connecticut

Notes to Financial Statements (Continued)
June 30, 2018

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

B. Loans Payable

The Town has several loans for the purchase of equipment. At year end there was one loan remaining. The initial amount of the debt was \$618,311 issued in September 2014 with an interest rate of 1.85%. The loan was paid off in September 2018.

On July 10, 2018, the Town signed a 3-year loan agreement in the amount of \$167,000 to finance equipment. The loan is payable monthly with an interest rate of 2.5%.

C. Assessment Payable

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

Year End	Assessment Payable		Year End	Assessment Payable	
	Principal	Interest		Principal	Interest
2019	\$ 24,872	\$ 6,262	2025	\$ 28,351	\$ 1,893
2020	25,542	5,574	2026	27,904	1,101
2021	26,208	4,867	2027	9,913	322
2022	26,102	4,142	2028	812	50
2023	26,831	3,413	2029	829	33
2024	27,581	2,664	2030	845	17
				<u>\$ 225,790</u>	<u>\$ 30,338</u>

D. Compensated Absences

A limited number of vacation time earned during the fiscal year can be carried over to the succeeding year, subject to limitations as provided in the respective collective bargaining agreements. Employees are entitled to accumulate sick leave up to a maximum amount stipulated in each contract. Employees in the police union are entitled to payment of 25% of accumulated sick leave. The value of all compensated absences has been reflected in the government-wide financial statements.

E. Prior Year Defeasance of Debt

The Town defeased certain bonds in prior years by placing assets in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Town’s financial statements. At year end, \$1,791,000 of bonds outstanding are considered defeased.

F. Legal Debt Limit

Connecticut General Statutes Section 7-374 sets limits on the debt, as defined by the statutes, which can be incurred by the Town and other governmental entities within the Town. The limitations for the Town of Brookfield, Connecticut are as follows:

Total tax collections (including interest and lien fees) for the year - primary government	\$ 61,082,747
Total tax collections (including interest and lien fees) for the year - coterminous governments	553,020
Reimbursement for revenue loss on tax relief for the elderly (C.G.S. 12-129d)	-
Debt limitation base	<u>\$ 61,635,767</u>

Town of Brookfield, Connecticut

Notes to Financial Statements (Continued)
June 30, 2018

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

	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation					
2 1/4 times base	\$ 138,680,476	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	277,360,952	-	-	-
3 3/4 times base	-	-	231,134,126	-	-
3 1/4 times base	-	-	-	200,316,243	-
3 times base	-	-	-	-	184,907,301
Total debt limitation	<u>138,680,476</u>	<u>277,360,952</u>	<u>231,134,126</u>	<u>200,316,243</u>	<u>184,907,301</u>
Indebtedness					
General obligation bonds	14,345,264	12,294,736	720,000	-	-
Bond anticipation notes	17,430,480	3,579,520	2,600,000	-	-
Notes payable	40,017	-	2,402,449	-	-
Debt of conterminous governments:					
Candlewood Shores District	-	-	-	-	-
Total indebtedness	<u>31,815,761</u>	<u>15,874,256</u>	<u>5,722,449</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of debt outstanding and authorized	<u>\$ 106,864,715</u>	<u>\$ 261,486,696</u>	<u>\$ 225,411,677</u>	<u>\$ 200,316,243</u>	<u>\$ 184,907,301</u>

In no case shall total indebtedness exceed seven times the annual receipts from taxation \$431,450,369
This debt limitation exceeds the debt in the Town of Brookfield, Connecticut by \$378,037,903

8. Long-Term Liabilities – Enterprise Fund

The following table summarizes changes in the long-term indebtedness in the Enterprise Fund:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year	Due in More Than One Year
General obligation bonds	\$ 855,000	\$ -	\$ (135,000)	\$ 720,000	\$ 135,000	\$ 585,000
Loan payable	2,577,849	-	(175,400)	2,402,449	178,940	2,223,509
Compensated absences	3,201	4,213	(3,201)	4,213	4,213	-
Permanent maintenance deposits	39,453	-	(14,870)	24,583	-	24,583
Contingent credits-assessments	654,806	-	-	654,806	-	654,806
	<u>\$ 4,130,309</u>	<u>\$ 4,213</u>	<u>\$ (328,471)</u>	<u>\$ 3,806,051</u>	<u>\$ 318,153</u>	<u>\$ 3,487,898</u>

A. General Obligation Bonds

General obligation bonds and loans at yearend in the Enterprise Fund consisted of the following:

Purpose	Year of Issue	Original Amount	Final Maturity	Interest Rates	Outstanding by Purpose
General Obligation Bonds:					
WPCA	1993	\$ 3,400,000	2021	3.65-5.375%	\$ 460,000
WPCA	2010	225,000	2031	2-4%	260,000
					<u>\$ 720,000</u>
Loan Payable					
Clean Water Fund Note	2010	3,747,082	2030	2.00%	<u>\$ 2,402,449</u>

Town of Brookfield, Connecticut

Notes to Financial Statements (Continued)
June 30, 2018

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

Payments to maturity on the general obligation bonds are as follows:

Year End	General Obligation Bonds		Year End	General Obligation Bonds	
	Principal	Interest		Principal	Interest
2019	\$ 135,000	\$ 27,570	2026	\$ 20,000	\$ 3,430
2020	135,000	21,020	2027	20,000	2,845
2021	135,000	14,645	2028	20,000	2,245
2022	135,000	8,425	2029	20,000	1,633
2023	20,000	5,050	2030	20,000	995
2024	20,000	4,530	2031	20,000	335
2025	20,000	3,990		<u>\$ 720,000</u>	<u>\$ 96,713</u>

Payments to maturity on the loan are as follows:

Year End	Loan Payable		Year End	Loan Payable	
	Principal	Interest		Principal	Interest
2019	\$ 178,940	\$ 46,420	2025	\$ 201,734	\$ 23,626
2020	182,552	42,808	2026	205,806	19,554
2021	186,237	39,123	2027	209,960	15,400
2022	189,995	35,365	2028	214,198	11,162
2023	193,830	31,530	2029	218,522	6,838
2024	197,743	27,617	2030	222,932	2,428
				<u>\$ 2,402,449</u>	<u>\$ 301,871</u>

B. Bond Anticipation Notes

Bond anticipation note activity during the year was as follows:

Purpose	Interest Rate	Maturity Date	Beginning Balance	Additions	Reductions	Ending Balance
WPCA	2.00%	Nov 2017	\$ 2,250,000	\$ -	\$ (2,250,000)	\$ -
WPCA	1.30%	Nov 2017	650,000	-	(650,000)	-
WPCA	2.25%	Nov 2018	-	1,950,000	-	1,950,000
WPCA	2.50%	Nov 2018	-	650,000	-	650,000
			<u>\$ 2,900,000</u>	<u>\$ 2,600,000</u>	<u>\$ (2,900,000)</u>	<u>\$ 2,600,000</u>

9. Fund Balance

As discussed in Note 1, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. These are summarized below:

	General Fund	Bonded Capital Projects Fund	Water Assessment Fund	Other Governmental Funds	Total Governmental Funds
Nonspendable					
Required to be maintained					
Trust principal	\$ -	\$ -	\$ -	\$ 328,236	\$ 328,236
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 328,236</u>	<u>\$ 328,236</u>

Town of Brookfield, Connecticut

Notes to Financial Statements (Continued)
June 30, 2018

9. Fund Balance (Continued)

	General Fund	Bonded Capital Projects Fund	Water Assessment Fund	Other Governmental Funds	Total Governmental Funds
Restricted					
Rehabilitation loans	\$ -	\$ -	\$ -	\$ 526,244	\$ 526,244
Debt	-	-	829,840	-	829,840
General government	-	-	-	4,261	4,261
Public safety	-	-	-	102,263	102,263
Health and welfare	-	-	-	21,986	21,986
Library	-	-	-	228,929	228,929
Education	-	-	-	209,273	209,273
Open space	-	-	-	132,096	132,096
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 829,840</u>	<u>\$ 1,225,052</u>	<u>\$ 2,054,892</u>
Committed					
Capital Projects	\$ -	\$ 2,009,249	\$ -	\$ 751,054	\$ 2,760,303
Health and welfare	-	-	-	16,578	16,578
Open space	-	-	-	215,538	215,538
	<u>\$ -</u>	<u>\$ 2,009,249</u>	<u>\$ -</u>	<u>\$ 983,170</u>	<u>\$ 2,992,419</u>
Assigned					
Public safety	\$ -	\$ -	\$ -	\$ 131,845	\$ 131,845
Culture and recreation	-	-	-	60,269	60,269
Library	-	-	-	12,069	12,069
Education	22,989	-	-	35,740	58,729
Storm clean up	1,001,903	-	-	-	1,001,903
	<u>\$ 1,024,892</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 239,923</u>	<u>\$ 1,264,815</u>

10. The Town of Brookfield Pension Plan

A. Plan Description - The Town is the administrator of a single-employer defined benefit public employee retirement system (“PERS”) established and administered by the Town to provide pension benefits for its union and nonunion employees (excluding teachers covered under the Connecticut State Teachers’ Retirement System (“TRS”). The PERS is considered to be part of the Town of Brookfield’s financial reporting entity and is included in the Town’s financial statement as a pension trust fund. A separate stand-alone financial report is not issued. Benefits may be changed by the Board of Selectmen through union agreements or other actions.

The PERS was established July 1, 1968 and amended and restated January 1, 1994 and January 1, 2015. Additional changes are being made, but not yet incorporated into the plan document.

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

B. Plan Benefits – Employees become members of the plan on the first of the month following the completion of one year of employment. Contributions to the plan begin on that date.

Town of Brookfield, Connecticut

Notes to Financial Statements (Continued)
 June 30, 2018

10. The Funded Retirement Plan of the Town of Brookfield, Connecticut (Continued)

Upon attaining the normal retirement date (which is the earlier of age 55 with 10 years of service or 25 years regardless of age for police and age 62 for all others), participants are entitled to an annual retirement benefit. Employees, except police, can take early retirement at age 55 after completing 10 years of service. For early retirement the employee is entitled to the vested benefit accrued at the date of early retirement and actuarially reduced if the employee elects to have payments commence prior to age 62.

Generally, the normal retirement benefit is equal to 2% of average final earnings times years of service for all except employees of the Board of Education. For the employees of the Board of Education, the normal retirement benefit is equal to 1.75% of average final earnings times years of service as of January 1, 1994 and 2% of average final earnings time years of service after that date.

Average final earnings is defines as the average of 3 consecutive highest earnings, except for police, which is defined as average annual straight-time earnings, plus over time up to \$5,000, over 3 years. The three years may be selected from the previous 5 to 10 year, or any period, depending on the type of employee.

All employees, except police, are 50% vested in accrued benefits after 5 years of service plus 10% per year of service for the next 5 years at which time, after 10 years of service, they become 100% vested. Police are 100% vested in accrued benefits after 10 years of service. The accrued benefit of an employee upon attainment of normal retirement age shall be 100% vested. Employees may elect the return of their contribution, with interest at 5%, in lieu of a vested benefit. If an employee terminates before being vested, they are entitled to the return of their contributions with simple interest at 5% annually.

C. Plan Membership – As of the date of the latest actuarial valuation (January 1, 2017), membership consisted of the following:

Active members	162
Terminated employees entitled to benefits, but not yet receiving them	19
Retirees, disabled and beneficiaries receiving benefits	103
	284

D. Funding Policy – The Town funding is based on the actuarial determined employer contribution (“ADEC”). The Town has a policy to pay the ADEC plus additional amounts from time to time. Employees are required to contribute 5% of covered earnings, except for police who are required to contribute 6% of covered earnings.

E. Investment Policy – Portfolio assets will, under normal circumstances, be allocated across broad asset and sub-asset classes in accordance with the following guidelines:

Asset Class	Sub-Asset Class	Target	Range
Equity	Domestic and foreign large cap	40%	30% - 50%
Equity	Domestic and foreign small/mid cap	15%	10% - 20%
	Total Equities	55%	40% - 70%
Fixed Income		40%	25% - 55%
Cash		5%	0% - 10%

Town of Brookfield, Connecticut

Notes to Financial Statements (Continued)
June 30, 2018

10. The Funded Retirement Plan of the Town of Brookfield, Connecticut (Continued)

F. Plan Fiduciary Net Position – The plan’s fiduciary net position displays the net position, held in trust, to pay pension benefits as follows:

ASSETS	
Cash and equivalents	\$ 1,347,249
Investments, at fair value	
Mutual funds	50,308,255
U.S. Government Securities	208,604
U.S. Agency Securities	294,329
Contribution receivable	82,508
Accrued income	3,969
Total Assets	<u>52,244,914</u>
 NET POSITION	
Restricted for pensions benefits	<u>\$ 52,244,914</u>

G. Long-Term Expected Rate of Return – The best estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting volatility and correlation. Below shows the target asset class allocation and the long-term expected rate of return, as estimated by Wells Fargo Institutional Asset Advisors, calculated as arithmetic means:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Weighting
Large cap	36.00%	5.26%	1.89%
International equity	15.00%	5.01%	0.75%
Small cap	9.00%	6.09%	0.55%
Core fixed income	38.00%	0.66%	0.25%
Cash	2.00%	0.00%	0.00%
	<u>100.00%</u>		<u>3.44%</u>
			Long-Term Inflation
			<u>2.75%</u>
			Long-Term Expected Nominal Return
			<u>6.19%</u>

H. Calculation of Money-Weighted Rate of Return – The money-weighted rate of return considers the cash flow of the changing amounts actually invested during the period and weighs the amount of pension plan investments by the proportion of time they are available to earn a return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the end of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow in each month. The money-weighted rate of return is calculated net of investment expense as:

Net money-weighted rate of return for the year ended June 30, 2018 8.16%

Town of Brookfield, Connecticut

Notes to Financial Statements (Continued)
June 30, 2018

10. The Funded Retirement Plan of the Town of Brookfield, Connecticut (Continued)

I. Net Pension Liability – The components of the net pension liability were as follows:

Total pension liability	\$ 52,659,882
Less: Plan fiduciary net position	<u>(52,162,406)</u>
Net pension liability	<u>\$ 497,476</u>
Plan fiduciary net position as a percentage of total pension liability	99.06%

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

Total Pension Liability	
Service cost	\$ 1,187,471
Interest on total pension liability	3,300,793
Differences between expected and actual experience	(351,115)
Benefit payments	<u>(2,109,243)</u>
Net change in total pension liability	2,027,906
Total pension liability, beginning	<u>50,631,976</u>
Total pension liability, ending	<u>52,659,882</u>
Fiduciary Net Position	
Employer contributions	1,186,161
Member contributions	467,170
Investment income net of investment expenses	3,979,581
Benefit payments	(2,109,243)
Administrative expenses	(74,222)
Other	4,490
Net change in plan fiduciary net position	<u>3,453,937</u>
Fiduciary net position, beginning	<u>48,708,469</u>
Fiduciary net position, ending	<u>52,162,406</u>
Net pension liability, beginning	<u>1,923,507</u>
Net pension liability, ending	<u>\$ 497,476</u>

J. Actuarial Methods and Significant Assumptions - The following were used in the July 1, 2016 valuation and projected forward to a measurement date of June 30, 2018:

Valuation timing	Annual
Actuarial cost method	Entry Age Normal Actuarial Cost Method
Amortization method	
Level percent or level dollar	Level percent of salary
Closed, open or layered	Open periods over 15 years
Asset valuation method	
Smoothing period	3 year
Recognition method	33% per year
Inflation	2.75%
Payroll growth	3.00%
Investment rate of return	6.50%
Cost of living adjustment	1% for police retiring in fiscal year 2007, 1.25% for police after that
Retirement age	Police at age 55, others at age 62
Post-retirement mortality	RP-2014 projected to the valuation date with Scale MP-2016

Town of Brookfield, Connecticut

Notes to Financial Statements (Continued)
June 30, 2018

10. The Funded Retirement Plan of the Town of Brookfield, Connecticut (Continued)

Discount Rate – The discount rate used to measure the total pension liability was 6.5%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that Town contributions will be made at rates equal to the difference between the actuarially determined contribution rates and the member rates. Based on those assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

K. Sensitivity Analysis – The following presents the net pension liability of the Town, calculated using the current discount rate, as well as what the Town’s net pension would be if it were calculated using a discount rate that is 1% point lower or 1% point higher:

	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net pension liability (asset)	\$ 6,554,835	\$ 497,476	\$ (4,585,473)

L. Pension Expense – The total pension expense recognized for the year ended June 30, 2018 was \$1,055,788. Pension expense for the next four years will be affected by the following deferred outflows and inflows of resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Out(In)Flows of Resources
Difference between expected and actual experience	\$ 554,316	\$ (398,286)	\$ 156,030
Changes in assumptions and demographics	736,212	(178,368)	557,844
Difference between projected and actual earning on investments	-	(1,125,747)	(1,125,747)
Total	<u>\$ 1,290,528</u>	<u>\$ (1,702,401)</u>	<u>\$ (411,873)</u>
	<u>Year Ending</u>		
	2019		\$ 114,197
	2020		(72,152)
	2021		(540,325)
	2022		19,708
	2023		134,969
	Thereafter		(68,270)
			<u>\$ (411,873)</u>

11. Other Post-Employment Benefits (“OPEB”)

From an accrual accounting perspective, the cost of post-employment health care benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. The Town recognizes the cost of post-employment healthcare in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the Town’s future cash flows.

