

**PRELIMINARY OFFICIAL STATEMENT DATED JULY 14, 2021**

**NEW MONEY ISSUE**

**S&P GLOBAL RATINGS: AA-  
(see "Rating" herein)**

*In the opinion of Bond Counsel, assuming the accuracy of and continuing compliance by the Town with its representations and covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), based on existing law, interest on the Bonds is excludable from gross income for federal income tax purposes and is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax. Interest on the Bonds may be includable in the calculation of certain taxes under the Code, as described under Appendix B, "Form of Legal Opinion of Bond Counsel and Tax Exemption" herein. In the opinion of Bond Counsel, under existing statutes, interest on the Bonds is excluded from taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.*

**TOWN OF BROOKLYN, CONNECTICUT  
\$5,990,000 GENERAL OBLIGATION BONDS, ISSUE OF 2021  
(BANK QUALIFIED)**

**Dated: Date of Delivery**

**Due: August 1, as shown below**

**MATURITY SCHEDULE**

<b>Maturity</b>	<b>Amount</b>	<b>Coupon</b>	<b>Yield</b>	<b>CUSIP<sup>1</sup></b>	<b>Maturity</b>	<b>Amount</b>	<b>Coupon</b>	<b>Yield</b>	<b>CUSIP<sup>1</sup></b>
2022	\$300,000			114007---	2032	\$300,000			114007---
2023	300,000			114007---	2033	300,000			114007---
2024	300,000			114007---	2034	300,000			114007---
2025	300,000			114007---	2035	300,000			114007---
2026	300,000			114007---	2036	300,000			114007---
2027	300,000			114007---	2037	300,000			114007---
2028	300,000			114007---	2038	300,000			114007---
2029	300,000			114007---	2039	300,000			114007---
2030	300,000			114007---	2040	295,000			114007---
2031	300,000			114007---	2041	295,000			114007---

**Electronic proposals via PARITY® for the Bonds will be received until 12:00 Noon (Eastern Time) on Wednesday, July 21, 2021 at Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443 as described in the Notice of Sale. See Appendix D herein.**

Interest on the Bonds will be payable February 1, 2022 and semiannually thereafter on August 1 and February 1 in each year until maturity.

The Bonds are subject to optional redemption prior to maturity as more fully described herein. See "Optional Redemption" herein.

The Bonds will be issued by means of a book-entry-only system and registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository for the Bonds. Purchasers of the Bonds will not receive certificates representing their ownership in the Bonds. Principal of, redemption premium, if any, and interest on the Bonds will be payable by the Town or its agent to DTC or its nominee as registered owners of the Bonds. Ownership of the Bonds may be in principal amounts of \$5,000 or integral multiples thereof. See "Book-Entry-Only Transfer System" herein.

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

U.S. Bank National Association, Global Corporate Trust, CityPlace I, 185 Asylum Street, 27<sup>th</sup> Floor, Hartford, Connecticut will certify the Bonds and act as Registrar, Transfer Agent, and Paying Agent on the Bonds.

The Bonds are offered for delivery when, as and if issued, subject to the final approving opinion of Shipman & Goodwin LLP, Bond Counsel, of Hartford, Connecticut. It is expected that delivery of the Bonds will be made in book-entry-only form to DTC in New York, New York on or about August 5, 2021.

***This cover page contains certain information for quick reference only. It is NOT a summary of this issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.***

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

This Preliminary Official Statement and the information contained herein are subject to completion and amendment without notice. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell, or a solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which said offer, solicitation or sale would be unlawful prior to registration or qualification under the laws of any such jurisdiction.

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

The Official Statement has been prepared only in connection with the initial offering and sale of the Bonds and may not be reproduced or used in whole or in part for any other purpose.

The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date of this Official Statement.

Other than as to matters expressly set forth in Appendix A – “Audited Financial Statements” herein, the independent auditors for the Town are not passing on and do not assume any responsibility for the accuracy or adequacy of the statements made in this Official Statement and make no representation that they have independently verified the same.

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

The Town deems this Official Statement to be “final” as of its date for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1).

The Municipal Advisor (as defined herein) to the Town has provided the following sentence for inclusion in this Official Statement. The Municipal Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the Town and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Municipal Advisor does not guarantee the accuracy or completeness of such information.

This Official Statement may include “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Without limiting the foregoing, the words “may,” “believe,” “could,” “might,” “possible,” “potential,” “project,” “will,” “should,” “expect,” “intend,” “plan,” “predict,” “anticipate,” “estimate,” “approximate,” “contemplate,” “continue,” “target,” “goal” and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain these words. All forward-looking statements included in this Official Statement are based on information available to the Town up to the date as of which such statements are to be made, or otherwise up to, and including, the date of this document, and the Town assumes no obligation to update any such forward-looking statements to reflect events or circumstances that arise after the date hereof or after the date of any report containing such forward-looking statement, as applicable. Actual results could differ materially from those anticipated in these forward-looking statements as a result of certain important factors, including, but not limited to (i) the effect of and from, future municipal, state and federal budgetary matters, including state and federal grants and other forms of financial aid to the Town; (ii) federal tax policy, including the deductibility of state and local taxes for federal tax purposes; (iii) macroeconomic economic and business developments, both for the country as a whole and particularly affecting the Town; (iv) financial services industry developments; (v) litigation or arbitration; (vi) climate and weather related developments, natural disasters and other acts of God; (vii) factors used in estimating future obligations of the Town; (viii) the effects of epidemics and pandemics, including economic effects; and (ix) other factors contained in this Official Statement.

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## BOND ISSUE SUMMARY

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

<b>Date of Sale:</b>	<b><u>Wednesday, July 21, 2021, 12:00 Noon (Eastern Time).</u></b>
<b>Location of Sale:</b>	Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443.
<b>Issuer:</b>	Town of Brooklyn, Connecticut (the “Town”).
<b>Issue:</b>	\$5,990,000 General Obligation Bonds, Issue of 2021 (the “Bonds”).
<b>Dated Date:</b>	Date of Delivery.
<b>Interest Due:</b>	Semiannually on February 1 and August 1 in each year until maturity, commencing February 1, 2022.
<b>Principal Due:</b>	Annually on August 1 as shown on the cover page of this Official Statement.
<b>Purpose and Authority:</b>	The proceeds of the Bonds along with other monies, will be used to refund the \$6,144,250 Bond Anticipation Notes maturing August 5, 2021 which were used to finance various capital projects as authorized by the voters of the Town, as described in “Use of Bond Proceeds” herein. See “Authorization and Purpose” herein also.
<b>Redemption:</b>	The Bonds <b>are</b> subject to optional redemption prior to maturity as more fully described herein. See “Optional Redemption” herein.
<b>Security:</b>	The Bonds will be general obligations of the Town of Brooklyn, Connecticut and the Town will pledge its full faith and credit to the payment of principal of and interest on the Bonds when due.
<b>Credit Rating:</b>	The Town received a credit rating of “AA-” with a stable outlook from S&P Global Ratings (“S&P”) on the Bonds. See “Rating” herein.
<b>Bond Insurance:</b>	The Town does not expect to direct purchase a credit enhancement facility.
<b>Basis of Award:</b>	Lowest True Interest Cost (“TIC”), as of dated date.
<b>Tax Exemption:</b>	Refer to Appendix B, “Form of Legal Opinion of Bond Counsel and Tax Exemption” herein.
<b>Bank Qualification:</b>	The Bonds <b>shall</b> be designated as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense incurred to carry the Bonds.
<b>Continuing Disclosure:</b>	In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided (i) annual financial information and operating data, (ii) timely, but not in excess of ten (10) business days after the occurrence of the event, notices of the occurrence of certain events and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement, with respect to the Bonds pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the form of Appendix C to this Official Statement.
<b>Registrar, Transfer Agent, Certifying Agent and Paying Agent:</b>	U.S. Bank National Association, Global Corporate Trust, CityPlace I, 185 Asylum Street, 27 <sup>th</sup> Floor, Hartford, Connecticut 06013.
<b>Legal Opinion:</b>	Shipman & Goodwin LLP of Hartford, Connecticut will act as Bond Counsel.
<b>Delivery and Payment:</b>	It is expected that delivery of the Bonds in book-entry-only form will be made to The Depository Trust Company on or about August 5, 2021 against payment in <b>Federal Funds</b> .
<b>Issuer Official:</b>	Questions concerning the Official Statement should be directed to Rick Ives, First Selectman, Town of Brooklyn, 4 Wolf Den Road, Brooklyn, Connecticut 06234. Telephone: 860-779-3411.
<b>Municipal Advisor:</b>	Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, attention: Susan Caron, Vice President, Telephone: 860-290-3000.

The Preliminary Official Statement is available in electronic form only at [www.i-dealpropectus.com](http://www.i-dealpropectus.com) and [munistat.com](http://munistat.com). For additional information please contact the Municipal advisor at [susan.caron@munistat.com](mailto:susan.caron@munistat.com) or [mark.chapman@munistat.com](mailto:mark.chapman@munistat.com)

## I. SECURITIES OFFERED

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### INTRODUCTION

This Official Statement, including the cover page and appendices, is provided for the purpose of presenting certain information relating to the Town of Brooklyn, Connecticut (the “Town”) in connection with the sale and issuance of \$5,990,000 General Obligation Bonds, Issue of 2021 (the “Bonds”) of the Town.

The Bonds are being offered for sale at public bidding. A Notice of Sale dated July 14, 2021 has been furnished to prospective bidders. Reference is made to the Notice of Sale (see Appendix D herein) for the terms and conditions of the bidding on the Bonds.

This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any such opinion or estimate will be realized. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date hereof. All quotations from and summaries and explanations of provisions of statutes, charters, or other laws and acts and proceedings of the Town contained herein do not purport to be complete and are qualified in their entirety by reference to the original official documents, and all references to the Bonds and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings.

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

Munistat Services, Inc. (“Munistat”) or the “Municipal Advisor” is engaged as Municipal Advisor to the Town in connection with the issuance of the Bonds. The Municipal Advisor’s fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. Munistat, in its capacity as Municipal Advisor, does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal and state income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

Set forth in Appendix A “Basic Financial Statements” hereto is a copy of the report of the independent auditors for the Town with respect to the financial statements of the Town included in that appendix. The report speaks only as of its date, and only to the matters expressly set forth therein. The auditors have not been engaged to review this Official Statement or to perform audit procedures regarding the post-audit period, nor have the auditors been requested to give their consent to the inclusion of their report in Appendix A. Except as stated in their report, the auditors have not been engaged to verify the financial information set out in Appendix A and are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented in that appendix.

Bond Counsel is not passing upon and does not assume responsibility for the accuracy or adequacy, of the statements made in this Official Statement (other than matters expressly set forth in its opinion in Appendix B, “Form of Legal Opinion of Bond Counsel and Tax Exemption” herein) and it makes no representation that it has independently verified the same.

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

### DESCRIPTION OF THE BONDS

The Bonds will be dated the date of delivery and will mature in annual installments on August 1 in each of the years and in the principal amounts set forth on the cover page hereof. The Bonds will be issued in denominations of \$5,000 or any integral multiples therefore. Interest on the Bonds will be payable semiannually on February 1 and August 1 in each year until maturity, commencing on February 1, 2022 and will be payable to the registered owners of the Bonds as of the close of business on the fifteenth day of January and July in each year, or the preceding business day if the fifteenth day is not a business day. Interest will be calculated on the basis of 360-day year, consisting of twelve 30-day months. A book-entry transfer system will be employed evidencing ownership of the Bonds with transfers of ownership on the records of the Depository Trust Company, New York, New York (“DTC”), and its participants pursuant to rules and procedures established by DTC and its participants. See “Book-Entry-Only Transfer System” herein. The certifying bank, registrar, transfer agent and paying agent for the Bonds will be U.S. Bank National

Association, Global Corporate Trust, CityPlace I, 185 Asylum Street, 27<sup>th</sup> Floor, Hartford, Connecticut (email: [bhcorporatetrust@usbank.com](mailto:bhcorporatetrust@usbank.com)). The legal opinion on the Bonds will be rendered by Shipman & Goodwin LLP, in substantially the form set forth in Appendix B to this Official Statement.

The Bonds are subject to optional redemption prior to maturity as more fully described under “Optional Redemption” herein.

### **OPTIONAL REDEMPTION**

The Bonds maturing on or before August 1, 2029 are not subject to redemption prior to maturity. The Bonds maturing on August 1, 2030 and thereafter are subject to redemption prior to maturity, at the option of the Town, on and after August 1, 2029, at any time, in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the Town may determine, at the redemption prices (expressed as a percentage of the principal amount of Bonds to be redeemed) set forth in the following table, plus interest accrued and unpaid to interest, to the redemption date:

<u>Period During Which Redeemed</u>	<u>Redemption Price</u>
August 1, 2029 and thereafter	100.00%

### **NOTICE OF REDEMPTION**

Notice of redemption shall be given by the Town or its agent by mailing a copy of the redemption notice by first-class mail not less than twenty (20) days prior to the redemption date to the registered owner of such Bonds designated for redemption in whole or in part at the address of such registered owner as the same shall last appear on the registration books for the Bonds kept for such purpose. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if sufficient funds available solely for redemption are on deposit with the Paying Agent, the Bonds, or portions thereof so called for redemption will cease to bear interest after the specified redemption date. So long as Cede & Co., as nominee for Depository Trust Company (“DTC”) is the registered owner of the Bonds, notice of redemption will be sent only to DTC (or its successor securities depository) or its successor nominee.

If less than all the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot in such manner as the Town in its discretion may determine, provided, however, that the portion of any Bonds to be redeemed shall be in the principal amount of \$5,000 or multiple thereof and that, in selecting Bonds for redemption, each Bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000.

The Town, so long as a book-entry system is used for the Bonds, will send any notice of redemption only to DTC (or a successor securities depository) or its nominee. Any failure of DTC to advise any DTC Participant, or of any DTC Participant or Indirect Participant to notify any Indirect Participant or Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of such Bonds called for redemption. (See “Book-Entry-Only Transfer System”, herein for discussion of DTC and definitions of “Direct Participants”, “Indirect Participants” and “Beneficial Owners”.)

Redemption of a portion of the Bonds of any maturity by the Town will reduce the outstanding principal amount of Bonds of such maturity held by DTC. In such event it is the current practice of DTC to allocate by lot, through its book-entry system, among the interests held by DTC Participants in the Bonds to be redeemed, the interest to be reduced by such redemptions in accordance with its own rules or other agreements with DTC Participants. The DTC Participants and Indirect Participants may allocate reductions of the interest in the Bonds to be redeemed held by the Beneficial Owners. Any such allocation of interest in the Bonds to be redeemed will not be governed by the determination of the Town authorizing the issuance of the Bonds and will not be conducted by the Town, or be the responsibility of, the Town, the Registrar or Paying Agent, for the Bonds.

### **BOOK-ENTRY-ONLY TRANSFER SYSTEM**

The Bonds will be issued by means of a book-entry system and registered in the name of Cede & Co., as nominee for the Depository Trust Company (“DTC”), New York, New York. This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and accredited by DTC while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry Transfer System has been provided by DTC for use in disclosure documents such as this Official

Statement. The Town believes the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.

The Town cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

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

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

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

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

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

may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds in an issue are being redeemed, DTC's practice is to determine by lot, the amount of interest for each Direct Participant in such issue as to be redeemed.

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

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

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

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

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

## **REPLACEMENT BONDS**

The determination of the Town officials authorizing the issuance of the Bonds provides for issuance of fully-registered Bond certificates directly to beneficial Owners of the Bonds and or their nominees in the event that: (a) DTC determines not to continue to act as securities depository for the Bonds, and the Town fails to identify another qualified securities depository for the Bonds to replace DTC; or (b) the Town determines to discontinue the book-entry-only system of evidence and transfer of ownership of the Bonds. A Beneficial Owner of the Bonds, upon registration of certificates held in such Beneficial Owner's name, will become the registered owner of the Bonds.

## **DTC PRACTICES**

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

## **SECURITY AND REMEDIES**

The Bonds will be general obligations of the Town of Brooklyn, Connecticut and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds when due.

Unless paid from other sources, the Bonds are payable from general property tax revenues. The Town has the power under Connecticut General Statutes to levy ad valorem taxes on all taxable property in the Town without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income taxable at limited amounts.

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

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

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

Enforcement of a claim for payment of principal of or interest on such bonds and note would also be subject to the applicable provisions of Federal bankruptcy laws as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted by the Congress or the Connecticut General Assembly and to the exercise of judicial discretion. Under the Federal bankruptcy code, the Town may seek relief only, among other requirements, if it is specifically authorized in its capacity as a municipality or by name, to be a debtor under Chapter 9 of Title 11 of the United States Code, or by State law or a governmental officer or organization empowered by State law to authorize such entity to become a debtor under such Chapter. Section 7-566 of the Connecticut General Statutes provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district and any other political subdivision of the State having the power to levy taxes and issue bonds, notes or other obligations.

## **CONSIDERATION FOR BONDHOLDERS**

In making an investment decision with respect to the Bonds, investors should consider carefully the information in this Official Statement and, in addition to those investment characteristics of fixed-rate municipal debt obligations, consider the following factors.

### **The COVID-19 Outbreak**

The outbreak of COVID-19, a respiratory virus caused by a new strain of coronavirus, has been declared a Public Health Emergency of International Concern by the World Health Organization. On March 13, 2020, the President of the United States declared a national emergency. The outbreak of the virus has affected travel, commerce and financial markets globally, and economic growth worldwide.

The ongoing impact of COVID-19 has materially affected local, State, national, and global activity; and increased public health emergency response costs. Many states and municipalities have taken measures that are having negative effects on global and local economies. In addition, businesses and people have altered behaviors in manners that are negatively affecting the economy. The financial, stock and bond markets in the United States and globally have seen significant volatility attributed to COVID-19.

Although COVID-19 has not had a material adverse effect on the Town's financial condition to date, there can be no assurance that COVID-19 will not materially adversely impact the financial condition of the Town including the Town's credit rating and ability to pay debt service on the Bonds in the future.

### **State and Local Efforts to Mitigate the Ongoing Impact of COVID-19**

On March 10, 2020, Governor Lamont declared public health and civil preparedness emergencies in the State of Connecticut as a result of the COVID-19 outbreak. State agencies were directed to use all resources necessary to prepare for and respond to the outbreak. Immediately after the outbreak, the Governor restricted social and recreational gatherings to no more than 5 people, limited restaurants to take-out and delivery only, required all businesses and not-for-profit entities in the State to employ, to the maximum extent possible, any telecommuting or work from home procedures that they can safely employ, required closure of all non-essential businesses and not-for-profit entities and instituted a 60-day residential rent moratorium. The Governor also cancelled all public-school classes through the

2019-2020 school year. Additionally, the General Assembly suspended activity at the State Capitol and Legislative Office building and the judicial branch suspended non-exigent operations.

On March 16, 2020, the Town declared a local state of emergency. This step allowed Town Officials to exercise emergency powers as needed to help the community, and to better position the Town to access emergency federal aid.

On April 30, 2020, Governor Lamont announced a four-stage plan to reopen the State's economy (the "Reopening Plan"). Phase one of the Reopening Plan began on May 20, 2020 and allowed retailers, offices, outdoor restaurants and outdoor recreation facilities to open. Phase two of the Reopening Plan commenced on June 17, 2020 and permitted (but did not require) certain businesses to open under sector-specific rules. Those businesses included but were not limited to hotels, indoor dining, libraries, nail salons and tattoo parlors, and the sector-specific rules include detailed information and requirements about physical distancing, facility capacity, hygiene, sanitizing, signage, personal protective equipment, scheduling, and training. Additionally, at varying dates within phase two, educational and community services, such as selected youth sports, public libraries, day camps and summer schools, were permitted to open.

During phase two of the Reopening Plan and to assist municipalities in addressing the 2020-2021 school year, the State of Connecticut Department of Education released a comprehensive plan that served as a roadmap for school districts as they planned to reopen schools. This plan included in person schooling for all ages with a structure in place that ensured safety protocols, provided for students' social-emotional well-being and mitigated any barriers to accessing equitable opportunities that increased during the COVID-19 pandemic. While school districts retained discretion in implementing approaches to reopening, the six guiding principles of the plan required school districts to develop their reopening plans with a certain amount of regional consistency. Understanding that health developments may influence decisions to transition to different instructional models, school districts are encouraged to be flexible in their planning with contingency plans in place for blended or remote learning for all grades. Brooklyn Public Schools began the 2020-21 school year on August 31, 2020 while operating under a hybrid model that combines in-person and remote learning to reduce school density by 50%. Currently, Brooklyn Public Schools are operating as fulltime in-person learning. However, the Town cannot predict how or when this plan may change or the potential economic impact any such change will have on the Town.

On April 20, 2021, Governor Lamont declared a continuation of the public health and civil preparedness emergencies in the State until July 20, 2021. The State has a dedicated website providing up-to-date information concerning the State's actions in response to the COVID-19 virus, including the executive orders issued to date, at <https://portal.ct.gov/Coronavirus/Pages/Emergency-Orders-issued-by-the-Governor-and-State-Agencies>. Neither the Town, nor the parties involved with the issuance of the Bonds, has reviewed the information provided by the State on this website and such parties take no responsibility for the accuracy thereof.

The continued spread of the virus and any prolonged effects on the national and State economy could have a materially adverse effect on the Town's finances and economy in Fiscal Year 2020-21. However, the outbreak did not have a materially adverse effect on the Town's financial condition for Fiscal Year 2019-20. The Town's finances and financial plans remained stable and the Town collected approximately 109.8% of revised budgeted revenues in Fiscal Year 2019-20, including the collection of approximately 98.6% of budgeted property taxes. For Fiscal Year 2019-20, the Town ended the year with a \$529,633 surplus on a budgetary basis of accounting and a \$535,000 surplus on a GAAP basis of accounting. The Town ended Fiscal Year 2019-20 with \$1.663 million in cash and cash equivalents in the general fund.

### **Municipal Tax Relief Programs**

On April 1, 2020 and April 9, 2020, Governor Ned Lamont issued Executive Order Nos. 7S and 7W, respectively (together, the "Orders") which creates two short-term tax relief programs and requires all towns, cities, and boroughs as well as their water pollution control authorities to adopt either or both of them by a vote of the legislative body, or, in any town in which the legislative body is a town meeting, by a vote of the board of selectmen. One program defers payments by 3 months for taxpayers based on a showing of need, while the other reduces the interest chargeable for all taxpayers in the municipality for 3 months.

The "Deferment Program" delays payments due on any tax, utility, or other assessment by 3 months if taxpayers, businesses, nonprofits, and residents demonstrate significant economic impact caused by COVID-19 and/or demonstrate that they are assisting people who are experiencing significant economic impact caused by COVID-19. This program originally applied to charges which would otherwise be due from April 1, 2020 to July 1, 2020.

Municipalities had the option to expand eligibility for the program to other categories of taxpayers, businesses, nonprofits, and residents.

The “Low Interest Rate Program” lowers the interest rate to 3% per annum (0.25% monthly) on any tax, utility, or other assessment that was due between April 1, 2020 and July 1, 2020 and is not paid on time and also those which were already delinquent before April 1, 2020. After the 3 months period which begins on the original due date, the regular rate of interest is restored on all remaining balances.

The Orders also suspend all non-judicial tax sales effective immediately and postpone them until a date the tax collector selects that is at least 30 days after the Governor declares the COVID-19 emergency to have ended. In addition, the Orders extend all redemption periods for tax sales conducted in the prior six months by the duration of the emergency and reduce the interest rate for doing so to 3% per annum (0.25% monthly).

On December 16, 2020, the Governor issued Executive Order 9R (“Order 9R”), which applies both the Deferment Program and the Low Interest Rate Program to tax deadlines for tax bills that become due and payable on January 1, 2021. As of December 30, 2020, the Town was deemed to have adopted the Deferment Program for taxes due and payable on January 1, 2021 in accordance with Order 9R. The Low Interest Rate Program lowers the interest rate to 3% per annum (0.25% monthly) on any unescrowed taxes on real estate, motor vehicles, and personal property as well as unescrowed municipal utility charges that are due between January 1, 2021 and March 31, 2021 and are not paid on time and also those which were already delinquent before January 1, 2021.

Election by the Town of the Deferment Program had little effect on the Town’s tax collections for the fiscal year ending June 30, 2020. For the fiscal year ending June 30, 2020, the Town collected 98.6% of the current tax levy, which is slightly less than the prior fiscal year.

For Fiscal Year 2021, the Town is not experiencing a material negative impact as a result of the Deferment Program. By the end of May 2021, the Town estimates that it has collected \$16.478 million in property taxes, or 98.2% of the adjusted levy. That compares to collections of \$16.014 million or 98.0% of the adjusted levy over the same period in the prior fiscal year. The Town believes that it has sufficient liquidity to maintain operations without interruption, including making all debt service payments.

### **Government Response to COVID-19’s Impact on the Economy**

On March 27, 2020, Congress enacted the Coronavirus Aid, Relief, and Economic Stabilization Act (the “CARES Act”) that provided in excess \$2 trillion of relief to industries and entities throughout the country, including state and local governments. Under the CARES Act, \$150 billion will be appropriated to states and other units of government for activities that are directly related to COVID-19; the amount paid to each state will be based on population with a minimum payment of \$1.25 billion. In addition, the CARES Act will provide \$454 billion to the Federal Reserve to purchase business, state or municipal securities in order to provide a level of liquidity to the municipal market. Other financial relief affecting states and local governments includes \$30.9 billion for education, \$10 billion for airports, \$25 billion for transit providers, and \$17 billion for housing, including \$5 billion for Community Development Block Grants for COVID-19 related services.

On March 28, 2020, President Trump approved Governor Lamont’s request for a disaster declaration for the State of Connecticut. Under the declaration, it is expected that federal funding will be made available to state, tribal and eligible local governments and certain private nonprofit organizations for emergency protective measures, including direct federal assistance, for all areas of Connecticut impacted by COVID-19.

On June 4, 2020, Governor Lamont established the Connecticut Municipal Coronavirus Relief Fund Program which details a process by which Connecticut municipalities can receive reimbursements from the State using the Coronavirus Relief Fund to offset non-budgeted COVID-19 related expenditures that are incurred on or after March 1, 2020 through December 30, 2020. For the period ending December 30, 2020, the Town has received \$83,000 and the Board of Education received \$154,000 from the State of Connecticut Relief Fund.

On December 21, 2020, Congress passed a \$900 billion stimulus bill that includes funding for stimulus checks, enhanced unemployment benefits, vaccine distribution and development, small businesses and education. To date, the Board of Education reports that it has received federally funding administered through the State of Connecticut Department of Education in the amounts of \$84,433 from the CARES Act ESSER Fund; \$154,084 from the CARES Act ESSER II Fund.

On March 11, 2021, President Biden signed into law the \$1.9 trillion American Rescue Plan Act of 2021 (the “Rescue Plan”). The Rescue Plan relief package includes, among other items, \$350 billion in state and local government aid. Of the \$350 billion, the State and its local governments are eligible to receive up to \$4.2 billion as a result of this legislation, with up to \$2.6 billion in State relief and up to \$1.6 billion in relief for local governments.

The Rescue Plan relief package also includes approximately \$123 billion to allow for a return to full-time, in-person teaching at elementary and high schools, which funds could be used for numerous purposes, including but not limited to expanding testing, modifying classrooms, improving ventilation, and hiring more custodial staff. The State’s K-12 schools are expected to receive approximately \$1.1 billion.

The Rescue Plan relief package includes another \$160 billion dedicated to COVID-19 vaccination development and distribution. The Town is anticipated to receive \$2.5 million of Rescue Plan funds, with an additional 1.409 million for the Board of Education.

Under the State’s biennium budget for fiscal years 2022 and 2023, which was adopted by the General Assembly on June 9, 2021, the Town does not anticipate any decrease in State aid. However, current projections show the State running a deficit of approximately \$1.178 billion in fiscal year 2024 and \$1.171 billion in fiscal year 2025. If the State were forced to reduce aid to the Town as the result of future deficits, the Town would employ efforts to mitigate the revenue loss including: 1) the reduction of discretionary expenditures; 2) use of reserves both inside and outside the General fund; and 3) incremental tax increases, as necessary. Positively, as of April 30, 2021, the State Consensus Revenue Report projected an approximately \$950.0 million surplus for the State for Fiscal Year 2020-2021. The State Consensus Revenue Report announced that the State’s Budget Reserve Fund is expected to exceed \$4.0 billion at the end of fiscal year 2020-2021.

## **QUALIFICATIONS FOR FINANCIAL INSTITUTIONS**

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

## **AVAILABILITY OF CONTINUING DISCLOSURE**

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

The Town will enter into a Continuing Disclosure Agreement with respect to the Bonds, substantially in the form attached as Appendix C to this Official Statement (the “Continuing Disclosure Agreement”), to provide or cause to be provided, in accordance with the requirements of SEC Rule 15c2-12, (i) annual financial information and operating data, (ii) timely, but not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of certain listed events and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before the date specified in the Continuing Disclosure Agreement.

The Town has previously undertaken in Continuing Disclosure Agreements entered into for the benefit of holders of certain of its general obligation bonds or notes to provide annual financial information and event notices pursuant to Rule 15c2-12. In the past five years, the Town has not failed to comply in any material respect with its previous undertakings under such agreements.

The Town is not responsible for any failure by EMMA or any other nationally recognized municipal securities information repository to timely post disclosure submitted to it by the Town or any failure to associate such submitted disclosure to all related CUSIPs.

## **AUTHORIZATION AND PURPOSE**

The Bonds are issued pursuant to the General Statutes of Connecticut, as amended, and certain borrowing resolutions approved by the voters of the Town for those projects described in “Use of Bond Proceeds” herein.

## USE OF BOND PROCEEDS

The proceeds of the Bonds will be used to finance the following projects authorized by the Town:

<b>Project</b>	<b>Amount Authorized</b>	<b>Grants &amp; Other Funds Applied</b>	<b>Previous Paydown Applied</b>	<b>Additional Paydowns This Issue</b>	<b>Notes Maturing 8/5/2021</b>	<b>The Bonds</b>	<b>Authorized But Unissued</b>
2011 Capital Program.....	168,000	-	104,050	-	61,950	61,950	2,000
Middle School Retaining Wall.....	1,900,000	888,571	672,825	-	338,604	338,604	-
Highway Garage.....	200,000	-	70,000	-	130,000	130,000	-
2012 Capital Program.....	764,000	47,375 <sup>2</sup>	329,750	-	386,875	386,875	-
2015 Capital Program.....	626,000	4,256 <sup>3</sup>	240,429	-	381,571	377,315	4,000
Fire Alarm System Brooklyn Schools.....	400,000	82,000	82,500	-	235,500	235,500	-
2016 Capital Program.....	115,768	-	32,500	-	82,500	82,500	768
2017 Capital Program.....	465,000	-	46,500	-	418,500	414,500	4,000
School Roof Projects.....	5,000,000	-	46,500	-	883,500	883,500	4,070,000 <sup>1</sup>
2018 Capital Program.....	246,000	-	12,300	-	233,700	233,700	-
2019 Capital Program.....	559,650	-	-	-	559,650	559,650	-
2019 Elementary School Solar Project.....	903,405	571,591	-	-	903,405	331,814	-
2019 Middle School Solar Project.....	898,850	639,403	-	-	898,850	259,447	-
2020 Capital Program.....	629,645	-	-	-	629,645	629,645	-
2021 Capital Program.....	1,065,000	-	-	-	-	1,065,000	-
<b>Total.....</b>	<b>\$13,941,318</b>	<b>\$2,233,196</b>	<b>\$1,637,354</b>		<b>\$6,144,250</b>	<b>\$5,990,000</b>	<b>\$4,080,768</b>

<sup>1</sup> The Town anticipates 73% funding from the State of Connecticut for the School Roof projects.

