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TOWN OF BROOKLYN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

3. Detailed Notes on All Funds (continued) Brooklyn

Public Employee Retirement System

Plan Description - The Town is the administrator of a single employer public employee retirement system ("PERS") established and administered by the Town to provide pension benefits for its employees. The PERS is considered to be part of the Town'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. The Plan is managed by the Board of Finance.

The Plan provides retirement benefits through a single employer non-contributory defined benefit plan. All employees working more than 20 hours per week or more than five months per year are eligible after completion of one year of continuous service. The retirement benefit is calculated at 1.5 percent of the participant's average monthly earnings during the final 120 months of employment multiplied by years of service. (For Highway Workers, effective July 1, 1998, the average monthly earnings are calculated during the final 60 months. Effective June 30, 2001, the average monthly earnings are calculated during the final 36 months) Normal Retirement age is: age 65, if employee is under age 55 on the date included in the plan; 10th anniversary of the date of participation, if employee is between the ages of 55 and 59; age 70, if employee is at least age 60 on the date included in the plan. Participants are 100% vested after 5 years of continuous service. Benefits and contributions are established by the Town and may be amended by the Town. The Town has not given any post-retirement benefit increases. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Plan Membership — As of the date of the latest actuarial valuation (July 1, 2014), membership consisted of the following:

Retirees and beneficiaries receiving benefits	36
Terminated employees entitled to benefits, but not yet receiving them	13
Active members	<u>63</u>
	<u>112</u>

Funding Policy — The Town is required to contribute all amounts necessary to finance coverage as determined through biennial actuarial valuations. No employee contributions are required.

Investments

Investment Policy — The Town is in the process of developing a formal investment policy.

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's target asset class allocation and the long-term expected rate of return calculated as geometric means:

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TOWN OF BROOKLYN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

3. Detailed Notes on All Funds (continued)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
US Large Cap	32.00%	4.75%
US Mid/Small Cap	12.00%	5.50%
Emerging Market Equities	4.00%	6.00%
Developed International Equities	12.00%	5.25%
International Bonds	4.00%	2.00%
Intermediate Corporate	20.00%	2.25%
Intermediate Government	11.00%	1.75%
High-Yield Bonds	4.00%	3.25%
Money Market/Short-Term Bonds	1.00%	0.00%

Calculation of Money-Weighted Rate of Return — The money-weighted rate of return considers the changing amounts actually invested during the period and weights 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, 2016 -.24%

Net Pension Liability

The components of the net pension liability of the Town as of June 30, 2016 were as follows:

Town pension liability	\$5,595,645
Plan fiduciary net position	<u>4,066,677</u>
Net pension liability	<u>\$1,528,968</u>
Plan fiduciary net position as a percentage of total pension liability	72.68%

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TOWN OF BROOKLYN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

3. Detailed Notes on All Funds (continued)

Actuarial Methods and Significant Assumptions

The following actuarial methods and assumptions were used in the June 30, 2015 valuation:

Valuation timing	Actuarially determined contribution rates are calculated as of July 1, twelve months prior to the beginning of the fiscal year in which the contributions are reported.
Actuarial cost method	Unit Credit
Amortization method	
Level percent or level dollar	Level dollar
Closed, open or layered	Open periods
Amortization period at 12/1/12	15 years
Amortization growth rate	0.00%
Asset valuation method	
Smoothing period	5 year
Recognition method	Smoothed, 20% per year
Corridor	None
Inflation	2.75%
Salary increases	4.25%
Investment rate of return	7.25%
Cost of living adjustment	None
Retirement age	All are assumed to retire at normal retirement
Turnover	None
Pre-retirement mortality Post-retirement mortality	None RP-2000 Mortality Table

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 percentage point lower or 1 percentage point higher:

	1% Decrease	Current Discount Rate	1% Increase
Net Pension Liability	\$2,199,662	\$1,528,968	\$959,946

Town of Brooklyn Fire Departments Service Award Program

Plan Description — The Town of Brooklyn is the administrator of a single employer public employee retirement system ("PERS") established and administered by the Town to provide pension benefits for its volunteer firefighters. The PERS is part of the Town's financial reporting entity and is accounted for in the Town's financial statement as a pension trust fund. The Plan provides retirement benefits through a single employer non-contributory defined benefit plan. Volunteer Firefighters are eligible to participate in the plan, if they have completed one year of firefighting service and are age eighteen. A separate stand-alone financial report is not issued. The Plan is managed by the Board of Finance.

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TOWN OF BROOKLYN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

3. Detailed Notes on All Funds (continued)

The monthly pension benefits are \$10 per month for each year of firefighting service with a maximum of 30 years of service. A year of firefighting service credit is based on the attainment of point. Normal Retirement age is age 65. Participants are 100% vested after 10 years of service. Effective March 1, 2008, both participation in the plan and the accrual of any additional service are frozen. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

As of the date of the latest actuarial valuation (June 30, 2016), membership consisted of the following:

Retirees and beneficiaries receiving benefits	28
Terminated employees entitled to benefits, but not yet receiving them	2
Active members	<u>54</u>
	<u>84</u>

Funding Policy — The contribution requirements of the Town are established by, and may be amended by the Board of Selectmen. The Town's funding policy provides for periodic employer contributions to accumulate sufficient assets to pay benefits when due.

Investments

Investment Policy — The Town is in the process of developing a formal investment policy.

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's target asset class allocation and the long-term expected rate of return calculated as geometric means:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Money Market	100.00%	0.00%

Calculation of Money-Weighted Rate of Return — The money-weighted rate of return considers the changing amounts actually invested during the period and weights 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 quarterly 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, 2016 0.00%

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TOWN OF BROOKLYN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

3. Detailed Notes on All Funds (continued)

Net Pension Liability

The components of the net pension liability of the Town as of June 30, 2016 were as follows:

LOSAP pension liability	\$ 988,134
Plan fiduciary net position	<u>39,633</u>
Net pension liability	<u>\$ 948,501</u>
Plan fiduciary net position as a percentage of total pension liability	4.01%

Actuarial Methods and Significant Assumptions

The following actuarial methods and assumptions were used in June 30, 2016 valuation:

Valuation timing	Actuarially determined contribution rates are calculated as of July 1, twelve months prior to the beginning of the fiscal year in which the contributions are reported.
Actuarial cost method	Entry Age Normal
Amortization method	
Level percent or level dollar	Level dollar
Closed, open or layered	Closed periods
Amortization period at 1/1/16	19 years
Amortization growth rate	0.00%
Asset valuation method	
Smoothing period	None
Recognition method	None
Corridor	None
Inflation	2.75%
Salary increases	N/A
Investment rate of return	2.75%
Cost of living adjustment	None
Retirement age	Age 65
Turnover	None
Pre-Retirement Mortality	None
Post-Retirement Mortality	RP-2000 Mortality Table

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TOWN OF BROOKLYN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

3. Detailed Notes on All Funds (continued)

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 percentage point lower or 1 percentage point higher:

	1% Decrease	Current Discount Rate	1% Increase
Net Pension Liability	<u>1.75%</u> \$995,433	<u>2.75%</u> \$948,501	<u>3.75%</u> \$892,402

J. Other Post-Employment Benefits

Plan Description - The Town provides certain health care benefits for retired employees through a single-employer defined benefit plan administered by the Town of Brooklyn, Connecticut. The Connecticut General Statutes and the various collective bargaining agreements stipulate the employees covered and the benefits provided. The plan does not issue a separate financial statement.

