

ENGINEERING REPORT

WEST CORNWALL

WASTEWATER COLLECTION and TREATMENT PROJECT

CORNWALL, CT

September 2020



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Table of Contents

| | |
|--|----|
| 1) PROJECT PLANNING | 1 |
| a) Location..... | 1 |
| b) Environmental Resources Present..... | 1 |
| c) Population Trends | 2 |
| d) Community Engagement..... | 2 |
| 2) EXISTING FACILITIES..... | 3 |
| a) Location Map | 3 |
| b) History | 3 |
| c) Condition of Existing Facilities..... | 3 |
| d) Financial Status of any Existing Facilities | 4 |
| e) Water/Energy/Waste Audits..... | 4 |
| 3) NEED FOR PROJECT | 4 |
| a) Health, Sanitation, and Security..... | 6 |
| b) Reasonable Growth | 7 |
| 4) ALTERNATIVES CONSIDERED..... | 8 |
| a) Description | 8 |
| Conventional Individual Septic Systems..... | 8 |
| Individual I/A Systems | 8 |
| Wastewater Collection System and Treatment System..... | 9 |
| Connection to Existing Sewers..... | 10 |
| b) Design Criteria | 10 |
| c) Map..... | 10 |
| d) Environmental Impacts | 11 |
| e) Land Requirements | 11 |
| f) Potential Construction Problems..... | 11 |
| g) Sustainability Considerations..... | 11 |
| h) Water and Energy Efficiency..... | 11 |
| i) Cost Estimates..... | 11 |
| 5) SELECTION OF AN ALTERNATIVE..... | 12 |
| Conventional Individual Septic Systems..... | 12 |
| Individual I/A Systems | 12 |
| Wastewater Collection System and Treatment System..... | 12 |
| Connection to Existing Sewers..... | 13 |
| Recommended Wastewater Management Plan | 13 |
| a) Life Cycle Cost Analysis..... | 14 |
| b) Non-Monetary Factors | 14 |
| 6) PROPOSED PROJECT (RECOMMENDED ALTERNATIVE) | 14 |
| Wastewater Collection System..... | 14 |
| a) Preliminary Project Design | 14 |
| Wastewater | 14 |
| i) Collection System Layout..... | 14 |
| ii) Pumping Stations | 14 |
| iii) Storage..... | 15 |

iv) Treatment15
b) Project Schedule.....15
c) Permit Requirements.....15
d) Sustainability Considerations.....15
e) Compliance with American Iron and Steel Requirements.....15
f) Total Project Cost Estimate (Engineer’s Opinion of Probable Cost).....15
g) Annual Operating Budget.....15
7) CONCLUSIONS AND RECOMMENDATIONS.....16

APPENDICES

Appendix A - Figures

- Figure 1: Location Map
- Figure 2: Annotated CT DEEP June 2020 Natural Diversity Database Map
- Figure 3: Current FIRM Map
- Figure 4: Proposed Plan

Appendix B - Cost Estimate

Appendix C - Financial Information

Appendix D - USDA Natural Resources Conservation Service

Appendix E – Existing Condition Information

1) PROJECT PLANNING

This Engineering Report is prepared as supporting documentation for a construction project funding application submitted by the Town of Cornwall to the US Department of Agriculture-Rural Development (USDA-RD) office, for the installation of the sanitary sewer collection and treatment system.

a) Location

West Cornwall lies in the north western part of Connecticut, just east of the iconic covered bridge at the intersection of Route 7 and 128. The historic village of West Cornwall is located within the Town of Cornwall, in Litchfield County, CT. The Town is bounded by Canaan to the north, Goshen to the east, Warren and Kent to the south, and Sharon to the east. The Town of Cornwall has an area of 46.3± square miles. A Location Map is enclosed as Figure 1 in Appendix A.

The historic village of West Cornwall, the focus area of this project, has a compact main street with a restaurant, furniture maker, pottery store, gift shop, barber shop, post office, library, and other locally owned small businesses surrounded by a residential neighborhood. The project proposes to address the lack of sewer infrastructure by focusing on the central core of this village. The proposed project plans to connect up to 30 properties, some of which are multi-use as noted above.

b) Environmental Resources Present

Litchfield County is in the northwestern part of Connecticut and it lies within the New England physiographic province and occupies parts of two sections, the New England Section and the Taconic Section, with the adjoining limestone valley. This region of the state is referred to as the Western Highlands of Connecticut.

The historic village of West Cornwall lies directly adjacent to the Housatonic River, which in turn is within the Housatonic Major Basin. The Housatonic Major Basin discharges to Long Island Sound. Recently, the Governor of Connecticut has requested that the U.S. Secretary of the Interior add a 41-mile segment of the Housatonic River, including the River in proximity to West Cornwall, to the National Wild and Scenic Rivers System. The National Park Service will conduct an evaluation of the Governor's request and will make a recommendation to the Secretary about whether to include the proposed segments in the System after public and agency comment on the evaluation.

Generally, the Town is rural, with large areas of undeveloped land. While not completely developed, the area within the West Cornwall is more densely developed than the remainder of the Town and comprises of a residential and business properties. West Cornwall is identified on the State's Locational Guide Map as a Village Priority Funding Area.

The Housatonic River, which flows south to Long Island Sound, includes a corridor of wetlands along its path. Much of this corridor is within an area flagged by CT DEEP as containing state or federal listed species or significant natural communities. The most recent DEEP map of Natural

Diversity Database Areas is enclosed as Figure 2 in Appendix A.

The Housatonic River and Mill River within West Cornwall are all part of the FEMA Flood Study for the Town. Flooding is generally not an issue within the proposed construction area. The current FEMA FIRM map for this area is enclosed as Figure 3 in Appendix A.

Installation of a sewage collection system will occur in previously disturbed areas, direct impacts to environmental resources are de minimis, while indirect impacts are most likely positive, as long term impacts that are anticipated will be improvements in the Housatonic River and Mill River water quality resulting from resolving problems and concerns with the existing subsurface wastewater disposal systems.

c) Population Trends

After 20 years of steady population growth from 1970 to 1990, the number of people in Town stabilized over the next two decades and began to drop around 2010, the date of the last census. The population exhibits a 4% decrease in recent years.

| Year | Population |
|------|------------|
| 1960 | 1,051 |
| 1970 | 1,177 |
| 1980 | 1,288 |
| 1990 | 1,414 |
| 2000 | 1,434 |
| 2010 | 1,420 |
| 2017 | 1,364 |

d) Community Engagement

Addressing the lack of water/sewer infrastructure in this village has been under discussion for several years and listed as a strategy in all recent town planning documents including the 2010 Town Plan, Cornwall Commercial Center Plan 2012, and Cornwall Village Centers Marketing Program. More recently, the Town formed a water and septic study committee to undertake a wastewater management study of West Cornwall. Subsequently the Town retained WMC Consulting Engineers to complete the study, evaluate septic system concerns and develop innovative solutions to wastewater disposal concerns and potable water supply issues. The committee has held public informational meetings and continues to engage the public in their efforts.

2) EXISTING FACILITIES

Currently, properties in West Cornwall are serviced by individual subsurface wastewater disposal systems.

a) Location Map

A Location Map is enclosed as Figure 1 in Appendix A.

A proposed plan of the collection system is provided as Figure 4 in Appendix A.

b) History

Historically, there have been concerns with wastewater disposal in the study area, as the lot sizes are relatively small, which inhibits the installation of Connecticut Public Health Code compliant septic systems. Because of this, some businesses cannot have a septic system at all and other businesses and residential properties cannot improve their properties. Additionally, due to the site constraints there are properties where their water supply well is not on their property. Another concern is the quality of the surface water and groundwater in the village area, as pollutants from the existing septic systems may be reaching the Housatonic River and Mill Brook as well as individual wells.

A group of local business owners in West Cornwall have come together and been meeting regularly to try to address this situation. They are concerned about the lack of sewer/water infrastructure in the village center and how it is impeding both their efforts and the efforts to attract new small businesses to the vacant commercial spaces in the village. The Town also has an active Economic Development Commission who has been focused on this as one of their priority issues to address. During the planning and conceptual phase of this proposed project, it was determined to focus on the central core of the village by connecting approximately 30 properties to a sanitary collection system and treatment facility.

c) Condition of Existing Facilities

Historically, there have been concerns with wastewater disposal in the study area, as the lot sizes are relatively small, which inhibits the installation of Connecticut Public Health Code compliant septic systems. Because of this, some businesses cannot have a septic system at all and other businesses and residential properties cannot improve their properties. Additionally, due to the site constraints there are properties where their water supply well is not on their property. Another concern is the quality of the surface water and groundwater in the village area, as pollutants from the existing septic systems may be reaching the Housatonic River and Mill Brook as well as individual wells. The Health District has records of existing septic systems which indicate that the majority of the systems do not meet Public Health Code requirements, which are designed to protect the surface and groundwater's of the State of Connecticut.

The water quality of the Housatonic River and potable wells is of concern to not only the residents of Cornwall, but to the Torrington Area Health District (TAHD) and to the users of the Housatonic River. The Housatonic River has a large drainage area that extends north into Massachusetts and west into New York. The confluence with Mill Brook, just north of the covered bridge, enters the

Housatonic River as it runs by West Cornwall. The TAHD has expressed concerns about system performance and space requirements for new or expanded systems in this area of Cornwall.

WMC performed water quality sampling at eight sites within the West Cornwall Study Area. Water was tested for nitrogen, phosphorus, fecal coliform and fecal streptococcus. Although minute amounts were found, levels were not alarming and typical of what would be expected in rivers with watershed systems such as the Housatonic River and Mill Brook. "Pin-pointing" possible sources and locations can be difficult and these results are not necessarily indicative of ground water quality entering the Housatonic River.

WMC conducted subsurface monitoring well sampling within the study area. Both monitoring wells are down gradient of the central portion of West Cornwall and within 100 feet of the Housatonic River. The results of this investigation showed impairment of the groundwater quality.

The evaluation concluded that the existing subsurface wastewater treatment and disposal systems contain a significant potential to detrimentally affect the water quality of potable wells and the Housatonic River. TAHD files, water quality sampling and monitoring well sampling results have been attached in Appendix E.

d) Financial Status of any Existing Facilities

NA: Currently the Town does not have any facilities to capture or treat sanitary sewage. Included in Appendix C, are current and three years' worth of the Town Financial Statements and Audits.

e) Water/Energy/Waste Audits

NA

3) NEED FOR PROJECT

The Torrington Area Health District (TAHD) has records of existing septic systems which indicate that the majority of the systems do not meet Public Health Code requirements, which are designed to protect the surface and groundwater's of the State of Connecticut.

The water quality of the Housatonic River and potable wells is of concern to not only the residents of Cornwall, but to the TAHD and to the users of the Housatonic River. The Housatonic River has a large drainage area that extends north into Massachusetts and west into New York. The confluence with Mill Brook, just north of the covered bridge, enters the Housatonic River as it runs through West Cornwall. The TAHD has expressed concerns about system performance and space requirements for new or expanded systems in this area of Cornwall.

The Wastewater Management Study area is comprised of the developed village area and surrounding residential neighborhoods (See Overall Study Area Plan in Appendix A and Project Location Plan on previous page). The study focused on the dwellings and buildings within this

area. Although homes were investigated outside this area, these dwellings contain larger lot sizes and/or newer construction and are assumed to be able to meet current health code standards than the older developments (homes) in the village area.

The study area has a dense central core with mixed business and residential buildings, surrounded by residential neighborhoods. Lots sizes vary in size from 0.1 acres to greater than 1.0 acres. No public water supply is available in the area and therefore all the properties are serviced by individual wells.

Site visits were conducted in 2017 by WMC staff to investigate potential septic system failures and/or the potential of septic systems affecting the water quality of the Housatonic River and West Cornwall. These site inspections were “visual” in nature and were conducted to see whether potential septic systems problems or possible negative impacts to water quality exist. Investigation of potential failures included looking for visible breakouts of wastewater at the ground surface, chronically wet areas in the vicinity of the leach fields and prominent “sewage” odor. In addition, during the site visits, information was attained from homeowners present during the time of inspection in order to compile data on existing systems and how they are functioning. The conclusions made about the existing subsurface wastewater disposal systems are based on homeowner knowledge and visual observations, including lot size, depth to ground water, proximity to the watercourse, detection of objectionable odors, or other possible limiting factors (ledge, etc.).

Subsurface wastewater disposal systems can also be failing without apparent visible signs. Any time a component in a subsurface system does not provide the proper treatment level, it can be considered failing. For instance, a leach field discharging directly to the water table, system overloading, high groundwater conditions, improper design and materials, improper maintenance, soil conditions, damage from trees, vehicles and on site construction activities can all lead to a failing subsurface system. A failed septic will not adequately provide treatment levels to the septic effluent allowing nitrogen, phosphorus, pathogens and organic matter to reach the ground and surface waters. The excess of these can lead to algal and plant blooms which are detrimental to water quality and public health. As more algae and plants grow as a result of high levels of nutrients, others die. This dead organic matter becomes food for bacteria that decompose it. With more food available, the bacteria increase in number and use up the dissolved oxygen in the water. When the dissolved oxygen content decreases, many fish and aquatic insects cannot survive. This can result in a “dead area” of a water body. Also, algal blooms may be of concern as some species of algae produce neurotoxins. At the high cell concentrations reached during some blooms, these toxins may have severe biological impacts on wildlife.

Generally the geologic soil conditions of the West Cornwall area consists of floodplain and glacial till soils. While this may allow for substandard septic systems to work well for many years, the nature of the subsoil does not provide treatment and filtering protection to the groundwater. A USDA Natural Resources Conservation Service (NRCS) web soil survey query for the study area was performed and the resulting soils map and Sewage Disposal Rating Report are attached in

Appendix C & D. The NRCS web soil survey query shows that 73.4% of the study area comprises of soils classified in the Haven and Enfield, Hinkley and Merrimac complexes. Further investigation of the soils map reveals that these soil complexes are evident in the majority of the developed area in the study. According to the NRCS Sewage Disposal Rating Report these soils are rated as Very Limited, with poor filtering capacity and bottom layer seepage as limiting soil features. The NRCS defines *Very Limited* as indication “*that the soil has one or more features that are unfavorable for the specified use*” and “*poor performance can be expected*”.

In addition, on site percolation information was gathered within the project study. Data collected on-site correlated well with the data provided by homeowners with percolation rates in the 0-1 minutes/inch range. This information was used to help determine if conventional upgrades to individual septic systems could be viable on site solutions.

At this stage of the study, soil permeability tests of the potential community (a community system is defined by the Connecticut DEEP as the connection of two or more residential homes to a common sewage disposal system) subsurface disposal sites were not investigated. All three sites evaluated are currently private undeveloped areas and in close proximity to the study areas. Permeability soil testing (testing the rate of water movement through the soil), was not performed at any of the evaluated community sites. Permeability tests are required by DEEP for design of a community subsurface disposal system or systems over 7,500gpd. Site testing includes deep test pits and permeability testing of soil samples at different strata of the underlying soil. If a community treatment facility site is determined to be potentially feasible, test pits and soil permeability testing will be conducted and any subsurface disposal system will be designed in accordance with DEEP requirements.

WMC performed water quality sampling at eight sites within the West Cornwall Study Area. Water was tested for nitrogen, phosphorus, fecal coliform and fecal streptococcus. Although minute amounts were found, levels were not alarming and typical of what would be expected in rivers with watershed systems such as the Housatonic River and Mill Brook. "Pin-pointing" possible sources and locations can be difficult and these results are not necessarily indicative of ground water quality entering the Housatonic River.

WMC conducted subsurface monitoring well sampling within the study area. Both monitoring wells are down gradient of the central portion of West Cornwall and within 100 feet of the Housatonic River.

After site inspections, assessments of septic system sizes, water quality sampling and soil investigations were concluded, our consulting engineer is of the opinion that West Cornwall could benefit from having a sanitary sewer disposal system. Small lots sizes, the high percentage of systems operating with concern, local soil conditions, lack of availability of a public water supply and proximity to potable wells all factor into this opinion.

a) Health, Sanitation, and Security

This wastewater management study concluded that the existing subsurface wastewater treatment

and disposal systems contain a significant potential to detrimentally affect the water quality of potable wells and the Housatonic River. The majority of on-site disposal systems do not meet current Health Code standards and therefore there is a high potential for surface and groundwater impairment.

b) Reasonable Growth

The proposed facilities are capable of supporting the minimal population growth anticipated within the proposed sewer district boundary. Currently there is approximately 12 residential properties, 12 mixed-use businesses, 2 businesses, 1 library, 1 post office and a few vacant buildings which could support potential growth.

4) ALTERNATIVES CONSIDERED

a) Description

The alternatives to the proposed action include:

- Conventional Upgrades to Septic Systems
- Innovative/Alternative Upgrades to Individual Existing Septic Systems
- Wastewater Collection System and Treatment System
- Connection to Existing Sewers

Conventional Individual Septic Systems

Compared to the other wastewater management options considered, a district-wide conventional upgrade for each individual subsurface wastewater treatment and disposal system has only a minimal operations cost, entirely comprised of Town permitting and health department oversight. As such, an upgrade program can be seen as the most cost-effective option. Conventional upgrades (i.e. septic tanks and leaching fields, drywells) would be on-site repairs and/or replacements compliant to the current Connecticut Public Health Code and Torrington Area Health District (TAHD) regulations. However a conventional upgrade would do little to eliminate the potential nutrient discharge to the Housatonic River. Small lot sizes also limit the feasibility of constructing conventional treatment systems to the standards established in the public health code. Additionally, even with the best site conditions, conventional upgrades can still have a limited life and over time these systems may need replacing. Furthermore, while any option implemented will require financial input from the property owners, the entire cost of conventional subsurface system upgrades is typically borne by the homeowner. Although the Town could provide some funding assistance for such upgrades, it is possible that such a proposal would not be viewed favorably from the rest of the residents of Cornwall. Therefore based on the uncertain long term environmental benefits and costs, an upgrade to the existing systems is not recommended.

Individual I/A Systems

The installation of individual I/A systems is another approach that Cornwall could implement to address water quality of the Housatonic River. The Town would need to consider the level of management that would be necessary if such an approach is undertaken. The DEEP has made it clear that the Town, not the individual homeowner, will ultimately be responsible for ensuring these systems are functioning and maintained correctly. The Town, either through its own staff or by contract with certified operators, would be responsible for managing and maintenance of a significant number of individual systems. While this is not an insurmountable task, it is one that will likely require additional Town resources to properly implement. From an annual cost-based perspective, the implementation of a District-wide individual I/A treatment program does not compare favorably to other options. If wastewater treatment within the District is desired, economy of scale dictates that the construction of a community wastewater treatment facility would be a more economically feasible option.

Wastewater Collection System and Treatment System

Installation of a community wastewater collection system and treatment facility is an alternative method of wastewater management that can be often used in areas where a higher level of treatment, compared to conventional systems, is required due to the proximity to environmentally sensitive features, such as wetlands, rivers and public drinking water wells. The installation of a community wastewater collection system would require installing sanitary sewers to all homes within central area to be serviced, due to their density and proximity to the Housatonic River and Mill Brook.

Two different types of community treatment systems can be utilized for the treatment of wastewater. One type would consist of a conventional septic tank system where separation of solid and liquid components of wastewater occurs within a tank (or series of tanks) with flow baffling configurations. This allows solids to settle out and floatable elements, such as fats and oils, to separate before the effluent is discharged to the absorption fields. Another type of community system would consist of enhanced pretreatment options. These options include the use of mechanical, biological and chemical processes or the combination thereof to provide a higher quality effluent discharging to the absorption fields.

WMC conducted a preliminary assessment of overall land requirements needed to provide wastewater effluent disposal for a community-sized system for both a conventional type and enhanced pretreatment systems. When including the cost for the necessary community wastewater collection system, as well land requirements for a subsurface leaching field disposal system and the watershed area needed to provide nitrogen dilution, the community treatment system was more costly.

The following is a list of enhanced pretreatment processes that have been approved by the Connecticut DEEP in the past. Note the Connecticut DEEP reserves the right to approve or disapprove any proposed enhanced pretreatment facility:

- Amphidrome™ (fixed film sequencing batch bioreactor usually preceded by septic tank(s) with or without preceding grease trap(s)).
- Bioclere™ (fixed film bioreactor usually preceded by septic tank(s) with or without preceding grease trap(s)).
- Clarigester™ (A primary clarifier, with a lower compartment used to store solids in a manner similar to a septic tank)
- Disinfection facilities, including ozonation and ultra-violet irradiation facilities.
- Extended Aeration facilities, packaged type (suspended growth aerobic bioreactors followed by clarifiers) preceded by septic tank(s) with or without preceding grease trap(s).
- FAST™ (hybrid system incorporating both fixed film and suspended growth processes, usually preceded by septic tank(s) with or without preceding grease trap(s)).

- Filtration facilities, including rapid rate granular single media, dual media or multimedia type filters, or cloth media disc filters, normally following the processes listed above.
- Recirculating granular media filters (RGMF) following basic pretreatment in septic tank(s) with or without preceding grease trap(s). These include recirculating filters using either a sand media, in which case they are referred to as Recirculating Sand Filters (RSF), or a gravel media, in which case they are referred to as Recirculating Gravel Filters (RGF). These have been of a generic type as compared to packaged or pre-manufactured enhanced pretreatment facilities.
- Rotating Biological Contactors [RBC] (fixed film bioreactors operating in an aerobic mode, anoxic mode, or both, followed by clarifiers), preceded by septic tank(s) with or without preceding grease trap(s).
- RUCK system® (fixed film system incorporating an intermittent sand filter and upflow packed bed anoxic reactor, preceded by septic tank(s) with or without preceding grease trap(s)).
- Zenon Cycle-Let® (membrane bioreactor (MBR) suspended growth system followed by additional advanced treatment processes, preceded by a septic tank or trash tank with or without preceding grease trap(s)).

Installation of a gravity sanitary sewer with an enhanced treatment system appears to be the least expensive approach that would allow Cornwall to properly implement a successful wastewater management program in the West Cornwall area. The installation of sewers can be limited in area and phased to accommodate available funding, connection limitations and operational concern areas.

Connection to Existing Sewers

A connection to an existing treatment facility would not be feasible for this area for several reasons. Economically it would incur a very high cost given that a treatment facility is not in close proximity. The closest existing sewage collection and treatment system is in Torrington which is approximately 20 miles from West Cornwall. This distance would greatly increase costs associated with roadway restoration and main line installation. Installing sewers and several pump stations over this distance would result in a cost of over \$25 million. Additionally, upgrades to the existing treatment facility may be needed to accommodate the proposed flows.

b) Design Criteria

The collection and treatment system will be designed to meet current DEEP design criteria.

c) Map

A map of the proposed service area is enclosed. After award, detailed plans to be used in the bidding documents will be developed. The plans will include details for the new collection and treatment system, to ensure accurate bids are developed.

d) Environmental Impacts

Standard state-approved erosion and sedimentation control measures are anticipated to be used during construction. With proper use and maintenance of E&S measures, that anticipated impact to the environment is not significant.

e) Land Requirements

Land requirements are anticipated for the installation of the proposed treatment system.

f) Potential Construction Problems

Potential construction problems typically include erosion and sedimentation control, noise impacts and dust impacts. These concerns will be mitigated through proper control, which are discussed in the Environmental Report.

g) Sustainability Considerations

The sewage collection and treatment system is a stable means of collecting sewage for long time frames with minimal maintenance requirements. With the proposed work performed, the system can be expected to function properly for an extended (20 year) period with minimal maintenance.

h) Water and Energy Efficiency

The collection system uses no energy, as it is entirely a gravity system, and will have less negative impact on the groundwater levels in the area. The treatment system will be designed to be as energy efficient as possible, in order to minimize energy usage

i) Cost Estimates

Total construction costs for the proposed alternatives are enclosed in Appendix B. Total construction costs; include a contingency, and legal, administration, engineering, and construction phase services.

The total projected cost for the system is \$4,940,000.

The project proposes to establish a brand-new collection and treatment system. For planning and funding purposes the Town should plan on \$200,000 for short-lived assets (repair and maintenance) listed below:

- Grinder pump replacement
- Treatment facility pump replacement
- Treatment facility pump maintenance and repair
- Treatment facility membrane replacement

5) SELECTION OF AN ALTERNATIVE

The selection of the preferred alternate is based on the cost of the construction work and non-monetary factors such as system reliability and ease of maintenance.

Costs and management issues associated with each of alternates differ and are summarized for each alternative below:

Conventional Individual Septic Systems

Generally, this option would incur the least expense to the WPCA/Town because upgrades and repairs to conventional systems are typically borne by the homeowner. Costs associated with these upgrades and repairs include engineering, permitting, construction and maintenance and would be approximately \$10,000 to \$35,000 or more depending on the complexity of the system and/or site. Furthermore, no additional TAHD staff would be necessary to oversee any of these upgrades or repairs. Although this option is the most economical for the Town of Cornwall it does not solve the potentially detrimental effects these areas could be having on the water quality of the Housatonic River and does not allow for potential economic growth in West Cornwall.

Individual I/A Systems

As with the conventional system upgrades and repairs, the costs would be borne on the homeowner. Since the systems are suggested for use within a community-wide area, funding may be able to be obtained to curb the cost to homeowners participating. However, the installation of a community-wide I/A system would incur costs and maintenance issues for the WPCA/Town. The operation and maintenance tasks are beyond the ability of the typical homeowner, therefore the DEEP has determined that they would need to be performed by a licensed system operator. As noted previously the WPCA/Town, not the individual homeowner, will ultimately be responsible for ensuring these systems are functioning and maintained correctly. The WPCA/Town, either through its own staff or by contract with certified operators, would be responsible for managing and maintenance of a significant number of individual systems. While this is not an insurmountable task, it is one that will most likely require additional WPCA/Town resources to properly implement.

The implementation of a community-wide individual I/A treatment program does not compare favorably to other options. The added WPCA/Town costs associated with maintenance make this treatment option less reasonable. Additionally, this approach will limit the potential for economic growth.

Wastewater Collection System and Treatment System

A community treatment system, from a maintenance standpoint, would be more favorable than the individual I/A systems. These community treatment systems are typically highly automated, and do not require full-time operator presence. The WPCA/Town forces, which would be responsible for operation, would inspect and sample water quality on a regular basis in accordance with the discharge permits. Furthermore, regular maintenance, cleaning and repairs of system components would be necessary. Although a minimal amount of operational maintenance is required as compared to individual I/A systems, at least one additional staff member would be recommended to assist the WPCA/Town with the extra tasks.

Cost associated with land requirements and infrastructure for community treatment systems are also factors in determining which alternative would best for the study area.

The land required to install and treat effluent with a conventional type community septic system may be relatively difficult to acquire and would add significant cost. The land needed for an enhanced pretreatment community system is far less and is deemed to be more cost effective and more easily obtained. Costs associated with the required sewage collection system infrastructure for both community system types would be considered identical. From a cost perspective, the conventional system alternative is not as reasonable as compared to the enhanced pretreatment alternative.

The recommended wastewater management plan, considers the use of the Zenon Cycle-Let enhanced pretreatment system as a viable application to treat wastewater. The Zenon systems have been approved by the CT DEEP and consistently meets permit requirements in many cases in Connecticut. WMC has evaluated a number of different treatment systems and technologies (noted in Section 4) and have found the system to be one of the most reliable in meeting permit effluent requirements.

A combination of a gravity sanitary sewer seems to be the most reasonable and economical alternative investigated that would help improve the quality of the West Cornwall area. The collection system would necessitate no additional staff and would only require minimal maintenance.

Connection to Existing Sewers

For these reasons noted in Section 4, this alternative is not technically feasible, practical or economically viable.

Recommended Wastewater Management Plan

Based on the evaluations provided in this report, the recommended wastewater management plan for the West Cornwall community in Cornwall is as follows:

Provide wastewater collection system infrastructure for the West Cornwall Area - This evaluation concludes that the existing subsurface wastewater treatment and disposal systems have a significant potential to detrimentally affect the water quality of potable wells and the Housatonic River. The sewer system recommended in this report would serve the West Cornwall area in Cornwall. The proposed wastewater collection system layout plans and Preliminary Cost Estimates can be found in Appendix B. A flow estimate table and cost summary table are included below, as well as 20 Year Life Cycle Cost Analysis tables for the overall project. The service areas are briefly described as follows:

- **Base Area** - Connect 30 homes within the central portion of West Cornwall by a gravity collection system and discharge approximately 13,500 gal/day to a treatment facility on Lower River Road.

a) Life Cycle Cost Analysis

| 20 Year Life Cycle Analysis (USDA-Rural Development 3% for 40 Years) | |
|---|-----------------|
| O&M | \$ 100,000.00 |
| Capital | \$ 4,940,000.00 |
| Grant 40% | \$ 1,976,000.00 |
| Net Total Finance | \$ 2,964,000.00 |
| Total Annual Cost | \$ 228,222.64 |
| Per EDU | \$ 5,100.00 |

*Based on 45 Equivalent Dwelling Units (EDU's)

b) Non-Monetary Factors

The primary non-monetary factor which influences the preferred alternative is the impact to the West Cornwall resident and businesses. The proposed system will allow for business to be viable in this area of Town, by allowing a safe and reliable means of wastewater collection and treatment

6) PROPOSED PROJECT (RECOMMENDED ALTERNATIVE)

The recommended wastewater management plan considers the use of the Zenon Cycle-Let enhanced pretreatment system as a viable application to treat wastewater. The Zenon systems have been approved by the CT DEEP and consistently meets permit requirements in many cases in Connecticut. WMC has evaluated a number of different treatment systems and technologies and have found the system to be one of the most reliable in meeting permit effluent requirements.

Wastewater Collection System

A gravity sanitary sewer seems to be the most reasonable and economical alternative investigated that would help improve the quality of the West Cornwall area.

a) Preliminary Project Design

Wastewater

The proposed project is for the collection and treatment of wastewater from the central core of West Cornwall.

i) Collection System Layout

The proposed collection system is shown on attached mapping.

ii) Pumping Stations

Not Applicable

iii) Storage

Not Applicable

iv) Treatment

Treatment of the collected wastewater will be by Membrane Bioreactor Technology, which has proven to be a very reliable means of meeting discharge permit requirements.

b) Project Schedule

Currently, the design is anticipated to be completed in 2020 with construction beginning in the Spring of 2021. The project is anticipated to take approximately 2 years to complete.

c) Permit Requirements

As all the proposed work is in areas previously disturbed, permitting issues are not significant. It will be necessary for a local Inland Wetland Application to be submitted if proposed sewers are within an upland buffer to wetlands or water courses. Otherwise, highway access permits will be needed from the Town and State. Additionally, a DEEP permit will be required, including a National Pollution Discharge Elimination System (NPDES) permit for the renovated wastewater discharge to the Housatonic River.

d) Sustainability Considerations

Gravity collection systems normally have long operating lives, with minimal demands for the owner. The treatment system will be designed for a twenty year life span.

e) Compliance with American Iron and Steel Requirements

Section 746 of Title VII of the Consolidated Appropriations Act of 2017 and subsequent statutes require that domestic preference be given for iron and steel products. Where applicable, requirements for domestic products will be noted within the Project Manual, and certifications from the Consulting Engineer, Prime Contractor, and appropriate Manufacturers will be a requirement of execution of the proposed work.

f) Total Project Cost Estimate (Engineer's Opinion of Probable Cost)

Costs for the project are estimated to be \$4,920,000

g) Annual Operating Budget

A budgetary estimate for the annual cost for maintenance of the collection and treatment system is \$100,000 per year.

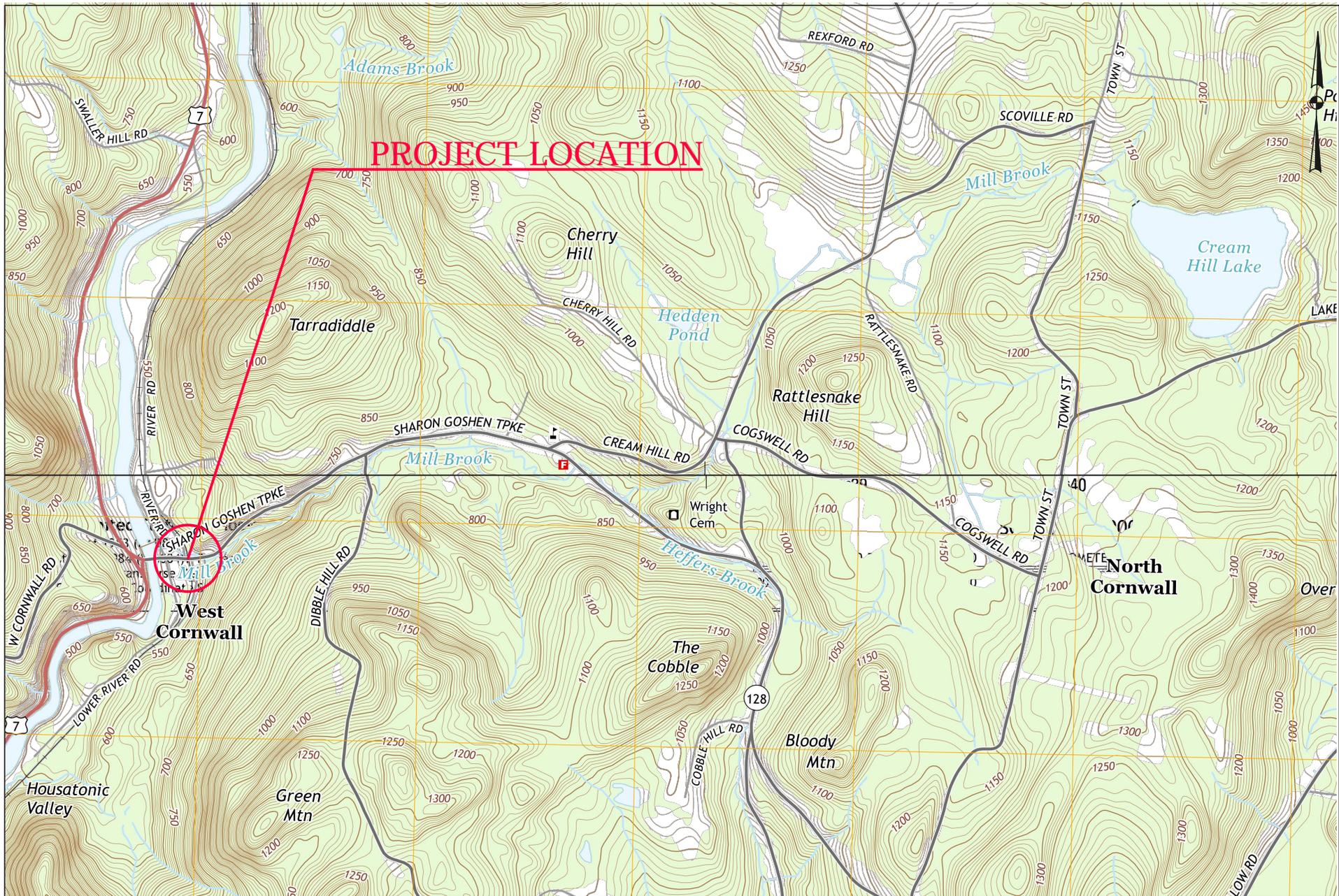
7) CONCLUSIONS AND RECOMMENDATIONS

After a review of the options for effectively treating wastewater in West Cornwall, it is concluded that installation of a gravity sanitary sewer with an enhanced treatment system discharging renovated wastewater to the Housatonic River appears to be the least expensive approach that would allow Cornwall to properly implement a successful wastewater management program in the West Cornwall area. The installation of sewers can be limited in area and/or phased to accommodate future needs, available funding, connection limitations and operational concerns.

The installation of sanitary sewers and a treatment system will allow for the revitalization of West Cornwall by providing an adequate wastewater disposal system.