<sup>2</sup> In 2012 the Town made an appropriation of \$47,375 to offset the cost of the 2012 Capital Program.

<sup>3</sup> Amount funded to round to nearest \$5,000 increment for issuance.

## RATING

The Town received a credit rating of “AA-” with a stable outlook from S&P Global Ratings (“S&P”).

Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. The rating reflects only the view of the rating agency and an explanation of the significance of such rating may be obtained from S&P Global Ratings, 55 Water Street, 45<sup>th</sup> Floor, New York, New York 10041. There is no assurance that the rating will continue for any given period of time or that it will not be lowered or withdrawn entirely by such rating agency if in its judgment circumstances so warrant. Any such downward change in or withdrawal of a rating may have an adverse effect on the marketability or market price of the Town’s bonds or notes, including the Bonds.

## II. THE ISSUER



### DESCRIPTION OF THE TOWN

The Town of Brooklyn, located in Windham County, is a rural and agricultural town in northeastern Connecticut, just minutes from I-395, and is less than an hour to the Connecticut/Rhode Island shoreline and the cities of Hartford, Connecticut, Providence, Rhode Island, Worcester, Massachusetts and Framingham, Massachusetts. The Town is bordered on the north by the Town of Pomfret, on the west by the Town of Hampton, on the south by the Towns of Canterbury and Plainfield and on the east by the Town of Killingly. The Town is approximately 29 square miles in area with a population of 8,272 in 2019 (*Connecticut Department of Public Health, Estimate 2019*).

The Town was incorporated in May of 1786 and in 1819 became the county seat. The large homes, the jail and the courthouse now used as the Town Hall, all reflect this period of prominence, which continued through part of the nineteenth century.

The rural colonial beauty of Brooklyn Center has been preserved in spite of the fact that the Town is a fast growing community. Many of the old churches and homes have been restored. The old courthouse has been internally renovated to provide modern and efficient Town office facilities, but the colonial exterior was left unchanged.

Brooklyn is the first town in Connecticut to establish a “Village District.” The Village Center District (the “District”) was established in 1999 in accordance with the Connecticut General Statutes. The Planning and Zoning Commission considers the design, relationships and compatibility of structures, plantings, signs, roadways, street hardware and other objects in public view in the District. The District includes the Brooklyn Green Historic District as designated by the Department of Interior on September 23, 1982. The conversion and preservation of existing buildings that maintain the historic, natural and community character of the area are strongly encouraged.

Planning and zoning ordinances were adopted in 1965 to preserve and guide the character and development of the Town. The ordinances are updated as needed. The result has been attractive residential areas in rural surroundings. The schools and the recreation complex are centrally located. The Town Garage is well screened by trees so as not to disturb the residential neighborhood. Additional recreational facilities are provided on adjacent property.

In 1998, the regulations for the protection and preservation of inland wetlands and watercourses were adopted. The Town's Open Space and Conservation Plan, adopted in 2011, was recognized as an outstanding document and is used by other towns as a guide.

Agriculture is one of the Town's greatest assets. The Town is fortunate to have several active agricultural operations that, in addition to farm produce, add immeasurably to the aesthetic beauty and rural landscape of the Town. The Agricultural Association was formed around 1820 and continues to attract visitors to the annual Brooklyn Fair which is the oldest continuously operating agricultural fair in the country.

The Center of Contemporary Art on Route 169, north of the Town Hall, is a vital and important addition to the community.

## **ECONOMIC DEVELOPMENT**

The Town has developed into two distinct areas of economic development. The central and western parts of the Town have remained residential and rural, whereas the eastern part of the Town has become predominantly commercial. A smaller number of professional and commercial establishments are situated in other areas of the Town, principally along Routes 169 and 205.

Brooklyn has adopted a Right-to-Farm Ordinance and a Dairy Farm Tax Abatement Ordinance that welcomes and encourages commercial agriculture. The Town's zoning regulations allow farming in the Residential Agricultural ("RA") zone, which covers a majority of the Town's land area.

Brooklyn's Economic Development Commission continues to promote growth in key areas of the Town's economic front. Brooklyn is a member of the Eastern Connecticut Enterprise Corridor ("ECEC"). This is a competitive incentive program to benefit businesses that expand, or relocate into the industrial development areas of the participating towns along the Interstate 395 corridor.

Although industrial growth has been minimal in recent years, the Town offers some unique commercial potential with its rural character and country charm. Sections of the Town, such as the scenic Route 169 corridor running north and south through the Town's center and the Village Center District, hold promise for growth in tourism-related businesses like bed and breakfasts, country stores, and restaurants. Professional offices and a number of service-related businesses would also fit well in these areas. Route 169 was designated a Connecticut State Scenic Road in April of 1991 and a National Scenic Byway in September of 1997. Brooklyn is actively involved with the Towns of Woodstock, Pomfret, Canterbury and Lisbon in the Route 169 Scenic Road Advisory Committee (the "Committee") which is a collective effort on the part of the towns to preserve the area's scenic beauty and the quality of its natural and cultural resources. The Committee works with the Connecticut Department of Transportation to ensure the safety of Route 169 and the development of reasonable design and maintenance standards for its future.

Brooklyn previously purchased 32 acres of river frontage along the Quinebaug River. Together with two adjacent town-owned lots and the transfer of a lot to the Town by the Connecticut Department of Transportation, the Town of Brooklyn owns 3,550 feet of river frontage. The property is being used for passive recreation, trails and disc golf.

The Town recognizes the need to diversify its tax base and to provide employment for its residents through the growth of the business community. Town Officials concentrate on the areas that afford the best opportunity to achieve that goal.

## **FORM OF GOVERNMENT**

The Town has a Town Meeting form of government with a Board of Selectmen consisting of three elected members serving two-year terms and a Board of Finance consisting of six elected members serving overlapping six-year terms. Elections are held biennially in November in every odd-numbered year. Powers and privileges are conferred and granted to the Town by the Connecticut General Statutes. The Town Meeting is the legislative body and must approve the annual budget, all special appropriations or expenditures, and all bond and note authorizations, except for refunding bond authorizations, which need only be approved by the Board of Selectmen.

The First Selectman is the full-time Chief Executive and Administrative Officer of the Town and oversees the execution of all laws and ordinances governing the Town. The First Selectman presides over the Board of Selectmen and has full voting privileges on the Board. The First Selectman appoints members to various commissions and boards, subject to approval by the Board of Selectmen.

The Board of Finance is the budget-making authority responsible for financial and taxation matters, presenting the annual operating budget and special appropriations to the Town Meeting for its approval, and establishing the tax rate.

The Town’s full-time professional staff also includes a Town Clerk and Finance Director. The Finance Director oversees the finances of the Town and works with the First Selectman. The Finance Director also works with the Brooklyn School system.

### PRINCIPAL TOWN OFFICIALS

Office	Name	Manner of Selection	Term	Years of Service
First Selectman.....	Richard A. Ives.....	Elected	11/19-11/21	8 Years
Selectman.....	Austin Tanner.....	Elected	11/19-11/21	5 Years
Selectman.....	Lou Brodeur.....	Elected	11/19-11/21	2 Years
Town Clerk.....	Katherine Bisson.....	Elected	1/20-1/22	8 Years
Finance Director/Treasurer.....	Stephanie Levin.....	Appointed	Indefinite	1 Year
Tax Collector.....	Jocelyne Ruffo.....	Appointed - 5 years	-	29 Years
Assessor.....	Stephanie M. Kosoff..	Appointed	Indefinite	1 Year
Chairman, Board of Finance.....	Jeffrey Otto.....	Elected	11/19-11/21	10 Years
Chairperson, Board of Education.....	Mae Ellen Lyons.....	Elected	11/19-11/21	2 Years
Superintendent <sup>1</sup> .....	Patricia L. Buell.....	Appointed - 3 years	-	4 Years

<sup>1</sup> Appointed by the Board of Education.  
Source: Town Officials.

### SUMMARY OF MUNICIPAL SERVICES

**Police:** Police protection is provided by the Connecticut State Police from its barracks in the neighboring borough of Danielson (Troop D). Under the Resident State Police program, which began in September 1993, the Town contracts with the Connecticut State Police to have one officer assigned full-time to the Town. The institution of the program was based on the Town's desire to prevent crime and vandalism before serious problems arise. The program includes routine police work as well as an active drug awareness program in the school system.

**Fire and Emergency Services:** There are two volunteer fire companies which provide emergency response services to the Town. The East Brooklyn Fire Department located on South Street and the Mortlake Fire Company located in Brooklyn Center on Route 169 and Wauregan Road near the Plainfield town line are both controlled by the Town of Brooklyn Fire Commission. Each fire department is responsible for training and maintaining proper equipment for the volunteers and must also meet requirements that are regulated through state agencies. The Town provides operating funds to each organization to support their efforts in providing emergency response services to their districts as well as capital funds for major equipment purchases such as new fire trucks. Each fire department controls its own financial status and is supported through the Town’s taxation and by means of fundraising events.

The Mortlake Fire Company provides ambulance service for the entire Town and is self-supported through a charge-back system. It maintains a staff of over 40 Connecticut certified Emergency Medical Technicians.

**Public Works:** The Public Works Department is responsible for maintenance, repair, and improvements to municipal roads and bridges. The Maintenance Facility, on 2.9 acres of land, consists of a 9,000 square foot building, a parking area for the buses, and a stockpile area for maintenance materials. The property also includes two Little League baseball fields. Additional facilities are located at the transfer station.

The trucks are on a 10-year replacement program and the construction equipment is on a 15-year replacement plan funded by the Town's capital expenditure plan.

**Sewers:** The Brooklyn Center Sewer System provides sewer hookups for residents on Canterbury Road, Fairgrounds Road, Gunnar Drive, Harris Avenue, Pierce Road, Tatnic Road, and Hartford Road. This system, in addition to a previous sewer project, provide approximately 40% of the Town's population with sewer service.

**Solid Waste:** The Town has executed a contract with Willimantic Waste of Willington, CT for the disposal of residential municipal solid waste generated by Town residents. The Town currently operates a transfer station where residents are able to bring household waste to be hauled to State-approved facilities. This facility also accepts "bulky waste" such as demolition debris and furniture. This operation is currently financially self-sufficient. Recyclable materials are removed from curbside by a private contractor.

**Public Health:** Public Health and Home Care, Inc. is committed to keeping the residents of the Town "On the Road to Wellness" by providing care of the sick in the home and by promoting wellness through health screening, immunizations and education.

**Social Service:** The Town's general assistance program is currently run by the State Department of Social Services.

**Parks and Recreation:** The Recreation Building, with office space and meeting rooms, is located at 69 South Main Street in Brooklyn. The Town has a full-time recreation director and offers a variety of programs for each season. The Brooklyn Recreational Park continues to be used for a variety of activities. The preservation of the open space of forest and wetlands has been maintained. An additional field has been added along with an outdoor sand volleyball court.

**Community Center:** A handicapped accessible Community Center, located on Tiffany Street, houses a modern 40-child daycare facility and also provides meeting space, classrooms, and office space. The meeting rooms are used for official town functions such as public hearings.

**Library:** The first independent Brooklyn Library Association was founded in 1775. The present Association was organized in 1893. In 1913, a group of citizens purchased the building presently housing the library and donated it to the Association. The library continues to be governed by an independent association and its executive committee. The library also offers a "ReQuest" computer workstation. The holdings of most major libraries in the State are stored on CD ROM discs. Patrons may search the computer for a particular title and either make an inter-library loan request or visit the library and borrow the desired materials themselves.

**Planning & Zoning, Conservation and Economic Development:** Brooklyn was one of the first towns in northeast Connecticut to establish a Planning Commission (1965) and to adopt subdivision regulations (1967). A plan for zoning was adopted by the Town in 1970. Since that time the Town has updated its plan with studies of its business and commercial zone, and the adoption of a conservation plan which has received both local and State awards.

The Town uses a Geographic Information System, which enables the Town to both analyze environmental and physical impacts of development proposals as well as store and generate data being used by the Economic Development Commission to encourage economic growth. The system is used for more rapid and accurate updating of assessor's records, property locations, better maintenance of bridges, roads and culverts, and efficient school bus, snow plow routing, and 911 responses.

**Utilities:** Electricity for the Town is provided by Eversource Energy, formerly the Connecticut Light & Power Company, a subsidiary of Northeast Utilities.

## **TOWN EMPLOYEES**

The following table illustrates the permanent full and part-time Town employees for the last five fiscal years:

<b>Fiscal Year</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
General Government.....	30	30	30	29	29
Board of Education.....	162	148	141	140	141
<b>Total.....</b>	<b>192</b>	<b>178</b>	<b>171</b>	<b>169</b>	<b>170</b>

The following is a breakdown by category of the Town’s current permanent full-time and part-time employees:

<b>Department</b>	<b>Paid Position</b>
Town Hall.....	15
Parks & Recreation...	4
Highway.....	8
Board of Education...	165
	<b>192</b>

Source: Town Officials.

### MUNICIPAL EMPLOYEES’ BARGAINING UNITS

<b>Organization</b>	<b>Number of Employee</b>	<b>Current Contract Expiration</b>
<b>General Government</b>		
Highway Department - AFSCME AFL-CIO Local 1303 of Council #4.....	5	June 30, 2024
Town Hall, Supervisory - AFSCME AFL-CIO Local 1303 of Council #4.....	4	June 30, 2024
Town Hall, Non-Supervisory - AFSCME AFL-CIO Local 1303 of Council #4...	10	June 30, 2024
General Government sub-total.....	19	
<b>Board of Education</b>		
Teachers - Brooklyn Education Association.....	77	June 30, 2022
Non-Certified - AFSCME AFL-CIO Local 1303 Council #4.....	63	June 30, 2024
Administrators.....	6	June 30, 2024
Board of Education sub-total.....	146	
<b>Total General Government and Board of Education.....</b>	<b>165</b>	

Source: Town of Brooklyn.

Connecticut General Statutes Sections 7-473c, 7-474, and 10-153a to 10-153n provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certified teachers and certain other employees. The legislative body of a municipality may reject an arbitration panel's decision by a two-thirds majority vote. The State of Connecticut and the employee organization must be advised in writing of the reasons for rejection. The State then appoints a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must accept the last best offer of either of the parties. In reaching its determination, the arbitration panel gives priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. For binding arbitration contracts, in assessing the financial capability of a municipal entity, there is an irrefutable presumption that a budget reserve of (i) 5% or less with respect to teachers’ contracts, and (ii) 15% or less with respect to municipal employees, is not available for payment of the cost of any item subject to arbitration. In light of the employer's financial capability, the panel considers prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and the wages, salaries, fringe benefits and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

## EDUCATION SYSTEM

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

The Town has two schools for grades pre-kindergarten through eight. Enrollment in grades pre-kindergarten through eight as of October 1, 2020 was 815. The stated rated capacity of the system facilities is 1,080. Approximately 421 students in grades 9 through 12 attend various high schools; Woodstock Academy (190), Killingly High School (107), or other (41) and approximately (72) students attend Harvard H. Ellis Technical School.

## SCHOOL FACILITIES

<u>School</u>	<u>Grades</u>	<u>Construction/Addition/ Renovation</u>	<u>Number of Classrooms</u>	<u>Enrollment 10/01/20<sup>1</sup></u>	<u>Capacity</u>
Brooklyn Elementary School - Main Bldg..	PreK-4	1954, 1962, 1965, 1990	39	481	630
Brooklyn Middle School.....	5-8	1969, 1971, 1987, 1995	30	334	450
<b>Total .....</b>			<b>69</b>	<b>815</b>	<b>1,080</b>

<sup>1</sup> Includes out-of-district special education students.  
Source: Town of Brooklyn, Superintendent's Office.

## SCHOOL ENROLLMENT

<u>School Year</u>	<u>PreK-4</u>	<u>5-8</u>	<u>Total</u>
<i>Historical</i>			
2016-17	512	353	865
2017-18	545	346	891
2018-19	548	359	907
2019-20	562	339	901
2020-21	481	334	815
<i>Projected</i>			
2021-22	481	334	815
2022-23	562	343	905
2023-24	575	342	917
2022-24	597	358	955
2023-25	594	350	944

Note: In-district special education students are included in grade count.  
Source: Town of Brooklyn, Superintendent's Office.

### III. ECONOMIC AND DEMOGRAPHIC INFORMATION

#### POPULATION TRENDS

<u>Year</u>	<u>Population<sup>1</sup></u>	<u>% Increase</u>	<u>Density<sup>2</sup></u>
1970	4,965	49.9	173
1980	5,691	14.6	198
1990	6,681	17.4	233
2000	7,173	7.4	250
2010	8,210	14.5	286
2019	8,272	0.8	288

<sup>1</sup> 1970-2010 – U.S. Census Bureau; Connecticut Department of Public Health, Population Estimate 2019.

<sup>2</sup> Per square mile: 28.7 square miles.

#### AGE DISTRIBUTION OF THE POPULATION

<u>Age</u>	<u>Town of Brooklyn</u>		<u>Windham County</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Under 5.....	339	4.1	5,515	4.7	183,808	5.1
5 - 9.....	413	5.0	6,756	5.8	198,000	5.5
10 - 14.....	637	7.7	6,416	5.5	221,325	6.2
15 - 19.....	447	5.4	8,390	7.2	244,249	6.8
20 - 24.....	348	4.2	8,238	7.1	244,597	6.8
25 - 34.....	1,009	12.2	14,318	12.3	441,742	12.4
35 - 44.....	974	11.8	13,531	11.6	424,739	11.9
45 - 54.....	1,414	17.2	15,876	13.6	508,428	14.2
55 - 59.....	584	7.1	8,886	7.6	264,804	7.4
60 - 64.....	527	6.4	9,546	8.2	242,329	6.8
65 - 74.....	912	11.1	11,352	9.7	336,422	9.4
75 - 84.....	392	4.8	5,726	4.9	174,887	4.9
85 and over..	242	2.9	2,232	1.9	89,744	2.5
Total .....	<u>8,238</u>	<u>100.0</u>	<u>116,782</u>	<u>100.0</u>	<u>3,575,074</u>	<u>100.0</u>
Median Age (years) .....		44.3		41.2		41.0

Source: U.S. Census Bureau, 2015-2019 American Community Survey.

## INCOME DISTRIBUTION

	<u>Town of Brooklyn</u>		<u>Windham County</u>		<u>State of Connecticut</u>	
	<u>Families</u>	<u>Percent</u>	<u>Families</u>	<u>Percent</u>	<u>Families</u>	<u>Percent</u>
Less than \$10,000 .....	41	1.8	836	2.7	24,799	2.8
\$ 10,000 to 14,999 .....	7	0.3	410	1.3	16,037	1.8
\$ 15,000 to 24,999 .....	81	3.6	1,033	3.4	38,364	4.3
\$ 25,000 to 34,999 .....	124	5.6	2,977	9.8	48,110	5.4
\$ 35,000 to 49,999 .....	233	10.5	4,557	15.0	77,010	8.6
\$ 50,000 to 74,999 .....	436	19.6	4,187	13.7	123,980	13.9
\$ 75,000 to 99,999 .....	513	23.1	5,168	17.0	116,676	13.1
\$100,000 to 149,999 ..	434	19.5	5,896	19.4	186,246	20.8
\$150,000 to 199,999 ..	264	11.9	2,975	9.8	109,258	12.2
\$200,000 or more .....	92	4.1	2,425	8.0	152,958	17.1
Total .....	<u>2,225</u>	<u>100.0</u>	<u>30,464</u>	<u>100.0</u>	<u>893,438</u>	<u>100.0</u>

Source: U.S. Census Bureau, 2015-2019 American Community Survey.

## INCOME LEVELS<sup>1</sup>

	<u>Town of Brooklyn</u>	<u>Windham County</u>	<u>State of Connecticut</u>
Per Capita Income, 2019.....	\$33,061	\$32,743	\$44,496
Per Capita Income, 2010.....	\$25,124	\$26,457	\$36,775
Per Capita Income, 2000.....	\$20,359	\$20,443	\$28,766
Median Family Income, 2019.....	\$86,027	\$80,815	\$100,418
Median Family Income, 2010.....	\$82,691	\$69,642	\$84,170
Median Family Income, 2000.....	\$60,208	\$52,490	\$65,521
Percent Below Poverty Level 2019.....	3.2%	6.3%	6.8%

Source: <sup>1</sup> U.S. Department of Commerce, Bureau of Census, 2010, 2000, 1990; U.S. Census Bureau, 2015-2019 American Community Survey.

## EDUCATIONAL ATTAINMENT

Years of School Completed Age 25 and Over

<u>Educational Attainment Group</u>	<u>Town of Brooklyn</u>		<u>Windham County</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than 9th grade.....	242	4.0	2,271	2.8	99,837	4.0
9th to 12th grade.....	357	5.9	6,616	8.1	132,826	5.3
High School graduate.....	1,832	30.3	28,638	35.2	666,828	26.9
Some college - no degree.....	1,756	29.0	17,270	21.2	416,175	16.8
Associates degree.....	527	8.7	7,352	9.0	191,964	7.7
Bachelor's degree.....	843	13.9	12,074	14.8	541,380	21.8
Graduate or professional degree.....	497	8.2	7,246	8.9	434,085	17.5
Total.....	<u>6,054</u>	<u>100.0</u>	<u>81,467</u>	<u>100.0</u>	<u>2,483,095</u>	<u>100.0</u>
Percent High School Graduate or Higher.....		90.1%		89.1%		90.6%
Percent Bachelor's Degree or Higher.....		22.1%		23.7%		39.3%

Source: U.S. Census Bureau, 2015-2019 American Community Survey.

## MAJOR EMPLOYERS <sup>1</sup>

As of July 2021

<u>Employer</u>	<u>Nature of Business</u>	<u>Estimated Number of</u>
Wal-Mart.....	Retail Store.....	260
Town of Brooklyn.....	Municipality.....	192
Pierce Memorial Baptist Home/Creamery Brook Retirement Village...	Nursing Home/Retirement Village	150
State of Connecticut.....	Corrections Facility.....	123
Clifford B. Green & Sons.....	Construction.....	9
The Racine Company.....	Printing.....	6

<sup>1</sup> Numbers may be effected due to COVID-19.  
Source: Town Officials.

## EMPLOYMENT BY INDUSTRY

	<u>Town of Brooklyn</u>		<u>Windham County</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Agriculture, forestry, fisheries.....	16	0.4	777	1.3	7,057	0.4
Construction.....	271	7.5	3,812	6.6	109,467	6.0
Manufacturing.....	405	11.2	6,785	11.7	189,162	10.4
Wholesale trade.....	104	2.9	1,505	2.6	44,344	2.4
Retail trade.....	542	15.0	7,384	12.7	191,756	10.6
Transportation & warehousing & utilities...	152	4.2	2,836	4.9	76,439	4.2
Information.....	107	3.0	836	1.4	39,585	2.2
Finance, insurance, real estate.....	175	4.8	3,703	6.4	162,153	8.9
Professional, scientific & management.....	285	7.9	4,409	7.6	208,379	11.5
Educational, health & social services.....	1,076	29.7	15,774	27.2	484,166	26.7
Arts, entertainment & recreation.....	230	6.3	5,404	9.3	152,041	8.4
Other professional services.....	95	2.6	2,237	3.9	84,915	4.7
Public administration.....	165	4.6	2,470	4.3	66,172	3.6
Total.....	<u>3,623</u>	<u>100.0</u>	<u>57,932</u>	<u>100.0</u>	<u>1,815,636</u>	<u>100.0</u>

Source: U.S. Census Bureau, 2015-2019 American Community Survey.

**EMPLOYMENT DATA**

<b>Yearly Average</b>	<b>Town of Brooklyn</b>	<b>Danielson/ Northeast Labor Market<sup>1</sup></b>	<b>State of Connecticut</b>	<b>United States</b>
	<b>%</b>	<b>%</b>	<b>%</b>	<b>%</b>
2011	9.6	10.0	9.0	9.0
2012	9.1	9.5	8.4	8.1
2013	8.5	8.9	8.0	7.4
2014	7.4	7.2	6.1	5.6
2015	5.8	6.2	5.6	5.3
2016	4.9	5.2	4.8	4.9
2017	4.4	4.6	4.4	4.4
2018	3.9	4.2	3.9	3.9
2019	3.5	3.8	3.6	3.7
2020	7.4	7.6	7.9	8.1
<b>2021 Monthly<sup>2</sup></b>				
January	7.7	8.1	8.5	6.8
February	7.5	8.1	8.3	6.6
March	6.8	7.9	8.2	6.2
April	6.4	6.9	7.6	5.7

<sup>1</sup> Not seasonally adjusted.

<sup>2</sup> Estimated

Source: Department of Labor, State of Connecticut.

**AGE DISTRIBUTION OF HOUSING**

<b>Year Built</b>	<b>Town of Brooklyn</b>		<b>Windham County</b>		<b>State of Connecticut</b>	
	<b>Units</b>	<b>Percent</b>	<b>Units</b>	<b>Percent</b>	<b>Units</b>	<b>Percent</b>
1939 or earlier.....	497	16.1	264	0.5	334,845	22.1
1940 - 1949.....	150	4.8	582	1.2	103,008	6.8
1950 - 1959.....	258	8.3	4,753	9.6	224,393	14.8
1960 - 1969.....	351	11.3	4,887	9.8	204,879	13.5
1970 - 1979.....	477	15.4	7,009	14.1	203,700	13.4
1980 - 1989.....	579	18.7	6,363	12.8	188,655	12.4
1990 - 1999.....	401	13.0	5,064	10.2	116,028	7.7
2000 - 2009.....	319	10.3	4,801	9.7	103,075	6.8
2010 - 2013.....	38	1.2	2,443	4.9	21,126	1.4
2014 or later.....	26	0.8	13,552	27.3	16,920	1.1
Total.....	<b>3,096</b>	<b>100.0</b>	<b>49,718</b>	<b>100.0</b>	<b>1,516,629</b>	<b>100.0</b>
Percent Owner Occupied.....		73.4%		69.0%		66.1%

Source: U.S. Census Bureau, 2015-2019 American Community Survey.

## HOUSING INVENTORY

Type	Town of Brooklyn		Windham County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
1-unit, detached.....	2,435	78.6	33,342	67.1	893,531	58.9
1-unit, attached.....	161	5.2	1,927	3.9	81,832	5.4
2 units.....	28	0.9	4,101	8.2	124,082	8.2
3 or 4 units.....	91	2.9	4,105	8.3	130,863	8.6
5 to 9 units.....	170	5.5	2,920	5.9	82,695	5.5
10 to 19 units.....	63	2.0	850	1.7	57,281	3.8
20 or more units.....	73	2.4	1,216	2.4	134,093	8.8
Mobile home, boat, other.....	75	2.4	1,257	2.5	12,252	0.8
Total .....	<u>3,096</u>	<u>100.0</u>	<u>49,718</u>	<u>100.0</u>	<u>1,516,629</u>	<u>100.0</u>

Source: U.S. Census Bureau, 2015-2019 American Community Survey.

## OWNER-OCCUPIED HOUSING VALUES

Sales Price Category	Town of Brooklyn		Windham County		State of Connecticut	
	Number	Percent	Number	Percent	Number	Percent
Less than \$50,000 .....	20	0.9	516	1.7	17,522	1.9
\$ 50,000 to \$ 99,999 ...	0	0.0	1,173	3.8	28,440	3.1
\$ 100,000 to \$149,999 ...	220	10.3	4,703	15.2	78,467	8.7
\$ 150,000 to \$199,999 ...	529	24.7	8,591	27.7	137,944	15.2
\$ 200,000 to \$299,999 ...	966	45.2	10,375	33.5	248,431	27.4
\$ 300,000 to \$499,999 ...	357	16.7	4,573	14.7	244,855	27.0
\$ 500,000 to \$999,999 ...	33	1.5	890	2.9	107,504	11.9
\$1,000,000 and over .....	14	0.7	183	0.6	42,518	4.7
Total .....	<u>2,139</u>	<u>100.0</u>	<u>31,004</u>	<u>100.0</u>	<u>905,681</u>	<u>100.0</u>
Median Value <sup>1</sup> .....	\$126,700		\$117,200		\$166,900	
Median Value <sup>2</sup> .....	\$230,600		\$204,400		\$275,400	

<sup>1</sup> U.S. Department of Commerce, Bureau of Census, 2000.

<sup>2</sup> U.S. Census Bureau, 2015-2019 American Community Survey.

Source: U.S. Census Bureau, 2015-2019 American Community Survey.

## BUILDING PERMITS

Fiscal Year Ending 6/30	Total	
	Number	Value
2021	463	\$31,362,198
2020	357	7,618,000
2019	369	18,840,000
2018	310	5,237,000
2017	303	19,778,000

Source: Building Department, Town of Brooklyn.

## LAND USE SUMMARY

Type of Land Use	Total Area		Developed		Undeveloped	
	Acres	Percent	Acres	Percent	Acres	Percent
Residential.....	7,061	40.65%	2,191	12.61%	4,870	28.04%
Commercial/Industrial.....	371	2.14%	356	2.05%	15	0.09%
Other.....	9,938	57.21%	0	0.00%	9,938	57.21%
<b>Total Area.....</b>	<b>17,370</b>	<b>100.00%</b>	<b>2,547</b>	<b>14.66%</b>	<b>14,823</b>	<b>85.34%</b>

Source: Town of Brooklyn, Assessor's Office.

## IV. TAX BASE DATA

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### ASSESSMENTS

The Town of Brooklyn had a general property revaluation of all real estate, effective on the Grand List of October 1, 2020. Under Section 12-62 of the Connecticut General Statutes, as amended, the Town must do a revaluation every five years and the assessor must fully inspect each parcel, including measuring or verifying the exterior dimensions of a building and entering and examining the interior of the building once every ten years. Section 12-62 also imposes a penalty on municipalities that fail to effect revaluations as required, with certain exceptions. Municipalities may choose to phase-in real property assessment increases resulting from a revaluation, but such phase-in must be implemented in less than five assessment years. The maintenance of an equitable tax base, and the location and appraisal of all real and personal property within the Town of Brooklyn for inclusion onto the Grand List are the responsibilities of the Town's Assessor's Office. The Grand List represents the total of assessed values for all taxable real and personal property and motor vehicles located within the Town on October 1. A Board of Assessment Appeals determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments for real property are compiled at seventy percent (70%) of the estimated market value at the time of the last general revaluation.

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

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

Motor vehicle lists are furnished to the Town by the State of Connecticut, and appraisals of motor vehicles are accomplished in accordance with an automobile price schedule as recommended by the State of Connecticut Office of Policy and Management and the Assessor of the Town of Brooklyn. Section 12-71b of the Connecticut General Statutes provides that motor vehicles which are registered with the Commissioner of Motor Vehicles after the October 1 assessment date but before the next August 1 are subject to a property tax as if the motor vehicle had been included on the October 1 Grand List. The tax is prorated, and the proration is based on the number of months of ownership between October 1 and the following July 31. Motor vehicles purchased in August and September are not taxed until the next October 1 Grand List. If the motor vehicle replaces a motor vehicle that was taxed on the October 1 Grand List, the taxpayer is entitled to certain credits. Assessments for motor vehicles are computed at seventy percent (70%) of the annual appraisal of market value.