Funding Policy - Retired teachers and their spouses must be allowed to continue their health insurance benefits, in the same health insurance plan offered to active teachers, through their last employing Town. The Town does not contribute to the retirees' health insurance. The retirees pay 100% of the premiums in accordance with the Connecticut General Statutes and the various collective bargaining agreements.

Annual OPEB Cost ("AOC") and Net OPEB Obligation ("N00")

Amortization Component:	
Actuarial Accrued Liability as of July 1, 2013	\$2,374,700
Assets at Market Value	<u>-</u>
Unfunded Actuarial Accrued Liability ("UAAL")	<u>\$2,374,700</u>
Funded Ratio	0.00%
Covered Payroll (Active plan members)	\$5,538,500
UAAL as a Percentage of Covered Payroll	42.88%
Annual required contribution (ARC)	\$ 225,200
Interest on net OPEB obligation (N00)	67,777
Adjustment to annual required contribution	<u>(94,239)</u>
Annual OPEB cost (APC)	198,738
Contributions made	<u>(7,000)</u>
Increase (decrease) in net OPEB obligation	191,738
Net OPEB obligation (asset), beginning of year	<u>1,694,422</u>
Net OPEB obligation (asset), end of year	<u>\$1,886,160</u>

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TOWN OF BROOKLYN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

3. Detailed Notes on All Funds (continued)

Three year trend information is as follows:

<u>Fiscal</u> <u>Year</u> <u>Ended</u>	<u>Annual</u> <u>OPEB Cost</u> <u>(AOC)</u>	<u>Actual</u> <u>Contribution</u> <u>Made</u>	<u>Percentage</u> <u>of AOC</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation</u> <u>(NOO)</u>
6/30/2016	\$198,738	\$ 7,000	3.52%	\$1,886,160
6/30/2015	\$198,160	\$11,000	5.55%	\$1,694,422
6/30/2014	\$197,901	\$ 3,253	1.64%	\$1,507,262

Actuarial Methods and Significant Assumptions - The Town's annual other postemployment benefit cost (expense) is calculated based on the annual required contribution ("ARC"), an amount actuarially determined in accordance with the parameters of GASB. GASB establishes standards for the measurement, recognition and display of the expenses and liabilities for retirees' medical insurance. As a result, reporting of expenses and liabilities is using a per capita claims cost will be determined, which will be used to determine a "normal cost", an "actuarial accrued liability", and ultimately the ARC. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years.

Actuarial valuations for OPEB plans involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Calculations are based on the OPEB benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing of costs between the employer and plan members to that point. In addition, the assumptions and projections utilized do not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The actuarial calculations of the OPEB plan reflect a long-term perspective.

The Town is required to accrue on the government-wide financial statements the amounts necessary to finance the plan as actuarially determined, which is equal to the balance not paid by plan members. Funding for the Plan has been established on a pay-as-you-go basis.



TOWN OF BROOKLYN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

3. Detailed Notes on All Funds (continued)

Other actuarial methods and significant assumptions are summarized as follows:

Latest Actuarial Date	July 1, 2013
Actual Cost Method	Projected Unit Credit
Discount Rate	4.00%
Payroll Growth Rate	N/A
Medical Inflation	9.0% for 2013, decreasing 0.5% per year, to an ultimate rate of 5.0% for 2021 and later.
Dental Inflation	5.0% per year
Remaining amortization	30 years, level dollar, open
Mortality	RP-2000 Combined Mortality Table with separate male and female rates, combined for non-annuitants and annuitants, projected to the valuation date with Scale AA.
Turnover	As used in the Connecticut State Teachers' Retirement System 2012 Pension Valuation
Retirement	As used in the Connecticut State Teachers' Retirement System 2012 Pension Valuation
Future Retiree Coverage	100% are assumed to elect coverage at retirement
Future Dependent Coverage	85% of males and 75% of females assumed married with wives assumed to be 3 years younger than males.

Schedule of Funding Progress

As of the last valuation date, July 1, 2013, the actuarial valuation of the plan assets was \$0. The actuarial accrued liability was \$2,374,700. The schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits. There is no requirement for funding and the plan has not been funded.

4. Other Information

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. Contingencies

Grants - The Town participates in various Federal and State grant programs. These programs are subject to program compliance audits pursuant to the Federal and State 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.

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TOWN OF BROOKLYN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

4. Other Information (Continued)

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, will owe a portion of the State funding back to the State.

For projects with a cost of over two million dollars or over, the contingency will be amortized over twenty years. For smaller projects, the contingency will be amortized over ten years.

C. 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. There have been no significant reductions in insurance coverage. 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 7479a et. seq. for some of 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.

D. Commitments

Upgrades and Improvements to Sewer Collection System — On December 17, 2013, the Town approved, at a special town meeting, to appropriate \$1,489,000 for the upgrades and to finance the appropriation by accepting from USDA a grant of \$374,000 and a loan of \$1,115,000. The Town authorized the issuance of \$1,100,000 of general obligation bonds.

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TOWN OF BROOKLYN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

E. GASB Pronouncements Issued, But Not Yet Effective

The Governmental Accounting Standards Board (GASB) is the standard setting board for governmental entities. The following are statements which have been approved by GASB, but are not yet effective:

- GASB Statement 74 – *Financial Reporting for Post-Employment Benefit Plans other Than Pensions* – This statement establishes new accounting and financial reporting requirements for OPEB plans included in the general purpose external financial reports of state and local governmental OPEB plans, and replaces the requirements of GASB Statement No. 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, as amended, and GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2016. The Town currently provides other post-employment benefits to certain eligible employees. The Town has not yet determined the impact that this statement will have on its financial statements.
- GASB Statement 75 – *Accounting and Financial Reporting for Post-Employment Benefits (OPEB) Other than Pensions* – This statement establishes new accounting and financial reporting requirements for OPEB plans and replaces the requirements of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pension Plans*, as amended, and GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*, for OPEB. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2017. The Town currently provides other post-employment benefits to certain eligible employees. The Town has not yet determined the impact that this statement will have on its financial statements.
- GASB Statement 77 – *Tax Abatement Disclosures* – This statement requires governments to disclose information about the nature and magnitude of tax abatements to allow users of the financial statements to understand 1) how tax abatements affect a government's future ability to raise resources and meet its financial obligations and 2) the impact those abatements have on a government's financial position and economic condition. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2016. The Town does not expect this statement to have a material effect on its financial statements.
- GASB Statement 78 – *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans* – This statement amends the scope and applicability of Statement 68 to exclude pensions provided to employees of state or local governmental employers through a cost-sharing multiple-employer defined benefit pension plan that 1) is not a state or local governmental pension plan 2) is used to provide defined benefit pensions, both to employees of state or local governmental employers and to employees of employers that are not state or local governmental employers and 3) has no predominant state or local governmental employer (either individually or collectively with other state or local governmental employers that provide pensions through the pension plan). The requirements of this statement are effective for the Town's reporting period beginning July 1, 2016. The Town does not expect this statement to have a material effect on its financial statements.

