

Town of Brookfield, Connecticut

Federal and State Financial
and Compliance Report
Year Ended June 30, 2015

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Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133

Independent Auditor's Report

To the Board of Finance
Town of Brookfield, Connecticut

Report on Compliance for Each Major Program

We have audited the Town of Brookfield, Connecticut's (the Town) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on the Town's major federal programs for the year ended June 30, 2015. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of federal findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town's major federal 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 federal 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 federal program. However, our audit does not provide a legal determination of the Town's compliance.

Opinion on Each Major Federal 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 its major federal programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each of its major federal programs to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal 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 federal 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 a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon dated April 20, 2016, 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 basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 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 basic 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 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

RSM US LLP

New Haven, Connecticut
April 20, 2016

Town of Brookfield, Connecticut

**Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015**

Grantor Pass-Through Grantor; Program Title	Grant Number	Federal CFDA Number	Expenditures
U.S. Department of Education			
Passed through the Connecticut Department of Education:			
English Language Acquisition - 7/1/2013-6/30/2015	12060-SDE64370-20868	84.365	\$ 4,665
Title I - Grants to Local Education Agencies - 7/1/14-6/30/16	12060-SDE64370-20679	84.010	79,576
Special Education Cluster:			
IDEA Part B, Section 611 - 7/1/14-6/30/16	12060-SDE64370-20977	84.027	491,808
IDEA Part B, Section 619 - 7/1/14-6/30/16	12060-SDE64370-20983	84.173	19,873
Total Special Education Cluster			511,681
Vocational Education Act - Carl D. Perkins - 7/1/14-6/30/15	12060-SDE64370-20742	84.048	20,778
Improving Teacher Quality State Grants - 2014	12060-SDE64370-20858	84.367	3,218
Total U.S. Department of Education			619,918
U.S. Department of Transportation			
Passed through the Connecticut Department of Transportation:			
Highway Planning and Construction	12062-DOT57171-22108	20.205	25,422
Federal Highway Safety Grants	12062-DOT57513-20559	20.600	3,790
Distracted Driving Enforcement	12062-DOT57513-22394	20.614	6,317
Total U.S. Department of Transportation			35,529
U.S. Department of Agriculture			
Direct:			
National School Lunch Program - USDA Commodities	-	10.555	31,558
Passed through the Connecticut Department of Education:			
National School Lunch Program	12060-SDE64370-20560	10.555	96,720
Total U.S. Department of Agriculture			128,278
U.S. Department of Housing and Urban Development			
Passed through the State of Connecticut Office of Policy and Management:			
Community Development Block Grants/Entitlement Grants	12060-OPM20350-21921	14.218	256,689
U.S. Department of Justice			
Passed through the State of Connecticut Office of Policy and Management:			
Edward Byrne Memorial Justice Assistance Grant Program	12060-OPM20350-21921	16.738	30,260
Total Federal Awards Expended			\$ 1,070,674

See Notes to Schedule of Expenditures of Federal Awards.

Town of Brookfield, Connecticut

**Notes to Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2015**

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of the Town of Brookfield, Connecticut (the Town) under programs of the federal government for the year ended June 30, 2015. The information in the Schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to, and does not, present the financial position, changes in net position, changes in fund balances or changes in cash flows of the Town of Brookfield, Connecticut.

Note 2. Summary of Significant Accounting Principles

Expenditures reported on the Schedule of Expenditures of Federal Awards are reported using the modified accrual basis of accounting for governmental funds and the accrual basis of accounting for proprietary funds. Such expenditures are recognized following the cost principles contained in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*.

Note 3. Other Federal Assistance

The United States Department of Agriculture makes available commodities for donations to schools. An amount of \$31,558 is reflected in the expenditures column in the accompanying schedule of expenditures of federal awards under CFDA. No. 10.555 and represents the market value of such commodities received during the period.

The following is a summary of loan program activity for the year ended June 30, 2015.