Connecticut General Section 12-71e creates a cap on the local property tax mill rate for motor vehicles. The Statute provides that (1) for the assessment year October 1, 2016 (the fiscal year ending October 1, 2017 (the fiscal year ending June 30, 2019), and each assessment year thereafter, the mill rate for motor vehicles shall not exceed 45 mills. No district or borough may set a motor vehicle mill rate that if combined with the motor vehicle mill rate of the town or city in which such district or borough is located would result in a combined motor vehicle mill rate in excess of these mill rate caps. The Town did not exceed these mill rate caps for the fiscal years ending June 30, 2019 or June 30, 2020. For this fiscal year 2021-22 the Town issued motor vehicle tax bills based on a mill rate of 26.42.

For fiscal year ending June 30, 2018, motor vehicle property tax grants to municipalities that impose mill rates on real property and personal property other than motor vehicles greater than 39 mills or that, when combined with the mill rate of any district located within the municipality, impose mill rates greater than 39 mills, shall be made in an amount equal to the difference between the amount of property taxes levied by the municipality and any district located within the municipality on motor vehicles for the assessment year October 1, 2013 (the fiscal year ending June 30, 2015), and the amount such levy would have been if the mill rate on motor vehicles for that assessment years was 39 mills. For fiscal year ending June 30, 2019, and each fiscal year thereafter, motor vehicle property tax grants to municipalities that impose mill rates on real property and personal property other than motor vehicles greater than 45 mills or that, when combined with the mill rate of any district located within the municipality, impose mill rates greater than 45 mills, shall be made in an amount equal to the difference between the amount of property taxes levied by the municipality and any district located within the municipality on motor vehicles for the assessment year October 1, 2013, and the amount such levy would have been if the mill rate on motor vehicles for that assessment year was 45 mills.

## COVID-19

On April 1, 2020 and April 9, 2020, Governor Ned Lamont issued Executive Order Nos. 7S and 7W, respectively (together, the “Orders”), which, among other things, calls for Connecticut municipalities, including the Town of Brooklyn, to offer to eligible taxpayers impacted by COVID-19 one or both of the following tax relief programs: a 90 day Deferment Program or a 90 day Low Interest Rate Program. The Town implemented the Deferment Program. Please see the discussion on page 6 of this Official Statement under the caption “COVID-19 Outbreak - Municipal Tax Relief Programs” under “Consideration for Bondholders” herein.

## PROPERTY TAX COLLECTION PROCEDURE

Property taxes are levied on all taxable assessed property on the grand list of October 1 prior to the beginning of the fiscal year and are payable in four installments: July 1, October 1, January 1, and April 1. All bills under \$50 are due in full on July 1. Motor vehicle taxes are due in one installment, July 1, and supplemental motor vehicle taxes are due in full January 1. Payments not received by August 1, November 1, February 1, and May 1, respectively, become delinquent, with interest charged at the rate of 1.50% per month from the due date of the tax. In accordance with State law, the oldest outstanding tax is collected first. Outstanding real estate tax accounts are lien-ed each year prior to June 30 with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills. Delinquent motor vehicle and personal property accounts are transferred to a suspense account after four years at which time they cease to be carried as receivables. Real estate accounts are transferred to suspense 15 years after the due date in accordance with State statutes. Section 12-165 of the Connecticut General Statutes, as amended, requires each municipality to write off, on an annual basis, the property taxes which are deemed to be uncollectible.

## COMPARATIVE ASSESSED VALUATIONS

<b>Grand List Dated</b>	<b>Real Property (%)</b>	<b>Personal Property (%)</b>	<b>Motor Vehicle Property (%)</b>	<b>Gross Taxable Grand List</b>	<b>Less Exemptions <sup>1</sup></b>	<b>Net Taxable Grand List</b>	<b>% Growth</b>
2020 <sup>2</sup>	80.5	9.1	10.4	\$654,418,522	5,911,702	648,506,820	13.3%
2019	79.0	10.1	10.9	578,751,069	6,499,443	572,251,626	2.9%
2018	80.6	8.3	11.1	562,025,958	6,096,055	555,929,903	0.7%
2017	81.1	8.4	10.5	558,458,744	6,190,941	552,267,803	0.6%
2016	81.2	8.6	10.2	554,580,323	5,499,378	549,080,945	1.0%
2015 <sup>2</sup>	81.8	7.9	10.3	548,059,114	4,585,885	543,473,229	-1.9%
2014	86.6	3.8	9.6	558,611,511	4,359,864	554,251,647	0.8%
2013	86.5	3.7	9.8	554,097,054	4,397,469	549,699,585	3.3%
2012	87.4	3.0	9.6	535,571,365	3,516,140	532,055,225	0.8%
2011	87.2	3.0	9.8	531,450,126	3,639,500	527,810,626	1.1%

<sup>1</sup> Connecticut General Statutes Section 12-81 (72) exempts new manufacturing equipment from property taxation by municipalities.

<sup>2</sup> Revaluation year.

Source: Assessor's Office, Town of Brooklyn.

**PROPERTY TAX LEVIES AND COLLECTIONS**

<b>Grand List 1-Oct</b>	<b>FY Ending 30-Jun</b>	<b>Net Taxable Grand List</b>	<b>Mill Rate</b>	<b>Tax Levy</b>	<b>Percent Collected End of Each Fiscal Year</b>	<b>Percent Uncollected End of Each Fiscal Year</b>	<b>Percent Annual Levy Uncollected 6/30/2020</b>	<b>Amount Uncollected as of 6/30/2020</b>
2020	2022	\$648,506,820	26.42	\$16,842,137	Collections 7/1/2021 and 1/1/22			N/A
2019	2021	572,251,626	28.92	16,065,298	Unaudited			N/A
2018	2020	555,929,903	28.92	16,266,900	98.6%	1.4%	1.4%	223,038
2017	2019	552,267,803	28.09	15,631,889	99.0%	1.0%	0.3%	52,881
2016	2018	549,080,945	27.09	15,008,925	98.8%	1.2%	0.2%	26,237
2015	2017	543,473,229	26.34	14,409,751	98.8%	1.2%	0.0%	5,202
2014	2016	554,251,647	23.43	13,036,384	98.6%	1.4%	0.1%	7,540
2013	2015	549,699,585	23.43	12,930,089	98.4%	1.6%	0.0%	2,658
2012	2014	532,055,225	23.19	12,402,823	98.5%	1.5%	0.0%	1,575
2011	2013	527,810,626	23.19	12,277,485	97.9%	2.1%	0.0%	1,467

Source: Tax Collector's Office, Town of Brooklyn.

**TEN LARGEST TAXPAYERS<sup>1</sup>**

<b>Business-Name</b>	<b>Nature Of Business</b>	<b>Estimated Assessment 10/1/2020</b>	<b>Rank</b>	<b>Percent of Total<sup>1</sup></b>
Eversource Energy.....	Utility.....	\$ 43,650,730	1	6.73%
Wal-Mart Real Estate Business Trust.....	Real Estate.....	9,083,400	2	1.40%
Connecticut Baptist Home Inc.....	Nursing Home/Retirement Village.	7,471,500	3	1.15%
OSJ of Brooklyn LLC.....	Real Estate.....	3,270,300	4	0.50%
Alar 2 LLC.....	Real Estate.....	3,135,100	5	0.48%
Brooklyn Elderly Ltd. Partnership.....	Senior Housing.....	2,931,400	6	0.45%
The United Illuminating Company.....	Electric Distributor.....	2,851,150	7	0.44%
EAN Holdings LLC.....	Car Rentals.....	2,824,570	8	0.44%
Overlook Holdings LLC.....	Real Estate.....	2,341,900	9	0.36%
Quebec Square Housing, Inc.....	Housing Corporation.....	2,327,100	10	0.36%
<b>Total</b>		<b>\$ 79,887,150</b>		<b>12.32%</b>

<sup>1</sup> Based on a 10/1/20 Net Taxable Grand List of \$648,506,820.  
Source: Assessor's Office, Town of Brooklyn.

## EQUALIZED NET GRAND LIST

<b>Grand List of 10/1</b>	<b>Equalized Net Grand List</b>	<b>% Growth</b>
2018	\$925,789,654	1.30%
2017	913,932,195	5.07%
2016	869,861,571	12.10%
2015	775,936,749	4.16%
2014	744,968,939	-3.36%
2013	770,831,370	4.72%
2012	736,109,247	6.98%
2011	688,058,184	-1.61%
2010	699,341,455	-5.40%
2009	739,271,794	-1.05%

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

## V. FINANCIAL INFORMATION

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### FISCAL YEAR

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

### ACCOUNTING POLICIES

The financial statements of the Town of Brooklyn, Connecticut have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. Please refer to Appendix A "Basic Financial Statements" herein for compliance and implementation details.

The reporting model includes the following segments:

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

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

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

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

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

### BUDGETARY PROCEDURES

The Board of Selectmen and the Board of Education submit requests for appropriations to the Board of Finance. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations of the next fiscal year.

The Board of Finance holds a public hearing, at which itemized estimates of the expenditures of the Town for the next fiscal year are presented. At this time, individuals are able to recommend any appropriations, which they desire the Board of Finance to consider. The Board of Finance then considers the estimates and any other matters brought to their attention at a public meeting held subsequent to the initial public hearing and prior to the Annual Town Meeting. The Board of Finance prepares the proposed budget.

The Board of Finance's estimated and recommended budget reports are submitted at the Annual Town Meeting. The Annual Town Meeting takes action on the budget. After the Annual Town Meeting, the Board of Finance meets to levy a tax on the grand list which will be sufficient to cover, together with other income or revenue surplus, which is appropriated, the amounts appropriated and any revenue deficit of the Town.

Connecticut General Statutes Section 4-661 creates a cap on adopted general budget expenditures for municipalities in Connecticut in order for municipalities to be eligible to receive the full amount of the State's municipal revenue sharing grant. Beginning in fiscal year 2018, and in each fiscal year thereafter, the Office of Policy and Management ("OPM") must reduce the municipal revenue sharing grant amount for those municipalities whose adopted general budget expenditures (with certain exceptions, including but not limited to debt service, special education, implementation of court orders or arbitration awards, budgeting for an audited deficit, nonrecurring grants, capital

expenditures of \$100,000 or more, or payments on unfunded pension liabilities, and certain major disaster or emergency expenditures) exceeds the spending limits specified in the statute. For each applicable fiscal year, OPM must determine the municipality's percentage growth in general budget expenditures over the prior fiscal year and reduce the grant if the growth rate is equal to or greater than 2.5% or the inflation rate, whichever is greater, each of those amounts adjusted by an amount proportionate to any increase in the municipality's population from the previous fiscal year. The reduction is generally equal to 50 cents for every dollar the municipality spends over this cap. Each municipality must annually certify to the Secretary of OPM whether the municipality exceeded the cap set forth in the statute and if so the amount by which the cap was exceeded. over the cap. The biennium budget adopted by the General Assembly in June 2021 provides funding for the municipal revenue sharing grant for the fiscal years ending June 30, 2022 and June 30, 2023. However, the total amount of funding for the revenue sharing grant has not yet been determined by the State's Office of Policy and Management and therefore, the Town does not know how much funding it will receive for fiscal year 2022 at this time.

## **ANNUAL AUDIT**

Pursuant to Connecticut law, the Town is required to undergo an annual examination by an independent certified public accountant. The audit must be conducted under the guidelines issued by the State of Connecticut, Office of Policy and Management and a copy of the report must be filed with such Office within six months of the end of the fiscal year. For the fiscal year ended June 30, 2020, the examination was conducted by the firm of King, King & Associates, P.C., independent certified public accountants, of Winsted, Connecticut.

## **PENSION PLANS**

### *Brooklyn Employees Retirement Plan*

The Town of Brooklyn is administrator of a single employer public employee retirement system ("PERS") established and administered by the Town to provide pension benefits for its regular and former employees (excluding teachers covered under the CT State Teachers' Retirement System). 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.

### *Brooklyn Fire Department Service Awards Program*

The Town of Brooklyn is the administrator of a single employer deferred compensation plan, established and administered by the Town to provide pension benefits for all firefighter employees including volunteer firefighters. Firefighters are eligible to participate in the plan, as long as they have completed one year of firefighting service and are age eighteen. As of March 1, 2008, both participation in the plan and the accrual of any additional service were frozen. A separate stand-alone report is not issued. The Plan is managed by the Board of Finance.

<b>Actuarial Valuation Date</b>	<b>Actuarial Determined Employer Contribution (ADEC)</b>	<b>Annual Contribution</b>	<b>% of ADEC Contributed</b>
<i>Employees (PERS)</i>			
2016	\$295,082	\$295,082	100.00%
2017	302,944	302,944	100.00%
2018	355,128	355,128	100.00%
2019	364,453	158,933	43.61%
2020	374,107	579,627	154.94%
2021	400,294	400,294	100.00%
<i>Firefighters</i>			
2016	\$79,551	\$80,124	100.72%
2017	101,174	80,110	79.18%
2018	103,956	102,000	98.12%
2019	95,072	98,497	103.60%
2020	98,751	66,880	67.73%
2021	123,607	61,200	49.51%

The Town implemented GASB Statement No. 67 effective in Fiscal Year 2014. The following net pension liability of the Employees (PERS) and Firefighters at June 30, 2020, determined by an actuarial valuation as of July 1, 2018 for the Employees (PERS) and January 1, 2018 for the Firefighters and based on actuarial assumptions as of that date, were as follows:

<b>GASB 67 Schedules - Employees (PERS)</b>	
Total pension liability as of June 30, 2020	\$7,325,037
Plan fiduciary net position	5,469,157
Net pension liability	<u>1,855,880</u>
Plan fiduciary net position as a % of total pension liability	74.7%
<b>GASB 67 Schedules - Firefighters</b>	
Total pension liability as of June 30, 2020	\$1,585,925
Plan fiduciary net position	0
Net pension liability	<u>1,585,925</u>
Plan fiduciary net position as a % of total pension liability	0.0%

The following presents the net pension liability, calculated using the discount rate of 7.00% for Employees (PERS) and 2.21% for Firefighters, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
	<b>6.00%</b>	<b>7.00%</b>	<b>8.00%</b>
Employees (PERS) Net Pension Liability as of June 30, 2020	\$ 2,742,384	\$ 1,855,880	\$ 1,105,969

  

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
	<b>1.21%</b>	<b>2.21%</b>	<b>3.21%</b>
Firefighter's Net Pension Liability as of June 30, 2020	\$ 1,871,370	\$ 1,585,925	\$ 1,363,028

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

***For further information on the plans, please refer to Appendix A under the Town of Brooklyn's "Notes to the Financial Statements, Note 10", herein.***

The information included in the pension disclosure section relies on information produced by the pension plans and their independent accountants and actuaries. Actuarial assessments are "forward-looking" information that reflect the judgement of the fiduciaries of the pension plans. Actuarial assessments are based upon a variety of assumptions, one or more of which may prove to be inaccurate or be changed in the future, and will change with the future experience of the pension plans.

#### **OTHER POST-EMPLOYMENT BENEFITS ("OPEB")**

The Town provides postretirement health care benefits for certain retired employees of the Board of Education and their spouses. A separate stand-alone report is not issued. The funding policy is to contribute the employer portion of retiree benefit payments annually.

The Town implemented GASB Statement No. 75 effective in Fiscal Year 2018. The following net OPEB liability of the Board of Education Employees at June 30, 2020, determined by an actuarial valuation as of July 1, 2018 and based on actuarial assumptions as of that date, were as follows:

	<b>1% Decrease</b>	<b>Current Discount Rate</b>	<b>1% Increase</b>
	<b>1.21%</b>	<b>2.21%</b>	<b>3.21%</b>
Town's Net OPEB Liability as of June 30, 2020	\$ 1,393,379	\$ 1,242,366	\$ 1,113,824

Source: Comprehensive Annual Financial Report 2020.

***For further information on the plans, please refer to Appendix A under the Town of Brooklyn's "Notes to the Financial Statements, Note 11", herein.***

#### **INVESTMENT POLICIES AND PRACTICES**

Sections 7-400 and 7-402 of the Connecticut General Statutes govern the investments the Town is permitted to acquire. Generally, the Town may invest in certificates of deposit, municipal notes and bonds, obligations of the United States of America, including joint and several obligations of the Federal Home Loan Mortgage Association, the Federal Savings and Loan Insurance Corporation, obligations of the United States Postal Service, all the Federal Home Loan

Banks, all Federal Land Banks, the Tennessee Valley Authority, or any other agency of the United States government, and money market mutual funds.

The investment practices of the Town of Brooklyn are in compliance with the Connecticut General Statutes.

**COMPARATIVE GENERAL FUND OPERATING STATEMENT**  
Budget and Actual  
**(Budgetary Basis)**

	<u>Fiscal Year 2019-20</u>			<u>Fiscal Year</u>	<u>Fiscal Year</u>
	<u>Final</u>	<u>Actual</u>	<u>Variance</u>	<u>2020-21</u>	<u>2021-22</u>
	<u>Budget</u>	<u>Operations</u>	<u>Favorable</u>	<u>Adopted</u>	<u>Adopted</u>
			<u>(Unfavorable)</u>	<u>Budget</u>	<u>Budget</u>
<b>REVENUES</b>					
Property Taxes .....	\$ 16,346,835	\$ 16,331,873	\$ (14,962)	\$ 16,520,298	\$ 17,292,137
Intergovernmental .....	7,345,391	7,262,871	(82,520)	7,259,796	7,285,380
Local Revenues.....	602,343	754,228	151,885	1,056,410	894,510
Investment Income.....	13,000	18,136	5,136	13,000	9,000
<b>TOTAL REVENUES .....</b>	<b><u>24,307,569</u></b>	<b><u>24,367,108</u></b>	<b><u>59,539</u></b>	<b><u>24,849,504</u></b>	<b><u>25,481,027</u></b>
<b>EXPENDITURES</b>					
General Government .....	969,605	909,834	59,771	964,077	978,941
Public Safety .....	792,525	764,749	27,776	862,161	850,147
Public Works.....	1,289,654	1,230,320	59,334	1,129,156	1,239,684
Health and Human Services.....	88,142	86,892	1,250	91,910	111,101
Civic and Cultural.....	681,399	640,920	40,479	611,126	733,922
Development and Planning.....	198,227	167,053	31,174	147,644	164,361
Debt and Sundry.....	1,477,008	1,473,199	3,809	1,746,439	1,773,497
Capital Outlay.....	148,241	148,241	-	123,000	-
Education .....	18,662,768	18,416,267	246,501	19,173,991	19,629,374
<b>TOTAL EXPENDITURES .....</b>	<b><u>24,307,569</u></b>	<b><u>23,837,475</u></b>	<b><u>470,094</u></b>	<b><u>24,849,504</u></b>	<b><u>25,481,027</u></b>
Excess (deficiency) of revenues over expenditures .....	-	529,633	529,633	-	-
Other financing sources (uses):					
Appropriation of fund balance.....	-	-	-	-	-
Transfers In .....	-	-	-	-	-
Transfers Out .....	-	-	-	-	-
Total Other financing sources (uses) ..	-	-	-	-	-
<b>Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses .....</b>	<b><u>\$ -</u></b>	<b><u>\$ 529,633</u></b>	<b><u>\$ 529,633</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

Source: Audit Report 2020; Adopted Budgets 2021 and 2022.

**GENERAL FUND BALANCE SHEET**  
Summary of Audited Assets and Liabilities  
(GAAP Basis)

FISCAL YEAR ENDED:	2020	2019	2018	2017	2016
<b>ASSETS</b>					
Cash and cash equivalents .....	\$ 1,662,771	\$ 1,724,685	\$ 2,298,859	\$ 1,270,050	\$ 596,966
Investments.....	652,498	657,070	521,611	359,992	519,084
Receivable, Net of Allowance.....	375,569	304,681	268,510	198,247	161,895
Other Receivables.....	-	-	-	149,193	237,109
Prepays.....	-	4,845	-	-	-
Due from Other Funds.....	64,171	-	635,624	754,117	754,117
<b>TOTAL ASSETS.....</b>	<b>\$ 2,755,009</b>	<b>\$ 2,691,281</b>	<b>\$ 3,724,604</b>	<b>\$ 2,731,599</b>	<b>\$ 2,269,171</b>
<b>LIABILITIES</b>					
Accounts payable & Accrued Items.....	\$ 824,702	\$ 373,896	\$ 152,121	\$ 259,630	\$ 464,093
Intergovernmental Payable.....	-	-	-	-	2,033
Bond Anticipation Notes.....	-	62,225	-	-	-
Unearned Revenue .....	-	-	55,213	-	51,940
Due to Other Funds.....	544,346	961,548	1,770,155	1,237,131	799,785
<b>Total Liabilities .....</b>	<b>1,369,048</b>	<b>1,397,669</b>	<b>1,977,489</b>	<b>1,496,761</b>	<b>1,317,851</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue:					
Deferred Revenues.....	-	-	-	194,055	179,822
Property Taxes & Interest.....	330,254	328,902	277,385	-	-
<b>TOTAL DEFERRED INFLOWS.....</b>	<b>330,254</b>	<b>328,902</b>	<b>277,385</b>	<b>194,055</b>	<b>179,822</b>
<b>FUND BALANCE</b>					
Nonspendable .....	-	4,845	-	-	6,900
Restricted .....	77,445	71,125	-	32,351	32,351
Committed .....	90,222	90,293	-	-	-
Assigned.....	-	-	-	-	128,118
Unassigned .....	888,040	798,447	1,469,730	1,008,432	604,129
<b>TOTAL FUND BALANCE.....</b>	<b>1,055,707</b>	<b>964,710</b>	<b>1,469,730</b>	<b>1,040,783</b>	<b>771,498</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES.....</b>					
	<b>\$ 2,755,009</b>	<b>\$ 2,691,281</b>	<b>\$ 3,724,604</b>	<b>\$ 2,731,599</b>	<b>\$ 2,269,171</b>

Source: Audit Reports 2016-2020.

**GENERAL FUND REVENUES AND EXPENDITURES**  
 Summary of Audited Revenues and Expenditures  
 (GAAP Basis)

FISCAL YEAR ENDED	2020	2019	2018	2017	2016
<b>REVENUES</b>					
Property Taxes .....	\$16,331,873	\$15,715,412	\$14,932,539	\$14,506,521	\$13,216,352
Intergovernmental Revenues.....	9,586,860	9,492,028	6,958,247	7,902,323	8,359,463
Licenses, Permits & Charges for Services...	653,194	615,242	576,396	491,366	518,805
Investment Income.....	18,136	21,631	6,626	18,386	17,962
Other Revenues.....	108,994	60,473	773,114	137,243	56,541
Transfers In .....	-	-	160,000 <sup>1</sup>	-	-
<b>Total Revenues &amp; Transfers In .....</b>	<b><u>\$26,699,057</u></b>	<b><u>\$25,904,786</u></b>	<b><u>\$23,406,922</u></b>	<b><u>\$23,055,839</u></b>	<b><u>\$22,169,123</u></b>
<b>EXPENDITURES</b>					
<b>Current:</b>					
General Government .....	911,474	895,368	905,499	845,182	880,195
Public Safety .....	764,749	750,060	767,345	753,972	876,768
Public Works.....	1,230,320	1,164,082	994,251	878,829	999,580
Health & Human Services.....	86,892	85,920	79,383	78,406	86,315
Civic & Cultural.....	640,920	673,276	603,933	588,278	651,438
Development & Planning.....	158,845	143,459	128,470	125,168	120,603
Sundry.....	753,809	700,466	662,399	688,461	695,271
Education.....	21,099,355	20,547,603	18,390,927	18,274,053	17,955,158
Debt Service.....	20,825	37,478	63,406	25,370	56,740
Capital Outlay.....	-	-	-	-	-
Transfers Out.....	495,915	457,530	382,362	528,835	939,485
<b>Total Expenditures &amp; Transfers Out .....</b>	<b><u>26,163,104</u></b>	<b><u>25,455,242</u></b>	<b><u>22,977,975</u></b>	<b><u>22,786,554</u></b>	<b><u>23,261,553</u></b>
Results from Operations.....	535,953	449,544	428,947	269,285	(1,092,430)
<b>Fund Balance - July 1 .....</b>	<b><u>519,754 <sup>2</sup></u></b>	<b><u>515,166 <sup>2</sup></u></b>	<b><u>1,040,783</u></b>	<b><u>771,498</u></b>	<b><u>1,863,928</u></b>
<b>Fund Balance - June 30 .....</b>	<b><u>\$1,055,707</u></b>	<b><u>\$ 964,710</u></b>	<b><u>\$1,469,730</u></b>	<b><u>\$1,040,783</u></b>	<b><u>\$ 771,498</u></b>

<sup>1</sup> Includes \$160,000 of loan proceeds.

<sup>2</sup> Restated.

Source: Audit Reports 2016-2020.

**ANALYSIS OF GENERAL FUND EQUITY**  
 (GAAP BASIS)

FISCAL YEAR ENDED	2020	2019	2018	2017	2016
Nonspendable.....	\$ -	\$ 4,845	\$ -	\$ -	\$ 6,900
Restricted.....	77,445	71,125	-	32,351	32,351
Committed.....	90,222	90,293	-	-	-
Assigned.....	-	-	-	-	128,118
Unassigned.....	888,040	798,447	1,469,730	1,008,432	604,129
<b>Total Fund Balance.....</b>	<b><u>1,055,707</u></b>	<b><u>964,710</u></b>	<b><u>1,469,730</u></b>	<b><u>1,040,783</u></b>	<b><u>771,498</u></b>
<b>Unassigned Fund Balance As % of</b>					
<b>Total Expenditures.....</b>	<b>3.39%</b>	<b>3.14%</b>	<b>6.40%</b>	<b>4.43%</b>	<b>2.60%</b>

Source: Audit Reports 2016-2020.

**PROPERTY TAX REVENUES**

<b>Fiscal Year</b>	<b>General Fund</b>	<b>Property Tax</b>	<b>Property Tax</b>
	<b>Revenues &amp; Transfers in</b>		<b>Revenues as a Percentage of General Fund Revenues</b>
2022 <sup>1</sup>	\$26,062,243	\$17,876,153	68.6 %
2021 <sup>1</sup>	24,849,504	16,520,298	66.5
2020	26,699,057	16,331,873	61.2
2019	25,904,786	15,715,412	60.7
2018	23,406,922	14,932,539	63.8
2017	23,055,839	14,506,521	62.9
2016	22,169,123	13,216,352	59.6

<sup>1</sup> Adopted Budgets.

**INTERGOVERNMENTAL REVENUES**

<b>Fiscal Year</b>	<b>General Fund</b>	<b>Intergovernmental</b>	<b>Aid as a</b>
	<b>Revenues &amp; Transfers in</b>		<b>Percentage of General Fund Revenues</b>
2022 <sup>1</sup>	\$26,062,243	\$7,285,380	28.0 %
2021 <sup>1</sup>	24,849,504	7,259,796	29.2
2020	26,699,057	9,586,860	35.9
2019	25,904,786	9,492,028	36.6
2018	23,406,922	6,958,247	29.7
2017	23,055,839	7,902,323	34.3
2016	22,169,123	8,359,463	37.7

<sup>1</sup> Adopted Budgets.

**EXPENDITURES**

<b>Fiscal Year</b>	<b>Education</b>	<b>Public Safety</b>	<b>General Government</b>	<b>Public Works</b>	<b>Debt Service</b>
2022 <sup>1</sup>	75.3%	4.1%	3.7%	4.7%	7.6%
2021 <sup>1</sup>	77.2%	3.5%	3.9%	4.5%	7.0%
2020	80.6%	2.9%	3.5%	4.7%	0.1%
2019	80.7%	2.9%	3.5%	4.6%	0.1%
2018	80.0%	3.3%	3.9%	4.3%	0.3%
2017	80.2%	3.3%	3.7%	3.9%	0.1%
2016	77.2%	3.8%	3.8%	4.3%	0.2%

<sup>1</sup> Adopted Budgets.

**VI. DEBT SUMMARY**

**PRINCIPAL AMOUNT OF INDEBTEDNESS**

As of August 5, 2021  
(Pro Forma)

<u>Long-Term Debt: Bonds</u>				<b>Principal</b>	<b>Date of</b>
<u>Date of Issue</u>	<u>Purpose</u>	<u>Rate %</u>	<b>Original</b>	<b>Outstanding</b>	<b>Fiscal Year</b>
			<b>Issue Amount</b>	<b>as of 8/5/2021</b>	<b>Maturity</b>
<u>General Purpose</u>					
8/5/2021	General Purpose .....	2.00	\$ 3,941,135	\$ 3,941,135	2042
	<b>Total.....</b>		<b>\$ 3,941,135</b>	<b>\$ 3,941,135</b>	
<u>Schools</u>					
8/5/2021	Schools.....	1.50-5.00	2,048,865	2,048,865	2042
	<b>Total.....</b>		<b>\$ 2,048,865</b>	<b>\$ 2,048,865</b>	
<u>Sewers</u>					
6/23/2016	USDA Loan.....	2.25	1,115,000	1,023,560	2056
	<b>Total.....</b>		<b>\$ 1,115,000</b>	<b>\$ 1,023,560</b>	
	<b>Total Long Term Debt...</b>		<b>\$ 7,105,000</b>	<b>\$ 7,013,560</b>	

Short-Term Debt:

None

Other Long-Term Debt:

The Town entered into an agreement with the Town of Killingly for improvements to the Killingly High School. The Town will pay a portion of capital costs based on the number of students attending the school from Brooklyn. As of August 5, 2021 the Town of Brooklyn's portion was \$218,224.00. The agreement expires on June 20, 2028.

Capital Leases Payable:

2021	\$8,799
2022	8,799
	<u>\$17,598</u>

**SCHOOL BUILDING GRANT REIMBURSEMENTS**

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

**ANNUAL BONDED DEBT MATURITY SCHEDULE <sup>1,2</sup>**

As of August 5, 2021  
(Pro Forma)

Fiscal Year Ending 30-Jun	USDA Loan			The Bonds	Percent Retired
	Principal	Interest	Total		
2022	\$ 19,541	\$ 23,030	\$ 42,571	\$ -	0.28%
2023	19,981	22,590	42,571	300,000	4.84%
2024	20,430	22,141	42,571	300,000	9.41%
2025	20,890	21,681	42,571	300,000	13.98%
2026	21,360	21,211	42,571	300,000	18.57%
2027	21,840	20,731	42,571	300,000	23.16%
2028	22,332	20,239	42,571	300,000	27.75%
2029	22,834	19,737	42,571	300,000	32.35%
2030	23,348	19,223	42,571	300,000	36.96%
2031	23,873	18,698	42,571	300,000	41.58%
2032	24,411	18,160	42,571	300,000	46.21%
2033	24,960	17,611	42,571	300,000	50.84%
2034	25,521	17,050	42,571	300,000	55.48%
2035	26,096	16,475	42,571	300,000	60.13%
2036	26,683	15,888	42,571	300,000	64.79%
2037	27,284	15,288	42,571	300,000	69.46%
2038	27,897	14,674	42,571	300,000	74.13%
2039	28,525	14,046	42,571	300,000	78.82%
2040	29,167	13,404	42,571	300,000	83.51%
2041	29,823	12,748	42,571	295,000	88.14%
2042	30,494	12,077	42,571	295,000	92.78%
2043	31,180	11,391	42,571	-	93.23%
2044	31,881	10,690	42,571	-	93.68%
2045	32,599	9,972	42,571	-	94.15%
2046	33,332	9,239	42,571	-	94.62%
2047	34,082	8,489	42,571	-	95.11%
2048	34,849	7,722	42,571	-	95.60%
2049	35,633	6,938	42,571	-	96.11%
2050	36,435	6,136	42,571	-	96.63%
2051	37,255	5,316	42,571	-	97.16%
2052	38,093	4,478	42,571	-	97.71%
2053	38,950	3,621	42,571	-	98.26%
2054	39,826	2,745	42,571	-	98.83%
2055	40,723	1,849	42,571	-	99.41%
2056	41,433	932	42,365	-	100.00%
<b>Total</b>	<b>\$ 1,023,560</b>	<b>\$ 466,220</b>	<b>\$ 1,489,780</b>	<b>\$ 5,990,000</b>	

<sup>1</sup> Excludes capital lease obligations and other long-term commitments.

