

**LEGISLATIVE COUNCIL  
COUNCIL CHAMBERS, 3 PRIMROSE STREET, NEWTOWN, CT  
WEDNESDAY, FEBRUARY 5, 2020 AT 7:30PM**

***THESE MINUTES ARE SUBJECT TO APPROVAL BY THE LEGISLATIVE COUNCIL AT  
THE NEXT MEETING***

**PRESENT:** Alison Plante, Paul Lundquist, Chris Eide, Dan Wiedemann, Cathy Reiss, Jordana Bloom, Ryan Knapp, Andy Clure, Phil Carroll (7:35)

**ABSENT:** Judit Destefano, Dan Honan, Chris Smith

**ALSO PRESENT:** First Selectman Dan Rosenthal, Finance Director Bob Tait, Superintendent Dr. Rodrigue, BOE Chair Michele Embree Ku and BOE member Dan Delia

**CALL TO ORDER:** Mr. Lundquist called the meeting to order with the Pledge of Allegiance at 7:30PM

**VOTER COMMENT:** None

**MINUTES:** Dan Weidemann moved to accept the minutes of the January 15, 2020 meeting. Chris Eide seconded, all in favor.

**COMMUNICATIONS:** None

**COMMITTEE REPORTS:** None

**FIRST SELECTMANS REPORT:** First Selectman Rosenthal reported that most of the site work at the new Police Department has been completed. The building has been gutted and the footings for the sally port have been poured. They are evaluating if the fire suppression tank should be replaced.

The next BOS meeting is February 18 at 7pm in the High School Lecture Hall coving potential options for the FFH campus. On March 16 there another meeting concerning FFH where developers will be presenting. He is also working with Land Use to develop an advisory question for the ballot.

First Selectman Rosenthal also reported that he is working on a lease agreement with SHOP for 7 Glen Road. The goal is to get it to the BOS on 2/18 and then it would move to the council. SHOP has a plan for Sandy Hook called the Heritage Trail. There will be a pavilion and parking. It is basically a walking trail across the Dayton Street Bridge and back down Church Hill Road. There will be benches and look out points. The Town had taken the property 4 years ago and the challenge is that there was an old garage at the site and has environmental issues. The best thing for that property is to encapsulate it which a parking lot works best. It would be a lease, not an outright sale.

The BOS has unanimously ratified the budget. Ultimately as approved it is 2.48% increase. 1.5% is normal operating expense including the new police building and the new senior center. The balance is the roads. Combined with the BOE budget which is a 1.4% increase the estimated tax increase would be .7 mil.

They are looking into CYPRS for the Hawley Trust for the Library and Edmond Town Hall. They have council looking it to it. They will need to go to probate and explain they want more revenue and what it will be used for. They do not have to grant it but often times will allow more money to come out of the trust.

## **NEW BUSINESS**

**Discussion of Planning, Prioritizing and Collaboration Relating to BOE CIP Projects** – Dr. Rodrigue explained that safety is the highest priority as well as useful shelf life when they are compiling the CIP. They do continue to collaborate with town committees. The BOE hired Bob Gerbert as their Director of Facilities. During the process of interviewing, Director of Public Works collaborated on the interviews. He was hired by the board to coordinate with projects to keep them on budget with integrity. Bob Gerbert has been working with Sustainable Energy and Public Building and site. Attachment A are questions answered by Bob Gerbert to the Sustainable Energy Commission.

Michele Embree Ku, BOE Chair, articulated that when they are making decisions for the town it is better when they are doing it together and believes it is worth the extra time to have those conversation.

Dan Delia, BOE CIP/Facilities subcommittee chair responded that moving forward in the CIP, he will do his best to work in a collaborate manner and make sure we are meeting the needs of the people of Newtown.

Dan Wiedemann clarified that his intent asking the question was because it was not happening with the prior administration but wanted to make sure it was kept in place going forward, that was the intent of him asking the question.

In the Town Code book the description of the Sustainable Energy and Public Building and Site are a support role. Dr. Rodrigue explained that they will continue having Bob Gerbert attend the meetings and collaborate with the boards. They want to do this because it is the right thing to do. Paul Lundquist questioned if this should be a policy. It is creating guardrails for projects. They will be looking at the CIP policy in the next few months.

First Selectman Rosenthal explained that the Public Building and Sites role is clear once a project is has been approved. What is opaque is when you should start working with them. Bob Gerbert has been at the last few meetings which is very helpful. This can be addressed by policy

but having him at the meetings will start to establish the process. The Community Center floor in the multipurpose room had an issue which has been fixed but the floor needed to be buffed. Bob Gerbert will have custodial staff come and buff the floor.

**A resolution to change the name and purpose of the Eichler's Cove special revenue fund to "Waterfront special revenue fund" for the purpose of using revenues from the operations of Newtown waterfront properties (Eichler's Cove and Lake Lillinonah) for Newtown waterfront property operational and capital expenditures** – Chris Eide moved A resolution to change the name and purpose of the Eichler's Cove special revenue fund to "Waterfront special revenue fund" for the purpose of using revenues from the operations of Newtown waterfront properties (Eichler's Cove and Lake Lillinonah) for Newtown waterfront property operational and capital expenditures, Phil Carroll seconded. Eichler's Cove is successful and generates revenue that stays in their special revenue fund. P&R would like to look at putting boat slips at Lake Lillinonah and has requested money to do a study. First Selectman Rosenthal suggested the change in the fund so the money from Eichlers cove could be used for the study. He will not support funding from the CIP or operating budget. ALL IN FAVOR

**Approve 2020-2021 CIP Items for Referendum** – According to section 635g of the Town Charter anything that is equal or exceeds \$1.5 million must go to referendum. Digressional action on large or bundled projects will aid in transparency to the public.

Chris Eide move to send FFH Sewer Infrastructure Improvements for \$1,829,963 to referendum. Phil Carroll seconded, ALL IN FAVOR.

Chris Eide moved to send the Emergency Radio System Upgrades for \$2,500,000 to referendum. Dan Wiedemann seconded, ALL IN FAVOR.

Chris Eide moved to send the Capital Road Program for \$750,000 to referendum. Alison Plante seconded, ALL IN FAVOR.

Chris Eide moved to send the Hawley School Ventilation and HVAC Renovations –Design for \$300,000 to referendum. Cathy Reiss seconded. Dan Wiedeman questioned why would they not put it on for \$4.2 million to include the renovations in year 2. Paul Lundquist explained if they have no intension of supporting the project they will not vote for the design. ALL IN FAVOR.

**Presentation and acceptance of the Town's Comprehensive Annual Financial Report for the fiscal year ending June 30, 2019** – Finance Director Bob Tait provided the Comprehensive Annual financial report for fiscal year ending June 30, 2019. He reviewed excerpts from the report (Attachment B).

Chris Eide moved to accept the Comprehensive Annual Financial Report for fiscal year ending June 30, 2019. Dan Wiedemann seconded, ALL IN FAVOR.

## **UNFINISHED BUSINESS**

**FEMA Reimbursement Allocation** – Not discussed

**VOTER COMMENT:** Dan Delia, 10 Brookwood Drive. He explained that it is important to be respectful. We are all volunteers and when people come and speak here that they are all treated with respect. When someone is treated poorly in public it does not look good. He is concerned.

Michele Embre Ku, 28 Platts Hill Drive – Strongly believes when making decisions for the town our best work happens when we work together. It takes more effort on all of our parts to attend meetings of other boards and to be committed to having an open discussion and respectful dialog. But it is well worth the additional time when the good faith conversations lead to well planned projects. She doesn't think we can have good faith conversations when someone that comes before them is told they are lying. Hope that they consider conversations with those in front of them to be respectful.

**ANNOUNCEMENTS:** NONE

**ADJOURNMENT:** There being no further business, Chris Eide moved to adjourn the meeting at 9:38pm. Dan Wiedemann seconded, ALL IN FAVOR.

Respectfully Submitted,  
Arlene Miles, Clerk Pro Tem



# Attachment A

## Questions about CIP and Facilities

1. I received some information on the boiler at Hawley. I learned the mechanical contractor (C&N Mechanical, Glastonbury) bid the project.

They bid (1) Aerco Benchmark 1.5 condensing 1,500,000 BTU boiler. If this information is correct then this boiler will not be able to support heating the additional outside air. New boilers will need to be added.

This is incorrect. There are three (3) boilers, each with a heating capacity of 1.5 million BTUs for a total of 4.5 Million BTUs. At approximately 60,000 SqFt, this equates to 75 BTU per SqFt.

