

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

TOWN OF BROOKLYN

MORGAN COUNTY, INDIANA

January 1, 2010 to December 31, 2011



FILED
10/12/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Rebecca McGlauchlen	01-01-08 to 12-31-11
	Karen Howard-Frentress	01-01-12 to 12-31-14
President of the Town Council	Chie Chie Boles	01-01-10 to 12-31-10
	Jeff Brahaum	01-01-11 to 12-31-11
	Melissa Bryant	01-01-12 to 12-31-12



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF BROOKLYN, MORGAN COUNTY, INDIANA

We have examined the accompanying financial statements of the Town of Brooklyn (Town), for the years ended December 31, 2010 and 2011. The financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on the financial statements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial statements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the Town prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting noted above is a different basis than that used in the prior year.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Town for the years ended December 31, 2010 and 2011, on the basis of accounting described in Note 1.

Our examination was conducted for the purpose of forming an opinion on the Town's financial statements. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Town's management, Town Council, and others within the entity and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

August 27, 2012

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FINANCIAL STATEMENTS

The financial statements and accompanying notes were approved by management of the Town. The financial statements and notes are presented as intended by the Town.

TOWN OF BROOKLYN
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2010

Fund	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General Fund	\$ 75,521	\$ 246,058	\$ 250,485	\$ 71,094
Motor Vehicle Highway	104,128	57,655	51,111	110,672
Local Road And Street	15,847	14,461	25,000	5,308
Building&Variance Permit	8,776	424	620	8,580
Law Enforcement Continuin	3,581	1,607	1,274	3,914
River Boat Fund	11,323	9,669	8,794	12,198
Park	9,351	5,950	6,984	8,317
Dog Fee Fund	457	-	-	457
Rainy Day Fund	36,842	32,523	-	69,365
Levy Excess	-	423	-	423
Loit Public Safety	53,243	25,820	9,552	69,511
Cumulative Fire/Equip Fun	11,342	6,468	641	17,169
Edit Revenue	81,246	64,601	59,197	86,650
Cumulative Capital Improv	18,276	4,693	8,265	14,704
Payroll Fund	1,332	119,397	117,837	2,892
Anthem Insurance	-	2,949	2,949	-
Utility Receipts Tax	-	12,984	12,984	-
Electric Operating	107,030	789,464	805,735	90,759
Electric Improvement/Depr	53,336	594	-	53,930
Electric Meter Deposit	27,380	8,698	6,674	29,404
Electric Special Account	193,699	23,701	32,267	185,133
Electric Cash Reserve	89,527	36,000	39,500	86,027
Credit Card Receipts	188	37,121	37,196	113
Storm Water Utility	7,253	21,938	12,462	16,729
Trash-Waste Management Fu	5,441	55,470	54,340	6,571
Sewer Operating Fund	4,628	373,676	352,694	25,610
Sewer Bond And Interest	-	126,050	126,030	20
Sewer Improvement/Depreci	4,375	7,500	3,249	8,626
Sewer Deposits	25,812	7,271	6,411	26,672
Sewer Cash Reserve	100	30,000	30,000	100
Sewer Res Sinking & Srf D	152,070	-	15,000	137,070
Water Utility Operating	1,994	200,783	200,934	1,843
Water Bond And Interest	163	36,000	34,719	1,444
Water Improvement/Depreci	43,394	7,596	7,969	43,021
Water Meter Deposit	18,975	5,589	4,598	19,966
Water Reserve Sinking Fun	36,000	-	-	36,000
Totals	<u>\$ 1,202,630</u>	<u>\$ 2,373,133</u>	<u>\$ 2,325,471</u>	<u>\$ 1,250,292</u>