<sup>2</sup> Numbers may not add due to rounding.

**OVERLAPPING/UNDERLYING DEBT**

The Town has no overlapping or underlying debt.

**DEBT STATEMENT**

As of August 5, 2021  
(Pro Forma)

<b>Long-Term Indebtedness (includes the Bonds)</b>	
General Purpose.....	\$ 3,941,135
Schools.....	2,048,865
Sewers.....	1,023,560
<b>Total Long-Term Indebtedness.....</b>	<u>7,013,560</u>
<b>Short-Term Indebtedness</b>	
Note payable.....	-
<b>Total Short-Term Indebtedness.....</b>	<u>-</u>
<b>Total Direct Indebtedness.....</b>	<u>7,013,560</u>
<b>Exclusions:</b>	
<b>Net Direct Indebtedness.....</b>	<u>7,013,560</u>
<b>Overlapping/Underlying Indebtedness.....</b>	<u>-</u>
<b>Total Overall Net Direct Indebtedness.....</b>	<u>\$ 7,013,560</u>

NOTE: Does not include capital lease obligations, other long-term commitment, and authorized but unissued debt.

**CURRENT DEBT RATIOS**

August 5, 2021  
(Pro Forma)

Population <sup>1</sup> .....	8,272
Net Taxable Grand List (10/1/20).....	\$648,506,820
Estimated Full Value.....	\$926,438,314
Equalized Net Taxable Grand List (10/1/18)....	\$925,789,654
Per Capita Income (2019).....	\$33,061

	<b>Total Direct debt \$7,013,560</b>	<b>Total Net Direct Debt \$7,013,560</b>	<b>Total Overall Net Debt \$7,013,560</b>
Per Capita.....	\$847.87	\$847.87	\$847.87
Ratio to Net Taxable Grand List.....	1.08%	1.08%	1.08%
Ratio to Estimated Full Value.....	0.76%	0.76%	0.76%
Ratio to Equalized Net Taxable Grnad List.....	0.76%	0.76%	0.76%
Debt per Capita to Money Income per Capita.....	2.56%	2.56%	2.56%

<sup>1</sup> Connecticut Department of Public Health, Population Estimate 2019.

<sup>2</sup> Office of Policy and Management, State of Connecticut.

<sup>3</sup> U.S. Census Bureau, 2015-2019 American Community Survey.

## **BOND AUTHORIZATION**

The Town of Brooklyn has the power to incur indebtedness as authorized by Title 7 of the Connecticut General Statutes (“CGS”) subject to statutory limitations. The issuance of bonds and notes is authorized upon the recommendations of the Board of Finance and by the Town meeting, at which all elector and certain non-resident property owners can vote, except for the issuance of refunding bonds which is authorized only by the Board of Selectmen.

## **TEMPORARY FINANCING**

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

Temporary notes may be funded beyond ten years from the initial borrowing if a written commitment exists for State and/or Federal grants, for terms not to exceed six months until such time that the final grant payments are received (CGS Sec. 7-378b).

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

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

## **LIMITATION OF INDEBTEDNESS**

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

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

In no case however, shall total indebtedness exceed seven times the base. “Annual receipts from taxation,” (the “base,”) are defined as total tax collections including interest, penalties and late payment of taxes and state payments for revenue loss under CGS Sections 12-129d and 7-528.

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

**STATEMENT OF STATUTORY DEBT LIMITATION<sup>1</sup>**

As of August 5, 2021  
(Pro Forma)

**TOTAL RECEIPTS FOR FISCAL YEAR ENDED JUNE 30, 2020** (including interest and lien fees)

Town	\$ 15,716,459
Fire	72,657

**STATE REIMBURSEMENT FOR REVENUE LOSS ON:**

Tax Relief for Elderly	1,317
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**BASE FOR ESTABLISHING DEBT LIMIT**

\$ 15,790,433

<b>DEBT LIMITATION:</b>	<b>General Purpose</b>	<b>Schools</b>	<b>Sewers</b>	<b>Urban Renewal</b>	<b>Past Pension</b>	<b>Total Debt</b>
2.25 times base.....	\$ 35,528,474					
4.50 times base.....		\$71,056,949				
3.75 times base.....			\$59,214,124			
3.25 times base.....				\$51,318,907		
3.00 times base.....					\$47,371,299	
7.00 times base.....						\$110,533,031
<b>INDEBTEDNESS (Includes the Bonds)</b>						
Bonds Payable.....	\$ 3,941,135	\$ 2,048,865	\$ 1,023,560	\$ -	\$ -	\$ 7,013,560
Authorized but						
Unissued Debt.....	47,542	4,070,000	374,000	-	-	4,491,542
<b>TOTAL BONDED INDEBTEDNESS</b>	<u>3,988,677</u>	<u>6,118,865</u>	<u>1,397,560</u>	<u>-</u>	<u>-</u>	<u>11,505,102</u>
Less Sewer Assessments	-	-	-	-	-	-
<b>NET BONDED INDEBTEDNESS</b>	<u>3,988,677</u>	<u>6,118,865</u>	<u>1,397,560</u>	<u>-</u>	<u>-</u>	<u>11,505,102</u>
Excess of Limit Over						
Outstanding and						
Authorized Debt	<u>\$ 31,539,797</u>	<u>\$64,938,084</u>	<u>\$57,816,564</u>	<u>\$51,318,907</u>	<u>\$47,371,299</u>	<u>\$ 99,027,929</u>

<sup>1</sup> Excludes capital lease obligations and other long-term commitments.

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation or \$110,533,031.

## AUTHORIZED BUT UNISSUED DEBT

As of August 5, 2021

(Pro Forma)

Project	Amount Authorized	Grants & Other Funds Applied	Previous Paydown Applied	Notes Maturing 8/5/2021	The Bonds	Authorized But Unissued
Renovation to Town-Owned						
Lil-Ann Apartments Property.....	300,000	-	285,000	-	-	15,000
2007 Capital Program.....	341,774	-	320,000	-	-	21,774
2011 Capital Program.....	168,000	-	104,050	61,950	61,950	2,000
Middle School Retaining Wall.....	1,900,000	888,571	672,825	338,604	338,604	-
Highway Garage.....	200,000	-	70,000	130,000	130,000	-
2012 Capital Program.....	764,000	47,375 <sup>2</sup>	329,750	386,875	386,875	-
2015 Capital Program.....	626,000	4,256 <sup>4</sup>	240,429	381,571	377,315	4,000
Sewer Project.....	1,489,000	1,115,000 <sup>3</sup>	-	-	-	374,000
Fire Alarm System Brooklyn Schools.....	400,000	82,000	82,500	235,500	235,500	-
2016 Capital Program.....	115,768	-	32,500	82,500	82,500	768
2017 Capital Program.....	465,000	-	46,500	418,500	414,500	4,000
School Roof Projects.....	5,000,000	-	46,500	883,500	883,500	4,070,000
2018 Capital Program.....	246,000	-	12,300	233,700	233,700	-
2019 Capital Program.....	559,650	-	-	559,650	559,650	-
STEAP Grant - Generator.....	175,000	175,000	-	-	-	-
2019 Elementary School Solar Project.....	903,405	571,591	-	903,405	331,814	-
2019 Middle School Solar Project.....	898,850	639,403	-	898,850	259,447	-
2020 Capital Program.....	629,645	-	-	629,645	629,645	-
2021 Capital Program.....	1,065,000	-	-	-	1,065,000	-
<b>Total.....</b>	<b>\$16,247,092</b>	<b>\$3,523,196</b>	<b>\$2,242,354</b>	<b>\$6,144,250</b>	<b>\$5,990,000</b>	<b>\$4,491,542</b>

<sup>1</sup> The Town anticipates 73% funding from the State of Connecticut for the School Roof projects.

<sup>2</sup> In 2012 the Town made an appropriation of \$47,375 to offset the cost of the 2012 Capital Program.

<sup>3</sup> Amount funded to round to nearest \$5,000 increment for this issuance.

<sup>4</sup> The Town obtained a \$1,115,000 USDA Loan for the Sewer Project on June 23, 2016 at an interest rate of 2.25%.

Source: Town of Brooklyn, Finance Office.

## PRINCIPAL AMOUNT OF OUTSTANDING DEBT<sup>1</sup>

<u>Long-Term Debt</u>	<u>2021 Est.</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Bonds.....	\$0	\$0	\$0	\$0	\$0	\$0
USDA Loan.....	1,023,559	1,042,670	1,061,361	1,079,640	1,097,517	1,115,000
<b>Short-Term Debt</b>						
Bond Anticipation Notes.....	6,144,250	6,612,300	4,414,650	3,891,000	2,945,000	4,155,000
<b>Totals.....</b>	<b>\$7,167,809</b>	<b>\$7,654,970</b>	<b>\$5,476,011</b>	<b>\$4,970,640</b>	<b>\$4,042,517</b>	<b>\$5,270,000</b>

<sup>1</sup> Does not include capital leases and other long-term commitments.

Source: Annual Audited Financial Statements 2016-2020, Estimate 2021.

**RATIO OF DIRECT OVERALL DEBT TO VALUATION, POPULATION AND INCOME**

<b>Fiscal Year Ended 6/30</b>	<b>Net Assessed Value</b>	<b>Estimated Full Value</b>	<b>Direct Debt<sup>1</sup></b>	<b>Ratio of Direct Debt to Net Assessed Value (%)</b>	<b>Ratio of Direct Debt to Estimated Full Value (%)</b>	<b>Population</b>	<b>Direct Debt per Capita</b>	<b>Ratio of Direct Debt per Capita to Per Capita Income (%)</b>
2021 Est.	\$572,259,626	\$817,513,751	\$7,167,809	1.25%	0.88%	8,272	\$866.51	2.62%
2020	555,929,903	794,185,576	7,654,970	1.38%	0.96%	8,272	925.41	2.80%
2019	552,267,803	788,954,004	5,476,011	0.99%	0.69%	8,272	661.99	2.00%
2018	549,080,945	784,401,350	4,970,640	0.91%	0.63%	8,280	600.32	1.82%
2017	543,473,229	776,390,327	4,042,517	0.74%	0.52%	8,208	492.51	1.49%
2016	554,251,647	791,788,067	5,270,000	0.95%	0.67%	8,205	642.29	1.94%

<sup>1</sup> State of Connecticut, Department of Health Services Estimate FY 2015-2019.

<sup>2</sup> Income per Capita: \$33,061 – U.S. Census Bureau, 2015-2019 American Community Survey.

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

## VII. LEGAL AND OTHER LITIGATION

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### LITIGATION

The Town of Brooklyn, Connecticut, its officers, employees, boards and commissions are named defendants in a number of lawsuits, tax appeals, administrative proceedings and/or other miscellaneous claims. The Town Attorney is of the opinion that pending litigation will not be finally determined so as to result individually or in the aggregate in a final judgment against the Town which would have a materially adverse effect upon its financial position.

### MUNICIPAL ADVISOR

The Town has retained Munistat Services, Inc. (the "Municipal Advisor") to serve as its municipal advisor in connection with the issuance of the Bonds. The Municipal Advisor has not independently verified any of the information contained in this Official Statement and makes no guarantee as to its completeness or accuracy. The Municipal Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds, and receipt by the Town of payment therefor. The Town may engage the Municipal Advisor to perform other services, including without limitation, providing certain investment services with regard to the investment of Bond proceeds.

### TRANSCRIPT AND CLOSING DOCUMENTS

Upon the delivery of the Bonds, the original purchaser will be furnished with the following:

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds or the levy or collection of taxes to pay the principal of and interest on the Bonds.
2. A Certificate on behalf of the Town signed by the First Selectman and Treasurer which will be dated the date of delivery and attached to a signed copy of the Official Statement, and which will certify, to the best of said officials' knowledge and belief, that at the time the bids on the Bonds were accepted, the descriptions and statements in the Official Statement relating to the Town and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Official Statement.
3. A receipt for the purchase price of the Bonds.
4. The approving opinion of Shipman & Goodwin LLP, Bond Counsel, of Hartford, Connecticut substantially in the form of Appendix B attached hereto.
5. An executed Continuing Disclosure Agreement for the Bonds substantially in the form of Appendix C attached hereto.
6. The Town of Brooklyn has prepared a Preliminary Official Statement for this Bond Issue which is dated July 14, 2021. The Town deems such Preliminary Official Statement final as of its date for purposes of SEC Rule 15c2-12 (b)(5), but it is subject to revision or amendment. The Town will make available to the winning Purchaser of the Bonds a reasonable number of copies of the Official Statement at the Town's expense within seven business days of the bid opening. Additional copies may be obtained by the original purchaser at their own expense by arrangement with the printer.

A transcript of the proceedings taken by the Town in authorizing the Bonds will be kept in file at the offices of U.S. Bank National Association, Global Corporate Trust, CityPlace I, 185 Asylum Street, 27<sup>th</sup> Floor, Hartford, Connecticut and will be available for examination upon reasonable request.

**CONCLUDING STATEMENT**

This Official Statement is not to be construed as a contract or agreement between the Town and the purchaser or holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion or estimates are not intended to be representations of fact, and no representation is made that any of such opinion or estimate will be realized.

No representation is made that past experience, as might be shown by financial or other information herein, will necessarily continue or be repeated in the future. Neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Town since the date hereof. References to statutes, charters, or other laws herein may not be complete and such provisions of law are subject to repeal or amendment.

Information herein has been derived by the Town from various officials, departments and other sources and is believed by the Town to be reliable, but such information, other than that obtained from official records of the Town, has not been independently confirmed or verified by the Town and its accuracy is not guaranteed.

This Official Statement has been duly prepared and delivered by the Town, and executed for and on behalf of the Town by the following officials:

**TOWN OF BROOKLYN**

By: \_\_\_\_\_  
Richard A. Ives, *First Selectman*

By: \_\_\_\_\_  
Stephanie Levin, *Finance Director/Treasurer*

Dated as of July \_\_\_\_, 2021

**APPENDIX A – BASIC FINANCIAL STATEMENTS**

**FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

*Appendix A - Basic Financial Statements* - is taken from the Annual Report of the Town of Brooklyn for the Fiscal Year ended June 30, 2020 as presented by the Auditors and does not include all of the schedules or management letter made in such report. A copy of the complete report is available upon request to the Finance Director, Town of Brooklyn, Connecticut.

## INDEPENDENT AUDITOR'S REPORT

To the Board of Finance  
Town of Brooklyn, Connecticut

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Brooklyn, CT, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Brooklyn, CT's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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

### Auditor's Responsibility

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

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

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

### Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Brooklyn, CT, as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3–9, budgetary comparison information on pages 55-58, and Pension and OPEB schedules on pages 59-66 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Brooklyn, CT's basic financial statements. The combining and individual nonmajor fund financial statements and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2021, on our consideration of the Town of Brooklyn, CT's internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Brooklyn, CT's internal control over financial reporting and compliance.



King, King & Associates, P.C., CPAs  
Winsted, CT  
February 23, 2021

# TOWN OF BROOKLYN, CONNECTICUT

## Management's Discussion and Analysis

June 30, 2020

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As management of the Town of Brooklyn, CT, we offer readers of the Town of Brooklyn, CT's financial statements this narrative overview and analysis of the financial activities of the Town of Brooklyn, CT for the fiscal year ended June 30, 2020.

### FINANCIAL HIGHLIGHTS

- The assets of the Town of Brooklyn, CT exceeded its liabilities at the close of the most recent fiscal year by \$25,911,938 (*net position*). Of this amount, \$(2,777,103) (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors. Restricted Net Position of \$965,715 is restricted for various programs such as road improvements, façade improvement program, education, town clerk grants, and other purposes.
- In the Town's governmental activities, total net position decreased by \$149,030.
- In the Town's business-type activities, total net position increased by \$9,986.
- As of the close of the current fiscal year, the Town of Brooklyn, CT's governmental funds reported combined ending fund balances of \$(2,032,001), an increase of \$273,859 in comparison with the prior year. The total unassigned fund balance is negative due to a large Bond Anticipation Note in the Capital Nonrecurring Fund.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$888,040 or 3.5% of total General Fund expenditures. The total fund balance of the General Fund was \$1,055,707 or 4.1% of total General Fund expenditures.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town of Brooklyn, CT's basic financial statements. The Town of Brooklyn, CT's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the Town of Brooklyn, CT's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Town of Brooklyn, CT's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator whether the financial position of the Town of Brooklyn, CT is improving or deteriorating.

The *statement of activities* presents information showing how the government's net position is changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., earned but unused vacation leave).

## TOWN OF BROOKLYN, CONNECTICUT

Management's Discussion and Analysis

June 30, 2020

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Both of the government-wide financial statements distinguish functions of the Town of Brooklyn, CT that are principally supported by intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town of Brooklyn, CT include education, public safety, general government, public works, human services, civic and cultural, and development and planning. Property taxes, state and federal grants, and local revenues such as fees and licenses finance most of these activities. The business-type activities of the Town of Brooklyn, CT include fees to customers to help it cover all or most of the cost of certain services it provides.

The government-wide financial statements can be found on pages 10-11 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Brooklyn, CT, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Brooklyn, CT can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison.

The Town of Brooklyn, CT, maintains nine (9) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, and Capital Nonrecurring Fund. Data from the other governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Town of Brooklyn, CT, adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 12-15 of this report.

**Proprietary Funds.** The Town maintains one proprietary fund. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide information for the Water Pollution Control Authority.

The basic proprietary fund financial statements can be found on pages 16-18 of this report.

## TOWN OF BROOKLYN, CONNECTICUT

### Management's Discussion and Analysis

June 30, 2020

**Fiduciary Funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town of Brooklyn, CT's own programs. The accounting used for fiduciary funds is much like that used for Proprietary Funds.

The basic fiduciary fund financial statements can be found on pages 19-20 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21-54 of this report.

### GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Brooklyn, CT, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$25,911,938 at the close of the most recent fiscal year.

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Current and Other Assets	\$ 5,798,730	\$ 2,983,207	\$ 784,114	\$ 1,023,070	\$ 6,582,844	\$ 4,006,277
Capital Assets	<u>31,057,455</u>	<u>31,575,249</u>	<u>2,163,299</u>	<u>2,227,395</u>	<u>33,220,754</u>	<u>33,802,644</u>
Total Assets	<u>36,856,185</u>	<u>34,558,456</u>	<u>2,947,413</u>	<u>3,250,465</u>	<u>39,803,598</u>	<u>37,808,921</u>
Deferred Outflows of Resources	<u>1,054,071</u>	<u>694,733</u>	-	-	<u>1,054,071</u>	<u>694,733</u>
Long-term Liabilities	5,586,480	5,268,863	1,042,670	1,061,361	6,629,150	6,330,224
Other Liabilities	<u>7,500,477</u>	<u>4,960,165</u>	<u>7,875</u>	<u>302,222</u>	<u>7,508,352</u>	<u>5,262,387</u>
Total Liabilities	<u>13,086,957</u>	<u>10,229,028</u>	<u>1,050,545</u>	<u>1,363,583</u>	<u>14,137,502</u>	<u>11,592,611</u>
Deferred Inflows of Resources	<u>808,229</u>	<u>860,061</u>	-	-	<u>808,229</u>	<u>860,061</u>
Net Position:						
Net Investment in Capital Assets	26,602,697	27,136,075	1,120,629	1,166,034	27,723,326	28,302,109
Restricted	965,715	696,650	-	-	965,715	696,650
Unrestricted	<u>(3,553,342)</u>	<u>(3,668,625)</u>	<u>776,239</u>	<u>720,848</u>	<u>(2,777,103)</u>	<u>(2,947,777)</u>
Total Net Position	<u>\$ 24,015,070</u>	<u>\$ 24,164,100</u>	<u>\$ 1,896,868</u>	<u>\$ 1,886,882</u>	<u>\$ 25,911,938</u>	<u>\$ 26,050,982</u>

The largest portion of the Town's net position reflects its investment in capital assets (land, buildings and systems, machinery and equipment, and infrastructure assets such as roads and bridges) less any related debt used to acquire those assets that is still outstanding. The Town uses these assets to provide services to its citizens; consequently, these assets are not available for spending. Net investment in capital assets decreased by \$578,783 primarily due to depreciation being greater than fixed asset additions and the pay down of related debt.

The Town's restricted net position of \$965,715 increased by \$269,065 compared to last years restricted net position of \$696,650.

The Town's unrestricted net position of (\$2,777,103) decreased by \$170,674 compared to last years restated unrestricted net position of (\$2,947,777).

**TOWN OF BROOKLYN, CONNECTICUT**  
Management's Discussion and Analysis  
June 30, 2020

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
<b>REVENUES</b>						
<i>General Revenues:</i>						
Property Taxes	\$ 16,333,225	\$ 15,766,929	\$ -	\$ -	\$ 16,333,225	\$ 15,766,929
Unrestricted Grants & Contributions	303,860	303,489	-	-	303,860	303,489
Unrestricted Investment Income	18,654	22,417	2,245	2,395	20,899	24,812
Other General Revenues	123,719	60,473	-	-	123,719	60,473
<i>Program Revenues:</i>						
Charges for Services	756,361	812,288	554,608	558,320	1,310,969	1,370,608
Operating Grants and Contributions	11,425,244	9,430,527	-	-	11,425,244	9,430,527
Capital Grants and Contributions	-	170,963	-	-	-	170,963
Total Revenues	28,961,063	26,567,086	556,853	560,715	29,517,916	27,127,801
<b>EXPENSES</b>						
<i>Governmental Activities:</i>						
General Government	1,370,035	1,758,271	-	-	1,370,035	1,758,271
Public Safety	1,014,714	890,669	-	-	1,014,714	890,669
Public Works	1,670,142	2,050,351	-	-	1,670,142	2,050,351
Health and Human Services	69,294	68,215	-	-	69,294	68,215
Civic and Cultural	820,004	846,152	-	-	820,004	846,152
Development and Planning	195,500	175,063	-	-	195,500	175,063
Education	23,860,237	21,435,147	-	-	23,860,237	21,435,147
Interest on Long-Term Debt	110,167	75,825	-	-	110,167	75,825
<i>Business-Type Activities:</i>						
Water Pollution Control Authority	-	-	546,867	451,125	546,867	451,125
Total Expenses	29,110,093	27,299,693	546,867	451,125	29,656,960	27,750,818
Change in Net Position	(149,030)	(732,607)	9,986	109,590	(139,044)	(623,017)
Beginning Net Position, Restated	24,164,100	24,896,707	1,886,882	1,777,292	26,050,982	26,673,999
Ending Net Position	\$ 24,015,070	\$ 24,164,100	\$ 1,896,868	\$ 1,886,882	\$ 25,911,938	\$ 26,050,982

**Governmental activities.** Governmental activities decreased the Town of Brooklyn, CT's net position by \$149,030.

Key elements of this decrease are as follows:

- An increase in the property tax revenues due to an increase in the mill rate of 0.83.
- Depreciation expense greater than capital additions by \$581,890.

Fifty-six percent (56%) of the revenues of the Town were derived from property taxes, followed by forty percent (40%) from grants and contributions, three percent (3%) from charges for services and less than one percent (1%) of the Town's revenue in the fiscal year was derived from investment and other income.

Eighty-two percent (82%) of the expenses of the Town were related to education, followed by five percent (5%) related to general government, six percent (6%) related to public works and seven percent (7%) related to the remainder of the government's expenses.

## TOWN OF BROOKLYN, CONNECTICUT

Management's Discussion and Analysis

June 30, 2020

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**Business-Type activities.** The business-type activities consist of the Water Pollution Control Authority. The Authority's cost and expenses are a direct result of the amount of waste flowing from the Town into the Waste Water Treatment Plant. Revenue and expenses will vary from year to year based on the flow from the residences and businesses connected to the system.

The activity of the Authority has been relatively consistent as the system has not been expanding to significant new users in recent years. The change in net position for the current year was \$9,986.

### FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Town of Brooklyn, CT uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental Funds.** The focus of the Town of Brooklyn, CT's governmental funds is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Town of Brooklyn, CT's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town of Brooklyn, CT's governmental funds reported combined ending fund balances of \$(2,032,001), a decrease of \$273,859 in comparison with the prior year. The governmental funds currently have a negative unassigned fund balance due to a large BAN reported in the Capital Nonrecurring Fund.

**General Fund.** The General Fund is the chief operating fund of the Town of Brooklyn, CT. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$888,040. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 3.5 percent of total General Fund expenditures.

The fund balance of the Town of Brooklyn, CT's General Fund increased by \$535,953 during the current fiscal year. Key factors in this increase are as follows:

- Education expenditures coming in \$246,501 under budget.

**Capital Nonrecurring Fund.** The fund balance of the Capital Nonrecurring Fund decreased by \$524,839 during the current fiscal year. This decrease is primarily due to spending within the fund for previously authorized projects partially offset by the budgeted annual contribution from the general fund.

### GENERAL FUND BUDGETARY HIGHLIGHTS

The actual net change in fund balance of the General Fund on a budgetary basis was \$90,997. Budgetary revenues were \$59,539 more than expected due primarily to transfer station fees of \$28,684 over budget and Interest and Lien Fees of \$62,137 over budget being collected. Budgetary expenditures were \$470,094 less than expected due primarily to an under expenditure in the Education line of \$246,501.

## TOWN OF BROOKLYN, CONNECTICUT

Management's Discussion and Analysis

June 30, 2020

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### CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital assets.** The Town of Brooklyn, CT's reported value in capital assets for its governmental and business-type activities as of June 30, 2020, amounts to \$33,220,754 (net of accumulated depreciation). This reported value in capital assets includes land, construction in progress, buildings and systems, machinery and equipment, and infrastructure assets such as roads and bridges. The total decrease in the Town's investment in capital assets for the current fiscal year was \$581,890, which consisted of capital additions of \$1,441,961, offset by current year reclassified assets totaling \$655,102 and depreciation of \$1,368,749.

	2020	2019
<i>Governmental Activities:</i>		
Land	\$ 2,927,769	\$ 2,927,769
Construction in Progress	-	655,102
Buildings and Systems	21,530,490	21,450,184
Machinery and Equipment	1,674,420	1,420,894
Infrastructure	4,924,776	5,121,300
	<u>\$ 31,057,455</u>	<u>\$ 31,575,249</u>
	2020	2019
<i>Business-type Activities:</i>		
Buildings and Systems	\$ 2,124,614	\$ 2,188,710
Machinery and Equipment	38,685	38,685
	<u>\$ 2,163,299</u>	<u>\$ 2,227,395</u>

Major capital asset events during the current fiscal year included the following:

- School energy and heating improvements
- New Waste Oil Furnace
- New Vehicles
- Community Center roof repair
- New Mower
- New snowblower
- Various parking lot and road improvements

Additional information on the Town of Brooklyn, CT's capital assets can be found in Note 6 on page 34 of this report.

## TOWN OF BROOKLYN, CONNECTICUT

### Management's Discussion and Analysis

June 30, 2020

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**Long-term debt.** At the end of the current fiscal year, the Town of Brooklyn, CT had long-term debt outstanding of \$6,629,150.

	<u>2020</u>	<u>2019</u>
<i>Governmental Activities:</i>		
Loan Payable	\$ 120,000	\$ 128,000
Capital Lease Obligation	16,650	24,524
Compensated Absences	675,659	737,886
Post Closure Landfill Costs	90,000	108,000
Net Pension Liability	3,441,805	3,226,582
OPEB Liability	1,242,366	1,043,871
Total Governmental Activities	<u>\$ 5,586,480</u>	<u>\$ 5,268,863</u>
<i>Business-Type Activities:</i>		
General Obligation Bonds	<u>\$ 1,042,670</u>	<u>\$ 1,061,361</u>

The Town of Brooklyn, CT's total long-term debt increased by \$298,926 (4.5 percent) during the current fiscal year. Additional information on the Town of Brooklyn, CT's long-term debt can be found in Note 7 on pages 35-37 of this report.

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

A summary of key economic factors affecting the Town are as follows:

- The Town receives intergovernmental revenues from the State of Connecticut. Connecticut's economy moves in the same general cycle as the national economy, which from time to time will affect the amount of intergovernmental revenues the Town will receive.
- Increased threat of losing State funding will continue to be a variable in our local budget, particularly ECS grants.

All of these factors were considered in preparing the Town of Brooklyn, CT's budget for the 2021 fiscal year.

### REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Town of Brooklyn, CT's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Board of Finance, Town of Brooklyn, 4 Wolf Den Road, Brooklyn, CT 06234.