2. Middle Gate School. Obviously, we replaced those boilers about 3-4 years ago, but I've learned that the BOE actually has a CIP to replace the windows, which I think is great, but when you replace the windows, your heat duty on the building goes down and you actually could have saved on boilers by downsizing the boilers. So, now the boilers that are there will not be sufficient. So, staging how you do the work can save capital costs.

While new windows will reduce the heating load and effectively leave the boilers oversized, the boilers that are installed have modulating burners which can adjust the firing rate to match the heating needs of the building.

3. Were High School boilers in F-wing replaced recently? If so, why?

Boilers were replaced as part of the larger boiler project. This outfits the entire building with high-efficiency gas boilers that have become standard within the school district. There was also a rebate provided by the utility company for installing the new boilers.

4. Has a structural engineer been consulted to determine if the existing structure can support the weight of the new Roof Top Units(RTU) and ACU(Air Conditioning Units)? If not, a review of the structure is needed to ensure the proposed design is feasible.

- a. If required, has additional structural cost been included in the CIP?

RZD has a structural team that will make final reviews of all structural elements required to support the new equipment. We have carried a structural allowance which is noted in the RZD budget proposal.

5. Has the proposed equipment sizes been reviewed to determine if it can fit through existing doors and maneuvered to their final install place?

We have reviewed the building structure and equipment sizing and believe that we have available means to get the equipment in the building. To minimize impact on building finishes, we are anticipating that all large equipment will be shipped to the site in sections to be assembled in their final resting place.

6. Has remediation consideration been included in the CIP(Lead, asbestos)?

RZD budget proposal does not include any remediation. This will be determined by sampling various existing materials and lab testing to determine the extent of required remediation.

No, because the design is only conceptual to present a basis of cost comparison, it does not include abatement costs. The full scope of abatement will be determined once the design is finalized.

7. VAV boxes:

- a. The hot water coil sizes appear to undersized. It appears that the minimum airflows are used vs. maximum. If 55F air is supplied to the VAV, then when the required OA CFM is supplied, the supply air will be cool and cause the occupants to be uncomfortable. With the VAVs being undersized, the piping and pumps are most likely undersized. This needs to be addressed and reflected in the CIP \$.

Ventilation via VAV boxes is provided with adequate hot water coil and pump sizing. The VAV design only requires max cfm during cooling mode as the supply air flow must offset ventilation loads and cooling loads. The VAV operation during heating mode requires only ventilation load as the existing building heating system is adequate to offset building outdoor winter conditions. We will further fine tune the design as the project moves forward.

8. To make up the difference with #5, the RTU's and ACU's, can supply 92F to the VAVs. However, I would advise against this as it will cause overheating of certain areas and you have complaints of being too hot. Then the windows will be opened, and we would waste energy.

Note that the hot water coil controls are suitable to find the optimum discharge air temperature for the variable loads that the building will experience. With thermostatic controls within each VAV, there should be no issue with overheating the space during winter operation.

9. Airflow in the building should include measures to prevent smoke movement, and allow for safe occupant egress. It is not apparent that this design includes the necessary required smoke or fire dampers. Are these included in the CIP?

Fire/Smoke egress control is not included in the cooling/ventilation design. We do however include any and all fire dampers required to maintain existing wall and floor protection fire ratings.

10. Sustainable building design care is needed to eliminate excessive ventilation to avoid excess energy use and provide proper humidity control. Proper cooling, heating, ventilation, humidification, and dehumidification are critical to both energy efficiency and cost-effectiveness.

A duct mounted CO2 sensor in the return air ductwork is included to measure the PPM and compare to set point and modulate OA delivered to the space.

- a. Typically, storage rooms are only tempered with heat. Capital and operational costs can be saved by removing the air conditioning from these rooms. Ventilation is required at only  $0.12\text{CFM/FT}^2$ . So a small duct can be fed to these areas vs installation of a dedicated VAV

A dedicated VAV for small storage rooms is not the intent of our schematic design. Any storage room that requires ventilation/cooling will be served by an adjacent VAV Zone.

- b. Science Classroom: Typically, a local exhaust fan is provided with a 0-60 minute timer. This allows the teacher to use the fan when a demonstration creates smells or animals are kept in the room.

Science Classroom special ventilation is not included in our schematic design although we will review during final design with input from the Science Staff.

- c. The food services area should include a separate exhaust hood so that odors are not circulated around the building. This should be included in the CIP.

The Cafeteria/Kitchen ventilation system will be designed for CO2 control within these spaces. The make up air and associated kitchen hoods are not included in the Ventilation/Cooling proposal. This is a service that can be added at the direction of the Hawley School Committee.

- d. It is not typical to air-condition bathrooms. The bathrooms should have exhaust fans that keep the room under negative pressure to avoid odors migrating out of the bathroom. Air is typically supplied to the room by an undercut door or transfer duct. Capital cost and operational cost can be saved by removing the VAV and ensuring proper air transfer.

The bathrooms referred to are gang toilet rooms. These rooms are larger and will be maintained under negative pressure within our design. It is agreed that a single toilet room would not receive direct supply air and would rely on the exhaust system drawing air from adjacent areas via under cut doors or transfer grilles.

- e. Corridors are not frequently air-conditioned. One strategy used is to return air from the corridor. Air will be pulled from adjacent rooms, providing the ventilation required. Corridors only required  $0.06\text{CFM/FT}^2$ .

Corridors will be designed to maintain code compliant air flow. It is important to maintain slightly positive pressure if the corridor is intended for egress during an alarm event. This will be confirmed during our final design.

11. Higher humidity levels promote the growth of mold, dust mites, fungus, which can produce toxic by-products and allergens. Careful consideration in equipment size must be taken. More than likely, the peak sensible cooling load will occur when the building is unoccupied, after 4 pm. Peak latent cooling loads, moisture from exhaling and sweat, may not occur at the same time as the peaking latent load. The lack of moisture removal can result in unacceptable air quality. \*\*

- a. The additional moisture is a problem for people with asthma, which I can speak to first hand. Also, the additional moisture can impact the paint, drywalls, grow mold, etc.
- b. One can argue that VAV's have a hot water coil that can reheat the air for dehumidification. While it is possible, it will use a lot of excess energy. I suggest a peer review of the evaporator coil selections to ensure proper sizing. I don't think we want to find out later the evaporator coil needs to be larger then the unit won't fit in the designated space.

Air conditioning systems are intended to remove heat and associated latent loads during normal occupied operation. We do not propose a reheat control for de-humidification, as this system type is an energy hog. With careful design calculations, all systems will have the ability to cool and dehumidify at any time the building is in the summer occupied control settings. This will be programmed into the building automation system which is a part of RZD design. Not sure what peer review is being referred to, but RZD will welcome feed back from the town during final project design.

12. Has Demand Control Ventilation been included in the design? I believe this is required by ASHRAE 90.1.

Demand ventilation is included in our design.

13. What methods are being implemented to ensure all the install equipment does not transmit mechanical vibrations or flow noise into the adjunct spaces? Is this included in the CIP?

Vibration isolation is included in our design.

14. Has the electrical service to the building been reviewed to ensure the building can handle the additional electrical loads? Has this been included in the CIP? Keep in mind, since the VAV's are undersized, the pump electrical load will be higher.

The electrical utility serving the Hawley School is adequate to include the electrical requirements of the new systems. The VAV systems have not been determined to be undersized. We as the engineer of record will review all system designs during generation of final bid documents.

Attachment B

**TOWN OF NEWTOWN,  
CONNECTICUT**

EXCERPT - with annotations



**Comprehensive Annual  
Financial Report**

**For The Year Ended  
June 30, 2019**

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## BASIC FINANCIAL STATEMENTS

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TOWN OF NEWTOWN, CONNECTICUT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:						
Governmental activities:						
General government	\$ 6,907,954	\$ 317,816	\$ -	\$ (4,880,906)	\$ -	\$ (4,880,906)
Public safety	12,087,651	639,797	-	(10,166,701)	-	(10,166,701)
Health and welfare	3,282,664	306,921	-	(2,965,783)	-	(2,965,783)
Land use	703,298	-	-	(638,649)	-	(638,649)
Parks and recreation	13,441,190	2,795,461	2,621,830	(7,060,998)	-	(7,060,998)
Education	4,477,125	1,093,529	-	(2,278,226)	-	(2,278,226)
Education - State Teachers' Retirement	84,895,073	8,433,424	-	(74,122,591)	-	(74,122,591)
Interest expense	5,098,427	5,098,427	-	-	-	-
Total governmental activities	2,648,364	-	-	(2,648,364)	-	(2,648,364)
Business-type activities:						
Sewer	133,541,746	18,685,375	2,621,830	(104,762,218)	-	(104,762,218)
Water	1,921,345	-	-	-	-	-
Total business-type activities	393,681	-	-	-	(871,484)	(871,484)
Total primary government	2,315,026	-	-	-	21,402	21,402
	\$ 8,937,267	\$ 18,685,375	\$ 2,621,830	(104,762,218)	(850,082)	(105,612,300)
General revenues:						
Property taxes, levied for general purposes				107,694,541	-	107,694,541
Grants and contributions not restricted to specific programs				1,574,097	-	1,574,097
Investment earnings				1,391,807	40,496	1,432,303
Total general revenues				110,660,445	40,496	110,700,941
Change in net position				5,898,227	(809,586)	5,088,641
Net position - beginning, as originally reported				247,217,899	32,089,059	279,306,958
Adjustments (see Note 1)				-	(425,300)	(425,300)
Net position - beginning, as adjusted				247,217,899	31,663,759	278,881,658
Net position - ending				\$ 253,116,126	\$ 30,854,173	\$ 283,970,299

Net position is increasing year over year

The accompanying these financial statements.