Town of Brookfield, Connecticut

Notes to Financial Statements (Continued)
June 30, 2018

11. Other Post-Employment Benefits (“OPEB”) (Continued)

A. Plan Description - The Town is the administrator of a single-employer defined benefit plan established and administered by the Town to provide post-employment benefits, other than pensions, for certain employees and retirees. The plan is considered to be part of the Town of Brookfield’s financial reporting entity and is included in the Town’s financial statement as a OPEB trust fund. A separate stand-alone financial report is not issued. Benefits may be changed by the Board of Selectmen through union agreements or other actions.

B. Plan Benefits - Brookfield’s plan provides for medical and dental benefits for certain retired employees and all retired teachers. The State statutes require that retired teachers be covered under the Town’s plan until the teacher is eligible to obtain benefits under the State plan. As of January 1, 2013, the plan is closed to new employees, other than the teachers required to be covered under State Statute. Benefits for other employees are established by contracts which may be amended by union negotiations.

C. Plan Membership – As of the date of the latest actuarial valuation (July 1, 2016), membership consisted of the following:

Active members	350
Terminated employees entitled to benefits, but not yet receiving them	-
Retirees, disabled and beneficiaries receiving benefits	64
	<u>414</u>

The Board of Selectmen are responsible for the Trust and the Trust assets. The Board of Selectmen consult with the Retirement Benefits Advisory Committee in the conduct of its duties.

D. Funding Policy – Funding is based on the actuarial determined employer contribution (“ADEC”), but as a minimum, the Town pays \$200,000 per year into the Trust.

E. Investment Policy – Portfolio assets will, under normal circumstances, be allocated across broad asset and sub-asset classes in accordance with the following guidelines:

Asset Class	Sub-Asset Class	Target	Range
Equity	Domestic and foreign large cap	40%	30% - 50%
Equity	Domestic and foreign small/mid cap	15%	10% - 20%
	Total Equities	55%	40% - 70%
Fixed Income		40%	25% - 55%
Cash		5%	0% - 10%

F. Fiduciary Net Position – The plan’s fiduciary net position displays the net position, held in trust, to pay OPEB benefits as follows:

ASSETS	
Cash and equivalents	\$ 35,299
Investments, at fair value	
Mutual funds	900,947
Accrued income	44
Total Assets	<u>936,290</u>
NET POSITION	
Restricted for OPEBs benefits	<u>\$ 936,290</u>

Town of Brookfield, Connecticut

Notes to Financial Statements (Continued)
June 30, 2018

11. Other Post-Employment Benefits (“OPEB”) (Continued)

G. Long-Term Expected Rate of Return – The best estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting volatility and correlation. Below shows the board of finance’s target asset class allocation and the long-term expected rate of return calculated as geometric means:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return	Weighting
Large cap	45.00%	5.26%	2.37%
International equity	15.00%	5.01%	0.75%
Core fixed income	37.00%	0.66%	0.24%
Cash	3.00%	0.00%	0.00%
	100.00%		3.36%
			2.75%
			6.11%

H. Calculation of Money-Weighted Rate of Return – The money-weighted rate of return considers the cash flow of the changing amounts actually invested during the period and weighs the amount of OPEB plan investments by the proportion of time they are available to earn a return during that period. External cash flows are determined on a monthly basis and are assumed to occur at the end of each month. External cash inflows are netted with external cash outflows, resulting in a net external cash flow in each month. The money-weighted rate of return is calculated net of investment expense as:

Net money-weighted rate of return for the year ended June 30, 2018 6.07%

I. Net OPEB Liability

The components of the net OPEB liability were as follows:

Total OPEB liability	\$ 20,308,218
Less: Plan fiduciary net position	(936,290)
Net OPEB liability	\$ 19,371,928
Plan fiduciary net position as a percentage of total OPEB liability	4.61%

Town of Brookfield, Connecticut

Notes to Financial Statements (Continued)
June 30, 2018

11. Other Post-Employment Benefits (“OPEB”) (Continued)

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

Total OPEB Liability	
Service cost	\$ 486,901
Interest on total OPEB liability	1,288,657
Differences between expected and actual experience	(622,272)
Benefit payments	<u>(361,610)</u>
Net change in total OPEB liability	791,676
Total OPEB liability, beginning	<u>19,516,542</u>
Total OPEB liability, ending	<u>20,308,218</u>
Fiduciary Net Position	
Employer contributions	561,610
Investment income net of investment expenses	50,229
Benefit payments	(361,610)
Administrative expenses	(2,459)
Other	<u>532</u>
Net change in plan fiduciary net position	248,302
Fiduciary net position, beginning	<u>687,988</u>
Fiduciary net position, ending	<u>936,290</u>
Net OPEB liability, beginning	<u>18,828,554</u>
Net OPEB liability, ending	<u>\$ 19,371,928</u>

J. Actuarial Methods and Significant Assumptions

The following actuarial methods and assumptions were used in the July 1, 2016 valuation and projected forward to a measurement date of June 30, 2018:

Valuation timing	Biannual
Actuarial cost method	Entry Age Normal Actuarial Cost Method
Amortization method	
Level percent or level dollar	Level dollar amount
Closed, open or layered	Open periods over 15 years
Asset valuation	Fair value
Inflation	2.75%
Payroll growth	3.00%
Investment rate of return	6.50%
Cost trend rate:	
Healthcare	8.75% decreasing .5% per year to a rate of 4.75% for 2024 and later
Dental	4.75% per year
Retirement age	Town and nurses at age 62, police with 25 years of service
Post-retirement mortality	RP-2014 projected to the valuation date with Scale MP-2016

Changes in the Plan and the Plan Assumptions – There were no significant plan changes since the last valuation.

Town of Brookfield, Connecticut

Notes to Financial Statements (Continued)
June 30, 2018

11. Other Post-Employment Benefits (“OPEB”) (Continued)

K. Sensitivity Analysis - The following presents the total OPEB liability of the Town, calculated using the current discount rate, as well as what the Town’s OPEB liability would be if it were calculated using a discount rate that is 1% point lower or 1% point higher than the current discount rate:

	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Net OPEB Liability	\$ 22,163,149	\$ 19,371,928	\$ 17,081,669

The following presents the total OPEB liability of the Town, calculated using the current healthcare cost trend rates, as well as what the Town’s OPEB liability would be if it were calculated using a healthcare cost trend rates that are 1% lower or 1% higher than the current healthcare cost trend rates:

	1% Decrease 7.75%	Current Cost Trend Rate 8.75%	1% Increase 9.75%
Current Percent	7.75%	8.75%	9.75%
Decreasing to	3.75%	4.75%	5.75%
Net OPEB Liability	\$ 16,600,292	\$ 19,371,928	\$ 22,830,613

L. OPEB Expense – The total OPEB expense recognized for the year was \$1,643,625. OPEB expense for the next eight years will be affected by the following deferred outflows and inflows of resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Out(In)Flows of Resources
Difference between expected and actual experience	\$ -	\$ (539,302)	\$ (539,302)
Difference between projected and actual earning on investments	661	-	661
Total	<u>\$ 661</u>	<u>\$ (539,302)</u>	<u>\$ (538,641)</u>
	<u>Year Ending</u>		
	2019		\$ (82,805)
	2020		(82,805)
	2021		(82,805)
	2022		(82,804)
	2023		(82,970)
	Thereafter		(124,452)
			<u>\$ (538,641)</u>

12. Teachers’ Retirement System – Pension Plan

A. Plan Description – Teachers and certain other certified personnel in the Town are eligible to participate in the Connecticut state teachers’ retirement system (“TRS”), a cost-sharing multiple employer public employee retirement system described in the Connecticut general statutes, chapter 167a. The TRS has been established to provide retirement and other benefits for teachers, their survivors and beneficiaries. TRS is administered by the teachers’ retirement board. TRS issues a publicly available financial report that can be obtained at www.ct.gov .

Town of Brookfield, Connecticut

Notes to Financial Statements (Continued)
June 30, 2018

12. Teachers' Retirement System – Pension Plan (Continued)

B. Plan Benefits – Plan provisions are set by statute of, and remain the obligation of, the State of Connecticut. TRS provides retirement benefits, as well as death and disability benefits. A member is eligible to receive a normal retirement benefit who (1) has reached the age of sixty and has accumulated twenty years of credited service in the public schools of Connecticut or (2) has attained any age and has accumulated thirty-five years of credited service, at least twenty-five years of which are service in the public schools of Connecticut.

The normal retirement benefit is two percent times the number of years of credited service multiplied by their average annual salary received during the three years of highest salary. In no event will such benefit exceed seventy-five percent of the average annual salary. A minimum monthly benefit of \$1,200 is provided for teachers who retire under the normal retirement provisions and who have completed at least twenty-five years of full time Connecticut service.

A member is eligible to receive an early retirement benefit who (1) has attained any age and has accumulated twenty-five years of credited service, at least twenty years of which are service in the public schools of Connecticut or (2) has reached the age of fifty-five and has accumulated twenty years of credited service, at least fifteen years of which are service in the public schools of Connecticut.

The early retirement benefit is reduced six percent per year for the first five years preceding normal retirement age and four percent per year for the next five years preceding normal retirement age. Effective July 1, 1999, the reductions for individuals with 30 or more years of service is three percent per year by which retirement precedes normal retirement date.

Benefits are fully vested after ten years of service. Benefits are payable at age sixty and early retirement reductions are based on the number of years of service the member would have had if they had continued to work until age sixty.

C. Plan Membership – All teachers, principals, superintendents or supervisors engaged in service of public schools are eligible for participation.

D. Funding Policy – In accordance with the Connecticut general statutes, section 10-183z, contribution requirements of active employees and the State of Connecticut is amended and certified by the teachers' retirement board and appropriated by the general assembly. The statutes require the State of Connecticut to contribute 100% of each school districts' required contribution. Contributions are actuarially determined as an amount that, when combined with employee contributions and investment earning, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability. Members are required to contribute six percent of their annual salary for the pension benefit.

The Town is not required to make contributions to the plan. The Town's proportionate share has been determined on the same basis as that used by the plan as has the basis of accounting, including policies with respect to benefit payments (including refunds of employee contributions) and the valuation of plan investments.

E. Target Asset Allocation and Rates of Return – The long-term expected rate of return on plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return are developed for each major asset class. The table below shows the target asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class are to be provided by the fiduciary of the plan:

Town of Brookfield, Connecticut

Notes to Financial Statements (Continued)
June 30, 2018

12. Teachers' Retirement System – Pension Plan (Continued)

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Large cap U.S. equities	21.00%	5.80%
Developed non-U.S. equities	18.00%	6.60%
Emerging markets (non-U.S.)	9.00%	8.30%
Real estate	7.00%	5.10%
Private equity	11.00%	7.60%
Alternative investments	8.00%	4.10%
Core fixed income	7.00%	1.30%
High yield bonds	5.00%	3.90%
Emerging market bond	5.00%	3.70%
Inflation linked bond fund	3.00%	1.00%
Cash	6.00%	0.40%

F. Town's Proportionate Share of the Collective Net Pension Liability – Connecticut school teachers participate in the TRS pursuant to section 10-183b et seq. of the Connecticut General Statutes (the "Teachers' Retirement Act"). The teachers' retirement act governs the pension benefits and eligibility of the active and retired teachers of the Brookfield public schools. The teachers' retirement act requires the Connecticut general assembly, not any town, city or local school district, to appropriate the funds necessary to pay the pension benefits due to retirees under the system, including retired teachers of the Brookfield Public schools.

Section 10-183c of the Connecticut general statutes provides that the retirement benefits of teachers who have vested under the TRS are contractual in nature and may not be diminished by act of the general assembly. Accordingly, funding the pension benefits of retired teachers of the Brookfield public schools is a statutory and contractual obligation of the State government, not an obligation of the Town of Brookfield.

Town of Brookfield's Net Pension Liability	\$ -
State of Connecticut's Net Pension Liability for the Town of Brookfield	63,815,288
Net Pension Liability	<u>\$ 63,815,288</u>

Portion of the State of Connecticut's Net Pension Liability which is related to the Town of Brookfield employees	0.472625%
Pension expense	7,381,565
Proportion Basis	Employee contributions
Change in proportion since prior measurement date	None

G. Actuarial Methods and Significant Assumptions – The following assumptions were used in the pension valuations, prepared as of June 30, 2016 (valuation date) and June 30, 2017 (measurement date) for use in the June 30, 2018 financial statements (reporting date):

Town of Brookfield, Connecticut

Notes to Financial Statements (Continued)
June 30, 2018

12. Teachers' Retirement System – Pension Plan (Continued)

Experience study dates	July 1, 2005 - June 30, 2010
Inflation	2.75%
Salary increases	3.25% to 6.50%, including inflation
Investment rate of return	8.00%, net of investment related expense, including inflation
Discount rate	8.00%, the projection of cash flows assumed that plan member contributions will be made at the current contribution rate and employer contributions will be made at rates equal to the difference between the actuarially determined rate and the member rate.
Cost of living adjustment	Annually compounded increases vary based on member age and date of retirement and range from 2.00% to 6.00%
Post-retirement mortality	RPH-2014 White Collar Mortality Table projected to 2020

Changes in Assumptions – 1. Reduce the inflation assumption from 3.00% to 2.75%; 2. Reduce the real rate of return assumption from 5.50% to 5.25% which, when combined with the inflation assumption rate of return assumption from 8.50% to 8.00%; 3. Reduce the annual rate of wage increase assumption from 0.75% to 0.50%; 4. Slightly modify the merit portion of the salary scale; 5. Reduce the payroll growth assumption from 3.75% to 3.25%; 6. Update mortality tables to projected versions of the RPH-2014 mortality tables; 7. Increase normal retirement rates for females at most ages and proratable retirement rates for males at most ages. Decrease early retirement rates for both males and females. 8. Increase rate of withdrawal; 9. Decrease rates of disability for males.

H. Sensitivity Analysis – The Town's proportionate share of the net pension liability is \$0 and, therefore, the change in the discount rate would only impact the amount recorded by the State of Connecticut.

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

I. Support Provided by Non-employer Contributing Entities – The Town has a special funding situation whereby the State is obligated to pay the pension costs of the TRS and the Town is not required to pay any of the costs. However, the Town must record the costs paid by the State on behalf of the Town's employees as revenue and expense in its GAAP financial statements which amounted to \$4,783,727 as revenue and expense.

J. Obtaining a Report of the Plan – TRS is considered to be a part of the State of Connecticut's financial reporting entity and is included in the State's financial reports as a pension trust fund. The reports include information on the plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position. The stand-alone financial report may be obtained through the Teachers' Retirement Board at www.ct.gov/trb.

Town of Brookfield, Connecticut

Notes to Financial Statements (Continued)
June 30, 2018

13. Connecticut State Teachers' Retiree Health Insurance Plan

A. Plan Description - The Connecticut State Teachers' Retirement System Retiree Health Insurance Plan ("TRS-RHIP") - a cost sharing multiple-employer defined benefit other post-employment benefit plan administered by the Teachers' Retirement Board (TRB). Chapter 167a Section 10-183 (t) of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS-RHIP issues a publicly available financial report that can be obtained at www.ct.gov/trb.

B. Plan Benefits - The Plan provides for retiree health insurance benefits. Any member that is currently receiving a retirement or disability benefit is eligible to participate in the Plan. There are two types of the health care benefits offered through the system. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the CTRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

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

Any member that is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits).

Survivor Health Care Coverage - Survivors of former employees or retirees remain eligible to participate in the Plan and continue to be eligible to receive either the \$110 monthly subsidy or participate in the TRB -Sponsored Medicare Supplemental Plans, as long as they do not remarry.

C. Plan Membership - Teachers, principals, superintendents, supervisors and professional employees at State schools of higher education if they choose to be covered that are currently receiving a retirement or disability benefit are eligible to participate in the plan.