## TOWN OF BROOKLYN, CONNECTICUT

### Statement of Net Position

June 30, 2020

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash and Cash Equivalents	\$ 4,404,943	\$ 745,629	\$ 5,150,572
Investments	675,427	-	675,427
Receivables, Net	710,964	38,485	749,449
Inventories	7,396	-	7,396
Capital Assets:			
Assets Not Being Depreciated	2,927,769	-	2,927,769
Assets Being Depreciated, Net	<u>28,129,686</u>	<u>2,163,299</u>	<u>30,292,985</u>
<b>Total Assets</b>	<u>36,856,185</u>	<u>2,947,413</u>	<u>39,803,598</u>
<b>Deferred Outflows of Resources</b>			
Deferred Outflows - Pension	902,125	-	902,125
Deferred Outflows - OPEB	<u>151,946</u>	-	<u>151,946</u>
<b>Total Deferred Outflows of Resources</b>	<u>1,054,071</u>	<u>-</u>	<u>1,054,071</u>
<b>Liabilities</b>			
Accounts Payable and Accrued Items	878,018	7,875	885,893
Bond Anticipation Notes Payable	6,612,300	-	6,612,300
Unearned Revenue	10,159	-	10,159
Noncurrent Liabilities:			
Due Within One Year	126,478	19,111	145,589
Due In More Than One Year	<u>5,460,002</u>	<u>1,023,559</u>	<u>6,483,561</u>
<b>Total Liabilities</b>	<u>13,086,957</u>	<u>1,050,545</u>	<u>14,137,502</u>
<b>Deferred Inflows of Resources</b>			
Deferred Inflows - Pension	90,906	-	90,906
Deferred Inflows - OPEB	<u>717,323</u>	-	<u>717,323</u>
<b>Total Deferred Inflows of Resources</b>	<u>808,229</u>	<u>-</u>	<u>808,229</u>
<b>Net Position</b>			
Net Investment in Capital Assets	26,602,697	1,120,629	27,723,326
Restricted:			
Expendable	965,715	-	965,715
Unrestricted	<u>(3,553,342)</u>	<u>776,239</u>	<u>(2,777,103)</u>
<b>Total Net Position</b>	<u>\$ 24,015,070</u>	<u>\$ 1,896,868</u>	<u>\$ 25,911,938</u>

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

**TOWN OF BROOKLYN, CONNECTICUT**

Statement of Activities

For the Year Ended June 30, 2020

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Functions/Program Activities</b>							
Governmental Activities:							
General Government	\$ 1,370,035	\$ 226,689	\$ -	\$ -	\$ (1,143,346)	\$ -	\$ (1,143,346)
Public Safety	1,014,714	10,804	-	-	(1,003,910)	-	(1,003,910)
Public Works	1,670,142	113,684	248,392	-	(1,308,066)	-	(1,308,066)
Health and Human Services	69,294	-	9,358	-	(59,936)	-	(59,936)
Civic and Cultural	820,004	249,214	-	-	(570,790)	-	(570,790)
Development and Planning	195,500	90,195	-	-	(105,305)	-	(105,305)
Education	23,860,237	65,775	11,167,494	-	(12,626,968)	-	(12,626,968)
Interest on Long-Term Debt	110,167	-	-	-	(110,167)	-	(110,167)
Total Governmental Activities	<u>29,110,093</u>	<u>756,361</u>	<u>11,425,244</u>	<u>-</u>	<u>(16,928,488)</u>	<u>-</u>	<u>(16,928,488)</u>
Business-Type Activities:							
WPCA	<u>546,867</u>	<u>554,608</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,741</u>	<u>7,741</u>
Total Primary Government	<u>\$ 29,656,960</u>	<u>\$ 1,310,969</u>	<u>\$ 11,425,244</u>	<u>\$ -</u>	<u>(16,928,488)</u>	<u>7,741</u>	<u>(16,920,747)</u>
General Revenues:							
Property Taxes					16,333,225	-	16,333,225
Grants not Restricted to Specific Programs					303,860	-	303,860
Unrestricted Investment Earnings					18,654	2,245	20,899
Other General Revenues					123,719	-	123,719
Total General Revenues					<u>16,779,458</u>	<u>2,245</u>	<u>16,781,703</u>
Change in Net Position					(149,030)	9,986	(139,044)
Net Position - Beginning of Year, as Restated					<u>24,164,100</u>	<u>1,886,882</u>	<u>26,050,982</u>
Net Position - End of Year					<u>\$ 24,015,070</u>	<u>\$ 1,896,868</u>	<u>\$ 25,911,938</u>

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

**TOWN OF BROOKLYN, CONNECTICUT**

Balance Sheet  
Governmental Funds  
June 30, 2020

	General Fund	Capital Nonrecurring Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and Cash Equivalents	\$ 1,662,771	\$ 2,174,192	\$ 567,980	\$ 4,404,943
Investments	652,498	-	22,929	675,427
Receivables, Net of Allowance	375,569	-	335,395	710,964
Inventories	-	-	7,396	7,396
Due from Other Funds	64,171	497,173	47,173	608,517
<b>Total Assets</b>	<u>\$ 2,755,009</u>	<u>\$ 2,671,365</u>	<u>\$ 980,873</u>	<u>\$ 6,407,247</u>
<b>Liabilities</b>				
Accounts Payable and Accrued Items	\$ 824,702	\$ 35,043	\$ 18,273	\$ 878,018
Bond Anticipation Notes Payable	-	6,612,300	-	6,612,300
Unearned Revenue	-	-	10,159	10,159
Due to Other Funds	544,346	-	64,171	608,517
<b>Total Liabilities</b>	<u>1,369,048</u>	<u>6,647,343</u>	<u>92,603</u>	<u>8,108,994</u>
<b>Deferred Inflows of Resources</b>				
Unavailable Revenues:				
Property Taxes and Interest	330,254	-	-	330,254
<b>Total Deferred Inflows of Resources</b>	<u>330,254</u>	<u>-</u>	<u>-</u>	<u>330,254</u>
<b>Fund Balances</b>				
Restricted	77,445	-	888,270	965,715
Committed	90,222	-	-	90,222
Unassigned	888,040	(3,975,978)	-	(3,087,938)
<b>Total Fund Balances</b>	<u>1,055,707</u>	<u>(3,975,978)</u>	<u>888,270</u>	<u>(2,032,001)</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 2,755,009</u>	<u>\$ 2,671,365</u>	<u>\$ 980,873</u>	<u>\$ 6,407,247</u>

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

## TOWN OF BROOKLYN, CONNECTICUT

### Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position June 30, 2020

---

**Fund balances reported in governmental funds Balance Sheet** \$ (2,032,001)

**Amounts reported for governmental activities in the Statement  
of Net Position are different because:**

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

<i>Capital Assets</i>	52,951,116
<i>Depreciation</i>	(21,893,661)

Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.

<i>Property taxes and interest receivable greater than 60 days</i>	330,254
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Certain changes related to pensions are deferred and amortized over time.

<i>Deferred Outflows - Pension</i>	902,125
<i>Deferred Outflows - OPEB</i>	151,946
<i>Deferred Inflows - Pension</i>	(90,906)
<i>Deferred Inflows - OPEB</i>	(717,323)

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements.

<i>Capital leases payable</i>	(16,650)
<i>Compensated absences</i>	(675,659)
<i>Loan Payable</i>	(120,000)
<i>Post-closure landfill costs</i>	(90,000)
<i>Net pension liability</i>	(3,441,805)
<i>OPEB liability</i>	<u>(1,242,366)</u>

**Net position of governmental activities** \$ 24,015,070

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

**TOWN OF BROOKLYN, CONNECTICUT**  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2020

	General Fund	Capital Nonrecurring Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>				
Property Taxes, Interest and Lien Fees	\$ 16,331,873	\$ -	\$ -	\$ 16,331,873
Intergovernmental Revenues	9,586,860	-	1,318,708	10,905,568
Licenses, Permits, and Charges for Services	653,194	-	117,746	770,940
Investment Income	18,136	-	518	18,654
Other Revenue	108,994	146	24,358	133,498
Total Revenues	<u>26,699,057</u>	<u>146</u>	<u>1,461,330</u>	<u>28,160,533</u>
<b>Expenditures</b>				
Current:				
General Government	911,474	-	-	911,474
Public Safety	764,749	-	-	764,749
Public Works	1,230,320	-	11,683	1,242,003
Health and Human Services	86,892	-	402	87,294
Civic and Cultural	640,920	-	60,359	701,279
Development and Planning	158,845	-	-	158,845
Sundry	753,809	-	-	753,809
Education	21,099,355	-	1,134,349	22,233,704
Debt Service	20,825	105,216	-	126,041
Capital Outlay	-	907,476	-	907,476
Total Expenditures	<u>25,667,189</u>	<u>1,012,692</u>	<u>1,206,793</u>	<u>27,886,674</u>
Excess/(Deficiency) of Revenues over Expenditures	1,031,868	(1,012,546)	254,537	273,859
<b>Other Financing Sources/(Uses)</b>				
Transfers In	-	487,707	8,208	495,915
Transfers Out	(495,915)	-	-	(495,915)
Total Other Financing Sources/(Uses)	<u>(495,915)</u>	<u>487,707</u>	<u>8,208</u>	<u>-</u>
Net Change in Fund Balances	535,953	(524,839)	262,745	273,859
Fund Balances at Beginning of Year, Restated	<u>519,754</u>	<u>(3,451,139)</u>	<u>625,525</u>	<u>(2,305,860)</u>
Fund Balances at End of Year	<u>\$ 1,055,707</u>	<u>\$ (3,975,978)</u>	<u>\$ 888,270</u>	<u>\$ (2,032,001)</u>

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

## TOWN OF BROOKLYN, CONNECTICUT

### Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended June 30, 2020

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**Net Change in Fund Balances - Total Governmental Funds** \$ 273,859

**Amounts reported for governmental activities in the Statement of Activities  
are different because:**

Governmental funds report capital outlays as expenditures. However,  
in the Statement of Activities, the cost of those assets is allocated over  
their estimated useful lives as depreciation expense.

<i>Capital expenditures</i>	786,859
<i>Depreciation expense</i>	(1,304,653)

Revenues in the Statement of Activities that do not provide current  
financial resources are not reported as revenue in the funds

<i>Property taxes and interest collected accrual basis change</i>	1,352
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Debt proceeds provide current financial resources to governmental funds, but  
issuing debt increases long-term liabilities in the statement of net position.

Repayment of debt principal is an expenditure in the governmental funds, but  
the repayment reduces long-term liabilities in the Statement of Net Position.

<i>Principal payments on long-term debt - loan payable</i>	8,000
<i>Principal payments on long-term debt - capital leases</i>	7,874

Some expenses reported in the statement of activities do not require the use of  
current financial resources and, therefore, are not reported as expenditures in  
the governmental funds.

<i>Compensated Absences</i>	62,227
<i>Post-closure landfill costs</i>	18,000
<i>Pension obligations</i>	23,509
<i>OPEB liability</i>	<u>(26,057)</u>

**Change in net position of governmental activities** \$ (149,030)

**TOWN OF BROOKLYN, CONNECTICUT**

Statement of Fund Net Position

Proprietary Funds

June 30, 2020

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	<b>Water Pollution Control Authority Fund</b>
<b>Assets</b>	
Current Assets:	
Cash and Cash Equivalents	\$ 745,629
Usage Receivable	38,485
Total Current Assets	<u>784,114</u>
Capital Assets:	
Buildings and Systems	3,283,434
Machinery and Equipment	157,718
Less Accumulated Depreciation	<u>(1,277,853)</u>
Total Capital Assets, Net of Accumulated Depreciation	<u>2,163,299</u>
<b>Total Assets</b>	<u>\$ 2,947,413</u>
<b>Deferred Outflows of Resources</b>	<u>-</u>
<b>Liabilities</b>	
Current Liabilities:	
Accounts Payable	\$ 7,875
Bonds Payable	19,111
Total Current Liabilities	<u>26,986</u>
Noncurrent Liabilities:	
Bonds Payable	<u>1,023,559</u>
Total Noncurrent Liabilities	<u>1,023,559</u>
<b>Total Liabilities</b>	<u>1,050,545</u>
<b>Deferred Inflows of Resources</b>	<u>-</u>
<b>Net Position</b>	
Net Investment in Capital Assets	1,120,629
Unrestricted	<u>776,239</u>
<b>Total Net Position</b>	<u>\$ 1,896,868</u>

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

**TOWN OF BROOKLYN, CONNECTICUT**  
Statement of Revenues, Expenses, and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended June 30, 2020

	<b>Water Pollution Control Authority Fund</b>
<b>OPERATING REVENUES</b>	
Charges for Services	\$ 554,608
<b>OPERATING EXPENSES</b>	
Contractual Services	412,898
Repairs and Maintenance	27,284
Other Supplies and Expenses	18,709
Depreciation Expense	64,096
Total Operating Expenses	522,987
Operating Income/(Loss)	31,621
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
Interest Income	2,245
Interest Expense	(23,880)
Total Non-Operating Revenues (Expenses)	(21,635)
Change in Net Position	9,986
Net Position - Beginning of Year	1,886,882
Net Position - End of Year	\$ 1,896,868

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

**TOWN OF BROOKLYN, CONNECTICUT**

Statement of Cash Flows  
Proprietary Funds  
For the Year Ended June 30, 2020

	<b>Water Pollution Control Authority Fund</b>
<b>Cash Flows from Operating Activities:</b>	
Receipts from Customers and Users	\$ 552,068
Payments to Suppliers	(726,187)
Net Cash Provided by Operating Activities	<u>(174,119)</u>
<b>Cash Flows from Capital and Related Financing Activities:</b>	
Principal Payments on Debt	(18,691)
Interest Paid on Debt	(23,880)
Net Cash Used by Capital and Related Financing Activities	<u>(42,571)</u>
<b>Cash Flows from Investing Activities:</b>	
Interest Income	2,245
Net Cash Provided by Investing Activities	<u>2,245</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(214,445)
Cash and Cash Equivalents at Beginning of Year	<u>960,074</u>
Cash and Cash Equivalents at End of Year	<u>\$ 745,629</u>
<b>Reconciliation of Operating Income/(Loss) to Net Cash Provided by Operating Activities:</b>	
Operating Income/(Loss)	\$ <u>31,621</u>
Adjustments to Reconcile Income/(Loss) to Net Cash Provided by Operating Activities:	
Depreciation	64,096
Change in Assets and Liabilities:	
(Increase) Decrease in Accounts Receivable	27,051
(Increase) Decrease in Usage Receivable	(2,540)
Increase (Decrease) in Accounts Payable	(294,347)
Total Adjustments	<u>(205,740)</u>
Net Cash Provided by Operating Activities	<u>\$ (174,119)</u>

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

**TOWN OF BROOKLYN, CONNECTICUT**

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2020

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	<b>Pension Trust Fund</b>	<b>Custodial Funds Student Activity Funds</b>
	<u>                    </u>	<u>                    </u>
<b>Assets</b>		
Cash and Cash Equivalents	\$ -	\$ 63,176
Investments		
CDs	-	23,933
Short-Term Investments	214,751	-
Mutual Funds	5,254,406	-
<b>Total Assets</b>	<u>\$ 5,469,157</u>	<u>\$ 87,109</u>
<b>Deferred Outflows of Resources</b>	<u>-</u>	<u>-</u>
<b>Liabilities</b>		
Accounts Payable	<u>\$ -</u>	<u>\$ 2,796</u>
<b>Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>
<b>Net Position</b>		
Restricted for Pension Benefits	5,469,157	-
Restricted for Individuals and Organizations	-	84,313
<b>Total Net Position</b>	<u>\$ 5,469,157</u>	<u>\$ 84,313</u>

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

**TOWN OF BROOKLYN, CONNECTICUT**  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended June 30, 2020

	<b>Pension Trust Fund</b>	<b>Custodial Funds Student Activity Funds</b>
<b>Additions</b>		
Contributions:		
Employer	\$ 383,432	\$ -
Investment Income:		
Net Appreciation/(Depreciation) in Fair Value of Investments	25,782	-
Interest and Dividends	198,737	218
Total Investment Income	224,519	218
Activity Fees	-	91,548
Total Additions	<u>607,951</u>	<u>91,766</u>
<b>Deductions</b>		
Pension Benefits	328,918	-
Administrative Expenses	15,732	-
Events and Activities	-	68,971
Total Deductions	<u>344,650</u>	<u>68,971</u>
Change in Net Position	263,301	22,795
Net Position at Beginning of Year	<u>5,205,856</u>	<u>61,518</u>
Net Position at End of Year	<u>\$ 5,469,157</u>	<u>\$ 84,313</u>

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

**TOWN OF BROOKLYN, CONNECTICUT**  
Notes to the Financial Statements

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accompanying financial statements of the Town of Brooklyn, Connecticut (the “Town”) have been prepared in conformance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing the governmental accounting and financial reporting principles. The Town’s significant accounting policies are described below.

**Reporting Entity**

The Town was incorporated in 1786. It operates under a Board of Selectmen, Town Meeting, Board of Finance form of government. Under this form of government, the town meeting is the legislative body. A Town meeting is required to make appropriations, levy taxes and borrow money. The administrative branch is led by an elected three-member board of selectman. The selectmen oversee most of the activities not assigned specifically to another body. An elected Board of Education oversees the public-school system. The elected Board of Finance is the budget making authority and supervises the Town financial matters.

The Town's financial statements include the accounts of all Town controlled operations. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Town of Brooklyn (the primary government) and its component units. The basic criteria for inclusion of a component unit in a governmental unit's reporting entity for financial reporting is the exercise of oversight responsibility. Oversight responsibility is determined on the basis of financial interdependence, selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters and scope of public service. Currently, there are no entities considered component units of the Town. The Town includes all funds, agencies, boards, commissions, and authorities that are controlled by or dependent on the Town's executive and legislative branches. The financial statements presented herein do not include agencies which have been formed under applicable State laws or separate and distinct units of government apart from the Town of Brooklyn.

**Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues, and are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balances, revenues and expenditures. Fund accounting segregates funds according to their intended purpose and is used to aid management in the demonstrating compliance with finance related legal and contractual provisions. The Town maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column.

## TOWN OF BROOKLYN, CONNECTICUT

### Notes to the Financial Statements

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The Town maintains fiduciary funds which are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation.

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

#### **Measurement Focus, Basis of Accounting, and Financial Statements Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting* as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Their revenues are recognized when they become measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes when levied, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government, or specifically identified.

Expenditures are generally recorded when a liability is incurred, as under accrual accounting. Exceptions to this general rule include: compensated absences, debt service, capital leases, other post-employment benefit obligations, and claims and judgments that are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds. Proceeds from the issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Governmental Funds are those through which most governmental functions typically are financed. The Town reports the following major governmental funds:

- The *General Fund* is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another manner. Revenues are derived primarily from property taxes, state grants, licenses, permits, charges for services, and earnings on investments.
- The *Capital Nonrecurring Fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets.

## TOWN OF BROOKLYN, CONNECTICUT

### Notes to the Financial Statements

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The Town also reports the following nonmajor governmental funds:

Special Revenue Funds – Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specific purpose other than debt service or capital projects. The nonmajor Special Revenue Funds of the Town are:

- The *Small Cities Block Grant Fund* is used to account for and report grants received through the Federal Small Cities Block Grant Program that are restricted to expenditures for the assistance of low-income citizens by providing them with interest free loans of Federal funds.
- The *Town Aid Road Fund* is used to account for and report a grant from the State of Connecticut that is restricted to expenditures for the construction, reconstruction, improvement, and maintenance of improved and unimproved roads.
- The *Special Education Grants Fund* is used to account for and report a number of Federal, State, and local educational grants that are restricted to specific expenditures for educational purposes.
- The *Cafeteria Fund* is used to account for and report financial resources received from the cafeteria and milk programs that are restricted or committed to expenditures for the school cafeteria lunch program. Besides the fee charged to students, the revenue comes from the federal and state reimbursements for free and reduced lunches to low-income individuals.
- The *Recreation Fund* is used to account for and report financial resources that are restricted or committed to expenditures for activities sponsored by the Recreation Commission.
- The *Open Space Land Acquisition Fund* is used to account for and report financial resources that are restricted or committed to expenditures for future purchases of open space land in town.
- The *Memorial Scholarship Fund* is used to account for and report financial resources that are restricted or committed to expenditures for scholarships for deserving school children.

The Town reports the following major proprietary funds:

- The *Water Pollution Control Authority Fund* accounts for connection and usage fees and expenditures for the sewer system which is available to certain residents and businesses.

Fiduciary Funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, and other governments. Fiduciary funds are not included in the government-wide financial statements. The fiduciary funds are as follows:

- The *Pension Trust Fund* accounts for the activities of the Town's defined benefit pension plan, which accumulate resources for pension and health benefit payments to qualified employees upon retirement.
- The *Custodial Fund* is primarily utilized to account for monies held as custodian for outside student groups.

## TOWN OF BROOKLYN, CONNECTICUT

### Notes to the Financial Statements

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As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between the enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### **Accounting Estimates**

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

#### **Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balances**

*Cash and Cash Equivalents* - The deposit of public funds is controlled by the Connecticut General Statutes. The Town maintains separate accounts with depositories where necessary. Cash applicable to a particular fund is readily identifiable. Cash in excess of current requirements is invested in various interest-bearing accounts, certificates of deposit, and pooled investment funds that may be deemed to be cash equivalents based on maturity date or availability of conversion to cash. Cash and cash equivalents are stated at cost, which approximates market value and have maturities of three months or less. This definition also applies to the proprietary statement of cash flows.

The Short-Term Investment Fund (STIF) is a money market investment pool managed by the Cash Management Division of the State Treasurer's Office created by Section 3-27 of the Connecticut General Statutes (CGS). Pursuant to CGS 3-27a through 3-27f, the State, municipal entities, and political subdivisions of the State are eligible to invest in the fund. The fund is considered a "2a7-like" pool and reports its investments at amortized cost (which approximates fair value). The pool is rated AAAM by Standard & Poors. This is the highest rating for money market funds and investment pools. The pooled investment funds' risk category cannot be determined since the Town does not own identifiable securities but invests as a shareholder of the investment pool.

*Investments* - In general, State of Connecticut Statutes allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust, in obligations of any state or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. Other trust funds may also invest in stocks, bonds, or other securities selected by the Trustee.

## TOWN OF BROOKLYN, CONNECTICUT

### Notes to the Financial Statements

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*Fair Value of Financial Instruments* - In accordance with GASB Statement No. 72, the Town is required to measure the fair value of its assets and liabilities under a three-level hierarchy, as follows:

**Level 1:** Quoted market prices for identical assets or liabilities to which an entity has access to at the measurement date.

**Level 2:** Inputs and information other than quoted market indices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

- a. Quoted prices for similar assets or liabilities in active markets.
- b. Quoted prices for identical or similar assets in markets that are not active; Observable inputs other than quoted prices for the assets or liability;
- c. Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

**Level 3:** Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

*Observable inputs* reflect the assumptions market participants would use in pricing the asset or liability developed from sources independent of the reporting entity; and *unobservable inputs* reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

Certificates of Deposit and the investment in the industrial park are reported at amortized cost and are excluded from the fair value disclosures.

*Receivables* - All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. The Town has established an allowance for estimated uncollectible motor vehicle and personal property taxes and interest in the amount of \$42,000. Property taxes are assessed on property values as of October 1<sup>st</sup>. The tax levy is divided into four billings: the following July 1<sup>st</sup>, October 1<sup>st</sup>, January 1<sup>st</sup>, and April 1<sup>st</sup>. This is used to finance the fiscal year from the first billing (July 1<sup>st</sup>) to June 30<sup>th</sup> of the following year. The billings are considered due on those dates; however, the actual due date is based on a period ending 31 days after the tax bill. On these dates (August 1<sup>st</sup>, November 1<sup>st</sup>, February 1<sup>st</sup>, and May 1<sup>st</sup>), the bill becomes delinquent at which time the applicable property is subject to lien, and penalties and interest are assessed. Assessments for real and personal property, including motor vehicles, are computed at seventy percent of the market value. Liens are filed within two years of the original due date.

*Loans Receivable* – Loans receivable in the Small Cities Block Grant Funds are due from citizens. The loans are made through a federal grant. These are generally for renovations to personal residences and are secured by the residences. There is no interest or set maturity date. They become due when the taxpayer dies, sells, or refinances the home.

*Inventories* – Inventories in the governmental funds are valued at cost on a first-in, first-out basis. The cost is recorded as inventory at the time individual items are purchased. The Town uses the consumption method to relieve inventory. Purchases of other inventoriable items are recorded as expenditures/expenses at the time of purchase and year-end balances are not material.

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

## TOWN OF BROOKLYN, CONNECTICUT

### Notes to the Financial Statements

*Due From/To Other Funds* - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund receivables and payables. They arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

*Capital Assets* - Capital assets, which include property, plant, equipment, and infrastructure assets (roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than the capitalization threshold and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Property, plant, and equipment is depreciated using the straight-line method over the following estimated useful lives:

<b>Assets</b>	<b>Years</b>	<b>Capitalization Threshold</b>
Land	N/A	\$ 25,000
Intangible assets	Varies, if any	\$ 25,000
Buildings and systems	50	\$ 10,000
Machinery and Equipment		
Heavy Equipment	10	\$ 10,000
Vehicles	10	\$ 10,000
Other Equipment	5	\$ 5,000
Infrastructure:		
Bridges	40	\$ 25,000
Roads and drainage	20	\$ 25,000
Sidewalks	20	\$ 25,000
Sewer Systems	50	\$ 25,000

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

*Long-term obligations* - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an expense in the period they are incurred.

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

## TOWN OF BROOKLYN, CONNECTICUT

### Notes to the Financial Statements

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*Compensated absences* - Town employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement. Vacation and sick leave expenses to be paid in future periods are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement.

*Deferred Outflows/Inflows of Resources* – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The Town reports deferred pension and OPEB expense in the government-wide financial statements. Deferred pension and OPEB expense results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension and OPEB expense over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active and inactive employees).

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Within the government-wide statement of net position the Town reports as deferred inflows amounts representing the net difference between expected and actual results, changes in assumptions and projected and actual earnings of its pension and OPEB plans. These amounts are deferred and included in pension and OPEB expense over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension and OPEB plan (active and inactive employees). Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from several sources: property taxes, interest and lien fees, and school building grants. These amounts are deferred and recognized as an inflow of resources in the period during which the amounts become available.

*Fund equity and net position*– Net position represents the difference between assets, deferred inflows of resources, liabilities, and deferred outflows of resources. In the government-wide statement of net position, net position is classified in the following categories:

*Net Investment in Capital Assets* – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduces this category.

*Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors or, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

*Unrestricted Net Position* – This category represents the net position of the Town, which is not restricted for any project or other purpose.

When both restricted and unrestricted resources are available for certain expenses, the Town expends restricted resources first and uses unrestricted resources when the restricted funds are depleted.

## TOWN OF BROOKLYN, CONNECTICUT

### Notes to the Financial Statements

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In the fund financial statements, fund balances of governmental funds are classified in the following five separate categories:

*Nonspendable Fund Balance* – Indicates amounts that cannot be spent because they are either not in spendable form, or are legally or contractually required to be maintained intact. Examples are items that are not expected to be converted to cash including inventories and prepaid expenditures in the General Fund. Examples of items legally or contractually required to be maintained intact are the corpus of permanent funds.

*Restricted Fund Balance* – Indicates amounts that are restricted to specific purposes. The spending constraints placed on the use of fund balance amounts are externally imposed by creditors, grantors, contributors or, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

*Committed Fund Balance* – Indicates amounts that can be used only for specific purposes pursuant to constraints imposed by formal budgetary action of the Board of Finance and Town Meeting in accordance with provisions of the Connecticut General Statutes.

*Assigned Fund Balance* – Indicates amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by action of Town Officials.

*Unassigned Fund Balance* – Represents the remaining fund balance after amounts are set aside for all other classifications.

When both restricted and unrestricted (committed, assigned, unassigned) amounts of fund balance are available for use for expenditures incurred, it is the Town's policy to use restricted fund balance first if the expenditure meets the restricted purpose, followed by committed, assigned and unassigned amounts.

The Town has not formally enacted legislation or Board policies requiring it to maintain a minimum fund balance.

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

#### NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

##### **Budget Basis**

A formal, legally approved, annual budget is adopted for the General Fund only. This budget is adopted on a basis consistent with Generally Accepted Accounting Principles (modified accrual basis) with the following exceptions:

- **Teachers' Retirement** - The Town does not recognize as income or expenditures payments made for the teachers' retirement by the State of Connecticut on the Town's behalf in its budget. The Governmental Accounting Standards Board's Statement 24 requires that the employer government recognize payments for salaries and fringe benefits paid on behalf of its employees.

## TOWN OF BROOKLYN, CONNECTICUT

### Notes to the Financial Statements

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- **Excess Cost Grant** – The State reimburses the Town for certain costs incurred for special educational needs of students that exceed a set multiple of a student in the regular program. This reimbursement is the Excess Cost Grant – Student Based. Connecticut General Statute 10-76g states that this grant should reduce the education expenditures instead of being reported as a revenue.
- **Encumbrances** - Unless committed through a formal encumbrance (e.g., purchase orders, signed contracts), all annual appropriations lapse at fiscal year-end. Encumbrances outstanding at year end are reported on the budgetary basis statements as expenditures.
- **Long-Term Debt and Lease Financing** - Revenues and expenditures from refunding or renewing long-term debt or issuing lease financing are included in the budget as the net revenues or expenditures expected.

#### **Budget Calendar**

The Boards of Selectmen and Education submit requests for appropriation(s) to the Board of Finance. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations of the next fiscal year.

The Board of Finance holds a public hearing, at which itemized estimates of the expenditures of the Town for the next fiscal year are presented. At this time, individuals are able to recommend any appropriations, which they desire the Board of Finance to consider. The Board of Finance then considers the estimates and any other matters brought to their attention at a public meeting held subsequent to the public hearing and prior to the annual meeting. The Board of Finance prepares the proposed budget.

The Board of Finance's estimated and recommended budget reports are submitted at the Annual Town Meeting. The Annual Town Meeting takes action on this budget. After the Annual Town Meeting the Board of Finance meets to levy a tax on the grand list which will be sufficient to cover, together with other income or revenue surplus, which is appropriated, the amounts appropriated and any revenue deficit of the Town.

#### **Budget Control**

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

The governing body may amend the annual budget subject to the requirements of the Connecticut General Statutes. The Board of Finance may make a onetime additional appropriation up to \$20,000 to any appropriations. A Town meeting must be called to make appropriations over \$20,000 or additional changes to a previously adjusted appropriation.

**TOWN OF BROOKLYN, CONNECTICUT**  
Notes to the Financial Statements

**NOTE 3 – CASH, CASH EQUIVALENTS, AND INVESTMENTS**

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a “qualified public depository” as defined by Statute or in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit in an “out of state bank” as defined by the Statutes, which is not a “qualified public depository”. The following is a summary of cash and cash equivalents at June 30, 2020.

	Governmental Funds	Proprietary Funds	Fiduciary Funds	Total
Cash	\$ 3,893,016	\$ 745,629	\$ 63,176	\$ 4,701,821
Cash Equivalents	511,927	-	-	511,927
Total Cash and Cash Equivalents	\$ 4,404,943	\$ 745,629	\$ 63,176	\$ 5,213,748

*Custodial Credit Risk - Deposits:* Custodial credit risk is the risk that in the event of a bank failure, the Town’s deposits may not be returned to it. The Town’s policy is to only allow the Town to use banks that are in the State of Connecticut. The State of Connecticut requires that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank’s risk-based capital ratio. The following is a reconciliation of the Town’s deposits subject to custodial credit risk:

Cash and Cash Equivalents	\$ 5,213,748
Less: Cash Equivalents (STIF)	(511,927)
Plus: Investments (CDs)	411,058
	\$ 5,112,879

At year-end, the Town’s carrying amount of deposits subject to custodial credit risk was \$5,112,879 and the bank balance was \$5,812,518. Of the bank balance, Federal Depository Insurance Corporation insured \$940,177.

As of June 30, 2020, \$4,872,341 of the Town’s bank balance of \$5,812,518 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 4,310,107
Uninsured and collateral held by pledging bank’s Trust department not in the Town’s name	562,234
Total	\$ 4,872,341

**Cash Equivalents**

At June 30, 2020, the Town’s cash equivalents (Short-Term Investment Fund “STIF”) amounted to \$511,927. STIF is rated AAAM by Standard and Poor’s and has an average maturity of under 60 days.

**TOWN OF BROOKLYN, CONNECTICUT**  
Notes to the Financial Statements

**Investments**

The following is a summary of investments at June 30, 2020:

	Governmental Funds	Fiduciary Funds	Total
Certificates of Deposit	\$ 387,125	\$ 23,933	\$ 411,058
U.S. Treasuries	128,302	-	128,302
Short-Term Investments	-	214,751	214,751
Mutual Funds	-	5,254,406	5,254,406
Investment in Regional Technology Park (Reported at Cost)	160,000	-	160,000
Total Investments	<u>\$ 675,427</u>	<u>\$ 5,493,090</u>	<u>\$ 6,168,517</u>

The following is a summary of assets measured at fair value:

<u>Description</u>	June 30, 2020	<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
Short-Term Investments	\$ 214,751	\$ 214,751	\$ -	\$ -
Mutual Funds	5,254,406	5,254,406	-	-
U.S. Treasuries	128,302	-	128,302	-
		<u>\$ 5,469,157</u>	<u>\$ 128,302</u>	<u>\$ -</u>
Investments not included above:				
Certificates of Deposit	411,058			
Investment in Regional Technology Park	160,000			
Total Investments	<u>\$ 6,168,517</u>			

The Certificates of Deposit are reported at cost and covered by FDIC insurance. The Town has a 20% investment in the Quinebaug Regional Technology Park Development which is reported as an investment at initial cost. Currently, there is no annual net income. The other entities in the investment are the Towns of Putnam, Pomfret, and Scotland.

*Custodial Credit Risk - Investments.* This is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Town does not have a policy for custodial credit risk.