TOWN OF NEWTOWN, CONNECTICUT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AS OF JUNE 30, 2019

**FEMA grant  
receivable**

	General Fund	Bonded Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 20,755,383	\$ -	\$ 1,802,456	\$ 22,557,839
Investments	9,879,733	-	2,704,472	12,584,205
Receivables:				
Property taxes and interest, net	3,103,909	-	-	3,103,909
Grants and contracts	1,708,294	-	828,720	2,537,014
Loans	-	-	242,542	242,542
Other	279,801	-	366,112	645,913
Due from other funds	1,903,784	4,675,788	4,184,468	10,764,040
Other	4,738	-	15,100	19,838
Total assets	<u>\$ 37,635,642</u>	<u>\$ 4,675,788</u>	<u>\$ 10,143,870</u>	<u>\$ 52,455,300</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,891,823	\$ 2,764,500	\$ 662,199	\$ 5,318,522
Accrued payroll	4,089,645	-	157,137	4,246,782
Due to other funds	11,458,700	-	972,014	12,430,714
Unearned revenue	-	577,010	687,581	1,264,591
Other	434,215	-	-	434,215
Total liabilities	<u>17,874,383</u>	<u>3,341,510</u>	<u>2,478,931</u>	<u>23,694,824</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	<u>3,103,909</u>	<u>-</u>	<u>242,542</u>	<u>3,346,451</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	625,100	625,100
Restricted	-	3,429,557	4,219,637	7,649,194
Committed	264,924	-	2,617,205	2,882,129
Assigned	739,565	-	-	739,565
Unassigned	15,652,861	(2,095,279)	(39,545)	13,518,037
Total fund balances	<u>16,657,350</u>	<u>1,334,278</u>	<u>7,422,397</u>	<u>25,414,025</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 37,635,642</u>	<u>\$ 4,675,788</u>	<u>\$ 10,143,870</u>	<u>\$ 52,455,300</u>

**\*\* Total FEMA grant receivable:**

General fund.....	\$1,708,294
Grant fund.....	\$ 381,143
<b>TOTAL</b>	<b>\$2,089,437</b>



**TOWN OF NEWTOWN, CONNECTICUT**  
**STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	General Fund	Bonded Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Property taxes	\$ 107,411,022	\$ -	\$ -	\$ 107,411,022
Intergovernmental	20,168,273	1,248,606	5,613,722	27,030,601
Charges for services	2,195,585	-	5,075,185	7,270,770
Investment income	1,196,136	-	195,671	1,391,807
Contributions and other	373,913	-	1,346,404	1,720,317
Total revenues	131,344,929	1,248,606	12,230,982	144,824,517
<b>EXPENDITURES</b>				
Current:				
General government	4,658,167	-	1,189,903	5,848,070
Public safety	10,086,947	-	1,018,111	11,105,058
Health and welfare	3,139,504	-	86,494	3,225,998
Land use	662,685	-	-	662,685
Public works	9,527,048	-	881,143	10,408,191
Parks and recreation	2,288,508	-	1,025,843	3,314,351
Education	86,319,107	-	6,238,972	92,558,079
Debt service:				
Principal	6,896,695	-	8,000	6,904,695
Interest and fiscal charges	2,365,362	-	425,781	2,791,143
Capital outlays	1,788,693	21,737,464	2,123,226	25,649,383
Total expenditures	127,732,716	21,737,464	12,997,473	162,467,653
Excess (deficiency) of revenues over expenditures	3,612,213	(20,488,858)	(766,491)	(17,643,136)
<b>OTHER FINANCING SOURCES (USES)</b>				
Capital lease financing	624,662	-	-	624,662
Issuance of debt	6,750,000	10,400,000	-	17,150,000
Premium on issuance of debt	1,093,726	-	149,189	1,242,915
Payments to escrow agent	(7,732,615)	-	-	(7,732,615)
Transfers in	400,000	-	1,549,331	1,949,331
Transfers out	(1,483,216)	(66,115)	(400,000)	(1,949,331)
Total other financing sources (uses)	(347,443)	10,333,885	1,298,520	11,284,962
Net change in fund balances	3,264,770	(10,154,973)	532,029	(6,358,174)
Fund balances - beginning	13,392,580	11,489,251	6,890,368	31,772,199
Fund balances - ending	\$ 16,657,350	\$ 1,334,278	\$ 7,422,397	\$ 25,414,025

Change in GF fund balance =  
\$3,264,770; without FEMA  
grant = \$1,556,476

The accompanying notes are an integral part of these financial statements.

TOWN OF NEWTOWN, CONNECTICUT  
STATEMENTS OF NET POSITION  
PROPRIETARY FUNDS  
AS OF JUNE 30, 2019

Working capital =  
\$992,692 (ratio =  
4.4)....ability to pay  
current liabilities  
with current assets

medical self  
insurance fund

	Business-type Activities			Governmental Activities
	Sewer Fund	Water Fund	Total	Internal Service Fund
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 675,051	\$ -	\$ 675,051	\$ 26,526
Investments	-	-	-	4,052,812
Receivables:				
Assessments and interest, net	312,024	-	312,024	-
User charges and interest, net	229,606	-	229,606	-
Other	-	-	-	22,131
Due from other funds	64,929	-	64,929	2,533,515
Total current assets	1,281,610	-	1,281,610	6,634,984
Noncurrent assets:				
Receivables:				
Assessments	3,031,273	-	3,031,273	-
Advance to other fund	658,617	-	658,617	-
Capital assets:				
Non-depreciable	22,575	195,019	217,594	-
Depreciable, net	27,054,284	2,517,611	29,571,895	-
Total noncurrent assets	30,766,749	2,712,630	33,479,379	-
Total assets	32,048,359	2,712,630	34,760,989	6,634,984
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding	3,279	-	3,279	-
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	120,277	16,024	136,301	444,580
Accrued liabilities:				
Claims	-	-	-	1,027,016
Other	20,441	-	20,441	-
Due to other funds	-	931,770	931,770	-
Bonds and notes payable	148,200	-	148,200	-
Unearned revenue	-	-	-	247
Total current liabilities	288,918	947,794	1,236,712	1,471,843
Noncurrent liabilities:				
Advances from other fund	-	658,617	658,617	-
Bonds and notes payable	2,014,766	-	2,014,766	-
Total non-current liabilities	2,014,766	658,617	2,673,383	-
Total liabilities	2,303,684	1,606,411	3,910,095	1,471,843
<b>NET POSITION</b>				
Net investment in capital assets	24,913,893	2,712,630	27,626,523	-
Unrestricted	4,834,061	(1,606,411)	3,227,650	5,163,141
Total net position	\$ 29,747,954	\$ 1,106,219	\$ 30,854,173	\$ 5,163,141

The accompanying notes are an integral part of these financial statements.

**TOWN OF NEWTOWN, CONNECTICUT**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Business-type Activities			Governmental Activities
	Sewer Fund	Water Fund	Total	Internal Service Fund
<b>OPERATING REVENUES</b>				
Charges for services	\$ 1,049,861	\$ 415,083	\$ 1,464,944	\$ 13,345,178
Total operating revenues	<u>1,049,861</u>	<u>415,083</u>	<u>1,464,944</u>	<u>13,345,178</u>
<b>OPERATING EXPENSES</b>				
Premiums and claims	-	-	-	12,690,957
Contracted services	821,715	172,148	993,863	-
Utilities	123,090	30,163	153,253	-
Administrative and other	193,426	12,000	205,426	1,273,336
Depreciation and amortization	588,445	151,726	740,171	-
Other	132,201	-	132,201	-
Total operating expenses	<u>1,858,877</u>	<u>366,037</u>	<u>2,224,914</u>	<u>13,964,293</u>
Operating income (loss)	(809,016)	49,046	(759,970)	(619,115)
<b>NON-OPERATING INCOME (EXPENSE)</b>				
Interest income	40,496	-	40,496	201,463
Interest expense	(62,468)	(27,644)	(90,112)	-
Total non-operating expense, net	<u>(21,972)</u>	<u>(27,644)</u>	<u>(49,616)</u>	<u>201,463</u>
Change in net position	(830,988)	21,402	(809,586)	(417,652)
Net position - beginning, as originally reported	31,004,242	1,084,817	32,089,059	5,580,793
Adjustments (see Note 1)	(425,300)	-	(425,300)	-
Net position - beginning, as adjusted	<u>30,578,942</u>	<u>1,084,817</u>	<u>31,663,759</u>	<u>5,580,793</u>
Net position - ending	<u>\$ 29,747,954</u>	<u>\$ 1,106,219</u>	<u>\$ 30,854,173</u>	<u>\$ 5,163,141</u>

The accompanying notes are an integral part of these financial statements.