APPENDICES

Appendix A - Figures



PROJECT LOCATION

| | |
|---------|------------|
| SUPV. | S. R. M. |
| DESIGN | J. A. W. |
| DRAWN | J. A. W. |
| CHECKED | S. R. M. |
| DATE | 12/17/2019 |



• WENGELL, McDONNELL & COSTELLO •
87 HOLMES ROAD
NEWINGTON, CT 06111
(860) 667-9624

PREPARED FOR:
TOWN OF CORNWALL
26 PINE STREET, P.O. BOX 97
CORNWALL, CT 06753

WASTEWATER MANAGEMENT STUDY
WEST CORNWALL STUDY AREA LOCATION MAP
USGS QUAD - CORNWALL & SOUTH CANAAN
SCALE - 1:2,000

| | | | | | |
|---------------|-----------|----------|------|-------|---|
| WEST CORNWALL | LOCATION | 16015.10 | 0 | SHEET | 1 |
| PROJECT | FILE NAME | NUMBER | REV. | OF | 1 |

Natural Diversity Data Base Areas

CORNWALL, CT

June 2020

-  State and Federal Listed Species
-  Critical Habitat
-  Town Boundary

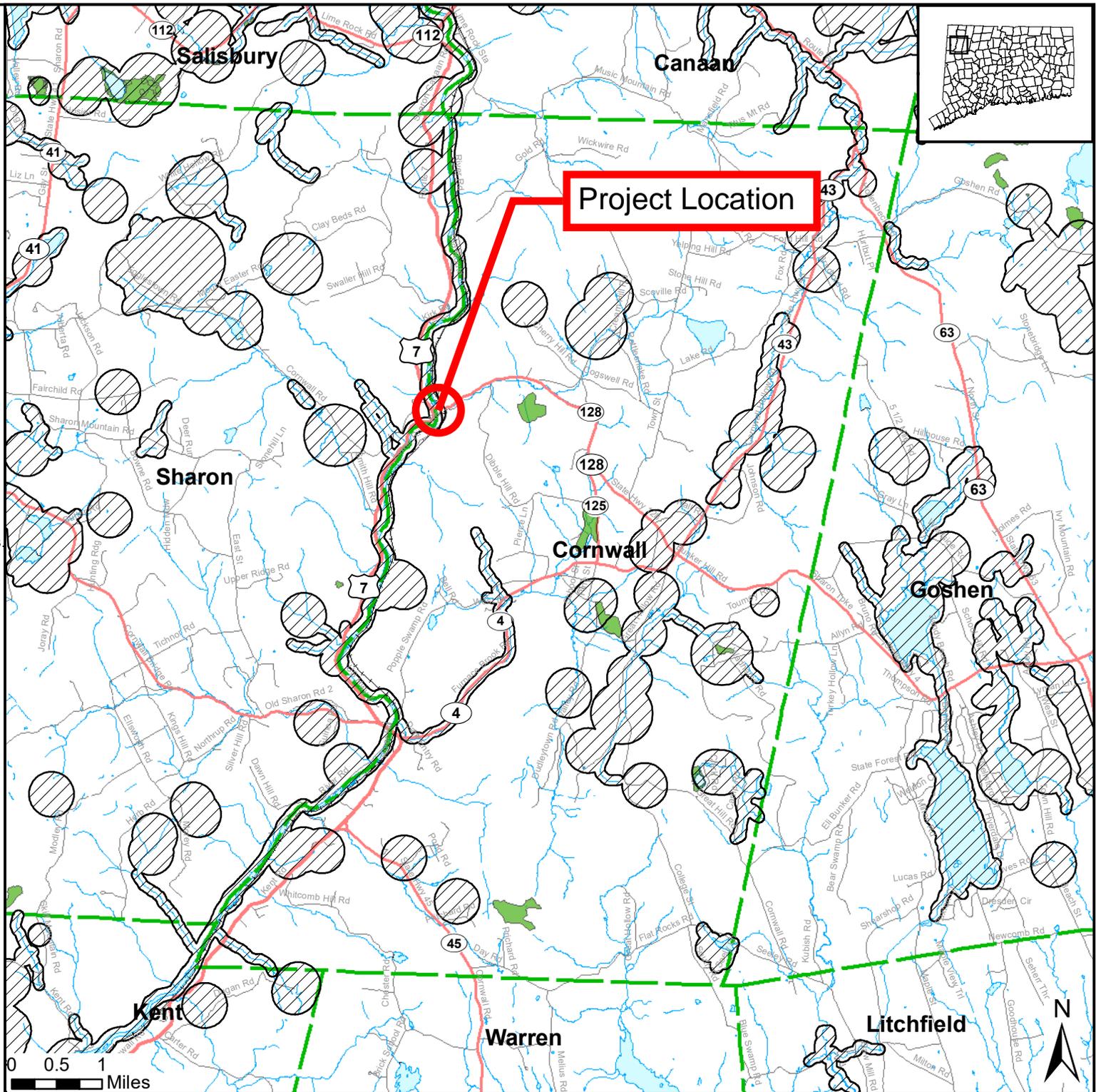
NOTE: This map shows general locations of State and Federal Listed Species and Critical Habitats. Information on listed species is collected and compiled by the Natural Diversity Data Base (NDDDB) from a variety of data sources. Exact locations of species have been buffered to produce the generalized locations.

This map is intended for use as a preliminary screening tool for conducting a Natural Diversity Data Base Review Request. To use the map, locate the project boundaries and any additional affected areas. If the project is within a hatched area there may be a potential conflict with a listed species. For more information, complete a Request for Natural Diversity Data Base State Listed Species Review form (DEP-APP-007), and submit it to the NDDDB along with the required maps and information. More detailed instructions are provided with the request form on our website.

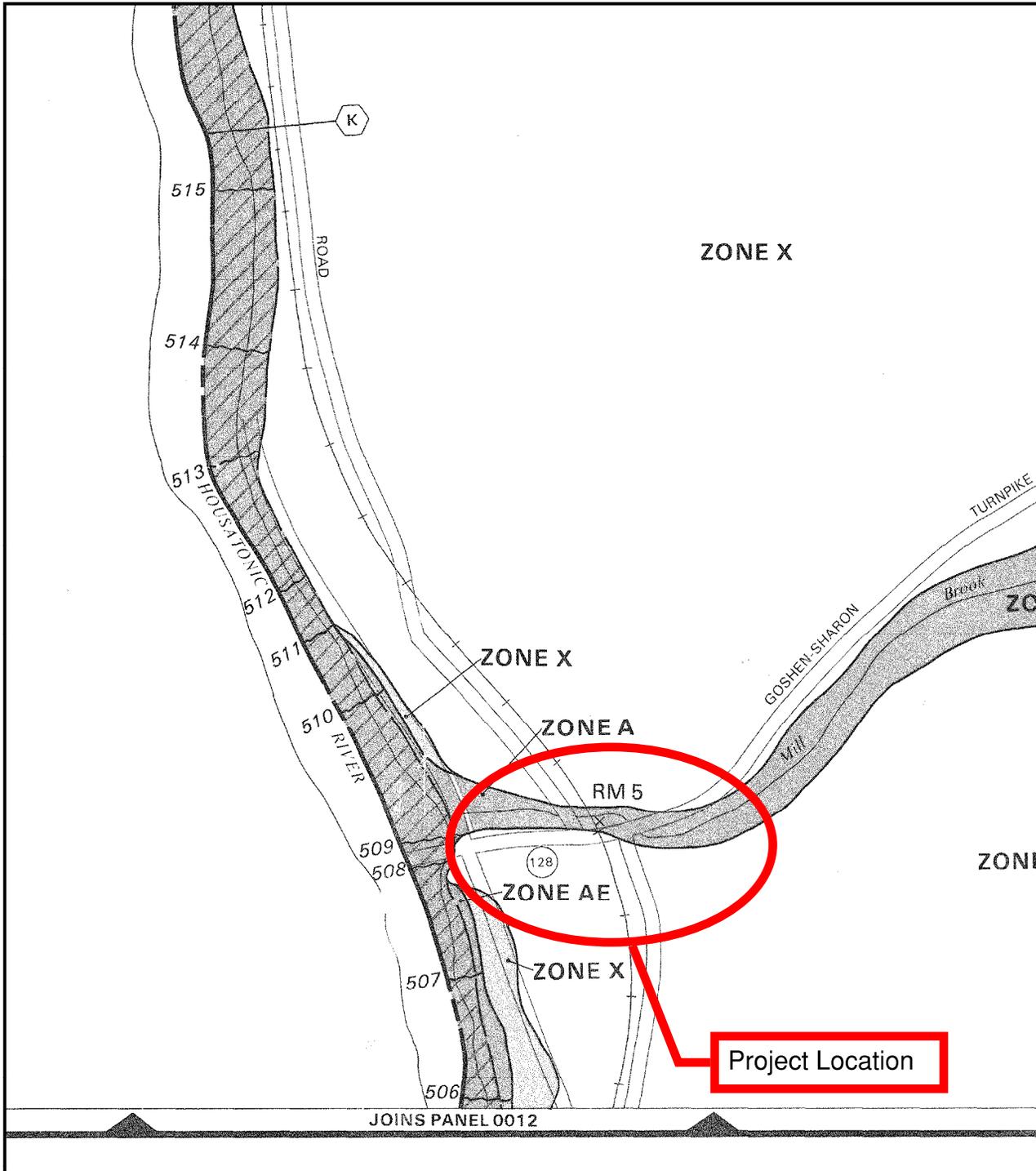
www.ct.gov/deep/nddbrequest

Use the CTECO Interactive Map Viewers at <http://cteco.uconn.edu> to more precisely search for and locate a site and to view aerial imagery with NDDDB Areas.

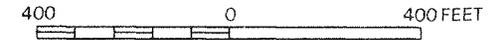
QUESTIONS: Department of Energy and Environmental Protection (DEEP)
79 Elm St, Hartford, CT 06106
email: deep.nddbrequest@ct.gov
Phone: (860) 424-3011



Connecticut Department of
Energy & Environmental Protection
Bureau of Natural Resources
Wildlife Division



APPROXIMATE SCALE



NATIONAL FLOOD INSURANCE PROGRAM

FIRM
FLOOD INSURANCE RATE MAP

TOWN OF
CORNWALL,
CONNECTICUT
LITCHFIELD COUNTY

PANEL 4 OF 30
(SEE MAP INDEX FOR PANELS NOT PRINTED)



PANEL LOCATION

COMMUNITY-PANEL NUMBER
090045 0004 A

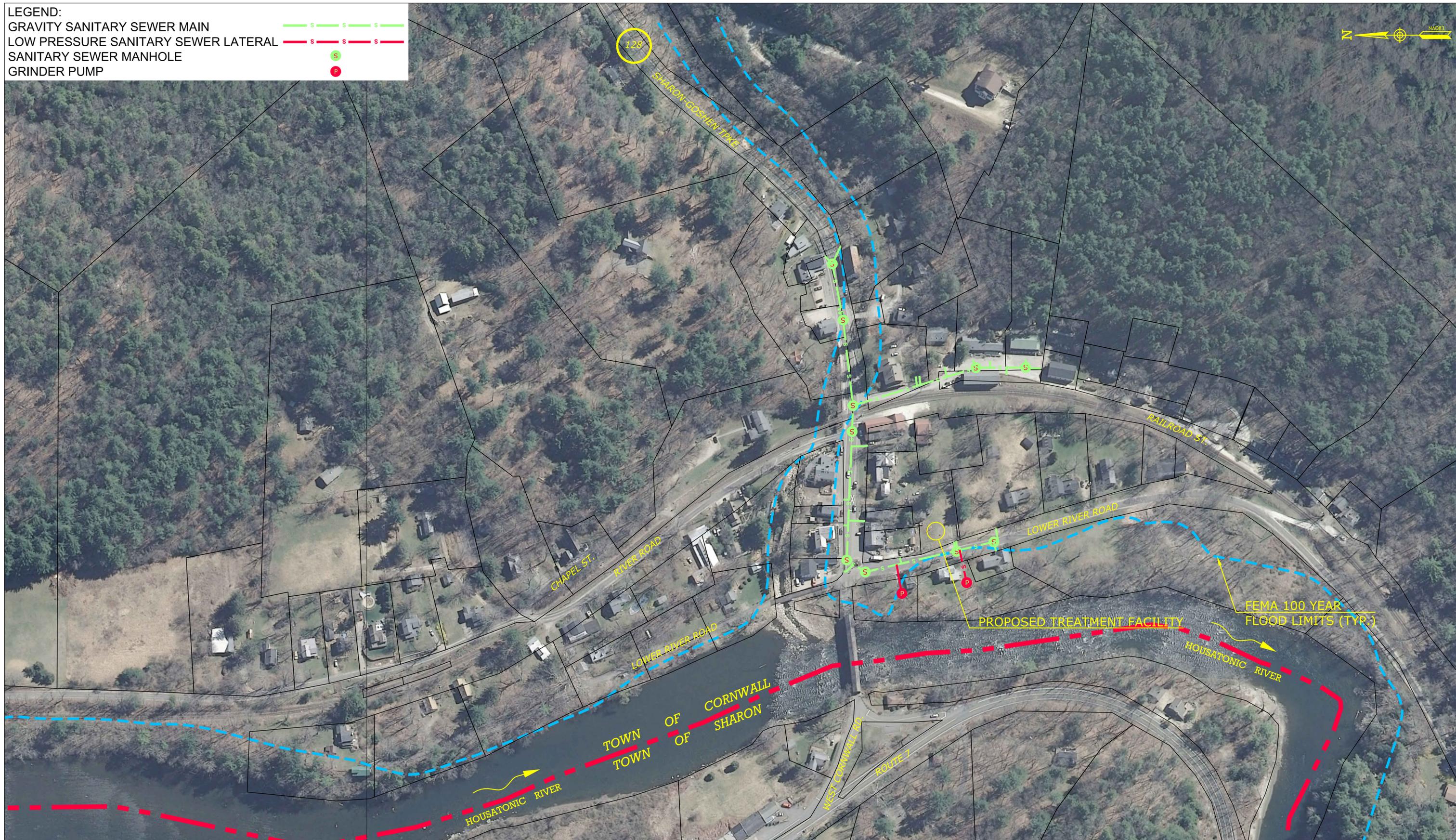
EFFECTIVE DATE:
AUGUST 16, 1988



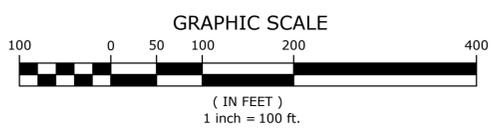
Federal Emergency Management Agency

This is an official copy of a portion of the above referenced flood map. It was extracted using F-MIT On-Line. This map does not reflect changes or amendments which may have been made subsequent to the date on the title block. For the latest product information about National Flood Insurance Program flood maps check the FEMA Flood Map Store at www.msc.fema.gov

LEGEND:
 GRAVITY SANITARY SEWER MAIN 
 LOW PRESSURE SANITARY SEWER LATERAL 
 SANITARY SEWER MANHOLE 
 GRINDER PUMP 



| | | | |
|-----------|------|-------------|------------|
| | | SUPV. | S.R.M. |
| | | DESIGN | J.A.W. |
| | | DRAWN | J.A.W. |
| | | CHECKED | S.R.M. |
| | | DATE | 09/15/2020 |
| NO. | DATE | DESCRIPTION | |
| REVISIONS | | | |



WMC
 CONSULTING ENGINEERS
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PREPARED FOR
 TOWN OF CORNWALL
 26 PINE STREET, P.O. BOX 97
 CORNWALL, CT 06753

BASE AREA
WASTEWATER MANAGEMENT STUDY
WEST CORNWALL, CT

| | | | | | |
|------|---------------|-----------|----------|-------|----|
| D | WEST CORNWALL | WWMS | 16015.00 | SHEET | 1 |
| SIZE | PROJECT | FILE NAME | NUMBER | REV. | OF |
| | | | | | 1 |

Appendix B - Cost Estimate

Town of Cornwall
 West Cornwall Wastewater Management Study
 WMC Reference No.: 16015.10

Date: 9/29/2019
 Prepared By: S.R.M.
 Checked By: S.R.M.
 Revised Date: 9/17/2020

Preliminary Cost Option

| ITEM NO. | BASE AREA ITEMS | UNIT | QUANT. | UNIT PRICE | TOTAL COST |
|-----------------|--|------|--------|-----------------|------------------------|
| 1 | PVC Sanitary Sewer, 8" Diameter Main | L.F. | 2000 | \$ 135.00 | \$ 270,000.00 |
| 2 | PVC Sanitary Sewer, 6" Diameter Main | L.F. | 800 | \$ 85.00 | \$ 68,000.00 |
| 3 | Sanitary Sewer Manhole | V.F. | 120 | \$ 400.00 | \$ 48,000.00 |
| 4 | Grinder Pump Station and Installation | E.A. | 4 | \$ 11,000.00 | \$ 44,000.00 |
| 5 | Grinder Pump Discharge to Sanitary Sewer | L.F. | 255 | \$ 60.00 | \$ 15,300.00 |
| 6 | Roadway Repair (Bituminous Concrete) | L.F. | 2000 | \$ 100.00 | \$ 200,000.00 |
| 7 | Rock Excavation | C.Y. | 60 | \$ 80.00 | \$ 4,800.00 |
| 8 | Gravel Fill | C.Y. | 60 | \$ 20.00 | \$ 1,200.00 |
| 9 | Land Acquisition (Treatment Unit) | L.S. | 1 | \$ 85,000.00 | \$ 85,000.00 |
| 10 | Treatment Facility | E.A. | 1 | \$ 1,750,000.00 | \$ 1,750,000.00 |
| SUBTOTAL | | | | | \$ 2,486,300.00 |

| | |
|----------------------------|------------------------|
| MINOR ITEM ALLOWANCE @ 15% | \$ 372,945.00 |
| BASE AREA SUBTOTAL | \$ 2,859,245.00 |

| ITEM NO. | LUMP SUM ITEMS | % | UNIT | QUANT. | UNIT PRICE | TOTAL COST |
|-----------------|---------------------------------------|-------|------|--------|---------------|----------------------|
| | Clearing and Grubbing | 2.00% | L.S. | 1 | \$ 57,500.00 | \$ 57,500.00 |
| | Maintenance and Protection of Traffic | 4.00% | L.S. | 1 | \$ 68,700.00 | \$ 68,700.00 |
| | Mobilization and Project Closeout | 7.50% | L.S. | 1 | \$ 214,500.00 | \$ 214,500.00 |
| | Construction Staking | 1.00% | L.S. | 1 | \$ 29,000.00 | \$ 29,000.00 |
| SUBTOTAL | | | | | | \$ 369,700.00 |

| | | |
|--|------------------------|------------------------|
| SUBTOTAL | \$ 3,228,945.00 | |
| CONTINGENCY @ 15% | \$ 484,341.75 | |
| LEGAL AND ADMINISTRATION (3%) | \$ 96,868.35 | |
| ENGINEERING AND DESIGN (13%) | \$ 419,762.85 | |
| CONSTRUCTION ADMINISTRATION (13%) (CONT. ADMIN. & INSPECTION) | \$ 419,762.85 | |
| 2020 TOTAL | | \$ 4,649,680.80 |
| INTEREST - Projected to 2022 @ 3% per year | | \$ 4,932,846.36 |
| SAY 2020 TOTAL | | \$ 4,940,000.00 |

Appendix C - Financial Information

TOWN OF CORNWALL, CONNECTICUT

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2019

with

SUPPLEMENTAL STATEMENTS AND SCHEDULES

and

INDEPENDENT AUDITORS' REPORT

Sandra E. Welwood, LLC

Certified Public Accountants

**TOWN OF CORNWALL, CONNECTICUT
TABLE OF CONTENTS**

| | |
|--|---|
| Independent Auditors’ Report..... | 1 |
| Management’s Discussion and Analysis (Unaudited) | 3 |

BASIC FINANCIAL STATEMENTS

| | |
|--|----|
| Government-Wide Financial Statements: | |
| Statement of Net Position..... | 10 |
| Statement of Activities | 11 |
| Governmental Fund Financial Statements: | |
| Governmental Funds – Balance Sheet..... | 12 |
| Governmental Funds – Statement of Revenues, Expenditures, and Changes in Fund Balances | 13 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities..... | 14 |
| General Fund – Statement of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis – Budget and Actual | 15 |
| Fiduciary Fund Financial Statements: | |
| Fiduciary Funds - Statement of Fiduciary Net Position | 16 |
| Fiduciary Funds - Statement of Changes in Fiduciary Net Position | 17 |
| Notes to Financial Statements..... | 18 |

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

| | |
|---|----|
| Connecticut State Teachers’ Retirement System: | |
| Schedule of the Town’s Proportionate Share of the Net Pension Liability | 39 |
| Connecticut State Teachers’ Other Post Employment Benefits (OPEB): | |
| Schedule of the Town’s Proportionate Share of the Net OPEB Liability | 40 |

SUPPLEMENTAL STATEMENTS AND SCHEDULES

| | |
|---|----|
| GENERAL FUND | |
| Schedule of Revenues and Other Financing Sources – Budget and Actual | 41 |
| Schedule of Expenditures and Other Financing Uses – Budget and Actual..... | 43 |
| NONMAJOR GOVERNMENTAL FUNDS | |
| Nonmajor Governmental Funds – Combining Balance Sheet..... | 50 |
| Nonmajor Governmental Funds – Combining Statement of Revenues, Expenditures, and Changes in Fund Balances | 51 |
| Nonmajor Governmental Funds – Special Revenue Funds – Combining Balance Sheet | 52 |
| Nonmajor Governmental Funds – Special Revenue Funds – Combining Statement of Revenues, Expenditures, and Changes in Fund Balances..... | 53 |
| FIDUCIARY FUNDS | |
| Fiduciary Funds – Private-Purpose Trust Funds – Combining Statement of Fiduciary Net Position..... | 54 |
| Fiduciary Funds – Private-Purpose Trust Funds – Combining Statement of Revenues, Expenses, and Changes in Fiduciary Net Position..... | 55 |
| Fiduciary Funds – Pension Trust Fund – Statement of Fiduciary Net Position | 56 |
| Fiduciary Funds –Pension Trust Fund – Statement of Revenues, Expenses, and Changes in Fiduciary Net Position | 57 |
| Fiduciary Funds – Agency Fund – Statement of Changes in Fiduciary Assets and Liabilities..... | 58 |
| OTHER SCHEDULES | |
| Statement of Debt Limitation | 59 |
| Report of the Tax Collector | 60 |
| Top 10 Taxpayers..... | 61 |

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Certified Public Accountants
P.O. Box 4609, Danbury, CT 06813

INDEPENDENT AUDITORS' REPORT

To the Board of Finance
Town of Cornwall, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Cornwall, Connecticut (the "Town"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town as of June 30, 2019, and the respective changes in financial position, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Town's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 2, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 9, and the required supplementary information on pages 39 and 40, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 20, 2019, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Sandra E. Welwood, LLC

Danbury, Connecticut
September 20, 2019

TOWN OF CORNWALL, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

JUNE 30, 2019

As management of the Town of Cornwall (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2019.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Town of Cornwall exceeded its liabilities at the close of the most recent fiscal year by \$9,784,236 (*net position*). Of this amount, \$3,673,369 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors. Restricted Net Position is \$51,146, which is comprised of \$34,895 for the Cornwall Endowment Fund, \$16,251 for Open Space. The remainder of its net position is invested in capital assets.
- As of the close of the current fiscal year, the Town of Cornwall's governmental funds reported combined ending fund balances of \$3,453,878, a decrease of \$259,201 in comparison with the prior year. Of this amount, \$2,067,376 is available for spending at the government's discretion and called the Unassigned fund balance. The Assigned portion is \$479,865, the Committed portion is \$842,896, the Restricted portion is \$16,251 and the Nonspendable portion is \$47,490. See page 36 of the audit report for details.
- At the end of the current fiscal year, the fund balance for the General Fund was \$2,514,329, of which \$176,500 has been assigned for the subsequent year's budget and \$253,383 has been assigned for other purposes leaving an unassigned fund balance for the General Fund of \$2,071,851 or 29% percent of total General Fund expenditures for 2020.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

Town of Cornwall, Connecticut
Management's Discussion and Analysis (Unaudited) (continued)

The Statement of Activities presents information showing how the government's net position is changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in future cash inflows (revenues) and outflows (expenditures).

Both of the government-wide financial statements present functions of the Town that are principally supported by tax revenues, grants and intergovernmental revenues (*governmental activities*). The governmental activities of the Town include general government, public safety, highways, sanitation, health and welfare, recreation, and education. The Town does not report any funds that carry-on business-type activities.

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

Fund Financial Statements

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains eight (8) individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund. The Town also reports the Capital Projects Fund as a major fund.

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

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

Town of Cornwall, Connecticut
Management's Discussion and Analysis (Unaudited) (continued)

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town’s own programs.

The basic fiduciary fund financial statements can be found on pages 16-17 of the audit report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18-38 of the audit report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the Town, assets and deferred outflows of resources exceeded liabilities by \$9,784,236 at the close of the most recent fiscal year.

| <u>Net Position</u> | | |
|-----------------------------------|---------------------|---------------------|
| | <u>2019</u> | <u>2018</u> |
| <u>Assets</u> | | |
| Current and other assets | \$ 4,007,707 | \$ 4,335,298 |
| Capital assets, net | <u>8,140,812</u> | <u>7,783,117</u> |
| Total assets | <u>12,148,519</u> | <u>12,118,415</u> |
| Deferred outflows of resources | <u>27,083</u> | <u>32,500</u> |
| <u>Liabilities</u> | | |
| Long-term liabilities outstanding | 2,108,174 | 2,429,788 |
| Other liabilities | <u>283,192</u> | <u>231,371</u> |
| Total liabilities | <u>2,391,366</u> | <u>2,661,159</u> |
| <u>Net Position</u> | | |
| Net investment in capital assets | 6,059,721 | 5,385,829 |
| Restricted | 51,146 | 56,382 |
| Unrestricted | <u>3,673,369</u> | <u>4,047,545</u> |
| Total net position | <u>\$ 9,784,236</u> | <u>\$ 9,489,756</u> |

The restricted portion of the Town’s Net Position represents net position restricted for capital projects and other purposes. The balance of Unrestricted Net Position 3,673,369 may be used to meet the government’s ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town is able to report that all categories of net position increased by \$294,480 during this fiscal year. This increase is primarily attributable to principal pay down of bonded debt and the excess of depreciation over additions to capital assets.

Town of Cornwall, Connecticut
Management's Discussion and Analysis (Unaudited) (continued)

| <u>Changes in Net Position</u> | | |
|------------------------------------|---------------------|---------------------|
| | <u>2019</u> | <u>2018</u> |
| <u>Revenues:</u> | | |
| General revenues: | | |
| Property taxes | \$ 6,594,444 | \$ 6,310,759 |
| Unrestricted investment income | 78,574 | 70,274 |
| Grants and contributions | 53,705 | 20,772 |
| Other income | 38,023 | 36,103 |
| Program revenues: | | |
| Charges for services | 135,858 | 154,627 |
| Operating grants and contributions | 431,562 | 708,110 |
| Capital grants | <u>87,587</u> | <u>-</u> |
| Total revenues | <u>7,419,753</u> | <u>7,300,645</u> |
| <u>Expenses:</u> | | |
| Governmental activities: | | |
| General government | 918,633 | 1,006,345 |
| Public safety | 223,635 | 479,672 |
| Highways | 1,098,698 | 573,988 |
| Sanitation | 153,085 | 146,618 |
| Health and welfare | 94,145 | 84,115 |
| Recreation | 84,484 | 88,633 |
| Education | 4,361,625 | 4,556,324 |
| Debt service | 54,209 | 76,475 |
| Other | <u>136,759</u> | <u>132,564</u> |
| Total expenses | <u>7,125,273</u> | <u>7,144,734</u> |
| Change in net position | 294,480 | 155,911 |
| Beginning net position | <u>9,489,756</u> | <u>9,333,845</u> |
| Ending net position | <u>\$ 9,784,236</u> | <u>\$ 9,489,756</u> |

Governmental activities increased the Town of Cornwall's net position by \$294,480.

Key elements of the activities are as follows: 88.9% of the revenues of the Town were derived from property taxes, followed by 5.8% from operating grants and contributions, 1.8% from charges for services, and 3.5% from investment income, grants and contributions other income.

Town of Cornwall, Connecticut
Management's Discussion and Analysis (Unaudited) (continued)

Major revenue factors included an increase in collection of delinquent taxes, interest and liens and an increase in fees for services and other revenues.

For Governmental Activities, 61.2% of the Town's expenses relate to education and repayment of long-term debt for school construction, 4.5% relates to public safety and health and welfare, 15.4% relates to highways and public works, and the remaining 18.9% relates to government, community services, administration and other areas.

For the most part, major expense factors for the General Fund remained consistent as compared to the prior year. Major capital expenditures include the replacement of bridges at Smith Place and the Town Gravel Pit, acquisition of a new Loader and a used Mowing Tractor for the Public Works Department and a used Skid-Steer for the Transfer Station.

FINANCIAL ANALYSIS OF THE FUND FINANCIAL STATEMENTS

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

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$3,453,878 a decrease of 259,201. Sixty Percent of this total amount constitutes Unassigned fund balance, which is available for spending at the government's discretion.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, total fund balance of the General Fund totaled \$2,514,329, an increase of \$359,875 over the previous year of which \$176,500 was assigned for the subsequent year's budget and \$253,383 was assigned for other purposes.

As a measure of the General Fund's liquidity, it may be useful to compare both Unassigned Fund Balance and total Fund Balance to total fund expenditures. Unassigned Fund Balance represents 29.3% of total General Fund expenditures for 2020.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town ended the year with a \$359,875 budget surplus. The revenues exceeded budgeted amounts by \$330,976. This variance is principally related to a favorable variance in tax collection on the current levy and collection of taxes in arrears and related interest and fees. Interest on investment income also exceeded budgeted amounts. Because of the state budget crisis, the town budgeted less for transportation grants than the amounts ultimately received. Overall, the Town's expenditures were \$28,899 less than budgeted amounts principally attributable to reduced expenses associated with Insurance and Benefits. Although \$350,000 of fund balance was anticipated to be used to balance the budget, none was used.

Town of Cornwall, Connecticut
Management's Discussion and Analysis (Unaudited) (continued)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets for its governmental activities as of June 30, 2019 amounts to \$8,140,812 (net of accumulated depreciation). This investment in capital assets includes land and buildings, vehicles, machinery and equipment.

Major capital asset events during the current fiscal year include bridge replacements at Smith Place and the Town Gravel Pit, purchase of a new Loader and a used Mowing Tractor for the Highway Department and a used Skid-Steer for the Transfer Station.

| <u>Capital Assets at Year-End (Net of Accumulated Depreciation)</u> | | |
|---|---------------------|---------------------|
| | <u>2019</u> | <u>2018</u> |
| Land and infrastructure | \$ 2,371,597 | \$ 1,887,555 |
| Buildings and improvements | 4,455,470 | 4,696,022 |
| Machinery and equipment | <u>1,313,745</u> | <u>1,199,540</u> |
| Total (net of accumulated depreciation) | <u>\$ 8,140,812</u> | <u>\$ 7,783,117</u> |

Additional information on the Town's capital assets can be found in Note 4 on page 26 of the audit report.

Long-Term Obligations

The Town has the following obligations:

| <u>Outstanding Obligations at Year-End</u> | | |
|--|---------------------|---------------------|
| | <u>2019</u> | <u>2018</u> |
| General obligation bonds | \$ 2,060,804 | \$ 2,374,966 |
| Landfill closure | <u>47,370</u> | <u>54,822</u> |
| | <u>\$ 2,108,174</u> | <u>\$ 2,429,788</u> |

Additional information on the Town's long-term debt can be found in Note 8 on pages 34-35 of the audit report.

Town of Cornwall, Connecticut
Management's Discussion and Analysis (Unaudited) (continued)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- Declining enrollment at Cornwall Consolidated School.
- Capital funding for maintenance and upgrades of all town buildings.

These factors were considered in preparing the Town of Cornwall's budget for the 2019-2020 fiscal year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Office, Town of Cornwall, P.O. Box 97, Cornwall, CT 06753.

TOWN OF CORNWALL, CONNECTICUT

STATEMENT OF NET POSITION

JUNE 30, 2019

(With Comparative Totals for June 30, 2018)

| | 2019 | 2018 |
|--|--------------|-------------|
| <u>Assets</u> | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 3,326,675 | \$3,587,417 |
| Investments | 311,927 | 309,441 |
| Taxes, interest, and lien fees receivable, net | 350,110 | 430,207 |
| Prepaid expenses | 12,595 | 731 |
| Other receivables | 6,400 | 7,502 |
| | 4,007,707 | 4,335,298 |
| Noncurrent assets: | | |
| Capital assets: | | |
| Land and other nondepreciable assets | 671,177 | 671,177 |
| Depreciable assets, net of depreciation | 7,469,635 | 7,111,940 |
| Total assets | 12,148,519 | 12,118,415 |
| <u>Deferred Outflows of Resources</u> | | |
| Unavailable amount on refunding | 27,083 | 32,500 |
| Total deferred outflows of resources | 27,083 | 32,500 |
| <u>Liabilities</u> | | |
| Current liabilities: | | |
| Accounts payable | 188,056 | 144,577 |
| Due to other beneficiaries | 30,315 | 30,315 |
| Accrued expenses | 63,202 | 53,550 |
| Due to State of Connecticut | 1,619 | 2,929 |
| Current portion of long-term obligations | 321,614 | 321,614 |
| | 604,806 | 552,985 |
| Noncurrent liabilities: | | |
| General obligation bonds | 1,730,000 | 2,040,000 |
| Other long-term obligations | 56,560 | 68,174 |
| Total liabilities | 2,391,366 | 2,661,159 |
| <u>Net Position</u> | | |
| Net investment in capital assets | 6,059,721 | 5,385,829 |
| Restricted | 51,146 | 56,382 |
| Unrestricted | 3,673,369 | 4,047,545 |
| Total net position | \$ 9,784,236 | \$9,489,756 |

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

TOWN OF CORNWALL, CONNECTICUT

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019
(With Comparative Totals for the Year Ended June 30, 2018)**

| | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | |
|---|-------------------------|-------------------------------------|---|--|---------------------|---------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | 2019 | 2018 |
| Governmental Activities: | | | | | | |
| General government | \$ 918,633 | \$ 112,961 | \$ 4,500 | \$ - | \$ (801,172) | \$ (866,576) |
| Public safety | 223,635 | - | - | - | (223,635) | (479,672) |
| Highways | 1,098,698 | - | 224,571 | 87,587 | (786,540) | (349,385) |
| Sanitation | 153,085 | 15,507 | - | - | (137,578) | (130,101) |
| Health and welfare | 94,145 | - | 45,400 | - | (48,745) | (57,361) |
| Recreation | 84,484 | 7,390 | - | - | (77,094) | (84,001) |
| Education | 4,361,625 | - | 157,091 | - | (4,204,534) | (4,105,862) |
| Debt service | 54,209 | - | - | - | (54,209) | (76,475) |
| Other | 136,759 | - | - | - | (136,759) | (132,564) |
| Total governmental activities | \$ 7,125,273 | \$ 135,858 | \$ 431,562 | \$ 87,587 | (6,470,266) | (6,281,997) |
| General Revenues: | | | | | | |
| Property taxes, interest, and lien fees | | | | | 6,594,444 | 6,310,759 |
| Unrestricted investment income | | | | | 78,574 | 70,274 |
| Grants and contributions not restricted to specific purpose | | | | | 53,705 | 20,772 |
| Other income | | | | | 38,023 | 36,103 |
| Total general revenues | | | | | 6,764,746 | 6,437,908 |
| Change in net position | | | | | 294,480 | 155,911 |
| Net position, beginning of year | | | | | 9,489,756 | 9,333,845 |
| Net position, end of year | | | | | \$ 9,784,236 | \$ 9,489,756 |

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

TOWN OF CORNWALL, CONNECTICUT

**GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2019**

(With Comparative Totals for June 30, 2018)

| | General Fund | Capital Projects Fund | Nonmajor Governmental Funds | Governmental Funds | |
|--|---------------------|-----------------------------|-----------------------------------|---------------------|---------------------|
| | | | | 2019 | 2018 |
| Assets | | | | | |
| Cash and cash equivalents | \$ 2,356,725 | \$ 837,255 | \$ 132,695 | \$ 3,326,675 | \$ 3,587,417 |
| Investments | 271,837 | - | 40,090 | 311,927 | 309,441 |
| Taxes, interest, and lien fees receivable, net of allowance | 350,110 | - | - | 350,110 | 430,207 |
| Other receivables | 5,976 | - | 424 | 6,400 | 7,502 |
| Prepaid expenses | 12,595 | - | - | 12,595 | 731 |
| Due from other funds | 49,899 | 72 | 1,798 | 51,769 | 14,431 |
| Total assets | \$ 3,047,142 | \$ 837,327 | \$ 175,007 | \$ 4,059,476 | \$ 4,349,729 |
| Liabilities | | | | | |
| Accounts payable | \$ 165,170 | \$ 17,178 | 5,708 | \$ 188,056 | \$ 144,577 |
| Due to other beneficiaries | 30,315 | - | - | 30,315 | 30,315 |
| Accrued expenses | 49,606 | - | - | 49,606 | 37,873 |
| Due to State of Connecticut | 1,619 | - | - | 1,619 | 2,929 |
| Due to other funds | 1,870 | 39,281 | 10,618 | 51,769 | 14,431 |
| Total liabilities | 248,580 | 56,459 | 16,326 | 321,365 | 230,125 |
| Deferred Inflows of Resources | | | | | |
| Unavailable revenue - taxes, interest, and lien fees | 284,233 | - | - | 284,233 | 406,525 |
| Fund Balances | | | | | |
| Nonspendable | 12,595 | - | 34,895 | 47,490 | 35,626 |
| Restricted | - | - | 16,251 | 16,251 | 21,487 |
| Committed | - | 780,868 | 62,028 | 842,896 | 1,444,780 |
| Assigned | 429,883 | - | 49,982 | 479,865 | 655,636 |
| Unassigned | 2,071,851 | - | (4,475) | 2,067,376 | 1,555,550 |
| Total fund balances | 2,514,329 | 780,868 | 158,681 | 3,453,878 | 3,713,079 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 3,047,142 | \$ 837,327 | \$ 175,007 | | |
| Amounts reported in the Statement of Net Position are different because: | | | | | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | | | | 8,140,812 | 7,783,117 |
| Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. | | | | 284,233 | 406,525 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. | | | | | |
| Deferred amount on refunding | | | | 27,083 | 32,500 |
| Unamortized premiums and accrued interest | | | | (34,400) | (40,643) |
| General obligation bonds | | | | (2,040,000) | (2,350,000) |
| Post-closure landfill costs | | | | (47,370) | (54,822) |
| Net position | | | | \$ 9,784,236 | \$ 9,489,756 |

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

TOWN OF CORNWALL, CONNECTICUT

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2019
(With Comparative Totals for the Year Ended June 30, 2018)**

| | General Fund | Capital Projects Fund | Nonmajor Governmental Funds | Governmental Funds | |
|---|---------------------|-----------------------------|-----------------------------------|---------------------|---------------------|
| | | | | 2019 | 2018 |
| Revenues: | | | | | |
| Property taxes | \$ 6,716,736 | \$ - | \$ - | \$ 6,716,736 | \$ 6,283,184 |
| Investment income | 49,692 | 26,141 | 2,741 | 78,574 | 70,274 |
| Fees and charges | 129,232 | - | 2,821 | 132,053 | 157,967 |
| Intergovernmental revenues | 474,674 | 28,021 | - | 502,695 | 696,272 |
| Contributions | - | 696 | 44,704 | 45,400 | 29,270 |
| Other revenues | 66,587 | - | - | 66,587 | 36,103 |
| Total revenues | 7,436,921 | 54,858 | 50,266 | 7,542,045 | 7,273,070 |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | 860,983 | 20,661 | 15,420 | 897,064 | 984,195 |
| Public safety | 159,437 | - | - | 159,437 | 158,733 |
| Highways | 510,916 | - | - | 510,916 | 481,048 |
| Sanitation | 160,537 | - | - | 160,537 | 154,843 |
| Health and welfare | 49,013 | - | 45,132 | 94,145 | 84,115 |
| Recreation | 84,484 | - | - | 84,484 | 88,633 |
| Education | 4,159,044 | 51,958 | - | 4,211,002 | 4,401,934 |
| Other | 136,759 | - | - | 136,759 | 132,564 |
| Debt Service: | | | | | |
| Principal and interest | 360,873 | - | - | 360,873 | 365,381 |
| Capital outlay | - | 1,186,029 | - | 1,186,029 | 811,412 |
| Total expenditures | 6,482,046 | 1,258,648 | 60,552 | 7,801,246 | 7,662,858 |
| Excess of revenues over (under) expenditures | 954,875 | (1,203,790) | (10,286) | (259,201) | (389,788) |
| Other Financing Sources (Uses): | | | | | |
| Transfers in | - | 596,000 | 1,500 | 597,500 | 590,000 |
| Transfers out | (595,000) | - | (2,500) | (597,500) | (590,000) |
| | (595,000) | 596,000 | (1,000) | - | - |
| Net change in fund balances | 359,875 | (607,790) | (11,286) | (259,201) | (389,788) |
| Fund balances, beginning of year | 2,154,454 | 1,388,658 | 169,967 | 3,713,079 | 4,102,867 |
| Fund balances, end of year | \$ 2,514,329 | \$ 780,868 | \$ 158,681 | \$ 3,453,878 | \$ 3,713,079 |

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

TOWN OF CORNWALL, CONNECTICUT

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

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

Net change in fund balances - total governmental funds \$ (259,201)

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (net of disposals) exceeded depreciation in the current period:

| | |
|-----------------------------------|------------------|
| Capital outlay (net of disposals) | 702,447 |
| Depreciation expense | <u>(344,752)</u> |
| | <u>357,695</u> |

Revenues in the Statement of Activities that do not provide current financial resources are reported as deferred revenues in the funds. Accordingly, an adjustment is necessary to reconcile amounts reported as interest receivable in the government-wide Statement of Net Position and as unavailable revenue in the fund Balance Sheet.

