



KING, KING & ASSOCIATES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

Town of Brooklyn, Connecticut

FY 2021 Audit

Presented by:

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Partner

Audit Sections

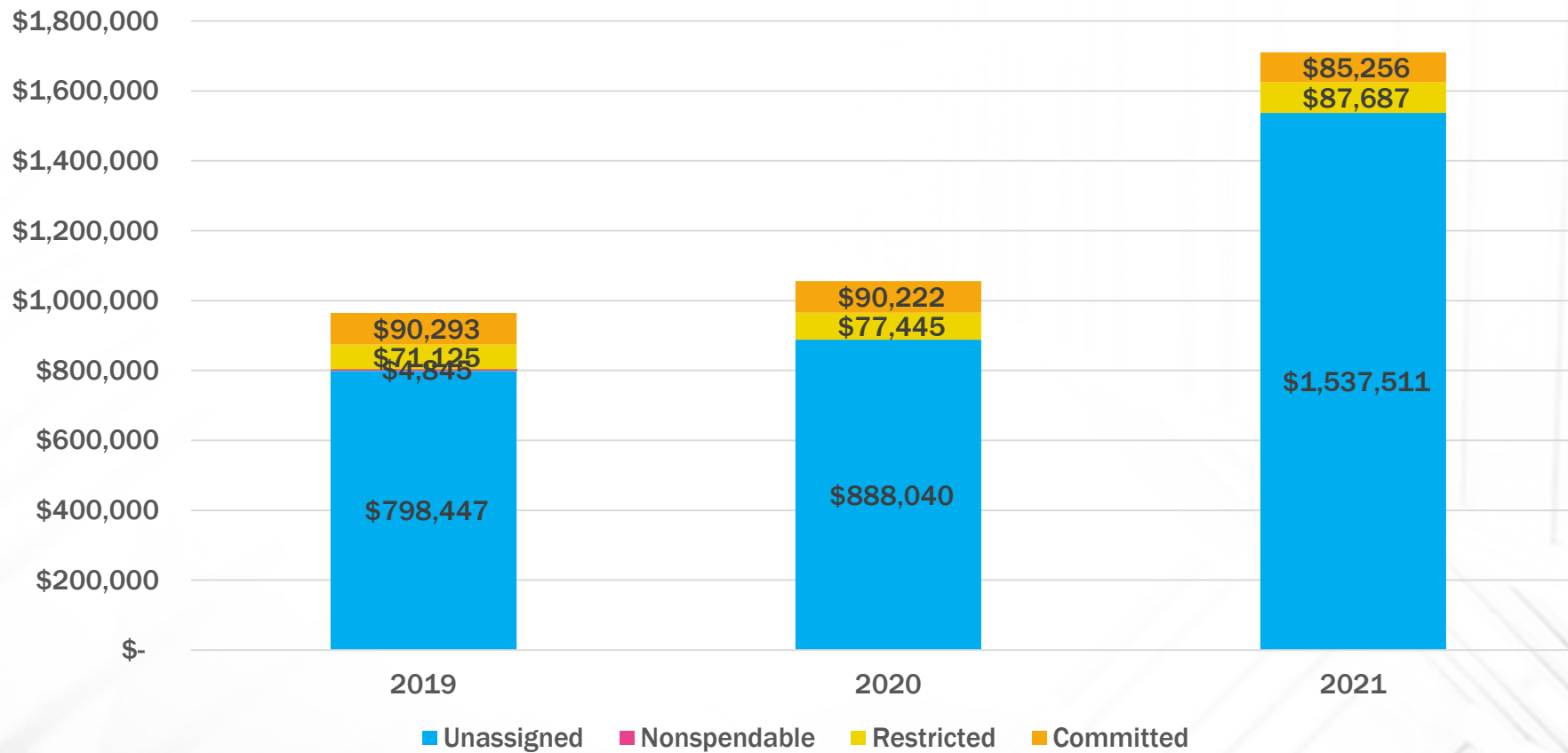
- Management Discussion and Analysis (high-level summary) on pages 3-9 precedes the first set of financial statements
- Financial Statement Audit: the core of the audit – financial statements, note disclosures, supplemental financial statements and schedules. Current year is 74 pages, 3 more than last year. Total including CT and Federal Single audit is 104 pages.
- CT Single Audit: grant compliance audit when CT grants exceed \$300,000 and schedules
- Federal Single Audit: grant compliance audit when Fed grants exceed \$750,000.

Annual Financial Report - Highlights

- **P. 10-11:** Government-Wide statements, including depreciation, long-term debt (loans and retirement benefits), and actuarially determined deferred charges and credits.
- **P. 12 – GF Fund Balance of \$1,710,454, increase of \$654,747. Committed is for LOSAP and Restricted is for Town Clerk.**
- **P. 12, 14 – Capital Nonrecurring Fund**
 - Conversion of Bond Anticipation Note to Long-Term Debt after year-end restored the fund balance to \$1,856,087 from a previous deficit of (\$3,975,978).
 - Includes \$784,070 grant revenue for school construction.
- **P. 16-18 – Water Pollution Control Authority Fund**
 - Previous year had slight surplus, current year has deficit (approx. \$100K before depreciation).
 - Significant increase in contractual services expenses due to inclusion of both the 2020 and 2021 Killingly user fees.

3 Year Fund Balance Trend

General Fund



Annual Financial Report – Highlights (Continued)

➤ P.35 – Long-Term Liabilities.

- Increase primarily due to short-term BANS being converted to long-term debt shortly after year-end.
- Loan payable related to Technology Park will be going away.
- Decrease in Net Pension Liability of \$981,248, primarily due to very favorable investment income. This is made up of both the Brooklyn Employee Retirement Plan and the Volunteer Firefighters Service Awards Program.

- P.37: WPCA Liability: 2016 Note is in repayment at \$42,571 per year through 2056

Annual Financial Report – Highlights (Continued)

- P.38 – Portion of Teachers Retirement Pension Liability associated with the Town is \$27,507,188, Town is currently responsible for none. The State contributed \$1,764,362 on behalf of the Town.
- P.52 – Portion of Teachers OPEB Liability associated with the Town is \$4,102,698, Town is currently responsible for none. The State contributed \$42,580 on behalf of the Town.
- P.54 – Prior Period Restatements.
 - For the first time in several years, restatements are not due to prior errors, but simply due to a new accounting pronouncement that required change in reporting of fund types.
- P.56-59 – General Fund Budgetary Statement
 - Current year revenues greater than expenditures of \$644,505.
- P.73 – Outstanding Taxes Receivable balance at 6/30/21 is \$267,530. This is roughly 1.59% of the Current Levy, a decrease from the prior year amount of 2.01%. We have seen improved collection rates in municipalities during COVID.

Federal and State Single Audits

State Single Audit

- P.6 – \$9,193,216 total assistance of which \$7,286,165 is ECS and Excess Cost. \$473,637 was Town Aid Road and \$784,070 was School Construction.
- P.9-10 – Financial Statement Findings
 - Repeated finding in Internal Control over Financial Reporting
 - New isolated finding on budgetary compliance, due to initially applying CRF to Police expenditures and then learning that it was not an allowable cost.

Federal Single Audit

- P.6 – \$1,222,035 in total assistance of which \$237,517 was CRF, \$346,542 for school nutrition and the vast majority of the remainder is for education.
- P.9-10 – Financial Statement Findings. Same as above.

Management Letter

Management Letter Comments are of a lesser significance than those included in the main report.

- Approvals weren't apparent on the WPCA's paid invoices. The WPCA is outside the central business office, we recommend it be integrated.

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