**TOWN OF NEWTOWN, CONNECTICUT**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**AS OF JUNE 30, 2019**

detail on page 109

	Pension and Other Post- Employment Benefits Trust Funds	Private Purpose Trust Fund Sandy Hook Private Purpose Trust Fund	Agency Funds
<b>ASSETS</b>			
Cash and cash equivalents	\$ 107,627	\$ -	\$ 844,521
Investments:			
Certificates of deposit	-	-	192,731
Bond mutual funds	16,869,532	-	-
Equity mutual funds	31,258,343	-	-
Receivables	1,130	-	-
Total assets	<u>48,236,632</u>	<u>-</u>	<u>\$ 1,037,252</u>
<b>LIABILITIES</b>			
Accounts payable	-	-	\$ -
Due to others	-	-	1,037,252
Total liabilities	<u>-</u>	<u>-</u>	<u>\$ 1,037,252</u>
<b>NET POSITION</b>			
Restricted for:			
OPEB benefits	2,806,303	-	
Pension benefits	45,430,329	-	
Total net position	<u>\$ 48,236,632</u>	<u>\$ -</u>	

The accompanying notes are an integral part of these financial statements.

**TOWN OF NEWTOWN, CONNECTICUT**  
**STATEMENT OF CHANGES**  
**IN FIDUCIARY NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Pension and Other Post- Employment Benefits Trust Funds</b>	<b>Private Purpose Trust Fund Sandy Hook Private Purpose Trust Fund</b>
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 2,953,829	\$ -
Plan members	569,404	-
Total contributions	<u>3,523,233</u>	<u>-</u>
Investment earnings:		
Interest and dividends	1,167,513	-
Net change in the fair value of investments	<u>1,337,515</u>	<u>-</u>
	2,505,028	-
Less investment fees	<u>(44,765)</u>	<u>-</u>
Total investment earnings	<u>2,460,263</u>	<u>-</u>
Total additions	<u>5,983,496</u>	<u>-</u>
<b>DEDUCTIONS</b>		
Benefit payments	2,802,036	-
Awards expense	-	28,657
Administrative expenses	<u>68,430</u>	<u>-</u>
Total deductions	<u>2,870,466</u>	<u>28,657</u>
Change in net position	3,113,030	(28,657)
Net position - beginning	<u>45,123,602</u>	<u>28,657</u>
Net position - ending	<u><u>\$ 48,236,632</u></u>	<u><u>\$ -</u></u>

*The accompanying notes are an integral part of these financial statements.*

**TOWN OF NEWTOWN, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 7 - LONG-TERM DEBT (Continued)**

**General Obligation Bonds and Notes from Direct Borrowings**

A summary of general obligation bonds and notes from direct borrowings outstanding at June 30, 2019 is as follows:

<b>Purpose of Bonds</b>	<b>Fiscal Date of Issue</b>	<b>Original Issue</b>	<b>Interest Rates</b>	<b>Fiscal Maturity Date</b>	<b>Amount Outstanding</b>
<b>Governmental Activities:</b>					
General obligation bonds:					
General Obligation Refunding Bonds	2010	\$ 13,320,000	2.0% - 5.0%	2020	\$ 545,000
General Obligation Refunding Bonds	2011	8,910,000	2.5% - 5.0%	2024	7,240,000
General Obligation Refunding Bonds	2012	15,300,000	1.0% - 4.0%	2027	5,790,300
General Obligation Bonds	2014	4,012,000	2.0% - 3.5%	2034	3,007,000
General Obligation Refunding Bonds	2015	17,620,000	2.375% - 5.0%	2031	14,530,000
General Obligation Bonds	2016	12,000,000	2.0% - 4.0%	2036	9,700,000
General Obligation Refunding Bonds	2016	2,295,000	3.0% - 4.0%	2022	1,370,000
General Obligation Bonds	2017	4,808,000	2.0% - 4.0%	2037	4,012,000
General Obligation Bonds	2018	13,000,000	2.0%-5.0%	2038	12,350,000
General Obligation Refunding Bonds	2019	6,750,000	3.0% - 5.0%	2032	6,750,000
General Obligation Bonds	2019	10,400,000	2.0%-5.0%	2039	10,400,000
					<u>75,694,300</u>
Notes from direct borrowings:					
Clean Water Fund Note	2003	516,000	2.10%	2023	120,033
Drinking Water Fund Note	2006	171,738	2.32%	2026	64,058
					<u>184,091</u>
					<u>\$ 75,878,391</u>
<b>Business-type Activities:</b>					
General obligation bonds:					
General Obligation Refunding Bonds	2012	\$ 75,000	1.0% - 4.0%	2020	\$ 9,700
General Obligation Bonds	2014	2,488,000	2.0% - 3.5%	2034	1,868,000
General Obligation Bonds	2017	282,000	2.0% - 4.0%	2037	253,000
					<u>\$ 2,130,700</u>

**TOWN OF NEWTOWN, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 7 - LONG-TERM DEBT (Continued)**

**General Obligation Bonds and Notes from Direct Borrowings (Continued)**

Annual debt service requirements to maturity on general obligation bonds and the notes from direct borrowings are as follows as of June 30, 2019:

Year ending June 30:	Governmental Activities				
	General Obligation Bonds		Notes from direct borrowings		Total
	Principal	Interest	Principal	Interest	
2020	\$ 6,806,800	\$ 2,657,619	\$ 38,307	\$ 3,626	\$ 9,506,352
2021	6,356,500	2,429,489	39,140	2,794	8,827,923
2022	6,542,000	2,164,119	39,991	1,942	8,748,052
2023	5,832,000	1,893,032	40,867	1,072	7,766,971
2024	6,322,000	1,630,768	10,135	491	7,963,394
2025-2029	23,377,000	5,325,847	15,651	289	28,718,787
2030-2034	13,625,000	2,273,493	-	-	15,898,493
2035-2039	6,833,000	556,147	-	-	7,389,147
	<u>\$ 75,694,300</u>	<u>\$ 18,930,514</u>	<u>\$ 184,091</u>	<u>\$ 10,214</u>	<u>\$ 94,819,119</u>

Year ending June 30:	Business-type Activities		
	General Obligation Bonds		
	Principal	Interest	Total
2020	\$ 148,200	\$ 60,263	\$ 208,463
2021	138,500	57,202	195,702
2022	138,000	54,122	192,122
2023	138,000	50,772	188,772
2024	138,000	47,267	185,267
2025-2029	693,000	180,396	873,396
2030-2034	695,000	76,822	771,822
2035-2039	42,000	2,905	44,905
	<u>\$ 2,130,700</u>	<u>\$ 529,749</u>	<u>\$ 2,660,449</u>

**Legal Debt Limit**

Connecticut General Statutes Section 7-374(b) provides that debt of the Town shall not exceed seven times base receipts, as defined in the Statute. Further, the Statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal and pension deficit. The Town did not exceed any of the statutory debt limitations at June 30, 2019.