D. Funding Policy

State of Connecticut - Per Connecticut General Statutes Section 10-183t, contribution requirements of active employees and the State are amended and certified by the State Teachers' Retirement Board and appropriated by the General Assembly. The State contributions are not currently actuarially funded. The State appropriates from the General Fund one third of the annual costs of the Plan. Administrative costs of the Plan are financed by the State. Based upon Chapter 167a, Subsection D of Section 10-183t of the Connecticut statutes, it is assumed the State will pay for any long-term shortfall arising from insufficient active member contributions.

Town of Brookfield, Connecticut

Notes to Financial Statements (Continued)
 June 30, 2018

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

Employer (Town) - Employers are not required to make contributions to the plan.

Employees - Each member is required to contribute 1.25% of their annual salary. Contributions in excess of \$500,000 will be credited to the Retiree Health Insurance Plan.

E. Target Asset Allocation and Rate of Return - The long-term expected rate of return on OPEB plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense 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.

All the plan assets are assumed to be invested in cash equivalents due to the need for liquidity. The expected rate of return is 2.75%.

F. Town's Proportionate Share of Collective Liability - The Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amounts recognized by the Town as its proportionate share of the net OPEB liability, the related state support, and the total portion of the net OPEB liability that was associated with the Town were as follows:

Town of Brookfield's Net OPEB Liability	\$	-
State of Connecticut's Net OPEB Liability for the Town of Brookfield		16,425,345
Net OPEB Liability		<u>16,425,345</u>
Portion of the State of Connecticut's Net OPEB Liability which is related to the Town of Brookfield employees		0.472625%
OPEB expense		761,233
Proportion Basis	Employee contributions	
Change in proportion since prior measurement date		None

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

G. Actuarial Assumptions - The total OPEB liability was determined by an actuarial valuation as of June 30, 2016, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Salary increases	3.25% to 6.50%, including inflation
Investment rate of return	2.75%, net of plan investment expense, including inflation
Health care costs trend rate	7.25% decreasing to 5.00% by 2022
Year fund will be depleted	2018

Discount Rate - The discount rate used to measure the total OPEB liability was 3.56%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate.

Town of Brookfield, Connecticut

Notes to Financial Statements (Continued)
June 30, 2018

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

Changes in assumptions and inputs - The discount rate was increased from 3.01% to 3.56% to reflect the change in the Municipal Bond Index rate. Changes were also made to the assumed initial per capita healthcare costs, rates of healthcare inflation used to project the per capita costs, and the rates of Plan participation based upon recent experience and current expectations. In addition, the payroll growth rate assumption was decreased from 3.75% to 3.25% to reflect the decrease in the rate of inflation and the decrease in the rate of real wage increase. Lastly, the salary growth assumption, the payroll growth rate, the rates of withdrawal, the rates of retirement, the rates of mortality, and the rates of disability incidence were adjusted based upon the experience study's findings and their adoption by the TRB Board.

H. Sensitivity of the OPEB Liability to Changes in the Discount and Healthcare Cost Rate - The Town's proportionate share of the net OPEB liability is \$0 and, therefore, the change in the discount rate would only impact the amount recorded by the State of Connecticut.

I. Support Provided by Non-employer Contributing Entities – The Town has a special funding situation whereby the State is obligated to pay the health care costs of the TRS retiree health insurance plan and the Town is not required to pay any of the costs. However, the Town must record the costs paid by the State on behalf of the Town's employees as revenue and expense in its GAAP financial statements which amounted to \$94,156 as revenue and expense.

J. Obtaining a Report of the Plan – The Plan is considered to be a part of the State of Connecticut's financial reporting entity and is included in the State's financial reports as a pension trust fund. The reports include information on the plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position. The stand-alone financial report may be obtained through the Teachers' Retirement Board at www.ct.gov/trb.

14. Length of Service Awards Plan ("LOSAP") for the Volunteer Fire Department

A. Plan Description – The Town is the sponsor of a Length of Service Awards Plan ("Plan") established and administered by the Town to provide pension benefits for its fire department volunteers. This is a single-employer defined benefit plan. To be eligible, a participant must be a member in good standing of one of the two volunteer fire departments who has attained the status of Firefighter, Support Firefighter, Internal Firefighter, External Firefighter or EMS member. The plan was established by the Town. Changes to the plan, including discontinuation of the plan, may be made by the Town.

B. Plan Benefits – The participant's monthly benefit is calculated based on \$10 times the total number of years of service to a maximum of 25 years. A participant is entitled to benefits at age 65, and may defer the benefit once reaching age 65, but no additional benefits may be earned. A participant may apply for an early retirement benefit at age 55 and 100% vested. The benefit at age 55 will be actuarially reduced. A participant is 50% vested after 5 years of certified service. For each additional year of certified service, vesting increases 10% until reaching 100%. If the Town's annual budget fails to provide adequate funding as specified by the plan actuary, benefits for that fiscal year will not accrue to the participants.

Town of Brookfield, Connecticut

Notes to Financial Statements (Continued)
 June 30, 2018

14. Length of Service Awards Plan (“LOSAP”) for the Volunteer Fire Department (Continued)

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

Active members	88
Terminated employees entitled to benefits, but not yet receiving them	73
Retirees, disabled and beneficiaries receiving benefits	21
	<u>182</u>

D. Funding Policy – The Town funds the plan on a pay-as-you-go basis out of the annual General Fund budget. The participants are not expected to contribute.

E. Total Pension Liability – The Town recognizes the total pension liability of \$1,964,435 in the government-wide financial statements. No assets are accumulated in a trust to fund this pension plan. Accordingly, the Town’s total pension liability is not reduced by any assets.

The Town’s total pension liability was determined by an actuarial valuation as of June 30, 2018 (the measurement date). During the year, the plan paid \$36,585 in benefits.

F. Total Pension Liability – Changes in the total pension liability during the year were as follows:

Total Pension Liability	
Service cost	\$ 45,649
Interest on total pension liability	71,650
Differences between expected and actual experience	3,510
Effect of assumption changes or inputs	(93,685)
Benefit payments	<u>(36,585)</u>
Net change in total pension liability	(9,461)
Total pension liability, beginning	1,973,896
Total pension liability, ending	<u>\$ 1,964,435</u>

G. Actuarial Methods and Significant Assumptions – The total pension liability was determined using the following actuarial assumptions:

Valuation timing	Annual at year end
Actuarial cost method	Entry Age Normal Actuarial Cost Method
Amortization method	
Level percent or level dollar	Level percent of salary
Closed, open or layered	Open periods over 15 years
Inflation	0.00%
Payroll growth	Not applicable, volunteer program
Cost of living adjustment	None

Discount Rate – The discount rate used to measure the total pension liability was 3.87%. The projection of cash flows used to determine the discount rate assumed that Town contributions will be made at the current contribution rate.

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

Town of Brookfield, Connecticut

Notes to Financial Statements (Continued)
 June 30, 2018

14. Length of Service Awards Plan (“LOSAP”) for the Volunteer Fire Department (Continued)

H. Sensitivity Analysis – The following presents the net pension liability of the Town, calculated using the current discount rate, as well as what the Town’s total pension liability would be if it were calculated using a discount rate that is 1% point lower or 1% point higher:

	1% Decrease 2.87%	Current Discount Rate 3.87%	1% Increase 4.87%
Total Pension Liability	\$ 2,316,550	\$ 1,964,435	\$ 1,685,345

I. Pension Expense – The total pension expense recognized for the year was \$109,657. Pension expense for the next four years will be affected by the following deferred outflows and inflows of resources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Deferred Out(In)Flows of Resources
Difference between expected and actual experience	\$ 3,213	\$ -	\$ 3,213
Changes in assumptions and demographics	-	(85,746)	(85,746)
Total	<u>\$ 3,213</u>	<u>\$ (85,746)</u>	<u>\$ (82,533)</u>
	<u>Year Ending</u>		
	2019		\$ (7,642)
	2020		(7,642)
	2021		(7,642)
	2022		(7,642)
	2023		(7,642)
	Thereafter		(44,323)
			<u>\$ (82,533)</u>

15. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance except as noted below. There have been no significant reductions in insurance coverage from the prior year. Settlement amounts have not exceeded insurance coverage for the current year or three prior years.

The Town currently is a member of the Connecticut Interlocal Risk Management Agency (CIRMA), a public entity risk pool established under the provisions of Connecticut General Statutes section 7-479a et. seq. for its insurance. The Town is liable only for contributions to the pool. Members do not retain the risk of loss, as they have transferred the risk by purchasing coverage with no deductible retention. A separate agreement states limits on the member's obligation to pay indemnification obligations and expenses should CIRMA be unable to do so.

The workers' compensation pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The coverage is subject to an incurred loss retrospective rating plan, the losses incurred in the coverage period will be evaluated at 18, 30 and 42 months after the effective date of coverage. CIRMA's workers' compensation pool retains the risk of loss to \$1,000,000 per occurrence and purchases reinsurance above that amount to the limit of liability of \$10,000,000 per occurrence.

Town of Brookfield, Connecticut

Notes to Financial Statements (Continued)
 June 30, 2018

15. Risk Management (Continued)

The Town is also a member of CIRMA’s liability-auto-property (“LAP”) pool, a risk sharing pool. The LAP pool’s retention limits for general, personal injury and advertising injury, auto, employee benefits, law enforcement, public officials and school leaders’ liability are \$1,000,000 per occurrence with a \$24,000,000 annual aggregate.

The Town is self-insured for claims under C.G.S. 7-433c, the Heart and Hypertension Act. The following is a summary of changes in the heart and hypertension claims liability

Year Ended	Beginning Claims Payable	Current Year Claims	Claim Payments	Ending Claims Payable
2017	\$ 288,409	\$ -	\$ (11,036)	\$ 277,373
2018	277,373	-	(10,162)	267,211

16. Contingencies

- A. Litigation** – The Town is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Town’s counsel the resolution of these matters will not have a material adverse effect on the financial condition of the Town.
- B. Grants** - The Town participates in various federal and state grant programs. These programs are subject to program compliance audits pursuant to the federal and Connecticut single audit acts. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town anticipates such amounts, if any, to be immaterial.
- C. School Building Grants** - Section 10-283(a)(3)(A) of the Connecticut general statutes states that if the Town abandons, sells, leases, demolishes or otherwise redirects the use of a school building project authorized on or after July 1, 1996, paid partially with State funding, to other than a public school, the Town will owe a portion of the State funding back to the State. For projects with a cost of two million dollars or over, the contingency will be amortized over twenty years. For smaller projects, the contingency will be amortized over ten years.
- D. Investment Securities** – The Town invests in various securities. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risks associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position and activities.

17. State of Connecticut Information and Restrictions

- A. State’s Financial Condition** – Although the Town of Brookfield holds a Aaa bond rating, the State’s bond rating has decreased to A. This reflects increasing constraints on Connecticut achieving long-term structural balance according to the rating agency Standard and Poor’s Global Ratings. This has caused approximately one-third of Connecticut cities and towns’ bond ratings to drop or their outlook for the future to be changed from stable to negative. In the current year, the Town of Brookfield received \$4,351,893 in payments from the State’s budget plus the State paid \$4,783,727 and \$94,156 on behalf of the Town for teachers’ retirement and other postemployment benefits. These payments may be greatly or totally reduced in subsequent years. In addition, the Town may be required to pay additional costs charged by the State.

Town of Brookfield, Connecticut

Notes to Financial Statements (Continued)
June 30, 2018

17. State of Connecticut Information and Restrictions (Continued)

As discussed in notes 12 and 13 above, the Town participates in a cost-sharing multiple employer public employee retirement system with the State of Connecticut ("Plan") covering teachers' retirement benefits and a related plan covering other postemployment benefits. Currently the plan is funded solely by the State. During Connecticut budget negotiations, various proposals are made to share the costs of the Plan. Generally the net pension liability in a cost sharing plan is allocated based on same allocation as the costs are allocated.

- B. Motor Vehicle Tax Cap** – Beginning in fiscal year 2017, the State of Connecticut capped the mill rate for motor vehicle taxes. The motor vehicle mill rate cap for fiscal year 2020 will be 45 mills. The rate cap in fiscal year 2019 and thereafter will be 45 mills. Towns with mill rates above these thresholds are currently scheduled to be reimbursed for lost revenue.
- C. Minimum Budget Requirement** – The State of Connecticut has established a Minimum Budget Requirement ("MBR") for education expenditures. The MBR prohibits a town from budgeting less for education than it did in the previous year unless, and within limits, the town can demonstrate (1) a decrease in school enrollment or (2) savings through increased efficiencies. If the town receives an increase or decrease in their Education Cost Sharing grant, the MBR will increase or decrease by the same amount.
- D. Municipal Spending Cap** – The State imposes a cap on municipal spending to limit the budgeted expenditures to 2.5 percent above the previous year, or the rate of inflation, whichever is greater. Exemptions to the cap include:
- a. Debt service
 - b. Special education expenditures
 - c. Expenditures for implementing court orders
 - d. Arbitration awards
 - e. Expenditures related to major disaster or emergency declaration, and
 - f. In certain circumstances, grants distributed to a special taxing district

Municipalities that increase their adopted budget expenditures over the previous fiscal year by an amount that exceeds the cap receive a reduced municipal revenue sharing grant. The reduction is equal to 50 cents for every dollar the municipality spends over the cap. However, the State may not reduce the cap by an amount proportion to the town's population increase over the previous fiscal year. The total municipal revenue sharing grant for the Town of Brookfield for the year ended June 30, 2018, before any reductions, was \$0. This grant has been cut from the State budget for the year ended June 30, 2019, however, the State is still requiring the towns to report under this law.

**REQUIRED
SUPPLEMENTARY
INFORMATION**

Required Supplementary Information
 Schedule of Revenues, Expenditures, and Other Financing Sources and Uses
 Budget and Actual (Budgetary Basis) - General Fund
 Year Ended June 30, 2018

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original Budget	Additional Appropriations and Transfers	Final Budget		
REVENUES					
Taxes					
Current Year Tax Revenue	\$ 60,360,346	\$ -	\$ 60,360,346	\$ 60,049,564	\$ (310,782)
Prior Year Tax Revenue	257,124	-	257,124	488,475	231,351
Collection Fee Revenue	-	-	-	(207)	(207)
Supplemental Taxes	535,000	-	535,000	604,843	69,843
Interest and Fees	266,506	-	266,506	277,295	10,789
Telephone Tax Payment	59,631	-	59,631	46,148	(13,483)
	<u>61,478,607</u>	<u>-</u>	<u>61,478,607</u>	<u>61,466,118</u>	<u>(12,489)</u>
Licenses and Permits					
Land Use Licenses and Permits					
Health Permits and Fees	61,082	-	61,082	66,444	5,362
Building Permits and Fees	265,000	-	265,000	302,096	37,096
Planning and Zoning Permits& Fees	150,000	-	150,000	81,256	(68,744)
Fire Marshal	-	-	-	55,157	55,157
Other Licenses and Permits					
Public Works (Drvwy, Excav, Recycling)	6,000	-	6,000	3,554	(2,446)
	<u>482,082</u>	<u>-</u>	<u>482,082</u>	<u>508,507</u>	<u>26,425</u>
Intergovernmental Revenue					
Education Grants					
Education Cost Sharing	1,117,583	-	1,117,583	1,225,281	107,698
General Government Grants					
Grants for Municipal Projects	-	-	-	220,999	220,999
Veterans Exemption	7,645	-	7,645	7,477	(168)
Disability Tax Relief	1,360	-	1,360	1,480	120
Judicial Fees	15,955	-	15,955	11,761	(4,194)
Town Aid Road	305,929	-	305,929	306,946	1,017
LOCIP	192,258	-	192,258	8,127	(184,131)
Uniform Chart of Accounts	-	-	-	40,432	40,432
Mashantucket and Mohegan Fund	22,389	-	22,389	21,694	(695)
Police Grants	35,697	-	35,697	-	(35,697)
Elderly Tax Relief	86,275	-	86,275	-	(86,275)
State Owned Property	18,163	-	18,163	-	(18,163)
Municipal Revenue Sharing	494,620	-	494,620	308	(494,312)
	<u>2,297,874</u>	<u>-</u>	<u>2,297,874</u>	<u>1,844,505</u>	<u>(453,369)</u>
Charges for Services					
Town Clerk					
Marriage License Fees	1,500	-	1,500	3,095	1,595
Dog License Fees	1,500	-	1,500	1,486	(14)
Town Clerk Fees	20,000	-	20,000	19,995	(5)
Recording Fees	50,000	-	50,000	55,617	5,617
Copies of Land Records	20,000	-	20,000	21,118	1,118
Conveyance Tax	307,000	-	307,000	399,509	92,509
Document Charges	40,000	-	40,000	40,416	416
Other Charges for Services					
Police Reports	-	-	-	8,138	8,138
	<u>440,000</u>	<u>-</u>	<u>440,000</u>	<u>549,374</u>	<u>109,374</u>
Fines and Assessments					
Alarm Fines					
	-	-	-	8,451	8,451
	-	-	-	8,451	8,451