U.S. Department of Environmental Protection: Drinking Water Program (DWSRF No. 2010-8001):

Issue Date	Interest Rate	Original Amount	July 1, 2014	Advances	Repayments	June 30, 2015
2/24/2010	2.06%	\$ 827,361	\$ 681,381	\$ -	\$ 681,381	\$ -

No other federal assistance was received in the form of loan guarantees or insurance.

Town of Brookfield, Connecticut

**Schedule of Federal Findings and Questioned Costs
For the Year Ended June 30, 2015**

I. Summary of Auditor's Results

Financial Statements

Type of auditor's 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

Federal Awards

Internal control over major programs:

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

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with OMB Circular A-133, Section 510(a)? Yes No

Identification of Major Programs

CFDA Numbers	Program Name or Cluster
84.027/84.173	Special Education Cluster (IDEA)
14.218	Community Development Block Grants/Entitlement Grants

Dollar threshold used to distinguish between type A and type B programs \$300,000

- Auditee qualified as low-risk auditee? Yes No

Town of Brookfield, Connecticut

**Schedule of Federal Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2015**

II. Financial Statement Findings

Finding 2015-001 Significant Deficiency in Internal Control Over Financial Reporting

Criteria:

The accounting records and financial statements are the responsibility of management and, accordingly, the Town should have internal control over financial reporting that provides reasonable assurance that the accounting records can be relied upon and used to prepare the basic financial statements and related notes to the basic financial statements, in conformity with accounting principles generally accepted in the United States of America (GAAP).

Condition:

The Town's internal control over financial reporting does not provide reasonable assurance that the basic financial statements are prepared in conformity with GAAP. Specifically, we noted the following conditions in internal control:

- There are no formal monthly, quarterly or annual close-out procedures to ensure that accounts are reconciled and properly balanced periodically throughout the year and at year-end.
- Governmental Accounting Standards Board (GASB) Statement No. 34 conversion entries are not prepared by Town or Board of Education personnel.
- Bank reconciliations are not prepared on a timely basis.
- Audit adjustments are made subsequent to trial balances being presented for audit.

These conditions resulted in delays in financial reporting. The Town's internal control over financial reporting did not provide reasonable assurance that the basic financial statements were prepared in conformity with GAAP.

Effect:

It is unlikely that the Town would be able to prevent, or detect and correct, a potential material misstatement in the basic financial statements.

Cause:

The significant deficiency over financial reporting is caused by the lack of formal procedures for the monthly and year-end closing process.

Town of Brookfield, Connecticut

**Schedule of Federal Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2015**

Auditors' Recommendation:

We recommend that the Town develop and implement a comprehensive plan to overhaul its current system of internal control over financial reporting. Specifically, we recommend that the following matters be addressed by the plan:

- The development of monthly close-out procedures to ensure that all accounts are reconciled and properly balanced and recorded each month. The procedures should contain specific areas to be addressed and should assign specific staff members to those areas.
- Consideration of bringing the Town and the Board of Education under one general ledger system to make reconciling on a monthly basis more efficient.

Management Response:

The Town intends to take appropriate action in an attempt to remedy this deficiency in the future.

III. Federal Award Findings and Questioned Costs

CF2015-001 Federal Reporting Package

Criteria:

In order to comply with federal guidelines, the Town needs to file its Federal Reporting Package within nine months of year-end or thirty days after issuance.

Condition:

The Town did not file the 2014 federal reporting package with the Federal Audit Clearinghouse within federal guidelines.

Context:

The federal reporting package was not filed within federal guidelines, which resulted in noncompliance with OMB Circular A-133.

Effect:

The Town was not in compliance with federal guidelines, which could cause a reduction or loss in funding from federal grantors.

Cause:

The annual filing was not prepared timely.

Auditors' Recommendation:

The federal reporting package should be filed within OMB-133 guidelines.

Town of Brookfield, Connecticut

**Summary of Prior Year Audit Findings
For the Year Ended June 30, 2015**

Finding 2014-1: The finding relating to the Brookfield Public Schools over payments of reimbursements and employee benefits has been corrected and not repeated in the current year.