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

TOWN OF BROOKLYN
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2011

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
GENERAL FUND	\$ 71,094	\$ 268,296	\$ 263,289	\$ 76,101
MOTOR VEHICLE HIGHWAY	110,672	56,650	64,937	102,385
LOCAL ROAD AND STREET	5,308	14,042	14,700	4,650
PARK	8,317	6,900	3,790	11,427
BUILDING&VARIANCE PERMIT	8,580	11	8,591	-
LAW ENFORCEMENT CONTINUIN	3,914	794	3,218	1,490
RIVER BOAT FUND	12,198	9,668	10,000	11,866
RAINY DAY FUND	69,365	-	14,432	54,933
EDIT REVENUE	86,650	57,153	20,225	123,578
LEVY EXCESS	423	-	-	423
CUMULATIVE CAPITAL IMPROV	14,704	4,455	7,534	11,625
CUMULATIVE FIRE/EQUIP FUN	17,169	7,197	2,605	21,761
LOIT PUBLIC SAFETY	69,511	24,160	38,346	55,325
DOG FEE FUND	457	-	-	457
DONATIONS PD	-	1,815	1,540	275
UTILITY RECEIPTS TAX	-	12,765	12,765	-
ANTHEM INSURANCE	-	3,417	3,417	-
PAYROLL FUND	2,892	119,387	118,600	3,679
ELECTRIC OPERATING	90,759	774,093	780,012	84,840
ELECTRIC METER DEPOSIT	29,404	5,733	7,208	27,929
ELECTRIC IMPROVEMENT/DEPR	53,930	235	1,954	52,211
ELECTRIC SPECIAL ACCOUNT	185,133	16,497	24,894	176,736
ELECTRIC CASH RESERVE	86,027	35,500	33,791	87,736
CREDIT CARD RECEIPTS	113	43,964	43,906	171
STORM WATER UTILITY	16,729	21,392	29,030	9,091
SEWER OPERATING FUND	25,610	370,143	381,319	14,434
SEWER DEPOSITS	26,672	3,861	6,501	24,032
SEWER IMPROVEMENT/DEPRECI	8,626	7,500	15,909	217
SEWER BOND AND INTEREST	20	126,000	125,685	335
SEWER RES SINKING & SRF D	137,070	-	-	137,070
SEWER CASH RESERVE	100	20,000	20,000	100
TRASH-WASTE MANAGEMENT FU	6,571	55,882	55,898	6,555
WATER UTILITY OPERATING	1,843	195,514	196,253	1,104
WATER METER DEPOSIT	19,966	2,601	3,605	18,962
WATER IMPROVEMENT/DEPRECI	43,021	5,250	2,584	45,687
WATER BOND AND INTEREST	1,444	34,500	35,313	631
WATER RESERVE SINKING FUN	36,000	-	-	36,000
Totals	<u>\$ 1,250,292</u>	<u>\$ 2,305,375</u>	<u>\$ 2,351,851</u>	<u>\$ 1,203,816</u>

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

TOWN OF BROOKLYN
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The Town was established under the laws of the State of Indiana. The Town operates under a Town Council form of government and provides some or all of the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, electric, gas, storm water, trash, aviation, and urban redevelopment and housing.

The accompanying financial statements present the financial information for the Town.

B. Basis of Accounting

The financial statements are reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts include the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Town.

Licenses and permits which include amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state,

TOWN OF BROOKLYN
NOTES TO FINANCIAL STATEMENTS
(Continued)

local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees which are comprised mostly of charges for current services.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements include the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the Town. It includes all expenditures for the reduction of the principal and interest of the Town's general obligation indebtedness.

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses which include all outflows for operating the utilities.

TOWN OF BROOKLYN
NOTES TO FINANCIAL STATEMENTS
(Continued)

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The Town may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the Town. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Town. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the Town in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the Town submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Town in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

TOWN OF BROOKLYN
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 4. *Deposits and Investments*

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the Town to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. *Risk Management*

The Town may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the Town to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the Town by recording as a disbursement any replacement items purchased.

