

Town of Brookfield, Connecticut

Federal and State Financial and
Compliance Report
Year Ended June 30, 2014

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Report on Compliance for the 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 program for the year ended June 30, 2014. The Town's major federal program is 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 the Town's major federal program 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 the 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 program for the year ended June 30, 2014.

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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon dated May 21, 2015, 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.

McGladrey LLP

New Haven, Connecticut
May 21, 2015

Town of Brookfield, Connecticut

Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 2014

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 - 2013	12060-SDE64370-20868	84.365	\$ 7,068
English Language Acquisition - 2014	12060-SDE64370-20868	84.365	6,485
			<u>13,553</u>
Title I - Grants to Local Education Agencies - 2014	12060-SDE64370-20679	84.010	<u>88,701</u>
Special Education Cluster:			
IDEA Part B, Section 611 - 6012 - 2014	12060-SDE64370-20977	84.027	476,016
IDEA Part B, Section 619 - 2014	12060-SDE64370-20983	84.173	19,892
Total Special Education Cluster			<u>495,908</u>
Vocational Education Act - Carl D. Perkins - 2013	12060-SDE64370-20742	84.048	24,196
Vocational Education Act - Carl D. Perkins - 2014	12060-SDE64370-20742	84.048	46,365
			<u>70,561</u>
Improving Teacher Quality State Grants - 2014	12060-SDE64370-20858	84.367	<u>35,773</u>
Total U.S. Department of Education			<u>704,496</u>
U.S. Department of Transportation			
Passed through the Connecticut Department of Transportation:			
Highway Planning and Construction	12062-DOT57171-22108	20.205	3,700
Distracted Driving Enforcement	12062-DOT57513-22394	20.614	4,250
Total U.S. Department of Transportation			<u>7,950</u>
U.S. Department of Agriculture			
Direct:			
National School Lunch Program - USDA Commodities	-	10.555	<u>42,318</u>
Passed through the State of Connecticut Department of Environmental Protection:			
Cooperative Forestry Assistance	12060-DEP44165-22052	10.664	<u>1,735</u>
Passed through the Connecticut Department of Education:			
National School Lunch Program	12060-SDE64370-20560	10.555	<u>99,901</u>
Total U.S. Department of Agriculture			<u>143,954</u>
U.S. Department of Justice			
Passed through the State of Connecticut Office of Policy & Management:			
Edward Byrne Memorial Justice Assistance Grant Program	12060-OPM20350-21921	16.738	<u>10,106</u>
Passed through the State of Connecticut Department of Emergency Services and Public Protection:			
Edward Byrne Memorial Justice Assistance Grant Program	12060-DPS32523-90630	16.738	6,000
Edward Byrne Memorial Justice Assistance Grant Program	12060-DPS32523-26185	16.738	18,000
Edward Byrne Memorial Justice Assistance Grant Program	12060-DPS32523-26230	16.738	1,500
Total U.S. Department of Justice			<u>35,606</u>
Total Federal Awards Expended			<u>\$ 892,006</u>

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, 2014**

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, 2014. 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 \$42,318 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, 2014.

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

Issue Date	Interest Rate	Original Amount	July 1, 2013	Advances	Repayments	June 30, 2014
2/24/2010	2.06%	\$ 827,361	\$ 716,972	\$ -	\$ -	\$ 716,972

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, 2014

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 Circular A-133, Section 510(a)? Yes No

Identification of Major Programs

CFDA Numbers	Program Name or Cluster
84.027/84.173	Special Education Grant Cluster

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

- Auditee qualified as low-risk auditee? Yes No

II. Financial Statement Findings

Finding 2014-001 Material Weakness in Internal Control Over Financial Reporting

Criteria

While performing procedures related to the employee reimbursement and certain vendor transactions at the Board of Education, it was noted that the Board of Education could not locate supporting documentation for several reimbursement submissions or for certain vendor transactions. Proper internal control procedures require that all supporting documentation for all expenses be maintained. In addition, all amounts should be reviewed and approved by an independent person, to maintain proper segregation of duties in order to prevent fraud or misappropriations of assets.