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**REQUIRED SUPPLEMENTARY INFORMATION**

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**TOWN OF NEWTOWN, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -**  
**BUDGETARY BASIS - GENERAL FUND (UNAUDITED)**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Budgeted Amounts</b>			<b>Variance With Final Budget Over (Under)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>				
Property taxes	\$ 107,559,739	\$ 107,559,739	\$ 107,411,022	\$ (148,717)
Intergovernmental	6,587,409	6,587,409	8,836,269	2,248,860
Charges for goods and services	2,089,050	2,089,050	2,195,585	106,535
Investment income	450,000	450,000	1,196,136	746,136
Other	235,000	235,000	172,358	(62,642)
Total revenues	<u>116,921,198</u>	<u>116,921,198</u>	<u>119,811,370</u>	<u>2,890,172</u>
<b>EXPENDITURES</b>				
Current:				
General government	4,779,599	4,796,623	4,676,980	(119,643)
Public safety	10,388,213	10,241,149	10,192,510	(48,639)
Health and welfare	2,905,748	2,882,492	2,859,235	(23,257)
Land use	683,294	682,812	662,685	(20,127)
Public works	10,378,691	10,618,250	10,545,798	(72,452)
Parks and recreation	2,452,159	2,421,750	2,410,223	(11,527)
Education	76,054,231	75,725,459	75,725,459	-
Contingency	120,000	6,264	-	(6,264)
Debt service:				
Principal	6,736,992	6,728,992	6,728,992	-
Interest and fiscal charges	2,253,376	2,253,376	2,253,376	-
Total expenditures	<u>116,752,303</u>	<u>116,357,167</u>	<u>116,055,258</u>	<u>(301,909)</u>
Excess of revenues over expenditures	168,895	564,031	3,756,112	3,192,081
<b>OTHER FINANCING SOURCES (USES)</b>				
Appropriation of fund balance	-	500,000	-	(500,000)
Cancellation of prior year encumbrances	-	-	23,078	23,078
Transfers in	200,000	200,000	400,000	200,000
Transfers out	(368,895)	(1,264,031)	(1,263,666)	365
Total other financing sources (uses)	<u>(168,895)</u>	<u>(564,031)</u>	<u>(840,588)</u>	<u>(276,557)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,915,524</u>	<u>\$ 2,915,524</u>

*See accompanying notes to required supplementary information.*

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**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

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## GENERAL FUND

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The General Fund is the principal fund of the Town and is used to account for all activities of the Town, except those required to be accounted for in another fund. The General Fund accounts for the normal recurring activities of the Town (i.e., general government, public safety, public works, health, social services, recreation, education, etc.). These activities are funded principally by property taxes, user fees and grants from other governmental units.

**TOWN OF NEWTOWN, CONNECTICUT**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
Property Taxes:				
Collections - current year	\$ 105,499,739	\$ 105,499,739	\$ 105,338,703	\$ (161,036)
Collections - prior years	475,000	475,000	567,966	92,966
Interest and lien fees	425,000	425,000	370,732	(54,268)
Motor vehicle supplement list	1,100,000	1,100,000	1,086,323	(13,677)
Telecommunications property tax	60,000	60,000	47,298	(12,702)
Total property taxes	107,559,739	107,559,739	107,411,022	(148,717)
Intergovernmental:				
Veterans additional exemptions	20,163	20,163	19,033	(1,130)
In lieu of taxes	417,704	417,704	456,363	38,659
Totally disabled	1,753	1,753	1,643	(110)
Town aid for roads	470,865	470,865	470,587	(278)
Grants for municipal projects	235,371	235,371	235,371	-
Mashantucket Pequot fund grant	829,098	829,098	829,098	-
Connecticut school building grants	85,225	85,225	-	(85,225)
Equalized cost-sharing grant	3,956,332	3,956,332	4,557,326	600,994
Health services - St. Rose	22,170	22,170	22,777	607
Miscellaneous grants	50,000	50,000	26,639	(23,361)
LOCIP grant	240,865	240,865	241,178	313
State revenue sharing	257,863	257,863	267,960	10,097
FEMA grant reimbursement	-	-	1,708,294	1,708,294
Total intergovernmental revenue	6,587,409	6,587,409	8,836,269	2,248,860
Charges for Services:				
Town clerk - conveyance tax	500,000	500,000	488,906	(11,094)
Town clerk - other	225,000	225,000	196,648	(28,352)
Parks and recreation	225,000	225,000	225,000	-
Tuition	30,800	30,800	38,096	7,296
School generated fees	24,000	24,000	20,000	(4,000)
Building	450,000	450,000	556,847	106,847
Permit fees	1,250	1,250	5,375	4,125
Transfer Station permits	450,000	450,000	465,104	15,104
WPCA	125,000	125,000	125,000	-
Senior center membership fees	8,000	8,000	9,960	1,960
Land use	50,000	50,000	64,649	14,649
Total charges for services	2,089,050	2,089,050	2,195,585	106,535
Investment Income	450,000	450,000	1,196,136	746,136
Other Revenues:				
Miscellaneous - Police	30,000	30,000	32,139	2,139
Miscellaneous - Board of Education	5,000	5,000	6,571	1,571
Miscellaneous - Selectmen	200,000	200,000	133,648	(66,352)
Total other revenues	235,000	235,000	172,358	(62,642)
Total revenues	116,921,198	116,921,198	119,811,370	2,890,172

*Continued*

TOWN OF NEWTOWN, CONNECTICUT  
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES  
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Concluded)  
FOR THE YEAR ENDED JUNE 30, 2019

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Other Financing Sources:				
Appropriation of fund balance	\$ -	\$ 500,000	\$ -	\$ (500,000)
Cancellation of prior year encumbrances	-	-	23,078	23,078
Transfers in	200,000	200,000	400,000	200,000
Total other financing sources	200,000	700,000	423,078	(276,922)
Total revenues and other financing sources	<u>\$ 117,121,198</u>	<u>\$ 117,621,198</u>	<u>\$ 120,234,448</u>	<u>\$ 2,613,250</u> <i>Concluded</i>

**TOWN OF NEWTOWN, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Budgeted Amounts</b>			<b>Variance With Final Budget Over (Under)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>General Government:</b>				
Selectmen	\$ 433,684	\$ 448,689	\$ 441,922	\$ (6,767)
Selectmen - other	168,500	168,500	165,017	(3,483)
Human Resources	117,330	117,220	114,839	(2,381)
Tax Collector	373,989	351,645	347,864	(3,781)
Purchasing	50,000	32,500	29,564	(2,936)
Probate Court	7,543	7,543	5,652	(1,891)
Town Clerk	315,753	310,470	302,303	(8,167)
Registrars	160,034	157,034	146,873	(10,161)
Assessor	315,690	311,333	304,468	(6,865)
Finance	528,081	527,807	525,807	(2,000)
Technology	727,262	786,999	738,573	(48,426)
Unemployment	10,000	10,000	8,703	(1,297)
OPEB contribution	179,116	179,116	179,116	-
Professional organizations	40,658	40,658	40,658	-
Insurance	1,110,500	1,110,500	1,102,818	(7,682)
Legislative Council	45,000	45,000	44,000	(1,000)
Districts	10,000	10,000	2,524	(7,476)
Economic Development Commission	117,742	112,892	109,191	(3,701)
Grants administration	23,717	23,717	22,798	(919)
Sustainable Energy Commission	1,000	1,000.00	291.00	(709)
Fairfield Hills	44,000	44,000	43,999	(1)
<b>Total General Government</b>	<b>4,779,599</b>	<b>4,796,623</b>	<b>4,676,980</b>	<b>(119,643)</b>
<b>Public Safety:</b>				
Building inspector	446,069	435,575	431,085	(4,490)
Communications	1,116,098	1,073,098	1,066,451	(6,647)
Police Department	6,897,668	6,835,668	6,819,767	(15,901)
Fire Department	1,358,752	1,343,678	1,337,834	(5,844)
Emergency Management / N.U.S.	70,834	64,440	54,083	(10,357)
Animal Control	172,732	162,630	157,480	(5,150)
Lake authorities	44,670	44,670	44,670	-
N.W. safety communications	11,140	11,140	11,140	-
Emergency Medical Services	270,000	270,000	270,000	-
Northwest CT Emergency Medical Services	250	250	-	(250)
<b>Total Public Safety</b>	<b>10,388,213</b>	<b>10,241,149</b>	<b>10,192,510</b>	<b>(48,639)</b>
<b>Health and Welfare:</b>				
Social services	308,685	283,588	273,123	(10,465)
Senior services	350,566	350,477	339,274	(11,203)
Outside agencies	189,651	189,781	189,490	(291)
Youth & Family services	301,473	301,473	301,209	(264)
Newtown Cultural Arts Commission	2,500	2,500	2,500	-
Newtown Parade Committee	1,400	1,400	1,090	(310)
N.W. Conservation District	1,100	1,100	1,040	(60)
Booth Library	1,352,249	1,352,249	1,351,873	(376)
Newtown Health District	398,124	399,924	399,636	(288)
<b>Total Health and Welfare</b>	<b>2,905,748</b>	<b>2,882,492</b>	<b>2,859,235</b>	<b>(23,257)</b>