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SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Town's 2010 Annual Report can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

For additional financial information, the Town's 2011 Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statements contained in this report and the financial information presented in the Annual Reports of the Town which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The supplementary information presented was approved by management of the Town. It is presented as intended by the Town.

TOWN OF BROOKLYN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010

	General Fund	Motor Vehicle Highway	Local Road And Street	Building&Variance Permit	Law Enforcement Continuin	River Boat Fund	Park
Cash and investments - beginning	\$ 75,521	\$ 104,128	\$ 15,847	\$ 8,776	\$ 3,581	\$ 11,323	\$ 9,351
Receipts:							
Taxes	120,810	-	-	-	-	-	-
Licenses and permits	-	-	-	322	-	-	-
Intergovernmental	105,722	57,018	14,461	-	-	9,669	-
Charges for services	-	-	-	-	1,221	-	-
Fines and forfeits	-	-	-	-	386	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	19,526	637	-	102	-	-	5,950
Total receipts	<u>246,058</u>	<u>57,655</u>	<u>14,461</u>	<u>424</u>	<u>1,607</u>	<u>9,669</u>	<u>5,950</u>
Disbursements:							
Personal services	93,951	1,716	-	620	-	-	-
Supplies	13,187	18,206	-	-	-	-	-
Other services and charges	112,322	579	-	-	1,274	-	6,984
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	31,025	30,610	25,000	-	-	8,794	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>250,485</u>	<u>51,111</u>	<u>25,000</u>	<u>620</u>	<u>1,274</u>	<u>8,794</u>	<u>6,984</u>
Excess (deficiency) of receipts over disbursements	<u>(4,427)</u>	<u>6,544</u>	<u>(10,539)</u>	<u>(196)</u>	<u>333</u>	<u>875</u>	<u>(1,034)</u>
Cash and investments - ending	<u>\$ 71,094</u>	<u>\$ 110,672</u>	<u>\$ 5,308</u>	<u>\$ 8,580</u>	<u>\$ 3,914</u>	<u>\$ 12,198</u>	<u>\$ 8,317</u>

TOWN OF BROOKLYN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Dog Fee Fund	Rainy Day Fund	Levy Excess	Loit Public Safety	Cumulative Fire/Equip Fun	Edit Revenue
Cash and investments - beginning	\$ 457	\$ 36,842	\$ -	\$ 53,243	\$ 11,342	\$ 81,246
Receipts:						
Taxes	-	-	-	-	5,868	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	32,523	-	25,820	600	64,601
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	423	-	-	-
Total receipts	-	32,523	423	25,820	6,468	64,601
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	5,645	641	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	3,907	-	59,197
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	-	-	9,552	641	59,197
Excess (deficiency) of receipts over disbursements	-	32,523	423	16,268	5,827	5,404
Cash and investments - ending	\$ 457	\$ 69,365	\$ 423	\$ 69,511	\$ 17,169	\$ 86,650

TOWN OF BROOKLYN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Cumulative Capital Improv	Payroll Fund	Anthem Insurance	Utility Receipts Tax	Electric Operating	Electric Improvement/Depr
Cash and investments - beginning	\$ 18,276	\$ 1,332	\$ -	\$ -	\$ 107,030	\$ 53,336
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	4,524	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	778,332	-
Other receipts	169	119,397	2,949	12,984	11,132	594
Total receipts	<u>4,693</u>	<u>119,397</u>	<u>2,949</u>	<u>12,984</u>	<u>789,464</u>	<u>594</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	8,265	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	768,959	-
Other disbursements	-	117,837	2,949	12,984	36,776	-
Total disbursements	<u>8,265</u>	<u>117,837</u>	<u>2,949</u>	<u>12,984</u>	<u>805,735</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(3,572)</u>	<u>1,560</u>	<u>-</u>	<u>-</u>	<u>(16,271)</u>	<u>594</u>
Cash and investments - ending	<u>\$ 14,704</u>	<u>\$ 2,892</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 90,759</u>	<u>\$ 53,930</u>