(122,292)

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

| | |
|---|----------------|
| Debt issued: | |
| Amortization of the premium on the refunding debt | 4,162 |
| Accrued interest | 2,081 |
| Repayments: | |
| Amortization of the deferred amount on refunding | (5,417) |
| To bond holders | <u>310,000</u> |
| | <u>310,826</u> |

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

| | |
|-----------------------------|--------------|
| Post-closure landfill costs | <u>7,452</u> |
|-----------------------------|--------------|

Change in net position \$ 294,480

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

TOWN OF CORNWALL, CONNECTICUT

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

| | Budgeted Amounts | | | Actual | Variance With Final Budget Positive (Negative) |
|--|------------------|-------------|------------------|---------------------|---|
| | Original | Transfers | Final | | |
| Revenues: | | | | | |
| Fees for services | \$ 62,101 | \$ - | \$ 62,101 | \$ 129,232 | \$ 67,131 |
| Other revenues | 24,000 | - | 24,000 | 66,587 | 42,587 |
| Property taxes | 6,387,589 | - | 6,387,589 | 6,716,736 | 329,147 |
| State education grants | - | - | - | 7,337 | 7,337 |
| State general grants | 124,501 | - | 124,501 | 317,583 | 193,082 |
| Transfer/non-revenue receipts | 358,000 | - | 358,000 | 49,692 | (308,308) |
| Total revenues | 6,956,191 | - | 6,956,191 | 7,287,167 | 330,976 |
| Expenditures: | | | | | |
| Assessor | 47,795 | - | 47,795 | 40,514 | 7,281 |
| Board of Assessment Appeals | 500 | - | 500 | - | 500 |
| Board of Selectmen | 104,933 | 361 | 105,294 | 105,230 | 64 |
| Finance Department | 62,996 | - | 62,996 | 62,991 | 5 |
| Hammond Beach | 39,003 | - | 39,003 | 37,646 | 1,357 |
| Highway administration/supplies | 460,625 | 1,000 | 461,625 | 461,425 | 200 |
| Highway vehicle maintenance | 50,000 | - | 50,000 | 49,491 | 509 |
| Insurance and benefits | 381,955 | - | 381,955 | 354,324 | 27,631 |
| Land use | 36,586 | - | 36,586 | 77,851 | (41,265) |
| Organizational support | 140,781 | - | 140,781 | 136,759 | 4,022 |
| Park & recreation | 50,060 | - | 50,060 | 46,838 | 3,222 |
| Payroll expenses | 54,703 | - | 54,703 | 53,508 | 1,195 |
| Probate Court | 2,915 | - | 2,915 | 2,915 | - |
| Public health & welfare | 51,727 | - | 51,727 | 49,013 | 2,714 |
| Public safety | 172,108 | - | 172,108 | 159,437 | 12,671 |
| Registrars of Voters | 11,815 | 500 | 12,315 | 12,163 | 152 |
| Sanitation & recycling | 147,085 | 13,500 | 160,585 | 160,537 | 48 |
| Tax Collector | 38,600 | - | 38,600 | 36,766 | 1,834 |
| Town Clerk | 67,140 | - | 67,140 | 64,745 | 2,395 |
| Town office administration | 50,700 | - | 50,700 | 49,976 | 724 |
| Contingency | 30,000 | (15,361) | 14,639 | - | 14,639 |
| Board of Education | 3,998,291 | - | 3,998,291 | 4,009,290 | (10,999) |
| Capital expenditures | 595,000 | - | 595,000 | 595,000 | - |
| Debt service | 360,873 | - | 360,873 | 360,873 | - |
| Total expenditures | 6,956,191 | - | 6,956,191 | 6,927,292 | 28,899 |
| Net change in fund balance | \$ - | \$ - | \$ - | 359,875 | \$ 359,875 |
| Fund balance, beginning of year | | | | 2,154,454 | |
| Fund balance, end of year | | | | \$ 2,514,329 | |

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

TOWN OF CORNWALL, CONNECTICUT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2019
(With Comparative Totals for June 30, 2018)

| | Private- Purpose Trust Funds | Pension Trust Fund | Agency Fund | Totals | |
|------------------------------------|---------------------------------------|--------------------------|------------------|---------------------|---------------------|
| | | | | 2019 | 2018 |
| <u>Assets</u> | | | | | |
| Cash and cash equivalents | \$ 33,130 | \$ 3,362 | \$ 24,705 | \$ 61,197 | \$82,940 |
| Contributions receivable | - | 29,000 | - | 29,000 | 23,358 |
| Investments | 553,271 | 773,235 | 15,728 | 1,342,234 | 1,243,712 |
| Total assets | \$ 586,401 | \$ 805,597 | \$ 40,433 | \$ 1,432,431 | \$ 1,350,010 |
| <u>Liabilities</u> | | | | | |
| Due to beneficiaries | \$ - | \$ - | \$ 40,433 | \$ 40,433 | \$48,049 |
| Total liabilities | - | - | 40,433 | 40,433 | 48,049 |
| <u>Net Position</u> | | | | | |
| Held in trust for pension benefits | - | 805,597 | - | 805,597 | 736,588 |
| Held in trust for other purposes | 586,401 | - | - | 586,401 | 565,373 |
| Total net position | \$ 586,401 | \$ 805,597 | \$ - | \$ 1,391,998 | \$ 1,301,961 |

-16- The notes to the financial statements are an integral part of this statement.

TOWN OF CORNWALL, CONNECTICUT

**FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019
(With Comparative Totals for June 30, 2018)**

| | Private- Purpose Trust Funds | Pension Trust Fund | Totals | |
|--|---|-----------------------------------|---------------------|---------------------|
| | | | 2019 | 2018 |
| Additions: | | | | |
| Investment income | \$ 34,095 | \$ 1,931 | \$ 36,026 | \$27,725 |
| Unrealized gain on investments | - | 56,751 | 56,751 | 57,929 |
| Contributions | 182 | 33,642 | 33,824 | 25,368 |
| | <u>34,277</u> | <u>92,324</u> | <u>126,601</u> | <u>111,022</u> |
| Deductions: | | | | |
| General government | - | - | - | - |
| Education | 9,500 | - | 9,500 | 10,010 |
| Retirement | - | - | - | - |
| Other | 3,749 | 23,315 | 27,064 | 4,051 |
| | <u>13,249</u> | <u>23,315</u> | <u>36,564</u> | <u>14,061</u> |
| Change in net position | 21,028 | 69,009 | 90,037 | 96,961 |
| Net position, beginning of year | <u>565,373</u> | <u>736,588</u> | <u>1,301,961</u> | <u>1,205,000</u> |
| Net position, end of year | <u>\$ 586,401</u> | <u>\$ 805,597</u> | <u>\$ 1,391,998</u> | <u>\$ 1,301,961</u> |

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

TOWN OF CORNWALL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2019

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

The Town of Cornwall, Connecticut (the “Town”) is a municipal corporation organized under State Statutes. The form of government includes an elected Board of Selectmen and an elected Board of Finance. The Town provides the following services: general government services, public safety, public works, public health and welfare, culture, and recreation. Primary education services are provided by the Cornwall Consolidated School, whose operations are presented in the Town’s financial statements. Secondary education services are provided by Regional School District #1, of which the towns of Cornwall, Canaan, Kent, North Canaan, Salisbury, and Sharon are members. Town appropriations to the district are determined by a separate taxpayer approved budget and the percentage of Cornwall residents attending the district’s schools.

The legislative authority of the Town is vested in the Town Meeting. The First Selectman is the chief executive, chief administrative officer, and budget-making authority of the Town. The Board of Finance is responsible for revising the proposed budget and submitting the final budget to the Town Meeting. The Board of Finance is also responsible for establishing the annual tax rate. The Town has the power to incur indebtedness by issuing bonds or notes as provided by Connecticut General Statutes.

The accounting and reporting policies of the Town relating to the funds included in the accompanying financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. The more significant accounting policies of the Town are described below.

The Town’s financial statements include the accounts of all Town controlled operations. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Town (the primary government) and its component units. The basic criteria for inclusion of a component unit in a governmental unit’s reporting entity for basic financial reporting is the exercise of oversight responsibility. Oversight responsibility is determined on the basis of financial interdependence, selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters, and scope of public service. Currently, there are no entities considered component units of the Town. The Town includes all funds, agencies, boards, commissions, and authorities that are controlled by or dependent on the Town’s executive and legislative branches.

The financial statements presented herein do not include agencies which have been formed under applicable State laws or separate and distinct units of government apart from the Town. Based upon the foregoing criteria, the following organization is not considered part of the Town and is excluded from the accompanying financial statements:

Cornwall Library Association – The Cornwall Library Association is a legally incorporated, separate and distinct entity from the Town. The Town provides a portion of the operating budget to the Library; however, the Town is not required to fund deficits nor does the Town participate in program budgets or managing operations. The Library Board of Trustees determines how its funding is spent.

Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effects of interfund activity have been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues and are reported separately from business-type activities, which rely on fees and charges for support. The Town has no business-type activities.

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred. Exceptions to this general rule include: compensated absences, debt service, and claims and judgments that are recorded only when payment is due.

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

The Town reports the following major governmental funds:

General Fund – the primary operating fund of the Town. This fund is used to account for all financial transactions and resources except those required to be accounted for in another fund.

Capital Projects Fund – used to account for capital acquisition and improvements. This is a perpetual fund financed through annual budget appropriations.

Town of Cornwall, Connecticut
Notes to Financial Statements
June 30, 2019 (continued)

Additionally, the Town reports the following fiduciary fund types:

Private-Purpose Trust Funds – used to account for resources legally held in trust for the benefit of individuals, private organizations, or other governments.

Pension Trust Fund – used to account for the accumulation of resources to be used for retirement benefits.

Agency Funds – account for monies held as a custodian for outside groups and agencies.

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

Use of Estimates

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

Cash and Cash Equivalents

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

Receivables and Payables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. The Town has established an allowance for estimated uncollectible property taxes in the amount of \$71,000. The Town also established an allowance for estimated uncollectible interest on taxes in the amount of \$115,000 for a total of \$186,000 in allowances for uncollectible accounts. The Town's property taxes are levied each July 1 on the assessed value listed on the prior October 1 Grand List for all taxable property located in the Town. Taxes are due and payable in two installments on July 1 and January 1 for real property and personal property, and on July 1 for motor vehicles. Additional property taxes are assessed for motor vehicles registered subsequent to the Grand List date through September 30 and are payable in one installment due January 1. The Town files liens against property if taxes, which are due July 1, remain unpaid on the following February 1.

Investments

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

Prepaid Expenses/Expenditures

Payments to vendors that reflect costs applicable to future fiscal periods are reported as prepaid in both the government-wide Statement of Net Position and the governmental fund Balance Sheet. In the governmental fund Balance Sheet, the amount reported as a prepaid expenditure is offset by nonspendable fund balance to indicate that it is not available for expenditure.

Advances To and From Other Funds

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either interfund receivables or payables and are recorded for all funds affected in the period in which transactions are executed.

Capital Assets

Capital assets, which include equipment, fixtures, and other long-lived assets, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Under the rules of Governmental Accounting Standards Board (“GASB”) No. 34, the Town has not retroactively recorded infrastructure assets in the government-wide financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

| <u>Assets</u> | <u>Years</u> |
|----------------------------|--------------|
| Buildings and improvements | 20-50 |
| Vehicles | 5-10 |
| Equipment | 5-10 |
| Infrastructure | 20 |

Deferred Outflows/Inflows of Resources

Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding in this manner in the government-wide Statement of Net Position. A deferred charge on debt refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town only has one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds Balance Sheet. The governmental funds report unavailable revenues from property taxes and related interest and lien fees. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Long-Term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

Net Position and Fund Balance

In the government-wide financial statements, Net Position is classified in the following categories:

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

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

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

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

Nonspendable – amounts that cannot be spent because they are either not in spendable form (inventories, prepaids, and long-term receivables), or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted – amounts to be reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments, or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation.

Committed – amounts that can be used only for specific purposes determined by a formal action of the Town's highest level of decision-making authority, which is a motion at a Town Meeting. These funds may only be used for the purpose specified unless the Town removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Town's governing boards.

Assigned – amounts constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by formal action of the Board of Selectmen or Board of Finance.

Town of Cornwall, Connecticut
Notes to Financial Statements
June 30, 2019 (continued)

Unassigned – remaining fund balance after amounts are set aside for all other classifications. The General Fund is the only governmental fund that can report a positive unassigned fund balance. Other governmental funds might have a negative unassigned fund balance as a result of overspending for specific purposes for which amounts had been restricted, committed, or assigned. At June 30, 2019, the Dog Fund had a negative unassigned fund balance of \$4,475.

The Town has not established a formal policy for its use of restricted and unrestricted (committed, assigned, unassigned) fund balance; however, the Town generally uses restricted fund balance first if the expenditure meets the restricted purpose, followed by committed, assigned, and unassigned amounts.

Comparative Information

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended June 30, 2018, from which the summarized information was derived.

Note 2 – Budgeting and Budgetary Accounting

Budgetary Basis

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

- A proposed operating budget is submitted for the fiscal year.
- Public hearings are conducted in the Town to obtain taxpayer comments.
- The budget is legally enacted through passage of an ordinance. The operating budget includes proposed expenditures and the means of financing them.
- The Board of Finance is authorized to transfer budgeted amounts between departments within any fund; however, any additional appropriations exceeding \$20,000 over the total budget must be approved at a Town meeting.
- Formal budgetary integration is employed as a management control device during the year for the General Fund.
- All noncontinuing appropriations lapse at year-end. Capital appropriations do not lapse until completion of the applicable projects.

Budgetary/GAAP Reconciliation

The Town prepares its annual General Fund budget on a basis (budgetary basis), which differs in some respects from generally accepted accounting principles (GAAP basis). The budget and all transactions are presented in accordance with the Town's method (budget basis) in the General Fund – Statement of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis – Budget and Actual to provide a meaningful comparison of actual results with the budget. The major differences between budgetary basis and GAAP basis are that education expenditures for the Teachers' Retirement and OPEB System are only recorded on GAAP basis and certain interfund transfers are recorded as expenditures (budgetary basis) rather than operating transfers (GAAP basis).

Town of Cornwall, Connecticut
Notes to Financial Statements
June 30, 2019 (continued)

Adjustments necessary to reconcile the budgetary basis to GAAP basis are presented below:

| | <u>Fund balance beginning</u> | <u>Revenues</u> | <u>Expenditures</u> | <u>Other financing sources (uses)</u> | <u>Fund balance ending</u> |
|---|-----------------------------------|---------------------|-----------------------|---|--------------------------------|
| GAAP basis | \$ 2,154,454 | \$ 7,436,921 | \$ (6,482,046) | \$ (595,000) | \$ 2,514,329 |
| Reclassifications | - | - | (595,000) | 595,000 | - |
| Teachers' retirement system and OPEB on behalf payments not recognized in budgetary basis | - | (149,754) | 149,754 | - | - |
| Budgetary basis | <u>\$ 2,154,454</u> | <u>\$ 7,287,167</u> | <u>\$ (6,927,292)</u> | <u>\$ -</u> | <u>\$ 2,514,329</u> |

Note 3 – Cash, Cash Equivalents, and Investments

Cash and Cash Equivalents

Cash and cash equivalents of the Town consist of the following at June 30, 2019:

| | <u>Governmental Funds</u> | <u>Fiduciary Funds</u> | <u>Total 2019</u> | <u>Total 2018</u> |
|---------------------------------|-------------------------------|----------------------------|-----------------------|-----------------------|
| Demand accounts | \$ 1,209,074 | \$ 61,197 | \$ 1,270,271 | \$ 966,199 |
| Short Term Investment Fund | <u>2,117,601</u> | <u>-</u> | <u>2,117,601</u> | <u>2,704,158</u> |
| Total cash and cash equivalents | <u>\$ 3,326,675</u> | <u>\$ 61,197</u> | <u>\$ 3,387,872</u> | <u>\$ 3,670,357</u> |

Custodial Credit Risk on Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2019, \$959,247 of the Town's bank balance of \$1,270,444 was exposed to custodial credit risk as follows:

| | |
|--------------------------------|-------------------|
| Uninsured and uncollateralized | \$ 786,583 |
| Uninsured and collateralized | <u>172,664</u> |
| | <u>\$ 959,247</u> |

Investments

Interest Rate Risk – Interest rate risk is the risk that the Town will incur losses in fair value caused by changing interest rates. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Town does not have a formal credit risk policy other than restrictions to obligations allowable under the Connecticut General Statutes. As of June 30, 2019, the Town held \$1,365,196 (consisting of \$40,090 in Governmental Funds and \$1,325,106 in Fiduciary Funds) in money market and mutual funds for which ratings were not available at the end of the current fiscal year. The Short Term Investment Fund is rated AAAm by Standard & Poor's.

Town of Cornwall, Connecticut
Notes to Financial Statements
June 30, 2019 (continued)

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a failure of the counterparty, the Town’s deposits will not be able to recover the value of its investments that are in possession of an outside party. The Town’s investments held in mutual funds and certificates of deposit are not subject to custodial credit risk as the Town’s investment is not directly exposed to custodial credit risk.

| | 2019 | | | | 2018 |
|---------------------------|-------------------------|-------------------------------|-------------------------------------|-------------------|-------------------------|
| | Fair Market Value | Maturity Not Applicable | Investment Maturities (in years) | | Fair Market Value |
| | | | Less Than 1 | 1-5 | |
| Governmental Funds | | | | | |
| Certificates of deposit | \$ 271,837 | \$ - | \$ - | \$ 271,837 | \$ 269,452 |
| Externally managed pool | 40,090 | 40,090 | - | - | 39,989 |
| | <u>\$ 311,927</u> | <u>\$ 40,090</u> | <u>\$ -</u> | <u>\$ 271,837</u> | <u>\$ 309,441</u> |
| Fiduciary Funds | | | | | |
| Certificates of deposit | \$ 17,128 | \$ - | \$ - | \$ 17,128 | \$ 17,096 |
| Mutual funds | 1,325,106 | 1,325,106 | - | - | 1,226,616 |
| | <u>\$ 1,342,234</u> | <u>\$ 1,325,106</u> | <u>\$ -</u> | <u>\$ 17,128</u> | <u>\$ 1,243,712</u> |

Fair Value Measurements

The Town utilizes the market approach as the valuation technique to measure fair value of its financial assets. GAAP establishes a three-level hierarchy for fair value measurements that distinguishes between market participant assumptions developed based on market data obtained from sources independent of the reporting entity (“observable inputs”) and the reporting entity’s own assumptions about market participant assumptions developed based on the best information available in the circumstances (“unobservable inputs”) and requires that the most observable inputs be used when available. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

- **Level 1** - Valuation based on unadjusted quoted prices in active markets for identical assets the Town has the ability to access. Since valuations are based on quoted prices readily and regularly available in an active market, valuation of these assets does not entail significant judgment.
- **Level 2** - Valuation based on quoted prices for similar assets in active markets; quoted prices for similar assets in inactive markets; or valuations based on models where the significant inputs are observable (e.g. interest rates, yield curves, etc.) or can be corroborated by observable market data.
- **Level 3** - Valuations based on inputs that are unobservable and significant to the overall fair value measurement. The unobservable inputs reflect the Town’s own assumptions about assumptions that market participants might use.

The Town’s investments are measured on a recurring basis using Level 1 information (market quotations for investments that have quoted prices in active markets). The Town has no financial assets measured using Level 2 or Level 3 at June 30, 2019.

Town of Cornwall, Connecticut
Notes to Financial Statements
June 30, 2019 (continued)

Note 4 - Capital Assets

Depreciation expense was charged to functions/programs of the primary government as follows:

| | <u>2019</u> | <u>2018</u> |
|--------------------------|-------------------|-------------------|
| Governmental Activities: | | |
| General government | \$ 21,569 | \$ 20,077 |
| Highway | 104,200 | 92,940 |
| Public safety | 64,198 | 74,842 |
| Education | <u>154,785</u> | <u>160,625</u> |
| | <u>\$ 344,752</u> | <u>\$ 348,484</u> |

Changes in the Town's capital assets used in governmental activities are as follows:

| | <u>Balance at</u> <u>July 1, 2018</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance at</u> <u>June 30, 2019</u> |
|--|--|-------------------|--------------------|---|
| Capital assets not being depreciated: | | | | |
| Land | \$ 671,177 | \$ - | \$ - | \$ 671,177 |
| Total capital assets not being depreciated | <u>671,177</u> | <u>-</u> | <u>-</u> | <u>671,177</u> |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 8,124,920 | - | - | 8,124,920 |
| Infrastructure | 1,474,530 | 509,286 | - | 1,983,816 |
| Machinery and equipment | <u>3,553,862</u> | <u>204,765</u> | <u>(138,755)</u> | <u>3,619,872</u> |
| Total capital assets being depreciated | <u>13,153,312</u> | <u>714,051</u> | <u>(138,755)</u> | <u>13,728,608</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | 3,428,898 | 240,552 | - | 3,669,450 |
| Infrastructure | 258,152 | 25,244 | - | 283,396 |
| Machinery and equipment | <u>2,354,322</u> | <u>78,956</u> | <u>(127,151)</u> | <u>2,306,127</u> |
| Total accumulated depreciation | <u>6,041,372</u> | <u>344,752</u> | <u>(127,151)</u> | <u>6,258,973</u> |
| Total depreciable capital assets, net | <u>7,111,940</u> | <u>369,299</u> | <u>(11,604)</u> | <u>7,469,635</u> |
| Capital assets, net | <u>\$ 7,783,117</u> | <u>\$ 369,299</u> | <u>\$ (11,604)</u> | <u>\$ 8,140,812</u> |

Note 5 – Taxes Receivable and Deferred Inflows of Resources

Taxes receivable at June 30, 2019, for the General Fund, including the applicable allowance for collection losses, are as follows:

| | <u>General Fund</u> |
|---------------------------------|---------------------|
| Property tax | \$ 295,229 |
| Interest and lien fees on taxes | <u>240,881</u> |
| Total gross receivables | 536,110 |
| Allowance for collection losses | <u>(186,000)</u> |
| Total net receivables | <u>\$ 350,110</u> |

To reflect that a portion of property taxes, interest, and lien fees receivable at June 30, 2019, are not considered available to liquidate general fund liabilities of the current period, the General Fund column of the governmental funds Balance Sheet reports property tax revenue, unavailable for expenditure in the current fiscal year of \$284,233, as a deferred inflow of resources.

Note 6 – Pension Plans

Connecticut State Teachers' Retirement System

Description of System

Teachers within the Town's school system participate in a retirement system administered by the Connecticut State Teachers' Retirement Board. This Connecticut State Teachers' Retirement System (the "System") is a cost sharing multiple employer defined benefit pension system with a special funding situation. As such, the Town does not have a liability related to participants in the System.

The System is considered a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained at www.ct.gov.

The System is administered under the provisions of Chapter 167a of the Connecticut General Statutes (CGS). Participation in the System is restricted to certified staff employed in the public schools of Connecticut and members of the professional staff of the State Department of Education or the board of Governors of Higher Education and their constituent units. Participation in the System is mandatory for certified personnel of local boards of education who are employed for an average of at least one-half of a school day. Members of the professional staff of the State Department of Education or the Board of Governors of Higher Education and their constituent units may elect to participate in this system, the State Employees' Retirement System, or the Alternate Retirement System (TIAA-CREF).

Benefits Provided

The benefits provided to participants by the System are as follows:

Normal Benefit: A member at age 60 with 20 years of Credited Service in Connecticut, or 35 years of Credited Service including at least 25 years of service in Connecticut is eligible for vested benefits of 2% of average annual salary times years of credited service (maximum benefit is 75% of average annual salary.)

Early Retirement: A member with 25 years of Credited Service, including at least 20 years of Connecticut public school service, or age 55 with 20 years of Credited Service including 15 years of Connecticut service. The early retirement factors currently in effect are 6% per year for the first five years by which early retirement precedes the minimum normal retirement age and 4% per year for the next five years by which early retirement precedes the minimum normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3% for each year by which early retirement precedes the minimum retirement age.

Prorated Benefit: A member who completes 10 years of Connecticut public school service is eligible for a vested benefit commencing at age 60. The benefit is 2% less 0.1% for each year less than 20 years of average annual salary times years of credited service.

Minimum Benefit: Effective January 1, 1999, Public Act 98-251 provides a minimum monthly retirement benefit of \$1,200 to teachers who retire under the Normal Benefit provisions and who have completed at least 25 years of full time Connecticut service at retirement.

Town of Cornwall, Connecticut
Notes to Financial Statements
June 30, 2019 (continued)

Contribution Requirements

The pension contributions made by the State to the System are determined on an actuarial reserve basis as described in CGS Sections 10-1831 and 10-183z.

Participants are required to contribute 7.00% of their annual salary rate to the System as required by CGS Section 10-183b (7). For the 2018/2019 school year, \$70,396 mandatory contributions were deducted from the salaries of teachers who were participants of the System during that school year. The covered payroll for the Town is \$1,005,650. The Town had 14 active participants in the System at June 30, 2019.

Employers are not required to contribute to the System. The Town does not contribute to the plan.

Actuarial Assumptions

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

| | |
|---|------------------------------|
| Actuarial cost method | Entry Age |
| Amortization method | Level percent of pay, closed |
| Asset valuation method | 4-year smoothed market |
| Inflation | 2.75 Percent |
| Salary increases, including inflation | 3.25-6.50 Percent |
| Long-term investment rate of return, net of pension investment expense, including inflation | 8.00 Percent |

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80 for the period after service retirement and for dependent beneficiaries as well as for active members. The RPH-2014 Disabled Mortality Table projected to 2017 with Scale BB is used for the period after disability retirement.

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 – June 30, 2016.

The long-term expected rate of return on pension investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Town of Cornwall, Connecticut
Notes to Financial Statements
June 30, 2019 (continued)

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-----------------------------|--------------------------|---|
| Large cap U.S. equities | 21.0% | 5.8% |
| Developed non-U.S. equities | 18.0% | 6.6% |
| Emerging markets (non-U.S.) | 9.0% | 8.3% |
| Real estate | 7.0% | 5.1% |
| Private equity | 11.0% | 7.6% |
| Alternative investments | 8.0% | 4.1% |
| Core fixed income | 7.0% | 1.3% |
| High yield bonds | 5.0% | 3.9% |
| Emerging market bond | 5.0% | 3.7% |
| Inflation linked bond fund | 3.0% | 1.0% |
| Cash | <u>6.0%</u> | 0.4% |
| Total | <u>100.0%</u> | |

Discount Rate

The discount rate used to measure the total pension liability was 8.00 percent. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Town's proportionate share of the net pension liability of the System, calculated using the discount rate of 8.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00 percent) or 1-percentage-point higher (9.00 percent) than the current rate.

| | <u>1% Decrease (7.00%)</u> | <u>Current Discount Rate (8.00%)</u> | <u>1% Increase (9.00%)</u> |
|--|--------------------------------|--|--------------------------------|
| Sensitivity of the system's proportionate share of the net pension liability related to the Town | \$ 4,130,462 | \$ 3,268,241 | \$ 2,539,086 |

Pension Liabilities, Pension Expense, and Deferred Inflows/Outflows of Resources

The State makes all contributions to the System on behalf of employees of the participating districts. Therefore, participating employers are considered to be in a special funding situation as defined by Governmental Accounting Standards Board No. 68 and the State is treated as a non-employer contributing entity in the System. Since the districts do not contribute directly to the System, there is no net pension liability or deferred inflows or outflows to report in the financial statements of the Town. The portion of the net pension liability that was associated with the Town was \$3,268,241 and 100% of the collective net pension liability is allocated to the State.

Town of Cornwall, Connecticut
Notes to Financial Statements
June 30, 2019 (continued)

June 30, 2018, is the actuarial valuation date upon which the total pension liability is based. The Town recognized the total pension expense associated with the Town as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the Town. For the fiscal year ended June 30, 2019, the Town recognized \$366,802 as the amount expended by the State on behalf of the Town to meet the State's funding requirements.

Defined Contribution Plan

The Town maintains a defined contribution money purchase plan that covers all full-time employees of the Town, excluding certified teachers. The plan is a single-employer contribution pension plan administered and amended by the trustees of the "Town of Cornwall Employee Pension Plan." Current participants total 24 employees.

Plan Description

The plan covers employees who have completed one year of service in which 1,000 hours is worked and have attained age 21. The plan is integrated with life insurance at the option of the participant and is an approved prototype plan.

The participants become 100% vested after 7 years of service. Normal retirement age is at 65. All active eligible participants and any terminated participants who complete 1,000 hours during the plan year prior to their termination date will receive a contribution equal to 7% compensation. There were no voluntary participant contributions during the year. Those terminating for reasons of death, disability, or retirement will share in the allocation, regardless of hours. Employer contributions, net of forfeitures, for the fiscal year ended June 30, 2019, totaled \$37,008. The contribution is calculated on gross compensation paid for the calendar year. The plan allows for amendment by the Town as employer.

Assets of the fund are invested as directed by plan participants in mutual funds provided by the trustee. The employer pays the costs of plan administration.

Service Incentive Program (CVFD)

The Town established the Cornwall VFD Service Incentive Program on behalf of volunteers of the Cornwall Volunteer Fire Department (CVFD). Under this program, the Town annually contributes \$1,000 per eligible volunteer. The total contribution for the year ended June 30, 2019 was \$29,000, net of forfeitures and was paid in the subsequent period. 29 individuals qualified for the benefit. Such volunteers become fully vested after five years of service. The normal retirement age for receiving benefits is age 62, although participants may apply for hardship distributions under certain circumstances as prescribed by the United States Department of Labor.

The plan is administered by a board consisting of three members appointed by the President of the Cornwall Volunteer Fire Department. Since the trust fund established to hold plan assets is subject to claims of the Town's general creditors, the plan is reported as an expendable trust fund.

Significant Accounting Policies

Basis of Accounting: Financial statements are prepared using the accrual basis of accounting. Employer contributions are recognized in the period that the contributions are due.

Method Used in Value Investments: Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair values.

Note 7 – Connecticut State Teachers’ Other Post-Employment Benefits (OPEB)

Description of the Plan

Teachers within the Town’s school system participate in a retirement system administered by the Connecticut State Teachers’ Retirement Board, which includes the Retiree Health Insurance Plan (Connecticut State Teachers’ OPEB). This Connecticut State Teachers’ OPEB is a cost sharing multiple employer defined benefit OPEB plan with a special funding situation. As such, the Town does not have a liability related to participants in the Connecticut State Teachers’ OPEB.

The Connecticut State Teachers’ OPEB is considered a part of the State of Connecticut financial reporting entity and is included in the State’s financial reports as a trust fund. Those reports may be obtained at www.ct.gov.

The Connecticut State Teachers’ OPEB is administered under the provisions of Chapter 167a of the Connecticut General Statutes (CGS). Participation is restricted to certified staff employed in the public schools of Connecticut and members of the professional staff of the State Department of Education or the board of Governors of Higher Education and their constituent units. Participation is mandatory for certified personnel of local boards of education who are employed for an average of at least one-half of a school day. Members of the professional staff of the State Department of Education or the Board of Governors of Higher Education and their constituent units may elect to participate.

Eligibility

Teachers and Administrators (Certified) – A Teacher or Administrator retiring under the Connecticut State Teachers Retirement System shall be eligible to receive health benefits for self and spouse.

Normal Retirement for Teachers and Administrators is the earliest of age 60 with 20 years of service, or completion of 35 years of service regardless of age. Early Retirement is the earliest of age 60 with 10 years of service, any age with 25 years of service, or age 55 with 20 years of service.

Not Certified – A retired employee shall be eligible to receive health benefits for self and spouse.

Benefit Provisions

Any member that is currently receiving a retirement or disability benefit is eligible to participate in the Connecticut State Teachers’ OPEB. There are two types of the health care benefits offered. Subsidized Local School Town Coverage provides a subsidy paid to members still receiving coverage through their former employer and the CTRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School Town Coverage.

Any member that is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree’s share of the cost of coverage, any remaining portion is used to offset the district’s cost. The subsidy amount is set by statute, and has not increased since July of 1996. A subsidy amount of \$220 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$220 per month towards coverage under a local school district plan.

Town of Cornwall, Connecticut
Notes to Financial Statements
June 30, 2019 (continued)

Any member that is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

Contributions

The Connecticut State Teachers' OPEB contributions made by the State are determined on an actuarial reserve basis.

Participants are required to contribute 1.25% of their annual salary rate to the Connecticut State Teachers' OPEB as required by CGS Section 10-183b (7). For the 2018/2019 school year, \$12,571 mandatory contributions were deducted from the salaries of teachers who were participants of the Connecticut State Teachers' OPEB during that school year. The covered payroll for the Town is \$1,005,650. The Town had 14 active participants in the Connecticut State Teachers' OPEB at June 30, 2019.

Employers are not required to contribute to the Connecticut State Teachers' OPEB. The Town does not contribute to the plan.

Actuarial Assumptions and Other Inputs

The total OPEB liability was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

| | |
|-----------------------------|--|
| Actuarial Valuation Date | June 30, 2018 |
| Measurement Date | June 30, 2018 |
| Reporting Date | June 30, 2019 |
| Actuarial Cost Method | Entry Age Normal, level percent of salary |
| Salary increases | 3.25% to 6.50% |
| Inflation rate | 2.75% |
| Discount rate | 3.87% as of June 30, 2018, which is based on the 20-bond Municipal Index rate |
| Healthcare cost trend rates | 7.25% for 2018 decreasing to an ultimate rate of 5.00% by 2022 |
| Mortality rates | Based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale |

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 – June 30, 2016.

Town of Cornwall, Connecticut
Notes to Financial Statements
June 30, 2019 (continued)

The long-term expected rate of return on investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|------------------------------------|--------------------------|---|
| U.S. treasuries (cash equivalents) | <u>100.0%</u> | 3.00% |
| Total | <u>100.0%</u> | |

Discount Rate

The discount rate used to measure the total OPEB liability was 3.87 percent. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Sensitivity of the Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.87%) or 1-percentage-point higher (4.87%) than the current discount rate:

| | <u>1% Decrease (2.87%)</u> | <u>Discount rate (3.87%)</u> | <u>1% Increase (4.87%)</u> |
|---|--------------------------------|----------------------------------|--------------------------------|
| Sensitivity of the plan's proportionate share of the net OPEB liability related to the Town | \$ 775,824 | \$ 653,366 | \$ 555,634 |

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the Town, as well as what the Town's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

| | <u>1% Decrease</u> | <u>Healthcare Cost Trend Rates</u> | <u>1% Increase</u> |
|---|--------------------|--|--------------------|
| Sensitivity of the plan's proportionate share of the net OPEB liability related to the Town | \$ 547,541 | \$ 653,366 | \$ 793,841 |

Town of Cornwall, Connecticut
Notes to Financial Statements
June 30, 2019 (continued)

OPEB liabilities, OPEB expense, and deferred inflows/outflows of resources related to OPEB

The State makes all contributions to the Connecticut State Teachers' OPEB on behalf of employees of the participating districts. Therefore, participating employers are considered to be in a special funding situation as defined by Governmental Accounting Standards Board No. 75 and the State is treated as a non-employer contributing entity in the Connecticut State Teachers' OPEB. Since the districts do not contribute directly to the Connecticut State Teachers' OPEB, there is no net OPEB liability or deferred inflows or outflows to report in the financial statements of the Town. The portion of the State's net OPEB liability that was associated with the Town was \$653,366 and 100 percent of the collective net OPEB liability is allocated to the State. The Town's proportionate share of the OPEB liability is zero.

