

**BOROUGH OF NEWTOWN
NEWTOWN, CONNECTICUT**

Minutes of the regular meeting of the Borough of Newtown Board of Burgesses on **Tuesday, December 12, 2017** in the Borough Office at Edmond Town Hall, Newtown, CT. Warden Gaston called the meeting to order at 7:41 p.m.

Present: Warden James Gaston, Second Senior Burgess Jay Maher, Burgess Betsy Kenyon, Burgess Anthony Baiad, Treasurer Paula Brinkman, Zoning Officer Maureen Crick Owen, Glenn Nanavaty and Clerk Ann Scaia

Absent: Senior Burgess Joan Crick, Burgess Chris Gardner, Burgess Bill Lucas, Tax Collector Jodie Enriquez and Tree Warden Rob McCulloch

Also Present: 2 members of the public.

Burgess Baiad made a motion to accept the November 14, 2017 regular meeting minutes, seconded by Second Senior Burgess Maher. Motion passed.

Public Participation: None.

Auditor's Report: Borough Auditor Glenn Nanavaty distributed copies of the Borough of Newtown Audited Financial Statement with Independent Auditor's Report Year Ended June 30, 2017. It is required that within one week of receipt, a legal notice be published indicating that the report is complete and on file in the Borough Office as well as the Town Clerk's Office. Glenn will send a copy to the State of Connecticut Office of Policy and Management.

He presented an Executive Summary of Audited Financial Statements. Total revenues were \$214,323.00 and total expenses were \$201,076.00 resulting in a General Fund Balance of \$356,182.00. This represents an Unassigned Fund Balance of 177% of next year's Budget.

Glenn noted that while we await final billing from legal counsel, the original budgeted amount will be recorded on the audit. Once the invoice is received the final amount will be recorded correctly and acknowledged appropriately. Glenn also noted that revenues were lower than 2016 due to two reasons. Fees were approximately \$48,000 in 2016 vs. approximately \$25,000 in 2017. Also approximately \$8,000 in back taxes were collected in 2016 making the total collected approximately \$195,000 vs. approximately \$188,000 collected in 2017. However, revenues were still more than the expenses. Once again, he commended the Board for their accurate record keeping, internal controls, and system of approvals and transferring funds. Good checks and balances are in place.

Second Senior Burgess Maher made a motion to accept the Auditor's Report for Year Ended June 30, 2017 and the filing of the report with the Office of Policy and Management, seconded by Burgess Baiad and unanimously approved.

Warden's Report: Warden Gaston submitted a request to retain Attorney Mitchell on an as needed basis representing the Borough on an item by item basis. Attorney Mitchell declined the

request. Warden Gaston has now retained Attorney Monte Frank who accepted the terms of usage on an item by item basis.

Tree Warden's Report: No report due to Rob McCulloch's absence.

Tax Collector's Report: Tax Collector Enriquez was not in attendance, however she reported to Borough Clerk, Ann Scaia, that there was nothing new to report.

Treasurer's Report: Treasurer Paula Brinkman read the November 2017 report: A \$6,862.00 deposit was made from Zoning Officer Maureen Crick Owen. A \$3,250.00 deposit was made from Tax Collector Jodie Enriquez making a total of \$186,350.00. A transfer of \$9,000.00 was made to cover last month's invoicing. Interest on the 15 mo. CD was \$70.44 making a total of \$74,952.11.

Burgess Kenyon made a motion to accept the Treasurer's Report for November 2017,
seconded by Burgess Baiad and unanimously approved.

Zoning Officer's Report: Zoning Officer Maureen Owen reported The Market Place is open. There was one issue of placing screens to cover mechanical units which was addressed. The Certificate of Occupancy was granted with the caveat that the outdoor patio be enclosed in the new year. The Faith Food Pantry continues to move along. Zoning Officer Owen is working with them to submit an amendment application. As stated in last month's minutes, the Borough Historic District approved the bank's plans. Zoning Officer Owen is awaiting Bagel Delight/Chase Bank building to request a Certificate of Occupancy. Zoning Officer Owen stated 17 Main Street is on the market. An individual has approached Zoning Officer Owen to discuss the zoning regulations for the property to be a Bed and Breakfast. Zoning Officer Owen stated some interest has been shown on the property 31 The Boulevard. Zoning Officer Owen conveyed to Warden Gaston that Malcolm McLachlan would like to meet with him to discuss 77 Main Street. Warden Gaston has instructed that Mr. McLachlan contact his secretary to set up an appointment. Lastly, Zoning Officer Owen stated 4 Sugar Street and 1 Main Street are now on the market.