TOWN OF BROOKLYN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Electric Meter Deposit	Electric Special Account	Electric Cash Reserve	Credit Card Receipts	Storm Water Utility	Trash-Waste Management Fu
Cash and investments - beginning	\$ 27,380	\$ 193,699	\$ 89,527	\$ 188	\$ 7,253	\$ 5,441
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	21,938	55,470
Other receipts	8,698	23,701	36,000	37,121	-	-
Total receipts	8,698	23,701	36,000	37,121	21,938	55,470
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	993	7,267	-	-	12,079	54,332
Other disbursements	5,681	25,000	39,500	37,196	383	8
Total disbursements	6,674	32,267	39,500	37,196	12,462	54,340
Excess (deficiency) of receipts over disbursements	2,024	(8,566)	(3,500)	(75)	9,476	1,130
Cash and investments - ending	\$ 29,404	\$ 185,133	\$ 86,027	\$ 113	\$ 16,729	\$ 6,571

TOWN OF BROOKLYN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Sewer Operating Fund	Sewer Bond And Interest	Sewer Improvement/Depreci	Sewer Deposits	Sewer Cash Reserve	Sewer Res Sinking & Srf D
Cash and investments - beginning	\$ 4,628	\$ -	\$ 4,375	\$ 25,812	\$ 100	\$ 152,070
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	340,136	-	-	-	-	-
Other receipts	<u>33,540</u>	<u>126,050</u>	<u>7,500</u>	<u>7,271</u>	<u>30,000</u>	<u>-</u>
Total receipts	<u>373,676</u>	<u>126,050</u>	<u>7,500</u>	<u>7,271</u>	<u>30,000</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	126,030	-	-	-	-
Capital outlay	16,287	-	3,249	-	-	-
Utility operating expenses	196,161	-	-	1,903	-	-
Other disbursements	<u>140,246</u>	<u>-</u>	<u>-</u>	<u>4,508</u>	<u>30,000</u>	<u>15,000</u>
Total disbursements	<u>352,694</u>	<u>126,030</u>	<u>3,249</u>	<u>6,411</u>	<u>30,000</u>	<u>15,000</u>
Excess (deficiency) of receipts over disbursements	<u>20,982</u>	<u>20</u>	<u>4,251</u>	<u>860</u>	<u>-</u>	<u>(15,000)</u>
Cash and investments - ending	<u>\$ 25,610</u>	<u>\$ 20</u>	<u>\$ 8,626</u>	<u>\$ 26,672</u>	<u>\$ 100</u>	<u>\$ 137,070</u>

TOWN OF BROOKLYN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Water Utility Operating	Water Bond And Interest	Water Improvement/Depreci	Water Meter Deposit	Water Reserve Sinking Fun	Totals
Cash and investments - beginning	\$ 1,994	\$ 163	\$ 43,394	\$ 18,975	\$ 36,000	\$ 1,202,630
Receipts:						
Taxes	-	-	-	-	-	126,678
Licenses and permits	-	-	-	-	-	322
Intergovernmental	-	-	-	-	-	314,938
Charges for services	-	-	-	-	-	1,221
Fines and forfeits	-	-	-	-	-	386
Utility fees	198,262	-	-	-	-	1,394,138
Other receipts	2,521	36,000	7,596	5,589	-	535,450
Total receipts	200,783	36,000	7,596	5,589	-	2,373,133
Disbursements:						
Personal services	-	-	-	-	-	96,287
Supplies	-	-	-	-	-	31,393
Other services and charges	-	-	-	-	-	135,710
Debt service - principal and interest	-	34,719	-	-	-	160,749
Capital outlay	1,081	-	7,969	-	-	187,119
Utility operating expenses	141,201	-	-	1,221	-	1,184,116
Other disbursements	58,652	-	-	3,377	-	530,097
Total disbursements	200,934	34,719	7,969	4,598	-	2,325,471
Excess (deficiency) of receipts over disbursements	(151)	1,281	(373)	991	-	47,662
Cash and investments - ending	\$ 1,843	\$ 1,444	\$ 43,021	\$ 19,966	\$ 36,000	\$ 1,250,292