The Town recognized the OPEB expense associated with the Town as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective OPEB expense associated with the Town. For the fiscal year ended June 30, 2019, the Town recognized a negative \$217,048 as the amount expended by the State on behalf of the Town to meet the State's funding requirements.

Note 8 - Long-Term Obligations

Landfill Closure

During 1994-1995, the Town ceased all operations at its landfill site. State and federal laws and regulations require the Town to perform certain maintenance and monitoring functions at the landfill site for 30 years after the closure date of February 1996. The Town has recognized the remaining estimated postclosure care costs of \$47,370 in the Government-wide financial statements. Current year expenditures were recognized in the General Fund in the amount of \$8,584. Changes in the estimated total current cost of postclosure care may occur and are reported in the periods in which the change is probable and can be reasonably estimated. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

Long-Term Obligation Activity

General Obligation Bonds of \$1,500,000 were issued on April 24, 2017, with an interest rate of 2.325%. The bonds mature serially through April 1, 2027.

General Obligation Bonds of \$1,900,000 were issued on June 1, 2012, to refund an earlier bond issue, with interest rates varying from 1.0% to 3.0%, which results in an average weighted interest rate of 2.0%. The bonds mature serially through August 15, 2023.

The following table summarizes changes in the Town's long-term indebtedness for the year ending June 30, 2019:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|---------------------------------|------------------------------|------------------|---------------------|---------------------------|--------------------------------|
| Governmental activities: | | | | | |
| General obligation bonds (2017) | \$ 1,350,000 | \$ - | \$ (150,000) | \$ 1,200,000 | \$ 150,000 |
| General obligation bonds (2012) | 1,000,000 | - | (160,000) | 840,000 | 160,000 |
| Unamortized premiums | 24,966 | - | (4,162) | 20,804 | 4,162 |
| Landfill post-closure costs | <u>54,822</u> | <u>-</u> | <u>(7,452)</u> | <u>47,370</u> | <u>7,452</u> |
| Total long-term obligations | <u>\$ 2,429,788</u> | <u>\$ -</u> | <u>\$ (321,614)</u> | <u>\$ 2,108,174</u> | <u>\$ 321,614</u> |

Town of Cornwall, Connecticut
Notes to Financial Statements
June 30, 2019 (continued)

Debt Service Requirements

Debt service requirements on long-term debt at June 30, 2019, are as follows:

| <u>Year Ending</u> | <u>Principal</u> | <u>Interest</u> |
|--------------------|---------------------|-------------------|
| 2020 | \$ 310,000 | \$ 44,215 |
| 2021 | 315,000 | 37,352 |
| 2022 | 320,000 | 30,466 |
| 2023 | 320,000 | 23,424 |
| 2024 | 325,000 | 16,151 |
| 2025 | 150,000 | 10,607 |
| 2026 | 150,000 | 7,072 |
| 2027 | 150,000 | 3,536 |
| | <u>\$ 2,040,000</u> | <u>\$ 172,823</u> |

Prior Years Advance Refunding

In a prior year, the Town defeased a bond issue by creating a separate irrevocable trust fund. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust fund. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and, therefore, removed as a liability from the Town's financial statements.

Statutory Debt Limitation

Connecticut General Statutes Section 7-374(b) provides that authorized 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.

Bonds Authorized and Unissued

At June 30, 2019, there were no authorized and unissued bonds for general purposes.

Note 9 – Commitments and Contingencies

The Town is contingently liable on Regional School District No. 1 serial bonds payable, which has an outstanding balance of \$6,608,000. The amount (12.40%) attributed to the Town is \$819,393.

The Town has received State grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditures disallowed under terms of the grant. Based on prior experience, Town management believes such disallowances, if any, will not be material.

Town of Cornwall, Connecticut
Notes to Financial Statements
June 30, 2019 (continued)

Note 10 – Interfund Balances/Transfers

At June 30, 2019, interfund balances were as follows:

| | <u>Due From</u> | | | | <u>Total Governmental</u> |
|-----------------------|-------------------------|--------------------------------------|-----------------------------------|---------------------|-------------------------------|
| | <u>General Fund</u> | <u>Capital Projects Fund</u> | <u>Town Activity Fund</u> | <u>Dog Fund</u> | |
| Due to: | | | | | |
| General Fund | \$ - | \$ 39,281 | \$ 875 | \$ 9,743 | \$ 49,899 |
| Capital Projects Fund | 72 | - | - | - | 72 |
| Dog Fund | <u>1,798</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,798</u> |
| Total | <u>\$ 1,870</u> | <u>\$ 39,281</u> | <u>\$ 875</u> | <u>\$ 9,743</u> | <u>\$ 51,769</u> |

Interfund transfers for the year are summarized below:

| | <u>Transfers in:</u> | | |
|--------------------|----------------------------------|-------------------------------|-------------------------------|
| | <u>Capital Projects Fund</u> | <u>Town Activity Fund</u> | <u>Total Governmental</u> |
| Transfers out: | | | |
| General Fund | \$ 595,000 | \$ - | \$ 595,000 |
| Cornwall Endowment | <u>1,000</u> | <u>1,500</u> | <u>2,500</u> |
| | <u>\$ 596,000</u> | <u>\$ 1,500</u> | <u>\$ 597,500</u> |

Note 11 – Governmental Fund Balances

As of June 30, 2019, governmental fund balances are composed of the following:

| | <u>General Fund</u> | <u>Capital Projects Fund</u> | <u>Nonmajor Funds</u> | <u>Total Governmental Funds</u> |
|--------------------------|---------------------|----------------------------------|---------------------------|---|
| <u>Nonspendable:</u> | | | | |
| Prepaid expenses | \$ 12,595 | \$ - | \$ - | \$ 12,595 |
| Permanent endowments | <u>-</u> | <u>-</u> | <u>34,895</u> | <u>34,895</u> |
| | <u>12,595</u> | <u>-</u> | <u>34,895</u> | <u>47,490</u> |
| <u>Restricted:</u> | | | | |
| Open space | <u>-</u> | <u>-</u> | <u>16,251</u> | <u>16,251</u> |
| | <u>-</u> | <u>-</u> | <u>16,251</u> | <u>16,251</u> |
| <u>Committed:</u> | | | | |
| Capital projects | - | 780,868 | - | 780,868 |
| Town activities | <u>-</u> | <u>-</u> | <u>62,028</u> | <u>62,028</u> |
| | <u>-</u> | <u>780,868</u> | <u>62,028</u> | <u>842,896</u> |
| <u>Assigned:</u> | | | | |
| Subsequent year's budget | 176,500 | - | - | 176,500 |
| Gates Bequest | 236,706 | - | - | 236,706 |
| Building inspection | 16,677 | - | - | 16,677 |
| Food and fuel | - | - | 42,355 | 42,355 |
| Endowment | <u>-</u> | <u>-</u> | <u>7,627</u> | <u>7,627</u> |
| | <u>429,883</u> | <u>-</u> | <u>49,982</u> | <u>479,865</u> |
| <u>Unassigned</u> | <u>2,071,851</u> | <u>-</u> | <u>(4,475)</u> | <u>2,067,376</u> |
| | <u>\$ 2,514,329</u> | <u>\$ 780,868</u> | <u>\$ 158,681</u> | <u>\$ 3,453,878</u> |

Note 12 – Risk Management

The Town is exposed to various risks of loss relating to liability, theft, or impairment of assets, errors or omissions, injuries to employees, and natural disasters. Commercial liability and property insurance coverage is purchased to protect against losses from these risks. Additionally, employee health coverage is purchased from a commercial carrier. The Town does not maintain a self-insurance fund. There was no significant reduction coverage from the prior year, and no claims have exceeded insurance coverage in the past three years.

The Town currently is a member of the Connecticut Interlocal Risk Management Agency (CIRMA), a public entity risk pool currently operating as a common risk management and insurance program for a comprehensive workers' compensation insurance program through its workers' compensation pool, as well as liability insurance. The Town pays an annual premium to the pool for its coverage. The agreement for the formation of CIRMA provides that the pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$1,000,000 for each insured event to an unlimited excess limit. The pooling agreement allows CIRMA to make additional assessments to make the pool self-sustaining. The Town cannot estimate the amount of such additional assessments and has not been notified that any assessments are forthcoming. CIRMA publishes its own financial report, which can be obtained from: CIRMA, 900 Chapel Street, 9th Floor, New Haven, CT 06510.

Note 13 - Implementation of Accounting Standards

Effective July 1, 2018, the Town adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 83, Certain Asset Retirement Obligations. The statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in the statement. The adoption of this statement did not have an effect on the Town's financial statements.

Effective July 1, 2018, the Town adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 88, Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The adoption of this statement did not have an effect on the Town's financial statements.

Note 14 – Recently Issued Accounting Standards Not Yet Adopted

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2019. The Town has not yet determined the impact that this statement might have on its financial statements.

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2020. The Town has not yet determined the impact that this statement might have on its financial statements.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of the capital asset. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2020. The Town does not expect the impact of this statement will be material to its financial statements.

**REQUIRED SUPPLEMENTARY
INFORMATION
(UNAUDITED)**

TOWN OF CORNWALL, CONNECTICUT

**CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

| | <u>2019</u> | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Town's proportion of the net pension liability | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Town's proportionate share of the net pension liability | \$ - | \$ - | \$ - | \$ - | \$ - |
| State's proportionate share of the net pension liability associated with the Town | <u>3,268,241</u> | <u>3,623,618</u> | <u>3,822,885</u> | <u>3,001,850</u> | <u>2,774,609</u> |
| Total | <u>\$ 3,268,241</u> | <u>\$ 3,623,618</u> | <u>\$ 3,822,885</u> | <u>\$ 3,001,850</u> | <u>\$ 2,774,609</u> |
| Town's covered-employee payroll | <u>\$ 1,005,650</u> | <u>\$ 1,112,657</u> | <u>\$ 1,054,570</u> | <u>\$ 1,098,440</u> | <u>\$ 1,083,159</u> |
| Town's proportionate share of the net pension liability as a percentage of its covered payroll | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> |
| System fiduciary net position as a percentage of the total pension liability | <u>57.69%</u> | <u>55.93%</u> | <u>52.26%</u> | <u>59.50%</u> | <u>61.56%</u> |

Notes to Connecticut State Teachers' Retirement System

Method and Assumptions used in Calculations of Actuarially Determined Contributions

The actuarially determined contributions in the schedule of employer contributions are calculated as of June 30 each biennium for the fiscal years ending two and three years after the valuation date. The following actuarial methods and assumptions were used to determine the most recent contributions reported in that schedule:

| | |
|---------------------------------------|---|
| Actuarial cost method | Entry age |
| Amortization method | Level percent of pay, closed |
| Single equivalent amortization period | 20.4 years |
| Asset valuation method | 4-year smoothed market |
| Inflation | 2.75 percent |
| Salary increase | 3.25-6.50 percent, including inflation |
| Investment rate of return | 8.00 percent, net of investment related expense |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT

**CONNECTICUT STATE TEACHERS' OTHER POST EMPLOYMENT BENEFITS (OPEB)
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**

| | <u>2019</u> | <u>2018</u> |
|--|---------------------|---------------------|
| Town's proportion of the net OPEB liability | 0.00% | 0.00% |
| Town's proportionate share of the net OPEB liability | \$ - | \$ - |
| State's proportionate share of the net OPEB liability associated with the Town | <u>653,366</u> | <u>932,678</u> |
| Total | <u>\$ 653,366</u> | <u>\$ 932,678</u> |
| | | |
| Town's covered-employee payroll | <u>\$ 1,005,650</u> | <u>\$ 1,112,657</u> |
| | | |
| Town's proportionate share of the net OPEB liability as a percentage of its covered payroll | <u>0.00%</u> | <u>0.00%</u> |
| | | |
| OPEB fiduciary net position as a percentage of the total OPEB liability | <u>1.49%</u> | <u>1.79%</u> |

See accompanying Independent Auditors' Report.

**SUPPLEMENTAL
STATEMENTS AND SCHEDULES**

TOWN OF CORNWALL, CONNECTICUT

**GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019**

| | Budgeted Amounts | | | Actual | Variance With Final Budget Positive (Negative) |
|-------------------------------|------------------|-----------|------------------|------------------|---|
| | Original | Transfers | Final | | |
| Fees for Services | | | | | |
| Town Clerk's fees | \$ 40,000 | \$ - | \$ 40,000 | \$ 35,423 | \$ (4,577) |
| Hammond Beach passes | 2,000 | - | 2,000 | 3,969 | 1,969 |
| Brush dump fees | 1 | - | 1 | - | (1) |
| Landfill receipts | 12,000 | - | 12,000 | 11,702 | (298) |
| Building permits | - | - | - | 53,109 | 53,109 |
| Planning and Zoning fees | 600 | - | 600 | 925 | 325 |
| Park and Recreation | 2,500 | - | 2,500 | 3,421 | 921 |
| Other fees, charges | 4,500 | - | 4,500 | 20,371 | 15,871 |
| Tax Map charges | 500 | - | 500 | 312 | (188) |
| | <u>62,101</u> | <u>-</u> | <u>62,101</u> | <u>129,232</u> | <u>67,131</u> |
| Other Revenues | | | | | |
| Commercial recycling | 3,000 | - | 3,000 | 3,805 | 805 |
| Payments in lieu of taxes | 20,000 | - | 20,000 | 24,759 | 4,759 |
| Miscellaneous | 1,000 | - | 1,000 | 38,023 | 37,023 |
| | <u>24,000</u> | <u>-</u> | <u>24,000</u> | <u>66,587</u> | <u>42,587</u> |
| Property Taxes | | | | | |
| Current levy | 6,347,589 | - | 6,347,589 | 6,464,032 | 116,443 |
| Delinquent taxes | 20,000 | - | 20,000 | 142,480 | 122,480 |
| Interest and fees | 20,000 | - | 20,000 | 110,224 | 90,224 |
| | <u>6,387,589</u> | <u>-</u> | <u>6,387,589</u> | <u>6,716,736</u> | <u>329,147</u> |
| State Education Grants | | | | | |
| Education grants | - | - | - | 7,337 | 7,337 |
| School transportation | - | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>7,337</u> | <u>7,337</u> |
| State General Grants | | | | | |
| Town aid roads | 112,301 | - | 112,301 | 224,571 | 112,270 |
| Indian Casino funds | - | - | - | 4,434 | 4,434 |
| In lieu tax grant | - | - | - | 9,753 | 9,753 |
| Telephone access | 7,000 | - | 7,000 | 6,611 | (389) |
| Elderly tax relief | - | - | - | 147 | 147 |
| Vet's disabled tax relief | 700 | - | 700 | 665 | (35) |
| Town Clerk's grant | 4,500 | - | 4,500 | 4,500 | - |
| LOCIP bonded funds | - | - | - | 59,566 | 59,566 |
| Miscellaneous state grants | - | - | - | 7,336 | 7,336 |
| | <u>124,501</u> | <u>-</u> | <u>124,501</u> | <u>317,583</u> | <u>193,082</u> |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT

**GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

| | <u>Budgeted Amounts</u> | | | <u>Actual</u> | Variance With Final Budget Positive (Negative) |
|---|-------------------------|------------------|---------------------|---------------------|---|
| | <u>Original</u> | <u>Transfers</u> | <u>Final</u> | | |
| Transfer/Non-Revenue Receipts | | | | | |
| Unassigned fund balance | \$ 350,000 | \$ - | \$ 350,000 | \$ - | \$ (350,000) |
| After school tuition | - | - | - | 3,228 | 3,228 |
| Non-revenue credits - refunds | - | - | - | 5,024 | 5,024 |
| NIB checking interest | 8,000 | - | 8,000 | 25,826 | 17,826 |
| Miscellaneous interest | - | - | - | 15,614 | 15,614 |
| | <u>358,000</u> | <u>-</u> | <u>358,000</u> | <u>49,692</u> | <u>(308,308)</u> |
| Total revenues and other financing sources | | | | | |
| | <u>\$ 6,956,191</u> | <u>\$ -</u> | <u>\$ 6,956,191</u> | <u>\$ 7,287,167</u> | <u>\$ 330,976</u> |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT

**GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2019**

| | Budgeted Amounts | | | Actual | Variance With Final Budget Positive (Negative) |
|------------------------------------|------------------|------------|----------------|----------------|---|
| | Original | Transfers | Final | | |
| Board of Selectmen Budget | | | | | |
| Assessor | | | | | |
| Assessor's salary | \$ 9,069 | \$ - | \$ 9,069 | \$ 11,129 | \$ (2,060) |
| Assessor's clerk salary | 22,711 | - | 22,711 | 23,051 | (340) |
| Office supplies | 3,000 | - | 3,000 | 1,308 | 1,692 |
| Mileage, travel | 1,000 | - | 1,000 | 232 | 768 |
| Meetings/memberships | 15 | - | 15 | 15 | - |
| Contracted services | 12,000 | - | 12,000 | 4,779 | 7,221 |
| | <u>47,795</u> | <u>-</u> | <u>47,795</u> | <u>40,514</u> | <u>7,281</u> |
| Board of Assessment Appeals | | | | | |
| BAA salaries | 498 | - | 498 | - | 498 |
| BAA clerk wage | 1 | - | 1 | - | 1 |
| Expenditures | 1 | - | 1 | - | 1 |
| | <u>500</u> | <u>-</u> | <u>500</u> | <u>-</u> | <u>500</u> |
| Board of Selectmen | | | | | |
| Selectmens' salaries | 63,535 | - | 63,535 | 63,535 | - |
| Selectmens' clerk | 38,037 | - | 38,037 | 38,037 | - |
| BOS temporary clerk | 1,236 | 361 | 1,597 | 1,597 | - |
| BOS office supplies | 925 | - | 925 | 920 | 5 |
| BOS bids, legal, etc. | 500 | - | 500 | 576 | (76) |
| BOS meetings, mileage | 150 | - | 150 | 213 | (63) |
| BOS meetings, memberships | 300 | - | 300 | 270 | 30 |
| BOS postage | 250 | - | 250 | 82 | 168 |
| | <u>104,933</u> | <u>361</u> | <u>105,294</u> | <u>105,230</u> | <u>64</u> |
| Finance Department | | | | | |
| Treasurer's salary | 3,368 | - | 3,368 | 3,368 | - |
| Finance Director salary | 38,517 | - | 38,517 | 38,517 | - |
| Treasurer's clerk expense | 1 | - | 1 | 168 | (167) |
| Office supplies | 1,000 | - | 1,000 | 1,303 | (303) |
| Printing | 2,860 | - | 2,860 | 2,749 | 111 |
| Computer | 1,500 | - | 1,500 | 1,915 | (415) |
| Postage | 1,000 | - | 1,000 | 971 | 29 |
| Town audit | 14,750 | - | 14,750 | 14,000 | 750 |
| | <u>62,996</u> | <u>-</u> | <u>62,996</u> | <u>62,991</u> | <u>5</u> |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT

**GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

| | Budgeted Amounts | | | Actual | Variance With Final Budget Positive (Negative) |
|--|------------------|-----------|-----------|-----------|---|
| | Original | Transfers | Final | | |
| Hammond Beach | | | | | |
| Salaries | \$ 33,853 | \$ - | \$ 33,853 | \$ 30,527 | \$ 3,326 |
| Programs | 1,200 | - | 1,200 | 892 | 308 |
| Utilities | 900 | - | 900 | 1,018 | (118) |
| Supplies | 700 | - | 700 | 2,026 | (1,326) |
| Equipment | 350 | - | 350 | 25 | 325 |
| Contracted services | 2,000 | - | 2,000 | 3,158 | (1,158) |
| | 39,003 | - | 39,003 | 37,646 | 1,357 |
| Highway Administration/Supplies | | | | | |
| Garage heat | 6,500 | - | 6,500 | 9,274 | (2,774) |
| Utilities | 5,000 | - | 5,000 | 5,605 | (605) |
| Supplies | 5,000 | - | 5,000 | 10,815 | (5,815) |
| Small equipment | 2,500 | - | 2,500 | 3,542 | (1,042) |
| Contracted services | 29,000 | - | 29,000 | 35,719 | (6,719) |
| Small equipment repairs | 500 | - | 500 | 477 | 23 |
| Garage repairs (building) | 1,000 | - | 1,000 | 578 | 422 |
| Drug testing | 200 | - | 200 | - | 200 |
| Labor expense: | | | | | |
| OT labor expense | 16,046 | - | 16,046 | 7,692 | 8,354 |
| Regular labor expense | 239,379 | - | 239,379 | 228,731 | 10,648 |
| | 255,425 | - | 255,425 | 236,423 | 19,002 |
| Highway temporary labor | 6,000 | - | 6,000 | 6,432 | (432) |
| Fuel/gas/oil/grease | 35,000 | - | 35,000 | 32,418 | 2,582 |
| Highway signs | 1,500 | - | 1,500 | 2,309 | (809) |
| Road materials | 20,000 | - | 20,000 | 38,725 | (18,725) |
| Snow removal | 70,000 | - | 70,000 | 52,379 | 17,621 |
| Tree maintenance | 23,000 | 1,000 | 24,000 | 26,729 | (2,729) |
| | 460,625 | 1,000 | 461,625 | 461,425 | 200 |
| Highway Vehicle Maintenance | | | | | |
| Vehicle equipment maintenance | 50,000 | - | 50,000 | 49,491 | 509 |
| | 50,000 | - | 50,000 | 49,491 | 509 |
| Insurance and Benefits | | | | | |
| General insurance | 4,371 | - | 4,371 | 4,007 | 364 |
| Workers' compensation | 45,000 | - | 45,000 | 49,631 | (4,631) |
| Public liability | 65,970 | - | 65,970 | 49,306 | 16,664 |
| Employees' health insurance | 224,876 | - | 224,876 | 215,032 | 9,844 |
| Employees' pension plan | 41,738 | - | 41,738 | 36,348 | 5,390 |
| | 381,955 | - | 381,955 | 354,324 | 27,631 |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT

**GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

| | Budgeted Amounts | | | Actual | Variance With Final Budget Positive (Negative) |
|----------------------------------|------------------|-----------|----------|----------|---|
| | Original | Transfers | Final | | |
| Land Use | | | | | |
| Zoning Enforcement wage | \$ 6,922 | \$ - | \$ 6,922 | \$ 6,541 | \$ 381 |
| Land Use Administrator | 10,758 | - | 10,758 | 10,478 | 280 |
| Land Use Clerk | 6,206 | - | 6,206 | 6,657 | (451) |
| Office supplies | 500 | - | 500 | 146 | 354 |
| Printing | 200 | - | 200 | 118 | 82 |
| Legal notices | 1,800 | - | 1,800 | 1,557 | 243 |
| Meetings/mileage | 500 | - | 500 | 472 | 28 |
| Computer | 400 | - | 400 | 143 | 257 |
| Building inspection expense | - | - | - | 49,085 | (49,085) |
| Consulting services | 6,800 | - | 6,800 | 2,150 | 4,650 |
| Legal fees | 2,500 | - | 2,500 | 504 | 1,996 |
| | 36,586 | - | 36,586 | 77,851 | (41,265) |
| Organizational Support | | | | | |
| Cornwall Child Center | 40,000 | - | 40,000 | 40,000 | - |
| Cornwall Library | 50,000 | - | 50,000 | 50,000 | - |
| Cornwall Historical Society | 5,000 | - | 5,000 | 5,000 | - |
| Cornwall Housing Corp | 4,000 | - | 4,000 | 4,000 | - |
| Cornwall Conservation Trust | 2,000 | - | 2,000 | 2,000 | - |
| NW Council of Governments | 1,120 | - | 1,120 | 1,829 | (709) |
| Council of Small Towns | 1,225 | - | 1,225 | 1,042 | 183 |
| Tax refunds | 1,500 | - | 1,500 | 675 | 825 |
| Cemetery maintenance | 2,600 | - | 2,600 | 2,600 | - |
| Regional Housing | 100 | - | 100 | 100 | - |
| NW Conservation District | 600 | - | 600 | 600 | - |
| Housatonic River Commission | 350 | - | 350 | 350 | - |
| Geer Adult Day Center | 9,500 | - | 9,500 | 9,500 | - |
| Susan B. Anthony Project | 1,500 | - | 1,500 | 1,500 | - |
| Town celebrations | 300 | - | 300 | 778 | (478) |
| NW Corner Chore Service | 5,000 | - | 5,000 | 5,000 | - |
| Women's Support Service | 1,500 | - | 1,500 | 1,500 | - |
| Regional Mental Health | 152 | - | 152 | 152 | - |
| Housatonic Youth Service | 4,838 | - | 4,838 | 4,838 | - |
| Argricultural Advisory | 800 | - | 800 | 883 | (83) |
| Elderly Nutrition Project | 501 | - | 501 | 501 | - |
| Greenwoods Counseling referrals | 2,000 | - | 2,000 | 2,000 | - |
| HVA-Housatonic Vally Association | 250 | - | 250 | 250 | - |
| FISH | 250 | - | 250 | - | 250 |
| Conservation Commission | 1,500 | - | 1,500 | 445 | 1,055 |
| Economic Study | 4,195 | - | 4,195 | 1,216 | 2,979 |
| | 140,781 | - | 140,781 | 136,759 | 4,022 |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT

**GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

| | Budgeted Amounts | | | Actual | Variance With Final Budget Positive (Negative) |
|------------------------------------|------------------|-----------|-----------|-----------|---|
| | Original | Transfers | Final | | |
| Park & Recreation | | | | | |
| Salaries | \$ 22,860 | \$ - | \$ 22,860 | \$ 22,860 | \$ - |
| Supplies | 1,300 | - | 1,300 | 1,171 | 129 |
| Park & Rec program | 9,000 | - | 9,000 | 7,915 | 1,085 |
| Basketball | 1,000 | - | 1,000 | 940 | 60 |
| Soccer | 2,100 | - | 2,100 | 1,991 | 109 |
| Skiing | 2,800 | - | 2,800 | 2,800 | - |
| Baseball | 2,000 | - | 2,000 | 764 | 1,236 |
| Fields/services | 9,000 | - | 9,000 | 8,397 | 603 |
| | 50,060 | - | 50,060 | 46,838 | 3,222 |
| Payroll Expenses | | | | | |
| Social Security/Medicare/other | 54,703 | - | 54,703 | 53,508 | 1,195 |
| | 54,703 | - | 54,703 | 53,508 | 1,195 |
| Probate Court | | | | | |
| Contracted services | 2,915 | - | 2,915 | 2,915 | - |
| | 2,915 | - | 2,915 | 2,915 | - |
| Public Health & Welfare | | | | | |
| Commission on Aging: | | | | | |
| Municipal Agent salary | 1,061 | - | 1,061 | 1,102 | (41) |
| Supplies | 200 | - | 200 | - | 200 |
| Printing | 200 | - | 200 | - | 200 |
| | 1,461 | - | 1,461 | 1,102 | 359 |
| Social Service: | | | | | |
| Social Service Administrator | 28,770 | - | 28,770 | 29,877 | (1,107) |
| Office supplies | 1,200 | - | 1,200 | 436 | 764 |
| Mileage/travel | 500 | - | 500 | - | 500 |
| Meetings/memberships | 100 | - | 100 | 375 | (275) |
| General assistance | 500 | - | 500 | 50 | 450 |
| GA Medical | 200 | - | 200 | 200 | - |
| GA Burial | 1 | - | 1 | - | 1 |
| | 31,271 | - | 31,271 | 30,938 | 333 |
| Torrington Area Health | 8,580 | - | 8,580 | 8,580 | - |
| NW CT Transit | 615 | - | 615 | 615 | - |
| Senior van | 6,000 | - | 6,000 | 6,000 | - |
| Visiting Nurse homecare | 3,500 | - | 3,500 | 1,778 | 1,722 |
| Hepatitis B vaccine | 300 | - | 300 | - | 300 |
| | 51,727 | - | 51,727 | 49,013 | 2,714 |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT

**GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

| | Budgeted Amounts | | | Actual | Variance With Final Budget Positive (Negative) |
|-----------------------------------|------------------|---------------|----------------|----------------|---|
| | Original | Transfers | Final | | |
| Public Safety | | | | | |
| CVFD physical exams | \$ 6,000 | \$ - | \$ 6,000 | \$ 6,981 | \$ (981) |
| Firehouse maintenance | 28,650 | - | 28,650 | 30,450 | (1,800) |
| Service incentive | 35,000 | - | 35,000 | 30,820 | 4,180 |
| Operations | 55,320 | - | 55,320 | 56,064 | (744) |
| Rescue | 25,965 | - | 25,965 | 15,943 | 10,022 |
| Police services | 1 | - | 1 | - | 1 |
| Fire Marshall salary | 3,000 | - | 3,000 | 2,391 | 609 |
| Fire Marshall expenses | 1,700 | - | 1,700 | 1,042 | 658 |
| 911 contract | 15,472 | - | 15,472 | 15,746 | (274) |
| Civil preparedness | 1,000 | - | 1,000 | - | 1,000 |
| | <u>172,108</u> | <u>-</u> | <u>172,108</u> | <u>159,437</u> | <u>12,671</u> |
| Registrars of Voters | | | | | |
| Registrars' salary expenses | 4,637 | 500 | 5,137 | 5,864 | (727) |
| Election workers' wages | 1,978 | - | 1,978 | 2,396 | (418) |
| Office supplies | 300 | - | 300 | 341 | (41) |
| Mileage/travel | 200 | - | 200 | 48 | 152 |
| Meetings/memberships | 850 | - | 850 | 770 | 80 |
| Contracted services | 3,800 | - | 3,800 | 2,623 | 1,177 |
| Postage | 50 | - | 50 | 121 | (71) |
| | <u>11,815</u> | <u>500</u> | <u>12,315</u> | <u>12,163</u> | <u>152</u> |
| Sanitation & Recycling | | | | | |
| Salaries/wages | 66,959 | 3,100 | 70,059 | 70,020 | 39 |
| Landfill supplies/repairs | 3,000 | 4,100 | 7,100 | 6,889 | 211 |
| MSW hauling | 17,000 | 2,000 | 19,000 | 18,895 | 105 |
| Site testing | 8,225 | - | 8,225 | 8,584 | (359) |
| Building repairs | 500 | - | 500 | - | 500 |
| CRRRA contract | 20,000 | - | 20,000 | 20,838 | (838) |
| Bulky waste | 19,000 | 3,000 | 22,000 | 21,847 | 153 |
| Hazardous waste | 2,500 | - | 2,500 | 2,666 | (166) |
| Stump grinding | 1 | - | 1 | - | 1 |
| Recycling expense | 800 | - | 800 | 749 | 51 |
| Recycling box rent | 1,100 | - | 1,100 | 756 | 344 |
| Recycling hauling | 8,000 | 1,300 | 9,300 | 9,293 | 7 |
| | <u>147,085</u> | <u>13,500</u> | <u>160,585</u> | <u>160,537</u> | <u>48</u> |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT

**GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

| | Budgeted Amounts | | | Actual | Variance With Final Budget Positive (Negative) |
|--|------------------|-----------|------------------|------------------|---|
| | Original | Transfers | Final | | |
| Tax Collector | | | | | |
| Salary | \$ 25,153 | \$ - | \$ 25,153 | \$ 25,153 | \$ - |
| Tax Collector's clerk wage | 2,835 | - | 2,835 | 2,215 | 620 |
| Office supplies | 950 | - | 950 | 54 | 896 |
| Printing | 1,234 | - | 1,234 | 1,185 | 49 |
| Legal notices | 450 | - | 450 | 407 | 43 |
| Meetings/memberships | 500 | - | 500 | 416 | 84 |
| Computer | 400 | - | 400 | - | 400 |
| Contracted services | 5,600 | - | 5,600 | 5,653 | (53) |
| Postage | 1,478 | - | 1,478 | 1,683 | (205) |
| | <u>38,600</u> | <u>-</u> | <u>38,600</u> | <u>36,766</u> | <u>1,834</u> |
| Town Clerk | | | | | |
| Town Clerk salary | 43,402 | - | 43,402 | 43,402 | - |
| Assistant Town Clerk wage | 5,438 | - | 5,438 | 3,950 | 1,488 |
| Office supplies | 700 | - | 700 | 1,221 | (521) |
| Legal notices | 600 | - | 600 | 201 | 399 |
| Meetings/memberships | 650 | - | 650 | 881 | (231) |
| Computer | 950 | - | 950 | 1,180 | (230) |
| Contracted services | 14,000 | - | 14,000 | 12,458 | 1,542 |
| Elections | 1,000 | - | 1,000 | 1,113 | (113) |
| Postage | 400 | - | 400 | 339 | 61 |
| | <u>67,140</u> | <u>-</u> | <u>67,140</u> | <u>64,745</u> | <u>2,395</u> |
| Town Office Administration | | | | | |
| Town office custodian | 3,200 | - | 3,200 | 4,054 | (854) |
| Town office supplies | 3,000 | - | 3,000 | 1,370 | 1,630 |
| Town office heating | 7,500 | - | 7,500 | 8,922 | (1,422) |
| Town office utilities | 15,000 | - | 15,000 | 17,567 | (2,567) |
| Town office contracted | 9,500 | - | 9,500 | 9,384 | 116 |
| Town counsel | 12,000 | - | 12,000 | 8,546 | 3,454 |
| Town building repairs | 500 | - | 500 | 133 | 367 |
| | <u>50,700</u> | <u>-</u> | <u>50,700</u> | <u>49,976</u> | <u>724</u> |
| Contingency | 30,000 | (15,361) | 14,639 | - | 14,639 |
| Total Board of Selectmen Budget | <u>2,002,027</u> | <u>-</u> | <u>2,002,027</u> | <u>1,962,129</u> | <u>39,898</u> |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT

**GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2019**

| | <u>Budgeted Amounts</u> | | | <u>Actual</u> | <u>Variance With Final Budget Positive (Negative)</u> |
|--|-------------------------|------------------|---------------------|---------------------|---|
| | <u>Original</u> | <u>Transfers</u> | <u>Final</u> | | |
| Board of Education | | | | | |
| Board of Education expenses | \$ 3,998,291 | \$ - | \$ 3,998,291 | \$ 3,987,919 | \$ 10,372 |
| After school program | - | - | - | 21,371 | (21,371) |
| | <u>3,998,291</u> | <u>-</u> | <u>3,998,291</u> | <u>4,009,290</u> | <u>(10,999)</u> |
| Capital Expenditures | | | | | |
| Capital expenditures - CCS | 40,000 | - | 40,000 | 40,000 | - |
| Capital expenditures - BOS | 555,000 | - | 555,000 | 555,000 | - |
| | <u>595,000</u> | <u>-</u> | <u>595,000</u> | <u>595,000</u> | <u>-</u> |
| Debt Service | | | | | |
| Debt bond principal | 310,000 | - | 310,000 | 310,000 | - |
| Debt bond interest | 50,873 | - | 50,873 | 50,873 | - |
| | <u>360,873</u> | <u>-</u> | <u>360,873</u> | <u>360,873</u> | <u>-</u> |
| Total expenditures and other financing uses | <u>\$ 6,956,191</u> | <u>\$ -</u> | <u>\$ 6,956,191</u> | <u>\$ 6,927,292</u> | <u>\$ 28,899</u> |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2019**

| | <u>Special Revenue Funds</u> | <u>Capital Projects Fund Open Space</u> | <u>Permanent Fund Cornwall Endowment Fund</u> | <u>Total</u> |
|--|--------------------------------------|---|---|-------------------|
| <u>Assets</u> | | | | |
| Cash and cash equivalents | \$ 114,012 | \$ 16,251 | \$ 2,432 | \$ 132,695 |
| Investments | - | - | 40,090 | 40,090 |
| Other receivables | 424 | - | - | 424 |
| Due from other funds | 1,798 | - | - | 1,798 |
| Total assets | \$ 116,234 | \$ 16,251 | \$ 42,522 | \$ 175,007 |
| <u>Liabilities</u> | | | | |
| Accounts payable | \$ 5,708 | \$ - | \$ - | \$ 5,708 |
| Due to other funds | 10,618 | - | - | 10,618 |
| Total liabilities | 16,326 | - | - | 16,326 |
| <u>Fund Balances</u> | | | | |
| Nonspendable | - | - | 34,895 | 34,895 |
| Restricted | - | 16,251 | - | 16,251 |
| Committed | 62,028 | - | - | 62,028 |
| Assigned | 42,355 | - | 7,627 | 49,982 |
| Unassigned | (4,475) | - | - | (4,475) |
| Total fund balances | 99,908 | 16,251 | 42,522 | 158,681 |
| Total liabilities and fund balances | \$ 116,234 | \$ 16,251 | \$ 42,522 | \$ 175,007 |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT

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

| | <u>Special Revenue Funds</u> | <u>Capital Projects Fund Open Space</u> | <u>Permanent Fund Cornwall Endowment Fund</u> | <u>Total</u> |
|---|--------------------------------------|---|---|-------------------|
| Revenues | | | | |
| Investment income | \$ 299 | \$ - | \$ 2,442 | \$ 2,741 |
| Fees and charges | 2,821 | - | - | 2,821 |
| Contributions | 44,704 | - | - | 44,704 |
| Total revenues | <u>47,824</u> | <u>-</u> | <u>2,442</u> | <u>50,266</u> |
| Expenditures | | | | |
| General government | 14,406 | - | 1,014 | 15,420 |
| Health and welfare | 45,132 | - | - | 45,132 |
| Education | - | - | - | - |
| Total expenditures | <u>59,538</u> | <u>-</u> | <u>1,014</u> | <u>60,552</u> |
| Excess of revenues over (under) expenditures | (11,714) | - | 1,428 | (10,286) |
| Other Financing Sources (Uses): | | | | |
| Transfers in (out) | 1,500 | - | (2,500) | (1,000) |
| Net change in fund balances | (10,214) | - | (1,072) | (11,286) |
| Fund balances, beginning of year | <u>110,122</u> | <u>16,251</u> | <u>43,594</u> | <u>169,967</u> |
| Fund balances, end of year | <u>\$ 99,908</u> | <u>\$ 16,251</u> | <u>\$ 42,522</u> | <u>\$ 158,681</u> |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT

**NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2019**

| | Dog Fund | Food & Fuel Fund | Town Activity Fund | Total |
|--|---------------------|---------------------------------|-----------------------------------|-------------------|
| <u>Assets</u> | | | | |
| Cash and cash equivalents | \$ 5,093 | \$ 41,931 | \$ 66,988 | \$ 114,012 |
| Investments | - | - | - | - |
| Other receivables | - | 424 | - | 424 |
| Due from other funds | 1,798 | - | - | 1,798 |
| Total assets | \$ 6,891 | \$ 42,355 | \$ 66,988 | \$ 116,234 |
| <u>Liabilities</u> | | | | |
| Accounts payable | \$ 1,623 | \$ - | \$ 4,085 | \$ 5,708 |
| Due to other funds | 9,743 | - | 875 | 10,618 |
| Total liabilities | 11,366 | - | 4,960 | 16,326 |
| <u>Fund Balances</u> | | | | |
| Nonspendable | - | - | - | - |
| Restricted | - | - | - | - |
| Committed | - | - | 62,028 | 62,028 |
| Assigned | - | 42,355 | - | 42,355 |
| Unassigned | (4,475) | - | - | (4,475) |
| Total fund balances | (4,475) | 42,355 | 62,028 | 99,908 |
| Total liabilities and fund balances | \$ 6,891 | \$ 42,355 | \$ 66,988 | \$ 116,234 |

See accompanying Independent Auditors' Report.