(Continued)

Required Supplementary Information
 Schedule of Revenues, Expenditures, and Other Financing Sources and Uses
 Budget and Actual (Budgetary Basis) - General Fund (Continued)
 Year Ended June 30, 2018

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original Budget	Additional Appropriations and Transfers	Final Budget		
Investment Income					
Interest Income	\$ 15,000	\$ -	\$ 15,000	\$ 102,408	\$ 87,408
	<u>15,000</u>	<u>-</u>	<u>15,000</u>	<u>102,408</u>	<u>87,408</u>
Rents and Royalties					
Building	30,118	-	30,118	50,050	19,932
Cell Tower	12,000	-	12,000	21,816	9,816
	<u>42,118</u>	<u>-</u>	<u>42,118</u>	<u>71,866</u>	<u>29,748</u>
Other Revenues					
Donation Revenues	-	-	-	2,724	2,724
Miscellaneous Revenues	27,000	-	27,000	51,322	24,322
	<u>27,000</u>	<u>-</u>	<u>27,000</u>	<u>54,046</u>	<u>27,046</u>
Other Financing Sources					
Interfund Transfers	-	-	-	197,351	197,351
Bond Premium	-	-	-	195,422	195,422
	<u>-</u>	<u>-</u>	<u>-</u>	<u>392,773</u>	<u>392,773</u>
Total Revenues	<u>64,782,681</u>	<u>-</u>	<u>64,782,681</u>	<u>64,998,048</u>	<u>215,367</u>

(Continued)

Required Supplementary Information
 Schedule of Revenues, Expenditures, and Other Financing Sources and Uses
 Budget and Actual (Budgetary Basis) - General Fund (Continued)
 Year Ended June 30, 2018

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original Budget	Additional Appropriations and Transfers	Final Budget		
GENERAL GOVERNMENT					
Selectmen					
Salaries and Wages					
Elected Officials	\$ 85,872	\$ 661	\$ 86,533	\$ 86,533	\$ -
Board of Selectmen	8,582	-	8,582	8,582	-
Nonunion Wages	62,074	234	62,308	62,308	-
Other Wages	5,152	-	5,152	5,152	-
	<u>161,680</u>	<u>895</u>	<u>162,575</u>	<u>162,575</u>	<u>-</u>
Legal Retainer	60,000	-	60,000	60,000	-
Tax Litigation	8,000	(8,000)	-	-	-
Legal Fees	145,000	91,145	236,145	236,145	-
Tax Appeals	3,000	(3,000)	-	-	-
Codify Laws	2,500	-	2,500	2,196	304
Travel and Conferences	3,000	941	3,941	3,941	-
Office Supplies	2,500	(1,836)	664	593	71
	<u>224,000</u>	<u>79,250</u>	<u>303,250</u>	<u>302,875</u>	<u>375</u>
Total Selectmen	385,680	80,145	465,825	465,450	375
Board of Finance					
Salaries and Wages					
Seasonal/Sporadic Wages	3,264	1,130	4,394	4,394	-
	<u>3,264</u>	<u>1,130</u>	<u>4,394</u>	<u>4,394</u>	<u>-</u>
Purchased Professional Services	44,000	(1,400)	42,600	31,650	10,950
Office Supplies	-	270	270	270	-
	<u>44,000</u>	<u>(1,130)</u>	<u>42,870</u>	<u>31,920</u>	<u>10,950</u>
Total Board of Finance	47,264	-	47,264	36,314	10,950
Finance					
Salaries and Wages					
Elected Officials	12,240	-	12,240	12,240	-
Nonunion Wages	220,000	(26,986)	193,014	193,014	-
Union Wages	98,465	3,338	101,803	101,803	-
Part-Time Wages	45,900	-	45,900	45,900	-
Overtime Wages	-	1,684	1,684	1,684	-
	<u>376,605</u>	<u>(21,964)</u>	<u>354,641</u>	<u>354,641</u>	<u>-</u>
Purchased Professional Services	-	37,347	37,347	37,347	-
Travel and Conferences	6,042	1,428	7,470	7,470	-
Office Supplies	5,000	(1,275)	3,725	3,725	-
	<u>11,042</u>	<u>37,500</u>	<u>48,542</u>	<u>48,542</u>	<u>-</u>
Total Finance	387,647	15,536	403,183	403,183	-
Assessor					
Salaries and Wages					
Nonunion Wages	90,000	346	90,346	90,346	-
Union Wages	128,463	-	128,463	126,454	2,009
Overtime Wages	3,000	(1,034)	1,966	1,694	272
	<u>221,463</u>	<u>(688)</u>	<u>220,775</u>	<u>218,494</u>	<u>2,281</u>
Dept. Specific Outside Services	14,550	-	14,550	9,207	5,343
Travel and Conferences	2,400	688	3,088	3,088	-
Office Supplies	2,800	-	2,800	2,787	13
Software	37,500	-	37,500	37,046	454
	<u>57,250</u>	<u>688</u>	<u>57,938</u>	<u>52,128</u>	<u>5,810</u>
Total Assessor	278,713	-	278,713	270,622	8,091

(Continued)

Required Supplementary Information
 Schedule of Revenues, Expenditures, and Other Financing Sources and Uses
 Budget and Actual (Budgetary Basis) - General Fund (Continued)
 Year Ended June 30, 2018

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original Budget	Additional Appropriations and Transfers	Final Budget		
GENERAL GOVERNMENT (Continued)					
Board of Assessment Appeals					
Salaries and Wages					
Seasonal/Sporadic Wages	\$ 872	\$ -	\$ 872	\$ 610	\$ 262
	872	-	872	610	262
Advertising					
Travel and Conferences	150	-	150		150
Office Supplies	25	-	25		25
	175	-	175	-	175
Board of Assessment Appeals	1,047	-	1,047	610	437
Tax Collector					
Salaries and Wages					
Nonunion Wages	79,358	-	79,358	79,168	190
Union Wages	88,845	677	89,522	89,522	-
Seasonal/Sporadic Wages	3,500	-	3,500	2,648	852
Overtime Wages	750	-	750	133	617
	172,453	677	173,130	171,471	1,659
Dept. Specific Outside Services	2,000	-	2,000	695	1,305
Postage	15,000	(1,894)	13,106	12,545	561
Travel and Conferences	2,000	-	2,000	1,677	323
Office Supplies	6,600	-	6,600	4,697	1,903
Dept. Specific Supplies	250	-	250	250	-
Software	17,900	1,217	19,117	19,117	-
	43,750	(677)	43,073	38,981	4,092
Total Tax Collector	216,203	-	216,203	210,452	5,751
Personnel					
Salaries and Wages					
Nonunion Wages	139,073	1,291	140,364	140,364	-
	139,073	1,291	140,364	140,364	-
Pension Consulting	49,707	28,657	78,364	78,364	-
Dept. Specific Outside Services	13,500	(1,291)	12,209	11,040	1,169
Advertising	1,000	-	1,000	924	76
Travel and Conferences	2,000	-	2,000	1,422	578
Office Supplies	1,500	-	1,500	1,500	-
	67,707	27,366	95,073	93,250	1,823
Total Personnel	206,780	28,657	235,437	233,614	1,823
Information Technology					
Salaries and Wages					
Nonunion Wages	148,358	-	148,358	147,554	804
Seasonal/Sporadic Wages	7,500	-	7,500	3,150	4,350
	155,858	-	155,858	150,704	5,154
Purchased Professional Services	7,500	-	7,500	7,447	53
Dept. Specific Outside Services	6,500	-	6,500	4,633	1,867
Software Maintenance	100,000	-	100,000	88,630	11,370
Hardware Maintenance	20,000	-	20,000	17,151	2,849
Travel and Conferences	6,500	-	6,500	6,403	97
Office Supplies	7,500	-	7,500	6,683	817
Dept. Specific Supplies	16,000	-	16,000	15,915	85
	164,000	-	164,000	146,862	17,138
Total Information Technology	319,858	-	319,858	297,566	22,292

(Continued)

Required Supplementary Information
 Schedule of Revenues, Expenditures, and Other Financing Sources and Uses
 Budget and Actual (Budgetary Basis) - General Fund (Continued)
 Year Ended June 30, 2018

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original Budget	Additional Appropriations and Transfers	Final Budget		
GENERAL GOVERNMENT (Continued)					
Town Clerk					
Salaries and Wages					
Elected Officials	\$ 72,431	\$ (9,097)	\$ 63,334	\$ 51,816	\$ 11,518
Union Wages	126,761	-	126,761	123,615	3,146
	<u>199,192</u>	<u>(9,097)</u>	<u>190,095</u>	<u>175,431</u>	<u>14,664</u>
Advertising	32,000	6,825	38,825	38,825	-
Travel and Conferences	3,750	-	3,750	1,756	1,994
Office Supplies	4,000	127	4,127	4,127	-
Dept. Specific Supplies	1,000	-	1,000	514	486
Software	15,000	2,145	17,145	17,145	-
	<u>55,750</u>	<u>9,097</u>	<u>64,847</u>	<u>62,367</u>	<u>2,480</u>
Total Town Clerk	254,942	-	254,942	237,798	17,144
Registrar of Voters					
Salaries and Wages					
Elected Officials	26,255	-	26,255	26,254	1
Nonunion Wages	410	-	410	97	313
Part-Time Wages	2,090	45	2,135	2,135	-
Seasonal/Sporadic Wages	70,000	-	70,000	67,087	2,913
	<u>98,755</u>	<u>45</u>	<u>98,800</u>	<u>95,573</u>	<u>3,227</u>
Travel and Conferences	3,905	-	3,905	2,545	1,360
Office Supplies	1,350	(45)	1,305	801	504
Dept. Specific Supplies	2,848	-	2,848	149	2,699
	<u>8,103</u>	<u>(45)</u>	<u>8,058</u>	<u>3,495</u>	<u>4,563</u>
Total Registrar of Voters	106,858	-	106,858	99,068	7,790
Land Use - Planning					
Salaries and Wages					
Nonunion Wages	137,222	12,120	149,342	149,342	-
Union Wages	80,827	(1,334)	79,493	79,493	-
Seasonal/Sporadic Wages	9,690	1,815	11,505	11,505	-
	<u>227,739</u>	<u>12,601</u>	<u>240,340</u>	<u>240,340</u>	<u>-</u>
Purchased Professional Services	37,000	(4,250)	32,750	32,750	-
Travel and Conferences	2,500	1,858	4,358	4,358	-
Office Supplies	3,500	(188)	3,312	3,312	-
Dept. Specific Supplies	1,250	(794)	456	456	-
	<u>44,250</u>	<u>(3,374)</u>	<u>40,876</u>	<u>40,876</u>	<u>-</u>
Total Land Use - Planning	271,989	9,227	281,216	281,216	-
Land Use - Building					
Salaries and Wages					
Nonunion Wages	161,072	584	161,656	161,656	-
Union Wages	39,613	8	39,621	39,621	-
	<u>200,685</u>	<u>592</u>	<u>201,277</u>	<u>201,277</u>	<u>-</u>
Dept. Specific Outside Services	24,000	(485)	23,515	21,372	2,143
Forms and Printing	1,000	330	1,330	1,330	-
Travel and Conferences	1,000	(360)	640	640	-
Dept. Specific Supplies	1,375	(77)	1,298	1,298	-
	<u>27,375</u>	<u>(592)</u>	<u>26,783</u>	<u>24,640</u>	<u>2,143</u>
Total Land Use - Building	228,060	-	228,060	225,917	2,143
Property Insurance					
Municipal Package	253,895	(25,184)	228,711	209,714	18,997
Fidelity Bonds	3,850	-	3,850	1,570	2,280
E/O Town Clerk Contingency	2,200	-	2,200	-	2,200
Total Property Insurance	259,945	(25,184)	234,761	211,284	23,477

(Continued)

Required Supplementary Information
 Schedule of Revenues, Expenditures, and Other Financing Sources and Uses
 Budget and Actual (Budgetary Basis) - General Fund (Continued)
 Year Ended June 30, 2018

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original Budget	Additional Appropriations and Transfers	Final Budget		
GENERAL GOVERNMENT (Continued)					
Conservation Commission					
Dept. Specific Outside Services/Gurski	\$ 22,000	\$ -	\$ 22,000	\$ 20,004	\$ 1,996
Travel and Conferences	200	-	200	200	-
	22,200	-	22,200	20,204	1,996
Total Conservation Commission	22,200	-	22,200	20,204	1,996
Economic Development Commission					
Salaries and Wages					
Seasonal/Sporadic Wages	500	98	598	598	-
	500	98	598	598	-
Travel and Conferences	600	-	600	600	-
Office Supplies	25	-	25	25	-
	625	-	625	625	-
Total Economic Development Comm.	1,125	98	1,223	1,223	-
Community Development					
Salaries and Wages					
Nonunion Wages	76,500	-	76,500	76,500	-
	76,500	-	76,500	76,500	-
Forms and Printing	200	3	203	203	-
Travel and Conferences	1,750	(73)	1,677	1,677	-
Dept. Specific Supplies	2,500	163	2,663	2,663	-
	4,450	93	4,543	4,543	-
Total Community Development	80,950	93	81,043	81,043	-
Regional Memberships/Services					
CCM Dues	10,000	122	10,122	10,122	-
Lake Lilinoah Authority	25,909	-	25,909	25,909	-
Western Council of Governments	14,282	-	14,282	11,770	2,512
Candlewood Lake Authority	77,800	-	77,800	77,800	-
Brookfield Veterans	5,775	-	5,775	4,294	1,481
Regional Animal Control	80,805	-	80,805	80,805	-
Regional Probate Court	17,800	-	17,800	17,800	-
Sweethart Senior Trans.	79,800	-	79,800	79,800	-
HART	29,037	-	29,037	29,037	-
Council of Small Towns	1,147	(122)	1,025	1,025	-
Total Regional Memberships/Services	342,355	-	342,355	338,362	3,993
Employee Benefits					
FICA and Medicare Tax	595,142	2,113	597,255	597,255	-
Unemployment	10,000	-	10,000	515	9,485
Workers' Compensation	265,986	25,184	291,170	291,170	-
Health Insurance	2,210,764	-	2,210,764	1,857,983	352,781
Life Ins/Disability/Medicare Ins	352,405	-	352,405	340,035	12,370
OPEB Contribution	200,000	-	200,000	200,000	-
Pension Contribution	834,632	(3,231)	831,401	820,034	11,367
Total Employee Benefits	4,468,929	24,066	4,492,995	4,106,992	386,003
TOTAL GENERAL GOVERNMENT	7,880,545	132,638	8,013,183	7,520,918	492,265

(Continued)

Required Supplementary Information
 Schedule of Revenues, Expenditures, and Other Financing Sources and Uses
 Budget and Actual (Budgetary Basis) - General Fund (Continued)
 Year Ended June 30, 2018