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TOWN OF BROOKLYN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2016

E. GASB Pronouncements Issued, But Not Yet Effective (Continued)

- GASB Statement 79 – *Certain External Investment Pools and Pool Participants* – This statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized costs for financial reporting purposes. Certain provisions of this statement are effective for the Town’s reporting period beginning July 1, 2016. The Town does not expect this statement to have a material effect on its financial statements.
- GASB Statement 80 – *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14* – This statement amends the blending requirements established in GASB Statement No. 14 – *The Financial Reporting Entity*, as amended. The requirements of this statement are effective for the Town’s reporting period beginning July 1, 2017. The Town does not expect this statement to have a material effect on its financial statements.
- GASB Statement 81 – *Irrevocable Split-Interest Agreements* – This statement addresses accounting and financial reporting for the irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The requirements of this statement are effective for the Town’s reporting period beginning July 1, 2017. The Town does not expect this statement to have a material effect on its financial statements.
- GASB Statement 82 - *Pension Issues – An Amendment of GASB Statement No. 67, No. 68, and No. 73* – This statement addresses issues regarding 1) the presentation of payroll-related measures in required supplementary information, 2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and 3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this statement are effective for the Town’s reporting period beginning July 1, 2017. The Town does not expect this statement to have a material effect on its financial statements.

F. Subsequent Events

On August 10, 2016, the Town authorized the issuance of \$2,945,000 in a General Obligation Bond Anticipation Note, with an interest rate of 1.25%, and is scheduled to mature on August 9, 2017. The proceeds of the Notes will be used to refund a portion of the \$4,155,000 General Obligation Bond Anticipation Notes maturing on August 10, 2016.

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TOWN OF BROOKLYN, CONNECTICUT
REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2016

TOWN OF BROOKLYN, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND
YEAR ENDING JUNE 30, 2016

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original	Additional Appropriations and Transfers	Final		
	\$	\$	\$	\$	\$
REVENUES					
Property Tax Revenues					
Current Taxes	\$ 12,661,939	-	12,661,939	12,756,350	94,411
Prior Taxes	250,000	-	250,000	212,513	(37,487)
Interest and Lein Fees	100,000	-	100,000	107,253	7,253
Motor Vehicles	140,000	-	140,000	140,236	236
	<u>13,151,939</u>	<u>-</u>	<u>13,151,939</u>	<u>13,216,352</u>	<u>64,413</u>
Intergovernmental Revenues					
Education Assistance	7,087,589	-	7,087,589	7,069,947	(17,642)
Transportation	127,574	-	127,574	97,532	(30,042)
Spec. Ed. Excess Cost	467,185	-	467,185	350,657	(116,528)
State Bldg Grants	-	-	-	-	-
Mashantucket Grant	222,002	-	222,002	228,534	6,532
Pilot State Property	145,581	-	145,581	112,140	(33,441)
Tax Relief for Disability	1,185	-	1,185	2,475	1,290
Circuit Breaker	58,591	-	58,591	58,440	(151)
Veterans Loss	4,568	-	4,568	5,036	468
Motor Vehicle Fines	4,000	-	4,000	5,170	1,170
Bingo Permits	-	-	-	10	10
Miscellaneous Grants	2,000	-	2,000	-	(2,000)
Boat Registration	100	-	100	-	(100)
Telephone Tax	16,655	-	16,655	16,164	(491)
Homeland Security Grant	-	-	-	1,404	1,404
FEMA	-	-	-	-	-
D.U.I. Grant	15,000	-	15,000	11,296	(3,704)
Municipal Revenue Sharing	10,379	-	10,379	114,289	103,910
	<u>8,162,409</u>	<u>-</u>	<u>8,162,409</u>	<u>8,073,094</u>	<u>(89,315)</u>
Local Revenues					
Health Department Rent	30,841	-	30,841	30,355	(486)
Children's Court Rent	-	-	-	-	-
Garage Rental	5,116	-	5,116	5,203	87
Comm. Center Rental Fee	250	-	250	170	(80)
Interest - Investments	12,000	-	12,000	17,962	5,962
Recreation Fees	163,823	-	163,823	182,722	18,899
Misc Fees	3,000	-	3,000	7,195	4,195
Town Clerk Fees	60,000	-	60,000	55,321	(4,679)
Conveyance Tax	80,000	-	80,000	80,518	518
Miscellaneous Income	1,000	-	1,000	2,967	1,967
Copier Fees	10,000	-	10,000	8,896	(1,104)
Apartment Inspections	750	-	750	270	(480)
Brooklyn Fair Temporary Reim	7,500	-	7,500	9,859	2,359
Building Permits	60,000	-	60,000	78,755	18,755
Fire Marshal Fees	4,000	-	4,000	1,240	(2,760)
Zoning Board of Appeals	1,500	-	1,500	-	(1,500)
Regulation Books	-	-	-	8	8
Planning and Zoning Fees	15,000	-	15,000	18,778	3,778
Wetland Fees	3,000	-	3,000	5,026	2,026
Vitals Surcharge	-	-	-	-	-
Town Clerk - LOCIP	-	-	-	3,549	3,549
Town Clerk Fund Reserved	-	-	-	2,433	2,433
Town Clerk Preservation Reser	-	-	-	1,183	1,183
Transfer Station Fees	66,800	-	66,800	71,282	4,482
Sale Fixed Assets	-	-	-	-	-
Insurance Dividend	7,564	-	7,564	9,155	1,591
Dog License/Fees	2,000	-	2,000	1,737	(263)
	<u>594,144</u>	<u>-</u>	<u>594,144</u>	<u>594,584</u>	<u>60,440</u>
Other Financing Sources					
Operating Transfer	1,252,450	-	1,252,450	-	(1,252,450)
Total Revenues	\$ 23,100,942	-	23,100,942	21,884,030	(1,216,912)