RSM US LLP

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 Auditor's Report

To the Board of Finance
Town of Brookfield, Connecticut

We have audited, in accordance with the 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, 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, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated April 20, 2016. Our report includes an emphasis of a matter paragraph because of the adoption of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions, and its amendment, GASB Statement No. 71*.

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies that we consider to be material weaknesses. We did identify a certain deficiency in internal control, described in the accompanying schedule of findings and question costs that we consider to be a significant deficiency (2015-001).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as finding CF2015-001.

Town of Brookfield, Connecticut's Response to Findings

The Town's responses to the findings identified in our audit are described in the accompanying schedule of federal findings and questioned costs. The Town's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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

RSM US LLP

New Haven, Connecticut
April 20, 2016



RSM US LLP

Report on Compliance for Each Major State Program; Report on Internal Control Over Compliance; and Report on Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act

Independent Auditor's Report

To The Board of Finance
Town of Brookfield, Connecticut

Report on Compliance for Each Major Program

We have audited the compliance by the Town of Brookfield, Connecticut (the Town), with the types of compliance requirements described in the State of Connecticut, Office of Policy and Management *Compliance Supplement* to the State Single Audit Act that could have a direct and material effect on each of the Town's major state programs for the year ended June 30, 2015. The Town's major state programs are identified in the summary of auditor's results section of the accompanying schedule of state single audit 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.

Auditor's 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 Major State Program

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2015.

Report on Internal Control Over Compliance

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon dated April 20, 2016, 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 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 basic 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 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 schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

RSM US LLP

New Haven, Connecticut
April 20, 2016

Town of Brookfield, Connecticut

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

State Grantor/Pass-Through Grantor/Program Title	State Grant Program Core-CT Number	Expenditures
Nonexempt Programs		
Office of Policy and Management		
Direct:		
Local Capital Improvement Program	12050-OPM20600-40254	\$ 269,652
Property Tax Relief for Elderly and Totally Disabled Homeowners	11000-OPM20600-17018	93,610
Payment in Lieu of Taxes on State-Owned Property	11000-OPM20600-17004	30,459
Property Tax Relief for Veterans	11000-OPM20600-17024	9,428
Property Tax Relief for Totally Disabled	11000-OPM20600-17011	1,419
Municipal Reimbursement & Revenue Account	13046-OPM20600-35525	23,355
Total Office of Policy and Management		<u>427,923</u>
Department of Education		
Direct:		
Magnet School Transportation	11000-SDE64370-17057	27,000
Healthy Foods Initiative	11000-SDE64370-16212	12,334
Child Nutrition State Matching Grant	11000-SDE64000-16211	6,011
Adult Education	11000-SDE64000-17030	3,620
Health Services	11000-SDE64000-17034	7,203
Dev of Mstry Exams Gr 4, 6, & 8	11000-SDE64370-12171	9,900
Assessment Reduction Grant	11000-SDE64000-12171	7,470
Common Core	11000-SDE64370-12566	3,760
CCS Professional Learning Mini Grants	11000-SDE64000-12566	504
Total Department of Education		<u>77,802</u>
Department of Justice		
Direct:		
Judicial Fines and Fees	34001-JUD95162-40001	15,955
Connecticut State Library		
Direct:		
Connecticard	11000-CSL66051-17010	1,964
Grants to Public Libraries	11000-CSL66051-17003	1,158
Total Connecticut State Library		<u>3,122</u>
Department of Public Safety		
Direct:		
School Security Infrastructure	12052-DPS32183-43546	111,802
State Assets Forfeiture Revolving Fund - 2014	12060-DPS32155-35142	1,785
Total Department of Public Safety		<u>113,587</u>
Department of Public Health		
Direct:		
Children's Health Initiative	11000-DPH48766-12126	2,893
Department of Transportation		
Direct:		
Town Aid Road Grants	13033-DOT57131-43459	193,000

(Continued)

Town of Brookfield, Connecticut

Schedule of Expenditures of State Financial Assistance (Continued)
For the Year Ended June 30, 2015