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original Budget	Additional Appropriations and Transfers	Final Budget		
PUBLIC SAFETY					
Police					
Salaries and Wages					
Nonunion Wages	\$ 320,557	\$ -	\$ 320,557	\$ 319,523	\$ 1,034
Union Wages - Police	2,420,176	(44,352)	2,375,824	2,314,551	61,273
Union Wages - Clerical	98,751	-	98,751	97,688	1,063
Union Wages - Dispatchers	423,866	-	423,866	409,393	14,473
Specialty Pay	65,500	-	65,500	51,584	13,916
Holiday Wages	129,363	-	129,363	129,336	27
Overtime Wages	196,500	35,553	232,053	232,053	-
Wages While Training	65,511	1,926	67,437	67,437	-
Traffic Services - Town Portion	5,000	-	5,000	-	5,000
	<u>3,725,224</u>	<u>(6,873)</u>	<u>3,718,351</u>	<u>3,621,565</u>	<u>96,786</u>
Recruiting/Health Maintenance.	5,000	6,750	11,750	11,750	-
Teleprocessing	4,000	-	4,000	2,529	1,471
Memberships and Dues	7,445	-	7,445	4,626	2,819
Maintenance - Buildings	33,547	-	33,547	26,650	6,897
Safety equipment	5,133	-	5,133	4,801	332
Maintenance - Vehicles	38,075	-	38,075	23,363	14,712
Maintenance - Equipment	85,662	-	85,662	71,533	14,129
Communications	80,418	-	80,418	76,062	4,356
Office Supplies	18,363	-	18,363	8,887	9,476
Uniforms	59,190	-	59,190	54,659	4,531
Prisoner Maintenance	1,000	-	1,000	194	806
Equipment	30,936	-	30,936	21,444	9,492
Photo ID	750	123	873	873	-
Dept. Specific Supplies	13,000	-	13,000	6,430	6,570
Travel/cont. ed/dues/training supplies	42,000	-	42,000	37,724	4,276
	<u>424,519</u>	<u>6,873</u>	<u>431,392</u>	<u>351,525</u>	<u>79,867</u>
Total Police	4,149,743	-	4,149,743	3,973,090	176,653
Fire - Center Department					
Annual Allocation	315,757	-	315,757	315,757	-
Fire - Candlewood Department					
Annual Allocation	153,001	-	153,001	153,001	-
Fire - Combined Expenses					
VFF Stipends	149,000	(27,500)	121,500	121,500	-
VFF Service Awards Program	43,000	(39)	42,961	42,961	-
Total Fire - Combined Expenses	192,000	(27,539)	164,461	164,461	-
Emergency Medical Services					
Annual Allocation	278,120	-	278,120	278,120	-
Total Emergency Medical Services	278,120	-	278,120	278,120	-
Fire Marshal					
Salaries and Wages					
Nonunion Wages	78,274	5,776	84,050	84,050	-
Part-Time Wages	30,000	(6,612)	23,388	7,099	16,289
	<u>108,274</u>	<u>(836)</u>	<u>107,438</u>	<u>91,149</u>	<u>16,289</u>
Dept. Specific Outside Services	3,500	-	3,500	2,611	889
Forms and Printing	1,000	-	1,000	978	22
Travel and Conferences	2,000	-	2,000	700	1,300
Dept. Specific Supplies	1,375	836	2,211	2,211	-
	<u>7,875</u>	<u>836</u>	<u>8,711</u>	<u>6,500</u>	<u>2,211</u>
Total Fire Marshal	116,149	-	116,149	97,649	18,500
TOTAL PUBLIC SAFETY	5,204,770	(27,539)	5,177,231	4,982,078	195,153

(Continued)

Required Supplementary Information
 Schedule of Revenues, Expenditures, and Other Financing Sources and Uses
 Budget and Actual (Budgetary Basis) - General Fund (Continued)
 Year Ended June 30, 2018

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original Budget	Additional Appropriations and Transfers	Final Budget		
PUBLIC WORKS					
Highway Department					
Salaries and Wages					
Nonunion Wages	\$ 174,280	\$ 1,340	\$ 175,620	\$ 175,620	\$ -
Union Wages	784,072	(10,088)	773,984	773,984	-
Seasonal/Sporadic Wages	27,403	-	27,403	19,013	8,390
Overtime Wages	42,840	63,203	106,043	106,043	-
	<u>1,028,595</u>	<u>54,455</u>	<u>1,083,050</u>	<u>1,074,660</u>	<u>8,390</u>
Sand and salt	275,000	-	275,000	266,405	8,595
Maintenance - Roads	275,000	(36,696)	238,304	238,304	-
Tree Removal	45,000	(11,192)	33,808	33,808	-
Safety Equipment	1,500	1,271	2,771	2,771	-
Hand tools - Contract	1,000	-	1,000	-	1,000
Maintenance - Equipment	150,000	(8,744)	141,256	140,749	507
Storm Water Testing	10,800	-	10,800	6,209	4,591
Communications	1,352	906	2,258	2,258	-
Uniforms - Contract	7,995	-	7,995	6,656	1,339
Vehicle Fuel	145,000	4,933	149,933	149,933	-
	<u>912,647</u>	<u>(49,522)</u>	<u>863,125</u>	<u>847,093</u>	<u>16,032</u>
Total Highway Department	1,941,242	4,933	1,946,175	1,921,753	24,422
Facilities					
Salaries and Wages					
Nonunion Wages	63,672	901	64,573	64,573	-
Union Wages	95,275	3,386	98,661	98,661	-
Overtime Wages	510	-	510	-	510
	<u>159,457</u>	<u>4,287</u>	<u>163,744</u>	<u>163,234</u>	<u>510</u>
Maintenance - Building	64,000	7,806	71,806	71,806	-
Maintenance - Facilities	19,500	(206)	19,294	15,890	3,404
Supplies	41,850	(11,887)	29,963	29,963	-
	<u>125,350</u>	<u>(4,287)</u>	<u>121,063</u>	<u>117,659</u>	<u>3,404</u>
Total Facilities	284,807	-	284,807	280,893	3,914
Recycling					
Salaries and Wages					
Part-Time Wages	5,000	4,120	9,120	9,120	-
	<u>5,000</u>	<u>4,120</u>	<u>9,120</u>	<u>9,120</u>	<u>-</u>
Recycling/Refuse	25,000	(687)	24,313	24,313	-
Hazardous Waste	8,400	(3,407)	4,993	4,993	-
	<u>33,400</u>	<u>(4,094)</u>	<u>29,306</u>	<u>29,306</u>	<u>-</u>
Total Recycling	38,400	26	38,426	38,426	-
Utilities					
Electric	110,000	4,644	114,644	114,644	-
Fuel Oil for Heating	50,000	-	50,000	41,985	8,015
Sewer Use	1,234	1,879	3,113	3,113	-
Sewer Assessment	175,000	(61,158)	113,842	31,158	82,684
Street Lighting	30,000	569	30,569	30,569	-
Communications	15,528	-	15,528	12,619	2,909
Postage	-	28,027	28,027	28,027	-
Water	6,000	1,740	7,740	7,740	-
Hydrants	70,515	19,366	89,881	89,881	-
	<u>458,277</u>	<u>(4,933)</u>	<u>453,344</u>	<u>359,736</u>	<u>93,608</u>
TOTAL PUBLIC WORKS	2,722,726	26	2,722,752	2,600,808	121,944

(Continued)

Required Supplementary Information
Schedule of Revenues, Expenditures, and Other Financing Sources and Uses
Budget and Actual (Budgetary Basis) - General Fund (Continued)
Year Ended June 30, 2018

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original Budget	Additional Appropriations and Transfers	Final Budget		
HEALTH AND WELFARE					
Health Department					
Salaries and Wages					
Elected Officials	\$ 60,421	\$ -	\$ 60,421	\$ 60,421	\$ -
Nonunion Wages	124,413	-	124,413	124,413	-
Union Wages	39,613	4,396	44,009	44,009	-
	<u>224,447</u>	<u>4,396</u>	<u>228,843</u>	<u>228,843</u>	<u>-</u>
Purchased Professional Services	3,600	2,131	5,731	5,731	-
Forms and Printing	500	(100)	400	400	-
Travel and Conferences	1,800	(163)	1,637	1,637	-
Dept. Specific Supplies	400	(105)	295	295	-
	<u>6,300</u>	<u>1,763</u>	<u>8,063</u>	<u>8,063</u>	<u>-</u>
Total Health Department	230,747	6,159	236,906	236,906	-
Senior Center					
Salaries and Wages					
Nonunion Wages	114,568	881	115,449	115,449	-
	<u>114,568</u>	<u>881</u>	<u>115,449</u>	<u>115,449</u>	<u>-</u>
Dept. Specific Outside Services	21,000	(233)	20,767	20,767	-
Communications	1,500	(553)	947	947	-
Travel and Conferences	750	-	750	735	15
Office Supplies	2,640	(190)	2,450	2,292	158
Dept. Specific Supplies	5,600	95	5,695	5,695	-
	<u>31,490</u>	<u>(881)</u>	<u>30,609</u>	<u>30,436</u>	<u>173</u>
Total Senior Center	146,058	-	146,058	145,885	173
Social Services					
Salaries and Wages					
Nonunion Wages	61,200	471	61,671	61,671	-
	<u>61,200</u>	<u>471</u>	<u>61,671</u>	<u>61,671</u>	<u>-</u>
Dept. Specific Outside Services	750	(163)	587	587	-
Communications	600	(37)	563	563	-
Travel and Conferences	600	(31)	569	569	-
Office Supplies	750	(159)	591	591	-
	<u>2,700</u>	<u>(390)</u>	<u>2,310</u>	<u>2,310</u>	<u>-</u>
Social Services	63,900	81	63,981	63,981	-
Regional Social Services					
Ability Beyond Disability	3,000	-	3,000	3,000	-
Women's Center	4,500	-	4,500	4,500	-
Hospice	5,000	-	5,000	5,000	-
Other	3,000	-	3,000	3,000	-
Regional Social Services	15,500	-	15,500	15,500	-
TOTAL HEALTH AND WELFARE	456,205	6,240	462,445	462,272	173

(Continued)

Required Supplementary Information
Schedule of Revenues, Expenditures, and Other Financing Sources and Uses
Budget and Actual (Budgetary Basis) - General Fund (Continued)
Year Ended June 30, 2018

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original Budget	Additional Appropriations and Transfers	Final Budget		
CULTURE AND RECREATION					
Library					
Library Allocation	\$ 718,354	\$ -	\$ 718,354	\$ 718,354	\$ -
Recreation					
Salaries and Wages					
Nonunion Wages	158,112	(2,902)	155,210	151,996	3,214
Union Wages	39,613	710	40,323	40,323	-
Seasonal/Sporadic Wages	1,020	-	1,020	918	102
	<u>198,745</u>	<u>(2,192)</u>	<u>196,553</u>	<u>193,237</u>	<u>3,316</u>
Dept. Specific Outside Services	4,700	163	4,863	4,863	-
Utilities	26,094	1,861	27,955	27,955	-
Equip. Maint. and Repair	5,500	168	5,668	10,418	(4,750)
Communications	3,900	-	3,900	3,893	7
Travel and Conferences	2,945	-	2,945	2,551	394
Office Supplies	2,000	-	2,000	1,771	229
Dept. Specific Supplies	4,750	-	4,750	-	4,750
	<u>49,889</u>	<u>2,192</u>	<u>52,081</u>	<u>51,451</u>	<u>630</u>
Total Recreation	248,634	-	248,634	244,688	3,946
Park/Grounds					
Salaries and Wages					
Nonunion Wages	62,457	-	62,457	62,457	-
Union Wages	154,493	-	154,493	154,493	-
Part-Time Wages	45,696	-	45,696	45,696	-
Seasonal/Sporadic Wages	3,596	-	3,596	3,596	-
Overtime Wages	22,694	-	22,694	22,694	-
	<u>288,936</u>	<u>-</u>	<u>288,936</u>	<u>288,936</u>	<u>-</u>
Grounds Supplies	30,000	-	30,000	30,000	-
Grounds Maintenance	252,885	-	252,885	252,885	-
Equip. Maint. and Repair	21,225	-	21,225	21,225	-
	<u>304,110</u>	<u>-</u>	<u>304,110</u>	<u>304,110</u>	<u>-</u>
Total Parks/Grounds	593,046	-	593,046	593,046	-
Historical Commission					
Salaries and Wages					
Part-Time Wages	612	-	612	41	571
Seasonal/Sporadic Wages	1,500	-	1,500	-	1,500
	<u>2,112</u>	<u>-</u>	<u>2,112</u>	<u>41</u>	<u>2,071</u>
Cemetery Maintenance	1,000	-	1,000	670	330
Postage	50	-	50	-	50
Travel and Conferences	1,100	-	1,100	50	1,050
Dept. Specific Supplies	500	-	500	-	500
	<u>2,650</u>	<u>-</u>	<u>2,650</u>	<u>720</u>	<u>1,930</u>
Total Historical Commission	4,762	-	4,762	761	4,001
Arts Commission					
Dept. Specific Outside Services	3,500	-	3,500	3,474	26
Total Arts Commission	3,500	-	3,500	3,474	26
TOTAL CULTURE AND RECREATION	1,568,296	-	1,568,296	1,560,323	7,973
TOTAL GENERAL GOV'T OPERATING	17,832,542	111,365	17,943,907	17,126,399	817,508

(Continued)

Required Supplementary Information
 Schedule of Revenues, Expenditures, and Other Financing Sources and Uses
 Budget and Actual (Budgetary Basis) - General Fund (Continued)
 Year Ended June 30, 2018

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original Budget	Additional Appropriations and Transfers	Final Budget		
BOARD OF EDUCATION					
Education Expenditures					
Salaries and Wages					
Administrators	\$ 2,605,929	\$ 115,000	\$ 2,720,929	\$ 2,700,651	\$ 20,278
Team/Curriculum Leaders	94,838	(4,800)	90,038	58,449	31,589
Teachers' Salaries	18,112,607	(300,200)	17,812,407	17,368,191	444,216
Teacher Turnover Savings	(125,000)	(113,183)	(238,183)	-	(238,183)
Aides and Paraprofessionals	1,082,846	-	1,082,846	1,124,671	(41,825)
Tutors	2,500	-	2,500	3,444	(944)
Substitutes	295,000	-	295,000	454,483	(159,483)
Clerical/Computer Technicians	1,877,175	(21,094)	1,856,081	1,917,245	(61,164)
Health Staff	345,403	-	345,403	331,655	13,748
Custodians	954,073	-	954,073	942,321	11,752
Maintenance	287,550	(79,476)	208,074	192,656	15,418
Monitors	125,188	(15,000)	110,188	77,204	32,984
Co-Curricular Coaches	389,748	-	389,748	384,701	5,047
Transportation / Messenger	11,000	-	11,000	10,920	80
Special Education Substitutes	1,500	-	1,500	-	1,500
Extended Duty	165,206	-	165,206	149,280	15,926
Student Safety	71,216	-	71,216	64,886	6,330
Overtime	42,000	-	42,000	36,652	5,348
Occupational/Physical Therapy	241,979	-	241,979	242,143	(164)
Total Salaries and Wages	26,580,758	(418,753)	26,162,005	26,059,552	102,453
Employee Benefits					
Group Insurance	72,000	-	72,000	64,598	7,402
Social Security	682,479	-	682,479	671,599	10,880
Pension Contribution	325,964	-	325,964	350,590	(24,626)
Education Programs	4,000	-	4,000	4,200	(200)
Unemployment	22,000	-	22,000	3,691	18,309
Workers Compensation	187,556	18,753	206,309	230,370	(24,061)
Health Insurance	5,144,924	(72,000)	5,072,924	5,241,978	(169,054)
Disability Insurance	158,506	-	158,506	156,423	2,083
Total Employee Benefits	6,597,429	(53,247)	6,544,182	6,723,449	(179,267)
Purchased Professional Services					
Legal Fees	145,000	-	145,000	138,493	6,507
Legal Settlement	-	-	-	125,000	(125,000)
Professional Educational	172,000	(7,000)	165,000	113,878	51,122
Other Professional Services	930,755	267,500	1,198,255	1,455,620	(257,365)
Technical Services	32,000	-	32,000	17,274	14,726
Total Purchased Professional Svcs	1,279,755	260,500	1,540,255	1,850,265	(310,010)
Purchased Property Services					
Maintenance and Utilities	98,663	-	98,663	47,971	50,692
Building and Maintenance	202,500	-	202,500	118,340	84,160
Lease/Rent	144,225	-	144,225	137,658	6,567
Lease/Copier	248,598	-	248,598	239,084	9,514
Total Purchased Property Services	693,986	-	693,986	543,053	150,933

(Continued)

Required Supplementary Information
 Schedule of Revenues, Expenditures, and Other Financing Sources and Uses
 Budget and Actual (Budgetary Basis) - General Fund (Continued)
 Year Ended June 30, 2018