*Credit Risk* – The Town does not have an investment policy that limits investment choices further than the Connecticut General Statutes. Generally, credit risk is defined as the risk that an issuer of a debt type investment will not fulfill its obligation to the holder. This is measured by assignment of a rating by a nationally recognized rating organization.

**TOWN OF BROOKLYN, CONNECTICUT**  
Notes to the Financial Statements

*Interest Rate Risk* - The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. Generally, the Town does not invest in any long-term investment obligations.

As of June 30, 2020, the Town had the following investments subject to interest rate risk:

	Total	Investment Maturities (In Years)		
		Less Than 1	1 - 5	6 - 10
Certificates of Deposit	\$ 411,058	\$ 406,033	\$ 5,025	\$ -
U.S. Treasuries	128,302	128,302	-	-
Total	\$ 539,360	\$ 534,335	\$ 5,025	\$ -

**NOTE 4 – RECEIVABLES**

Receivables as of year-end for the Town's individual major funds and nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	WPCA Fund	Capital Nonrecurring Fund	Nonmajor and Other Funds	Total
Receivables:					
Property taxes	\$ 328,189	\$ -	\$ -	\$ -	\$ 328,189
Interest, Liens, and Fees	89,380	2,944	-	-	92,324
Usage Charges	-	37,541	-	-	37,541
Loans	-	-	-	208,790	208,790
Intergovernmental Accounts	-	-	-	126,605	126,605
Gross Receivables	417,569	40,485	-	335,395	793,449
Less allowance for uncollectibles:					
Property taxes, interest, liens, and fees	(42,000)	-	-	-	(42,000)
Usage Charges	-	(2,000)	-	-	(2,000)
Total allowance	(42,000)	(2,000)	-	-	(44,000)
Net Total Receivables	\$ 375,569	\$ 38,485	\$ -	\$ 335,395	\$ 749,449

The loans receivable of \$208,790 in the nonmajor governmental funds are long-term receivables and not expected to be collected within one year.

Governmental funds report unavailable revenue in connection with receivables that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

Nonmajor Funds:	Governmental Funds
Advances on Grants	10,159
Total Unearned Revenue	\$ 10,159

**TOWN OF BROOKLYN, CONNECTICUT**

Notes to the Financial Statements

**Operating Lease Receivable**

The Town has entered into an operating lease in 2006 with a third party for office space in a Town building. The annual rent of \$33,536 will be received in twelve monthly payments of \$2,795. This rent will be increased annually at a rate of 2.5%. Future minimum lease payments for the term of the lease are as follows:

Fiscal Year Ending	Amount	Fiscal Year Ending	Amount
2021	34,374	2024	\$ 37,017
2022	35,234	2025	37,943
2023	36,115	2026	38,891

**NOTE 5 – INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The outstanding balances between funds result mainly from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur; 2) transactions are recorded in the accounting system; and 3) payments between funds are made. At June 30, 2020, the outstanding balances between funds were:

Due From:	Due To:	Total
General Fund	Capital Nonrecurring	\$ 497,173
General Fund	Nonmajor Governmental Funds	\$ 47,173
Education Grants	General Fund	\$ 64,171

Fund transfers are used to: 1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and 2) to account for unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Interfund transfers during the year ended June 30, 2020 were as follows:

Transfer In:	Transfer Out:	Total
Capital Nonrecurring Fund	General Fund	\$ 487,707
Nonmajor Governmental Funds	General Fund	\$ 8,208

**TOWN OF BROOKLYN, CONNECTICUT**  
Notes to the Financial Statements

**NOTE 6 – CAPITAL ASSETS**

The following is a summary of the change in capital assets as of June 30, 2020:

	Beginning Balance	Increases	Decreases	Ending Balances
<b>Governmental Activities</b>				
Capital assets, not being depreciated				
Land	\$ 2,927,769	\$ -	\$ -	\$ 2,927,769
Construction in Progress	655,102	-	655,102	-
Total capital assets, not being depreciated	<u>3,582,871</u>	<u>-</u>	<u>655,102</u>	<u>2,927,769</u>
Capital assets, being depreciated				
Buildings and Systems	32,464,750	711,785	-	33,176,535
Machinery and Equipment	4,082,311	528,491	-	4,610,802
Infrastructure	12,034,325	201,685	-	12,236,010
Total capital assets, being depreciated	<u>48,581,386</u>	<u>1,441,961</u>	<u>-</u>	<u>50,023,347</u>
Less accumulated depreciation for:				
Buildings and Systems	11,014,566	631,479	-	11,646,045
Machinery and Equipment	2,661,417	274,965	-	2,936,382
Infrastructure	6,913,025	398,209	-	7,311,234
Total accumulated depreciation	<u>20,589,008</u>	<u>1,304,653</u>	<u>-</u>	<u>21,893,661</u>
Total capital assets, being depreciated	<u>27,992,378</u>	<u>137,308</u>	<u>-</u>	<u>28,129,686</u>
<i>Governmental Activities capital assets, net</i>	<u>\$ 31,575,249</u>	<u>\$ 137,308</u>	<u>\$ 655,102</u>	<u>\$ 31,057,455</u>
<b>Business-Type Activities</b>				
Capital assets, being depreciated				
Buildings and Systems	\$ 3,283,434	\$ -	\$ -	\$ 3,283,434
Machinery and Equipment	157,718	-	-	157,718
Total capital assets, being depreciated	<u>3,441,152</u>	<u>-</u>	<u>-</u>	<u>3,441,152</u>
Less accumulated depreciation for:				
Buildings and Systems	1,094,724	64,096	-	1,158,820
Machinery and Equipment	119,033	-	-	119,033
Total accumulated depreciation	<u>1,213,757</u>	<u>64,096</u>	<u>-</u>	<u>1,277,853</u>
<i>Business-Type Activities capital assets, net</i>	<u>\$ 2,227,395</u>	<u>\$ (64,096)</u>	<u>\$ -</u>	<u>\$ 2,163,299</u>

Depreciation and amortization expense were charged to functions/programs of the primary government as follows:

Governmental Activities:	
General Government	\$ 131,075
Public Safety	123,360
Public Works	475,236
Recreation	1,943
Education	<u>573,039</u>
Total Depreciation Expense	
Governmental Activities	<u>\$ 1,304,653</u>
Business-Type Activities:	
WPCA	<u>\$ 64,096</u>

**TOWN OF BROOKLYN, CONNECTICUT**  
Notes to the Financial Statements

**NOTE 7 – LONG-TERM LIABILITIES**

Long-term liability activity for the year ended June 30, 2020 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
Loan Payable	\$ 128,000	\$ -	\$ 8,000	\$ 120,000	\$ 8,000
Capital Lease Obligation	24,524	-	7,874	16,650	8,171
Compensated Absences	737,886	14,910	77,137	675,659	92,307
Post Closure Landfill Costs	108,000	-	18,000	90,000	18,000
Net Pension Liability	3,226,582	296,713	81,490	3,441,805	-
OPEB Liability	1,043,871	198,495	-	1,242,366	-
Total Governmental Activities Long-Term Liabilities	<u>\$ 5,268,863</u>	<u>\$ 510,118</u>	<u>\$ 192,501</u>	<u>\$ 5,586,480</u>	<u>\$ 126,478</u>
<b>Business-Type Activities</b>					
General Obligation Bonds	\$ 1,061,361	\$ -	\$ 18,691	\$ 1,042,670	\$ 19,111
Total Business-Type Activities Long-Term Liabilities	<u>\$ 1,061,361</u>	<u>\$ -</u>	<u>\$ 18,691</u>	<u>\$ 1,042,670</u>	<u>\$ 19,111</u>

Each governmental fund's liability is liquidated by the respective fund, primarily the General Fund. Interest on these obligations is expensed in the respective fund, primarily the General Fund.

**Governmental Activities**

**Loan Payable**

The Town entered into an agreement with three other towns for the development of the Quinebaug Regional Technology Park. The Town has agreed to pay \$160,000 in exchange for a 20% interest in the technology park. The Town of Putnam has agreed to pay Brooklyn's share up front and will be repaid by the Town of Brooklyn over a 20-year period at an interest rate of 1.875%.

The annual debt service requirements of the Town's loan from Putnam are as follows:

Year(s)	Principal	Interest	Total
2021	\$ 8,000	\$ 2,250	\$ 10,250
2022	8,000	2,100	10,100
2023	8,000	1,950	9,950
2024	8,000	1,800	9,800
2025	8,000	1,650	9,650
2026-2030	40,000	6,000	46,000
2031-2035	40,000	2,250	42,250
Total	<u>\$ 120,000</u>	<u>\$ 18,000</u>	<u>\$ 138,000</u>

**TOWN OF BROOKLYN, CONNECTICUT**  
Notes to the Financial Statements

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**Capital Leases**

The Town has entered into a lease agreement as lessee for financing the acquisition of a recreation vehicle. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of the future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	Governmental Activities
Assets:	
Equipment	\$ 40,910
Less accumulated depreciation	(5,345)
Total	\$ 35,565

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020, were as follows:

	Governmental Activities
Year ending June 30:	
2021	\$ 8,799
2022	8,798
Total	17,597
Less amount representing interest	(947)
Total	\$ 16,650

**Compensated Absences**

Vacation time earned during the fiscal year can be carried over to the succeeding year, subject to limitations as provided in the respective collective bargaining agreements. Employees are entitled to accumulate sick leave up to a maximum amount stipulated in each contract. Payment for accumulated sick leave is dependent upon the length of service and accumulated days. The value of all compensated absences has been reflected in the government-wide financial statements.

**Post Closure Landfill Costs**

The Town has a closed landfill with no further capacity or estimated useful life. State and federal laws and regulations require that the Town perform certain maintenance and monitoring functions on its closed landfill site for thirty years after closure. These costs will be paid through the General Fund each year as part of the annual budget. Total estimated costs based on the current actual costs are included in the long-term debt. The actual costs may vary based on actual events, inflations, changes in technology and applicable laws and regulations. During the year actual costs amounted to \$0.

**Other Commitments**

The Town has an agreement with the Town of Killingly where the Town of Brooklyn will pay a portion of capital costs associated with the capital improvements of the Killingly high school. The portion will be based on the number of students attending the Killingly school from Brooklyn. The assessment for the year ended June 30, 2020 was \$269,866.

**TOWN OF BROOKLYN, CONNECTICUT**  
Notes to the Financial Statements

**Business-Type Activities**

**General Obligation Bonds**

The Town issues general obligation bonds to provide financing for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations of the Town and pledge the full faith and credit of the Town. These bonds generally are issued as 20-year serial bonds with equal amounts of principal maturing each year. General obligation bonds outstanding as of June 30, 2020 consisted of the following:

<u>Purpose</u>	<u>Year of Issue</u>	<u>Original Amount</u>	<u>Interest Rates</u>	<u>Final Maturity</u>	<u>Principal Outstanding June 30, 2020</u>
Upgrades and improvements to the Town's sanitary sewer collection system.	2016	\$ 1,115,000	2.25%	2056	\$ 1,042,670

The annual debt service requirements of the Town's general obligation bonds are as follows:

<u>Year(s)</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 19,111	\$ 23,460	\$ 42,571
2022	19,541	23,030	42,571
2023	19,981	22,590	42,571
2024	20,430	22,141	42,571
2025	20,890	21,681	42,571
2026-2030	111,714	101,141	212,855
2031-2035	124,861	87,994	212,855
2036-2040	139,555	73,300	212,855
2041-2045	155,957	56,898	212,855
2046-2050	174,331	38,524	212,855
2051-2055	194,847	18,009	212,856
2056	41,452	932	42,384
Total	<u>\$ 1,042,670</u>	<u>\$ 489,700</u>	<u>\$ 1,532,370</u>

Interest paid and expensed on general obligation bonds for the year ended June 30, 2020 totaled \$23,880.

**NOTE 8 – SHORT-TERM OBLIGATIONS**

**Bond Anticipation Notes**

The Town uses bond anticipation notes to fund construction costs prior to issuance of bonds. The following table summarizes changes in the Town's short-term obligations for the year ended June 30, 2020:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>
Bond Anticipation Notes	<u>\$ 4,414,650</u>	<u>\$ 6,612,300</u>	<u>\$ 4,414,650</u>	<u>\$ 6,612,300</u>

The outstanding bond anticipation note carries an interest rate of 1.89% and matures in August 2020. Total interest incurred and expensed on bond anticipation notes during the year was \$105,216.

**TOWN OF BROOKLYN, CONNECTICUT**  
Notes to the Financial Statements

**NOTE 9 - FUND BALANCE COMPONENTS**

The components of fund balance for the governmental funds at June 30, 2020 are as follows:

	General Fund	Capital Nonrecurring Fund	Other Governmental Funds	Total
Fund Balances:				
Restricted for:				
General Government	\$ 77,445	\$ -	\$ 375,116	\$ 452,561
Health and Human Services	-	-	296,508	296,508
Civic and Cultural	-	-	47,173	47,173
Education	-	-	169,473	169,473
Total Restricted	<u>\$ 77,445</u>	<u>\$ -</u>	<u>\$ 888,270</u>	<u>\$ 965,715</u>
Committed to:				
Public Safety	\$ 90,222	\$ -	\$ -	\$ 90,222
Total Committed	<u>\$ 90,222</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 90,222</u>
Unassigned:	<u>\$ 888,040</u>	<u>\$ (3,975,978)</u>	<u>\$ -</u>	<u>\$ (3,087,938)</u>

**NOTE 10 – RETIREMENT BENEFITS**

**Connecticut State Teacher’s Retirement System**

*Plan Description:* Teachers, principals, superintendents, or supervisors engaged in service of public schools are provided with pensions through the Connecticut State Teachers’ Retirement System (the “System”). The System is a cost sharing multiple-employer defined benefit pension plan administered by the Connecticut State Teachers’ Retirement Board (CTRB). Chapter 167a of the State Statutes grants authority to establish and amend the benefited terms to the CTRB Board. The CTRB issues a publicly available financial report that can be obtained at [www.ct.gov](http://www.ct.gov), or by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106.

*Benefit Provisions:* The Plan provides retirement, disability and death benefits. Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

*Normal Retirement:* Retirement benefits for the employees are calculated as 2% of the average annual salary times years of credited service (maximum benefit is 75% of average annual salary during the 3 highest years of salary).

*Early Retirement:* Employees are eligible after 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service with reduced benefit amounts.

## TOWN OF BROOKLYN, CONNECTICUT

### Notes to the Financial Statements

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*Disability Retirement:* Employees are eligible for service-related disability regardless of length of service. Five years of credited service is required for non-service-related disability or eligibility. Disability benefits are calculated as 2% per year of service times the average of the highest three years of pensionable salary, as defined per the plan, but not less than 15% of average annual salary, nor more than 50% of average annual salary.

*Contributions:* Per Connecticut General Studies Section 10-183z, contribution requirements of active employees and the State of Connecticut are approved, amended, and certified by the State Teachers Retirement Board and appropriated by the General Assembly.

*Employer (School Districts):* School District employers are not required to make contributions to the plan. The statutes require the State of Connecticut to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount, that, when combined with employee contributions, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

*Employees:* Participants are required to contribute 7% of their annual salary to the System as required by the CGS Section 10-183b(7). For the year ended June 30, 2020, the certified teachers' contribution to the Connecticut Teachers Retirement Board was \$442,622. Covered payroll for the town for the year ended June 30, 2020 was approximately \$6,323,171.

*Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions:* At June 30, 2020 the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>23,755,883</u>
Total	<u>\$ 23,755,883</u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. At June 30, 2020, the Town had no proportionate share of the net pension liability.

For the year ended June 30, 2020, the Town recognized benefits expense and contribution revenue of \$1,798,194 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized \$2,917,627 for pension expense related to actuarial liabilities for on-behalf amounts for the benefits provided by the State.

## TOWN OF BROOKLYN, CONNECTICUT

### Notes to the Financial Statements

*Actuarial Assumptions:* The total pension liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.50 %
Salary increases, including inflation	3.25-6.50 %
Long-term investment rate of return, net of pension investment expense, including inflation.	6.90 %

Mortality rates were based on the RPH-2014 White Collar Table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

Future cost-of-living increases for members who retired prior to September 1, 1992, are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% per annum. For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%. For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

The long-term expected rate of return on pension investments was determined using a log-normal distributions analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The current capital market assumptions and the target asset allocation as provided by the Treasurer's Office are summarized in the following table:

<u>Asset Class</u>	<u>Expected Return</u>	<u>Target Allocation</u>	<u>Standard Deviation</u>
Public Equity - US Equity	8.10%	20.00%	17.00%
Public Equity - International Developed Equity	8.50%	11.00%	19.00%
Public Equity - Emerging Markets Equity	10.40%	9.00%	24.00%
Fixed Income - Core Fixed Income	4.60%	16.00%	7.00%
Fixed Income - Inflation Linked Bonds	3.60%	5.00%	7.00%
Fixed Income - High Yield	6.50%	6.00%	11.00%
Fixed Income - Emerging Market Debt	5.20%	5.00%	11.00%
Private Equity	9.80%	10.00%	23.00%
Real Estate	7.00%	10.00%	15.00%
Alternative Investments - Real Assets	8.20%	4.00%	17.00%
Alternative Investments - Hedge Funds	5.40%	3.00%	7.00%
Liquidity Fund	2.90%	1.00%	1.00%

# TOWN OF BROOKLYN, CONNECTICUT

## Notes to the Financial Statements

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*Discount Rate:* The discount rate used to measure the total pension liability was 8.0%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate:* The Town's proportionate share of the net pension liability is \$0 and therefore the change in the discount rate would only impact the amount recorded by the State of Connecticut.

### **Defined Benefit Pension Plan**

The Town is the administrator of a single-employer public employee retirement systems ("PERS"), the Town of Brooklyn Employees Retirement Plan, established and administered by the Town to provide pension benefits for its regular and former employees (excluding teachers covered under the CT State Teachers' Retirement System ("TRS")). The plan considered to be part of the Town of Brooklyn's financial reporting entity and is included in the Town's financial statements as a pension trust fund. Separate stand-alone financial reports are not issued. Benefits may be changed by the Board of Finance.

*Eligibility* – All employees working at least 20 hours per week or more than five months per year are eligible after completion of one year of continuous service.

*Normal Retirement* – Normal Retirement age is; age 65, if employee is under age 55 on the date included in the plan; 10<sup>th</sup> 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.

*Early Retirement* – Employees are eligible for early retirement at age 55 with 10 years of credited service, subject to reduced benefits.

*Benefits Provided* - The normal 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). 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, membership consisted of the following:

Inactive plan members or beneficiaries receiving payments	45
Inactive plan members entitled but not yet receiving payments	18
Active Members	71
Total Members	<u>134</u>

### *Funding Policy*

The Plan Sponsor uses the Projected Unit Credit Actuarial Cost Method to calculate the plan liabilities. The Funding Policy has two parts:

- 1) Normal
- 2) Amortization of the Unfunded Actuarial Liability (UAL)

## TOWN OF BROOKLYN, CONNECTICUT

### Notes to the Financial Statements

Each year the Plan Sponsor pays the Normal Cost plus an amortization of the plan's UAL. For the July 1, 2018 Actuarial Valuation, an open amortization period of 15 years was used.

*Summary of Significant Accounting Policies*

*Basis of Accounting* - The Town of Brooklyn Pension Plan's financial statements are prepared using the accrual basis of accounting. Plan member and employer contributions are recognized as revenues in the period in which employee services are performed. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expenses, information about the fiduciary net position of the plan and additions/deductions to/from the Town's fiduciary net position have been determined on the same basis as they are reported by the Town's Pension Plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

*Investment Policy* – The Town's pension plans policy in regard to the allocation of invested assets is established and may be amended by the Board of Finance at any time. It is the policy of the Board of Finance to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plans investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the target asset allocation of the pension plan as of June 30, 2020:

#### Target Allocation and Expected Rate of Return

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Weighting</u>
U.S. Large Cap	30.00%	4.50%	1.35%
U.S. Mid/Small Cap	12.00%	5.00%	0.60%
Developed International Equities	14.00%	5.25%	0.74%
Emerging Market Equities	4.00%	6.25%	0.25%
International Bonds	4.00%	1.50%	0.06%
Intermediate Government/Corp	11.00%	2.00%	0.22%
Multisector Bonds	12.00%	2.50%	0.30%
Nontraditional Bonds	8.00%	2.50%	0.20%
High-Yield Bonds	4.00%	3.25%	0.13%
Inflation/Cash	1.00%	0.00%	0.00%
	100.00%		3.85%
Long-Term Inflation Expectation			2.60%
Long-Term Expected Nominal Return			6.45%

*Long-Term Expected Rate of Return* – The long term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return are developed. Best estimates of the real rates of return for each major asset class are included in the pension plan's target asset allocation.

The information above is based on geometric means and does not reflect additional returns through investment selection, asset allocation and rebalancing. An expected rate of return of 7.0% was used.

**TOWN OF BROOKLYN, CONNECTICUT**

Notes to the Financial Statements

*Net Pension Liability*

The components of the net pension liability of the Town at June 30, 2020, were as follows:

	Town
Total pension liability	\$ 7,325,037
Plan fiduciary net position	5,469,157
Net pension liability (asset)	1,855,880
Plan fiduciary net position as a percentage of total pension liability	74.66%
Covered payroll	2,740,203
Net pension liability as a % of covered payroll	67.73%

*Actuarial Methods and Significant Assumptions*

The following actuarial methods and assumptions were used in the July 1, 2018 valuation and projected forward to a measurement date of June 30, 2020:

<b>Actuarial cost method</b>	Entry Age Normal
<b>Amortization method</b>	Level Cost
<b>Asset valuation method</b>	15 years, open
Smoothing period	5 year
Recognition method	20% per year
<b>Inflation</b>	2.60%
<b>Payroll growth</b>	3.85%
<b>Investment rate of return</b>	7.0%, net of investment and admin fees
<b>Retirement age</b>	The earlier of age 55 with 10 years of service or age 70
<b>Post-retirement mortality</b>	RP-2014 Adjusted to 2006 Total Dataset Mortality Table Projected to valuation date with Scale MP-2018

Changes of assumptions include a change in the rate of compensation increase from 4.00% to 3.85%, a change in the mortality table, and a change in inflation from 2.75% to 2.60%.

*Discount Rate* – GASB permits alternative methods to evaluate the sufficiency of the plan’s net fiduciary position. Based on the plan’s current net pension liability and current contribution policy, the plan’s projected fiduciary net position will be sufficient to cover projected benefit payments and administrative expenses indefinitely. Therefore, since the fund is not projected to run out of money, we have used the 7.00% interest rate assumption to discount the plan.

*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 liability would be if it were calculated using a discount rate that is 1% point lower or 1% point higher:

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Net Pension Liability	\$ 2,742,384	\$ 1,855,880	\$ 1,105,969

**TOWN OF BROOKLYN, CONNECTICUT**  
Notes to the Financial Statements

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at June 30, 2019	\$ 6,947,031	\$ 5,009,661	\$ 1,937,370
Changes for the year:			
Service Cost	216,775	-	216,775
Interest	490,149	-	490,149
Differences Between Expected and Actual Experience including Changes in Assumptions	-	-	-
Employer Contributions	-	579,627	(579,627)
Member Contributions	-	-	-
Net Investment Income	-	212,520	(212,520)
Benefit Payments	(328,918)	(328,918)	-
Administrative Expenses	-	(3,733)	3,733
Net Changes	<u>378,006</u>	<u>459,496</u>	<u>(81,490)</u>
Balance at June 30, 2020	<u>\$ 7,325,037</u>	<u>\$ 5,469,157</u>	<u>\$ 1,855,880</u>
Plan fiduciary net position as a percentage of the total pension liability			74.66%
Covered Payroll			\$ 2,740,203
Net pension liability as a percentage of covered payroll			67.73%

For the year ended June 30, 2020, the total pension expense recognized was \$475,829. As of June 30, 2020, the Town reported deferred inflows and outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual earnings	\$ 113,481	\$ -
Differences between expected and actual experience	59,601	90,906
Changes of assumptions	183,824	-
Total	<u>\$ 356,906</u>	<u>\$ 90,906</u>

Amounts reported as deferred outflows and inflows of resources related to pension will be recognized in the pension expense as follows:

Year ended June 30:	
2021	\$ 63,525
2022	80,881
2023	79,807
2024	36,658
Thereafter	5,129
	<u>\$ 266,000</u>

# TOWN OF BROOKLYN, CONNECTICUT

## Notes to the Financial Statements

### Volunteer Firefighters Service Awards Program

*Plan Description* – The Town is the administrator of a single-employer deferred compensation plan, The Brooklyn Fire Department Service Awards Program. The Awards Program is open to all Firefighter employees including Volunteer firefighters as long as they have completed one year of firefighting service and are of age eighteen. The Assets of the Plan are not accumulated in a trust and are subject to claims of the Town’s general creditors. The Assets are reported in the General Fund financial statements.

*Benefits Provided* – 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 is age 65 and early retirement is not permitted. 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.

### *Plan Membership*

As of the date of the latest actuarial valuation, memberships consisted of the following:

Inactive plan members or beneficiaries receiving payments	25
Inactive plan members entitled but not yet receiving payments	2
Active Members	<u>53</u>
Total Members	<u><u>80</u></u>

*Contributions* – Plan members are not required to make contributions. Employer contribution rates are determined actuarially and approved by the Board of Finance. For the fiscal year ended June 30, 2020, contributions were \$66,880 for the Plan.

### *Net Pension Liability*

The components of the net pension liability at June 30, 2020, were as follows:

	<u>Fire Service</u>
Total pension liability	\$ 1,585,925
Plan fiduciary net position	<u>-</u>
Net pension liability (asset)	<u>\$ 1,585,925</u>
Plan fiduciary net position as a percentage of total pension liability	0.00%

### *Actuarial Methods and Significant Assumptions*

The following actuarial methods and assumptions were used in the January 1, 2018 valuation and projected forward to a measurement date of June 30, 2020:

<b>Inflation</b>	2.40% (Previously 2.60%)
<b>Investment rate of return</b>	2.21% (3.87% previously) net of investment and admin fees
<b>Retirement age</b>	Age 65
<b>Post-retirement mortality</b>	RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2018.

*Discount Rate* – The discount rate used to measure the total pension liability was 2.21%. The discount rate is based solely upon municipal bond yields. This is the yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (equivalent quality on another rating scale).

**TOWN OF BROOKLYN, CONNECTICUT**  
Notes to the Financial Statements

*Change in the Net Pension Liability*

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(a) - (b)
Balance at June 30, 2019	\$ 1,289,212	\$ -	\$ 1,289,212
Changes for the year:			
Service Cost	-	-	-
Interest	44,087	-	44,087
Differences Between Expected and Actual Experience	38,306	-	38,306
including Changes in Assumptions	281,200	-	281,200
Benefit Payments	(66,880)	-	(66,880)
Net Changes	296,713	-	296,713
Balance at June 30, 2020	\$ 1,585,925	\$ -	\$ 1,585,925

*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 liability would be if it were calculated using a discount rate that is 1% point lower or 1% point higher:

	1% Decrease	Current Discount Rate	1% Increase
	1.21%	2.21%	3.21%
Net Pension Liability	\$ 1,871,370	\$ 1,585,925	\$ 1,363,028

For the year ended June 30, 2020, the total pension expense recognized was \$147,169. As of June 30, 2020, the Town reported deferred inflows and outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual earnings	\$ 5,286	\$ -
Differences between expected and actual experience	210,645	-
Changes of assumptions	329,288	-
Total	\$ 545,219	\$ -

Amounts reported as deferred outflows and inflows of resources related to pension will be recognized in the pension expense as follows:

Year ended June 30:	
2021	\$ 105,952
2022	105,737
2023	105,363
2024	104,766
2025	74,267
Thereafter	49,134
	\$ 545,219

**TOWN OF BROOKLYN, CONNECTICUT**

Notes to the Financial Statements

**NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS**

*Plan Description:* The Town allows certain retired employees of the Board of Education and their spouses to remain on the Town's health insurance plan. Administrators and Teachers age 50 with 25 years of service, or age 55 with 20 years of service, or age 60 with 10 years of service are eligible.

*Funding Policy:* The policy is to contribute the employer portion of retiree benefits annually. No assets are accumulated in a trust that meets the criteria in GASB Statement No. 75.

*Benefit Provisions:* For retired administrators, the Board pays 100% of premiums for medical and dental insurance for the first five years after retirement. For teachers, and administrators with more than five years of retirement, the retiree is responsible for 100% of the premiums.

*Employees Covered by Benefit Terms:* At June 30, 2020, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefits	3
Active plan members	<u>74</u>
	<u><u>77</u></u>

*Total OPEB Liability:* The Town's total OPEB liability of \$1,242,366 was measured as of June 30, 2020 and was determined by an actuarial valuation as July 1, 2018.

*Actuarial Assumptions and Other Inputs:* The total OPEB liability in the July 1, 2018 valuation was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

<b>Measurement Date</b>	June 30, 2018 for June 30, 2020 Reporting Date
<b>Actuarial Cost Method</b>	Entry Age Normal
<b>Amortization Method</b>	Level Percentage of Salary
<b>Salary Increases</b>	3.85%
<b>Discount Rate</b>	2.21% as of June 30, 2020 and 3.87% as of June 30, 2019 which is based on the 20-year AA municipal bond index.
<b>Mortality Rates</b>	RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with Scale MP-2018.
<b>Inflation</b>	2.60%
<b>Healthcare Cost Trend Rates</b>	7.00% reducing by 0.5% each year to an ultimate rate of 4.6% per year for 2023 and later. Dental is assumed to increase by 4.00% per year.

**TOWN OF BROOKLYN, CONNECTICUT**

Notes to the Financial Statements

*Changes in the Total OPEB Liability:*

	Total OPEB Liability
Balance at 6/30/19	\$ 1,043,871
Changes for the year:	
Service Cost	50,465
Interest	38,187
Changes of Benefit Terms	-
Difference Between Expected and Actual Experience	(40,630)
Changes in Assumptions	163,370
Benefit Payments	<u>(12,897)</u>
Net Changes	<u>198,495</u>
Balance at 6/30/20	<u>\$ 1,242,366</u>

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate:* The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.21%) or 1-percentage-point higher (3.21%) than the current discount rate:

	1% Decrease 1.21%	Current Discount Rate 2.21%	1% Increase 3.21%
Total OPEB Liability	\$ 1,393,379	\$ 1,242,366	\$ 1,113,824

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates:* The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.00% decreasing to 3.60%) or 1-percentage-point higher (8.00% decreasing to 5.60%) than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	\$ 1,066,759	\$ 1,242,366	\$ 1,457,238

*OPEB Expense:* For the year ended June 30, 2020, the Town recognized OPEB expense of \$34,664. As of June 30, 2020, deferred inflows and outflows of resources related to OPEB are reported as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ -	\$ 553,918
Changes of assumptions	151,946	163,405
Total	<u>\$ 151,946</u>	<u>\$ 717,323</u>

# TOWN OF BROOKLYN, CONNECTICUT

## Notes to the Financial Statements

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Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in the OPEB expense as follows:

Year ended June 30:		
2021	\$	(49,698)
2022		(49,698)
2023		(49,698)
2024		(49,698)
2025		(49,698)
Thereafter		<u>(316,887)</u>
	\$	<u>(565,377)</u>

### **Connecticut Teachers' Retirement System - OPEB**

*Plan Description* - Teachers, principals, superintendents or supervisors engaged in service of public schools are provided with benefits, including retiree health insurance, through the Connecticut Teachers' Retirement System—a cost sharing multiemployer defined benefit pension plan administered by the TRB. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS issues a publicly available financial report that can be obtained at [www.ct.gov](http://www.ct.gov).