Town of Brookfield, Connecticut

**Schedule of Federal Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2014**

Condition

The Board of Education's internal control over financial reporting does not provide reasonable assurance that the basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. Specifically, we noted the following conditions in internal control:

- One employee was being reimbursed for certain non-payroll related benefits under a separate employee agreement. This agreement was not approved by the Board of Education.
- A former employee was reimbursed for three tablets that were purchased. Upon discussion with the IT department, there was no documentation of the Board of Education taking possession of these items.
- A Student Activity account reimbursed two employees for related expenses; however the Board of Education could not locate the supporting documentation for these transactions.
- The Board of Education used credit cards for purchases. There were items charged to the credit card in which the Board of Education could not provide sufficient supporting documentation.
- The Board of Education did not maintain proper segregation of duties over the cash disbursement process.

Effect

The Board of Education could be paying vendors and reimbursing employees for expenses that are not valid expenses. The lack of controls could lead to and in fact, found to be the cause of misappropriation of assets and fraud.

Cause

The material weakness over financial reporting is caused by improper review and approval procedures and lack of proper segregation of duties over employee reimbursement request procedures and vendor invoices, which include credit card reimbursements. The Board of Education did not have proper segregation of duties to prevent the misappropriation of assets.

Auditors' Recommendation

We recommend that the Board of Education develop proper policies and procedures in regards to employee reimbursement requests and the vendor payment process, and that a second independent approval process be implemented. In addition, when reimbursing an employee for items that are capital in nature, that the items be recorded on the capital assets or proper inventory listing.

Management Response

The BOE takes all the audit findings very seriously. The BOE will make every effort to correct the material weakness findings ASAP. The BOE will continue to monitor and improve internal controls in these and other areas.

Town of Brookfield, Connecticut

**Schedule of Federal Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2014**

Finding 2014-002 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.

Condition

The Town's internal control over financial reporting does not provide reasonable assurance that the basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. 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 done on a timely basis.

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 accounting principles generally accepted in the United States of America.

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 in the monthly and year-end closing process.

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.

Town of Brookfield, Connecticut

**Schedule of Federal Findings and Questioned Costs (Continued)
For the Year Ended June 30, 2014**

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

No findings or questioned costs are reported.

Town of Brookfield, Connecticut

**Summary of Prior Year Audit Findings
For the Year Ended June 30, 2014**

Finding 2013-1 – Financial Reporting - has been corrected and not repeated in the current year.

Finding 2013-2 – Payroll Tax Compliance - has been corrected and not repeated in the current year.

Finding 2013-3 – Budgetary Compliance - has been corrected and not repeated in the current year.



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, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated May 21, 2015.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Brookfield, Connecticut'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Brookfield, Connecticut's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Brookfield, Connecticut's internal control.

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a material weakness (IC 2014-001).

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and questioned costs to be a significant deficiency (IC 2014-002).

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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.

McGladrey LLP

New Haven, Connecticut
May 21, 2015



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, 2014. 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 program.

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, 2014.

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 program 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, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon dated May 21, 2015, 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.

McGladrey LLP

New Haven, Connecticut
May 21, 2015

Town of Brookfield, Connecticut

Schedule of Expenditures of State Financial Assistance
For the Year Ended June 30, 2014

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	\$ 126,546
Property Tax Relief for Elderly and Totally Disabled Homeowners	11000-OPM20600-17018	100,102
Payment in Lieu of Taxes on State-Owned Property	11000-OPM20600-17004	27,360
Property Tax Relief for Veterans	11000-OPM20600-17024	8,613
Property Tax Relief for the Totally Disabled	11000-OPM20600-17011	1,522
Municipal Grants in Aid	12052-OPM20600-43587	111,243
Total Office of Policy and Management		<u>375,386</u>
Department of Education		
Direct:		
Magnet School Transportation	11000-SDE64370-17057	55,900
Healthy Foods Initiative	11000-SDE64370-16212	13,687
Child Nutrition State Matching Grant	11000-SDE64370-16211	6,687
Adult Education	11000-SDE64370-17030	3,522
Health Services	11000-SDE64370-17034	6,925
Total Department of Education		<u>86,721</u>
Department of Justice		
Direct:		
Judicial Fines and Fees	34001-JUD95162-40001	11,665
Sandy Hook Elementary School	12060-JUD95810-22631	1,270
Total Department of Justice		<u>12,935</u>
Connecticut State Library		
Direct:		
Historic Document Preservation Grant	12060-CSL66094-35150	4,000
Connecticard	11000-CSL66051-17010	1,925
Grants to Public Libraries	11000-CSL66051-17003	1,208
Total Connecticut State Library		<u>7,133</u>
Department of Public Safety		
Direct:		
State Assets Forfeiture Revolving Fund - 2013	12060-DPS32155-35142	2,004
State Assets Forfeiture Revolving Fund - 2014	12060-DPS32155-35142	2,039
Total Department of Public Safety		<u>4,043</u>
Department of Public Health		
Direct:		
Children's Health Initiative	11000-DPH48766-12126	2,500
Department of Energy and Environmental Protection		
Direct:		
PEGPETIA Grant	12060-DEP44624-35363	68,467
Department of Transportation		
Direct:		
Town Aid Road Grants	13033-DOT57131-43459	153,625