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original Budget	Additional Appropriations and Transfers	Final Budget		
BOARD OF EDUCATION (Continued)					
Purchased Other Services					
Pupil Transportation	\$ 2,095,329	\$ -	\$ 2,095,329	\$ 2,016,760	\$ 78,569
Transportation - Sp Educ - In Town	15,300	-	15,300	26,921	(11,621)
Transportation - Sp Educ - Out of Town	510,000	70,000	580,000	628,776	(48,776)
Transportation - Athletics	60,290	-	60,290	59,278	1,012
Transportation - Field Trips	33,686	-	33,686	29,358	4,328
Property Liability Insurance	210,950	-	210,950	212,751	(1,801)
Communications - Telephone	79,404	-	79,404	96,092	(16,688)
Postage	27,825	-	27,825	22,771	5,054
Communications - Data Line	40,000	-	40,000	23,461	16,539
Forms and Printing	12,400	-	12,400	1,470	10,930
Tuition - Vocational/Agric.	40,000	-	40,000	61,405	(21,405)
Magnet School Tuition	76,712	-	76,712	81,700	(4,988)
Special Education Tuition	1,100,000	800,000	1,900,000	1,863,259	36,741
Travel and Conferences	36,870	(18,000)	18,870	8,875	9,995
Total Purchased Other Services	4,338,766	852,000	5,190,766	5,132,877	57,889
Supplies					
Office Supplies	28,750	-	28,750	15,064	13,686
Instructional Supplies	310,495	(40,000)	270,495	209,407	61,088
Custodial Supplies	77,500	-	77,500	61,309	16,191
Maintenance Supplies	19,400	-	19,400	16,034	3,366
Transportation Fuel	142,000	-	142,000	141,577	423
Electric Charges	550,000	-	550,000	566,067	(16,067)
Fuel Oil	209,812	-	209,812	243,169	(33,357)
Propane	5,000	-	5,000	6,347	(1,347)
Other Supplies	171,492	-	171,492	90,799	80,693
Water Charges	69,100	-	69,100	76,699	(7,599)
Refuse Charges	36,000	-	36,000	32,327	3,673
Books and Periodicals	29,673	-	29,673	19,458	10,215
Textbooks	214,566	(40,000)	174,566	96,156	78,410
Library Books	41,869	(20,000)	21,869	14,985	6,884
Total Supplies	1,905,657	(100,000)	1,805,657	1,589,398	216,259
Capital Assets					
Furniture and Fixtures	17,519	(10,000)	7,519	5,757	1,762
Instructional Equipment - New	20,700	(4,000)	16,700	13,533	3,167
Instructional Equipment - Replacement	30,262	(6,000)	24,262	20,711	3,551
Other Equipment	330,802	-	330,802	312,951	17,851
Total Capital Assets	399,283	(20,000)	379,283	352,952	26,331
Miscellaneous					
Due and Fees	84,550	-	84,550	63,526	21,024
Total Education Expenditures	41,880,184	520,500	42,400,684	42,315,072	85,612
Less: Education Revenues					
Medicaid Reimbursement	-	50,000	50,000	2,293	(47,707)
Adult Education Grant	-	-	-	4,019	4,019
Health Services Grant	-	-	-	9,596	9,596
Magnet School Transportation	-	-	-	29,902	29,902
Special Ed Excess Cost	900,000	(120,792)	779,208	770,603	(8,605)
Pre-Kindergarten Tuition	46,000	-	46,000	39,590	(6,410)
Transfer In	50,176	470,500	520,676	520,676	-
Total Education Revenues	996,176	399,708	1,395,884	1,376,679	(19,205)
NET EDUCATION EXPENDITURES	40,884,008	120,792	41,004,800	40,938,393	66,407

(Continued)

Required Supplementary Information
 Schedule of Revenues, Expenditures, and Other Financing Sources and Uses
 Budget and Actual (Budgetary Basis) - General Fund (Continued)
 Year Ended June 30, 2018

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original Budget	Additional Appropriations and Transfers	Final Budget		
DEBT SERVICE					
Bond Interest	\$ 971,610	\$ -	\$ 971,610	\$ 971,610	\$ -
Short-Term financing (P&I)	232,577	-	232,577	185,435	47,142
BAN Interest	401,500	-	401,500	339,838	61,662
Bonds Principal	2,415,000	-	2,415,000	2,415,000	-
TOTAL DEBT SERVICE	4,020,687	-	4,020,687	3,911,883	108,804
CAPITAL OUTLAY/OTHER					
Transfer to CNR Fund	1,293,444	58,717	1,352,161	1,352,161	-
Contingencies					
General	702,000	(265,874)	436,126	220,550	215,576
Personnel	50,000	-	50,000	-	50,000
Storm Expenses					
FEMA	-	1,700,000	1,700,000	698,097	1,001,903
FEMA est. reimbursement	-	-	-	(698,097)	698,097
CIRMA	-	-	-	27,338	(27,338)
CIRMA reimbursement	-	-	-	(27,338)	27,338
TOTAL CAPITAL OUTLAY/OTHER	2,045,444	1,492,843	3,538,287	1,572,711	1,965,576
Total Expenditures and other financing uses	64,782,681	1,725,000	66,507,681	63,549,386	2,958,295
Excess (Deficiency) of Revenues Over Expenditures and Other Financing Sources/ Uses - Budgetary Basis	\$ -	\$ (1,725,000)	\$ (1,725,000)	1,448,662	\$ 3,173,662
Adjustments to Generally Accepted Accounting Principles (GAAP):					
Payments on Behalf of the Town Not Recorded on a Budgetary Basis:					
Intergov'tal Revenues from Teachers' Retirement System for Pensions Paid				4,783,727	
Education Expenditures for Teachers' Retirement System for Pensions Paid				(4,783,727)	
Intergov'tal Revenues from Teachers' Retirement System for Retiree Health Care Benefits				94,156	
Education Expenditures for Teachers' Retirement System for Retiree Health Care Benefits				(94,156)	
Other Education Revenues Net in the Education Budget					
Excess Cost Grant				770,603	
Adult Education Grant				4,019	
Health Services Grant				9,596	
Magnet School Transportation				29,902	
Preschool Tuition				39,590	
Education Expenditures				(853,710)	
Storm Expenses Net with Reimbursements in the Budget					
Intergovernmental Revenues				698,097	
Other Revenue				27,338	
Public Works Expenditures				(725,435)	
Other Financing Sources for Interfund Transfers Netted in the Budget					
Other Financing Source - Transfer In				520,676	
Education Expenditures				(520,676)	
Encumbrances recorded on Budget Basis, but not on the Modified Accrual Basis:					
Current year education encumbrances				22,989	
Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses - GAAP Basis (Exhibit 4)				\$ 1,471,651	

(Continued)

Required Supplementary Information
Schedule of Revenues, Expenditures, and Other Financing Sources and Uses
Budget and Actual (Budgetary Basis) - General Fund (Continued)
Year Ended June 30, 2018

Notes to Required Supplementary Information:

A formal, legally approved annual budget is adopted for the General Fund. This budget is adopted on a basis consistent with generally accepted accounting principles (modified accrual basis) with the following exceptions:

- Teachers' Retirement - The town does not recognize, as income or expenditures, payments made for teachers' retirement and OPEB by the State of Connecticut under a special funding situation in its budget. GASB requires that the employer government recognize payments for salaries and fringe benefits paid under a special funding situation for its employees.

- Board of Education Revenues Net With Board of Education Expenditures - The Board of Education nets certain Revenues With their Expenditures in The budget.

- Long-Term Debt and Lease Financing - Revenues and Expenditures from refinancing or renewing Long-Term Debt or issuing Lease Financing are included in The budget as The Net Revenues or Expenditures expected.

- Encumbrances - Unless committed through a formal encumbrance (e.g., purchase orders, signed contracts), all annual appropriations lapse at fiscal year-end. Encumbrances outstanding at year end are reported on the budgetary basis of accounting.

The Board of Education expenditures are shown in the above schedule allocated based on the major categories of spending. However, the legal level of control is with the total Board of Education expenditures based on State Statutes.

Required Supplementary Information
The Funded Retirement Plan of the Town of Brookfield
Schedule of Changes in Net Pension Liability and Related Ratios
Last 10 Years

	2018	2017	2016	2015	2014
The Funded Retirement Plan of the Town of Brookfield					
Total Pension Liability					
Service cost	\$ 1,187,471	\$ 1,103,550	\$ 1,041,005	\$ 1,010,684	\$ 979,892
Interest on total pension liability	3,300,793	3,157,723	2,885,710	2,775,281	2,643,325
Differences between expected and actual experience	(351,115)	97,033	785,133	(391,125)	-
Effect of assumption changes or inputs	-	(243,228)	1,196,346	-	-
Benefit payments, including refunds of member contributions	(2,109,243)	(1,890,040)	(1,685,066)	(1,766,161)	(1,486,080)
Net change in total pension liability	2,027,906	2,225,038	4,223,128	1,628,679	2,137,137
Total pension liability, beginning	50,631,976	48,406,938	44,183,810	42,555,131	40,417,994
Total pension liability, ending	52,659,882	50,631,976	48,406,938	44,183,810	42,555,131
Fiduciary Net Position					
Employer contributions	1,186,161	1,204,271	916,398	1,622,929	1,871,103
Member contributions	467,170	497,476	431,829	473,380	456,483
Investment income net of investment expenses	3,979,581	5,610,603	348,872	1,508,205	5,843,034
Benefit payments	(2,109,243)	(1,890,040)	(1,685,066)	(1,766,161)	(1,486,080)
Administrative expenses	(74,222)	(86,276)	(90,093)	(87,795)	(79,382)
Other	4,490	-	308,057	-	-
Net change in plan fiduciary net position	3,453,937	5,336,034	229,997	1,750,558	6,605,158
Fiduciary net position, beginning	48,708,469	43,372,435	43,142,438	41,391,880	34,786,722
Fiduciary net position, ending	52,162,406	48,708,469	43,372,435	43,142,438	41,391,880
Net pension liability, ending	\$ 497,476	\$ 1,923,507	\$ 5,034,503	\$ 1,041,372	\$ 1,163,251
Fiduciary net position as a % of total pension liability	99.06%	96.20%	89.60%	97.64%	97.27%
Covered payroll	\$ 10,275,989	\$ 10,121,474	\$ 9,580,299	\$ 9,360,761	\$ 9,417,984
Net pension liability as a % of covered payroll	4.84%	19.00%	52.55%	11.12%	12.35%

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

Required Supplementary Information
 The Funded Retirement Plan of the Town of Brookfield
 Schedule of Employer Contributions and investment returns
 Last 10 Years

	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 1,186,161	\$ 1,204,271	\$ 1,224,455	\$ 1,622,929	\$ 1,809,130
Contributions in relation to the actuarially determined contribution	1,186,161	1,204,271	916,398	1,622,929	1,871,103
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 308,057</u>	<u>\$ -</u>	<u>\$ (61,973)</u>
Covered payroll	\$ 10,275,989	\$ 10,121,474	\$ 9,580,299	\$ 9,360,761	\$ 9,417,984
Contributions as a percentage of covered employee payroll	11.54%	11.90%	9.57%	17.34%	19.87%
Annual money-weighted rate of return, net of investment expense	8.16%	12.99%	0.80%	3.59%	16.33%

Notes to the Schedule

Valuation Date	January 1, 2016
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry Age Normal Actuarial Cost Method
Amortization method	Level percent of salary
Remaining amortization period	15 years on an open basis
Asset valuation method	Market value of assets
Inflation	2.75%
Payroll growth	3.00%
Investment rate of return	6.50%
Retirement age	Police at age 55; all others at age 62
Mortality	RP-2014 projected to the valuation date with Scale MP-2016

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

Required Supplementary Information
 Other Post Employment Benefit Plan
 Schedule of Changes in Net OPEB Liability
 Last 10 Years

	<u>2018</u>	<u>2017</u>
Other Post Employment Benefit Plan		
Total OPEB Liability		
Service cost	\$ 486,901	\$ 472,719
Interest	1,288,657	1,218,814
Differences between expected and actual experience	(622,272)	(564,326)
Benefit payments, including refunds of member contributions	<u>(361,610)</u>	<u>(328,128)</u>
Net change in total OPEB liability	791,676	799,079
Total OPEB liability - beginning	<u>19,516,542</u>	<u>18,717,463</u>
Total OPEB liability - ending	<u>20,308,218</u>	<u>19,516,542</u>
 Plan Fiduciary Net Position		
Employer contributions	561,610	593,545
Contributions - Teachers' Retirement System	-	34,729
Net investment income	50,229	47,082
Benefit payments, including refunds of members contributions	(361,610)	(328,128)
Administrative expenses	(2,459)	(1,393)
Other	<u>532</u>	<u>-</u>
Net change in plan fiduciary net position	248,302	345,835
Fiduciary net position - beginning	<u>687,988</u>	<u>342,153</u>
Fiduciary net position - ending:	<u>936,290</u>	<u>687,988</u>
 Net OPEB liability, ending	 <u>\$ 19,371,928</u>	 <u>\$ 18,828,554</u>
 Fiduciary net position as a % of total OPEB liability	 4.61%	 3.53%
Covered payroll	\$ 34,116,653	\$ 33,122,964
Net OPEB liability as a % of covered payroll	56.78%	56.84%

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

Required Supplementary Information
 Other Post Employment Benefit Plan
 Schedule of Employer Contributions and Investment Returns
 Last 10 Years

	<u>2018*</u>	<u>2017</u>
Actuarially determined employer contribution ("ADEC")	\$ 1,963,189	\$ 2,678,075
Contributions in relation to the ADEC	<u>561,610</u>	<u>593,545</u>
Contribution deficiency (excess)	<u>\$ 1,401,579</u>	<u>\$ 2,084,530</u>
Covered employee payroll	\$ 34,116,653	\$ 33,122,964
Contributions as a percentage of covered employee payroll	1.65%	1.79%
Annual money-weighted rate of return, net of investment expense	6.07%	Not Available

* This is based on the new GASB 75 standards, the employer contributions were based on the prior standards

Notes to the Schedule

Valuation Date	July 1, 2016
Methods and assumptions used to determine contribution rates:	
Actuarial cost method	Entry Age Normal Actuarial Cost Method
Amortization method	
Level percent or level dollar	Level dollar
Closed, open or layered	Open period
Amortization period	15 years
Asset valuation method	Fair value
Inflation	2.75%
Payroll growth	3.00%
Investment rate of return	6.50%
Healthcare cost trends	8.75% decreasing .5% per year to a rate of 4.75 for 2024 and later
Retirement age	Town and nurses at age 62, police with 25 years of service
Post-retirement mortality	RP-2014 projected to the valuation date with Scale MP-2016

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

Required Supplementary Information
 Connecticut Teachers Retirement System - Pension Plan
 Last 10 years

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Schedule of Changes in Net Pension Liability and Related Ratios				
Town's percentage of collective net pension liability	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the collective net pension liability	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the collective net pension liability associated with the Town of Brookfield	<u>63,815,288</u>	<u>67,325,617</u>	<u>53,912,476</u>	<u>49,831,280</u>
Total proportionate share of the collective net pension liability	<u>\$63,815,288</u>	<u>\$67,325,617</u>	<u>\$53,912,476</u>	<u>\$49,831,280</u>
Town's covered employee payroll	(1) N/A	N/A	N/A	N/A
Town's proportionate share of the collective net pension liability as a % of covered payroll	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a % of total pension liability	<u>55.93%</u>	<u>52.26%</u>	<u>59.50%</u>	<u>61.51%</u>
Schedule of Employer Contributions				
Contractually and Statutorily required Town contribution	(2) \$ -	\$ -	\$ -	\$ -

(1) Not applicable since 0% proportional share of the net pension liability

(2) The Town is not required to contribute to the plan. The State contributes on behalf of the Town.

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

(Continued)

Required Supplementary Information
 Connecticut Teachers Retirement System - Pension Plan (*continued*)
 Last 10 Years

Notes to Required Supplementary Information

Changes of benefit term	None
Changes of assumptions	<ol style="list-style-type: none"> 1. Reduce the inflation assumption from 3.00% to 2.75%. 2. Reduce the real rate of return assumption from 5.50% to 5.25% which, when combined with the inflation assumption change, results in a decrease in the investment rate of return assumption from 8.50% to 8.00%. 3. Reduce the annual rate of wage increase assumption from 0.75% to 0.50%. 4. Slightly modify the merit portion of the salary scale. 5. Reduce the payroll growth assumption from 3.75% to 3.25%. 6. Update mortality tables to projected versions of the RPH-2014 mortality tables. 7. Increase normal retirement rates for females at most ages and prorable retirement rates for males at most ages. Decrease early retirement rates for both males and females. 8. Increase rates of withdrawal. 9. Decrease rates of disability for males.
Actuarial cost method	Entry Age
Amortization method	Level percent of salary, closed
Remaining amortization period	21.4 years
Asset valuation method	4 year smoothed market
Inflation	2.75%
Salary increases	3.25%-6.00%, average, including inflation
Investment rate of return	8.00% net of pension plan investment expense, including inflation

See Independent Auditors' Report

Required Supplementary Information
 Connecticut Teachers Retirement System - Retiree Health Insurance Plan
 Last 10 years

	<u>2018</u>
Schedule of Changes in Net OPEB Liability and Related Ratios	
Town's percentage of collective net OPEB liability	<u>0.00%</u>
Town's proportionate share of the collective net OPEB liability	\$ -
State's proportionate share of the collective net OPEB liability associated with the Town of Brookfield	<u>16,425,345</u>
Total proportionate share of the collective net OPEB liability	<u>\$ 16,425,345</u>
Town's covered employee payroll	<u>(1) N/A</u>
Town's proportionate share of the collective net OPEB liability as a % of covered payroll	<u>0.00%</u>
Plan fiduciary net position as a % of total OPEB liability	<u>55.93%</u>
Schedule of Employer Contributions	
Contractually and Statutorily required and actual Town contribution	<u>(2) \$ -</u>

(1) Not applicable since 0% proportional share of the net OPEB liability

(2) The Town is not required to contribute to the plan. The State contributes on behalf of the Town.