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

| | <u>Dog Fund</u> | <u>Food & Fuel Fund</u> | <u>Town Activity Fund</u> | <u>Total</u> |
|---|---------------------|---------------------------------|-----------------------------------|------------------|
| Revenues | | | | |
| Investment income | \$ - | \$ - | \$ 299 | \$ 299 |
| Fees and charges | 2,821 | - | - | 2,821 |
| Contributions | - | 32,836 | 11,868 | 44,704 |
| Total revenues | <u>2,821</u> | <u>32,836</u> | <u>12,167</u> | <u>47,824</u> |
| Expenditures | | | | |
| General government | 6,095 | - | 8,311 | 14,406 |
| Health and welfare | - | 45,132 | - | 45,132 |
| Education | - | - | - | - |
| Total expenditures | <u>6,095</u> | <u>45,132</u> | <u>8,311</u> | <u>59,538</u> |
| Excess of revenues over (under) expenditures | (3,274) | (12,296) | 3,856 | (11,714) |
| Other Financing Sources (Uses): | | | | |
| Transfers in (out) | - | - | 1,500 | 1,500 |
| Net change in fund balances | (3,274) | (12,296) | 5,356 | (10,214) |
| Fund balances, beginning of year | <u>(1,201)</u> | <u>54,651</u> | <u>56,672</u> | <u>110,122</u> |
| Fund balances, end of year | <u>\$ (4,475)</u> | <u>\$ 42,355</u> | <u>\$ 62,028</u> | <u>\$ 99,908</u> |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT
FIDUCIARY FUNDS
PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2019

| | <u>Educational Trust Fund</u> | <u>Dorothy Hermann Memorial</u> | <u>Marie K. Baum Scholarship Fund</u> | <u>Hepprich Scholarship Fund</u> | <u>Total</u> |
|--|---------------------------------------|---|---|--|-------------------|
| <u>Assets</u> | | | | | |
| Cash and cash equivalents | \$ 17,797 | \$ 186 | \$ 530 | \$ 14,617 | \$ 33,130 |
| Contributions receivable | | - | - | - | - |
| Investments | | 1,400 | 10,180 | 541,691 | 553,271 |
| Total assets | <u>\$ 17,797</u> | <u>\$ 1,586</u> | <u>\$ 10,710</u> | <u>\$ 556,308</u> | <u>\$ 586,401</u> |
| <u>Liabilities</u> | | | | | |
| Due to beneficiaries | \$ - | \$ - | \$ - | \$ - | \$ - |
| Other payables | - | - | - | - | - |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>Net Position</u> | | | | | |
| Held in trust for other purposes | 17,797 | 1,586 | 10,710 | 556,308 | 586,401 |
| Total net position | <u>17,797</u> | <u>1,586</u> | <u>10,710</u> | <u>556,308</u> | <u>586,401</u> |
| Total liabilities and fund balances | <u>\$ 17,797</u> | <u>\$ 1,586</u> | <u>\$ 10,710</u> | <u>\$ 556,308</u> | <u>\$ 586,401</u> |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT
FIDUCIARY FUNDS
PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

| | Educational Trust Fund | Dorothy Hermann Memorial | Marie K. Baum Scholarship Fund | Hepprich Scholarship Fund | Total |
|--|---------------------------------------|---|---|--|-------------------|
| Additions: | | | | | |
| Investment income | \$ - | \$ 3 | \$ 510 | \$ 33,582 | \$ 34,095 |
| Contributions | - | - | - | 182 | 182 |
| | <u>-</u> | <u>3</u> | <u>510</u> | <u>33,764</u> | <u>34,277</u> |
| Deductions: | | | | | |
| General government | - | - | - | - | - |
| Education | - | - | 500 | 9,000 | 9,500 |
| Recreation | - | - | - | - | - |
| Other | - | - | - | 3,749 | 3,749 |
| | <u>-</u> | <u>-</u> | <u>500</u> | <u>12,749</u> | <u>13,249</u> |
| Change in net position | - | 3 | 10 | 21,015 | 21,028 |
| Net position, beginning of year | <u>17,797</u> | <u>1,583</u> | <u>10,700</u> | <u>535,293</u> | <u>565,373</u> |
| Net position, end of year | <u>\$ 17,797</u> | <u>\$ 1,586</u> | <u>\$ 10,710</u> | <u>\$ 556,308</u> | <u>\$ 586,401</u> |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT
FIDUCIARY FUNDS
PENSION TRUST FUND
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2019

| | <u>CVFD Incentive Program</u> |
|--|--|
| <u>Assets</u> | |
| Cash and cash equivalents | \$ 3,362 |
| Contributions receivable | 29,000 |
| Investments | <u>773,235</u> |
| Total assets | <u>\$ 805,597</u> |
| <u>Liabilities</u> | |
| Due to beneficiaries | \$ - |
| Other payables | <u>-</u> |
| Total liabilities | <u>-</u> |
| <u>Net Position</u> | |
| Held in trust for pension benefits | 805,597 |
| Held in trust for other purposes | <u>-</u> |
| Total net position | <u>805,597</u> |
| Total liabilities and fund balances | <u>\$ 805,597</u> |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT
FIDUCIARY FUNDS
PENSION TRUST FUND
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2019

| | <u>CVFD Incentive Program</u> |
|--|--|
| Additions: | |
| Investment income | \$ 1,931 |
| Unrealized gains on investments | 56,751 |
| Contributions | 33,642 |
| | <u>92,324</u> |
| Deductions: | |
| Retirement | - |
| Other | 23,315 |
| | <u>23,315</u> |
| Change in net position | 69,009 |
| Net position, beginning of year | <u>736,588</u> |
| Net position, end of year | <u><u>\$ 805,597</u></u> |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT

FIDUCIARY FUNDS

AGENCY FUND

**STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2019**

| | <u>Student Activities Fund</u> |
|--|--|
| <u>Assets</u> | |
| Beginning balance - cash | \$ 32,353 |
| Additions | 19,495 |
| Deductions | (27,143) |
| Ending balance - cash | <u>24,705</u> |
| Beginning balance - investments | 15,696 |
| Additions | 32 |
| Deductions | - |
| Ending balance - investments | <u>15,728</u> |
| Total assets | <u>\$ 40,433</u> |
| <u>Liabilities</u> | |
| Beginning balance - other payables | \$ - |
| Additions | - |
| Deductions | - |
| Ending balance - other payables | <u>-</u> |
| Beginning balance - due to beneficiaries | 48,049 |
| Additions | 19,527 |
| Deductions | (27,143) |
| Ending balance - due to beneficiaries | <u>40,433</u> |
| Total liabilities | <u>\$ 40,433</u> |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT

**STATEMENT OF DEBT LIMITATION
CONNECTICUT GENERAL STATUTES SECTION 7.374(B)
FOR THE YEAR ENDED JUNE 30, 2019**

| | | | | | | | |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|--------------------------|----------------------------|
| Total tax collection including interest and lien fees - year ending June 30, 2018 | \$ | 6,290,938 | | | | | |
| Reimbursement for revenue loss on: | | | | | | | |
| Tax relief for elderly (CGS 12-129d) | | - | | | | | |
| Base | \$ | 6,290,938 | | | | | |
| | | | <u>General</u> | <u>Schools</u> | <u>Sewers</u> | <u>Urban Renewal</u> | <u>Pension Deficit</u> |
| Debt Limitation: | | | | | | | |
| 2 1/4 times base | \$ | 14,154,611 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 4 1/2 times base | | - | 28,309,221 | - | - | - | - |
| 3 3/4 times base | | - | - | 23,591,018 | - | - | - |
| 3 1/4 times base | | - | - | - | 20,445,549 | - | - |
| 3 times base | | - | - | - | - | 18,872,814 | - |
| Total debt limitation | | <u>14,154,611</u> | <u>28,309,221</u> | <u>23,591,018</u> | <u>20,445,549</u> | <u>18,872,814</u> | <u>-</u> |
| Indebtedness: | | | | | | | |
| Bonds payable | 1,200,000 | 840,000 | - | - | - | - | - |
| Overlapping debt: | | | | | | | |
| Regional School District #1 | - | 819,393 | - | - | - | - | - |
| Total indebtedness | <u>1,200,000</u> | <u>1,659,393</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Debt limitation in excess of outstanding and authorized debt | <u>\$ 12,954,611</u> | <u>\$ 26,649,828</u> | <u>\$ 23,591,018</u> | <u>\$ 20,445,549</u> | <u>\$ 18,872,814</u> | <u>-</u> | <u>-</u> |

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation.

TOWN OF CORNWALL, CONNECTICUT

REPORT OF THE TAX COLLECTOR

JULY 1, 2018 TO JUNE 30, 2019

| Grand List October 1, | Outstanding 6/30/2018 | Current Levy | Lawful Corrections | | Collectible Taxes | Receipt of Taxes | Interest and Liens | Total Receipts | Transfers to Suspense | Outstanding 6/30/2019 |
|--------------------------|--------------------------|---------------------|--------------------|-----------------|----------------------|---------------------|-----------------------|---------------------|--------------------------|--------------------------|
| | | | Additions | Deductions | | | | | | |
| 2017 | \$ - | \$ 6,497,448 | \$ 7,242 | \$ 5,791 | \$ 6,498,899 | \$ 6,438,949 | \$ 30,030 | \$ 6,468,979 | \$ - | \$ 59,950 |
| 2016 | 96,880 | - | 585 | 543 | 96,922 | 51,176 | 11,413 | 62,589 | - | 45,746 |
| 2015 | 72,771 | - | - | 766 | 72,005 | 33,452 | 16,049 | 49,501 | - | 38,553 |
| 2014 | 65,385 | - | - | 261 | 65,124 | 31,685 | 18,776 | 50,461 | - | 33,439 |
| 2013 | 43,150 | - | - | - | 43,150 | 15,988 | 11,656 | 27,644 | - | 27,162 |
| 2012 | 25,742 | - | - | - | 25,742 | 6,300 | 6,097 | 12,397 | - | 19,442 |
| 2011 | 6,902 | - | - | - | 6,902 | - | 201 | 201 | - | 6,902 |
| 2010 | 8,213 | - | - | - | 8,213 | - | - | - | - | 8,213 |
| 2009 | 9,069 | - | - | - | 9,069 | - | - | - | - | 9,069 |
| 2008 | 10,195 | - | - | - | 10,195 | - | - | - | - | 10,195 |
| 2007 | 8,637 | - | - | - | 8,637 | - | - | - | - | 8,637 |
| 2006 | 9,839 | - | - | 2 | 9,837 | 63 | 137 | 200 | - | 9,774 |
| 2005 | 6,495 | - | - | - | 6,495 | - | - | - | - | 6,495 |
| 2004 | 6,226 | - | - | - | 6,226 | - | - | - | - | 6,226 |
| 2003 | 5,426 | - | - | - | 5,426 | - | - | - | - | 5,426 |
| Total | \$ 374,930 | \$ 6,497,448 | \$ 7,827 | \$ 7,363 | \$ 6,872,842 | \$ 6,577,613 | \$ 94,359 | \$ 6,671,972 | \$ - | \$ 295,229 |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT
TOP 10 TAXPAYERS
BASED ON 10/1/17 NET TAXABLE GRAND LIST
FOR THE YEAR ENDED JUNE 30, 2019

| <u>Name</u> | <u>Valuation</u> |
|--------------------------------|------------------|
| C&D Farms LLC | \$ 8,290,700 |
| Connecticut Light & Power | 6,943,840 |
| Lendl, Ivan & Samantha Trustee | 5,965,480 |
| Walzer, Roy S. | 4,957,700 |
| FCCP LLC | 3,879,600 |
| 56 Whitcomb LLC | 3,086,000 |
| Push 'Em Up Farm LLC | 2,976,900 |
| South Hamillton IV | 2,555,600 |
| 40 Cobble Hill Road LLC | 2,452,400 |
| Mohawk Mountain Ski Area, Inc. | 2,224,300 |

Source: Assessor's Office, Town of Cornwall, Connecticut

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2018

with

SUPPLEMENTAL STATEMENTS AND SCHEDULES

and

INDEPENDENT AUDITORS' REPORT

Sandra E. Welwood, LLC

Certified Public Accountants

**TOWN OF CORNWALL, CONNECTICUT
TABLE OF CONTENTS**

| | |
|--|---|
| Independent Auditors' Report..... | 1 |
| Management's Discussion and Analysis (Unaudited) | 3 |

BASIC FINANCIAL STATEMENTS

| | |
|--|----|
| Government-Wide Financial Statements: | |
| Statement of Net Position..... | 10 |
| Statement of Activities | 11 |
| Governmental Fund Financial Statements: | |
| Governmental Funds – Balance Sheet..... | 12 |
| Governmental Funds – Statement of Revenues, Expenditures, and Changes in Fund Balances | 13 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities..... | 14 |
| General Fund – Statement of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis – Budget and Actual | 15 |
| Fiduciary Fund Financial Statements: | |
| Fiduciary Funds - Statement of Fiduciary Net Position | 16 |
| Fiduciary Funds - Statement of Changes in Fiduciary Net Position | 17 |
| Notes to Financial Statements..... | 18 |

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

| | |
|---|----|
| Connecticut State Teachers' Retirement System: | |
| Schedule of the Town's Proportionate Share of the Net Pension Liability | 36 |

SUPPLEMENTAL STATEMENTS AND SCHEDULES

| | |
|---|----|
| GENERAL FUND | |
| Schedule of Revenues and Other Financing Sources – Budget and Actual | 37 |
| Schedule of Expenditures and Other Financing Uses – Budget and Actual..... | 39 |
| NONMAJOR GOVERNMENTAL FUNDS | |
| Nonmajor Governmental Funds – Combining Balance Sheet..... | 46 |
| Nonmajor Governmental Funds – Combining Statement of Revenues, Expenditures, and Changes in Fund Balances | 47 |
| Nonmajor Governmental Funds – Special Revenue Funds – Combining Balance Sheet | 48 |
| Nonmajor Governmental Funds – Special Revenue Funds – Combining Statement of Revenues, Expenditures, and Changes in Fund Balances..... | 49 |
| FIDUCIARY FUNDS | |
| Fiduciary Funds – Private-Purpose Trust Funds – Combining Statement of Fiduciary Net Position..... | 50 |
| Fiduciary Funds – Private-Purpose Trust Funds – Combining Statement of Revenues, Expenses, and Changes in Fiduciary Net Position..... | 51 |
| Fiduciary Funds – Pension Trust Fund – Statement of Fiduciary Net Position | 52 |
| Fiduciary Funds –Pension Trust Fund – Statement of Revenues, Expenses, and Changes in Fiduciary Net Position | 53 |
| Fiduciary Funds – Agency Fund – Statement of Changes in Fiduciary Assets and Liabilities..... | 54 |
| OTHER SCHEDULES | |
| Statement of Debt Limitation | 55 |
| Report of the Tax Collector | 56 |
| Top 10 Taxpayers..... | 57 |

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Danbury, CT 06810

INDEPENDENT AUDITORS' REPORT

To the Board of Finance
Town of Cornwall, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Cornwall, Connecticut (the "Town"), as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town as of June 30, 2018, and the respective changes in financial position, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Town's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 18, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 9, and the required supplementary information on page 36, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 2, 2018, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Sandra E. Welwood, LLC

Danbury, Connecticut
October 2, 2018

TOWN OF CORNWALL, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

JUNE 30, 2018

As management of the Town of Cornwall (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2018.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Town of Cornwall exceeded its liabilities at the close of the most recent fiscal year by \$9,489,756 (*net position*). Of this amount, \$4,047,545 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors. Restricted Net Position is \$56,382, which is comprised of \$34,895 for the Cornwall Endowment Fund, \$16,251 for Open Space and \$5,236 for the Food and Fuel Fund. The remainder of its net position is invested in capital assets.
- As of the close of the current fiscal year, the Town of Cornwall's governmental funds reported combined ending fund balances of \$3,713,079, a decrease of \$389,788 in comparison with the prior year. Of this amount, \$1,555,550 is available for spending at the government's discretion and called the Unassigned fund balance. The Assigned portion is \$655,636, the Committed portion is \$1,444,780, the Restricted portion is \$21,487 and the Nonspendable portion is \$35,626. See page 33 of the audit report for details.
- At the end of the current fiscal year, the fund balance for the General Fund was \$2,154,454, of which \$350,000 has been assigned for the subsequent year's budget and \$246,972 has been assigned for other purposes leaving an unassigned fund balance for the General Fund of \$1,556,751 or 23% percent of total General Fund expenditures for 2018.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

Town of Cornwall, Connecticut
Management's Discussion and Analysis (Unaudited) (continued)

The Statement of Activities presents information showing how the government's net position is changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in future cash inflows (revenues) and outflows (expenditures).

Both of the government-wide financial statements present functions of the Town that are principally supported by tax revenues, grants and intergovernmental revenues (*governmental activities*). The governmental activities of the Town include general government, public safety, highways, sanitation, health and welfare, recreation, and education. The Town does not report any funds that carry-on business-type activities.

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

Fund Financial Statements

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains eight (8) individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund. The Town also reports the Capital Projects Fund as a major fund.

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

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

Town of Cornwall, Connecticut
Management's Discussion and Analysis (Unaudited) (continued)

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town’s own programs.

The basic fiduciary fund financial statements can be found on pages 16-17 of the audit report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18-35 of the audit report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the Town, assets and deferred outflows of resources exceeded liabilities by \$9,489,756 at the close of the most recent fiscal year.

| <u>Net Position</u> | | |
|-----------------------------------|---------------------|---------------------|
| | <u>2018</u> | <u>2017</u> |
| <u>Assets</u> | | |
| Current and other assets | \$ 4,335,298 | \$ 5,006,734 |
| Capital assets, net | <u>7,783,117</u> | <u>7,566,286</u> |
| Total assets | <u>12,118,415</u> | <u>12,573,020</u> |
| Deferred outflows of resources | <u>32,500</u> | <u>37,917</u> |
| <u>Liabilities</u> | | |
| Long-term liabilities outstanding | 2,429,788 | 2,752,175 |
| Other liabilities | <u>231,371</u> | <u>524,917</u> |
| Total liabilities | <u>2,661,159</u> | <u>3,277,092</u> |
| <u>Net Position</u> | | |
| Net investment in capital assets | 5,385,829 | 4,852,028 |
| Restricted | 56,382 | 56,075 |
| Unrestricted | <u>4,047,545</u> | <u>4,425,742</u> |
| Total net position | <u>\$ 9,489,756</u> | <u>\$ 9,333,845</u> |

The restricted portion of the Town’s Net Position represents net position restricted for capital projects and other purposes. The balance of Unrestricted Net Position (\$4,047,545) may be used to meet the government’s ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town is able to report that all categories of net position increased by \$155,911 during this fiscal year. This increase is primarily attributable to principal pay down of bonded debt and the excess of depreciation over additions to capital assets.

Town of Cornwall, Connecticut
Management's Discussion and Analysis (Unaudited) (continued)

| | <u>Changes in Net Position</u> | |
|------------------------------------|--------------------------------|---------------------|
| | <u>2018</u> | <u>2017</u> |
| <u>Revenues:</u> | | |
| General revenues: | | |
| Property taxes | \$ 6,310,759 | \$ 6,294,103 |
| Unrestricted investment income | 70,274 | 30,968 |
| Grants and contributions | 20,772 | 43,201 |
| Other income | 36,103 | 33,550 |
| Program revenues: | | |
| Charges for services | 154,627 | 135,045 |
| Operating grants and contributions | <u>708,110</u> | <u>705,140</u> |
| Total revenues | <u>7,300,645</u> | <u>7,242,007</u> |
| <u>Expenses:</u> | | |
| Governmental activities: | | |
| General government | 1,006,345 | 895,771 |
| Public safety | 479,672 | 459,980 |
| Highways | 573,988 | 566,702 |
| Sanitation | 146,618 | 139,492 |
| Health and welfare | 84,115 | 58,357 |
| Recreation | 88,633 | 82,405 |
| Education | 4,556,324 | 4,629,581 |
| Debt service | 76,475 | 31,591 |
| Other | <u>132,564</u> | <u>122,151</u> |
| Total expenses | <u>7,144,734</u> | <u>6,986,030</u> |
| Change in net position | 155,911 | 255,977 |
| Beginning net position | <u>9,333,845</u> | <u>9,077,868</u> |
| Ending net position | <u>\$ 9,489,756</u> | <u>\$ 9,333,845</u> |

Governmental activities increased the Town of Cornwall's net position by \$155,911.

Key elements of the activities are as follows: 86.5% of the revenues of the Town were derived from property taxes, followed by 9.7% from operating grants and contributions, 2.2% from charges for services, and 1.6% from other income.

Town of Cornwall, Connecticut
Management's Discussion and Analysis (Unaudited) (continued)

Major revenue factors included an increase in collection of delinquent taxes, interest and liens and an increase in fees for services and other revenues.

For Governmental Activities, 64.9% of the Town's expenses relate to education and repayment of long-term debt for school construction, 9.3% relates to public safety and health and welfare, 8.1% relates to highways and public works, and the remaining 17.7% relates to government, community services, administration and other areas.

Major expense factors for the General Fund remained consistent as compared to the prior year. Major capital expenditures include the replacement of the bridge on Flat Rocks Road, acquisition of a used Grader for the Public Works Department and replacement of the Hammond Beach Docks.

FINANCIAL ANALYSIS OF THE FUND FINANCIAL STATEMENTS

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

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$3,713,079 a decrease of 389,788. 42% of this total amount constitutes Unassigned fund balance, which is available for spending at the government's discretion.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, total fund balance of the General Fund totaled \$2,154,454, a decrease of \$67,465 over the previous year of which \$350,000 was assigned for the subsequent year's budget and \$246,972 was assigned for other purposes.

As a measure of the General Fund's liquidity, it may be useful to compare both Unassigned Fund Balance and total Fund Balance to total fund expenditures. Unassigned Fund Balance represents 23.3% of total General Fund expenditures for 2018.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town ended the year with a \$7,535 budget surplus. The revenues exceeded budgeted amounts by \$8,620. Overall, the Town's expenditures were \$1,085 more than budgeted amounts principally attributable to Building Inspection costs offset by reductions in Board of Education expenses. Although \$200,000 of fund balance was anticipated to be used to balance the budget, none was used.

Town of Cornwall, Connecticut
Management's Discussion and Analysis (Unaudited) (continued)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets for its governmental activities as of June 30, 2018 amounts to \$7,783,117 (net of accumulated depreciation). This investment in capital assets includes land and buildings, vehicles, machinery and equipment.

Major capital asset events during the current fiscal include upgraded security doors at CCS, bridge replacement on Flat Rocks Road, installation of a fire hydrant in Cornwall Bridge, purchase of a used Caterpillar Grader for the Highway Department and complete replacement of the Hammond Beach Docks principally funded by an appropriation from the Gates Bequest.

| <u>Capital Assets at Year-End (Net of Accumulated Depreciation)</u> | | |
|---|---------------------|---------------------|
| | <u>2018</u> | <u>2017</u> |
| Land and infrastructure | \$ 1,887,555 | \$ 1,449,029 |
| Buildings and improvements | 4,696,022 | 4,865,415 |
| Machinery and equipment | <u>1,199,540</u> | <u>1,251,842</u> |
| Total (net of accumulated depreciation) | <u>\$ 7,783,117</u> | <u>\$ 7,566,286</u> |

Additional information on the Town's capital assets can be found in Note 4 on page 26 of the audit report.

Long-Term Obligations

The Town has the following obligations:

| <u>Outstanding Obligations at Year-End</u> | | |
|--|---------------------|---------------------|
| | <u>2018</u> | <u>2017</u> |
| General obligation bonds | \$ 2,374,966 | \$ 2,689,128 |
| Landfill closure | <u>54,822</u> | <u>63,047</u> |
| | <u>\$ 2,429,788</u> | <u>\$ 2,752,175</u> |

Additional information on the Town's long-term debt can be found in Note 7 on pages 31-32 of the audit report.

Town of Cornwall, Connecticut
Management's Discussion and Analysis (Unaudited) (continued)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- Declining enrollment at Cornwall Consolidated School.
- Capital funding for maintenance and upgrades of all town buildings.
- The potential impact of the State fiscal crisis and its effects on state grants and possible assessments.

These factors were considered in preparing the Town of Cornwall's budget for the 2018-2019 fiscal year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Office, Town of Cornwall, P.O. Box 97, Cornwall, CT 06753.

TOWN OF CORNWALL, CONNECTICUT

STATEMENT OF NET POSITION

JUNE 30, 2018

(With Comparative Totals for June 30, 2017)

| | 2018 | 2017 |
|--|---------------------|---------------------|
| <u>Assets</u> | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 3,587,417 | \$ 4,294,882 |
| Investments | 309,441 | 304,798 |
| Taxes, interest, and lien fees receivable, net | 430,207 | 394,559 |
| Prepaid expenses | 731 | 12,211 |
| Other receivables | 7,502 | 284 |
| | 4,335,298 | 5,006,734 |
| Noncurrent assets: | | |
| Capital assets: | | |
| Land and other nondepreciable assets | 671,177 | 671,177 |
| Depreciable assets, net of depreciation | 7,111,940 | 6,895,109 |
| Total assets | 12,118,415 | 12,573,020 |
| <u>Deferred Outflows of Resources</u> | | |
| Unavailable amount on refunding | 32,500 | 37,917 |
| Total deferred outflows of resources | 32,500 | 37,917 |
| <u>Liabilities</u> | | |
| Current liabilities: | | |
| Accounts payable | 144,577 | 455,494 |
| Due to other beneficiaries | 30,315 | 27,752 |
| Accrued expenses | 53,550 | 38,770 |
| Due to State of Connecticut | 2,929 | 2,901 |
| Current portion of long-term obligations | 321,614 | 322,387 |
| | 552,985 | 847,304 |
| Noncurrent liabilities: | | |
| General obligation bonds | 2,040,000 | 2,350,000 |
| Other long-term obligations | 68,174 | 79,788 |
| Total liabilities | 2,661,159 | 3,277,092 |
| <u>Net Position</u> | | |
| Net investment in capital assets | 5,385,829 | 4,852,028 |
| Restricted | 56,382 | 56,075 |
| Unrestricted | 4,047,545 | 4,425,742 |
| Total net position | \$ 9,489,756 | \$ 9,333,845 |

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

TOWN OF CORNWALL, CONNECTICUT

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

(With Comparative Totals for the Year Ended June 30, 2017)

| | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Position | |
|---|-------------------------|-------------------------------------|---|---|--|---------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | 2018 | 2017 |
| | | | | | | |
| Governmental Activities: | | | | | | |
| General government | \$ 1,006,345 | \$ 133,478 | \$ 6,291 | \$ - | \$ (866,576) | \$ (771,492) |
| Public safety | 479,672 | - | - | - | (479,672) | (459,980) |
| Highways | 573,988 | - | 224,603 | - | (349,385) | (342,536) |
| Sanitation | 146,618 | 16,517 | - | - | (130,101) | (125,725) |
| Health and welfare | 84,115 | - | 26,754 | - | (57,361) | (8,512) |
| Recreation | 88,633 | 4,632 | - | - | (84,001) | (78,974) |
| Education | 4,556,324 | - | 450,462 | - | (4,105,862) | (4,204,884) |
| Debt service | 76,475 | - | - | - | (76,475) | (31,591) |
| Other | 132,564 | - | - | - | (132,564) | (122,151) |
| Total governmental activities | \$ 7,144,734 | \$ 154,627 | \$ 708,110 | \$ - | (6,281,997) | (6,145,845) |
| General Revenues: | | | | | | |
| Property taxes, interest, and lien fees | | | | | 6,310,759 | 6,294,103 |
| Unrestricted investment income | | | | | 70,274 | 30,968 |
| Grants and contributions not restricted to specific purpose | | | | | 20,772 | 43,201 |
| Other income | | | | | 36,103 | 33,550 |
| Total general revenues | | | | | 6,437,908 | 6,401,822 |
| Change in net position | | | | | 155,911 | 255,977 |
| Net position, beginning of year | | | | | 9,333,845 | 9,077,868 |
| Net position, end of year | | | | | \$ 9,489,756 | \$ 9,333,845 |

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

TOWN OF CORNWALL, CONNECTICUT

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2018

(With Comparative Totals for June 30, 2017)

| | General | Capital | Nonmajor | Governmental Funds | |
|--|---------------------|---------------------|-----------------------|---------------------|---------------------|
| | Fund | Projects Fund | Governmental Funds | 2018 | 2017 |
| Assets | | | | | |
| Cash and cash equivalents | \$ 2,017,916 | \$ 1,431,648 | \$ 137,853 | \$ 3,587,417 | \$ 4,294,882 |
| Investments | 269,452 | - | 39,989 | 309,441 | 304,798 |
| Taxes, interest, and lien fees receivable, net of allowance | 430,207 | - | - | 430,207 | 394,559 |
| Other receivables | 7,502 | - | - | 7,502 | 284 |
| Prepaid expenses | 731 | - | - | 731 | 12,211 |
| Due from other funds | 9,237 | 3,518 | 1,676 | 14,431 | 15,261 |
| Total assets | \$ 2,735,045 | \$ 1,435,166 | \$ 179,518 | \$ 4,349,729 | \$ 5,021,995 |
| Liabilities | | | | | |
| Accounts payable | \$ 99,065 | \$ 45,512 | \$ - | \$ 144,577 | \$ 455,494 |
| Due to other beneficiaries | 30,315 | - | - | 30,315 | 27,752 |
| Accrued expenses | 37,873 | - | - | 37,873 | 38,770 |
| Due to State of Connecticut | 1,619 | - | 1,310 | 2,929 | 2,901 |
| Due to other funds | 5,194 | 996 | 8,241 | 14,431 | 15,261 |
| Total liabilities | 174,066 | 46,508 | 9,551 | 230,125 | 540,178 |
| Deferred Inflows of Resources | | | | | |
| Unavailable revenue - taxes, interest, and lien fees | 406,525 | - | - | 406,525 | 378,950 |
| Fund Balances | | | | | |
| Nonspendable | 731 | - | 34,895 | 35,626 | 47,106 |
| Restricted | - | - | 21,487 | 21,487 | 21,180 |
| Committed | - | 1,388,108 | 56,672 | 1,444,780 | 1,764,322 |
| Assigned | 596,972 | 550 | 58,114 | 655,636 | 533,366 |
| Unassigned | 1,556,751 | - | (1,201) | 1,555,550 | 1,736,893 |
| Total fund balances | 2,154,454 | 1,388,658 | 169,967 | 3,713,079 | 4,102,867 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 2,735,045 | \$ 1,435,166 | \$ 179,518 | | |
| Amounts reported in the Statement of Net Position are different because: | | | | | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | | | | 7,783,117 | 7,566,286 |
| Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. | | | | 406,525 | 378,950 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. | | | | | |
| Deferred amount on refunding | | | | 32,500 | 37,917 |
| Unamortized premiums and accrued interest | | | | (40,643) | (29,128) |
| General obligation bonds | | | | (2,350,000) | (2,660,000) |
| Post-closure landfill costs | | | | (54,822) | (63,047) |
| Net position | | | | \$ 9,489,756 | \$ 9,333,845 |

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

TOWN OF CORNWALL, CONNECTICUT

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Totals for the Year Ended June 30, 2017)**

| | General Fund | Capital Projects Fund | Nonmajor Governmental Funds | Governmental Funds | |
|---|---------------------|-----------------------------|-----------------------------------|---------------------|---------------------|
| | | | | 2018 | 2017 |
| Revenues: | | | | | |
| Property taxes | \$ 6,283,184 | \$ - | \$ - | \$ 6,283,184 | \$ 6,324,020 |
| Investment income | 45,254 | 21,136 | 3,884 | 70,274 | 30,968 |
| Fees and charges | 155,676 | - | 2,291 | 157,967 | 139,377 |
| Intergovernmental revenues | 695,564 | 708 | - | 696,272 | 696,236 |
| Contributions | - | 50 | 29,220 | 29,270 | 64,304 |
| Other revenues | 36,103 | - | - | 36,103 | 17,019 |
| Total revenues | 7,215,781 | 21,894 | 35,395 | 7,273,070 | 7,271,924 |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | 878,473 | 96,393 | 9,329 | 984,195 | 876,762 |
| Public safety | 158,733 | - | - | 158,733 | 524,715 |
| Highways | 481,048 | - | - | 481,048 | 478,981 |
| Sanitation | 154,843 | - | - | 154,843 | 146,540 |
| Health and welfare | 56,004 | - | 28,111 | 84,115 | 58,357 |
| Recreation | 88,633 | - | - | 88,633 | 82,405 |
| Education | 4,377,567 | 24,084 | 283 | 4,401,934 | 4,469,517 |
| Other | 132,564 | - | - | 132,564 | 122,151 |
| Debt Service: | | | | | |
| Principal and interest | 365,381 | - | - | 365,381 | 181,175 |
| Capital outlay | - | 811,412 | - | 811,412 | 588,916 |
| Total expenditures | 6,693,246 | 931,889 | 37,723 | 7,662,858 | 7,529,519 |
| Excess of revenues over (under) expenditures | 522,535 | (909,995) | (2,328) | (389,788) | (257,595) |
| Other Financing Sources (Uses): | | | | | |
| Proceeds from issuance of debt | - | - | - | - | 1,500,000 |
| Transfers in | - | 590,000 | - | 590,000 | 647,000 |
| Transfers out | (590,000) | - | - | (590,000) | (647,000) |
| | (590,000) | 590,000 | - | - | 1,500,000 |
| Net change in fund balances | (67,465) | (319,995) | (2,328) | (389,788) | 1,242,405 |
| Fund balances, beginning of year | 2,221,919 | 1,708,653 | 172,295 | 4,102,867 | 2,860,462 |
| Fund balances, end of year | \$ 2,154,454 | \$ 1,388,658 | \$ 169,967 | \$ 3,713,079 | \$ 4,102,867 |

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

TOWN OF CORNWALL, CONNECTICUT

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

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

| | |
|---|---------------------|
| Net change in fund balances - total governmental funds | <u>\$ (389,788)</u> |
|---|---------------------|

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (net of disposals) exceeded depreciation in the current period:

| | |
|-----------------------------------|------------------|
| Capital outlay (net of disposals) | 565,315 |
| Depreciation expense | <u>(348,484)</u> |
| | <u>216,831</u> |

Revenues in the Statement of Activities that do not provide current financial resources are reported as deferred revenues in the funds. Accordingly, an adjustment is necessary to reconcile amounts reported as interest receivable in the government-wide Statement of Net Position and as unavailable revenue in the fund Balance Sheet.