*Benefit Provisions* - The Plan covers retired teachers and administrators of public schools in the State who are receiving benefits from the Plan. The Plan provides healthcare insurance benefits to eligible retirees and their spouses. Any member that is currently receiving a retirement or disability benefit through the Plan is eligible to participate in the healthcare portion of the Plan. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the TRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

Any member that is not currently participating in Medicare Parts A & B is eligible to continue healthcare coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, any remaining portion is used to offset the district's cost. The subsidy amount is set by statute and has not increased since July of 1996. A subsidy amount of \$220 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost and contributes at least \$220 per month towards coverage under a local school district plan. Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut. Any member that is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the system. If they elect to remain in the Plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

*Contributions* - Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are amended and certified by the TRB and appropriated by the General Assembly. The State pays for one third of plan costs through an annual appropriation in the General Fund.

School district employers are not required to make contributions to the Plan. The State of Connecticut's estimated allocated contribution to the Plan on behalf of the Town was \$49,146.

## TOWN OF BROOKLYN, CONNECTICUT

### Notes to the Financial Statements

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The cost of providing plan benefits is financed on a pay-as-you-go basis as follows: active teachers' pay for one third of the Plan costs through a contribution of 1.25% of their pensionable salaries, and retired teachers pay for one third of the Plan costs through monthly premiums, which helps reduce the cost of health insurance for eligible retired members and dependents.

*Actuarial Assumptions* - The total OPEB liability was determined by an actuarial valuation as of June 30, 2019 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Inflation	2.50%
Real Wage Growth	0.75%
Wage Inflation	3.25%
Salary increases	3.25-6.50%, including inflation
Long-term investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
<u>Municipal bond index rate:</u>	
Measurement Date	3.50%
Prior Measurement Date	3.87%

The projected fiduciary net position is projected to be depleted in 2019.

Single equivalent interest rate

Measurement Date	3.50%, net of OPEB plan investment expense, including price inflation
Prior Measurement Date	3.87%, net of OPEB plan investment expense, Including price inflation

Healthcare cost trend rates:

Pre-Medicare	5.95% for 2018 decreasing to an ultimate Rate of 4.75% by 2025
Medicare	5.00% for 2018 decreasing to an ultimate Rate of 4.75% by 2028

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

*Long-Term Rate of Return* - The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluation the long-term rate of return assumption, including the Plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) for each major asset class.

The long-term expected rate of return was determined by weighing the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

**TOWN OF BROOKLYN, CONNECTICUT**

Notes to the Financial Statements

The target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Expected 10-Year Geometric Real Rate of Return	Standard Deviation
U.S. Treasuries (Cash Equivalents)	100.0%	0.41%	2.31%
Price inflation		2.50%	
Expected rate of return (Rounded nearest 0.25%)		3.00%	

*Discount Rate* - The discount rate used to measure the total OPEB liability was 3.50%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection's basis was an actuarial valuation performed as of June 30, 2018. In addition to the actuarial methods and assumptions of the June 30, 2018 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 3.25%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- No future employer contributions were assumed to be made.

Based on those assumptions, the plan's fiduciary net position was projected to be depleted in 2019 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

*Sensitivity of the Net OPEB Liability to Changes in Healthcare Cost Trend Rates* - The following presents the total OPEB liability, calculated using current cost trend rates, as well as what the Plan's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than current healthcare cost trend rates:

	1% Lower Trend Rates	Current Trend Rates	1% Higher Trend Rates
Initial Healthcare Cost Trend Rate	4.95%	5.95%	6.95%
Ultimate Healthcare Cost Trend Rate	3.75%	4.75%	5.75%
Total OPEB Liability	\$ 3,086,486	\$ 3,704,865	\$ 4,530,904

**TOWN OF BROOKLYN, CONNECTICUT**  
Notes to the Financial Statements

*Sensitivity of the Net OPEB Liability to Changes in Discount Rates* - The following presents the net OPEB liability, calculated using the current discount rate, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Net OPEB liability	\$ 4,415,086	\$ 3,704,865	\$ 3,151,832

*Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions:* At June 30, 2020 the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the Town were as follows:

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>3,704,865</u>
Total	<u>\$ 3,704,865</u>

The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. At June 30, 2020, the Town had no proportionate share of the net OPEB liability.

For the year ended June 30, 2020, the Town recognized OPEB expense and revenue of \$49,146 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized (\$271,109) for OPEB expense related to actuarial liabilities for on-behalf amounts for the benefits provided by the State.

**NOTE 12 – RISK MANAGEMENT**

The Town is exposed to various risks of loss involving torts, theft of, damage to, and destruction of assets, errors and omissions, injuries of employees, and natural disasters for which the Town carries commercial insurance. Coverage has not been significantly reduced and settled claims have not exceeded commercial coverage in any of the last three fiscal years.

The Town currently is a member of the Connecticut Interlocal Risk Management Agency (“CIRMA”), a public entity risk pool 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 obligations to pay indemnification obligations and expenses should CIRMA be unable to do so.

**NOTE 13 – LITIGATION AND CONTINGENCIES**

**Litigation** - The Town is not a defendant in any lawsuits that, in the opinion of Town Management, in consultation with the Town Attorney, will have an adverse, material effect on the Town’s financial position.

**TOWN OF BROOKLYN, CONNECTICUT**  
Notes to the Financial Statements

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**Grants** - The Town participates in several Federal and State assisted grants programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The audits of certain of these programs for or including the year ended June 30, 2020 have not yet been conducted. Accordingly, the Town's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

**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 funding back to the State. For projects with a cost of over two million dollars, the contingency will be amortized over twenty years. For smaller projects, the contingency will be amortized over ten years.

**NOTE 14 – UPCOMING PRONOUNCEMENTS**

**GASB Pronouncements Issued, But Not Yet Effective**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements:

**GASB Statement No. 87 – Leases** - This statement improves the accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after July 1, 2021.

**GASB Statement No. 89 - Accounting for Interest Cost Incurred before the End of a Construction Period** - The objectives of this statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred. As a result, interest cost before the end of a construction period will not be included in the historical cost of the capital asset. The requirements of this statement are effective for reporting periods beginning after July 1, 2021.

**NOTE 15 – RISKS AND UNCERTAINTIES**

The World Health Organization declared the coronavirus outbreak (“COVID-19”) a pandemic. The impact of COVID-19 could negatively affect the Town's operations, vendors, and/or taxpayer base. The extent to which the COVID-19 impacts the Town's financial position will depend upon future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions taken to contain the coronavirus or its impact, among others.

**TOWN OF BROOKLYN, CONNECTICUT**

Notes to the Financial Statements

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**NOTE 16 – SUBSEQUENT EVENTS**

On August 6, 2020, the Town issued \$6,144,250 of general obligation bond anticipation notes with an interest rate of 1.098% per year. The notes are due on August 5, 2021. The Town used the proceeds along with additional funds from the town of \$596,175 to refund a \$6,612,300 general obligation bond anticipation note, interest of \$124,425, and Bank Counsel fee of \$3,500 due August 6, 2020.

**NOTE 17 – PRIOR PERIOD RESTATEMENT**

	<u>Governmental Activities</u>	<u>General Fund</u>
Ending Fund Balance/ Net Position June 30, 2019	\$ 24,609,056	\$ 964,710
Deposit in Transit in PY not recorded properly	(634,000)	(634,000)
Duplicate Check Voided	189,044	189,044
Beginning July 1, 2019	<u>\$ 24,164,100</u>	<u>\$ 519,754</u>

**TOWN OF BROOKLYN, CONNECTICUT**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
<b>REVENUES</b>				
<b>Property Taxes</b>				
Current Year	\$ 15,777,049	\$ 15,777,049	\$ 15,748,852	\$ (28,197)
Prior Years	169,786	169,786	205,483	35,697
Interest and Lien Fees	75,000	75,000	137,137	62,137
Supplemental Motor Vehicle Taxes	325,000	325,000	240,401	(84,599)
<b>Total Property Taxes</b>	<u>16,346,835</u>	<u>16,346,835</u>	<u>16,331,873</u>	<u>(14,962)</u>
<b>Intergovernmental</b>				
Education Assistance	6,956,457	6,956,457	6,952,811	(3,646)
Mashantucket Grant	191,703	191,703	191,703	-
PILOT - State Owned Property	79,919	79,919	79,919	-
PILOT - Disability	1,317	1,317	1,285	(32)
PILOT - Veterans Exemption	5,120	5,120	6,051	931
STEAP Grant	-	-	6,200	6,200
Motor Vehicle Fines	3,250	3,250	2,605	(645)
Telephone Tax	12,246	12,246	11,918	(328)
Z Recs	70,000	70,000	-	(70,000)
D.U.I. Grant	15,000	15,000	-	(15,000)
Municipal Revenue Sharing	10,379	10,379	10,379	-
<b>Total Intergovernmental</b>	<u>7,345,391</u>	<u>7,345,391</u>	<u>7,262,871</u>	<u>(82,520)</u>
<b>Local Revenues</b>				
Health Department Rent	34,043	34,043	34,043	-
Community Center Rental Fee	400	400	185	(215)
Recreation Fees	222,600	222,600	203,628	(18,972)
Pistol Permits	2,500	2,500	3,785	1,285
Town Clerk Fees	45,000	45,000	60,207	15,207
Conveyance Tax	95,000	95,000	108,127	13,127
Miscellaneous Income	1,000	1,000	108,994	107,994
Copier Fees	7,500	7,500	9,041	1,541
Apartment Inspections	500	500	745	245
Brooklyn Fair Tpr. Reimbursement	5,000	5,000	5,000	-
Building Permits	80,000	80,000	72,700	(7,300)
Fire Marshal Fees	1,500	1,500	675	(825)
Zoning Board of Appeals	500	500	-	(500)
Bingo Permits	300	300	30	(270)
Planning and Zoning Fees	9,000	9,000	8,315	(685)
Wetland Fees	2,000	2,000	9,180	7,180

See accountant's report.

**TOWN OF BROOKLYN, CONNECTICUT**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
<b>Local Revenues (Continued)</b>				
Transfer Station Fees	\$ 85,000	\$ 85,000	\$ 113,684	\$ 28,684
Insurance Dividend	10,000	10,000	14,545	4,545
Dog License/Fees	500	500	1,344	844
<b>Total Local Revenues</b>	<u>602,343</u>	<u>602,343</u>	<u>754,228</u>	<u>151,885</u>
<b>Investment Income</b>	<u>13,000</u>	<u>13,000</u>	<u>18,136</u>	<u>5,136</u>
<b>Use of Fund Balance</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total Revenues</b>	<u>24,307,569</u>	<u>24,307,569</u>	<u>24,367,108</u>	<u>59,539</u>
<b>EXPENDITURES</b>				
<b>General Government</b>				
Board of Finance	45,850	45,850	39,059	6,791
Board of Selectmen	29,923	50,336	47,029	3,307
Administration	264,250	266,061	259,647	6,414
Revenue Collector	109,963	112,528	111,756	772
Assessor	153,063	153,976	146,433	7,543
Board of Assessment	450	500	359	141
Recording	131,463	131,499	123,542	7,957
Elections	28,825	33,809	29,158	4,651
Legal	17,500	22,867	20,570	2,297
Probate	9,205	9,205	9,204	1
Town Hall	45,800	50,325	35,129	15,196
Central Supplies	76,650	89,649	87,198	2,451
Ethics	3,000	3,000	750	2,250
<b>Total General Government</b>	<u>915,942</u>	<u>969,605</u>	<u>909,834</u>	<u>59,771</u>
<b>Public Safety</b>				
Canine Control	25,855	25,965	25,965	-
Patrol Services	226,577	203,172	185,905	17,267
Fire Marshal	56,152	59,441	58,191	1,250
Fire Facilities	458,554	458,554	453,837	4,717
Emergency Services	30,419	39,343	39,343	-
Homeland Security	6,050	6,050	1,508	4,542
<b>Total Public Safety</b>	<u>803,607</u>	<u>792,525</u>	<u>764,749</u>	<u>27,776</u>
<b>Public Works</b>				
Roads and Drainage	598,111	598,525	579,449	19,076
Maintenance and Equipment	87,000	93,950	77,664	16,286
Snow Removal	100,800	63,656	45,144	18,512

See accountant's report.

**TOWN OF BROOKLYN, CONNECTICUT**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Budgetary Basis	Variance
	Original	Amended		
<b>Public Works (Continued)</b>				
Garage Maintenance	\$ 20,173	\$ 35,877	\$ 34,018	\$ 1,859
Engineering	20,102	20,110	20,110	-
Storm Water Management	20,500	21,629	33,629	(12,000)
Resource Recovery	293,484	372,016	357,974	14,042
Building Official	79,650	83,891	82,332	1,559
<b>Total Public Works</b>	<u>1,219,820</u>	<u>1,289,654</u>	<u>1,230,320</u>	<u>59,334</u>
<b>Health and Human Services</b>				
Health	81,642	83,142	81,892	1,250
Cemeteries	5,000	5,000	5,000	-
<b>Total Health and Human Services</b>	<u>86,642</u>	<u>88,142</u>	<u>86,892</u>	<u>1,250</u>
<b>Civic and Cultural</b>				
Library	143,117	143,117	143,117	-
Transit District	14,364	14,364	14,364	-
Special Programs	6,250	6,250	1,301	4,949
Recreation	336,793	338,853	319,746	19,107
Park Maintenance	114,749	121,439	112,984	8,455
Community Center	22,542	25,148	19,296	5,852
Clifford B Green Building	25,670	32,228	30,112	2,116
<b>Total Civic and Cultural</b>	<u>663,485</u>	<u>681,399</u>	<u>640,920</u>	<u>40,479</u>
<b>Development and Planning</b>				
Planning and Zoning	21,620	52,337	41,932	10,405
Zoning Board of Appeal	1,000	1,000	150	850
Agriculture Commission	2,200	2,200	625	1,575
Conservation Commission	3,300	3,300	540	2,760
Inland Wetlands Commission	5,600	5,600	3,591	2,009
Land Use Admin/Planner	127,521	119,432	111,632	7,800
Economic Development Commission	6,150	6,150	375	5,775
Open Space	8,208	8,208	8,208	-
<b>Total Development and Planning</b>	<u>175,599</u>	<u>198,227</u>	<u>167,053</u>	<u>31,174</u>
<b>Debt and Sundry</b>				
Contingency	120,044	12,889	12,886	3
Fringe Benefits	689,755	584,910	610,046	(25,136)
Municipal Insurance	112,000	130,877	130,877	-
Long-Term Debt Service	40,200	48,999	20,824	28,175
Short-Term Debt Service	669,466	699,333	698,566	767
<b>Total Debt and Sundry</b>	<u>1,631,465</u>	<u>1,477,008</u>	<u>1,473,199</u>	<u>3,809</u>

See accountant's report.

**TOWN OF BROOKLYN, CONNECTICUT**  
Schedule of Revenues, Expenditures and Changes in Fund Balance  
Budget and Actual (Budgetary Basis)  
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
<b>Capital Outlay</b>	\$ 148,241	\$ 148,241	\$ 148,241	\$ -
<b>Board of Education</b>	18,662,768	18,662,768	18,416,267	246,501
<b>Total Expenditures</b>	<b>24,307,569</b>	<b>24,307,569</b>	<b>23,837,475</b>	<b>470,094</b>
<b>Excess (Deficiency) of Revenues over Expenditures - Budgetary Basis</b>	<b>\$ -</b>	<b>\$ -</b>	<b>529,633</b>	<b>\$ 529,633</b>
<b>Adjustments to Generally Accepted Accounting Principles (GAAP):</b>				
Payments on Behalf of the Town not Recorded on a Budgetary Basis:				
Revenues from Teachers' Retirement and OPEB			1,847,340	
Expenditures from Teachers' Retirement and OPEB			(1,847,340)	
Payments on Behalf of the Town not Recorded on a Budgetary Basis:				
Revenues from Excess Cost Grant			459,749	
Expenditures from Excess Cost Grant			(459,749)	
Other Grants net on a Budgetary Basis:				
Revenues from Other Grants			16,900	
Expenditures from Other Grants			(16,900)	
Restricted Town Clerk Funds Activity not Recorded on a Budgetary Basis:				
Revenues from Town Clerk Funds			7,960	
Expenditures from Town Clerk Funds			(1,640)	
<b>Excess (Deficiency) of Revenues and Other Financing Sources over Expenditures and Other Financing Uses - GAAP Basis</b>			<b>\$ 535,953</b>	

**Notes to Required Supplementary Information:** 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 excess cost grant for special education costs is net with expenditures; 3. Encumbrances are treated as expenditures against the budget in the year committed; 4. Revenues and expenditures from capital leasing and for renewing or refunding long-term debt are included in the budget as the net revenue or expenditure expected.

**TOWN OF BROOKLYN, CONNECTICUT**  
Town of Brooklyn Employee Retirement Plan  
Schedule of Changes in Net Pension Liability and Related Ratios  
Last Seven Fiscal Years\*

	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>							
Service Cost	\$ 216,775	\$ 217,378	\$ 209,621	\$ 173,002	\$ 166,748	\$ 171,727	\$ 179,884
Interest	490,149	462,267	438,180	408,747	386,937	375,535	353,196
Changes in Benefit Terms	-	-	-	-	-	-	-
Differences Between Expected and Actual Experience	-	(107,862)	-	147,897	-	(106,688)	-
Changes of Assumptions	-	156,953	-	134,931	-	135,436	-
Benefit Payments, Including Refunds of Member Contributions	<u>(328,918)</u>	<u>(330,707)</u>	<u>(292,856)</u>	<u>(266,165)</u>	<u>(252,302)</u>	<u>(230,131)</u>	<u>(224,129)</u>
<b>Net Change in Total Pension Liability</b>	378,006	398,029	354,945	598,412	301,383	345,879	308,951
<b>Total Pension Liability - Beginning</b>	<u>6,947,031</u>	<u>6,549,002</u>	<u>6,194,057</u>	<u>5,595,645</u>	<u>5,294,262</u>	<u>4,948,383</u>	<u>4,639,432</u>
<b>Total Pension Liability - Ending (a)</b>	<u>\$ 7,325,037</u>	<u>\$ 6,947,031</u>	<u>\$ 6,549,002</u>	<u>\$ 6,194,057</u>	<u>\$ 5,595,645</u>	<u>\$ 5,294,262</u>	<u>\$ 4,948,383</u>
<b>Plan Fiduciary Net Position</b>							
Contributions - Employer	\$ 579,627	\$ 158,933	\$ 355,128	\$ 302,944	\$ 295,082	\$ 256,246	\$ 251,168
Contributions - Member	-	-	-	-	-	-	-
Net Investment Income	224,519	282,027	374,138	403,008	(9,590)	188,347	129,412
Benefit Payments, Including Refunds of Member Contributions	(328,918)	(330,896)	(292,856)	(266,165)	(252,302)	(230,131)	(224,129)
Administrative Expenses	(15,732)	(15,378)	(15,548)	(12,351)	(15,281)	(18,810)	(12,604)
Other	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(46,417)</u>	<u>439,783</u>
<b>Net Change in Pension Fiduciary Net Position</b>	459,496	94,686	420,862	427,436	17,909	149,235	583,630
<b>Plan Fiduciary Net Position - Beginning</b>	<u>5,009,661</u>	<u>4,914,975</u>	<u>4,494,113</u>	<u>4,066,677</u>	<u>4,048,768</u>	<u>3,899,533</u>	<u>3,315,903</u>
<b>Plan Fiduciary Net Position - Ending (b)</b>	<u>\$ 5,469,157</u>	<u>\$ 5,009,661</u>	<u>\$ 4,914,975</u>	<u>\$ 4,494,113</u>	<u>\$ 4,066,677</u>	<u>\$ 4,048,768</u>	<u>\$ 3,899,533</u>
<b>Net Pension Liability - Ending: (a) - (b)</b>	<u>\$ 1,855,880</u>	<u>\$ 1,937,370</u>	<u>\$ 1,634,027</u>	<u>\$ 1,699,944</u>	<u>\$ 1,528,968</u>	<u>\$ 1,245,494</u>	<u>\$ 1,048,850</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	74.66%	72.11%	75.05%	72.56%	72.68%	76.47%	78.80%
<b>Covered Payroll</b>	\$ 2,740,203	\$ 2,638,617	\$ 2,616,636	\$ 2,515,996	\$ 2,108,519	\$ 2,022,560	\$ 2,197,494
<b>Net Pension Liability as a Percentage of Covered Payroll</b>	67.73%	73.42%	62.45%	67.57%	72.51%	61.58%	47.73%

\*This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

See accountant's report.

**TOWN OF BROOKLYN, CONNECTICUT**

Town of Brooklyn Employee Retirement Plan  
Schedule of Contributions  
Last Seven Fiscal Years\*

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	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially Determined Employer Contribution (ADEC)	\$ 374,107	\$ 364,453	\$ 355,128	\$ 302,944	\$ 295,082	\$ 310,080	\$ 310,080
Contributions in Relation to the ADEC	<u>579,627</u>	<u>158,933</u>	<u>355,128</u>	<u>302,944</u>	<u>295,082</u>	<u>256,246</u>	<u>251,168</u>
Contribution Deficiency (Excess)	<u>\$ (205,520)</u>	<u>\$ 205,520</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,834</u>	<u>\$ 58,912</u>
Covered Payroll	2,740,203	2,638,617	2,616,636	2,515,996	2,108,519	2,022,560	2,197,494
Contributions as a Percentage of Covered Payroll	21.15%	6.02%	13.57%	12.04%	13.99%	12.67%	11.43%

\*This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**Notes to Schedule**

Valuation Date: 7/1/2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Projected Unit Credit
Amortization method	Level Cost
Remaining amortization period	15 yrs, Open
Asset valuation method	5-year Smoothed
Salary increases	3.85%
Investment rate of return	7.00%
Normal Retirement	Earlier of age 65 with 10 years of service or age 70
Mortality	RP-2014 Adjusted to 2006 Total Dataset Mortality Table projected to valuation date with MP-2018.

See accountant's report.

**TOWN OF BROOKLYN, CONNECTICUT**

Town of Brooklyn Employee Retirement Plan

Schedule of Investment Returns

Last Seven Fiscal Years\*

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	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual Money-Weighted Rate of Return, Net of Investment Expense	4.21%	5.65%	8.22%	9.78%	-0.24%	3.62%	16.70%

\*This schedule is intended to show information for ten years.  
Additional years' information will be displayed as it becomes available.

See accountant's report.

**TOWN OF BROOKLYN, CONNECTICUT**  
Town of Brooklyn Fire Department Service Award Plan  
Schedule of Changes in Total Pension Liability and Related Ratios  
Last Seven Fiscal Years\*

	2020	2019	2018	2017	2016	2015	2014
<b>Total Pension Liability</b>							
Service Cost	\$ -	\$ -	\$ -	\$ 40,725	\$ -	\$ -	\$ -
Interest	44,087	46,996	31,828	27,198	36,559	39,931	41,254
Differences Between Expected and Actual Experience	38,306	-	299,044	-	(40,143)	(51,752)	-
Changes of Assumptions	281,200	64,470	69,314	(48,550)	56,099	-	-
Benefit Payments, Including Refunds of Member Contributions	<u>(66,880)</u>	<u>(72,560)</u>	<u>(77,160)</u>	<u>(80,227)</u>	<u>(77,843)</u>	<u>(78,360)</u>	<u>(74,472)</u>
<b>Net Change in Total Pension Liability</b>	296,713	38,906	323,026	(60,854)	(25,328)	(90,181)	(33,218)
<b>Total Pension Liability - Beginning</b>	<u>1,289,212</u>	<u>1,250,306</u>	<u>927,280</u>	<u>988,134</u>	<u>1,013,462</u>	<u>1,103,643</u>	<u>1,136,861</u>
<b>Total Pension Liability - Ending</b>	<u>\$ 1,585,925</u>	<u>\$ 1,289,212</u>	<u>\$ 1,250,306</u>	<u>\$ 927,280</u>	<u>\$ 988,134</u>	<u>\$ 1,013,462</u>	<u>\$ 1,103,643</u>

\*This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

See accountant's report.

**TOWN OF BROOKLYN, CONNECTICUT**  
Town of Brooklyn Fire Department Service Award Plan  
Schedule of Contributions  
Last Seven Fiscal Years\*

	2020	2019	2018	2017	2016	2015	2014
Actuarially Determined Employer Contribution (ADEC)	\$ 98,751	\$ 95,072	\$ 103,956	\$ 101,174	\$ 79,551	\$ 79,551	\$ 75,544
Contributions in Relation to the ADEC	<u>66,880</u>	<u>98,497</u>	<u>102,000</u>	<u>80,110</u>	<u>80,124</u>	<u>80,046</u>	<u>75,544</u>
Contribution Deficiency (Excess)	<u>\$ 31,871</u>	<u>\$ (3,425)</u>	<u>\$ 1,956</u>	<u>\$ 21,064</u>	<u>\$ (573)</u>	<u>\$ (495)</u>	<u>\$ -</u>

\*This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**Notes to Schedule**

Valuation Date: 1/1/2018

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level Cost
Remaining amortization period	17 yrs, Closed
Asset valuation method	Market Value
Investment rate of return	3.87%
Normal Retirement	Age 65
Mortality	RP-2014 Mortality Table

See accountant's report.

**TOWN OF BROOKLYN, CONNECTICUT**  
State Teacher's Retirement System  
Proportionate Share of Net Pension Liability  
Last Six Fiscal Years\*

**Schedule of Proportionate Share of Net Pension Liability**

	2020	2019	2018**	2017**	2016	2015
Town's percentage of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net pension liability associated with the Town	<u>23,755,883</u>	<u>18,317,166</u>	<u>1,036,642</u>	<u>1,093,665</u>	<u>16,094,784</u>	<u>14,876,402</u>
Total	<u>\$ 23,755,883</u>	<u>\$ 18,317,166</u>	<u>\$ 1,036,642</u>	<u>\$ 1,093,665</u>	<u>\$ 16,094,784</u>	<u>\$ 14,876,402</u>
Town's covered payroll	<u>\$ 6,323,171</u>	<u>\$ 4,796,617</u>	<u>\$ 5,783,213</u>	<u>\$ 6,054,495</u>	<u>\$ 5,820,974</u>	<u>\$ 5,802,009</u>
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll.	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>52.00%</u>	<u>57.69%</u>	<u>55.93%</u>	<u>52.26%</u>	<u>59.50%</u>	<u>61.51%</u>

\*This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

\*\* For the fiscal years ended June 30, 2018 and June 30, 2017, incorrect census data was provided to the actuaries.

**Notes to Schedule**

Actuarial cost method	Entry Age
Amortization method	Level percent of salary, closed
Remaining amortization period	17.6 years
Asset valuation method	4 year smoothed market
Inflation	2.75%
Salary increases	3.25% - 6.50% average, including inflation
Investment rate of return	8.0% net of investment expense, including inflation

See accountant's report.

**TOWN OF BROOKLYN, CONNECTICUT**  
Schedule of Changes in Total OPEB Liability and Related Ratios  
Last Three Fiscal Years\*

	2020	2019	2018
<b>Total OPEB Liability</b>			
Service Cost	\$ 50,465	\$ 63,452	\$ 65,016
Interest	38,187	67,688	62,330
Changes of Benefit Terms	-	(62,839)	-
Differences Between Expected and Actual Experience	(40,630)	(564,484)	(41,786)
Changes of Assumptions	163,370	(138,748)	(60,182)
Benefit Payments, Including Implicit Cost	<u>(12,897)</u>	<u>(13,412)</u>	<u>(18,261)</u>
<b>Net Change in Total OPEB Liability</b>	198,495	(648,343)	7,117
<b>Total OPEB Liability - Beginning</b>	<u>1,043,871</u>	<u>1,692,214</u>	<u>1,685,097</u>
<b>Total OPEB Liability - Ending (a)</b>	<u>\$ 1,242,366</u>	<u>\$ 1,043,871</u>	<u>\$ 1,692,214</u>
<b>Covered-Employee Payroll</b>	\$ 6,215,702	\$ 5,985,269	\$ 5,687,333
<b>Total OPEB Liability as a Percentage of Covered-Employee Payroll</b>	19.99%	17.44%	29.75%

\* This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

**Notes to Schedule**

Measurement Date	June 30, 2020
Valuation Date	July 1, 2018
Inflation Rate	2.60%
Actuarial Cost Method	Individual Entry Age Normal
Salary Increases	3.85%
Healthcare Cost Trend Rates	7.00% reducing by 0.5% each year to an ultimate rate of 4.6% per year for 2023 and later. Dental is assumed to increase by 4.00% per year.

See accountant's report.

**TOWN OF BROOKLYN, CONNECTICUT**  
State Teacher's Retirement System  
Proportionate Share of Net OPEB Liability  
Last Three Fiscal Years\*

**Schedule of Proportionate Share of Net OPEB Liability**

	<u>2020</u>	<u>2019</u>	<u>2018**</u>
Town's percentage of the net OPEB liability	0.00%	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net OPEB liability associated with the Town	<u>3,704,865</u>	<u>3,661,726</u>	<u>266,837</u>
Total	<u>\$ 3,704,865</u>	<u>\$ 3,661,726</u>	<u>\$ 266,837</u>
Town's covered-employee payroll	<u>\$ 6,323,171</u>	<u>\$ 4,796,617</u>	<u>\$ 5,783,213</u>
Town's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll.	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>2.08%</u>	<u>1.49%</u>	<u>1.79%</u>

\* This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

\*\* For the year ended June 30, 2018, incorrect census data was provided to the actuaries.

**Notes to Schedule**

Actuarial Cost Method	Entry age
Amortization Method	Level Percent of Payroll
Remaining Amortization Period	30 years, open
Asset Valuation Method	Market Value of Assets
Investment Rate of Return	3.00%, net of investment related expense
Price Inflation	2.75%

See accountant's report.

## **APPENDIX B – FORM OF LEGAL OPINION OF BOND COUNSEL AND TAX EXEMPTION**

The legal opinion of the firm of Shipman & Goodwin LLP of Hartford, Connecticut, Bond Counsel, will be furnished to the successful purchaser when the Bonds are delivered, and a copy of the legal opinion will be included in the record of proceedings of the Town authorizing the Bonds. The opinion will be dated and given on and will speak only as of the date of original delivery of the Bonds to the successful purchaser.

The opinion of Shipman & Goodwin LLP will be in substantially the following form:

Town of Brooklyn  
4 Wolf Den Road  
Brooklyn, Connecticut 06234

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Town of Brooklyn, Connecticut (the "Town") of its \$5,990,000 General Obligation Bonds, Issue of 2021, dated August 5, 2021, maturing August 1, 2022-2041 (the "Bonds").

In connection with our representation of the Town as bond counsel with respect to the Bonds, we have examined the executed Tax Certificate and Tax Compliance Agreement of the Town, each dated as of August 5, 2021, the executed Bonds, and certified records of proceedings of the Town authorizing the Bonds. In addition, we have examined and relied on originals or copies, identified to us as genuine, of such other documents, instruments or records, and have made such investigations of law as we considered necessary or appropriate for the purposes of this opinion. In making the statements contained in this opinion, we have assumed, without independently verifying, the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to original documents of documents submitted to us as certified or photostatic copies, and the legal capacity and authority of all persons executing such documents.