TOWN OF BROOKLYN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011

	GENERAL FUND	MOTOR VEHICLE HIGHWAY	LOCAL ROAD AND STREET	PARK	BUILDING&VARIANCE PERMIT	LAW ENFORCEMENT CONTINUIN	RIVER BOAT FUND
Cash and investments - beginning	\$ 71,094	\$ 110,672	\$ 5,308	\$ 8,317	\$ 8,580	\$ 3,914	\$ 12,198
Receipts:							
Taxes	114,552	14,383	-	-	-	-	-
Licenses and permits	-	-	-	-	-	780	-
Intergovernmental	125,551	42,149	14,042	-	-	-	9,668
Charges for services	9,663	-	-	6,850	-	14	-
Utility fees	-	-	-	-	-	-	-
Other receipts	18,530	118	-	50	11	-	-
Total receipts	<u>268,296</u>	<u>56,650</u>	<u>14,042</u>	<u>6,900</u>	<u>11</u>	<u>794</u>	<u>9,668</u>
Disbursements:							
Personal services	118,401	1,686	-	-	-	-	-
Supplies	24,108	19,066	-	-	-	-	-
Other services and charges	111,407	16,544	-	3,790	-	3,218	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	9,373	27,641	14,700	-	-	-	10,000
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	8,591	-	-
Total disbursements	<u>263,289</u>	<u>64,937</u>	<u>14,700</u>	<u>3,790</u>	<u>8,591</u>	<u>3,218</u>	<u>10,000</u>
Excess (deficiency) of receipts over disbursements	<u>5,007</u>	<u>(8,287)</u>	<u>(658)</u>	<u>3,110</u>	<u>(8,580)</u>	<u>(2,424)</u>	<u>(332)</u>
Cash and investments - ending	<u>\$ 76,101</u>	<u>\$ 102,385</u>	<u>\$ 4,650</u>	<u>\$ 11,427</u>	<u>\$ -</u>	<u>\$ 1,490</u>	<u>\$ 11,866</u>

TOWN OF BROOKLYN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	RAINY DAY FUND	EDIT REVENUE	LEVY EXCESS	CUMULATIVE CAPITAL IMPROV	CUMULATIVE FIRE/EQUIP FUN	LOIT PUBLIC SAFETY	DOG FEE FUND
Cash and investments - beginning	\$ 69,365	\$ 86,650	\$ 423	\$ 14,704	\$ 17,169	\$ 69,511	\$ 457
Receipts:							
Taxes	-	-	-	-	5,766	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	57,153	-	4,437	1,431	24,021	-
Charges for services	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	18	-	139	-
Total receipts	<u>-</u>	<u>57,153</u>	<u>-</u>	<u>4,455</u>	<u>7,197</u>	<u>24,160</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	14,432	-	-	7,534	2,605	27,974	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	20,225	-	-	-	10,372	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>14,432</u>	<u>20,225</u>	<u>-</u>	<u>7,534</u>	<u>2,605</u>	<u>38,346</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(14,432)</u>	<u>36,928</u>	<u>-</u>	<u>(3,079)</u>	<u>4,592</u>	<u>(14,186)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 54,933</u>	<u>\$ 123,578</u>	<u>\$ 423</u>	<u>\$ 11,625</u>	<u>\$ 21,761</u>	<u>\$ 55,325</u>	<u>\$ 457</u>