27,575

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

| | |
|---|-----------------|
| Debt issued: | |
| Amortization of the premium on the refunding debt | 4,162 |
| Accrued interest | <u>(15,677)</u> |
| Repayments: | |
| Amortization of the deferred amount on refunding | (5,417) |
| To bond holders | <u>310,000</u> |
| | <u>293,068</u> |

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

| | |
|-----------------------------|--------------|
| Post-closure landfill costs | <u>8,225</u> |
|-----------------------------|--------------|

| | |
|-------------------------------|--------------------------|
| Change in net position | <u><u>\$ 155,911</u></u> |
|-------------------------------|--------------------------|

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

TOWN OF CORNWALL, CONNECTICUT

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY BASIS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

| | Budgeted Amounts | | | Actual | Variance With Final Budget Positive (Negative) |
|--|------------------|--------------------|--------------------|---------------------|---|
| | Original | Transfers | Final | | |
| Revenues: | | | | | |
| Fees for services | \$ 62,101 | \$ - | \$ 62,101 | \$ 155,676 | \$ 93,575 |
| Other revenues | 24,000 | - | 24,000 | 36,103 | 12,103 |
| Property taxes | 6,191,797 | - | 6,191,797 | 6,283,184 | 91,387 |
| State education grants | - | - | - | 2,399 | 2,399 |
| State general grants | 273,700 | - | 273,700 | 245,102 | (28,598) |
| Transfer/non-revenue receipts | 207,500 | - | 207,500 | 45,254 | (162,246) |
| Total revenues | 6,759,098 | - | 6,759,098 | 6,767,718 | 8,620 |
| Expenditures: | | | | | |
| Assessor | 39,870 | - | 39,870 | 38,037 | 1,833 |
| Board of Assessment Appeals | 500 | - | 500 | - | 500 |
| Board of Selectmen | 101,678 | - | 101,678 | 100,827 | 851 |
| Finance Department | 61,776 | - | 61,776 | 61,729 | 47 |
| Hammond Beach | 39,797 | (3,500) | 36,297 | 36,173 | 124 |
| Highway administration/supplies | 437,715 | (4,803) | 432,912 | 432,745 | 167 |
| Highway vehicle maintenance | 40,000 | 8,303 | 48,303 | 48,303 | - |
| Insurance and benefits | 352,511 | (4,066) | 348,445 | 344,413 | 4,032 |
| Land use | 35,893 | - | 35,893 | 100,212 | (64,319) |
| Organizational support | 135,216 | - | 135,216 | 132,564 | 2,652 |
| Park & recreation | 48,394 | 4,066 | 52,460 | 52,460 | - |
| Payroll expenses | 53,114 | - | 53,114 | 52,764 | 350 |
| Probate Court | 3,100 | - | 3,100 | 3,058 | 42 |
| Public health & welfare | 51,379 | 4,626 | 56,005 | 56,004 | 1 |
| Public safety | 167,662 | (8,534) | 159,128 | 158,733 | 395 |
| Registrars of Voters | 10,372 | (755) | 9,617 | 8,662 | 955 |
| Sanitation & recycling | 145,135 | 9,708 | 154,843 | 154,843 | - |
| Tax Collector | 37,789 | (1,630) | 36,159 | 35,680 | 479 |
| Town Clerk | 64,692 | (2,100) | 62,592 | 60,839 | 1,753 |
| Town office administration | 45,900 | - | 45,900 | 44,118 | 1,782 |
| Contingency | 30,000 | (1,800) | 28,200 | 28,134 | 66 |
| Transfers to other funds | - | 75,000 | 75,000 | 75,000 | - |
| Board of Education | 3,976,708 | - | 3,976,708 | 3,929,504 | 47,204 |
| Capital expenditures | 515,000 | - | 515,000 | 515,000 | - |
| Debt service | 364,897 | 485 | 365,382 | 365,381 | 1 |
| Total expenditures | 6,759,098 | 75,000 | 6,834,098 | 6,835,183 | (1,085) |
| Net change in fund balance | \$ - | \$ (75,000) | \$ (75,000) | (67,465) | \$ 7,535 |
| Fund balance, beginning of year | | | | 2,221,919 | |
| Fund balance, end of year | | | | \$ 2,154,454 | |

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

TOWN OF CORNWALL, CONNECTICUT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2018
(With Comparative Totals for June 30, 2017)

| | Private- Purpose Trust Funds | Pension Trust Fund | Agency Fund | Totals | |
|------------------------------------|---------------------------------------|--------------------------|------------------|---------------------|---------------------|
| | | | | 2018 | 2017 |
| <u>Assets</u> | | | | | |
| Cash and cash equivalents | \$ 33,416 | \$ 17,171 | \$ 32,353 | \$ 82,940 | \$ 61,120 |
| Contributions receivable | - | 23,358 | - | 23,358 | 13,563 |
| Investments | 531,957 | 696,059 | 15,696 | 1,243,712 | 1,173,747 |
| Total assets | \$ 565,373 | \$ 736,588 | \$ 48,049 | \$ 1,350,010 | \$ 1,248,430 |
| <u>Liabilities</u> | | | | | |
| Due to beneficiaries | \$ - | \$ - | \$ 48,049 | \$ 48,049 | \$ 43,430 |
| Total liabilities | - | - | 48,049 | 48,049 | 43,430 |
| <u>Net Position</u> | | | | | |
| Held in trust for pension benefits | - | 736,588 | - | 736,588 | 663,490 |
| Held in trust for other purposes | 565,373 | - | - | 565,373 | 541,510 |
| Total net position | \$ 565,373 | \$ 736,588 | \$ - | \$ 1,301,961 | \$ 1,205,000 |

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

TOWN OF CORNWALL, CONNECTICUT

**FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018
(With Comparative Totals for June 30, 2017)**

| | Private- Purpose Trust Funds | Pension Trust Fund | Totals | |
|--|---|-----------------------------------|---------------------|---------------------|
| | | | 2018 | 2017 |
| Additions: | | | | |
| Investment income (loss) | \$ 35,914 | \$ (8,189) | \$ 27,725 | \$ 52,547 |
| Unrealized gain on investments | - | 57,929 | 57,929 | 54,085 |
| Contributions | 2,010 | 23,358 | 25,368 | 17,913 |
| | <u>37,924</u> | <u>73,098</u> | <u>111,022</u> | <u>124,545</u> |
| Deductions: | | | | |
| General government | - | - | - | - |
| Education | 10,010 | - | 10,010 | 10,683 |
| Retirement | - | - | - | 38,040 |
| Other | 4,051 | - | 4,051 | 3,824 |
| | <u>14,061</u> | <u>-</u> | <u>14,061</u> | <u>52,547</u> |
| Change in net position | 23,863 | 73,098 | 96,961 | 71,998 |
| Net position, beginning of year | <u>541,510</u> | <u>663,490</u> | <u>1,205,000</u> | <u>1,133,002</u> |
| Net position, end of year | <u>\$ 565,373</u> | <u>\$ 736,588</u> | <u>\$ 1,301,961</u> | <u>\$ 1,205,000</u> |

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

TOWN OF CORNWALL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2018

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

The Town of Cornwall, Connecticut (the “Town”) is a municipal corporation organized under State Statutes. The form of government includes an elected Board of Selectmen and an elected Board of Finance. The Town provides the following services: general government services, public safety, public works, public health and welfare, culture, and recreation. Primary education services are provided by the Cornwall Consolidated School, whose operations are presented in the Town’s financial statements. Secondary education services are provided by Regional School District #1, of which the towns of Cornwall, Canaan, Kent, North Canaan, Salisbury, and Sharon are members. Town appropriations to the district are determined by a separate taxpayer approved budget and the percentage of Cornwall residents attending the district’s schools.

The legislative authority of the Town is vested in the Town Meeting. The First Selectman is the chief executive, chief administrative officer, and budget-making authority of the Town. The Board of Finance is responsible for revising the proposed budget and submitting the final budget to the Town Meeting. The Board of Finance is also responsible for establishing the annual tax rate. The Town has the power to incur indebtedness by issuing bonds or notes as provided by Connecticut General Statutes.

The accounting and reporting policies of the Town relating to the funds included in the accompanying financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. The more significant accounting policies of the Town are described below.

The Town’s financial statements include the accounts of all Town controlled operations. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Town (the primary government) and its component units. The basic criteria for inclusion of a component unit in a governmental unit’s reporting entity for basic financial reporting is the exercise of oversight responsibility. Oversight responsibility is determined on the basis of financial interdependence, selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters, and scope of public service. Currently, there are no entities considered component units of the Town. The Town includes all funds, agencies, boards, commissions, and authorities that are controlled by or dependent on the Town’s executive and legislative branches.

The financial statements presented herein do not include agencies which have been formed under applicable State laws or separate and distinct units of government apart from the Town. Based upon the foregoing criteria, the following organization is not considered part of the Town and is excluded from the accompanying financial statements:

Cornwall Library Association – The Cornwall Library Association is a legally incorporated, separate and distinct entity from the Town. The Town provides a portion of the operating budget to the Library; however, the Town is not required to fund deficits nor does the Town participate in program budgets or managing operations. The Library Board of Trustees determines how its funding is spent.

Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effects of interfund activity have been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues and are reported separately from business-type activities, which rely on fees and charges for support. The Town has no business-type activities.

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred. Exceptions to this general rule include: compensated absences, debt service, and claims and judgments that are recorded only when payment is due.

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

The Town reports the following major governmental funds:

General Fund – the primary operating fund of the Town. This fund is used to account for all financial transactions and resources except those required to be accounted for in another fund.

Capital Projects Fund – used to account for capital acquisition and improvements. This is a perpetual fund financed through annual budget appropriations.

Town of Cornwall, Connecticut
Notes to Financial Statements
June 30, 2018 (continued)

Additionally, the Town reports the following fiduciary fund types:

Private-Purpose Trust Funds – used to account for resources legally held in trust for the benefit of individuals, private organizations, or other governments.

Pension Trust Fund – used to account for the accumulation of resources to be used for retirement benefits.

Agency Funds – account for monies held as a custodian for outside groups and agencies.

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

Use of Estimates

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

Cash and Cash Equivalents

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

Receivables and Payables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. The Town has established an allowance for estimated uncollectible property taxes in the amount of \$71,000. The Town also established an allowance for estimated uncollectible interest on taxes in the amount of \$115,000 for a total of \$186,000 in allowances for uncollectible accounts. The Town's property taxes are levied each July 1 on the assessed value listed on the prior October 1 Grand List for all taxable property located in the Town. Taxes are due and payable in two installments on July 1 and January 1 for real property and personal property, and on July 1 for motor vehicles. Additional property taxes are assessed for motor vehicles registered subsequent to the Grand List date through September 30 and are payable in one installment due January 1. The Town files liens against property if taxes, which are due July 1, remain unpaid on the following February 1.

Investments

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

Prepaid Expenses/Expenditures

Payments to vendors that reflect costs applicable to future fiscal periods are reported as prepaid in both the government-wide Statement of Net Position and the governmental fund Balance Sheet. In the governmental fund Balance Sheet, the amount reported as a prepaid expenditure is offset by nonspendable fund balance to indicate that it is not available for expenditure.

Advances To and From Other Funds

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either interfund receivables or payables and are recorded for all funds affected in the period in which transactions are executed.

Capital Assets

Capital assets, which include equipment, fixtures, and other long-lived assets, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Under the rules of Governmental Accounting Standards Board (“GASB”) No. 34, the Town has not retroactively recorded infrastructure assets in the government-wide financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

| <u>Assets</u> | <u>Years</u> |
|----------------------------|--------------|
| Buildings and improvements | 20-50 |
| Vehicles | 5-10 |
| Equipment | 5-10 |
| Infrastructure | 20 |

Deferred Outflows/Inflows of Resources

Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding in this manner in the government-wide Statement of Net Position. A deferred charge on debt refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town only has one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds Balance Sheet. The governmental funds report unavailable revenues from property taxes and related interest and lien fees. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Long-Term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

Net Position and Fund Balance

In the government-wide financial statements, Net Position is classified in the following categories:

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

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

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

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

Nonspendable – amounts that cannot be spent because they are either not in spendable form (inventories, prepaids, and long-term receivables), or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted – amounts to be reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments, or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation.

Committed – amounts that can be used only for specific purposes determined by a formal action of the Town's highest level of decision-making authority, which is a motion at a Town Meeting. These funds may only be used for the purpose specified unless the Town removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Town's governing boards.

Assigned – amounts constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by formal action of the Board of Selectmen or Board of Finance.

Town of Cornwall, Connecticut
Notes to Financial Statements
June 30, 2018 (continued)

Unassigned – remaining fund balance after amounts are set aside for all other classifications. The General Fund is the only governmental fund that can report a positive unassigned fund balance. Other governmental funds might have a negative unassigned fund balance as a result of overspending for specific purposes for which amounts had been restricted, committed, or assigned. At June 30, 2018, the Dog Fund had a negative unassigned fund balance of \$1,201.

The Town has not established a formal policy for its use of restricted and unrestricted (committed, assigned, unassigned) fund balance; however, the Town generally uses restricted fund balance first if the expenditure meets the restricted purpose, followed by committed, assigned, and unassigned amounts.

Comparative Information

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended June 30, 2017, from which the summarized information was derived.

Note 2 – Budgeting and Budgetary Accounting

Budgetary Basis

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

- A proposed operating budget is submitted for the fiscal year.
- Public hearings are conducted in the Town to obtain taxpayer comments.
- The budget is legally enacted through passage of an ordinance. The operating budget includes proposed expenditures and the means of financing them.
- The Board of Finance is authorized to transfer budgeted amounts between departments within any fund; however, any additional appropriations exceeding \$20,000 over the total budget must be approved at a Town meeting.
- Formal budgetary integration is employed as a management control device during the year for the General Fund.
- All noncontinuing appropriations lapse at year-end. Capital appropriations do not lapse until completion of the applicable projects.

Budgetary/GAAP Reconciliation

The Town prepares its annual General Fund budget on a basis (budgetary basis), which differs in some respects from generally accepted accounting principles (GAAP basis). The budget and all transactions are presented in accordance with the Town's method (budget basis) in the General Fund – Statement of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis – Budget and Actual to provide a meaningful comparison of actual results with the budget. The major differences between budgetary basis and GAAP basis are that education expenditures for the Teachers' Retirement System are only recorded on GAAP basis and certain interfund transfers are recorded as expenditures (budgetary basis) rather than operating transfers (GAAP basis).

Town of Cornwall, Connecticut
Notes to Financial Statements
June 30, 2018 (continued)

Adjustments necessary to reconcile the budgetary basis to GAAP basis are presented below:

| | <u>Fund balance</u> <u>beginning</u> | <u>Revenues</u> | <u>Expenditures</u> | <u>Other financing</u> <u>sources (uses)</u> | <u>Fund balance</u> <u>ending</u> |
|--|---|---------------------|-----------------------|---|--------------------------------------|
| GAAP basis | \$ 2,221,919 | \$ 7,215,781 | \$ (6,693,246) | \$ (590,000) | \$ 2,154,454 |
| Reclassifications | - | - | (590,000) | 590,000 | - |
| Teachers' retirement system on behalf payments not recognized in budgetary basis | - | (448,063) | 448,063 | - | - |
| Budgetary basis | <u>\$ 2,221,919</u> | <u>\$ 6,767,718</u> | <u>\$ (6,835,183)</u> | <u>\$ -</u> | <u>\$ 2,154,454</u> |

Note 3 – Cash, Cash Equivalents, and Investments

Cash and Cash Equivalents

Cash and cash equivalents of the Town consist of the following at June 30, 2018:

| | <u>Governmental</u> <u>Funds</u> | <u>Fiduciary</u> <u>Funds</u> | <u>Total</u> <u>2018</u> | <u>Total</u> <u>2017</u> |
|---------------------------------|-------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Demand accounts | \$ 883,259 | \$ 82,940 | \$ 966,199 | \$ 829,660 |
| Short Term Investment Fund | <u>2,704,158</u> | <u>-</u> | <u>2,704,158</u> | <u>3,526,342</u> |
| Total cash and cash equivalents | <u>\$ 3,587,417</u> | <u>\$ 82,940</u> | <u>\$ 3,670,357</u> | <u>\$ 4,356,002</u> |

Custodial Credit Risk on Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2018, \$715,227 of the Town's bank balance of \$1,031,547 was exposed to custodial credit risk as follows:

| | |
|--------------------------------|-------------------|
| Uninsured and uncollateralized | \$ 590,778 |
| Uninsured and collateralized | <u>124,449</u> |
| | <u>\$ 715,227</u> |

Investments

Interest Rate Risk – Interest rate risk is the risk that the Town will incur losses in fair value caused by changing interest rates. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Town does not have a formal credit risk policy other than restrictions to obligations allowable under the Connecticut General Statutes. As of June 30, 2018, the Town held \$1,266,605 (consisting of \$39,989 in Governmental Funds and \$1,226,616 in Fiduciary Funds) in money market and mutual funds for which ratings were not available at the end of the current fiscal year. The Short Term Investment Fund is rated AAAM by Standard & Poor's.

Town of Cornwall, Connecticut
Notes to Financial Statements
June 30, 2018 (continued)

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a failure of the counterparty, the Town’s deposits will not be able to recover the value of its investments that are in possession of an outside party. The Town’s investments held in mutual funds and certificates of deposit are not subject to custodial credit risk as the Town’s investment is not directly exposed to custodial credit risk.

| | 2018 | | | | 2017 |
|---------------------------|-------------------------|-------------------------------|-------------------------------------|-------------------|-------------------------|
| | Fair Market Value | Maturity Not Applicable | Investment Maturities (in years) | | Fair Market Value |
| | | | Less Than 1 | 1-5 | |
| Governmental Funds | | | | | |
| Certificates of deposit | \$ 269,452 | \$ - | \$ - | \$ 269,452 | \$ 266,287 |
| Externally managed pool | 39,989 | 39,989 | - | - | 38,511 |
| | <u>\$ 309,441</u> | <u>\$ 39,989</u> | <u>\$ -</u> | <u>\$ 269,452</u> | <u>\$ 304,798</u> |
| Fiduciary Funds | | | | | |
| Certificates of deposit | \$ 17,096 | \$ - | \$ 1,400 | \$ 15,696 | \$ 17,062 |
| Mutual funds | 1,226,616 | 1,226,616 | - | - | 1,156,686 |
| | <u>\$ 1,243,712</u> | <u>\$ 1,226,616</u> | <u>\$ 1,400</u> | <u>\$ 15,696</u> | <u>\$ 1,173,748</u> |

Fair Value Measurements

The Town utilizes the market approach as the valuation technique to measure fair value of its financial assets. GAAP establishes a three-level hierarchy for fair value measurements that distinguishes between market participant assumptions developed based on market data obtained from sources independent of the reporting entity (“observable inputs”) and the reporting entity’s own assumptions about market participant assumptions developed based on the best information available in the circumstances (“unobservable inputs”) and requires that the most observable inputs be used when available. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

- **Level 1** - Valuation based on unadjusted quoted prices in active markets for identical assets the Town has the ability to access. Since valuations are based on quoted prices readily and regularly available in an active market, valuation of these assets does not entail significant judgment.
- **Level 2** - Valuation based on quoted prices for similar assets in active markets; quoted prices for similar assets in inactive markets; or valuations based on models where the significant inputs are observable (e.g. interest rates, yield curves, etc.) or can be corroborated by observable market data.
- **Level 3** - Valuations based on inputs that are unobservable and significant to the overall fair value measurement. The unobservable inputs reflect the Town’s own assumptions about assumptions that market participants might use.

The Town’s investments are measured on a recurring basis using Level 1 information (market quotations for investments that have quoted prices in active markets). The Town has no financial assets measured using Level 2 or Level 3 at June 30, 2018.

Town of Cornwall, Connecticut
Notes to Financial Statements
June 30, 2018 (continued)

Note 4 - Capital Assets

Depreciation expense was charged to functions/programs of the primary government as follows:

| | <u>2018</u> | <u>2017</u> |
|--------------------------|-------------------|-------------------|
| Governmental Activities: | | |
| General government | \$ 20,077 | \$ 19,009 |
| Highway | 92,940 | 87,721 |
| Public safety | 74,842 | 60,433 |
| Education | <u>160,625</u> | <u>164,226</u> |
| | <u>\$ 348,484</u> | <u>\$ 331,389</u> |

Changes in the Town's capital assets used in governmental activities are as follows:

| | <u>Balance at</u> <u>July 1, 2017</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance at</u> <u>June 30, 2018</u> |
|--|--|-------------------|------------------|---|
| Capital assets not being depreciated: | | | | |
| Land | \$ 671,177 | \$ - | \$ - | \$ 671,177 |
| Total capital assets not being depreciated | <u>671,177</u> | <u>-</u> | <u>-</u> | <u>671,177</u> |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 8,119,763 | 5,157 | - | 8,124,920 |
| Infrastructure | 1,014,682 | 459,848 | - | 1,474,530 |
| Machinery and equipment | <u>3,453,552</u> | <u>100,310</u> | - | <u>3,553,862</u> |
| Total capital assets being depreciated | <u>12,587,997</u> | <u>565,315</u> | <u>-</u> | <u>13,153,312</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | 3,254,348 | 174,550 | - | 3,428,898 |
| Infrastructure | 236,830 | 21,322 | - | 258,152 |
| Machinery and equipment | <u>2,201,710</u> | <u>152,612</u> | - | <u>2,354,322</u> |
| Total accumulated depreciation | <u>5,692,888</u> | <u>348,484</u> | <u>-</u> | <u>6,041,372</u> |
| Total depreciable capital assets, net | <u>6,895,109</u> | <u>216,831</u> | <u>-</u> | <u>7,111,940</u> |
| Capital assets, net | <u>\$ 7,566,286</u> | <u>\$ 216,831</u> | <u>\$ -</u> | <u>\$ 7,783,117</u> |

Note 5 – Taxes Receivable and Deferred Inflows of Resources

Taxes receivable at June 30, 2018, for the General Fund, including the applicable allowance for collection losses, are as follows:

| | <u>General Fund</u> |
|---------------------------------|---------------------|
| Property tax | \$ 374,930 |
| Interest and lien fees on taxes | <u>241,277</u> |
| Total gross receivables | 616,207 |
| Allowance for collection losses | <u>(186,000)</u> |
| Total net receivables | <u>\$ 430,207</u> |

To reflect that a portion of property taxes, interest, and lien fees receivable at June 30, 2018, are not considered available to liquidate general fund liabilities of the current period, the General Fund column of the governmental funds Balance Sheet reports property tax revenue, unavailable for expenditure in the current fiscal year of \$406,525, as a deferred inflow of resources.

Note 6 – Pension Plans

Connecticut State Teachers’ Retirement System

Description of System

Teachers within the Town’s school system participate in a retirement system administered by the Connecticut State Teachers’ Retirement Board. This Connecticut State Teachers’ Retirement System (the “System”) is a cost sharing multiple employer defined benefit pension system with a special funding situation. As such, the Town does not have a liability related to participants in the System.

The System is considered a part of the State of Connecticut financial reporting entity and is included in the State’s financial reports as a pension trust fund. Those reports may be obtained at www.ct.gov.

The System is administered under the provisions of Chapter 167a of the Connecticut General Statutes (CGS). Participation in the System is restricted to certified staff employed in the public schools of Connecticut and members of the professional staff of the State Department of Education or the board of Governors of Higher Education and their constituent units. Participation in the System is mandatory for certified personnel of local boards of education who are employed for an average of at least one-half of a school day. Members of the professional staff of the State Department of Education or the Board of Governors of Higher Education and their constituent units may elect to participate in this system, the State Employees’ Retirement System, or the Alternate Retirement System (TIAA-CREF).

Benefits Provided

The benefits provided to participants by the System are as follows:

Normal Benefit: A member at age 60 with 20 years of Credited Service in Connecticut, or 35 years of Credited Service including at least 25 years of service in Connecticut is eligible for vested benefits of 2% of average annual salary times years of credited service (maximum benefit is 75% of average annual salary.)

Early Retirement: A member with 25 years of Credited Service, including at least 20 years of Connecticut public school service, or age 55 with 20 years of Credited Service including 15 years of Connecticut service. The early retirement factors currently in effect are 6% per year for the first five years by which early retirement precedes the minimum normal retirement age and 4% per year for the next five years by which early retirement precedes the minimum normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3% for each year by which early retirement precedes the minimum retirement age.

Prorated Benefit: A member who completes 10 years of Connecticut public school service is eligible for a vested benefit commencing at age 60. The benefit is 2% less 0.1% for each year less than 20 years of average annual salary times years of credited service.

Minimum Benefit: Effective January 1, 1999, Public Act 98-251 provides a minimum monthly retirement benefit of \$1,200 to teachers who retire under the Normal Benefit provisions and who have completed at least 25 years of full time Connecticut service at retirement.

Contribution Requirements

The pension contributions made by the State to the System are determined on an actuarial reserve basis as described in CGS Sections 10-1831 and 10-183z.

Town of Cornwall, Connecticut
Notes to Financial Statements
June 30, 2018 (continued)

Participants are required to contribute 7.25% (8.25% effective January 1, 2018) of their annual salary rate to the System as required by CGS Section 10-183b (7). For the 2017/2018 school year, \$81,709 mandatory contributions were deducted from the salaries of teachers who were participants of the System during that school year. The covered payroll for the Town is \$1,112,657. The Town had 15 active participants in the System at June 30, 2018.

Employers are not required to make contributions to the System. The Town makes no contribution to the plan.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2016, using the following key actuarial assumptions, applied to all periods included in the measurement:

| | |
|---|-------------------|
| Inflation | 2.75 Percent |
| Salary increases, including inflation | 3.25-6.50 Percent |
| Long-term investment rate of return, net of pension investment expense, including inflation | 8.00 Percent |

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale, and further adjusted to grade in increases (5% for females and 8% for males) to rates over age 80 for the period after service retirement and for dependent beneficiaries as well as for active members. The RPH-2014 Disabled Mortality Table projected to 2017 with Scale BB is used for the period after disability retirement.

The actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period July 1, 2010 – June 30, 2015.

The long-term expected rate of return on pension investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-----------------------------|--------------------------|---|
| Large cap U.S. equities | 21.0% | 5.8% |
| Developed non-U.S. equities | 18.0% | 6.6% |
| Emerging markets (non-U.S.) | 9.0% | 8.3% |
| Real estate | 7.0% | 5.1% |
| Private equity | 11.0% | 7.6% |
| Alternative investments | 8.0% | 4.1% |
| Core fixed income | 7.0% | 1.3% |
| High yield bonds | 5.0% | 3.9% |
| Emerging market bond | 5.0% | 3.7% |
| Inflation linked bond fund | 3.0% | 1.0% |
| Cash | <u>6.0%</u> | 0.4% |
| Total | <u>100.0%</u> | |

Town of Cornwall, Connecticut
Notes to Financial Statements
June 30, 2018 (continued)

Discount Rate

The discount rate used to measure the total pension liability was 8.00 percent. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Town's proportionate share of the net pension liability of the System, calculated using the discount rate of 8.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.00 percent) or 1-percentage-point higher (9.00 percent) than the current rate.

| | <u>1% Decrease</u> <u>(7.00%)</u> | <u>Current</u> <u>Discount Rate</u> <u>(8.00%)</u> | <u>1% Increase</u> <u>(9.00%)</u> |
|--|--------------------------------------|--|--------------------------------------|
| Sensitivity of the system's proportionate share of the net pension liability related to the Town | \$ 4,535,701 | \$ 3,623,618 | \$ 2,852,508 |

Pension Liabilities, Pension Expense, and Deferred Inflows/Outflows of Resources

The State makes all contributions to the System on behalf of employees of the participating districts. Therefore, participating employers are considered to be in a special funding situation as defined by Governmental Accounting Standards Board No. 68 and the State is treated as a non-employer contributing entity in the System. Since the districts do not contribute directly to the System, there is no net pension liability or deferred inflows or outflows to report in the financial statements of the Town. The portion of the net pension liability that was associated with the Town was \$3,623,618 and 100% of the collective net pension liability is allocated to the State.

June 30, 2016, is the actuarial valuation date upon which the total pension liability is based. The total pension liability is determined as of June 30, 2017, using standard roll forward techniques. The roll forward calculation adds the annual normal cost (also called the service cost), subtracts the actual benefit payments and refunds for the plan year and then applies the expected investment rate of return for the year. The procedure was used to determine the System's total pension liability as of June 30, 2017, which is the measurement date.

The Town recognized the total pension expense associated with the Town as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the Town. For the fiscal year ended June 30, 2018, the Town recognized \$448,063 as the amount expended by the State on behalf of the Town to meet the State's funding requirements. The amount recognized has been estimated using the latest available information provided by the State.

Defined Contribution Plan

The Town maintains a defined contribution money purchase plan that covers all full-time employees of the Town, excluding certified teachers. The plan is a single-employer contribution pension plan administered and amended by the trustees of the "Town of Cornwall Employee Pension Plan." Current participants total 24 employees.

Plan Description

The plan covers employees who have completed one year of service in which 1,000 hours is worked and have attained age 21. The plan is integrated with life insurance at the option of the participant and is an approved prototype plan.

The participants become 100% vested after 7 years of service. Normal retirement age is at 65. All active eligible participants and any terminated participants who complete 1,000 hours during the plan year prior to their termination date will receive a contribution equal to 7% compensation. There were no voluntary participant contributions during the year. Those terminating for reasons of death, disability, or retirement will share in the allocation, regardless of hours. Employer contributions, net of forfeitures, for the fiscal year ended June 30, 2018, totaled \$38,856. The contribution is calculated on gross compensation paid for the calendar year. The plan allows for amendment by the Town as employer.

Assets of the fund are invested as directed by plan participants in mutual funds provided by the trustee. The employer pays the costs of plan administration.

Service Incentive Program (CVFD)

The Town established the Cornwall VFD Service Incentive Program on behalf of volunteers of the Cornwall Volunteer Fire Department (CVFD). Under this program, the Town annually contributes \$1,000 per eligible volunteer. The total contribution for the year ended June 30, 2018 was \$23,358, net of forfeitures and was paid in the subsequent period. 46 individuals qualified for the benefit. Such volunteers become fully vested after five years of service. The normal retirement age for receiving benefits is age 62, although participants may apply for hardship distributions under certain circumstances as prescribed by the United States Department of Labor.

The plan is administered by a board consisting of three members appointed by the President of the Cornwall Volunteer Fire Department. Since the trust fund established to hold plan assets is subject to claims of the Town's general creditors, the plan is reported as an expendable trust fund.

Significant Accounting Policies

Basis of Accounting: Financial statements are prepared using the accrual basis of accounting. Employer contributions are recognized in the period that the contributions are due.

Method Used in Value Investments: Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair values.

Town of Cornwall, Connecticut
Notes to Financial Statements
June 30, 2018 (continued)

Note 7 - Long-Term Obligations

Landfill Closure

During 1994-1995, the Town ceased all operations at its landfill site. State and federal laws and regulations require the Town to perform certain maintenance and monitoring functions at the landfill site for 30 years after the closure date of February 1996. The Town has recognized the remaining estimated postclosure care costs of \$54,822 in the Government-wide financial statements. Current year expenditures were recognized in the General Fund in the amount of \$8,225. Changes in the estimated total current cost of postclosure care may occur and are reported in the periods in which the change is probable and can be reasonably estimated. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

Long-Term Obligation Activity

General Obligation Bonds of \$1,500,000 were issued on April 24, 2017, with an interest rate of 2.325%. The bonds mature serially through April 1, 2027.

General Obligation Bonds of \$1,900,000 were issued on June 1, 2012, to refund an earlier bond issue, with interest rates varying from 1.0% to 3.0%, which results in an average weighted interest rate of 2.0%. The bonds mature serially through August 15, 2023.

The following table summarizes changes in the Town's long-term indebtedness for the year ending June 30, 2018:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|---------------------------------|------------------------------|------------------|---------------------|---------------------------|--------------------------------|
| Governmental activities: | | | | | |
| General obligation bonds (2017) | \$ 1,500,000 | \$ - | \$ (150,000) | \$ 1,350,000 | \$ 150,000 |
| General obligation bonds (2012) | 1,160,000 | - | (160,000) | 1,000,000 | 160,000 |
| Unamortized premiums | 29,128 | - | (4,162) | 24,966 | 4,162 |
| Landfill post-closure costs | <u>63,047</u> | <u>-</u> | <u>(8,225)</u> | <u>54,822</u> | <u>7,452</u> |
| Total long-term obligations | <u>\$ 2,752,175</u> | <u>\$ -</u> | <u>\$ (322,387)</u> | <u>\$ 2,429,788</u> | <u>\$ 321,614</u> |

Debt Service Requirements

Debt service requirements on long-term debt at June 30, 2018, are as follows:

| <u>Year Ending</u> | <u>Principal</u> | <u>Interest</u> |
|--------------------|---------------------|-------------------|
| 2019 | \$ 310,000 | \$ 50,873 |
| 2020 | 310,000 | 44,215 |
| 2021 | 315,000 | 37,352 |
| 2022 | 320,000 | 30,466 |
| 2023 | 320,000 | 23,424 |
| 2024 | 325,000 | 16,151 |
| 2025 | 150,000 | 10,607 |
| 2026 | 150,000 | 7,072 |
| 2027 | <u>150,000</u> | <u>3,536</u> |
| | <u>\$ 2,350,000</u> | <u>\$ 223,696</u> |

Town of Cornwall, Connecticut
Notes to Financial Statements
June 30, 2018 (continued)

Prior Years Advance Refunding

In a prior year, the Town defeased a bond issue by creating a separate irrevocable trust fund. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust fund. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and, therefore, removed as a liability from the Town's financial statements.

Statutory Debt Limitation

Connecticut General Statutes Section 7-374(b) provides that authorized 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, 2018.

Bonds Authorized and Unissued

At June 30, 2018, there were no authorized and unissued bonds for general purposes.

Note 8 – Commitments and Contingencies

The Town is contingently liable on Regional School District No. 1 serial bonds payable, which has an outstanding balance of \$6,694,000. The amount (10.50%) attributed to the Town is \$702,870.

The Town has received State grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditures disallowed under terms of the grant. Based on prior experience, Town management believes such disallowances, if any, will not be material.

Note 9 – Interfund Balances/Transfers

At June 30, 2018, interfund balances were as follows:

| | Due From | | | | | |
|-----------------------|-----------------|-----------------------------|--------------------------|-----------------|---------------------|-----------------------|
| | General Fund | Capital Projects Fund | Town Activity Fund | Dog Fund | Food & Fuel Fund | Total Governmental |
| Due to: | | | | | | |
| General Fund | \$ - | \$ 996 | \$ 393 | \$ 7,573 | \$ 275 | \$ 9,237 |
| Capital Projects Fund | 3,518 | - | - | - | - | 3,518 |
| Dog Fund | <u>1,676</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,676</u> |
| Total | <u>\$ 5,194</u> | <u>\$ 996</u> | <u>\$ 393</u> | <u>\$ 7,573</u> | <u>\$ 275</u> | <u>\$ 14,431</u> |

Interfund transfers for the year are summarized below:

| | Transfers in: Capital Projects Fund | Total Governmental |
|----------------|---|-----------------------|
| Transfers out: | | |
| General Fund | <u>\$ 590,000</u> | <u>\$ 590,000</u> |
| | <u>\$ 590,000</u> | <u>\$ 590,000</u> |

Town of Cornwall, Connecticut
Notes to Financial Statements
June 30, 2018 (continued)

Note 10 – Governmental Fund Balances

As of June 30, 2018, governmental fund balances are composed of the following:

| | <u>General Fund</u> | <u>Capital Projects Fund</u> | <u>Nonmajor Funds</u> | <u>Total Governmental Funds</u> |
|--------------------------|---------------------|----------------------------------|---------------------------|---|
| <u>Nonspendable:</u> | | | | |
| Prepaid expenses | \$ 731 | \$ - | \$ - | \$ 731 |
| Permanent endowments | - | - | 34,895 | 34,895 |
| | <u>731</u> | <u>-</u> | <u>34,895</u> | <u>35,626</u> |
| <u>Restricted:</u> | | | | |
| Food and fuel | - | - | 5,236 | 5,236 |
| Open space | - | - | 16,251 | 16,251 |
| | <u>-</u> | <u>-</u> | <u>21,487</u> | <u>21,487</u> |
| <u>Committed:</u> | | | | |
| Capital projects | - | 1,388,108 | - | 1,388,108 |
| Town activities | - | - | 56,672 | 56,672 |
| | <u>-</u> | <u>1,388,108</u> | <u>56,672</u> | <u>1,444,780</u> |
| <u>Assigned:</u> | | | | |
| Subsequent year's budget | 350,000 | - | - | 350,000 |
| Gates Bequest | 231,772 | - | - | 231,772 |
| Building inspection | 15,200 | - | - | 15,200 |
| Food and fuel | - | - | 49,415 | 49,415 |
| Endowment | - | - | 8,699 | 8,699 |
| Capital projects | - | 550 | - | 550 |
| | <u>596,972</u> | <u>550</u> | <u>58,114</u> | <u>655,636</u> |
| <u>Unassigned</u> | <u>1,556,751</u> | <u>-</u> | <u>(1,201)</u> | <u>1,555,550</u> |
| | <u>\$ 2,154,454</u> | <u>\$ 1,388,658</u> | <u>\$ 169,967</u> | <u>\$ 3,713,079</u> |

Note 11 – Risk Management

The Town is exposed to various risks of loss relating to liability, theft, or impairment of assets, errors or omissions, injuries to employees, and natural disasters. Commercial liability and property insurance coverage is purchased to protect against losses from these risks. Additionally, employee health coverage is purchased from a commercial carrier. The Town does not maintain a self-insurance fund. There was no significant reduction coverage from the prior year, and no claims have exceeded insurance coverage in the past three years.

The Town currently is a member of the Connecticut Interlocal Risk Management Agency (CIRMA), a public entity risk pool currently operating as a common risk management and insurance program for a comprehensive workers' compensation insurance program through its workers' compensation pool, as well as liability insurance. The Town pays an annual premium to the pool for its coverage. The agreement for the formation of CIRMA provides that the pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$1,000,000 for each insured event to an unlimited excess limit. The pooling agreement allows CIRMA to make additional assessments to make the pool self-sustaining. The Town cannot estimate the amount of such additional assessments and has not been notified that any assessments are forthcoming. CIRMA publishes its own financial report, which can be obtained from: CIRMA, 900 Chapel Street, 9th Floor, New Haven, CT 06510.

Note 12 – Recently Issued Accounting Standards

In November 2016, the Governmental Accounting Standards Board (GASB) issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement which (1) establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs, (2) requires the measurement of an ARO to be based on the best estimate of the current value of outlays expected to be incurred, and (3) requires the current value of a government's AROs to be adjusted for the effects of general inflation or deflation at least annually. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2018. The Town does not expect this statement to have a material effect on its financial statements.

In April 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2018. The Town does not expect this statement to have a material effect on its financial statements.

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2019. The Town has not yet determined the impact that this statement might have on its financial statements.

Town of Cornwall, Connecticut
Notes to Financial Statements
June 30, 2018 (continued)

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2020. The Town has not yet determined the impact that this statement might have on its financial statements.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of the capital asset. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2020. The Town does not expect the impact of this statement will be material to its financial statements.