*Continued*



**TOWN OF NEWTOWN, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Concluded)**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Budgeted Amounts</b>			<b>Variance With Final Budget Over (Under)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
Land Use	\$ 683,294	\$ 682,812	\$ 662,685	\$ (20,127)
Public Works:				
Highway	7,381,585	7,567,384	7,519,333	(48,051)
Winter maintenance	819,535	734,935	724,999	(9,936)
Transfer station	1,455,466	1,500,466	1,497,425	(3,041)
Public building maintenance	722,105	815,465	804,041	(11,424)
Total Public Works	10,378,691	10,618,250	10,545,798	(72,452)
Parks and Recreation	2,452,159	2,421,750	2,410,223	(11,527)
Education	76,054,231	75,725,459	75,725,459	-
Contingency	120,000	6,264	-	(6,264)
Debt Service:				
Principal	6,736,992	6,728,992	6,728,992	-
Interest and fiscal charges	2,253,376	2,253,376	2,253,376	-
	8,990,368	8,982,368	8,982,368	-
Other Financing Uses:				
Transfers out:				
Edmond Town Hall Fund	151,895	151,895	151,530	(365)
Capital and Nonrecurring Fund - Town	217,000	783,364	783,364	-
Capital and Nonrecurring Fund - Non-lapsing	-	328,772	328,772	-
Total Other Financing Uses	368,895	1,264,031	1,263,666	(365)
Total Expenditures and Other Financing Uses	\$ 117,121,198	\$ 117,621,198	\$ 117,318,924	\$ (302,274)
				<i>Concluded</i>

TOWN OF NEWTOWN, CONNECTICUT  
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING  
FOR THE YEAR ENDED JUNE 30, 2019

tax collection rate = 99.3%

Grand List Year	Balance Uncollected June 30, 2018	Current Levy	Lawful Corrections		Transfers To Suspense	Balance To Be Collected	Taxes	Collections		Total	Balance Uncollected June 30, 2019
			Additions	Deductions				Liens and Fees	Interest		
2017	\$ -	\$ 107,573,636	\$ 364,347	\$ 649,355	\$ 135,858	\$ 107,152,760	\$ 106,425,026	\$ 276,744	-	\$ 106,701,770	\$ 727,734
2016	674,363	-	11,849	26,190	65,822	594,200	367,186	71,931	-	439,117	227,014
2015	200,334	-	2,295	3,675	8,650	190,304	26,090	10,561	-	36,651	164,214
2014	152,772	-	-	414	3,990	148,368	6,800	6,705	-	13,505	141,568
2013	133,198	-	-	417	3,712	129,069	2,783	1,321	-	4,104	126,286
2012	99,934	-	-	417	1,838	97,679	1,482	457	-	1,939	96,197
2011	134,231	-	-	384	1,943	131,904	-	935	-	935	131,904
2010	123,501	-	-	22	1,930	121,549	1,180	1,477	-	2,657	120,369
2009	114,451	-	-	-	1,900	112,551	-	-	-	-	112,551
2008	104,440	-	-	-	1,855	102,585	-	-	-	-	102,585
2007	98,274	-	-	-	2,006	96,268	-	600	-	600	96,268
2006	15,163	-	-	-	203	14,960	-	-	-	-	14,960
2005	12,633	-	-	-	-	12,633	-	-	-	-	12,633
2004	9,302	-	-	-	-	9,302	-	-	-	-	9,302
2003 and prior	17,146	-	-	8,373	-	8,773	-	-	-	-	8,773
	<u>\$ 1,889,742</u>	<u>\$ 107,573,636</u>	<u>\$ 378,491</u>	<u>\$ 689,247</u>	<u>\$ 229,717</u>	<u>\$ 108,922,905</u>	<u>\$ 106,830,547</u>	<u>\$ 370,731</u>	<u>-</u>	<u>\$ 107,201,278</u>	<u>\$ 2,092,358</u>

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## NONMAJOR GOVERNMENTAL FUNDS

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### SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources that are designated or legally restricted to expenditures for specific purposes. The nature and purpose of each special revenue fund is as follows:

**Dog License Fund** – A fund created pursuant to Connecticut State Statutes to account for the sale of dog tags and the expenditures of the dog warden and dog pound.

**Blight Fund** – A fund created pursuant to Town Ordinance to account for properties in disrepair. The Blight fund is a function of the Land Use department.

**Police Private Duty** – To account for police private duty services. Private duty is a function of the police department where officers provide security, traffic control and oversight (after their normal hours). A private job is billed to the customer who requires a police presence and the officer serving is paid in addition to standard salary.

**Town Gift Fund** – To account for funds received for specific gift purposes by the Board of Education, Commission on Aging, Economic Development Commission, N.U.S.A.R. Civil Preparedness and the Park Commission.

**School Lunch Program Fund** – To account for the operation of the public school lunch program. Funding is provided from the sale of food, Federal and State grant and USDA donated commodities.

**Education Grants Fund** – To account for funds received from the state and Federal governments, private grants and other contributions for education grants.

**Law Enforcement Fund** – To account for funds received from the State and Federal governments for prison emergency notification, drug control and awareness program and from the police assets forfeiture process.

**Septage Management Ordinance Fund** – A fund created by ordinance to account for funds received for the purpose of self-insuring the Town against any liability caused by the discharge of prohibited material collected in Newtown and delivered to the Danbury sewage system by pumpers licensed to Newtown.

**Fairfield Hills Authority Fund** – To account for lease proceeds and common charges collected on the Fairfield Hills Campus. Funds are used for the maintenance of the common areas and other expenditures of the Fairfield Hills Authority.

**School Custodial Fund** – To account for fees received for the use of school facilities by outside organizations. The proceeds are used to pay for custodial service, security, audio visual services, utilities and certain incremental building maintenance.

**Adult Education Fund** – To account for tuition fees received from individuals attending night classes at the high school. Tuition fees offset the cost of teaching and instructional materials.

**Edmond Town Hall Fund** – To account for the operations of the Edmond Town Hall. Financing is provided by individuals attending the movie theater and fees received for the use of the facilities by outside organizations.

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**NONMAJOR GOVERNMENTAL FUNDS *(Continued)***

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**SPECIAL REVENUE FUNDS *(Continued)***

**Newtown Community Center Fund** – To account for the operations of the new community center.

**Town Recreation Fund** – To account for various programs offered by the Park and Recreation Commission and the Commission on Aging and the operations of the Teen Center for which financing is provided by individuals in attendance.

**Miscellaneous Grants Fund** – To account for various reimbursement grants.

**Small Cities Program Fund** – To record the activity under the Small Cities Community Block Grant Program.

**Cemetery Fund** – To account for donations which are used for the perpetual care of Taunton, Sandy Hook and Botsford cemeteries.

**Eichler's Cove Marina Fund** – To account for the operations of Eichler's Cove Marina on Lake Zoar.

**Historic Documents Fund** – To account for a dollar fee received for each document recorded in the land records to be retained by the Town clerk for the preservation and management of historic documents in accordance with State Statute Section 7-34a(d); and an additional dollar fee to be retained by the Town clerk in accordance with State Statute Section 7-34a(e).

**Cultural Arts Fund** – To account for cultural arts program fees collected. These fees pay for the cultural arts program of the Cultural Arts Commission.

**Sandy Hook Special Revenue Fund** – To account for contributions received as a result of the Sandy Hook tragedy to be used for designed public purposes.

**DEBT SERVICE FUND**

This fund is used to account for the accumulation of resources for, and the payment of long-term debt principal, interest and related costs or other long-term liabilities.

**CAPITAL PROJECTS FUND**

**Capital and Nonrecurring Fund** – To account for funds set aside for future capital purchases and improvements.

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**NONMAJOR GOVERNMENTAL FUNDS (Continued)**

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**PERMANENT FUNDS**

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting government's programs.

**Hawley School Trust Fund** – To account for the investment of funds left in trusts by Mary E. Hawley for the care and maintenance of Hawley School.

**Edmond Town Hall Endowment Fund** – To account of the investment of funds left in trust by Mary E. Hawley for the care and maintenance of the Edmond Town Hall.

**Newtown Flagpole Fund** – To account for the investment of funds left in trust by Alida Pennie Knotts for the care and maintenance of the Newtown flagpole.

**The V.G. Hair and Frances E. Hair Fund** – To account for investment of funds left in trust by Frances E. Hair for the care and education relating to animals.