TOWN OF BROOKLYN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	DONATIONS PD	UTILITY RECEIPTS TAX	ANTHEM INSURANCE	PAYROLL FUND	ELECTRIC OPERATING	ELECTRIC METER DEPOSIT
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 2,892	\$ 90,759	\$ 29,404
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Utility fees	-	-	-	-	767,504	5,601
Other receipts	1,815	12,765	3,417	119,387	6,589	132
Total receipts	<u>1,815</u>	<u>12,765</u>	<u>3,417</u>	<u>119,387</u>	<u>774,093</u>	<u>5,733</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	1,540	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	738,742	100
Other disbursements	-	12,765	3,417	118,600	41,270	7,108
Total disbursements	<u>1,540</u>	<u>12,765</u>	<u>3,417</u>	<u>118,600</u>	<u>780,012</u>	<u>7,208</u>
Excess (deficiency) of receipts over disbursements	<u>275</u>	<u>-</u>	<u>-</u>	<u>787</u>	<u>(5,919)</u>	<u>(1,475)</u>
Cash and investments - ending	<u>\$ 275</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,679</u>	<u>\$ 84,840</u>	<u>\$ 27,929</u>

TOWN OF BROOKLYN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	ELECTRIC IMPROVEMENT/DEPR	ELECTRIC SPECIAL ACCOUNT	ELECTRIC CASH RESERVE	CREDIT CARD RECEIPTS	STORM WATER UTILITY	SEWER OPERATING FUND
Cash and investments - beginning	\$ 53,930	\$ 185,133	\$ 86,027	\$ 113	\$ 16,729	\$ 25,610
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Utility fees	-	-	-	1,373	21,392	345,543
Other receipts	235	16,497	35,500	42,591	-	24,600
Total receipts	<u>235</u>	<u>16,497</u>	<u>35,500</u>	<u>43,964</u>	<u>21,392</u>	<u>370,143</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	1,954	4,894	-	-	-	-
Utility operating expenses	-	-	4,291	1,715	22,747	186,940
Other disbursements	-	20,000	29,500	42,191	6,283	194,379
Total disbursements	<u>1,954</u>	<u>24,894</u>	<u>33,791</u>	<u>43,906</u>	<u>29,030</u>	<u>381,319</u>
Excess (deficiency) of receipts over disbursements	<u>(1,719)</u>	<u>(8,397)</u>	<u>1,709</u>	<u>58</u>	<u>(7,638)</u>	<u>(11,176)</u>
Cash and investments - ending	<u>\$ 52,211</u>	<u>\$ 176,736</u>	<u>\$ 87,736</u>	<u>\$ 171</u>	<u>\$ 9,091</u>	<u>\$ 14,434</u>

TOWN OF BROOKLYN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	SEWER DEPOSITS	SEWER IMPROVEMENT/DEPRECI	SEWER BOND AND INTEREST	SEWER RES SINKING & SRF D	SEWER CASH RESERVE	TRASH-WASTE MANAGEMENT FU
Cash and investments - beginning	\$ 26,672	\$ 8,626	\$ 20	\$ 137,070	\$ 100	\$ 6,571
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Utility fees	3,028	-	-	-	-	55,882
Other receipts	833	7,500	126,000	-	20,000	-
Total receipts	<u>3,861</u>	<u>7,500</u>	<u>126,000</u>	<u>-</u>	<u>20,000</u>	<u>55,882</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	125,685	-	-	-
Capital outlay	-	15,909	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	6,501	-	-	-	20,000	55,898
Total disbursements	<u>6,501</u>	<u>15,909</u>	<u>125,685</u>	<u>-</u>	<u>20,000</u>	<u>55,898</u>
Excess (deficiency) of receipts over disbursements	<u>(2,640)</u>	<u>(8,409)</u>	<u>315</u>	<u>-</u>	<u>-</u>	<u>(16)</u>
Cash and investments - ending	<u>\$ 24,032</u>	<u>\$ 217</u>	<u>\$ 335</u>	<u>\$ 137,070</u>	<u>\$ 100</u>	<u>\$ 6,555</u>