**REQUIRED SUPPLEMENTARY
INFORMATION
(UNAUDITED)**

TOWN OF CORNWALL, CONNECTICUT

**CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

| | <u>2018</u> | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|---------------------|---------------------|---------------------|---------------------|
| Town's proportion of the net pension liability | 0.00% | 0.00% | 0.00% | 0.00% |
| Town's proportionate share of the net pension liability | \$ - | \$ - | \$ - | \$ - |
| State's proportionate share of the net pension liability associated with the Town | <u>3,623,618</u> | <u>3,822,885</u> | <u>3,001,850</u> | <u>2,774,609</u> |
| Total | <u>\$ 3,623,618</u> | <u>\$ 3,822,885</u> | <u>\$ 3,001,850</u> | <u>\$ 2,774,609</u> |
| Town's covered-employee payroll | <u>\$ 1,112,657</u> | <u>\$ 1,054,570</u> | <u>\$ 1,098,440</u> | <u>\$ 1,083,159</u> |
| Town's proportionate share of the net pension liability as a percentage of its covered payroll | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> |
| System fiduciary net position as a percentage of the total pension liability | <u>55.93%</u> | <u>52.26%</u> | <u>59.50%</u> | <u>61.56%</u> |

Notes to Connecticut State Teachers' Retirement System

Method and Assumptions used in Calculations of Actuarially Determined Contributions

The actuarially determined contributions in the schedule of employer contributions are calculated as of June 30 each biennium for the fiscal years ending two and three years after the valuation date. The following actuarial methods and assumptions were used to determine the most recent contributions reported in that schedule:

| | |
|---------------------------------------|---|
| Actuarial cost method | Entry age |
| Amortization method | Level percent of pay, closed |
| Single equivalent amortization period | 20.4 years |
| Asset valuation method | 4-year smoothed market |
| Inflation | 2.75 percent |
| Salary increase | 3.25-6.50 percent, including inflation |
| Investment rate of return | 8.00 percent, net of investment related expense |

See accompanying Independent Auditors' Report.

**SUPPLEMENTAL
STATEMENTS AND SCHEDULES**

TOWN OF CORNWALL, CONNECTICUT

**GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

| | Budgeted Amounts | | | Actual | Variance With Final Budget Positive (Negative) |
|-------------------------------|------------------|-----------|------------------|------------------|---|
| | Original | Transfers | Final | | |
| Fees for Services | | | | | |
| Town Clerk's fees | \$ 40,000 | \$ - | \$ 40,000 | \$ 51,356 | \$ 11,356 |
| Hammond Beach passes | 2,000 | - | 2,000 | 1,165 | (835) |
| Brush dump fees | 1 | - | 1 | - | (1) |
| Landfill receipts | 12,000 | - | 12,000 | 16,517 | 4,517 |
| Building permits | - | - | - | 70,849 | 70,849 |
| Planning and Zoning fees | 600 | - | 600 | 991 | 391 |
| Park and Recreation | 2,000 | - | 2,000 | 4,516 | 2,516 |
| Other fees, charges | 5,000 | - | 5,000 | 9,574 | 4,574 |
| Tax Map charges | 500 | - | 500 | 708 | 208 |
| | <u>62,101</u> | <u>-</u> | <u>62,101</u> | <u>155,676</u> | <u>93,575</u> |
| Other Revenues | | | | | |
| Commercial recycling | 3,000 | - | 3,000 | 8,487 | 5,487 |
| Payments in lieu of taxes | 20,000 | - | 20,000 | 27,577 | 7,577 |
| Miscellaneous | 1,000 | - | 1,000 | 39 | (961) |
| | <u>24,000</u> | <u>-</u> | <u>24,000</u> | <u>36,103</u> | <u>12,103</u> |
| Property Taxes | | | | | |
| Current levy | 6,151,797 | - | 6,151,797 | 6,180,421 | 28,624 |
| Delinquent taxes | 20,000 | - | 20,000 | 63,311 | 43,311 |
| Interest and fees | 20,000 | - | 20,000 | 39,452 | 19,452 |
| | <u>6,191,797</u> | <u>-</u> | <u>6,191,797</u> | <u>6,283,184</u> | <u>91,387</u> |
| State Education Grants | | | | | |
| Education grants | - | - | - | 2,399 | 2,399 |
| School transportation | - | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>2,399</u> | <u>2,399</u> |
| State General Grants | | | | | |
| Town aid roads | 225,000 | - | 225,000 | 224,603 | (397) |
| Indian Casino funds | 8,000 | - | 8,000 | 8,114 | 114 |
| In lieu tax grant | 3,000 | - | 3,000 | - | (3,000) |
| Telephone access | 5,000 | - | 5,000 | 6,736 | 1,736 |
| Elderly tax relief | 12,000 | - | 12,000 | - | (12,000) |
| Vet's disabled tax relief | 700 | - | 700 | 1,244 | 544 |
| Town Clerk's grant | 5,000 | - | 5,000 | 4,000 | (1,000) |
| Miscellaneous state grants | 15,000 | - | 15,000 | 405 | (14,595) |
| | <u>273,700</u> | <u>-</u> | <u>273,700</u> | <u>245,102</u> | <u>(28,598)</u> |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT

**GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

| | <u>Budgeted Amounts</u> | | | <u>Actual</u> | Variance With Final Budget Positive (Negative) |
|---|-------------------------|------------------|-------------------------|-------------------------|---|
| | <u>Original</u> | <u>Transfers</u> | <u>Final</u> | | |
| Transfer/Non-Revenue Receipts | | | | | |
| Undesignated fund balance | \$ 200,000 | \$ - | \$ 200,000 | \$ - | \$ (200,000) |
| After school tuition | - | - | - | 110 | 110 |
| Non-revenue credits - refunds | - | - | - | 15,299 | 15,299 |
| NIB checking interest | 7,500 | - | 7,500 | 19,492 | 11,992 |
| Miscellaneous interest | - | - | - | 10,353 | 10,353 |
| | <u>207,500</u> | <u>-</u> | <u>207,500</u> | <u>45,254</u> | <u>(162,246)</u> |
| Total revenues and other financing sources | <u>\$ 6,759,098</u> | <u>\$ -</u> | <u>\$ 6,759,098</u> | <u>\$ 6,767,718</u> | <u>\$ 8,620</u> |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT

**GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2018**

| | Budgeted Amounts | | | Actual | Variance With Final Budget Positive (Negative) |
|------------------------------------|------------------|-----------|----------------|----------------|---|
| | Original | Transfers | Final | | |
| Board of Selectmen Budget | | | | | |
| Assessor | | | | | |
| Assessor's salary | \$ 8,805 | \$ - | \$ 8,805 | \$ 8,805 | \$ - |
| Assessor's clerk salary | 22,050 | - | 22,050 | 22,213 | (163) |
| Office supplies | 1,500 | - | 1,500 | 878 | 622 |
| Mileage, travel | 1,000 | - | 1,000 | 208 | 792 |
| Meetings/memberships | 15 | - | 15 | 15 | - |
| Computer | 1,500 | - | 1,500 | 1,139 | 361 |
| Contracted services | 5,000 | - | 5,000 | 4,779 | 221 |
| | <u>39,870</u> | <u>-</u> | <u>39,870</u> | <u>38,037</u> | <u>1,833</u> |
| Board of Assessment Appeals | | | | | |
| BAA salaries | 498 | - | 498 | - | 498 |
| BAA clerk wage | 1 | - | 1 | - | 1 |
| Expenditures | 1 | - | 1 | - | 1 |
| | <u>500</u> | <u>-</u> | <u>500</u> | <u>-</u> | <u>500</u> |
| Board of Selectmen | | | | | |
| Selectmens' salaries | 61,684 | - | 61,684 | 61,684 | - |
| Selectmens' clerk | 36,929 | - | 36,929 | 36,929 | - |
| BOS temporary clerk | 1,200 | - | 1,200 | 1,142 | 58 |
| BOS office supplies | 850 | - | 850 | 341 | 509 |
| BOS bids, legal, etc. | 500 | - | 500 | 253 | 247 |
| BOS meetings, mileage | 15 | - | 15 | 110 | (95) |
| BOS meetings, memberships | 300 | - | 300 | 360 | (60) |
| BOS postage | 200 | - | 200 | 8 | 192 |
| | <u>101,678</u> | <u>-</u> | <u>101,678</u> | <u>100,827</u> | <u>851</u> |
| Finance Department | | | | | |
| Treasurer's salary | 3,270 | - | 3,270 | 3,270 | - |
| Finance Director salary | 37,395 | - | 37,395 | 37,395 | - |
| Treasurer's clerk expense | 1 | - | 1 | - | 1 |
| Office supplies | 1,000 | - | 1,000 | 1,398 | (398) |
| Printing | 2,860 | - | 2,860 | 2,722 | 138 |
| Computer | 1,500 | - | 1,500 | 1,239 | 261 |
| Postage | 1,000 | - | 1,000 | 855 | 145 |
| Town audit | 14,750 | - | 14,750 | 14,850 | (100) |
| | <u>61,776</u> | <u>-</u> | <u>61,776</u> | <u>61,729</u> | <u>47</u> |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT

**GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

| | Budgeted Amounts | | | Actual | Variance With Final Budget Positive (Negative) |
|--|------------------|----------------|----------------|----------------|---|
| | Original | Transfers | Final | | |
| Hammond Beach | | | | | |
| Salaries | \$ 34,797 | \$ (2,400) | \$ 32,397 | \$ 32,348 | \$ 49 |
| Programs | 1,000 | - | 1,000 | 1,201 | (201) |
| Utilities | 800 | - | 800 | 997 | (197) |
| Supplies | 700 | - | 700 | 509 | 191 |
| Equipment | 500 | - | 500 | 242 | 258 |
| Contracted services | 2,000 | (1,100) | 900 | 876 | 24 |
| | <u>39,797</u> | <u>(3,500)</u> | <u>36,297</u> | <u>36,173</u> | <u>124</u> |
| Highway Administration/Supplies | | | | | |
| Garage heat | 6,500 | - | 6,500 | 8,200 | (1,700) |
| Utilities | 5,000 | - | 5,000 | 5,494 | (494) |
| Supplies | 5,000 | - | 5,000 | 7,531 | (2,531) |
| Small equipment | 2,500 | - | 2,500 | 1,354 | 1,146 |
| Contracted services | 19,000 | - | 19,000 | 26,425 | (7,425) |
| Small equipment repairs | 500 | - | 500 | - | 500 |
| Garage repairs (building) | 1,000 | - | 1,000 | 1,383 | (383) |
| Drug testing | 200 | - | 200 | - | 200 |
| Labor expense: | | | | | |
| OT labor expense | 15,579 | (2,600) | 12,979 | 12,889 | 90 |
| Regular labor expense | 231,936 | - | 231,936 | 231,660 | 276 |
| | <u>247,515</u> | <u>(2,600)</u> | <u>244,915</u> | <u>244,549</u> | <u>366</u> |
| Highway temporary labor | 6,000 | (2,203) | 3,797 | 3,276 | 521 |
| Fuel/gas/oil/grease | 35,000 | - | 35,000 | 34,176 | 824 |
| Highway signs | 1,500 | - | 1,500 | 3,548 | (2,048) |
| Road materials | 20,000 | - | 20,000 | 23,542 | (3,542) |
| Snow removal | 70,000 | - | 70,000 | 46,609 | 23,391 |
| Tree maintenance | 18,000 | - | 18,000 | 26,658 | (8,658) |
| | <u>437,715</u> | <u>(4,803)</u> | <u>432,912</u> | <u>432,745</u> | <u>167</u> |
| Highway Vehicle Maintenance | | | | | |
| Vehicle equipment maintenance | 40,000 | 8,303 | 48,303 | 48,303 | - |
| | <u>40,000</u> | <u>8,303</u> | <u>48,303</u> | <u>48,303</u> | <u>-</u> |
| Insurance and Benefits | | | | | |
| General insurance | 4,244 | - | 4,244 | 6,183 | (1,939) |
| Workers' compensation | 45,000 | - | 45,000 | 42,432 | 2,568 |
| Public liability | 65,970 | (4,066) | 61,904 | 57,565 | 4,339 |
| Employees' health insurance | 196,757 | - | 196,757 | 198,020 | (1,263) |
| Employees' pension plan | 40,540 | - | 40,540 | 40,213 | 327 |
| | <u>352,511</u> | <u>(4,066)</u> | <u>348,445</u> | <u>344,413</u> | <u>4,032</u> |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT

**GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

| | Budgeted Amounts | | | Actual | Variance With Final Budget Positive (Negative) |
|----------------------------------|------------------|-----------|----------|----------|---|
| | Original | Transfers | Final | | |
| Land Use | | | | | |
| Zoning Enforcement wage | \$ 6,721 | \$ - | \$ 6,721 | \$ 6,443 | \$ 278 |
| Land Use Administrator | 10,446 | - | 10,446 | 7,553 | 2,893 |
| Land Use Clerk | 6,026 | - | 6,026 | 7,555 | (1,529) |
| Office supplies | 500 | - | 500 | 424 | 76 |
| Printing | 200 | - | 200 | 40 | 160 |
| Legal notices | 1,800 | - | 1,800 | 1,438 | 362 |
| Meetings/mileage | 500 | - | 500 | 402 | 98 |
| Computer | 400 | - | 400 | - | 400 |
| Building inspection expense | - | - | - | 68,238 | (68,238) |
| Consulting services | 6,800 | - | 6,800 | 3,728 | 3,072 |
| Legal fees | 2,500 | - | 2,500 | 4,391 | (1,891) |
| | 35,893 | - | 35,893 | 100,212 | (64,319) |
| Organizational Support | | | | | |
| Cornwall Child Center | 40,000 | - | 40,000 | 40,000 | - |
| Cornwall Library | 45,000 | - | 45,000 | 45,000 | - |
| Cornwall Historical Society | 4,500 | - | 4,500 | 4,500 | - |
| Cornwall Housing Corp | 4,000 | - | 4,000 | 4,000 | - |
| Cornwall Conservation Trust | 2,000 | - | 2,000 | 2,000 | - |
| NW Council of Governments | 1,120 | - | 1,120 | 1,110 | 10 |
| Council of Small Towns | 1,225 | - | 1,225 | 521 | 704 |
| Tax refunds | 1,500 | - | 1,500 | 69 | 1,431 |
| Cemetery maintenance | 2,600 | - | 2,600 | 2,600 | - |
| Regional Housing | 100 | - | 100 | 100 | - |
| NW Conservation District | 600 | - | 600 | 600 | - |
| Housatonic River Commission | 350 | - | 350 | 350 | - |
| Geer Adult Day Center | 9,500 | - | 9,500 | 9,500 | - |
| Susan B. Anthony Project | 1,500 | - | 1,500 | 1,500 | - |
| Town celebrations | 300 | - | 300 | 1,060 | (760) |
| NW Corner Chore Service | 5,000 | - | 5,000 | 5,000 | - |
| Women's Support Service | 1,500 | - | 1,500 | 1,500 | - |
| Regional Mental Health | 153 | - | 153 | 153 | - |
| Housatonic Youth Service | 4,608 | - | 4,608 | 4,608 | - |
| Agricultural Advisory | 800 | - | 800 | 828 | (28) |
| Elderly Nutrition Project | 665 | - | 665 | 665 | - |
| Greenwoods Counseling referrals | 2,000 | - | 2,000 | 2,000 | - |
| HVA-Housatonic Vally Association | 250 | - | 250 | 250 | - |
| FISH | 250 | - | 250 | - | 250 |
| Conservation Commission | 1,500 | - | 1,500 | - | 1,500 |
| Economic Study | 4,195 | - | 4,195 | 4,650 | (455) |
| | 135,216 | - | 135,216 | 132,564 | 2,652 |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT

GENERAL FUND
 SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
 BUDGET AND ACTUAL (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2018

| | Budgeted Amounts | | | Actual | Variance With Final Budget Positive (Negative) |
|------------------------------------|------------------|--------------|---------------|---------------|---|
| | Original | Transfers | Final | | |
| Park & Recreation | | | | | |
| Salaries | \$ 22,194 | \$ - | \$ 22,194 | \$ 22,194 | \$ - |
| Supplies | 1,300 | - | 1,300 | 1,587 | (287) |
| Park & Rec program | 8,000 | 4,066 | 12,066 | 13,941 | (1,875) |
| Basketball | 1,000 | - | 1,000 | 175 | 825 |
| Soccer | 2,100 | - | 2,100 | 640 | 1,460 |
| Skiing | 2,800 | - | 2,800 | 2,443 | 357 |
| Baseball | 2,000 | - | 2,000 | 1,799 | 201 |
| Fields/services | 9,000 | - | 9,000 | 9,681 | (681) |
| | <u>48,394</u> | <u>4,066</u> | <u>52,460</u> | <u>52,460</u> | <u>-</u> |
| Payroll Expenses | | | | | |
| Social Security/Medicare/other | 53,114 | - | 53,114 | 52,764 | 350 |
| | <u>53,114</u> | <u>-</u> | <u>53,114</u> | <u>52,764</u> | <u>350</u> |
| Probate Court | | | | | |
| Contracted services | 3,100 | - | 3,100 | 3,058 | 42 |
| | <u>3,100</u> | <u>-</u> | <u>3,100</u> | <u>3,058</u> | <u>42</u> |
| Public Health & Welfare | | | | | |
| Commission on Aging: | | | | | |
| Municipal Agent salary | 1,030 | - | 1,030 | 1,030 | - |
| Supplies | 200 | - | 200 | 178 | 22 |
| Printing | 200 | - | 200 | 200 | - |
| | <u>1,430</u> | <u>-</u> | <u>1,430</u> | <u>1,408</u> | <u>22</u> |
| Social Service: | | | | | |
| Social Service Administrator | 27,932 | - | 27,932 | 27,932 | - |
| Office supplies | 1,200 | - | 1,200 | 1,184 | 16 |
| Mileage/travel | 500 | - | 500 | 490 | 10 |
| Meetings/memberships | 100 | - | 100 | - | 100 |
| General assistance | 500 | - | 500 | 500 | - |
| GA Medical | 200 | - | 200 | - | 200 |
| GA Burial | 1 | - | 1 | - | 1 |
| | <u>30,433</u> | <u>-</u> | <u>30,433</u> | <u>30,106</u> | <u>327</u> |
| Torrington Area Health | 8,619 | - | 8,619 | 8,619 | - |
| NW CT Transit | 615 | - | 615 | 615 | - |
| Senior van | 5,000 | 4,626 | 9,626 | 12,803 | (3,177) |
| Visiting Nurse homecare | 4,482 | - | 4,482 | 2,453 | 2,029 |
| Hepatitis B vaccine | 300 | - | 300 | - | 300 |
| NW Center Family Service | 500 | - | 500 | - | 500 |
| | <u>51,379</u> | <u>4,626</u> | <u>56,005</u> | <u>56,004</u> | <u>1</u> |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT

**GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

| | Budgeted Amounts | | | Actual | Variance With Final Budget Positive (Negative) |
|-----------------------------------|------------------|-----------|----------|----------|---|
| | Original | Transfers | Final | | |
| Public Safety | | | | | |
| CVFD physical exams | \$ 6,000 | \$ - | \$ 6,000 | \$ 5,674 | \$ 326 |
| Firehouse maintenance | 28,650 | - | 28,650 | 26,347 | 2,303 |
| Service incentive | 34,000 | (8,534) | 25,466 | 25,318 | 148 |
| Operations | 53,090 | - | 53,090 | 54,617 | (1,527) |
| Rescue | 25,200 | - | 25,200 | 26,302 | (1,102) |
| Police services | 1 | - | 1 | - | 1 |
| Fire Marshall salary | 3,000 | - | 3,000 | 2,912 | 88 |
| Fire Marshall expenses | 1,700 | - | 1,700 | 1,362 | 338 |
| 911 contract | 15,021 | - | 15,021 | 15,021 | - |
| Civil preparedness | 1,000 | - | 1,000 | 1,180 | (180) |
| | 167,662 | (8,534) | 159,128 | 158,733 | 395 |
| Registrars of Voters | | | | | |
| Registrars' salary expenses | 4,501 | - | 4,501 | 4,523 | (22) |
| Election workers' wages | 1,920 | - | 1,920 | 962 | 958 |
| Office supplies | 300 | - | 300 | 300 | - |
| Printing | 1 | - | 1 | - | 1 |
| Legal notices | 1 | - | 1 | - | 1 |
| Mileage/travel | 200 | - | 200 | 106 | 94 |
| Meetings/memberships | 900 | - | 900 | 440 | 460 |
| Contracted services | 2,500 | (755) | 1,745 | 2,331 | (586) |
| Postage | 49 | - | 49 | - | 49 |
| | 10,372 | (755) | 9,617 | 8,662 | 955 |
| Sanitation & Recycling | | | | | |
| Salaries/wages | 65,009 | 4,506 | 69,515 | 69,948 | (433) |
| Landfill supplies/repairs | 3,000 | - | 3,000 | 5,360 | (2,360) |
| MSW hauling | 17,000 | - | 17,000 | 18,334 | (1,334) |
| Site testing | 8,225 | - | 8,225 | 6,075 | 2,150 |
| Building repairs | 500 | - | 500 | - | 500 |
| CRRA contract | 20,000 | - | 20,000 | 19,798 | 202 |
| Bulky waste | 19,000 | 5,202 | 24,202 | 24,201 | 1 |
| Hazardous waste | 2,500 | - | 2,500 | 1,771 | 729 |
| Stump grinding | 1 | - | 1 | - | 1 |
| Recycling expense | 800 | - | 800 | - | 800 |
| Recycling box rent | 1,100 | - | 1,100 | 756 | 344 |
| Recycling hauling | 8,000 | - | 8,000 | 8,600 | (600) |
| | 145,135 | 9,708 | 154,843 | 154,843 | - |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT

GENERAL FUND
 SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
 BUDGET AND ACTUAL (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2018

| | Budgeted Amounts | | | Actual | Variance With Final Budget Positive (Negative) |
|--|------------------|----------------|------------------|------------------|---|
| | Original | Transfers | Final | | |
| Tax Collector | | | | | |
| Salary | \$ 24,421 | \$ - | \$ 24,421 | \$ 24,421 | \$ - |
| Tax Collector's clerk wage | 2,752 | (780) | 1,972 | 1,966 | 6 |
| Office supplies | 984 | (450) | 534 | 182 | 352 |
| Printing | 1,234 | - | 1,234 | 955 | 279 |
| Legal notices | 420 | - | 420 | 447 | (27) |
| Meetings/memberships | 500 | - | 500 | 557 | (57) |
| Computer | 400 | (400) | - | - | - |
| Contracted services | 5,600 | - | 5,600 | 6,193 | (593) |
| Postage | 1,478 | - | 1,478 | 959 | 519 |
| | <u>37,789</u> | <u>(1,630)</u> | <u>36,159</u> | <u>35,680</u> | <u>479</u> |
| Town Clerk | | | | | |
| Town Clerk salary | 42,137 | - | 42,137 | 42,137 | - |
| Assistant Town Clerk wage | 5,280 | - | 5,280 | 4,425 | 855 |
| Office supplies | 700 | - | 700 | 448 | 252 |
| Legal notices | 600 | - | 600 | 802 | (202) |
| Meetings/memberships | 650 | - | 650 | 620 | 30 |
| Computer | 425 | - | 425 | - | 425 |
| Contracted services | 13,500 | (2,100) | 11,400 | 11,358 | 42 |
| Elections | 1,000 | - | 1,000 | 649 | 351 |
| Postage | 400 | - | 400 | 400 | - |
| | <u>64,692</u> | <u>(2,100)</u> | <u>62,592</u> | <u>60,839</u> | <u>1,753</u> |
| Town Office Administration | | | | | |
| Town office custodian | 3,000 | - | 3,000 | 4,134 | (1,134) |
| Town office supplies | 2,400 | - | 2,400 | 1,749 | 651 |
| Town office heating | 7,500 | - | 7,500 | 8,004 | (504) |
| Town office utilities | 11,000 | - | 11,000 | 17,889 | (6,889) |
| Town office contracted | 9,500 | - | 9,500 | 9,141 | 359 |
| Town counsel | 12,000 | - | 12,000 | 2,440 | 9,560 |
| Town building repairs | 500 | - | 500 | 761 | (261) |
| | <u>45,900</u> | <u>-</u> | <u>45,900</u> | <u>44,118</u> | <u>1,782</u> |
| Contingency | <u>30,000</u> | <u>(1,800)</u> | <u>28,200</u> | <u>28,134</u> | <u>66</u> |
| Transfers | | | | | |
| To Capital Projects Fund | - | 75,000 | 75,000 | 75,000 | - |
| | <u>-</u> | <u>75,000</u> | <u>75,000</u> | <u>75,000</u> | <u>-</u> |
| Total Board of Selectmen Budget | <u>1,902,493</u> | <u>74,515</u> | <u>1,977,008</u> | <u>2,025,298</u> | <u>(48,290)</u> |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT

**GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2018**

| | <u>Budgeted Amounts</u> | | | <u>Actual</u> | <u>Variance With Final Budget Positive (Negative)</u> |
|--|-------------------------|------------------|---------------------|---------------------|---|
| | <u>Original</u> | <u>Transfers</u> | <u>Final</u> | | |
| Board of Education | | | | | |
| Board of Education expenses | \$ 3,976,708 | \$ - | \$ 3,976,708 | \$ 3,929,504 | \$ 47,204 |
| | <u>3,976,708</u> | <u>-</u> | <u>3,976,708</u> | <u>3,929,504</u> | <u>47,204</u> |
| Capital Expenditures | | | | | |
| Capital expenditures - CCS | 40,000 | - | 40,000 | 40,000 | - |
| Capital expenditures - BOS | 475,000 | - | 475,000 | 475,000 | - |
| | <u>515,000</u> | <u>-</u> | <u>515,000</u> | <u>515,000</u> | <u>-</u> |
| Debt Service | | | | | |
| Debt bond principal | 310,000 | - | 310,000 | 310,000 | - |
| Debt bond interest | 54,897 | 485 | 55,382 | 55,381 | 1 |
| | <u>364,897</u> | <u>485</u> | <u>365,382</u> | <u>365,381</u> | <u>1</u> |
| Total expenditures and other financing uses | <u>\$ 6,759,098</u> | <u>\$ 75,000</u> | <u>\$ 6,834,098</u> | <u>\$ 6,835,183</u> | <u>\$ (1,085)</u> |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2018**

| | <u>Special Revenue Funds</u> | <u>Capital Projects Fund Open Space</u> | <u>Permanent Fund Cornwall Endowment Fund</u> | <u>Total</u> |
|--|--------------------------------------|---|---|-------------------|
| <u>Assets</u> | | | | |
| Cash and cash equivalents | \$ 117,997 | \$ 16,251 | \$ 3,605 | \$ 137,853 |
| Investments | - | - | 39,989 | 39,989 |
| Due from other funds | 1,676 | - | - | 1,676 |
| Total assets | \$ 119,673 | \$ 16,251 | \$ 43,594 | \$ 179,518 |
| <u>Liabilities</u> | | | | |
| Due to State of CT | \$ 1,310 | \$ - | \$ - | \$ 1,310 |
| Due to other funds | 8,241 | - | - | 8,241 |
| Total liabilities | 9,551 | - | - | 9,551 |
| <u>Fund Balances</u> | | | | |
| Nonspendable | - | - | 34,895 | 34,895 |
| Restricted | 5,236 | 16,251 | - | 21,487 |
| Committed | 56,672 | - | - | 56,672 |
| Assigned | 49,415 | - | 8,699 | 58,114 |
| Unassigned | (1,201) | - | - | (1,201) |
| Total fund balances | 110,122 | 16,251 | 43,594 | 169,967 |
| Total liabilities and fund balances | \$ 119,673 | \$ 16,251 | \$ 43,594 | \$ 179,518 |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018**

| | <u>Special Revenue Funds</u> | <u>Capital Projects Fund Open Space</u> | <u>Permanent Fund Cornwall Endowment Fund</u> | <u>Total</u> |
|---|--------------------------------------|---|---|-------------------|
| Revenues | | | | |
| Investment income | \$ 182 | \$ - | \$ 3,702 | \$ 3,884 |
| Fees and charges | 2,291 | - | - | 2,291 |
| Contributions | 29,220 | - | - | 29,220 |
| Total revenues | <u>31,693</u> | <u>-</u> | <u>3,702</u> | <u>35,395</u> |
| Expenditures | | | | |
| General government | 8,315 | - | 1,014 | 9,329 |
| Health and welfare | 28,111 | - | - | 28,111 |
| Education | 283 | - | - | 283 |
| Total expenditures | <u>36,709</u> | <u>-</u> | <u>1,014</u> | <u>37,723</u> |
| Excess of revenues over (under) expenditures | (5,016) | - | 2,688 | (2,328) |
| Other Financing Sources (Uses): | | | | |
| Transfers in (out) | - | - | - | - |
| Net change in fund balances | (5,016) | - | 2,688 | (2,328) |
| Fund balances, beginning of year | <u>115,138</u> | <u>16,251</u> | <u>40,906</u> | <u>172,295</u> |
| Fund balances, end of year | <u>\$ 110,122</u> | <u>\$ 16,251</u> | <u>\$ 43,594</u> | <u>\$ 169,967</u> |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2018

| | <u>Dog Fund</u> | <u>Milk Fund</u> | <u>Food & Fuel Fund</u> | <u>Town Activity Fund</u> | <u>Total</u> |
|--|---------------------|----------------------|---------------------------------|-----------------------------------|-------------------|
| <u>Assets</u> | | | | | |
| Cash and cash equivalents | \$ 6,006 | \$ - | \$ 54,926 | \$ 57,065 | \$ 117,997 |
| Investments | - | - | - | - | - |
| Due from other funds | 1,676 | - | - | - | 1,676 |
| Total assets | \$ 7,682 | \$ - | \$ 54,926 | \$ 57,065 | \$ 119,673 |
| <u>Liabilities</u> | | | | | |
| Due to State of CT | \$ 1,310 | \$ - | \$ - | \$ - | \$ 1,310 |
| Due to other funds | 7,573 | - | 275 | 393 | 8,241 |
| Total liabilities | 8,883 | - | 275 | 393 | 9,551 |
| <u>Fund Balances</u> | | | | | |
| Nonspendable | - | - | - | - | - |
| Restricted | - | - | 5,236 | - | 5,236 |
| Committed | - | - | - | 56,672 | 56,672 |
| Assigned | - | - | 49,415 | - | 49,415 |
| Unassigned | (1,201) | - | - | - | (1,201) |
| Total fund balances | (1,201) | - | 54,651 | 56,672 | 110,122 |
| Total liabilities and fund balances | \$ 7,682 | \$ - | \$ 54,926 | \$ 57,065 | \$ 119,673 |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT

**NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2018**

| | Dog Fund | Milk Fund | Food & Fuel Fund | Town Activity Fund | Total |
|---|---------------------|----------------------|---------------------------------|-----------------------------------|-------------------|
| Revenues | | | | | |
| Investment income | \$ - | \$ - | \$ - | \$ 182 | \$ 182 |
| Fees and charges | 2,291 | - | - | - | 2,291 |
| Contributions | - | - | 26,754 | 2,466 | 29,220 |
| Total revenues | 2,291 | - | 26,754 | 2,648 | 31,693 |
| Expenditures | | | | | |
| General government | 5,242 | - | - | 3,073 | 8,315 |
| Health and welfare | - | - | 28,111 | - | 28,111 |
| Education | - | 283 | - | - | 283 |
| Total expenditures | 5,242 | 283 | 28,111 | 3,073 | 36,709 |
| Excess of revenues over (under) expenditures | (2,951) | (283) | (1,357) | (425) | (5,016) |
| Other Financing Sources (Uses): | | | | | |
| Transfers in (out) | - | - | - | - | - |
| Net change in fund balances | (2,951) | (283) | (1,357) | (425) | (5,016) |
| Fund balances, beginning of year | 1,750 | 283 | 56,008 | 57,097 | 115,138 |
| Fund balances, end of year | \$ (1,201) | \$ - | \$ 54,651 | \$ 56,672 | \$ 110,122 |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT
FIDUCIARY FUNDS
PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2018

| | <u>Educational Trust Fund</u> | <u>Dorothy Hermann Memorial</u> | <u>Marie K. Baum Scholarship Fund</u> | <u>Hepprich Scholarship Fund</u> | <u>Total</u> |
|--|---------------------------------------|---|---|--|--------------------------|
| <u>Assets</u> | | | | | |
| Cash and cash equivalents | \$ 17,797 | \$ 183 | \$ 739 | \$ 14,697 | \$ 33,416 |
| Contributions receivable | | - | - | - | - |
| Investments | | 1,400 | 9,961 | 520,596 | 531,957 |
| Total assets | <u>\$ 17,797</u> | <u>\$ 1,583</u> | <u>\$ 10,700</u> | <u>\$ 535,293</u> | <u>\$ 565,373</u> |
| <u>Liabilities</u> | | | | | |
| Due to beneficiaries | \$ - | \$ - | \$ - | \$ - | \$ - |
| Other payables | - | - | - | - | - |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>Net Position</u> | | | | | |
| Held in trust for other purposes | 17,797 | 1,583 | 10,700 | 535,293 | 565,373 |
| Total net position | <u>17,797</u> | <u>1,583</u> | <u>10,700</u> | <u>535,293</u> | <u>565,373</u> |
| Total liabilities and fund balances | <u>\$ 17,797</u> | <u>\$ 1,583</u> | <u>\$ 10,700</u> | <u>\$ 535,293</u> | <u>\$ 565,373</u> |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT

**FIDUCIARY FUNDS
PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018**

| | <u>Educational Trust Fund</u> | <u>Dorothy Hermann Memorial</u> | <u>Marie K. Baum Scholarship Fund</u> | <u>Hepprich Scholarship Fund</u> | <u>Total</u> |
|--|---------------------------------------|---|---|--|-------------------|
| Additions: | | | | | |
| Investment income | \$ - | \$ 3 | \$ 220 | \$ 35,691 | \$ 35,914 |
| Contributions | 2,010 | - | - | - | 2,010 |
| | <u>2,010</u> | <u>3</u> | <u>220</u> | <u>35,691</u> | <u>37,924</u> |
| Deductions: | | | | | |
| General government | - | - | - | - | - |
| Education | 10 | - | 1,000 | 9,000 | 10,010 |
| Recreation | - | - | - | - | - |
| Other | - | - | 355 | 3,696 | 4,051 |
| | <u>10</u> | <u>-</u> | <u>1,355</u> | <u>12,696</u> | <u>14,061</u> |
| Change in net position | 2,000 | 3 | (1,135) | 22,995 | 23,863 |
| Net position, beginning of year | <u>15,797</u> | <u>1,580</u> | <u>11,835</u> | <u>512,298</u> | <u>541,510</u> |
| Net position, end of year | <u>\$ 17,797</u> | <u>\$ 1,583</u> | <u>\$ 10,700</u> | <u>\$ 535,293</u> | <u>\$ 565,373</u> |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT
FIDUCIARY FUNDS
PENSION TRUST FUND
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2018

| | <u>CVFD Incentive Program</u> |
|--|--|
| <u>Assets</u> | |
| Cash and cash equivalents | \$ 17,171 |
| Contributions receivable | 23,358 |
| Investments | <u>696,059</u> |
| Total assets | <u><u>\$ 736,588</u></u> |
| <u>Liabilities</u> | |
| Due to beneficiaries | \$ - |
| Other payables | <u>-</u> |
| Total liabilities | <u>-</u> |
| <u>Net Position</u> | |
| Held in trust for pension benefits | 736,588 |
| Held in trust for other purposes | <u>-</u> |
| Total net position | <u>736,588</u> |
| Total liabilities and fund balances | <u><u>\$ 736,588</u></u> |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT
FIDUCIARY FUNDS
PENSION TRUST FUND
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2018

| | <u>CVFD Incentive Program</u> |
|--|--|
| Additions: | |
| Investment income | \$ (8,189) |
| Unrealized gains on investments | 57,929 |
| Contributions | <u>23,358</u> |
| | <u>73,098</u> |
| Deductions: | |
| Retirement | - |
| Other | <u>-</u> |
| | <u>-</u> |
| Change in net position | 73,098 |
| Net position, beginning of year | <u>663,490</u> |
| Net position, end of year | <u><u>\$ 736,588</u></u> |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT

**FIDUCIARY FUNDS
AGENCY FUND
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2018**

| | <u>Student Activities Fund</u> |
|--|--|
| <u>Assets</u> | |
| Beginning balance - cash | \$ 27,768 |
| Additions | 29,180 |
| Deductions | (24,595) |
| Ending balance - cash | <u>32,353</u> |
| | |
| Beginning balance - investments | 15,662 |
| Additions | 34 |
| Deductions | - |
| Ending balance - investments | <u>15,696</u> |
| | |
| Total assets | <u>\$ 48,049</u> |
| <u>Liabilities</u> | |
| Beginning balance - other payables | \$ - |
| Additions | - |
| Deductions | - |
| Ending balance - other payables | <u>-</u> |
| | |
| Beginning balance - due to beneficiaries | 43,430 |
| Additions | 29,214 |
| Deductions | (24,595) |
| Ending balance - due to beneficiaries | <u>48,049</u> |
| | |
| Total liabilities | <u>\$ 48,049</u> |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT
STATEMENT OF DEBT LIMITATION
CONNECTICUT GENERAL STATUTES SECTION 7.374(B)
FOR THE YEAR ENDED JUNE 30, 2018

| | | | | | |
|---|----------------------|----------------------|----------------------|--------------------------|----------------------------|
| Total tax collection including interest and lien fees - year ending June 30, 2017 | \$ 6,346,083 | | | | |
| Reimbursement for revenue loss on: Tax relief for elderly (CGS 12-129d) | <u>-</u> | | | | |
| Base | <u>\$ 6,346,083</u> | | | | |
| | <u>General</u> | <u>Schools</u> | <u>Sewers</u> | <u>Urban Renewal</u> | <u>Pension Deficit</u> |
| Debt Limitation: | | | | | |
| 2 1/4 times base | \$ 14,278,687 | \$ - | \$ - | \$ - | \$ - |
| 4 1/2 times base | - | 28,557,374 | - | - | - |
| 3 3/4 times base | - | - | 23,797,811 | - | - |
| 3 1/4 times base | - | - | - | 20,624,770 | - |
| 3 times base | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>19,038,249</u> |
| Total debt limitation | <u>14,278,687</u> | <u>28,557,374</u> | <u>23,797,811</u> | <u>20,624,770</u> | <u>19,038,249</u> |
| Indebtedness: | | | | | |
| Bonds payable | 1,350,000 | 1,000,000 | - | - | - |
| Overlapping debt: Regional School District #1 | <u>-</u> | <u>702,870</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total indebtedness | <u>1,350,000</u> | <u>1,702,870</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Debt limitation in excess of outstanding and authorized debt | <u>\$ 12,928,687</u> | <u>\$ 26,854,504</u> | <u>\$ 23,797,811</u> | <u>\$ 20,624,770</u> | <u>\$ 19,038,249</u> |

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation.