(Continued)

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

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TOWN OF BROOKLYN, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND
YEAR ENDING JUNE 30, 2016

EXPENDITURES	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original	Additional Appropriations and Transfers	Final		
	\$	\$	\$	\$	\$
General Government					
Board of Finance	26,400	-	26,400	25,117	1,283
Board of Selectmen	32,501	2,875	35,376	35,376	-
Engineering	24,840	-	24,840	24,840	-
Administration	249,494	19,794	269,288	269,288	-
Treasurer	-	-	-	-	-
Revenue Collector	92,495	2,058	94,553	94,553	-
Assessor	127,872	2,260	130,132	130,132	-
Board of Assessment	400	-	400	271	129
Recording	113,663	3,046	116,709	116,709	-
Elections	33,752	-	33,752	31,997	1,755
Legal	30,000	(18,000)	12,000	11,767	233
Probate	9,332	-	9,332	9,287	45
Town Hall	49,293	2,695	51,988	51,988	-
Central Supplies	66,828	10,692	77,520	77,520	-
Ethics	2,700	-	2,700	1,350	1,350
	<u>859,570</u>	<u>25,420</u>	<u>884,990</u>	<u>880,195</u>	<u>4,795</u>
Public Safety					
Canine Control	24,840	-	24,840	24,840	-
Patrol Services	365,190	(11,872)	353,318	315,186	38,132
Fire Marshall	49,184	7,550	56,734	56,734	-
Fire Facilities	440,365	-	440,365	439,421	944
Emergency Communications	36,648	2,064	38,712	38,712	-
Homeland Security	4,600	-	4,600	1,875	2,725
	<u>920,827</u>	<u>(2,258)</u>	<u>918,569</u>	<u>876,768</u>	<u>41,801</u>
Public Works					
Roads and Drainage	516,366	7,326	523,692	523,692	-
Maintenance and Equipment	99,000	407	99,407	99,407	-
Snow Removal	64,000	-	64,000	54,461	9,539
Garage Maintenance	24,807	-	24,807	23,291	1,516
Resource Recovery	215,788	6,881	222,669	222,669	-
Building Official	66,263	9,797	76,060	76,060	-
	<u>986,224</u>	<u>24,411</u>	<u>1,010,635</u>	<u>999,580</u>	<u>11,055</u>
Human Services					
Health	81,315	-	81,315	81,315	-
Cemeteries	5,000	-	5,000	5,000	-
	<u>86,315</u>	<u>-</u>	<u>86,315</u>	<u>86,315</u>	<u>-</u>

(Continued)

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

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TOWN OF BROOKLYN, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL (BUDGETARY BASIS)
GENERAL FUND
YEAR ENDING JUNE 30, 2016

EXPENDITURES	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original	Additional Appropriations and Transfers	Final		
	\$	\$	\$	\$	\$
EXPENDITURES					
Civic and cultural					
Library	139,641	-	139,641	139,641	-
Transit District	13,662	-	13,662	13,662	-
Special Programs	5,750	-	5,750	4,290	1,460
Recreation	332,178	6,758	338,936	338,936	-
Park Maintenance	115,453	-	115,453	107,703	7,750
Community Center	21,650	-	21,650	20,792	858
Clifford B Green Building	26,406	8	26,414	26,414	-
	<u>654,740</u>	<u>6,766</u>	<u>661,506</u>	<u>651,438</u>	<u>10,068</u>
Development and Planning					
Planning and Zoning	22,424	-	22,424	19,550	2,874
Zoning Board of Appeal	1,000	-	1,000	100	900
Agriculture Commission	2,400	-	2,400	1,552	848
Conservation Commission	2,725	-	2,725	1,290	1,435
Inland and Wetlands Commission	6,220	-	6,220	1,546	4,674
Land Use Admin/Planner	100,030	-	100,030	94,771	5,259
Economic Development Commis	6,500	-	6,500	1,794	4,706
Open Space	8,280	-	8,280	8,280	-
	<u>149,579</u>	<u>-</u>	<u>149,579</u>	<u>128,883</u>	<u>20,696</u>
Sundry					
Contingency	20,000	(20,000)	-	-	-
Fringe Benefits	616,361	(20,000)	596,361	561,607	34,754
Municipal Insurance	127,464	-	127,464	125,664	1,800
Long Term Debt Service	64,079	661	64,740	64,740	-
Short Term Debt Service	1,073,184	(15,000)	1,058,184	1,057,546	638
Capital Equipment	124,578	-	124,578	124,578	-
	<u>2,025,666</u>	<u>(54,339)</u>	<u>1,971,327</u>	<u>1,934,135</u>	<u>37,192</u>
Total General Government	<u>5,682,921</u>	<u>-</u>	<u>5,682,921</u>	<u>5,557,314</u>	<u>125,607</u>
Total Board of Education	<u>17,418,021</u>	<u>-</u>	<u>17,418,021</u>	<u>17,417,870</u>	<u>151</u>
Total Expenditures	<u>23,100,942</u>	<u>-</u>	<u>23,100,942</u>	<u>22,975,184</u>	<u>125,758</u>
Excess (Deficiency) of Revenues Over					
Expenditures - Budgetary Basis	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,091,154)</u>	<u>(1,091,154)</u>
Payments on Behalf of the Town Not Recorded on a Budgetary Basis:					
Revenues from Teachers' Retirement				(286,369)	
Expenditures from Teachers' Retirement				286,369	
Other					
Unrealize loss on Investment				(1,276)	
Excess of Revenues and Other Financing Sources over Expenditures					
and Other Financing Uses - GAAP Basis (Exhibit 4)				(1,092,430)	

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: 1. The Town does not recognize as income or expenditures payments made for the teachers' retirement by the State of Connecticut on the Town's behalf; 2. The Town recognizes encumbrances payable as an expenditure in the year they were committed; 3. Revenues and expenditures from refunding or renewing long-term debt or issuing lease or note financing is included in the budget as the net revenue or expenditure expected; 4. The Town nets the revenue from the State historic preservation grant with the expenditures; and, 5. The Board of Education recognizes insurance proceeds when they are earned, whether or not available.