(Continued)

Town of Brookfield, Connecticut

**Schedule of Expenditures of State Financial Assistance (continued)
For the Year Ended June 30, 2014**

State Grantor/Pass-Through Grantor/Program Title	State Grant Program Core-CT Number	Expenditures
Nonexempt Programs (continued)		
Department of Housing		
Direct:		
Incentive Housing Zone Program	12052-DOH46911-43529	\$ 19,683
Department of Economic and Community Development		
Direct:		
Historic Document Preservation	12060-ECD46840-90455	4,750
Total State Financial Assistance Before Exempt Programs		<u>735,243</u>
Exempt Programs		
Department of Education		
Direct:		
Education Equalization Grants	11000-SDE64370-17041	\$ 1,615,266
Excess Cost - Student Based	11000-SDE64370-17047	997,842
Transportation of School Children - Public	11000-SDE64370-17027	29,550
Transportation of School Children - Non-Public	11000-SDE64370-17049	2,652
Total Department of Education		<u>2,645,310</u>
Department of Administrative Services		
Direct:		
Commitments for School Construction - Principal	13010-DAS27636-40901	430,113
Commitments for School Construction - Interest	13009-DAS27636-40896	10,154
Total Department of Administrative Services		<u>440,267</u>
Office of Policy and Management		
Direct:		
Municipal Revenue Sharing	12060-OPM20600-35458	104,806
Mashantucket Pequot Grant	12009-OPM20600-17005	22,495
Municipal Video Competition	12060-OPM20600-35362	4,634
Total Office of Policy and Management		<u>131,935</u>
Total Exempt Programs		<u>3,217,512</u>
Total State Financial Assistance		<u>\$ 3,952,755</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, 2014**

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, 2014. 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. 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 fund balance, and changes in net position or cash flows of the Town.

Note 2. Summary of Significant Accounting Policies

The accounting policies of the Town of Brookfield, Connecticut 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, 2014.

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

Issue Date	Interest Rate	Original Amount	July 1, 2013	Advances	Repayments	June 30, 2014
2/29/94	2.00%	\$ 2,096,973	\$ 10,987	\$ -	\$ 10,987	\$ -
12/30/10	2.00%	\$ 3,747,082	\$ 3,245,425	\$ -	\$ 161,925	\$ 3,083,500

Town of Brookfield, Connecticut

**Schedule of State Single Audit Findings and Questioned Costs
For the Year Ended June 30, 2014**

I. Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified.

Internal control over financial reporting:

- Material weakness(es) identified? X Yes 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		
Municipal Grants-In-Aid	12052-OPM20600-43587	\$ 111,243
Local Capital Improvement Program	12050-OPM20600-40254	126,546
Department of Transportation		
Town Aid Road Grants	13033-DOT57131-43459	\$ 153,625
<ul style="list-style-type: none"> • Dollar threshold used to distinguish between type A and type B programs 		<u>\$ 200,000</u>

II. Financial Statement Findings

Refer to financial statement findings IC2014-001 and IC2014-002 on pages 5 through 8 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, 2014**

Finding 2013-1 – Financial Reporting- has been corrected and not repeated in the current year.

Finding 2013-2 – Payroll Tax Compliance - has been corrected and not repeated in the current year.

Finding 2013-3 – Budgetary Compliance - has been corrected and not repeated in the current year.