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

(Continued)

Required Supplementary Information
Connecticut Teachers Retirement System - Retiree Health Insurance Plan (continued)
Last 10 Years

Notes to Required Supplementary Information

Changes of benefit term	None
Changes of assumptions	<ol style="list-style-type: none">1. Reduce the discount rate from 4.50% to 4.25%.2. Reduce the payroll growth assumption from 3.75% to 3.25%.
Actuarial cost method	Entry Age
Amortization method	Level percent of salary, open
Asset valuation method	Fair value
Inflation	2.75%
Salary increases	3.25%-6.00%, average, including inflation
Investment rate of return	4.25%

Required Supplementary Information
 Length of Service Award for the Volunteer Fire Department
 Schedule of Changes in Total Pension Liability
 Last 10 Years

	<u>2018</u>
Length of Service Award for the Volunteer Fire Department	
Total Pension Liability	
Service cost	\$ 45,649
Interest on total pension liability	71,650
Changes of benefits terms	-
Differences between expected and actual experience	3,510
Effect of economic/demographic gains (losses)	-
Changes of assumptions	(93,685)
Benefit payments	<u>(36,585)</u>
Net change in total pension liability	(9,461)
Total pension liability - beginning, as restated	<u>1,973,896</u>
Total pension liability - ending*	<u><u>\$ 1,964,435</u></u>

* There are no assets accumulated in a trust that meets the criteria in GASB 68 to pay related benefits.

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

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Appendix B

Form of Opinion of Bond Counsel

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Appendix B

Form of Opinion of Bond Counsel

November __, 2019

Town of Brookfield
100 Pocono Road
Brookfield, Connecticut 06804

We have acted as Bond Counsel in connection with the issuance by the Town of Brookfield, Connecticut (the "Town"), of its \$5,335,000 General Obligation Bond Anticipation Notes (the "Notes") dated November __, 2019. In such capacity, we have examined a record of proceedings of the Town authorizing the Notes, a Tax Regulatory Agreement of the Town dated November __, 2019 (the "Agreement"), such law and such other proceedings, certifications, and documents as we have deemed necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

We are of the opinion that when the Notes are duly certified by U.S. Bank National Association, the Notes will be valid and legally binding general obligations of the Town payable as to both principal and interest from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town without limitation as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts pursuant to Connecticut statutes. We are further of the opinion that the Agreement is a valid and binding agreement of the Town and was duly authorized by the Town.

The rights of the holders of the Notes and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally and by equitable principles, whether considered at law or in equity.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be satisfied at and subsequent to the issuance and delivery of the Notes in order that interest on the Notes be excluded from gross income under Section 103 of the Code. In the Agreement, the Town has made covenants and representations designed to assure compliance with such requirements of the Code. The Town has covenanted in the Agreement that it will at all times comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Notes to ensure that interest on the Notes shall not be included in gross income for federal income tax purposes retroactive to the date of issuance of the Notes, including covenants regarding, among other matters, the use, expenditure and investment of the proceeds of the Notes.

In rendering the below opinions regarding the federal treatment of interest on the Notes, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectations, and certifications of fact contained in the Agreement, and (ii) continuing compliance by the Town with the covenants set forth in the Agreement as to such tax matters.

The Town has designated the Notes as “qualified tax exempt obligations” within the meaning of Code Section 265(b)(3) for purposes of the deduction by financial institutions for interest expense allocable to the Notes.

In our opinion, under existing statutes and court decisions, (i) interest on the Notes is excludable from gross income for federal income tax purposes; and (ii) such interest is not an item of tax preference for purposes of calculating the federal alternative minimum tax. We express no opinion regarding other federal income tax consequences caused by ownership or disposition of, or receipt of interest on the Notes.

We are further of the opinion that, under existing statutes, interest on the Notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based for individuals, trusts and estates required to pay the federal alternative minimum tax. We express no opinion regarding other state income tax consequences caused by ownership or disposition of, or receipt of interest on the Notes.

We express no opinion herein regarding the accuracy, adequacy, or completeness of the Official Statement dated November __, 2019 and other offering material relating to the Notes.

The foregoing opinion is based upon existing laws, regulations, rules and court decisions. We undertake no responsibility to inform you of changes in law or fact occurring after the date hereof which may affect the conclusions herein. In addition, we have not undertaken to advise in the future whether any events after the date of issuance of the Notes, including the adoption of federal tax legislation, may affect the tax status of interest on the Notes.

Respectfully,

PULLMAN & COMLEY, LLC

Appendix C

Form of Continuing Disclosure Agreement

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Appendix C

Form of Continuing Disclosure Agreement

In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Issuer will agree, pursuant to a Continuing Disclosure Agreement for the Notes to be executed by the Issuer substantially in the following form, to provide, or cause to be provided, in a timely manner not in excess of ten business days after the occurrence of the event, notice of the occurrence of certain events with respect to the Notes.

CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this “Agreement”) is made as of November __, 2019, by the Town of Brookfield, Connecticut (the “Issuer”) acting by its undersigned officers, duly authorized, in connection with the issuance of its \$5,335,000 General Obligation Bond Anticipation Notes dated November __, 2019 (the “Notes”).

Section 1. Definitions. Capitalized terms not otherwise defined in this Agreement shall have the meaning assigned in the Rule (as hereinafter defined). In addition to the terms defined above, the following capitalized terms shall have the meanings ascribed thereto:

“Final Official Statement” means the official statement of the Issuer dated November __, 2019 prepared in connection with the issuance of the Notes.

“Listed Events” shall mean any of the events listed in Section 2 of this Agreement.

“MSRB” shall mean the Municipal Securities Rulemaking Board established pursuant to Section 15B(b)(1) of the Securities Exchange Act of 1934, as amended, or any successor thereto.

“Repository” means the MSRB, through the operation of the Electronic Municipal Market Access (EMMA) system as described in 1934 Act Release No. 59061 and maintained by the MSRB for purposes of the Rule, or any other nationally recognized municipal securities information repository or organization recognized by the SEC from time to time for purposes of the Rule.

“Rule” means rule 15c2-12 under the Securities Exchange Act of 1934, as of the date of this Agreement.

“SEC” means the Securities and Exchange Commission of the United States, or any successor thereto.

Section 2. Event Notices.

The Issuer agrees to provide, or cause to be provided, to the Repository in an electronic format, accompanied by identifying information, as prescribed by the MSRB, notice of the occurrence of any of the following Listed Events with respect to the Notes, in a timely manner not later than ten (10) business days after the occurrence of any such Listed Event:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Notes, or other material events affecting the tax status of the Notes;
- (g) modifications to rights of holders of the Notes, if material;
- (h) Note calls, if material, and tender offers;
- (i) defeasances;
- (j) release, substitution, or sale of property securing repayment of the Notes, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Issuer;

Note to clause (l): For the purposes of the event identified in clause (l) above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or government authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer;

- (m) the consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional trustee or the change of name of trustee, if material;
- (o) incurrence of a financial obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation, any of which affect security holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of the financial obligation of the Issuer, any of which reflect financial difficulties.

Note to clauses (o) and (p): For the purposes of the events identified in clauses (o) and (p), the term “financial obligation” means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

Section 3. Termination. The obligations of the Issuer under this Agreement shall terminate upon the earlier of (i) payment or legal defeasance, at maturity or otherwise, of all of the Bonds, or (ii) such time as the Issuer ceases to be an obligated person with respect to the Bonds within the meaning of the Rule.

Section 4. Use of Agents. The Issuer may, from time to time, appoint or engage an agent to assist it in carrying out its obligations under this Agreement, and may discharge any such agent, with or without appointing a successor agent.

Section 5. Amendment; Waiver. Notwithstanding any other provision of this Agreement, the Issuer may amend this Agreement, and any provision of this Agreement may be waived, if such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, a change in law, or a change in the identity, nature or status of the Issuer, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Notes and (ii) the Agreement as so amended would have complied with the requirements of the Rule as of the date of the Agreement, taking in account any amendments or interpretations of the Rule as well as any changes in circumstances. A copy of any such amendment will be filed in a timely manner with the MSRB. The annual financial information provided on the first date following adoption of any such amendment will explain, in narrative

form, the reasons for the amendment and the impact of the change in the type of operating or financial information provided.

Section 6. Additional Information. The Issuer shall have no obligation to provide any information, data or notices other than as set forth in this Agreement; provided, however, nothing in this Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communications, or including any other information in any annual report or notice of occurrence of a Listed Event, in addition to that which is required by this Agreement. If the Issuer chooses to include any information in any annual report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future annual report or notice of occurrence of a Listed Event.

Section 7. Indemnification. The Issuer agrees to indemnify and save its officials, officers and employees harmless against any loss, expense and liabilities which they may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorney's fees) of defending against any claim of liability hereunder, but excluding any such liabilities due to any such person's malicious, wanton, or willful act. The obligations of the Issuer under this Section shall survive, notwithstanding that such person may no longer be serving in such capacity.

Section 8. Enforceability. The Issuer agrees that its undertaking pursuant to the Rule set forth in this Agreement is intended to be for the benefit of and enforceable by the beneficial owners of the Notes. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure after its receipt of written notice from any beneficial owner of the Notes of such failure. The present address of the Issuer is Town of Brookfield, Finance Department, 100 Pocono Road, Brookfield, CT 06804, Attn: Finance Director/Controller. In the event the Issuer does not cure such failure, the right of any beneficial owner of the Notes to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the Issuer's obligations hereunder. No monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute default of the Issuer with respect to the Notes.

Section 9. Governing Law. This Agreement shall be governed by the laws of the State of Connecticut.

[The next page is the signature page]

IN WITNESS WHEREOF, the Issuer has caused this Continuing Disclosure Agreement to be executed in its name by its undersigned officers, duly authorized, all as of the date first above written.

TOWN OF BROOKFIELD, CONNECTICUT

By: _____
STEPHEN C. DUNN
First Selectman

By: _____
JOHN LUCAS
Treasurer

By: _____
MARCIA L. MARIEN
Finance Director/Controller

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Appendix D

Notice of Sale

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Appendix D

NOTICE OF SALE

**TOWN OF BROOKFIELD, CONNECTICUT
\$5,335,000 GENERAL OBLIGATION BOND ANTICIPATION NOTES
(BANK QUALIFIED)
BOOK-ENTRY-ONLY**

NOTICE IS GIVEN that SEALED PROPOSALS, TELEPHONE BIDS and ELECTRONIC BIDS via **PARITY**® (as described herein) will be received by the TOWN OF BROOKFIELD, CONNECTICUT (the “Issuer”), until 11:30 A.M. (E.S.T.) on TUESDAY,

NOVEMBER 5, 2019

(the “Sale Date”), for the purchase of the Issuer’s \$5,335,000 General Obligation Bond Anticipation Notes (the “Notes”). Sealed proposals will be received at the Town of Brookfield, Town Hall, 100 Pocono Road, Brookfield, CT 06804 (see “Sealed Proposal Procedures”). Telephone bids will be received by an authorized agent of Phoenix Advisors, LLC, the Issuer’s municipal advisor (see “Telephone Bidding Procedures”). Electronic bids must be submitted via **PARITY**® (see “Electronic Bidding Procedures”).

The Notes

The Notes are expected to be dated November 14, 2019 and will mature and be payable to the registered owner on November 13, 2020 as further described in the Preliminary Official Statement (as hereinafter defined). The Notes will bear interest (which interest shall be calculated on the basis of a 360-day year consisting of twelve 30-day months) payable at maturity at the rate or rates per annum fixed in the proposal or proposals accepted for their purchase, which rates shall be in multiples of 1/100 of 1% per annum.

Nature of Obligation

The Notes will constitute general obligations of the Issuer, and the Issuer will pledge its full faith and credit to pay the principal of and interest on the Notes when due. Unless paid from other sources, the Notes are payable from ad valorem taxes which may be levied on all taxable property subject to taxation by the Issuer without limit as to rate or amount except as to classified property such as certified forest lands taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts pursuant to provisions of the Connecticut General Statutes, as amended. The information in this Notice of Sale is only a brief summary of certain provisions of the Notes. For further information about the Notes, reference is hereby made to the Preliminary Official Statement.

Bank Qualification

The Notes SHALL be designated by the Issuer as qualified tax exempt obligations under the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Notes.

Registration

The Notes will be issued by means of a book-entry system with no physical distribution of note certificates made to the public. The Notes will be issued in registered form and one note certificate for each interest rate will be issued to The Depository Trust Company (“DTC”), New York, New York, registered in the name of its nominee, Cede & Co., and immobilized in its custody. A book-entry system will be employed, evidencing ownership of the Notes in principal amounts of \$1,000 or any integral multiple thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The purchaser(s), as a condition to delivery of the Notes, will be required to deposit the Note certificates with DTC, registered in the name of Cede & Co. Principal of and interest on the Notes will be payable by the Issuer or its agent to DTC or its nominee as registered owner of the Notes. Principal and interest payments by DTC to participants of DTC will be the responsibility of DTC; principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Issuer will not be responsible or liable for payments by DTC to its participants or by DTC participants or indirect participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants. Upon receipt from the Issuer, the Paying Agent will pay principal of and interest on the Notes directly to DTC so long as DTC or its nominee, Cede & Co, is the Noteholder.

Bid Specifications; Basis of Award; Right to Reject Proposals; Waiver; Postponement; Change of Terms

Each bid for the purchase of the Notes must be in the form of the Proposal for Notes attached hereto or, if submitted electronically, in accordance with the requirements prescribed herein. A proposal may be for all or any part of the Notes but any proposal for a part must be for at least \$100,000, or a whole multiple thereof, except one such proposal for a part may include the odd \$35,000, and a separate proposal will be required for each part of the Notes for which a separate interest rate is bid. Unless all bids are rejected, the Notes will be awarded to the bidder or bidders offering to purchase the Notes at the lowest net interest cost (“NIC”), computed as to each interest rate stated by adding the total interest which will be paid at such rate and deducting therefrom the premium offered, if any. As between proposals resulting in the same lowest net interest cost to the Issuer, the award will be made on the basis of the highest principal amount of the Notes specified. No bid for less than par and accrued interest, if any, will be considered and the Issuer reserves the right to award to any bidder all or any part of the Notes bid for in its proposal. If a bidder is awarded only a part of the Notes bid for in its proposal, any premium offered in such proposal will be proportionately reduced so that the resulting net interest cost to the Issuer with respect to the Notes awarded is the same as that contained in the bidder’s

proposal with respect to the entire amount bid, carried to six decimal places. The purchase price must be paid in immediately available federal funds.

The right is reserved to reject any and all proposals and to reject any proposal not complying with this Notice of Sale and to waive any irregularity or informality with respect to any proposal.

The Issuer further reserves the right to postpone the sale to another time and date in its sole discretion for any reason, including Internet difficulties. The Issuer will use its best efforts to notify prospective bidders in a timely manner of any need for a postponement. Upon the establishment of an alternative sale date, any bidder may submit proposals for the purchase of the Notes in accordance with the provisions of this Notice of Sale.

Electronic Bidding Procedures

Any prospective bidder intending to submit an electronic bid must submit its electronic bid through the facilities of **PARITY**[®]. Subscription to i-Deal LLC's BiDCOMP Competitive Bidding System is required in order to submit an electronic bid and the Issuer will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe.

An electronic bid made through the facilities of **PARITY**[®] shall be deemed an irrevocable offer to purchase the Notes on the terms provided in this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the Issuer. By submitting a bid for the Notes via **PARITY**[®], the bidder represents and warrants to the Issuer that such bidder's bid for the purchase of the Notes is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such bid by the Issuer will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Notes on the terms described in this Notice of Sale. **The Issuer shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of PARITY[®], or the inaccuracies of any information, including bid information or worksheets supplied by PARITY[®], the use of PARITY[®] facilities being the sole risk of the prospective bidder. Each Bidder is solely responsible for knowing the terms of the sale as set forth herein.**

If any provisions of this Notice of Sale shall conflict with information provided by **PARITY**[®] as the approved provider of electronic bidding services, this Notice of Sale shall control. Further information about **PARITY**[®], including any fee charged, may be obtained from **PARITY**[®], 1359 Broadway, 36th Street, 2nd Floor, New York, NY 10018, Attention: Customer Service Department (telephone: (212) 849-5021 - email notice: www.parity@i-deal.com).