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

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TOWN OF POMFRET, CONNECTICUT
REQUIRED SUPPLEMENTARY INFORMATION
TOWN PENSION TRUST FUND

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS OR SINCE INCEPTION OF GASB 67/68

	2016
Town Pension Trust Fund	
Total Pension Liability	
Service Cost	\$ 166,748
Interest on Total Pension Liability	386,937
Effect of Plan changes	-
Effect of Economic/Demographic Gains(Losses)	0
Effect of Assumption Changes or Inputs	0
Benefit Payments	(252,302)
Net Change in Plan Fiduciary Net Poaition	301,383
Total Pension Liability, Beginning	5,294,262
Total Pension Liability, Ending	5,595,645
Fiduciary Net Position	
Employer Contributions	295,082
Member Contributions	-
Investment Income Net of Investment Expenses	(9,590)
Benefit Payments	(252,302)
Administrative Exoenses	(15,281)
Other	-
Net Change in Plan Fiduciary Net Position	17,909
Fiduciary Net Position, Beginning	4,048,768
Fiduciary Net Position, Ending	4,066,677
Net pension Liability, Ending	\$ 1,528,968
Fiduciary Net Position as a % of Total Pension Liability	72.68%
Covered Payroll	\$ 2,108,519
Net Pension Liability as a % of Covered Payroll	72.51%

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

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TOWN OF BROOKLYN, CONNECTICUT
REQUIRED SUPPLEMENTARY INFORMATION
ANNUAL MONEY-WEIGHTED RATE OF RETURN
LAST 10 FISCAL YEARS OR SINCE INCEPTION OF GASB 67/68

<u>Fiscal Year</u> <u>Ending</u> <u>June 30</u>	<u>Net</u> <u>Money-Weighted</u> <u>Rate of Return</u>
2016	-0.24%
2015	3.62%
2014	16.70%
2013	N/A
2012	N/A
2011	N/A
2010	N/A
2009	N/A
2008	N/A
2007	N/A

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

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TOWN OF BROOKLYN, CONNECTICUT
REQUIRED SUPPLEMENTARY INFORMATION
LOSAP PENSION TRUST FUND

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS
LAST 10 FISCAL YEARS OR SINCE INCEPTION OF GASB 67/68

	2016
LOSAP Pension Trust Fund	
Total Pension Liability	
Service Cost	\$ -
Interest on Total Pension Liability	36,559
Effect of Plan changes	-
Effect of Economic/Demographic Gains(Losses)	(40,143)
Effect of Assumption Changes or Inputs	56,099
Benefit Payments	(77,843)
Net Change in Plan Fiduciary Net Poaition	(25,328)
Total Pension Liability, Beginning	1,013,462
Total Pension Liability, Ending	988,134
Fiduciary Net Position	
Employer Contributions	80,124
Member Contributions	-
Investment Income Net of Investment Expenses	-
Benefit Payments	(77,843)
Administrative Exoenses	(2,685)
Net Change in Plan Fiduciary Net Position	(404)
Fiduciary Net Position, Beginning	40,037
Fiduciary Net Position, Ending	39,633
Net pension Liability, Ending	\$ 948,501
Fiduciary Net Position as a % of Total Pension Liability	4.01%
Covered Payroll	N/A
Net Pension Liability as a % of Covered Payroll	N/A

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

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TOWN OF BROOKLYN, CONNECTICUT
REQUIRED SUPPLEMENTARY INFORMATION
LOSAP PENSION TRUST FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS
SINCE INCEPTION OF GASB 67/68

	<u>2016</u>	
Actuarily Determined Contribution	\$	<u>79,551</u>
Contributions in Relation to the Actuarily Determined Contribution		<u>80,124</u>
Contribution Deficiency (Excess)	\$	<u><u>(573)</u></u>

Notes to Schedule

Valuation Date Actuarially determined contribution rates are calculated as of July 1, twelve months prior to the beginning of the fiscal year in which the contributions are reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Unit Credit
Amortization Method	Level Dollar
Remaining Amortization Period	19 Year, Closed
Asset Valuation Method	Market Valuation of Assets as of the Valuation Date
Inflation	2.75%
Salary Increases	N/A
Investment Rate of Return	2.75% Compounded Annually
Retirement Age	Age 65
Mortality	Pre-Retirement: None Post-Retirement: RP-2000 Mortality Table

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

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TOWN OF BROOKLYN, CONNECTICUT
REQUIRED SUPPLEMENTARY INFORMATION
LOSAP PENSION TRUST FUND
ANNUAL MONEY-WEIGHTED RATE OF RETURN
LAST 10 FISCAL YEARS OR SINCE INCEPTION OF GASB 67/68

<u>Fiscal Year</u> <u>Ending</u> <u>June 30</u>	<u>Net</u> <u>Money-Weighted</u> <u>Rate of Return</u>
2016	0.00%
2015	0.00%
2014	0.00%
2013	N/A
2012	N/A
2011	N/A
2010	N/A
2009	N/A
2008	N/A
2007	N/A

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

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TOWN OF BROOKLYN, CONNECTICUT
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST EMPLOYMENT BENEFITS TRUST FUND
SCHEDULE OF FUNDING PROGRESS
LAST THREE VALUATIONS

Valuation Date	Actuarial		Unfunded AAL	Funded Ratio	Covered Payroll	AAL/UAAL as a Percentage
	Value of Assets	Accrued Liability (AAL)				of Covered Payroll
7/1/2013	-	\$ 2,374,700	\$ 2,374,700	0.00%	5,538,500	42.88%
7/1/2010	-	3,208,235	3,208,235	0.00%	5,411,142	59.29%
7/1/2008	-	3,215,468	3,215,468	0.00%	5,314,388	60.50%

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

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TOWN OF BROOKLYN, CONNECTICUT
REQUIRED SUPPLEMENTARY INFORMATION
OTHER POST EMPLOYMENT BENEFITS TRUST FUND
SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST SIX FISCAL YEARS

<u>Fiscal Year Ended</u>	<u>Annual Required Contribution</u>	<u>Annual Contribution</u>	<u>Percentage Contributed</u>
6/30/2016	\$ 225,200	\$ 7,000	3.11%
6/30/2015	221,700	11,000	4.96%
6/30/2014	218,400	3,253	1.49%
6/30/2013	321,066	15,840	4.93%
6/30/2012	315,717	12,300	3.90%

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

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TOWN OF BROOKLYN, CONNECTICUT
OTHER SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2016

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TOWN OF BROOKLYN, CONNECTICUT
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
JUNE 30, 2016