On the basis of our review noted above and subject to the qualifications set forth herein:

1. We are of the opinion that the proceedings and above-referenced evidence show lawful authority for the issuance and sale of the Bonds under the authority of the constitution and statutes of the State of Connecticut, and that the Bonds are valid and binding general obligations of the Town payable, with respect to both principal and interest, unless paid from other sources, from ad valorem taxes which may be levied on all property subject to taxation by the Town without limitation as to rate or amount except as to classified property. Classified property includes certified forest land which is taxable at a limited rate. Classified property also includes dwelling houses of qualified elderly persons of low income which are taxable at limited amounts.

2. We are of the opinion that the Tax Compliance Agreement is a valid and binding agreement of the Town and that the Tax Certificate and Tax Compliance Agreement were duly authorized by the Town.

3. The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the Bonds if interest on the Bonds is to be excludable from gross income under Section 103 of the Code. The Town has covenanted in the Tax Compliance Agreement that it will at all times perform all acts and things necessary or appropriate under any valid provision of law to ensure that interest paid on the Bonds will not be includable in the gross

income of the owners thereof for federal income tax purposes under the Code. In our opinion, under existing law:

(i) interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes pursuant to Section 103 of the Code; and

(ii) such interest is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax.

We express no opinion regarding other federal income tax consequences caused by ownership of, or receipt of interest on, the Bonds. In rendering the foregoing opinions regarding the federal income tax treatment of interest on the Bonds, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and reasonable expectations, and certifications of fact contained in the Tax Certificate and the Tax Compliance Agreement, and (ii) full compliance by the Town with the covenants set forth in the Tax Compliance Agreement. The inaccuracy of the representations, statements of intention and reasonable expectations, and certifications of fact, contained in the Tax Certificate or the Tax Compliance Agreement, or the failure of the Town to fully comply with the covenants set forth therein, may cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

4. We are of the opinion that, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

The rights of the holders of the Bonds and the enforceability of the Bonds and the enforceability of the Tax Compliance Agreement are limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights generally, and by equitable principles, whether considered at law or in equity.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Bonds.

This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law, regulation or judicial interpretation that may hereafter occur.

Very truly yours,

Shipman & Goodwin LLP

## CERTAIN ADDITIONAL FEDERAL TAX CONSEQUENCES.

The following is a brief discussion of certain federal income tax matters with respect to the Bonds under existing statutes. It does not purport to deal with all aspects of federal taxation that may be relevant to a particular owner of a bond. Prospective owners of the Bonds, particularly those that may be subject to special rules, are advised to consult their own tax advisors regarding the federal tax consequences of owning and disposing of the Bonds.

*Recent Tax Legislation.* The opinion of Bond Counsel is rendered as of its date and Bond Counsel assumes no obligation to update or supplement its opinion to reflect any facts or circumstances that may come to its attention or any changes in law or the interpretation thereof that may occur after the date of its opinion.

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Bonds or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds.

In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

*Alternative Minimum Tax.* The Code imposes an alternative minimum tax. The alternative minimum tax is imposed on alternative minimum taxable income, which includes items of tax preference. The interest on certain tax-exempt "private activity bonds" is treated as an item of tax preference. The Town's Tax Compliance Agreement will contain certain representations and covenants to ensure that the Bonds are not "private activity bonds" so that interest on the Bonds will not be treated as an item of tax preference for purposes of calculating the federal alternative minimum tax.

*Financial Institutions.* The Code provides that commercial banks, thrift institutions and certain other financial institutions may not deduct the portion of their interest expense allocable to tax-exempt obligations acquired after August 7, 1986, other than "qualified tax-exempt obligations". The Bonds **shall** be designated by the Town as "qualified tax-exempt obligations" for purposes of the deduction for federal income tax purposes by financial institutions of a portion of interest expense allocable to tax-exempt obligations.

*Changes in Federal Tax Law.* Legislation affecting municipal bonds is regularly under consideration by the United States Congress. There can be no assurance that legislation enacted or proposed after the date of issuance of the Bonds will not have an adverse effect on the tax-exempt status or the market price of the Bonds.

*Other.* Ownership of the Bonds may result in collateral federal income tax consequences to various categories of persons, such as corporations (including S corporations and foreign corporations), financial

institutions, property and casualty and life insurance companies, individual recipients of Social Security and railroad retirement benefits, and individuals otherwise eligible for the earned income credit, and to taxpayers deemed to have incurred or continued indebtedness to purchase or carry obligations the interest on which is not included in gross income for federal income tax purposes.

#### **STATE OF CONNECTICUT TAX ON INTEREST.**

The opinion of Bond Counsel will state in substance that, based on the record of proceedings authorizing the Bonds, under existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

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

Owners of the Bonds should consult their tax advisors with respect to other applicable state and local tax consequences of ownership of the Bonds and the disposition thereof, including the extent to which gains and losses from the sale or exchange of Bonds held as capital assets reduce and increase, respectively, amounts taken into account in computing the Connecticut income tax on individuals, trusts and estates and may affect the net Connecticut minimum tax on such taxpayers who are also required to pay the federal alternative minimum tax.

#### **ORIGINAL ISSUE DISCOUNT.**

The initial public offering prices of certain maturities of the Bonds (the “OID Bonds”) may be less than their stated principal amounts. Under existing law, the difference between the stated principal amount and the initial offering price of each maturity of the OID Bonds to the public (excluding bond houses and brokers) at which a substantial amount of such maturity of the OID Bonds is sold will constitute original issue discount (“OID”). The offering prices relating to the yields set forth in this Official Statement for the OID Bonds are expected to be the initial offering prices to the public at which a substantial amount of each maturity of the OID Bonds are sold. Under existing law OID on the Bonds accrued and properly allocable to the owners thereof under the Code is not included in gross income for federal income tax purposes if interest on the Bonds is not included in gross income for federal income tax purposes.

Under the Code, for purposes of determining an owner’s adjusted basis in an OID Bond, OID treated as having accrued while the owner holds the OID Bond will be added to the owner’s basis. OID will accrue on a constant-yield-to-maturity method based on regular compounding. The owner’s adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of an OID Bond.

Prospective purchasers of OID Bonds should consult their own tax advisors as to the calculation of accrued OID, the accrual of OID in the cases of owners of the OID Bonds purchasing such Bonds after the initial offering and sale, and the state and local tax consequences of owning or disposing of such OID Bonds.

#### **ORIGINAL ISSUE PREMIUM.**

The initial public offering prices of certain maturities of the Bonds (the “OIP Bonds”) may be more than their stated principal amounts. An owner who purchases a Bond at a premium to its principal amount

must amortize bond premium as provided in applicable Treasury Regulations, and amortized premium reduces the owner's basis in the Bond for federal income tax purposes. Prospective purchasers of Bonds should consult their tax advisors regarding the amortization of premium and the effect upon basis.

\* \* \* \* \*

The information above does not purport to deal with all aspects of federal or state taxation that may be relevant to particular investors. Prospective investors, particularly those that may be subject to special rules, are advised to consult their own tax advisors regarding the federal and state tax consequences of owning and disposing of the Bonds, including any tax consequences arising under the laws of any state or other taxing jurisdiction.

## APPENDIX C - FORM OF CONTINUING DISCLOSURE AGREEMENT

In accordance with the requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, (i) certain annual financial information and operating data, (ii) timely, but not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of certain listed events with respect to the Bonds, and (iii) timely notice of a failure by the Town to provide the required annual financial information on or before a specified date, all pursuant to a Continuing Disclosure Agreement for the Bonds in substantially the following form:

### CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (the "Agreement") is made as of the 5<sup>th</sup> day of August, 2021 by the Town of Brooklyn, Connecticut (the "Town") acting by its undersigned officers, duly authorized, in connection with the issuance of the Town's \$5,990,000 General Obligation Bonds, Issue of 2021 (the "Bonds") dated August 5, 2021 for the benefit of the beneficial owners from time to time of the Bonds.

**Section 1. Definitions.** For purposes of this Agreement, the following capitalized terms shall have the following meanings:

"MSRB" means the Municipal Securities Rulemaking Board established under the Securities Exchange Act of 1934, as amended, or any successor thereto. As of the date of this Agreement, the MSRB has designated its Electronic Municipal Market Access System ("EMMA") (<http://emma.msrb.org>) to receive submissions of continuing disclosure documents that are described in the Rule.

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

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

### **Section 2. Annual Financial Information.**

(a) The Town agrees to provide, or cause to be provided, to the MSRB in an electronic format as prescribed by the MSRB, in accordance with the provisions of the Rule and this Agreement, annual financial information and operating data (commencing with information and data for the fiscal year ending June 30, 2021), as follows:

(i) the audited general purpose financial statements of the Town, which financial statements include the Town's general fund, any special revenue funds, enterprise and internal service (proprietary) funds, agency and trust (fiduciary) funds and the general fixed assets and general long-term debt account groups, for the prior fiscal year, which statements shall be

prepared in accordance with generally accepted accounting principles or mandated state statutory principles as in effect from time to time. As of the date of this Agreement, the Town prepares its financial statements in accordance with generally accepted accounting principles.

(ii) the following financial information and operating data to the extent not included in the financial statements described in (i) above:

- A. amounts of the gross and the net taxable grand list applicable to the fiscal year,
- B. listing of the ten largest taxpayers on the applicable grand list, together with each such taxpayer's taxable valuation thereon,
- C. percentage of the annual property tax levy uncollected as of the close of the preceding fiscal year,
- D. schedule of annual debt service on outstanding long-term bonded indebtedness as of the close of the fiscal year,
- E. calculation of total direct debt and total direct net debt as of the close of the fiscal year,
- F. total direct debt and total direct net debt of the Town per capita,
- G. ratios of the total direct debt and total direct net debt of the Town to the Town's net taxable grand list,
- H. statement of statutory debt limitation as of the close of the fiscal year, and
- I. funding status of the Town's pension benefit obligation.

(b) The financial information and operating data described above shall be provided not later than eight months after the close of the fiscal year for which such information is being provided, commencing with information for the fiscal year ending June 30, 2021. The Town agrees that if audited information is not available eight months after the close of the fiscal year, it shall submit unaudited information by such time and will submit audited information when available.

(c) Annual financial information and operating data may be provided in whole or in part by reference to other documents available to the public on the MSRB's internet website or filed with the SEC. All or a portion of the financial information and operating data may be provided in the form of a comprehensive annual financial report.

(d) The Town reserves the right (i) to provide financial statements which are not audited if no longer required by law, (ii) to modify from time to time the format for the presentation of such information or data, and (iii) to modify the accounting principles it follows to the extent required or permitted by law, by changes in generally accepted accounting principles, or by changes in accounting principles adopted by the Town; provided that the Town agrees that any such modification will be done in a manner consistent with the Rule.

(e) The Town may file information with the MSRB, from time to time, in addition to that specifically required by this Agreement (a “Voluntary Filing”). If the Town chooses to make a Voluntary Filing, the Town shall have no obligation under this Agreement to update information contained in such Voluntary Filing or include such information in any future filing. Notwithstanding the foregoing provisions of this Section 2(e), the Town is under no obligation to provide any Voluntary Filing.

### **Section 3. Listed Events.**

The Town agrees to provide, or cause to be provided, in a timely manner, not in excess of ten (10) business days after the occurrence of the event, to the MSRB in an electronic format as prescribed by the MSRB, notice of the occurrence of any of the following events with respect to the Bonds:

- (a) principal and interest payment delinquencies;
- (b) non-payment related defaults, if material;
- (c) unscheduled draws on debt service reserves reflecting financial difficulties;
- (d) unscheduled draws on credit enhancements reflecting financial difficulties;
- (e) substitution of credit or liquidity providers, or their failure to perform;
- (f) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the Bonds;
- (g) modifications to rights of holders of the Bonds, if material;
- (h) Bond calls, if material, and tender offers;
- (i) Bond defeasances;
- (j) release, substitution, or sale of property securing repayment of the Bonds, if material;
- (k) rating changes;
- (l) bankruptcy, insolvency, receivership or similar event of the Town;
- (m) the consummation of a merger, consolidation, or acquisition involving the Town or the sale of all or substantially all of the assets of the Town, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (n) appointment of a successor or additional trustee or the change of name of a trustee, if material;

- (o) incurrence of a financial obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Town, any of which affect security holders, if material; and
- (p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Town, any of which reflect financial difficulties.

For purposes of events (o) and (p) above, the term “financial obligation” is defined as a (i) debt obligation, (ii) derivative instrument entered into in connection with or pledged as security or a source of payment for an existing or planned debt obligation, or (iii) guarantee of (i) or (ii). The term financial obligation does not include municipal securities for which a final official statement has been filed with the MSRB pursuant to the Rule.

#### **Section 4. Notice of Failure to Provide Annual Financial Information.**

The Town agrees to provide, or cause to be provided, in a timely manner, to the MSRB in an electronic format as prescribed by the MSRB, notice of any failure by the Town to provide annual financial information as set forth in Section 2(a) hereof on or before the date set forth in Section 2(b) hereof.

#### **Section 5. Use of Agents.**

Annual financial information and operating data and notices to be provided pursuant to this Agreement may be provided by the Town or by any agents which may be employed by the Town for such purpose from time to time.

#### **Section 6. Termination.**

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

#### **Section 7. Identifying Information.**

All documents provided to the MSRB shall be accompanied by identifying information as prescribed by the MSRB.

#### **Section 8. Enforcement.**

The Town acknowledges that the undertakings set forth in this Agreement are intended to be for the benefit of, and enforceable by, the beneficial owners from time to time of the Bonds. In the event the Town shall fail to perform its duties hereunder, the Town shall have the option to cure such failure within a reasonable time (but not exceeding thirty (30) days with respect to the undertakings set forth in Section 2 hereof or five (5) business days with respect to undertakings set forth in Sections 3 and 4 hereof) from the time the First Selectman receives written notice from any beneficial owner of the Bonds of such failure. The present address of the First Selectman is Town of Brooklyn, Town Hall, 4 Wolf Den Road, Brooklyn, Connecticut 06234. In the event the Town does not cure such failure within the time specified above, the beneficial owner of any Bonds shall be entitled only to the remedy of specific performance. The Town expressly acknowledges and the beneficial owners are hereby deemed to expressly agree that no monetary damages shall arise or be payable hereunder

nor shall any failure to comply with this Agreement constitute an event of default with respect to the Bonds.

**Section 9. Miscellaneous.**

(a) The Town shall have no obligation to provide any information, data or notices other than as set forth in this Agreement; provided, however, nothing in this Agreement shall be construed as prohibiting the Town from providing such additional information, data or notices from time to time as it deems appropriate in connection with the Bonds. If the Town elects to provide any such additional information, data or notices, the Town shall have no obligation under this Agreement to update or continue to provide further additional information, data or notices of the type so provided.

(b) This Agreement shall be governed by the laws of the State of Connecticut.

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

TOWN OF BROOKLYN, CONNECTICUT

By \_\_\_\_\_  
Richard A. Ives  
First Selectman

By \_\_\_\_\_  
Stephanie Levin  
Treasurer

**APPENDIX D – NOTICE OF SALE**

**NOTICE OF SALE**

**\$5,990,000**

**TOWN OF BROOKLYN, CONNECTICUT**

**GENERAL OBLIGATION BONDS, ISSUE OF 2021  
(BANK QUALIFIED)**

**ELECTRONIC PROPOSALS via PARITY® Competitive Bidding System (“PARITY”) will be received by the Town of Brooklyn, Connecticut (the "Town"), at Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443 until 12:00 NOON (Eastern Time) on WEDNESDAY,**

**JULY 21, 2021**

for the purchase, when issued, of the whole of the Town's \$5,990,000 General Obligation Bonds, Issue of 2021, dated August 5, 2021, bearing interest payable semiannually on February 1 and August 1 in each year until maturity, commencing February 1, 2022, and maturing on August 1 in each year as follows:

\$300,000 in 2022 through 2039, both inclusive  
\$295,000 in 2040 through 2041, both inclusive

(the "Bonds"). The Bonds will be delivered against payment in Federal funds in New York, New York on or about August 5, 2021. The Bonds will be designated by the Town as "qualified tax-exempt obligations" for purposes of the deduction for federal income tax purposes by financial institutions of a portion of interest expense allocable to tax-exempt obligations.

The Bonds will be general obligations of the Town and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds when due.

The Bonds maturing on or before August 1, 2029 are not subject to redemption prior to maturity. The Bonds maturing on August 1, 2030 and thereafter are subject to redemption prior to maturity, at the option of the Town, on and after August 1, 2029 at any time in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the Town may determine, at the redemption price (expressed as a percentage of the principal amount of the Bonds to be redeemed) set forth in the following table, plus interest accrued and unpaid to the redemption date:

<b><u>Redemption Dates</u></b>	<b><u>Redemption Price</u></b>
August 1, 2029 and thereafter	100%

**Proposals.** All proposals for the purchase of the Bonds must specify the amount bid for the Bonds (which shall be the aggregate par value of the Bonds, and, at the option of the bidder, a premium), and must specify in a multiple of 1/20 or 1/8 of 1% the rate or rates of interest per annum which the Bonds are to bear, but shall not specify (a) more than one interest rate for any Bonds having a like maturity, or (b) any interest rate for any Bonds which exceeds the interest rate specified in such proposal for any other Bonds by more than 3%. Interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months. In addition to the amount bid for the Bonds, the purchaser must pay an amount equal to any interest on the Bonds accrued to the date of delivery. **No proposal for less than the entire \$5,990,000 Bonds, or for less than par and accrued interest, will be considered.**

**Basis of Award.** As between proposals which comply with this Notice of Sale, the Bonds will be sold to the responsible bidder or bidders offering to purchase the Bonds at the lowest true interest cost to the Town. For the purpose of determining the successful bidder, the true interest cost to the Town will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds to August 5, 2021, the date of the Bonds, results in an amount equal to the purchase price for the Bonds, excluding interest accrued to the date of delivery. If there is more than one responsible bidder making said offer at the same lowest true interest cost, the Bonds will be sold to the responsible bidder whose proposal is selected by the Town by lot from among all such proposals.

The Town reserves the right to reject any and all proposals, to reject any proposal not complying with this Notice of Sale and to waive any irregularity or informality with respect to any proposal.

**Electronic Proposals Bidding Procedure.** Electronic proposals for the purchase of the Bonds must be submitted through the facilities of PARITY by **12:00 NOON (Eastern Time), on WEDNESDAY, JULY 21, 2021**. Any prospective bidder must be a subscriber of Bidcomp's competitive bidding system. Further information about Bidcomp/ PARITY, including any fee charged, may be obtained from i-Deal LLC, 1359 Broadway, 2<sup>nd</sup> Floor, New York, New York 10018, telephone (212) 849-5021. The Town will neither confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

Once an electronic proposal made through the facilities of PARITY is communicated to the Town, it shall constitute an irrevocable offer, in response to this Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed proposal delivered to the Town. By submitting a proposal for the Bonds via PARITY, the bidder represents and warrants to the Town that such bidder's proposal for the purchase of the Bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such proposal by the Town will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Bonds on the terms described in this Notice of Sale. The Town shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, PARITY, the use of such facilities being the sole risk of the prospective bidder.

**Disclaimer** - Each PARITY prospective electronic bidder shall be solely responsible to make necessary arrangements to access PARITY for the purposes of submitting its proposal in a timely manner and in compliance with the requirements of this Notice of Sale. Neither the Town nor PARITY shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the Town nor PARITY shall be responsible for a bidder's failure to make a proposal or for proper operation of, or have any liability for, any delays or interruptions of, or any damages caused by, PARITY. The Town is using PARITY as a communication mechanism, and not as the Town's agent, to conduct the electronic bidding for the Bonds. The Town is not bound by any advice and determination of PARITY to the effect that any particular proposal complies with the terms of this Notice of Sale and in particular the proposal requirements set forth herein. All costs and expenses incurred by prospective bidders in connection with their subscription to, arrangements with and submission of proposals via PARITY are the sole responsibility of the bidders,

and the Town is not responsible, directly or indirectly, for any such costs or expenses. If a prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a proposal for the Bonds, the prospective bidder should telephone PARITY at (212) 849-5021. If any provision of this Notice of Sale conflicts with information provided by PARITY, this Notice of Sale shall control.

For the purpose of the bidding process, the time as maintained on PARITY shall constitute the official time. For information purposes only, bidders are requested to state in their proposals the true interest cost to the Town, as described under "Basis of Award" above, represented by the rate or rates of interest and the premium, if any, specified in their respective proposals. All electronic proposals shall be deemed to incorporate the provisions of this Notice of Sale.

**Bond Counsel Opinion.** The legal opinion of Shipman & Goodwin LLP of Hartford, Connecticut, Bond Counsel, will be furnished without charge and will be placed on file with the certifying bank for the Bonds. A copy of the opinion will be delivered to each purchaser of the Bonds. The opinion of Bond Counsel will cover the following matters: (1) that the Bonds will be valid and binding general obligations of the Town when duly certified, (2) that, assuming the accuracy of and continuing compliance by the Town with its representations and covenants relating to certain requirements contained in the Internal Revenue Code of 1986, as amended (the "Code"), based on existing law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not treated as an item of tax preference for purposes of calculating the federal alternative minimum tax; and (3) that interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax.

**Obligation to Deliver Issue Price Certificate.** Pursuant to the Code and applicable Treasury Regulations, the Town must establish the "issue price" of the Bonds. **In order to assist the Town, the winning bidder is obligated to deliver to the Town a certificate (an "Issue Price Certificate") and such additional information satisfactory to Bond Counsel described below, prior to the delivery of the Bonds.** The Town will rely on the Issue Price Certificate and such additional information in determining the issue price of the Bonds. The form of Issue Price Certificate is available by contacting Ms. Susan Caron, Vice President, Munistat Services, Inc., Email: [susan.caron@munistat.com](mailto:susan.caron@munistat.com), Telephone: (860) 290-3000, municipal advisor to the Town (the "Municipal Advisor").

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

The Municipal Advisor will advise the winning bidder if the Competitive Sale Rule was met at the same time it notifies the winning bidder of the award of the Bonds. **Bids will not be subject to cancellation in the event that the Competitive Sale Rule is not satisfied.**

**Competitive Sale Rule Met.** If the Municipal Advisor advises the winning bidder that the Competitive Sale Rule has been met, the winning bidder shall, within one (1) hour after being notified of the award of the Bonds, advise the Municipal Advisor by electronic or facsimile transmission of the reasonably expected initial offering price to the public of each maturity of the Bonds as of July 21, 2021 (the "Sale Date").

**Competitive Sale Rule Not Met.** By submitting a bid, the winning bidder agrees (unless the winning bidder is purchasing the Bonds for its own account and not with a view to distribution or resale to the public) that if the Competitive Sale Rule is not met, it will satisfy either the **10% Sale Rule** or the **Hold the Offering Price Rule** described below with respect to each maturity of the Bonds prior to the delivery date of the Bonds. The rule selected with respect to each maturity of the Bonds shall be set forth on an Issue Price Rule Selection Certificate, which shall be sent to the winning bidder promptly after the award of the Bonds. The winning bidder shall complete and execute the Issue Price Rule Selection Certificate and email it to Bond Counsel and the Municipal Advisor by 5:00 P.M. Eastern Time on the day after the Sale Date. **If the Issue Price Rule Selection Certificate is not returned by this deadline, or if no selection is made with respect to maturity, the winning bidder agrees that the Hold the Offering Price Rule shall apply to such maturities.**

**10% Sale Rule.** To satisfy the 10% Sale Rule for any maturity, the winning bidder:

(i) will make a bona fide offering to the public of all of the Bonds at the initial offering prices and provide the Town with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel;

(ii) will report to the Town information regarding the actual prices at which at least 10 percent (10%) of the Bonds of each maturity have been sold to the public;

(iii) will provide the Town with reasonable supporting documentation or certifications of such sales prices, the form of which is acceptable to Bond Counsel. If the 10% Sale Rule is used with respect to a maturity of the Bonds, this reporting requirement will continue, beyond the closing date of the Bonds, if necessary, until such date that at least 10 percent (10%) of such maturity of the Bonds has been sold to the public; and

(iv) has or will include in any agreement among underwriters, selling group agreement or retail distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, language obligating each underwriter to comply with the reporting requirement described above.

**Hold the Offering Price Rule.** To satisfy the Hold the Offering Price Rule for any maturity, the winning bidder:

(i) will make a bona fide offering to the public of all of the Bonds at the initial offering prices and provide Bond Counsel with reasonable supporting documentation, such as a copy of the pricing wire or equivalent communication, the form of which is acceptable to Bond Counsel;

(ii) will neither offer nor sell to any person any Bonds of such maturity at a price that is higher than the initial offering price of each maturity until the earlier of (i) the date on which the winning bidder has sold to the public at least ten percent (10%) of the Bonds of such maturity at a price that is no higher than the initial offering price of such maturity or (ii) the close of business on the fifth (5<sup>th</sup>) business day after the Sale Date of the Bonds; and

(iii) has or will include within any agreement among underwriters, selling group agreement or retail distribution agreement (to which the winning bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, language obligating each underwriter to comply with the limitations on the sale of the Bonds as set forth above.

For purposes of the 10% Sale Rule or the Hold the Offering Price Rule, a “maturity” refers to Bonds that have the same interest rate, credit and payment terms.

If the winning bidder has purchased any maturity of the Bonds for its own account and not with a view to distribution or resale to the public, then, whether or not the Competitive Sale Rule was met, the Issue Price Certificate will recite such facts and identify the price or prices at which such maturity of the Bonds was purchased.

For purposes of this Notice of Sale, the “public” does not include the winning bidder or any person that agrees pursuant to a written contract with the winning bidder to participate in the initial sale of the Bonds to the public (such as a retail distribution agreement between a national lead underwriter and a regional firm under which the regional firm participates in the initial sale of the Bonds to the public). In making the representations described above, the winning bidder must reflect the effect on the offering prices of any “derivative products” (e.g., a tender option) used by the bidder in connection with the initial sale of any of the Bonds.

**Preliminary Official Statement and Official Statement.** The Town has prepared a Preliminary Official Statement dated July 14, 2021 for this Bond issue. The Town deems such Preliminary Official Statement final as of its date for purposes of Securities and Exchange Commission Rule 15c2-12(b)(1), except for omissions permitted thereby, but the Preliminary Official Statement is subject to revision or amendment. The Town will make available to the winning purchaser a reasonable number of copies of the final Official Statement at the Town's expense by the delivery of the Bonds or, if earlier, by the seventh business day after the day proposals on the Bonds are received. The purchaser shall arrange with the financial advisor the method of delivery of the copies of the final Official Statement to the purchaser. Additional copies may be obtained by the purchaser at its own expense by arrangement with the printer.

The purchaser agrees to promptly file the final Official Statement with the Municipal Securities Rulemaking Board and to take any and all other actions necessary to comply with applicable Securities and Exchange Commission and Municipal Securities Rulemaking Board rules governing the offering, sale and delivery of the Bonds to the ultimate purchasers.

**DTC Book-Entry.** The Bonds will be issued by means of a book-entry-only system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to the Depository Trust Company ("DTC"), New York, New York, registered in the name of its nominee, Cede & Co., and immobilized in its custody. Ownership of the Bonds will be evidenced in principal amounts of \$5,000 or integral multiples thereof, with transfers of ownership effected on the records of DTC and its Participants pursuant to rules and procedures adopted by DTC and its Participants. The purchaser, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, registered in the name of Cede & Co. Principal of and interest on the Bonds will be payable by the Town or its agent to DTC or its nominee as registered owner of the Bonds. Principal and interest payments by DTC to Participants of DTC will be the responsibility of DTC; principal and interest payments to Beneficial Owners by Participants of DTC will be the responsibility of such Participants and other nominees of Beneficial Owners. The Town will not be responsible or liable for payments by DTC to its Participants or by DTC Participants or Indirect Participants to Beneficial Owners or for maintaining, supervising or reviewing the records maintained by DTC, its Participants or persons acting through such Participants.

**Certifying, Transfer and Paying Agent; Registrar.** The Bonds will be certified by U.S. Bank National Association, Hartford, Connecticut, which will also act as transfer and paying agent and registrar.

**CUSIP Numbers.** The deposit of the Bonds with DTC under a book-entry-only system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the Town's Municipal

Advisor, Munistat Services, Inc., to apply for CUSIP numbers for the Bonds by no later than one business day after dissemination of this Notice of Sale. Munistat Services, Inc. will provide CUSIP Global Services with the final details of the sale of the Bonds in accordance with Rule G-34 of the Municipal Securities Rulemaking Board, including the identity of the winning purchaser. The Town will not be responsible for any delay caused by the inability to deposit the Bonds with DTC due to the failure of Munistat Services, Inc. to obtain such numbers and provide them to the Town in a timely manner. The Town assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for by the purchaser.

**Continuing Disclosure Agreement.** The Town will agree, in a Continuing Disclosure Agreement entered into in accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, to provide, or cause to be provided, (i) certain annual financial information and operating data; (ii) timely, but not in excess of ten (10) business days after the occurrence of the event, notice of the occurrence of certain listed events with respect to the Bonds; and (iii) timely notice of its failure to provide such annual financial information. The winning purchaser's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement for the Bonds.

**Additional Information.** For more information regarding this Bond issue and the Town, reference is made to the Preliminary Official Statement dated July 14, 2021. The Preliminary Official Statement may be accessed via the Internet at [www.i-dealprospectus.com](http://www.i-dealprospectus.com). Electronic access to the Preliminary Official Statement is being provided as a matter of convenience only. The only official version of the Preliminary Official Statement is the printed version for physical delivery. Copies of the Preliminary Official Statement may be obtained from Ms. Susan Caron, Vice President, Munistat Services, Inc., 129 Samson Rock Drive, Suite A, Madison, Connecticut 06443, telephone (860) 290-3000.

July 14, 2021

Richard A. Ives  
First Selectman

Stephanie Levin  
Finance Director/Treasurer

**ISSUE PRICE RULE SELECTION CERTIFICATE**

Town of Brooklyn, Connecticut  
\$5,990,000 General Obligation Bonds, Issue of 2021

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] (the “Representative”), on behalf of itself and [OTHER UNDERWRITERS] (together, the “Underwriting Group”), hereby certifies that it will use the rule selected below for the respective maturity of the above-captioned bonds (the “Bonds”), as described in the Notice of Sale for the Bonds, dated July 14, 2021 (the “Notice of Sale”). For a description of the requirements of each rule, please refer to the section “Obligation to Deliver Issue Price Certificate” in the Notice of Sale. Capitalized terms used but not defined herein are defined in the Notice of Sale.

<u>Date of Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<b>10% Sale Rule</b> (Underwriter has or will comply with 10% Sale Rule for this Maturity)		<b>Hold the Offering Price Rule</b> (Underwriter will comply with Hold the Offering Price Rule for this Maturity)	
			<u>Check Box</u>	<u>Sales Price</u>	<u>Check Box</u>	<u>Initial Offering Price</u>
08/01/2022	300,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2023	300,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2024	300,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2025	300,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2026	300,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2027	300,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2028	300,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2029	300,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2030	300,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2031	300,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2032	300,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2033	300,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2034	300,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2035	300,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2036	300,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2037	300,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2038	300,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2039	300,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2040	295,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____
08/01/2041	295,000	____%	<input type="checkbox"/>	\$ _____	<input type="checkbox"/>	\$ _____

(All Sales Prices or Initial Offering Prices must be filled in prior to the delivery date of the Bonds.)

**[NAME OF UNDERWRITER/  
REPRESENTATIVE]**

By: \_\_\_\_\_  
Name:  
Title:

Email this completed and executed certificate to the following by 5:00 P.M. (Eastern Time) on July 22, 2021:

**Bond Counsel:** mritter@goodwin.com    **Municipal Advisor:** susan.caron@munistat.com