For purposes of the sealed proposal process, the telephone bidding process and the electronic bidding process, the time as maintained by **PARITY**[®] shall constitute the official time. For information purposes only, bidders are requested to state in their bids the net interest cost to the Issuer, as described under "Bid Specifications; Basis of Award; Right to Reject Proposals; Waiver; Postponement; Change of Terms" above, and in the written form of Proposal for Notes.

All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale and form of Proposal for Notes.

Disclaimer. Each **PARITY**[®] prospective electronic bidder shall be solely responsible to make necessary arrangements to access **PARITY**[®] for the purposes of submitting its bid in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Issuer nor **PARITY**[®] shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the Issuer nor **PARITY**[®] shall be responsible for a bidder's failure to make a bid or for proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, **PARITY**[®]. The Issuer is using **PARITY**[®] as a communication mechanism, and not as the Issuer's agent, to conduct the electronic bidding for the Notes. The Issuer is not bound by any advice and determination of **PARITY**[®] to the effect that any particular bid complies with the terms of this Notice of Sale and in particular the bid requirements herein set forth. All costs and expenses incurred by prospective bidders in connection with their subscription to, arrangements with and submission of bids via **PARITY**[®] are the sole responsibility of the bidders; and the Issuer is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a bid for the Notes, the prospective bidder should telephone **PARITY**[®] at (212) 849-5021.

Sealed Proposal Procedures

Bids will be accepted in written form on the form of Proposal for Notes attached hereto, at the place and time indicated above. Bids must be enclosed in sealed envelopes marked "Proposal for Notes" and addressed to Office of the First Selectman, Town of Brookfield, Town Hall, 100 Pocono Road, Brookfield, CT 06804.

Telephone Bidding Procedures

Telephone bids will be received until 11:30 A.M. (E.S.T.) on the Sale Date by an authorized agent of Phoenix Advisors, LLC, the Issuer's municipal advisor. All telephone bids must be made to (203) 775-7342 and be completed by 11:30 A.M. (E.S.T.) on the Sale Date.

Bidders shall recognize that a bid by telephone means that the bidder accepts the terms and conditions of this Notice of Sale and agrees to be bound by such and, further, such bidder recognizes and accepts the risk that its telephone bid may not be received by the Issuer or may be received later than the time specified as the result of a failure in communications including, but not limited to, a failure in telephonic communications, or the inability to reach the Issuer by the time required. A bid received after the time specified, as determined in the Issuer's sole discretion, will not be reviewed or honored by the Issuer.

CUSIP Numbers

The deposit of the Notes with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of Phoenix Advisors LLC to obtain CUSIP numbers for the Notes prior to delivery, and Phoenix Advisors, LLC, will provide the CUSIP Service Bureau with the final details of the sale, including the identity of the winning

bidder(s). The Issuer will not be responsible for any delay occasioned by the inability to deposit the Notes with DTC due to the failure of Phoenix Advisors, LLC to obtain such numbers and to supply them to the Issuer in a timely manner. Neither the failure to print such CUSIP number on any note, nor any error with respect thereto, shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for the Notes. All expenses in relation to the printing of CUSIP numbers on the Notes shall be paid for by the Issuer; provided, however, that the Issuer assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.

Certifying Agent, Registrar, Paying Agent and Transfer Agent

The Notes will be authenticated by U.S. Bank National Association, Hartford, Connecticut. U.S. Bank National Association will also act as Registrar, Paying Agent and Transfer Agent.

Delivery, Payment and Closing Requirements

At or prior to the delivery of the Notes the winning bidder shall be furnished, without cost, with (a) the approving opinion of Pullman & Comley, LLC of Hartford, Connecticut, Bond Counsel (“Bond Counsel”) (see “Bond Counsel Opinion” below); (b) a signature and no litigation certificate, in form satisfactory to said firm, dated as of the date of delivery of the Notes, and stating that there is no litigation pending, or to the knowledge of the signer or signers thereof threatened, affecting the validity of the Notes or the power of the Issuer to levy and collect taxes to pay them; (c) a copy of the Official Statement prepared for this note issue; (d) a certificate of Issuer Officials relating to the accuracy and completeness of the Official Statement; (e) a Continuing Disclosure Agreement; and (f) a receipt of payment for the Notes.

The Notes will be delivered against payment in immediately available federal funds through the facilities of DTC, New York, New York or its agent via Fast Automated Securities Transfer (“FAST”) on or about November 14, 2019 (the “Closing Date”).

The Issuer will have no responsibility to pay for any expenses of the purchaser except to the extent specifically stated in this Notice of Sale. The purchaser will have no responsibility to pay for any of the Issuer’s costs of issuance except to the extent specifically stated in this Notice of Sale.

The purchaser will be responsible for the clearance or exemption with respect to the status of the Notes for sale under securities or “Blue Sky” laws and the preparation of any surveys or memoranda in connection with such sale. The Issuer shall have no responsibility for such clearance, exemption or preparation.

Bond Counsel Opinion

The legality of the issue will be passed upon by Pullman & Comley, LLC of Hartford, Connecticut, Bond Counsel, and the purchaser will be furnished with its opinion, without charge, substantially in the form set forth in Appendix B to the Official Statement. The opinion will

appear on each note certificate and will state that the Notes are valid and binding obligations of the Issuer. If the Competitive Sale Rule (as defined below in the “Establishment of Issue Price” section) is met, Bond Counsel will require as a precondition to release of its opinion printed on the Notes that the purchaser of such Notes deliver to it a completed “issue price” certificate, or similar certificate, regarding expectations or public offering prices, as applicable, with respect to the Notes awarded to such bidder, as described below under “Establishment of Issue Price”. In rendering such legal opinion, Pullman & Comley, LLC will rely upon and assume the material accuracy of the representations and statements of expectation contained in the Tax Regulatory Agreement entered into by the Issuer for the benefit of the owners of the Notes, and further, will assume compliance by the Issuer with the covenants and procedures set forth in such Tax Regulatory Agreement.

Establishment of Issue Price

In order to provide the Issuer with information that enables it to comply with certain requirements of the Internal Revenue Code of 1986, as amended (the “Code”), relating to the exclusion of interest on the Notes from the gross income of their owners, the winning bidder will be required to complete, execute, and deliver to the Issuer at or prior to the delivery of the Notes an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the Public (the “Initial Offering Price”) or the actual sales price or prices of the Notes, as circumstances may determine, together with the supporting pricing wires or equivalent communications, with such modifications as may be appropriate or necessary, in the reasonable judgment of Bond Counsel. Communications relating to this “Establishment of Issue Price” section, the completed certificate(s) and any supporting information shall be delivered to (1) Bond Counsel at Sandra Dawson, Esq., Pullman & Comley, LLC, 90 State House Square, Hartford, CT 06103, Telephone: (860) 424-4348, E-mail: sdawson@pullcom.com and (2) the Municipal Advisor at Matthew Spoerndle, Phoenix Advisors, LLC, 53 River Street, Milford, CT 06460, Telephone: (203) 878-4945, E-mail: mspoerndle@muniadvisors.com (the “Municipal Advisor”). Questions related to this “Establishment of Issue Price” section should be directed to Bond Counsel or the Municipal Advisor. For purposes of this “Establishment of Issue Price” section, Bond Counsel may act on behalf of the Issuer and the Municipal Advisor may act on behalf of the Issuer.

By submitting a bid, each bidder is certifying that its bid is a firm offer to purchase the Notes, is a good faith offer which the bidder believes reflects current market conditions, and is not a “courtesy bid” being submitted for the purpose of assisting in meeting the competitive sale requirements relating to the establishment of the “issue price” of the Notes pursuant to Section 148 of the Code, including the requirement that bids be received from at least three (3) underwriters of municipal bonds or notes who have established industry reputations for underwriting new issuances of municipal bonds or notes.

By submitting a bid, a bidder represents to the Issuer that it has an established industry reputation for underwriting new issuances of municipal bonds or notes such as the Notes, represents that such bidder’s bid is submitted for or on behalf of such bidder by an officer or agent who is duly authorized to bind the bidder to a legal, valid and enforceable contract for the purchase of the Notes, and understands that upon award by the Issuer that this Notice of Sale constitutes a written contract between such bidder, as winning bidder, and the Issuer.

By submitting a bid, the bidder agrees that if the Competitive Sale Rule (as set forth below) is not met, it will satisfy either the Actual Sales Rule (as set forth below) or the Hold-the-Offering-Price Rule (as set forth below).

Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied.

Notification of Contact Information of Winning Bidder. Promptly upon award, the winning bidder shall notify the Municipal Advisor and Bond Counsel of the contact name, telephone number and e-mail address of the person(s) of the winning bidder for purposes of communications concerning this “Establishment of Issue Price” section.

Competitive Sale Rule. The Issuer intends that the provisions of Treasury Regulations Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Notes) will apply to the initial sale of the Notes (the “Competitive Sale Rule”) because:

- (1) the Issuer shall disseminate, or have disseminated on its behalf, this Notice of Sale to potential bidders in a manner that is reasonably designed to reach potential bidders;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Issuer anticipates receiving bids from at least three underwriters of municipal bonds or notes who have established industry reputations for underwriting new issuances of municipal bonds or notes; and
- (4) the Issuer anticipates awarding the sale of the Notes to the bidder who submits a firm offer to purchase the Notes at the lowest net interest cost, as set forth in this Notice of Sale.

Competitive Sale Rule Met. The Issuer, or the Municipal Advisor on behalf of the Issuer, shall at the time of award advise the winning bidder if the Competitive Sale Rule has been met. The winning bidder will be required to deliver to Bond Counsel on behalf of the Issuer prior to the delivery of the Notes a completed “Certificate as to Issue Price” (in form satisfactory to Bond Counsel) for such Notes, setting forth the Initial Offering Price.

Competitive Sale Rule Not Met. In the event that the Competitive Sale Rule is not satisfied, the Issuer, or the Municipal Advisor on behalf of the Issuer, shall at the time of award advise the winning bidder. The Issuer may determine to treat (i) the first price at which ten percent (10%) of a Maturity of the Notes (the “Actual Sales Rule”) is sold to the Public as the issue price of that Maturity, and/or (ii) the Initial Offering Price to the Public as of the Sale Date of any Maturity of the Notes as the issue price of that Maturity (the “Hold-the-Offering-Price Rule”), in each case applied on a Maturity-by-Maturity basis. In the event that the Competitive Sale Rule is not satisfied, the winning bidder, by 4:30 p.m. (E.S.T.) on the Sale Date, shall notify and provide, via e-mail, Bond Counsel and the Municipal Advisor (I) of the first price at which ten percent (10%) of each Maturity has been sold to the Public and (II) reasonable supporting documentation or certifications of such price the form of which is acceptable to Bond Counsel;

i.e., those Maturities that satisfy the Actual Sales Rule as of the Sale Date. After such receipt, the Issuer, or Bond Counsel on behalf of the Issuer, shall promptly confirm with the winning bidder, via e-mail, which Maturities of the Notes shall be subject to the Actual Sales Rule and which Maturities shall be subject to the Hold-the-Offering-Price Rule.

For those Maturities of Notes subject to the Hold-the-Offering-Price Rule, the winning bidder shall (i) provide Bond Counsel (via e-mail) a copy of pricing wire or equivalent communication for the Notes (ii) confirm that each Underwriter (as defined below) has offered or will offer all of the Notes to the Public on or before the date of award at the Initial Offering Prices and (iii) agree, on behalf of each Underwriter participating in the purchase of the Notes, that each Underwriter will neither offer nor sell unsold Notes of any Maturity to which the Hold-the-Offering-Price Rule shall apply to any person at a price that is higher than the Initial Offering Price for such Maturity during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the Sale Date; or
- (2) the date on which the Underwriters have sold at least ten percent (10%) of that Maturity of the Notes to the Public at a price that is no higher than the Initial Offering Price.

The winning bidder shall promptly advise Bond Counsel and the Municipal Advisor, via e-mail, when the Underwriters have sold ten percent (10%) of that Maturity of the Notes to the Public at a price that is no higher than the Initial Offering Price, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Notes to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the Public the unsold Notes of each Maturity allotted to it until it is notified by the winning bidder that either the Actual Sales Rule has been satisfied as to the Notes of that Maturity or all Notes of that Maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Notes to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Notes to the Public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the Public the unsold Notes of each Maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the Actual Sales Rule has been satisfied as to the Notes of that Maturity or all Notes of that Maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wires.

Sales of any Notes to any person that is a Related Party (as defined below) to an Underwriter shall not constitute sales to the Public for purposes of this Notice of Sale.

Definitions. For purposes of this “Establishment of Issue Price” section:

- (1) “Maturity” means Notes with the same credit and payment terms. Notes with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (2) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.
- (3) “Related Party” generally means any two or more persons who have greater than 50% common ownership, directly or indirectly.
- (4) “Underwriter” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this definition to participate in the initial sale of the Notes to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Notes to the Public).

Official Statement

For more information regarding the Notes or the Issuer, reference is made to the Preliminary Official Statement dated October 29, 2019 (the “Official Statement”) describing the Notes and the financial condition of the Issuer. The Preliminary Official Statement is available in electronic format at <https://munihub.com>, and such electronic access is being provided as a matter of convenience only. Copies of the Preliminary Official Statement may be obtained from Matthew Spoerndle, Phoenix Advisors, LLC, 53 River Street, Milford, CT 06460, Telephone: (203) 878-4945, E-mail: mspoerndle@muniadvisors.com. The Issuer deems such Official Statement to be a final official statement for purposes of complying with Securities and Exchange Commission Rule 15c2-12 (the “Rule”), but such Official Statement is subject to revision or amendment as appropriate. The Issuer will make available to the purchaser ten (10) copies of the final Official Statement at the Issuer’s expense, and the final Official Statement will be made available to the purchaser by no later than the earlier of the delivery of the Notes or by the seventh (7th) business day after the day bids on the Notes are received. If the Issuer’s Municipal Advisor, is provided with the necessary information from the purchaser by 12:00 o’clock noon on the day after the Sale Date, the copies of the final Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating(s), yields or reoffering prices and the name of the managing underwriter of the Notes, and any corrections. The purchaser shall arrange with the Municipal Advisor the method of delivery

of the copies of the final Official Statement to the purchaser. Additional copies of the final Official Statement may be obtained by the purchaser at its own expense by arrangement with the printer.

Continuing Disclosure Agreement

As required by the Rule, the Issuer will undertake, pursuant to a Continuing Disclosure Agreement (the “Agreement”), to provide notice of the occurrence of certain events with respect to the Notes within ten (10) business days of such event. A form of the Agreement is attached to the Official Statement as Appendix C. The purchaser’s obligation to purchase the Notes shall be conditioned upon its receiving, at or prior to delivery of the Notes, an executed Agreement.

TOWN OF BROOKFIELD, CONNECTICUT

STEPHEN C. DUNN
First Selectman

JOHN LUCAS
Treasurer

MARCIA L. MARIEN
Finance Director/Controller

October 29, 2019

(See attached for form of Proposal for Notes)

PROPOSAL FOR NOTES

Stephen C. Dunn, First Selectman
John Lucas, Treasurer
Marcia L. Marien, Finance Director/Controller
Town of Brookfield
100 Pocono Road
Brookfield, CT 06804

Brookfield Town Officials:

Subject to the provisions of the Notice of Sale dated October 29, 2019, which Notice is made part of this proposal, we offer to purchase the indicated principal amount of the \$5,335,000 General Obligation Bond Anticipation Notes of the Town of Brookfield, Connecticut (the "Issuer"), dated November 14, 2019 and maturing on November 13, 2020 (the "Notes"), specified below at the stated interest rate (provided not less than \$100,000 of principal amount per interest rate is bid and the total of all principal amounts bid does not exceed \$5,335,000) plus the premium specified below, if any, and to pay therefor par plus the premium specified below, if any, on the date of delivery. and to pay therefor par and pay the premium specified below, if any. We further provide our computation of net interest cost as to each bid, carried to six decimals, and made as provided in the above-mentioned Notice of Sale, but not constituting any part of the foregoing proposal.

For \$ _____ of the Notes, bearing an interest rate of _____% per annum, we bid par plus a premium of \$ _____. The net interest cost to the Issuer is _____% (six decimals).

For \$ _____ of the Notes, bearing an interest rate of _____% per annum, we bid par plus a premium of \$ _____. The net interest cost to the Issuer is _____% (six decimals).

For \$ _____ of the Notes, bearing an interest rate of _____% per annum, we bid par plus a premium of \$ _____. The net interest cost to the Issuer is _____% (six decimals).

This undersigned hereby agrees to accept delivery of and make payment for the indicated principal amount of Notes in immediately available federal funds on the date of the Notes.

Dated: November 5, 2019

(Name of Bidder)

(Mailing Address)

(Authorized Signature)

(Telephone Number)

(Facsimile Number)

(E-mail Address)