	Small Cities Block Grant Fund	Town Aid Road Fund	Special Education Grants Fund	Cafeteria Fund	Recreation Funds	Open Space Land Acquisition Funds	Memorial Scholarship Fund	Total Special Revenue Funds
ASSETS								
Cash and equivalents	\$ 50,799	\$ -	\$ -	\$ 24,232	\$ -	\$ 38,873	\$ -	\$ 113,904
Investments	-	-	-	-	-	55,800	25,769	81,569
Other receivables	-	-	-	-	-	-	-	-
Accounts	-	-	-	-	594	-	-	594
Loans	241,316	-	-	-	-	-	-	241,316
Intergovernmental	-	-	1,000	-	-	-	-	1,000
Due from other funds	-	21,276	193,339	-	37,576	-	-	252,191
Inventories	-	-	-	1,475	-	-	-	1,475
Total Assets	\$ 292,115	\$ 21,276	\$ 194,339	\$ 25,707	\$ 38,170	\$ 94,673	\$ 25,769	\$ 692,049
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES (DEFICITS)								
Liabilities								
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	146,477	13,793	3,000	-	-	500	163,770
Unearned revenues	-	-	24,649	-	-	-	-	24,649
Total Liabilities	-	146,477	38,442	3,000	-	-	500	188,419
Fund balances								
Nonspendable	-	-	-	1,475	-	-	-	1,475
Restricted	277,655	-	155,897	-	-	94,673	25,269	553,494
Committed	-	-	-	-	-	-	-	-
Assigned	-	-	-	21,232	9,053	-	-	30,285
Unassigned	14,460	(125,201)	-	-	29,117	-	-	(81,624)
Total Fund Balances	292,115	(125,201)	155,897	22,707	38,170	94,673	25,269	503,630
Total Liabilities, Deferred Inflows of of Resources and Fund Balances	\$ 292,115	\$ 21,276	\$ 194,339	\$ 25,707	\$ 38,170	\$ 94,673	\$ 25,769	\$ 692,049

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

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TOWN OF BROOKLYN, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUNDS
JUNE 30, 2016

	Small Cities Block Grant Fund	Town Aid Road Fund	Special Education Grants Fund	Cafeteria Fund	Recreation Funds	Open Space Land Acquisition Funds	Memorial Scholarship Fund	Total Special Revenue Funds
REVENUES								
Intergovernmental	\$ -	\$ 242,371	\$ 806,129	\$ 124,011	\$ -	\$ -	\$ -	\$ 1,172,511
Miscellaneous	14,740	-	-	173,978	70,429	9,700	-	268,847
Investment Earnings	12	-	-	-	-	278	154	444
Total Revenues	14,752	242,371	806,129	297,989	70,429	9,978	154	1,441,802
EXPENDITURES								
Public Works	292	412,268	-	-	-	37,253	-	449,813
Civic and Cultural	-	-	-	-	63,035	-	-	63,035
Education	-	-	688,244	302,298	-	-	-	990,542
Total Expenditures	292	412,268	688,244	302,298	63,035	37,253	-	1,503,390
Excess (Deficiency) of Revenues Over Expenditures	14,460	(169,897)	117,885	(4,309)	7,394	(27,275)	154	(61,588)
OTHER FINANCING SOURCES								
Transfers in	-	-	-	-	-	8,280	-	8,280
Net Changes in Fund Balances	14,460	(169,897)	117,885	(4,309)	7,394	(18,995)	154	(53,308)
Fund Balances-Beginning of Year	277,655	44,696	38,012	27,016	30,776	113,668	25,115	556,938
Fund Balances-End of Year	\$ 292,115	\$ (125,201)	\$ 155,897	\$ 22,707	\$ 38,170	\$ 94,673	\$ 25,269	\$ 503,630

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

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TOWN OF BROOKLYN, CONNECTICUT
COMBINING STATEMENT OF NET POSITION
PENSION TRUST FUNDS
JUNE 30, 2016

	Town Pension Trust Fund	LOSAP Pension Trust Fund	Total Pnsion Trust Funds
ASSETS			
Cash and Equivalents	\$ -	\$ 39,633	\$ 39,633
Investments, at Fair Value	4,066,677	-	4,066,677
Total Assets	4,066,677	39,633	4,106,310
LIABILITIES			
Due to Others	-	-	-
NET POSITION			
Held in Trust for Pension Benefits and Other Purposes	\$ 4,066,677	\$ 39,633	\$ 4,106,310

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

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TOWN OF BROOKLYN, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
PENSION TRUST FUNDS
JUNE 30, 2016

	Town Pension Trust Fund	LOSAP Pension Trust Fund	Total Pension Trust Funds
ADDITIONS			
Contributions:			
Employer	\$ 295,082	\$ 80,124	\$ 375,206
Investment Income, net of investment expenses	(9,590)	-	(9,590)
Other Income	-	-	-
Total Additions	<u>285,492</u>	<u>80,124</u>	<u>365,616</u>
DEDUCTIONS			
Pension benefits	252,302	77,843	330,145
Administrative fees	15,281	2,685	17,966
Other	-	-	-
Total Deductions	<u>267,583</u>	<u>80,528</u>	<u>348,111</u>
Change in Net Position	17,909	(404)	17,505
Net Position - Beginning of Year	<u>4,048,768</u>	<u>40,037</u>	<u>4,088,805</u>
Net Position - End of Year	<u>\$ 4,066,677</u>	<u>\$ 39,633</u>	<u>\$ 4,106,310</u>

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

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TOWN OF BROOKLYN, CONNECTICUT
COMBINING STATEMENT OF NET POSITION
AGENCY FUNDS
JUNE 30, 2016

	Balance Beginning	Additions	Deductions	Balance Ending
STUDENT ACTIVITY FUND				
Assets				
Cash and equivalents	\$ 19,633	\$ 160,716	\$ 160,270	\$ 20,079
Investments, at fair value	23,278	70	-	23,348
Due from other funds	<u>15,940</u>	<u>3,000</u>	<u>-</u>	<u>18,940</u>
Total Assets	\$ <u>58,851</u>	\$ <u>163,786</u>	\$ <u>160,270</u>	\$ <u>62,367</u>
Liabilities				
Due to students	\$ <u>58,851</u>	\$ <u>163,786</u>	\$ <u>160,270</u>	\$ <u>62,367</u>

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

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TOWN OF BROOKLYN, CONNECTICUT
SUPPLEMENTARY SCHEDULES
YEAR ENDED JUNE 30, 2016

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TOWN OF BROOKLYN, CONNECTICUT
REPORT OF THE PROPERTY TAX COLLECTOR
YEAR ENDED JUNE 30, 2016