Historic District: Burgess Kenyon had nothing new to report.

Sidewalks: Second Senior Burgess Maher spoke with George Benson and Fred Hurley regarding the proposed sidewalk on Rt. 302. Mr. Hurley suggested he and Second Senior Burgess Maher meet to discuss the possibility of adding the sidewalk project to the application for Main Street Streetscape Design which is due to be submitted around January 5th.

Streets & Parks: Senior Burgess Maher had nothing new to report.

New Business: None.

Old Business: Warden Gaston inquired about a white fence at 15 Church Hill Road. Zoning Office Owen will review the regulations to make sure the fence is in compliance.

Public Participation: None.

The regular meeting of the Board of Burgesses will be held on Tuesday, January 9, 2018 at 7:30p.m. in the Borough Office in Edmond Town Hall, Newtown, CT.

There being no further business, Second Senior Burgess Maher made a motion to adjourn the meeting at 8:21 p.m., seconded by Burgess Kenyon and unanimously approved.

Respectfully submitted,

Ann Scaia
Borough Clerk

Borough of Newtown
Newtown, CT
Monthly Treasurer's Report
For month ending November 30, 2017

Beginning Balance (November 1, 2017) **\$497,771.47**

OPERATING ACCOUNT (#673)

Income (Deposits)

Date	Description	Amount
Nov. 16, 2017	Maureen Crick Owen (BZE)	\$6,862.00
Nov. 16, 2017	Tax Collector (YTD: \$186,350)	\$3,250.00

Interest income (November 30, 2017) **\$20.58**

Total Income **\$10,132.58**

Expenses (checks written)

Date	Payable To	Description	Amount
Nov 16, 2017	Treasurer's Acct (331)	check #250	\$9,000.00

Total Expenses **\$9,000.00**

Ending Cash Balance (November 30, 2017) **\$498,904.05**

Outstanding Checks	Payable To	Description	Amount
	Total Outstanding Checks		\$0.00

RECONCILED BANK BALANCE (November 30, 2017) **\$498,904.05**

15 MONTH CD ACCOUNT (#814) **\$74,881.67** matures 1/28/18

Interest income (November 30, 2017)	interest 1.15%	\$70.44
TOTAL		\$74,952.11

Respectfully submitted on December 12, 2017





NANAVATY, NANAVATY & DAVENPORT, LLP

Certified Public Accountants

December 12, 2017

James O. Gaston
Warden
Borough of Newtown

We have audited the financial statements of the governmental activities, and the major funds of Borough of Newtown for the year ended June 30, 2017, and have issued our report dated December 12, 2017. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter, our responsibility, as described by professional standards, is to express opinions about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Planned Scope and Timing of the Audit

We performed the audit according to the planned scope and timing previously communicated to you in our engagement letter.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Borough are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred. The disclosures in the financial statements are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no such misstatements.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

At the conclusion of the audit process, we requested and received certain representations from management in the form of a management representation letter dated December 12, 2017.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

This information is intended solely for the use of Board and management of the Borough and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Nanavaty, Nanavaty & Davenport, LLP

**BOROUGH OF NEWTOWN
EXECUTIVE SUMMARY - AUDITED FINANCIAL STATEMENTS
JUNE 30, 2017**

	General Fund	Year Ended June 30,		
		2017	2016	2015
Total revenues		page 12 \$ 214,323	\$ 246,214	\$ 206,590
Total expenses		page 13 \$ 201,076	\$ 205,346	\$ 184,000
Change in fund balance		page 13 \$ 13,247	\$ 40,868	\$ 22,590
General Fund - Fund Balance At June 30		page 11 \$ 356,182	\$ 342,935	\$ 302,067
Unassigned Fund Balance as a % of next year's Budget		177%	169%	144%

There is no formal letter issued re: internal control. However I recommended that the Board continue the following:

- Prepare and Review of all bank reconciliations
- Document review & approval of invoices for payment
- review of monthly financial statements, specifically budget v. actual results