State Grantor/Pass-Through Grantor/Program Title	State Grant Program Core-CT Number	Expenditures
Nonexempt Programs (Continued)		
Department of Economic and Community Development		
Direct:		
STEAP	12052-ECD46000-42411-149	\$ 122,898
Historic Document Preservation	12060-ECD46840-90455	5,000
Urban Action Bonds	13019-ECD46000-41236-093	750,000
Total Department of Economic and Community Development		<u>877,898</u>
Total State Financial Assistance Before Exempt Programs		<u>1,712,180</u>
Exempt Programs		
Department of Education		
Direct:		
Education Equalization Grants	11000-SDE64370-17041	1,430,333
Excess Cost - Student Based	11000-SDE64370-17047	819,522
Transportation of School Children - Public	11000-SDE64370-17027	8,106
Transportation of School Children - Non-Public	11000-SDE64370-17049	3,544
Total Department of Education		<u>2,261,505</u>
Department of Administrative Services		
Direct:		
Commitments for School Construction - Principal	13010-DAS27636-40901	288,488
Commitments for School Construction - Interest	13009-DAS27636-40896	6,769
Total Department of Administrative Services		<u>295,257</u>
Office of Policy and Management		
Direct:		
Municipal Revenue Sharing	12060-OPM20600-35458	23,355
Mashantucket Pequot Grant	12009-OPM20600-17005	24,761
Total Office of Policy and Management		<u>48,116</u>
Total Exempt Programs		<u>2,604,878</u>
Total State Financial Assistance		<u>\$ 4,317,058</u>

See Notes to Schedule of Expenditures of State Financial Assistance.

Town of Brookfield, Connecticut

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

Note 1. Basis of Presentation

The accompanying schedule of expenditures of state financial assistance (the Schedule) includes the state grant activity of the Town of Brookfield, Connecticut (the Town), under programs of the State of Connecticut for the year ended June 30, 2015. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs including public safety, public works, and education.

Note 2. Summary of Significant Accounting Policies

The accounting policies of the Town conform to accounting principles generally accepted in the United States of America as applicable to governmental organizations. The following is a summary of the more significant policies relating to the aforementioned grant programs.

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

Basis of accounting: The expenditures reported on the Schedule are reported on the modified accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations to 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.

Note 3. Loan Programs

In accordance with Section 4-236-23(a)(4)(F) of the Regulations to the State Single Audit Act, the notes to the schedule of expenditures of state financial assistance shall include loans and loan activities. The following is a summary of the loan program activity for the year ended June 30, 2015.

Department of Energy and Environmental Protection: Clean Water Funds (6865-3100-888):

<u>Issue Date</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>July 1, 2014</u>	<u>Advances</u>	<u>Repayments</u>	<u>June 30, 2015</u>
12/30/10	2.00%	\$ 3,747,082	\$ 3,083,500	\$ -	\$ 165,194	\$ 2,918,306

Town of Brookfield, Connecticut

**Schedule of State Single Audit Findings and Questioned Costs
For the Year Ended June 30, 2015**

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified.

Internal control over financial reporting:

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

State Financial Assistance

Internal control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency(ies) identified? _____ Yes X None reported

Type of auditor's 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 X No

The following schedule reflects the major programs included in the State Single Audit:

State Grantor/Program	State Grant Program Core-CT Number	Expenditures
Office of Policy and Management		
Local Capital Improvement Program	12050-OPM20600-40254	\$ 269,652
Department of Economic and Community Development		
STEAP	12052-ECD46000-42411-149	122,898
Urban Action Bonds	13019-ECD46000-41236-093	750,000
• Dollar threshold used to distinguish between type A and type B programs		<u>\$ 200,000</u>

II. Financial Statement Findings

Refer to financial statement finding 2015-001 on page 6 of the accompanying Schedule of Federal Findings and Questioned Costs.

III. State Financial Assistance Findings and Questioned Costs

No findings or questioned costs are reported.

Town of Brookfield, Connecticut

**Summary of Prior Year Audit Findings
For the Year Ended June 30, 2015**

Finding 2014-1: The finding relating to the Brookfield Public Schools over payments of reimbursements and employee benefits has been corrected and not repeated in the current year.