Grand List Year	Beginning Receivable Balance	Current Year Levy	Lawfull Corrections		Net Taxes Collectible	Taxes	Collections During the Year		Total	Transfer to Suspense	Net Ending Receivable Balance
			Additions	Deductions			Interest	Leins			
2014	\$ -	\$ 13,069,438	\$ 11,247	\$ 44,301	\$ 13,036,384	12,857,963	\$ 44,672	\$ 16,985	\$ 12,919,620	\$ -	\$ 178,421
2013	210,154	-	1,366	8,302	203,218	152,042	30,294	7,930	190,267	227	50,949
2012	64,703	-	1,732	6,258	60,177	27,861	12,080	1,469	41,411	76	32,239
2011	42,931	-	-	64	42,867	17,033	5,678	512	18,224	22,910	7,924
2010	8,508	-	-	-	8,508	2,311	1,863	48	4,223	-	6,197
2009	5,444	-	-	-	5,444	2,312	2,277	48	4,637	-	3,132
2008	4,536	-	-	-	4,536	1,406	1,632	48	3,085	-	3,130
2007	3,010	-	-	-	3,010	406	494	-	899	-	2,605
2006	2,529	-	-	-	2,529	-	-	-	-	-	2,529
2005	2,084	-	-	-	2,084	-	-	-	-	-	2,084
2004	3,107	-	-	-	3,107	172	139	-	310	-	2,935
2003	2,597	-	-	-	2,597	-	-	-	-	-	2,597
2002	2,338	-	-	-	2,338	-	-	-	-	-	2,338
2001	2,617	-	-	-	2,617	-	-	-	-	-	2,617
2000	380	-	-	-	380	-	-	-	-	-	380
1999	463	-	-	463	-	-	-	-	-	-	-
	\$ 355,401	\$ 13,069,438	\$ 14,345	\$ 59,388	\$ 13,379,796	\$ 13,056,507	\$ 99,128	\$ 27,041	\$ 13,182,675	\$ 23,213	\$ 300,076

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

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TOWN OF BROOKLYN, CONNECTICUT
STATEMENT OF CHANGES IN FUND BALANCE BY PROJECT
CAPITAL NONRECURRING FUND
YEAR ENDED JUNE 30, 2016

	Beginning Balance	Original Budget Additions	Debt Financed	(Revenues Posted)	(Expenditures Posted)	Additions (Eliminations)	Ending Fund Balance	Eliminating deficits per GASB 54	Reported Fund Balance
Recreation									
Disc golf	\$ 1,902	\$ -	\$ -	\$ -	\$ (1,233)	\$ -	\$ 669	\$ -	\$ 669
2 Way radios	690	-	-	-	-	(690)	-	-	-
Gazebo	311	-	-	-	-	(311)	-	-	-
Lawn equipment upgrade	3,621	-	-	-	-	(3,621)	-	-	-
Exmark mower	4,083	-	-	-	-	(4,083)	-	-	-
Baseball Fields - Riverside Park	(137,652)	-	-	-	(3,760)	-	(141,412)	141,412	-
Master Plan - Prince Hill Park	770	-	-	-	-	(770)	-	-	-
Recreation Veh - 2014/15	46	-	-	-	-	(46)	-	-	-
Field at BMS	-	30,000	-	-	(29,718)	-	282	-	282
Plow Attachment	-	3,000	-	-	(3,000)	-	-	-	-
Sander Attachment	-	5,000	-	-	(4,479)	-	521	-	521
Last Green Valley	-	-	-	500	(558)	-	(58)	58	-
Education									
Technology Needs	-	-	115,768	17,000	(132,766)	(2)	-	-	-
BMS cabinet heater	7,000	-	-	-	-	(7,000)	-	-	-
BMS fuel tank monitor	1,527	-	-	-	-	(1,527)	-	-	-
BMS hot water heater	12,000	-	-	-	-	(12,000)	-	-	-
Computer server	(103)	-	-	-	-	103	-	-	-
Computers - 2014/15	17,242	-	-	-	(17,242)	-	-	-	-
I Mac lab for BES	1,435	-	-	-	-	(1,435)	-	-	-
2 File servers	1,544	-	-	-	-	(1,544)	-	-	-
Tablets	3,742	-	-	-	-	(3,742)	-	-	-
School north wall repair	77,563	-	-	-	-	-	77,563	-	77,563
Asbestos removal	14,592	-	-	-	-	-	14,592	-	14,592
Carpeting	(21,124)	-	-	-	-	21,124	-	-	-
Dri - Vit repair	688	-	-	-	-	(688)	-	-	-
Elementary school chimney	482	-	-	-	-	(482)	-	-	-
Kitchen equipment replacement	3,952	-	-	-	-	-	3,952	-	3,952
Rose Wing Roof - 2014/15	72,500	-	-	-	(6,367)	-	66,133	-	66,133
LoCip - Fire Alarm System - 2013/14	(29,429)	-	-	39,000	(8,751)	-	820	-	820
Fire Alarm system Repairs	(27,000)	-	400,000	-	(321,531)	-	51,469	-	51,469
Security need - 2014/15	10,000	-	-	-	-	-	10,000	-	10,000
Tractor	30	-	-	-	-	-	30	-	30
Total Committed Fund Balance	133,059	122,300	981,768	61,500	(1,207,069)	(29,286)	197,208	209,079	91,558
Unassigned Fund Balance:									
Unassigned/debt transactions	366,832	808,905	2,098,677	(58,601)	(3,634,158)	7,114	(546,067)	(228,079)	(774,146)
Total Fund Balance	\$ 179,587	\$ 931,205	\$ 3,080,445	\$ 277,189	\$ (4,843,427)	7,114	\$ (367,787)	\$ -	\$ (367,787)

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

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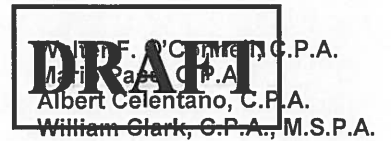
TOWN OF BROOKLYN, CONNECTICUT
INTERNAL CONTROLS AND COMPLIANCE REPORTS
YEAR ENDED JUNE 30, 2016

O'Connell, Pace, & Company, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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SUITE 201
HARTFORD, CT 06105-3063
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Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

The Board of Finance Town of Brooklyn, Connecticut

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Brooklyn, Connecticut ("Town") as of and for the year ended June 30, 2016 and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated March 15, 2017.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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Purpose of This Report

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

Sincerely,

O'Connell, Pace, + Company PC

O'Connell, Pace & Company, P.C.
March 15, 2017

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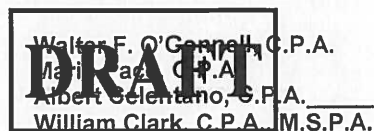
TOWN OF BROOKLYN, CONNECTICUT
STATE SINGLE AUDIT
YEAR ENDED JUNE 30, 2016

O'Connell, Pace, & Company, P.C.

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Independent Auditors' Report on Compliance for Each Major State Program, On Internal Control Over Compliance, and Report on the Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act

The Board of Finance
Town of Brooklyn, Connecticut

Report on Compliance for Each Major State Program

We have audited the Town of Brooklyn's compliance with the types of compliance requirements described in the State of Connecticut, Office of Policy and Management's *Compliance Supplement to the State Single Audit Act* that could have a direct and material effect on each of the Town of Brooklyn's major state programs for the year ended June 30, 2016. The Town of Brooklyn's major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its state programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the Town's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Town's compliance.

Opinion on Each Major State Program

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2016.