TOWN OF BROOKLYN
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	WATER UTILITY OPERATING	WATER METER DEPOSIT	WATER IMPROVEMENT/DEPRECI	WATER BOND AND INTEREST	WATER RESERVE SINKING FUN	Totals
Cash and investments - beginning	\$ 1,843	\$ 19,966	\$ 43,021	\$ 1,444	\$ 36,000	\$ 1,250,292
Receipts:						
Taxes	-	-	-	-	-	134,701
Licenses and permits	-	-	-	-	-	780
Intergovernmental	-	-	-	-	-	278,452
Charges for services	-	-	-	-	-	16,527
Utility fees	182,087	2,516	-	-	-	1,384,926
Other receipts	13,427	85	5,250	34,500	-	489,989
Total receipts	195,514	2,601	5,250	34,500	-	2,305,375
Disbursements:						
Personal services	-	-	-	-	-	120,087
Supplies	-	-	-	-	-	43,174
Other services and charges	-	-	-	-	-	189,044
Debt service - principal and interest	-	-	-	35,313	-	160,998
Capital outlay	-	-	2,584	-	-	117,652
Utility operating expenses	119,439	-	-	-	-	1,073,974
Other disbursements	76,814	3,605	-	-	-	646,922
Total disbursements	196,253	3,605	2,584	35,313	-	2,351,851
Excess (deficiency) of receipts over disbursements	(739)	(1,004)	2,666	(813)	-	(46,476)
Cash and investments - ending	\$ 1,104	\$ 18,962	\$ 45,687	\$ 631	\$ 36,000	\$ 1,203,816

TOWN OF BROOKLYN
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2011

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ -	\$ -
Electric	-	10,309
Storm Water	-	344
Wastewater	-	4,085
Water	-	3,087
Totals	<u>\$ -</u>	<u>\$ 17,825</u>

TOWN OF BROOKLYN
SCHEDULE OF LEASES AND DEBT
December 31, 2011

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
Notes and loans payable	PURCHASED FIRE TRUCK	\$ 14,723	\$ 6,400
Wastewater:			
Revenue bonds	BUILD SEWER PLANT & INSTALL LINES	59,000	16,915
Notes and loans payable	REHAB PLANT MANHOLES LINES	751,000	109,285
Total Wastewater		810,000	126,200
Water:			
Revenue bonds	NEW WATER TOWER PLANT REHAB LINE REPAIR	163,000	35,781
Totals		\$ 987,723	\$ 168,381

TOWN OF BROOKLYN
SCHEDULE OF CAPITAL ASSETS
December 31, 2011

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	Ending Balance
Governmental activities:	
Land	\$ 51,472
Infrastructure	190,705
Buildings	138,592
Improvements other than buildings	15,403
Machinery, equipment and vehicles	470,764
Total governmental activities	866,936
Electric:	
Land	32,898
Infrastructure	435,495
Buildings	184,282
Improvements other than buildings	99,411
Machinery, equipment and vehicles	248,491
Total Electric	1,000,577
Storm Water:	
Land	1,650
Infrastructure	68,523
Machinery, equipment and vehicles	9,000
Total Storm Water	79,173
Wastewater:	
Land	28,678
Infrastructure	90,082
Buildings	654,801
Improvements other than buildings	1,688,725
Machinery, equipment and vehicles	256,627
Total Wastewater	2,718,913
Water:	
Land	33,828
Infrastructure	8,391
Buildings	604,328
Improvements other than buildings	557,059
Machinery, equipment and vehicles	53,302
Total Water	1,256,908
Total capital assets	\$ 5,922,507

TOWN OF BROOKLYN
EXIT CONFERENCE

The contents of this report were discussed on August 27, 2012, with Karen Howard-Frentress, Clerk-Treasurer; Rebecca McGlauchlen, former Clerk-Treasurer; Melissa Bryant, President of the Town Council; and Ray Young, Council member. Our examination disclosed no material items that warrant comment at this time.