**TOWN OF NEWTOWN, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Dog License Fund	Blight Fund	Police Private Duty Fund	Town Gifts Fund	School Lunch Program Fund	Education Grants Fund
<b>REVENUES</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 245,757	\$ 3,558,187
Charges for services	18,416	-	1,262,737	-	1,566,762	533,415
Investment income	-	-	-	-	-	-
Other	7,614	-	-	82,803	-	68,177
Total revenues	26,030	-	1,262,737	82,803	1,812,519	4,159,779
<b>EXPENDITURES</b>						
Current:						
General government	-	-	-	23,998	-	-
Public safety	29,904	-	842,238	5,276	-	-
Health and welfare	-	1,650	-	2,535	-	-
Public works	-	-	-	-	-	-
Parks and recreation	-	-	-	38,343	-	-
Education	-	-	-	-	1,837,906	4,191,774
Capital outlays	-	-	-	-	-	-
Total expenditures	29,904	1,650	842,238	70,152	1,837,906	4,191,774
Excess (deficiency) of revenues over expenditures	(3,874)	(1,650)	420,499	12,651	(25,387)	(31,995)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(400,000)	-	-	-
Total other financing sources (uses)	-	-	(400,000)	-	-	-
Net change in fund balances	(3,874)	(1,650)	20,499	12,651	(25,387)	(31,995)
Fund balances - beginning	16,365	36,868	43,537	258,249	213,392	291,281
Fund balances - ending	\$ 12,491	\$ 35,218	\$ 64,036	\$ 270,900	\$ 188,005	\$ 259,286

Continued

TOWN OF NEWTOWN, CONNECTICUT  
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
NONMAJOR SPECIAL REVENUE FUNDS (Continued)  
FOR THE YEAR ENDED JUNE 30, 2019

	Law Enforcement Fund	Septage Management Ordinance Fund	Fairfield Hills Authority Fund	School Custodial Fund	Adult Education Fund
<b>REVENUES</b>					
Intergovernmental	\$ 132,001	\$ -	\$ -	\$ -	\$ -
Charges for services	-	4,750	38,428	6,640	174,145
Investment income	-	1,446	-	-	-
Other	2,000	-	400	-	-
Total revenues	134,001	6,196	38,828	6,640	174,145
<b>EXPENDITURES</b>					
Current:					
General government	-	-	58,994	-	-
Public safety	26,923	-	-	-	-
Health and welfare	-	659	-	-	-
Public works	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Education	-	-	-	9,277	168,419
Capital outlays	-	-	-	-	-
Total expenditures	26,923	659	58,994	9,277	168,419
Excess (deficiency) of revenues over expenditures	107,078	5,537	(20,166)	(2,637)	5,726
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Net change in fund balances	107,078	5,537	(20,166)	(2,637)	5,726
Fund balances - beginning	112,229	116,939	92,122	85,571	58,697
Fund balances - ending	\$ 219,307	\$ 122,476	\$ 71,956	\$ 82,934	\$ 64,423

Continued



**TOWN OF NEWTOWN, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Edmond Town Hall Fund	Newtown Community Center Fund	Town Recreation Fund	Miscellaneous Grants Fund	Small Cities Program Fund
<b>REVENUES</b>					
Intergovernmental	\$ -	\$ -	\$ -	\$ 1,667,527	\$ -
Charges for services	445,434	22,881	655,359	-	2,890
Investment income	46,995	11,150	-	-	-
Other	2,196	1,055,220	-	-	-
Total revenues	494,625	1,089,251	655,359	1,667,527	2,890
<b>EXPENDITURES</b>					
Current:					
General government	635,355	-	-	370,952	8,864
Public safety	-	-	-	65,247	-
Health and welfare	-	-	22,517	-	-
Public works	-	-	-	381,143	-
Parks and recreation	-	168,744	687,885	-	-
Education	-	-	-	-	-
Capital outlays	-	-	-	850,194	-
Total expenditures	635,355	168,744	710,402	1,667,536	8,864
Excess (deficiency) of revenues over expenditures	(140,730)	920,507	(55,043)	(9)	(5,974)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	151,530	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	151,530	-	-	-	-
Net change in fund balances	10,800	920,507	(55,043)	(9)	(5,974)
Fund balances - beginning	151,002	(6,986)	15,498	9	22,273
Fund balances - ending	\$ 161,802	\$ 913,521	\$ (39,545)	\$ -	\$ 16,299

*Continued*

**TOWN OF NEWTOWN, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS (Concluded)**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Cemetery Fund	Eichler's Cove Marina Fund	Historic Documents Fund	Cultural Arts Fund	Sandy Hook Special Revenue Fund	Total Nonmajor Special Revenue Funds
<b>REVENUES</b>						
Intergovernmental	\$ -	\$ -	\$ 6,500	\$ 3,750	\$ -	\$ 5,613,722
Charges for services	-	154,384	13,132	9,320	-	4,908,693
Investment income	-	-	-	6,566	-	66,157
Other	-	568	-	37,341	500	1,256,819
Total revenues	-	154,952	19,632	56,977	500	11,845,391
<b>EXPENDITURES</b>						
Current:						
General government	333	-	12,531	-	15,084	1,126,111
Public safety	-	-	-	-	-	969,588
Health and welfare	-	-	-	59,133	-	86,494
Public works	-	-	-	-	-	381,143
Parks and recreation	-	130,871	-	-	-	1,025,843
Education	-	-	-	-	-	6,207,376
Capital outlays	-	209,074	-	-	-	1,059,268
Total expenditures	333	339,945	12,531	59,133	15,084	10,855,823
Excess (deficiency) of revenues over expenditures	(333)	(184,993)	7,101	(2,156)	(14,584)	989,568
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	151,530
Transfers out	-	-	-	-	-	(400,000)
Total other financing sources (uses)	-	-	-	-	-	(248,470)
Net change in fund balances	(333)	(184,993)	7,101	(2,156)	(14,584)	741,098
Fund balances - beginning	333	477,358	30,977	187,457	126,243	2,329,414
Fund balances - ending	\$ -	\$ 292,365	\$ 38,078	\$ 185,301	\$ 111,659	\$ 3,070,512
						<i>Concluded</i>

TOWN OF NEWTOWN, CONNECTICUT  
COMBINING BALANCE SHEET  
NONMAJOR PERMANENT FUNDS  
AS OF JUNE 30, 2019

	Hawley School Trust Fund	Edmond Town Hall Endowment Fund	Newtown Flagpole Fund	The V.G. Hair and Frances E. Hair Fund	Total Nonmajor Permanent Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,970	\$ 8,527	\$ -	\$ 15,793	\$ 27,290
Investments	392,497	1,064,424	12,409	1,039,660	2,508,990
Due from other funds	22,693	-	3,637	79,771	106,101
Total assets	<u>\$ 418,160</u>	<u>\$ 1,072,951</u>	<u>\$ 16,046</u>	<u>\$ 1,135,224</u>	<u>\$ 2,642,381</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Nonspendable	350,000	250,000	10,000	-	610,000
Restricted	68,160	822,951	6,046	1,135,224	2,032,381
Total fund balances	<u>418,160</u>	<u>1,072,951</u>	<u>16,046</u>	<u>1,135,224</u>	<u>2,642,381</u>
Total liabilities and fund balances	<u>\$ 418,160</u>	<u>\$ 1,072,951</u>	<u>\$ 16,046</u>	<u>\$ 1,135,224</u>	<u>\$ 2,642,381</u>

**TOWN OF NEWTOWN, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR PERMANENT FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Hawley School Trust Fund	Edmond Town Hall Endowment Fund	Newtown Flagpole Fund	The V.G. Hair and Frances E. Hair Fund	Total Nonmajor Permanent Funds
<b>REVENUES</b>					
Investment income	\$ 23,929	\$ 57,665	\$ 82	\$ 43,346	\$ 125,022
Contributions	-	-	26	-	26
Total revenues	<u>23,929</u>	<u>57,665</u>	<u>108</u>	<u>43,346</u>	<u>125,048</u>
<b>EXPENDITURES</b>					
Current:					
General government	-	63,492	300	-	63,792
Public safety	-	-	-	48,523	48,523
Education	31,596	-	-	-	31,596
Total expenditures	<u>31,596</u>	<u>63,492</u>	<u>300</u>	<u>48,523</u>	<u>143,911</u>
Net change in fund balances	(7,667)	(5,827)	(192)	(5,177)	(18,863)
Fund balances - beginning	425,827	1,078,778	16,238	1,140,401	2,661,244
Fund balances - ending	<u>\$ 418,160</u>	<u>\$ 1,072,951</u>	<u>\$ 16,046</u>	<u>\$ 1,135,224</u>	<u>\$ 2,642,381</u>

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## **FIDUCIARY FUNDS**

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Fiduciary funds are used to account for assets held by the Town in a trustee capacity for individuals, private organizations or other governments.

### **PENSION TRUST FUNDS**

A fiduciary fund type used to report resources that are required to be held in trust for the member and beneficiaries of defined benefit pension plans.

The Town has three pension plans covering substantially all of its employees, except teachers who are covered by the State Teachers' Retirement Fund. The General Town and Board of Education Plan is a contributory defined benefit plan. The Police Plan is a contributory defined benefits plan. The Elected Officials Plan is a contributory defined contribution plan.