Report on Internal Control over Compliance

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

circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

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

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

Purpose of This Report

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

Report on Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We have issued our report thereon dated March 15, 2017, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying Schedule of Expenditures of State Financial Assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 Schedule of Expenditures of State Financial Assistance is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Sincerely,

O'Connell, Pace, + Company PC

O'Connell, Pace & Company, P.C.

March 15, 2017

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TOWN OF BROOKLYN, CONNECTICUT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2016

State Grantor Pass-Through Grantor Program Total	State Grant Program Core-CT Number	Expenditures
Connecticut State Library		
Grants to Public Libraries	11000-CSL66051-17003	\$ 1,088
Historic Document Preservation	12060-CSL66094-35150	3,000
Department of Energy and Environmental Protection		
Gr/Ln Munis Lnd/Prk/Rc/Wtc	12052-DEP43153-40519	74,290
Smll Twn Econ Asstnc Prog (STEAP)	12052-DEP43153-40531	200,000
Department of Transportation		
Town Aid Road Grants Transportation Fund	12052-DOT57131-43455	412,268
Local Transport Capital Pegrm	13033-DOT57121-43584	350
Department of Justice		
Judicial Fines and Fees	34001-JUD95162-40001	5,215
Office of Policy and Management		
Reimburse Towns - Tax Loss on State Property	11000-OPM20600-17004	112,140
Reimburse Property Tax - Disability Exemption	11000-OPM20600-17011	997
Property Tax Relief for Elderly Circuit Breaker	11000-OPM20600-17018	58,440
Property Tax Relief for Elderly Homeowners - Freeze	11000-OPM20600-17021	1,478
Property Tax Relief for Veterans	11000-OPM20600-17024	5,036
Municipal Purposes and Projects	12052-OPM20600-43587	10,379
Office of Early Childhood		
School Readiness and Child Care	11000-OEC64845-12113	113,400
School Readiness - Competitive	11000-OEC64845-17097	3,881
Department of Education		
Child Nutrition State Match	11000-SDE64370-16211	3,529
Health Foods Initiative	11000-SDE64370-16212	7,252
Adult Education	11000-SDE64370-17030	34,645
School Breakfast Program	11000-SDE64370-17046	6,115
Magnet Schools	11000-SDE64370-17057	19,500
High Quality Schools Start-Up	12052-SDE64370-43538	19,700
Other State Financial Assistance		
		60
Total State Financial Assistance before Exempt Programs		<u>1,092,763</u>
EXEMPT PROGRAMS		
Department of Education		
Education Cost Sharing	11000-SDE64000-17041	7,069,947
Public School Transportation	11000-SDE64000-17027	97,532
Special Education - Excess Cost - Student Based	11000-SDE64000-17047	350,657
Office of Policy and Management		
Mashantucket Pequot and Mohegan Fund Grant	12060-OPM20600-17005	228,534
Total Exempt Programs		<u>7,746,670</u>
TOTAL STATE FINANCIAL ASSISTANCE		<u>\$ 8,839,433</u>

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TOWN OF BROOKLYN, CONNECTICUT
NOTES TO THE SCHEDULE OF EXPENDITURES OF
STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2016

1. Summary of Significant Accounting Policies

General

The accompanying Schedule of Expenditures of State Financial Assistance includes state grant activity of the Town of Brooklyn, Connecticut ("Town") under programs of the State of Connecticut for the fiscal year ended June 30, 2016. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut.

The accounting policies of the Town conform to accounting principles generally accepted in the United States of America as applicable to governments.

The information in the Schedule of Expenditures of State Financial Assistance is presented based on regulations established by the State of Connecticut, Office of Policy and Management.

Basis of Accounting

The financial statements for the governmental fund types contained in the Town's basic financial statements are prepared on the modified accrual basis of accounting. The government-wide financial statements are prepared on the full 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 for the current period.
- Expenditures are generally recorded when a liability is incurred, except for debt service expenditures and certain other expenditures when applicable, related to compensated absences, pension obligations, landfill closure costs, claims and judgements, and other post-employment benefits which are recorded only when payment is due (mature).

-
The expenditures reported on the Schedule of Expenditures of State Financial Assistance are reported on the accrual basis of accounting. In accordance with Section 4-236-22 of the regulations of the State Single Audit Act, certain grants are not dependent on expenditure activity, and accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule of Expenditures of State Financial Assistance.

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TOWN OF BROOKLYN, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2016

Section I – Summary of Auditors’ Results:

Financial Statements

Type of auditors’ report issued unmodified

Internal control over financial reporting

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? _____ yes none reported
- Noncompliance material to financial Statements noted _____ yes no

State Financial Assistance

Internal control over major programs

- Material weakness(es) identified? _____ yes no
- Significant deficiency(ies) identified? _____ yes none reported

Type of report issued on compliance for major programs: unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act? _____ yes no

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

State Grantor and Program	State Core-CT Number	Expenditures
Department of Transportation Town Aid Road Grants Transportation Fund	13033-DOT57131-43455	\$412,268
Department of Energy and Environmental Protection Small Town Economic Assistance Program	12052-DEP43153-40531	\$200,000
Dollar threshold used to distinguish Between Type A and Type B programs:		<u>\$200,000</u>

Section II – Financial Statement Findings:

No findings are reported relating to the financial statements.

Section III – State Financial Assistance Findings and Questioned Costs:

No findings or questioned costs are reported relating to State financial assistance programs.

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TOWN OF BROOKLYN, CONNECTICUT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2016

Summary Schedule of the Status of Prior Audit Findings

MW-08-11 – Entity Level Controls

Condition: Internal controls are a coordinated set of policies and procedures that management uses to achieve their objectives and meet their fundamental responsibilities for effectiveness, efficiency, compliance, and financial reporting. The literature recognizes five sections of internal control published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO Report) in Internal Control – Integrated Framework. These five interrelated components include:

- *Control Environment* – A favorable control environment exists when management is knowledgeable about controls (entity wide and specific), is committed to establishing controls, and communicates its support for internal controls to all individuals involved.
- *Risk Assessment* – This involves management’s continual identification and assessment of the potential risks that might prevent management from fulfilling its responsibilities and achieving its objectives.
- *Information and Communication Systems* – These are the systems used to assure that appropriate individuals have timely and accurate information to carry out their responsibilities.
- *Control Activities* – These are management’s responses to the risks identified. These are the specific policies and procedures that are put in place to alert management of undesired actions in a timely manner.
- *Monitoring* – There is a responsibility of management to follow up on the controls that have been put in place to assure that they continue to function and function properly, effectively, and efficiently.

The town of Brooklyn, Connecticut does not have a framework established to deal with each of the interrelated entity level controls over and above the specific control policies and procedures that have been developed.

Current Status: The town of Brooklyn, Connecticut’s Board of Finance has implemented a framework to deal with each of the interrelated entity level controls over and above the specific control policies and procedures that have been developed and has resolved the prior year’s findings.