### **OPEB TRUST FUNDS**

To account for the Town's other post-employment benefit plan, which provides medical and life insurance to retirees.

### **PRIVATE-PURPOSE TRUST FUNDS**

Sandy Hook Private-Purpose Trust Fund is a fund to account for donations for the families/victims as a result of the tragedy on December 14, 2012. In addition, it is also to account for donations for scholarships.

### **AGENCY FUNDS**

Agency funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities).

**Board of Education Flex Plan Fund** – To account for employee medical savings account.

**Student Activities Fund** – To account for expenditures for educational extracurricular activities at the various schools. Financing is provided by individual fundraising projects.

**Police Benevolent Fund** – To account for funds held to benefit the Police Benevolent Association.

**Performance Bonds Fund** – A fund to account for developers' bonds which are held to assure performance on road construction. Once the roads are constructed, the bonds are released to the developers.

**TOWN OF NEWTOWN, CONNECTICUT**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**PENSION AND OTHER POST-EMPLOYMENT BENEFITS TRUST FUNDS**  
**AS OF JUNE 30, 2019**

	<b>Town Pension Trust Fund</b>	<b>OPEB Trust Fund</b>	<b>Total Pension Trust Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 92,795	\$ 14,832	\$ 107,627
Investments:			
Bond mutual funds	15,866,205	1,003,327	16,869,532
Equity mutual funds	29,470,199	1,788,144	31,258,343
Contributions receivable	1,130	-	1,130
Total assets	<u>\$ 45,430,329</u>	<u>\$ 2,806,303</u>	<u>\$ 48,236,632</u>
<b>NET POSITION</b>			
Held in trust for pension benefits	<u>\$ 45,430,329</u>	<u>\$ 2,806,303</u>	<u>\$ 48,236,632</u>

**TOWN OF NEWTOWN, CONNECTICUT**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**PENSION AND OTHER POST-EMPLOYMENT BENEFITS TRUST FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Town Pension Trust Fund	OPEB Trust Fund	Total Pension Trust Funds
<b>ADDITIONS</b>			
Contributions:			
Employer	\$ 2,254,873	\$ 698,956	\$ 2,953,829
Plan members	447,671	121,733	569,404
Total contributions	<u>2,702,544</u>	<u>820,689</u>	<u>3,523,233</u>
Investment earnings:			
Interest and dividends	1,100,888	66,625	1,167,513
Net change in the fair value of investments	<u>1,260,798</u>	<u>76,717</u>	<u>1,337,515</u>
Total investment earnings	2,361,686	143,342	2,505,028
Less: investment fee expense	<u>(44,765)</u>	<u>-</u>	<u>(44,765)</u>
Total investment earnings, net	<u>2,316,921</u>	<u>143,342</u>	<u>2,460,263</u>
Total additions	5,019,465	964,031	5,983,496
<b>DEDUCTIONS</b>			
Benefit payments	2,325,891	476,145	2,802,036
Administrative expenses	<u>65,784</u>	<u>2,646</u>	<u>68,430</u>
Total deductions	<u>2,391,675</u>	<u>478,791</u>	<u>2,870,466</u>
Change in net position	2,627,790	485,240	3,113,030
Net position - beginning	<u>42,802,539</u>	<u>2,321,063</u>	<u>45,123,602</u>
Net position - ending	<u>\$ 45,430,329</u>	<u>\$ 2,806,303</u>	<u>\$ 48,236,632</u>

net position  
increased 6.1%

OPEB = retiree  
health benefits.  
Only police and  
teachers.

**TOWN OF NEWTOWN, CONNECTICUT**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**AGENCY FUNDS**  
**AS OF JUNE 30, 2019**

	<b>Flexible Spending Fund</b>	<b>Student Activities Fund</b>	<b>Police Benevolent Fund</b>	<b>Performance Bonds Fund</b>	<b>Total</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 23,732	\$ 544,691	\$ 1,367	\$ 274,731	\$ 844,521
Investments	-	192,731	-	-	192,731
Total assets	<u>\$ 23,732</u>	<u>\$ 737,422</u>	<u>\$ 1,367</u>	<u>\$ 274,731</u>	<u>\$ 1,037,252</u>
<b>LIABILITIES</b>					
Due to others	<u>\$ 23,732</u>	<u>\$ 737,422</u>	<u>\$ 1,367</u>	<u>\$ 274,731</u>	<u>\$ 1,037,252</u>



**TOWN OF NEWTOWN, CONNECTICUT**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Balance, July 1, 2018	Additions	Deletions	Balance, June 30, 2019
<b>ASSETS</b>				
Cash and cash equivalents:				
Flexible Spending Fund	\$ 11,502	\$ 118,729	\$ 106,499	\$ 23,732
Student Activities Fund	498,601	1,470,105	1,424,015	544,691
Police Benevolent Fund	309	1,058	-	1,367
Performance Bonds Fund	452,365	366	178,000	274,731
Total cash and cash equivalents	<u>962,777</u>	<u>1,590,258</u>	<u>1,708,514</u>	<u>844,521</u>
Investments:				
Student Activities Fund	192,731	-	-	192,731
Total assets	<u>\$ 1,155,508</u>	<u>\$ 1,590,258</u>	<u>\$ 1,708,514</u>	<u>\$ 1,037,252</u>
<b>LIABILITIES</b>				
Due to others:				
Flexible Spending Fund	\$ 11,502	\$ 118,729	\$ 106,499	\$ 23,732
Student Activities Fund	691,332	1,470,105	1,424,015	737,422
Police Benevolent Fund	309	1,058	-	1,367
Performance Bonds Fund	452,365	366	178,000	274,731
Total liabilities	<u>\$ 1,155,508</u>	<u>\$ 1,590,258</u>	<u>\$ 1,708,514</u>	<u>\$ 1,037,252</u>

**TOWN OF NEWTOWN, CONNECTICUT**  
**SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**FINANCIAL STATEMENTS**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

☐ Material weakness(es) identified? \_\_\_\_\_ Yes ✓ No

☐ Significant deficiency(ies) identified? \_\_\_\_\_ ✓ Yes \_\_\_\_\_ None reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes ✓ No

**FEDERAL AWARDS**

Internal control over major programs:

☐ Material weakness(es) identified? \_\_\_\_\_ Yes ✓ No

☐ Significant deficiency(ies) identified? \_\_\_\_\_ Yes ✓ None reported

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

Any audit findings disclosed that are required to be reported in accordance 2 CFR Section 200.516(a)? \_\_\_\_\_ Yes ✓ No

Identification of major programs:

CFDA Number	Name of Federal Program
84.027, 84.173	Special Education Cluster (IDEA)

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ ✓ Yes \_\_\_\_\_ No

**SECTION II - FINANCIAL STATEMENT FINDINGS**

**Finding 2019-001: Significant Deficiency over Internal Control over Financial Reporting - Accounting for Sewer Assessments**

**Criteria:** Management of the Town is responsible for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**TOWN OF NEWTOWN, CONNECTICUT**  
**SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS *(Continued)***  
**FOR THE YEAR ENDED JUNE 30, 2019**

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**SECTION II - FINANCIAL STATEMENT FINDINGS**

**Condition:** During our audit, we noted the following matters that are indicative of a significant deficiency in the Town's internal control over financial reporting relating to the accounting for sewer assessments.

- there is no formal procedure to facilitate the communication of new and amended assessments approved by the Water and Sewer Authority from the Public Works department to the Tax and Finance Departments;
- there is no formal policy that defines the terms and calculations surrounding the development of sewer assessments per property;
- not all sewer assessments are tracked within the assessment software; and
- reconciliations of billed and unbilled assessment receivables and related interest and fees are not performed on a monthly basis between the general ledger and the assessment software.

**Effect:** Adjustments were required to both the general ledger and the assessment software.

**Cause:** Lack of formal policies and procedures.

**Auditor's Recommendation:** We recommend that the Town develop procedures to ensure that all new and amended assessments approved by the Water and Sewer Authority are communicated timely to the Tax and Finance Departments. The Town should consider the use of a required form to be approved by the chair of the Water and Sewer Authority, the Public Works director, the Tax Collector and the Finance Director. We further recommend that the Water and Sewer Authority consider adopting a policy that defines the terms and calculations surrounding the development of sewer assessments per policy. In addition, we recommend that all sewer assessments are tracked within the assessment software and that amounts reported within the assessment software are reconciled with the general ledger on a monthly basis. This reconciliation should be reviewed and approved by appropriate member of management.

**Management's Response:** Management agrees with the finding and intends to take corrective action to address the identified deficiencies.

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

No findings or questioned costs were reported.