TOWN OF CORNWALL, CONNECTICUT

REPORT OF THE TAX COLLECTOR

JULY 1, 2017 TO JUNE 30, 2018

| Grand List October 1, | Outstanding 6/30/2017 | Current Levy | Lawful Corrections | | Collectible Taxes | Receipt of Taxes | Interest and Liens | Total Receipts | Transfers to Suspense | Outstanding 6/30/2018 |
|--------------------------|--------------------------|---------------------|--------------------|-----------------|----------------------|---------------------|-----------------------|---------------------|--------------------------|--------------------------|
| | | | Additions | Deductions | | | | | | |
| 2016 | \$ - | \$ 6,290,348 | \$ 2,659 | \$ 2,556 | \$ 6,290,451 | \$ 6,192,525 | \$ 22,039 | \$ 6,214,564 | \$ 1,046 | \$ 96,880 |
| 2015 | 107,577 | - | 144 | 19 | 107,702 | 34,565 | 6,920 | 41,485 | 366 | 72,771 |
| 2014 | 75,323 | - | - | 191 | 75,132 | 9,368 | 4,092 | 13,460 | 379 | 65,385 |
| 2013 | 57,784 | - | - | - | 57,784 | 11,246 | 3,696 | 14,942 | 3,388 | 43,150 |
| 2012 | 31,330 | - | 1,162 | - | 32,492 | 5,588 | 874 | 6,462 | 1,162 | 25,742 |
| 2011 | 6,902 | - | - | - | 6,902 | - | - | - | - | 6,902 |
| 2010 | 8,213 | - | - | - | 8,213 | - | - | - | - | 8,213 |
| 2009 | 9,156 | - | - | - | 9,156 | - | - | - | 87 | 9,069 |
| 2008 | 10,195 | - | - | - | 10,195 | - | - | - | - | 10,195 |
| 2007 | 8,637 | - | - | - | 8,637 | - | - | - | - | 8,637 |
| 2006 | 9,864 | - | - | - | 9,864 | 25 | - | 25 | - | 9,839 |
| 2005 | 6,495 | - | - | - | 6,495 | - | - | - | - | 6,495 |
| 2004 | 6,226 | - | - | - | 6,226 | - | - | - | - | 6,226 |
| 2003 | 5,450 | - | - | - | 5,450 | - | - | - | 24 | 5,426 |
| 2002 | 5,944 | - | - | 5,944 | - | - | - | - | - | - |
| Total | \$ 349,096 | \$ 6,290,348 | \$ 3,965 | \$ 8,710 | \$ 6,634,699 | \$ 6,253,317 | \$ 37,621 | \$ 6,290,938 | \$ 6,452 | \$ 374,930 |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT
TOP 10 TAXPAYERS
BASED ON 10/1/16 NET TAXABLE GRAND LIST
FOR THE YEAR ENDED JUNE 30, 2018

| <u>Name</u> | <u>Valuation</u> |
|--------------------------------|------------------|
| C&D Farms LLC | \$ 8,290,700 |
| Connecticut Light & Power | 6,539,520 |
| Walzer, Roy S. | 6,353,600 |
| Lendl, Ivan & Samantha Trustee | 5,965,480 |
| FCCP LLC | 3,879,600 |
| Push 'Em Up Farm LLC | 3,649,000 |
| MNKNY LLC | 3,086,000 |
| South Hamillton IV | 2,555,600 |
| 40 Cobble Hill Road LLC | 2,452,400 |
| Mohawk Mountain Ski Area, Inc. | 2,224,300 |

Source: Assessor's Office, Town of Cornwall, Connecticut

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2017

with

SUPPLEMENTAL STATEMENTS AND SCHEDULES

and

INDEPENDENT AUDITORS' REPORT

Sandra E. Welwood, LLC

Certified Public Accountants

**TOWN OF CORNWALL, CONNECTICUT
TABLE OF CONTENTS**

| | |
|--|---|
| Independent Auditors' Report..... | 1 |
| Management's Discussion and Analysis (Unaudited) | 3 |

BASIC FINANCIAL STATEMENTS

| | |
|--|----|
| Government-Wide Financial Statements: | |
| Statement of Net Position..... | 10 |
| Statement of Activities | 11 |
| Governmental Fund Financial Statements: | |
| Governmental Funds – Balance Sheet..... | 12 |
| Governmental Funds – Statement of Revenues, Expenditures, and Changes in Fund Balances | 13 |
| Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities..... | 14 |
| General Fund – Statement of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis – Budget and Actual | 15 |
| Fiduciary Fund Financial Statements: | |
| Fiduciary Funds - Statement of Fiduciary Net Position | 16 |
| Fiduciary Funds - Statement of Changes in Fiduciary Net Position | 17 |
| Notes to Financial Statements..... | 18 |

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)

| | |
|---|----|
| Connecticut State Teachers' Retirement System: | |
| Schedule of the Town's Proportionate Share of the Net Pension Liability | 36 |

SUPPLEMENTAL STATEMENTS AND SCHEDULES

| | |
|---|----|
| GENERAL FUND | |
| Schedule of Revenues and Other Financing Sources – Budget and Actual | 37 |
| Schedule of Expenditures and Other Financing Uses – Budget and Actual..... | 39 |
| NONMAJOR GOVERNMENTAL FUNDS | |
| Nonmajor Governmental Funds – Combining Balance Sheet..... | 46 |
| Nonmajor Governmental Funds – Combining Statement of Revenues, Expenditures, and Changes in Fund Balances | 47 |
| Nonmajor Governmental Funds – Special Revenue Funds – Combining Balance Sheet | 48 |
| Nonmajor Governmental Funds – Special Revenue Funds – Combining Statement of Revenues, Expenditures, and Changes in Fund Balances..... | 49 |
| FIDUCIARY FUNDS | |
| Fiduciary Funds – Private-Purpose Trust Funds – Combining Statement of Fiduciary Net Position..... | 50 |
| Fiduciary Funds – Private-Purpose Trust Funds – Combining Statement of Revenues, Expenses, and Changes in Fiduciary Net Position..... | 51 |
| Fiduciary Funds – Pension Trust Fund – Statement of Fiduciary Net Position | 52 |
| Fiduciary Funds –Pension Trust Fund – Statement of Revenues, Expenses, and Changes in Fiduciary Net Position | 53 |
| Fiduciary Funds – Agency Fund – Statement of Changes in Fiduciary Assets and Liabilities..... | 54 |
| OTHER SCHEDULES | |
| Statement of Debt Limitation | 55 |
| Report of the Tax Collector | 56 |
| Top 10 Taxpayers..... | 57 |

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Danbury, CT 06810

INDEPENDENT AUDITORS' REPORT

To the Board of Finance
Town of Cornwall, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Cornwall, Connecticut (the "Town"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town as of June 30, 2017, and the respective changes in financial position, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited the Town's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 30, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3 through 9, and the required supplementary information on page 36, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 18, 2017, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

Sandra E. Welwood, LLC

Danbury, Connecticut
September 18, 2017

TOWN OF CORNWALL, CONNECTICUT

MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)

JUNE 30, 2017

As management of the Town of Cornwall (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2017.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Town of Cornwall exceeded its liabilities at the close of the most recent fiscal year by \$9,333,845 (*net position*). Of this amount, \$4,425,742 (*unrestricted net position*) may be used to meet the government's ongoing obligations to citizens and creditors. Restricted Net Position is \$56,075, which is comprised of \$34,895 for the Cornwall Endowment Fund, \$16,251 for Open Space, \$283 for the Milk Fund and \$4,646 for the Food and Fuel Fund. The remainder of its net position is invested in capital assets.
- As of the close of the current fiscal year, the Town of Cornwall's governmental funds reported combined ending fund balances of \$4,102,867, an increase of \$1,242,405 in comparison with the prior year. Of this amount, \$1,736,893 is available for spending at the government's discretion and called the Unassigned fund balance. The Assigned portion is \$533,366, the Committed portion is \$1,764,322, the Restricted portion is \$21,180 and the Nonspendable portion is \$47,106. See page 33 of the audit report for details.
- At the end of the current fiscal year, the fund balance for the General Fund was \$2,221,919, of which \$200,000 has been assigned for the subsequent year's budget and \$272,815 has been assigned for other purposes leaving an unassigned fund balance for the General Fund of \$1,736,893 or 25.9% percent of total general fund expenditures for 2017.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-Wide Financial Statements

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

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

Town of Cornwall, Connecticut
Management's Discussion and Analysis (Unaudited) (continued)

The Statement of Activities presents information showing how the government's net position is changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in future cash inflows (revenues) and outflows (expenditures).

Both of the government-wide financial statements present functions of the Town that are principally supported by tax revenues, grants and intergovernmental revenues (*governmental activities*). The governmental activities of the Town include general government, public safety, highways, sanitation, health and welfare, recreation, and education. The Town does not report any funds that carry-on business-type activities.

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

Fund Financial Statements

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund Balance Sheet and the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains eight (8) individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund. The Town also reports the Capital Projects Fund as a major fund.

The Town adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

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

Town of Cornwall, Connecticut
Management's Discussion and Analysis (Unaudited) (continued)

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Town’s own programs.

The basic fiduciary fund financial statements can be found on pages 16-17 of the audit report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18-35 of the audit report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the Town, assets and deferred outflows of resources exceeded liabilities by \$9,333,845 at the close of the most recent fiscal year.

| <u>Net Position</u> | | |
|-----------------------------------|---------------------|---------------------|
| | <u>2017</u> | <u>2016</u> |
| <u>Assets</u> | | |
| Current and other assets | \$ 5,006,734 | \$ 3,451,745 |
| Capital assets, net | <u>7,566,286</u> | <u>7,183,591</u> |
| Total assets | <u>12,573,020</u> | <u>10,635,336</u> |
| Deferred outflows of resources | <u>37,917</u> | <u>43,333</u> |
| <u>Liabilities</u> | | |
| Long-term liabilities outstanding | 2,752,175 | 1,418,385 |
| Other liabilities | <u>524,917</u> | <u>182,416</u> |
| Total liabilities | <u>3,277,092</u> | <u>1,600,801</u> |
| <u>Net Position</u> | | |
| Net investment in capital assets | 4,852,028 | 5,808,539 |
| Restricted | 56,075 | 41,668 |
| Unrestricted | <u>4,425,742</u> | <u>3,227,661</u> |
| Total net position | <u>\$ 9,333,845</u> | <u>\$ 9,077,868</u> |

The restricted portion of the Town’s Net Position represents net position restricted for capital projects and other purposes. The balance of Unrestricted Net Position (\$4,425,742) may be used to meet the government’s ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town is able to report that all categories of net position increased by \$255,977 during this fiscal year. This increase is primarily attributable to principal pay down of bonded debt and an increase in cash offset by a decrease of taxes, interest and lien fees receivable and the excess of depreciation over additions to capital assets.

Town of Cornwall, Connecticut
Management's Discussion and Analysis (Unaudited) (continued)

| <u>Changes in Net Position</u> | | |
|------------------------------------|---------------------|---------------------|
| | <u>2017</u> | <u>2016</u> |
| <u>Revenues:</u> | | |
| General revenues: | | |
| Property taxes | \$ 6,294,103 | \$ 6,177,343 |
| Unrestricted investment income | 30,968 | 8,656 |
| Grants and contributions | 43,201 | 84,163 |
| Other income | 33,550 | 76,149 |
| Program revenues: | | |
| Charges for services | 135,045 | 125,588 |
| Operating grants and contributions | 705,140 | 627,744 |
| Capital grants and contributions | <u>-</u> | <u>65,241</u> |
| Total revenues | <u>7,242,007</u> | <u>7,164,884</u> |
| <u>Expenses:</u> | | |
| Governmental activities: | | |
| General government | 895,771 | 878,525 |
| Public safety | 459,980 | 256,293 |
| Highways | 566,702 | 810,213 |
| Sanitation | 139,492 | 133,478 |
| Health and welfare | 58,357 | 61,940 |
| Recreation | 82,405 | 82,295 |
| Education | 4,629,581 | 4,546,864 |
| Debt service | 31,591 | 36,092 |
| Other | <u>122,151</u> | <u>126,901</u> |
| Total expenses | <u>6,986,030</u> | <u>6,932,601</u> |
| Change in net position | 255,977 | 232,283 |
| Beginning net position | <u>9,077,868</u> | <u>8,845,585</u> |
| Ending net position | <u>\$ 9,333,845</u> | <u>\$ 9,077,868</u> |

Governmental activities increased the Town of Cornwall's net position by \$255,977.

Key elements of the activities are as follows: 86.9% of the revenues of the Town were derived from property taxes, followed by 9.7% from operating grants and contributions, 1.9% from charges for services, and 1.5% from other income.

Town of Cornwall, Connecticut
Management's Discussion and Analysis (Unaudited) (continued)

Major revenue factors included:

- An increase in collection of delinquent taxes, interest and liens and an increase in fees for services and other revenues.
- A reduction of state grants, principally the LoCIP funds and Education Cost Sharing funds.

For Governmental Activities, 66.8% of the Town's expenses relate to education and repayment of long-term debt for school construction, 7.4% relates to public safety and health and welfare, 10.1% relates to highways and public works, and the remaining 15.7 % relates to government, community services, administration and other areas.

Major expense factors, for the most part, remain consistent as compared to the prior year. Major capital expenditures include the acquisition of a new 114SD Freightliner tanker for the Cornwall Volunteer Fire Department and the box culvert / bridge replacement on Valley Road.

FINANCIAL ANALYSIS OF THE FUND FINANCIAL STATEMENTS

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

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$4,102,867, an increase of \$1,242,405. 42.3% of this total amount constitutes Unassigned fund balance, which is available for spending at the government's discretion.

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, total fund balance of the General Fund totaled \$2,221,919, an increase of \$76,248 over the previous year of which \$200,000 was assigned for the subsequent year's budget and \$272,815 was assigned for other purposes.

As a measure of the General Fund's liquidity, it may be useful to compare both Unassigned Fund Balance and total Fund Balance to total fund expenditures. Unassigned Fund Balance represents 25.9% of total General Fund expenditures for 2017.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Town ended the year with a \$121,248 budget surplus. The revenues exceeded budgeted amounts by \$63,244. Overall, the Town's expenditures were \$58,004 less than budgeted amounts principally attributable to reductions in Educational expenses. Although \$200,000 of fund balance was anticipated to be used to balance the budget, none was used. Of the \$121,248 budget surplus, \$45,000 was transferred to Capital Projects per authority of the electors and citizens to facilitate the West Cornwall Wastewater Management Study. This appropriation will ultimately be repaid by a RGTOD grant that was secured by NHCOCG.

Town of Cornwall, Connecticut
Management's Discussion and Analysis (Unaudited) (continued)

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets for its governmental activities as of June 30, 2017 amounts to \$7,566,286 (net of accumulated depreciation). This investment in capital assets includes land and buildings, vehicles, machinery and equipment.

Major capital asset events during the current fiscal include insulation upgrades at CCS, construction of a Swap Shop at the Transfer Station, box culvert / bridge replacement on Valley Road, installation of new guide rails on Music Mountain over Reed Brook Road, purchase of a 2017 Ford F250 4 x 4 and a 2017 CAT backhoe for the Highway Department and the purchase of a new 114SD Freightliner tanker for the Cornwall Volunteer Fire Department.

| <u>Capital Assets at Year-End (Net of Accumulated Depreciation)</u> | | |
|---|---------------------|---------------------|
| | <u>2017</u> | <u>2016</u> |
| Land and infrastructure | \$ 1,449,029 | \$ 1,307,981 |
| Buildings and improvements | 4,865,415 | 4,999,872 |
| Machinery and equipment | <u>1,251,842</u> | <u>875,738</u> |
| Total (net of accumulated depreciation) | <u>\$ 7,566,286</u> | <u>\$ 7,183,591</u> |

Additional information on the Town's capital assets can be found in Note 4 on page 26 of the audit report.

Long-Term Obligations

The Town has the following obligations:

| <u>Outstanding Obligations at Year-End</u> | | |
|--|---------------------|---------------------|
| | <u>2017</u> | <u>2016</u> |
| General obligation bonds | \$ 2,689,128 | \$ 1,348,290 |
| Landfill closure | <u>63,047</u> | <u>70,095</u> |
| | <u>\$ 2,752,175</u> | <u>\$ 1,418,385</u> |

On September 24, 2017, General Obligation Bonds in the amount of \$1,500,000 were issued to fund the town wide bridge program. Additional information on the Town's long-term debt can be found in Note 7 on pages 31-32 of the audit report.

Town of Cornwall, Connecticut
Management's Discussion and Analysis (Unaudited) (continued)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- Declining enrollment at Cornwall Consolidated School.
- Capital funding for the continuation of updating and replacing DPW equipment.
- Addition of a permanent part-time assistant in the Town Clerk's office.
- Increased debt service to include the town wide bridge program.
- Increases in grants to local organizations that provide services to Cornwall citizens.
- The potential impact of the State fiscal crisis and its effects on state grants and possible assessments.

These factors were considered in preparing the Town of Cornwall's budget for the 2017-2018 fiscal year.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Office, Town of Cornwall, P.O. Box 97, Cornwall, CT 06753.

TOWN OF CORNWALL, CONNECTICUT

STATEMENT OF NET POSITION

JUNE 30, 2017

(With Comparative Totals for June 30, 2016)

| | 2017 | 2016 |
|--|--------------|--------------|
| <u>Assets</u> | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 4,294,882 | \$ 2,676,950 |
| Investments | 304,798 | 289,755 |
| Taxes, interest, and lien fees receivable, net | 394,559 | 449,266 |
| Prepaid expenses | 12,211 | 7,984 |
| Other receivables | 284 | 27,790 |
| | 5,006,734 | 3,451,745 |
| Noncurrent assets: | | |
| Capital assets: | | |
| Land and other nondepreciable assets | 671,177 | 671,177 |
| Depreciable assets, net of depreciation | 6,895,109 | 6,512,414 |
| Total assets | 12,573,020 | 10,635,336 |
| <u>Deferred Outflows of Resources</u> | | |
| Unavailable amount on refunding | 37,917 | 43,333 |
| Total deferred outflows of resources | 37,917 | 43,333 |
| <u>Liabilities</u> | | |
| Current liabilities: | | |
| Accounts payable | 455,494 | 119,305 |
| Due to other beneficiaries | 27,752 | 26,985 |
| Accrued expenses | 38,770 | 33,308 |
| Due to State of Connecticut | 2,901 | 2,818 |
| Current portion of long-term obligations | 322,387 | 167,387 |
| | 847,304 | 349,803 |
| Noncurrent liabilities: | | |
| General obligation bonds | 2,350,000 | 1,160,000 |
| Other long-term obligations | 79,788 | 90,998 |
| Total liabilities | 3,277,092 | 1,600,801 |
| <u>Net Position</u> | | |
| Net investment in capital assets | 4,852,028 | 5,808,539 |
| Restricted | 56,075 | 41,668 |
| Unrestricted | 4,425,742 | 3,227,661 |
| Total net position | \$ 9,333,845 | \$ 9,077,868 |

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

TOWN OF CORNWALL, CONNECTICUT

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

(With Comparative Totals for the Year Ended June 30, 2016)

| | Program Revenues | | | | Net (Expense) Revenue and Changes in Net Position | |
|---|-------------------------|-------------------------------------|---|---|--|---------------------|
| | Expenses | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | 2017 | 2016 |
| | | | | | | |
| Governmental Activities: | | | | | | |
| General government | \$ 895,771 | \$ 117,206 | \$ 7,073 | \$ - | \$ (771,492) | \$ (723,121) |
| Public safety | 459,980 | - | - | - | (459,980) | (228,600) |
| Highways | 566,702 | - | 224,166 | - | (342,536) | (553,218) |
| Sanitation | 139,492 | 13,767 | - | - | (125,725) | (121,698) |
| Health and welfare | 58,357 | - | 49,845 | - | (8,512) | (12,739) |
| Recreation | 82,405 | 3,431 | - | - | (78,974) | (81,166) |
| Education | 4,629,581 | 641 | 424,056 | - | (4,204,884) | (4,230,493) |
| Debt service | 31,591 | - | - | - | (31,591) | (36,092) |
| Other | 122,151 | - | - | - | (122,151) | (126,901) |
| Total governmental activities | \$ 6,986,030 | \$ 135,045 | \$ 705,140 | \$ - | (6,145,845) | (6,114,028) |
| General Revenues: | | | | | | |
| Property taxes, interest, and lien fees | | | | | 6,294,103 | 6,177,343 |
| Unrestricted investment income | | | | | 30,968 | 8,656 |
| Grants and contributions not restricted to specific purpose | | | | | 43,201 | 84,163 |
| Other income | | | | | 33,550 | 76,149 |
| Total general revenues | | | | | 6,401,822 | 6,346,311 |
| Change in net position | | | | | 255,977 | 232,283 |
| Net position, beginning of year | | | | | 9,077,868 | 8,845,585 |
| Net position, end of year | | | | | \$ 9,333,845 | \$ 9,077,868 |

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

TOWN OF CORNWALL, CONNECTICUT

GOVERNMENTAL FUNDS

BALANCE SHEET

JUNE 30, 2017

(With Comparative Totals for June 30, 2016)

| | General Fund | Capital Projects Fund | Nonmajor Governmental Funds | Governmental Funds | |
|--|---------------------|-----------------------------|-----------------------------------|---------------------|---------------------|
| | | | | 2017 | 2016 |
| Assets | | | | | |
| Cash and cash equivalents | \$ 2,163,344 | \$ 1,991,858 | \$ 139,680 | \$ 4,294,882 | \$ 2,676,950 |
| Investments | 266,287 | - | 38,511 | 304,798 | 289,755 |
| Taxes, interest, and lien fees receivable, net of allowance | 394,559 | - | - | 394,559 | 449,266 |
| Other receivables | 284 | - | - | 284 | 27,790 |
| Prepaid expenses | 12,211 | - | - | 12,211 | 7,984 |
| Due from other funds | 15,150 | 111 | - | 15,261 | 303,109 |
| Total assets | \$ 2,851,835 | \$ 1,991,969 | \$ 178,191 | \$ 5,021,995 | \$ 3,754,854 |
| Liabilities | | | | | |
| Accounts payable | \$ 183,178 | \$ 272,316 | \$ - | \$ 455,494 | \$ 119,305 |
| Due to other beneficiaries | 27,752 | - | - | 27,752 | 26,985 |
| Accrued expenses | 38,770 | - | - | 38,770 | 33,308 |
| Due to State of Connecticut | 1,155 | - | 1,746 | 2,901 | 2,818 |
| Due to other funds | 111 | 11,000 | 4,150 | 15,261 | 303,109 |
| Total liabilities | 250,966 | 283,316 | 5,896 | 540,178 | 485,525 |
| Deferred Inflows of Resources | | | | | |
| Unavailable revenue - taxes, interest, and lien fees | 378,950 | - | - | 378,950 | 408,867 |
| Fund Balances | | | | | |
| Nonspendable | 12,211 | - | 34,895 | 47,106 | 32,831 |
| Restricted | - | - | 21,180 | 21,180 | 16,821 |
| Committed | - | 1,704,025 | 60,297 | 1,764,322 | 633,848 |
| Assigned | 472,815 | 4,628 | 55,923 | 533,366 | 515,930 |
| Unassigned | 1,736,893 | - | - | 1,736,893 | 1,661,032 |
| Total fund balances | 2,221,919 | 1,708,653 | 172,295 | 4,102,867 | 2,860,462 |
| Total liabilities, deferred inflows of resources, and fund balances | \$ 2,851,835 | \$ 1,991,969 | \$ 178,191 | | |
| Amounts reported in the Statement of Net Position are different because: | | | | | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | | | | 7,566,286 | 7,183,591 |
| Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds. | | | | 378,950 | 408,867 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds. | | | | | |
| Deferred amount on refunding | | | | 37,917 | 43,333 |
| Unamortized premiums | | | | (29,128) | (33,290) |
| General obligation bonds | | | | (2,660,000) | (1,315,000) |
| Post-closure landfill costs | | | | (63,047) | (70,095) |
| Net position | | | | \$ 9,333,845 | \$ 9,077,868 |

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

TOWN OF CORNWALL, CONNECTICUT

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Totals for the Year Ended June 30, 2016)**

| | General Fund | Capital Projects Fund | Nonmajor Governmental Funds | Governmental Funds | |
|---|---------------------|-----------------------------|-----------------------------------|---------------------|---------------------|
| | | | | 2017 | 2016 |
| Revenues: | | | | | |
| Property taxes | \$ 6,324,020 | \$ - | \$ - | \$ 6,324,020 | \$ 6,236,640 |
| Investment income | 20,657 | 5,911 | 4,400 | 30,968 | 8,656 |
| Fees and charges | 136,304 | - | 3,073 | 139,377 | 150,234 |
| Intergovernmental revenues | 695,223 | 813 | 200 | 696,236 | 721,372 |
| Contributions | - | 9,368 | 54,936 | 64,304 | 51,701 |
| Other revenues | 17,019 | - | - | 17,019 | 55,578 |
| Total revenues | 7,193,223 | 16,092 | 62,609 | 7,271,924 | 7,224,181 |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | 843,363 | 19,117 | 14,282 | 876,762 | 840,274 |
| Public safety | 146,448 | 378,267 | - | 524,715 | 196,035 |
| Highways | 478,981 | - | - | 478,981 | 440,072 |
| Sanitation | 146,540 | - | - | 146,540 | 140,930 |
| Health and welfare | 43,072 | - | 15,285 | 58,357 | 61,940 |
| Recreation | 82,405 | - | - | 82,405 | 82,295 |
| Education | 4,425,840 | 43,677 | - | 4,469,517 | 4,381,260 |
| Other | 122,151 | - | - | 122,151 | 126,901 |
| Debt Service: | | | | | |
| Principal and interest | 181,175 | - | - | 181,175 | 175,675 |
| Capital outlay | - | 588,916 | - | 588,916 | 416,331 |
| Total expenditures | 6,469,975 | 1,029,977 | 29,567 | 7,529,519 | 6,861,713 |
| Excess of revenues over (under) expenditures | 723,248 | (1,013,885) | 33,042 | (257,595) | 362,468 |
| Other Financing Sources (Uses): | | | | | |
| Proceeds from issuance of debt | - | 1,500,000 | - | 1,500,000 | - |
| Transfers in | - | 647,000 | - | 647,000 | 630,972 |
| Transfers out | (647,000) | - | - | (647,000) | (630,972) |
| | (647,000) | 2,147,000 | - | 1,500,000 | - |
| Net change in fund balances | 76,248 | 1,133,115 | 33,042 | 1,242,405 | 362,468 |
| Fund balances, beginning of year | 2,145,671 | 575,538 | 139,253 | 2,860,462 | 2,497,994 |
| Fund balances, end of year | \$ 2,221,919 | \$ 1,708,653 | \$ 172,295 | \$ 4,102,867 | \$ 2,860,462 |

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

TOWN OF CORNWALL, CONNECTICUT

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

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

| | |
|---|---------------------|
| Net change in fund balances - total governmental funds | <u>\$ 1,242,405</u> |
|---|---------------------|

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays (net of disposals) exceeded depreciation in the current period:

| | |
|-----------------------------------|------------------|
| Capital outlay (net of disposals) | 714,084 |
| Depreciation expense | <u>(331,389)</u> |
| | <u>382,695</u> |

Revenues in the Statement of Activities that do not provide current financial resources are reported as deferred revenues in the funds. Accordingly, an adjustment is necessary to reconcile amounts reported as interest receivable in the government-wide Statement of Net Position and as unavailable revenue in the fund Balance Sheet.

| | |
|--|-----------------|
| | <u>(29,917)</u> |
|--|-----------------|

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

| | |
|---|--------------------|
| Debt issued: | |
| Issuance of debt | (1,500,000) |
| Amortization of the premium on the refunding debt | 4,162 |
| Repayments: | |
| Amortization of the deferred amount on refunding | (5,416) |
| To bond holders | <u>155,000</u> |
| | <u>(1,346,254)</u> |

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

| | |
|-----------------------------|--------------|
| Post-closure landfill costs | <u>7,048</u> |
|-----------------------------|--------------|

| | |
|-------------------------------|--------------------------|
| Change in net position | <u><u>\$ 255,977</u></u> |
|-------------------------------|--------------------------|

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

TOWN OF CORNWALL, CONNECTICUT

**GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY BASIS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

| | Budgeted Amounts | | | Actual | Variance With Final Budget Positive (Negative) |
|--|------------------|--------------------|--------------------|---------------------|---|
| | Original | Transfers | Final | | |
| Revenues: | | | | | |
| Fees for services | \$ 59,901 | \$ - | \$ 59,901 | \$ 136,304 | \$ 76,403 |
| Other revenues | 3,500 | - | 3,500 | 17,019 | 13,519 |
| Property taxes | 6,086,824 | - | 6,086,824 | 6,324,020 | 237,196 |
| State education grants | 42,811 | - | 42,811 | 6,950 | (35,861) |
| State general grants | 309,037 | - | 309,037 | 271,367 | (37,670) |
| Transfer/non-revenue receipts | 211,000 | - | 211,000 | 20,657 | (190,343) |
| Total revenues | 6,713,073 | - | 6,713,073 | 6,776,317 | 63,244 |
| Expenditures: | | | | | |
| Assessor | 40,971 | - | 40,971 | 39,228 | 1,743 |
| Board of Assessment Appeals | 500 | - | 500 | - | 500 |
| Board of Selectmen | 98,771 | 306 | 99,077 | 99,043 | 34 |
| Finance Department | 60,232 | - | 60,232 | 60,213 | 19 |
| Hammond Beach | 38,784 | - | 38,784 | 36,289 | 2,495 |
| Highway administration/supplies | 425,918 | 10,600 | 436,518 | 435,454 | 1,064 |
| Highway vehicle maintenance | 40,000 | 3,600 | 43,600 | 43,527 | 73 |
| Insurance and benefits | 347,789 | - | 347,789 | 341,971 | 5,818 |
| Land use | 35,216 | - | 35,216 | 89,721 | (54,505) |
| Organizational support | 127,000 | - | 127,000 | 122,151 | 4,849 |
| Park & recreation | 46,948 | - | 46,948 | 46,116 | 832 |
| Payroll expenses | 51,038 | - | 51,038 | 49,381 | 1,657 |
| Probate Court | 3,113 | - | 3,113 | 3,112 | 1 |
| Public health & welfare | 50,589 | - | 50,589 | 43,072 | 7,517 |
| Public safety | 164,897 | - | 164,897 | 146,448 | 18,449 |
| Registrars of Voters | 12,257 | - | 12,257 | 9,315 | 2,942 |
| Sanitation & recycling | 143,242 | 3,300 | 146,542 | 146,540 | 2 |
| Tax Collector | 37,000 | - | 37,000 | 35,158 | 1,842 |
| Town Clerk | 61,119 | - | 61,119 | 58,960 | 2,159 |
| Town office administration | 45,652 | 11,630 | 57,282 | 57,261 | 21 |
| Contingency | 30,000 | (29,436) | 564 | - | 564 |
| Transfers to other funds | - | 45,000 | 45,000 | 45,000 | - |
| Board of Education | 4,068,862 | - | 4,068,862 | 4,008,934 | 59,928 |
| Capital expenditures | 602,000 | - | 602,000 | 602,000 | - |
| Debt service | 181,175 | - | 181,175 | 181,175 | - |
| Total expenditures | 6,713,073 | 45,000 | 6,758,073 | 6,700,069 | 58,004 |
| Net change in fund balance | \$ - | \$ (45,000) | \$ (45,000) | 76,248 | \$ 121,248 |
| Fund balance, beginning of year | | | | 2,145,671 | |
| Fund balance, end of year | | | | \$ 2,221,919 | |

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

TOWN OF CORNWALL, CONNECTICUT
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2017
(With Comparative Totals for June 30, 2016)

| | Private- Purpose Trust Funds | Pension Trust Fund | Agency Fund | Totals | |
|------------------------------------|---------------------------------------|--------------------------|------------------|---------------------|---------------------|
| | | | | 2017 | 2016 |
| <u>Assets</u> | | | | | |
| Cash and cash equivalents | \$ 29,762 | \$ 3,590 | \$ 27,768 | \$ 61,120 | \$ 50,479 |
| Contributions receivable | - | 13,563 | - | 13,563 | 30,194 |
| Investments | 511,748 | 646,337 | 15,662 | 1,173,747 | 1,089,519 |
| Total assets | \$ 541,510 | \$ 663,490 | \$ 43,430 | \$ 1,248,430 | \$ 1,170,192 |
| <u>Liabilities</u> | | | | | |
| Due to beneficiaries | \$ - | \$ - | \$ 43,430 | \$ 43,430 | \$ 37,190 |
| Total liabilities | - | - | 43,430 | 43,430 | 35,377 |
| <u>Net Position</u> | | | | | |
| Held in trust for pension benefits | - | 663,490 | - | 663,490 | 631,180 |
| Held in trust for other purposes | 541,510 | - | - | 541,510 | 501,822 |
| Total net position | \$ 541,510 | \$ 663,490 | \$ - | \$ 1,205,000 | \$ 1,133,002 |

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

TOWN OF CORNWALL, CONNECTICUT

**FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017
(With Comparative Totals for June 30, 2016)**

| | Private- Purpose Trust Funds | Pension Trust Fund | Totals | |
|--|---|-----------------------------------|---------------------|---------------------|
| | | | 2017 | 2016 |
| Additions: | | | | |
| Investment income | \$ 49,845 | \$ 2,702 | \$ 52,547 | \$ 18,275 |
| Unrealized gain on investments | - | 54,085 | 54,085 | - |
| Contributions | 4,350 | 13,563 | 17,913 | 36,952 |
| | <u>54,195</u> | <u>70,350</u> | <u>124,545</u> | <u>55,227</u> |
| Deductions: | | | | |
| General government | - | - | - | 500 |
| Education | 10,683 | - | 10,683 | 11,273 |
| Retirement | - | 38,040 | 38,040 | 29,253 |
| Other | 3,824 | - | 3,824 | 53,822 |
| | <u>14,507</u> | <u>38,040</u> | <u>52,547</u> | <u>94,848</u> |
| Change in net position | 39,688 | 32,310 | 71,998 | (39,621) |
| Net position, beginning of year | <u>501,822</u> | <u>631,180</u> | <u>1,133,002</u> | <u>1,172,623</u> |
| Net position, end of year | <u>\$ 541,510</u> | <u>\$ 663,490</u> | <u>\$ 1,205,000</u> | <u>\$ 1,133,002</u> |

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

TOWN OF CORNWALL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017

Note 1 – Summary of Significant Accounting Policies

Reporting Entity

The Town of Cornwall, Connecticut (the “Town”) is a municipal corporation organized under State Statutes. The form of government includes an elected Board of Selectmen and an elected Board of Finance. The Town provides the following services: general government services, public safety, public works, public health and welfare, culture, and recreation. Primary education services are provided by the Cornwall Consolidated School, whose operations are presented in the Town’s financial statements. Secondary education services are provided by Regional School District #1, of which the towns of Cornwall, Canaan, Kent, North Canaan, Salisbury, and Sharon are members. Town appropriations to the district are determined by a separate taxpayer approved budget and the percentage of Cornwall residents attending the district’s schools.

The legislative authority of the Town is vested in the Town Meeting. The First Selectman is the chief executive, chief administrative officer, and budget-making authority of the Town. The Board of Finance is responsible for revising the proposed budget and submitting the final budget to the Town Meeting. The Board of Finance is also responsible for establishing the annual tax rate. The Town has the power to incur indebtedness by issuing bonds or notes as provided by Connecticut General Statutes.

The accounting and reporting policies of the Town relating to the funds included in the accompanying financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. The more significant accounting policies of the Town are described below.

The Town’s financial statements include the accounts of all Town controlled operations. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Town (the primary government) and its component units. The basic criteria for inclusion of a component unit in a governmental unit’s reporting entity for basic financial reporting is the exercise of oversight responsibility. Oversight responsibility is determined on the basis of financial interdependence, selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters, and scope of public service. Currently, there are no entities considered component units of the Town. The Town includes all funds, agencies, boards, commissions, and authorities that are controlled by or dependent on the Town’s executive and legislative branches.

The financial statements presented herein do not include agencies which have been formed under applicable State laws or separate and distinct units of government apart from the Town. Based upon the foregoing criteria, the following organization is not considered part of the Town and is excluded from the accompanying financial statements:

Cornwall Library Association – The Cornwall Library Association is a legally incorporated, separate and distinct entity from the Town. The Town provides a portion of the operating budget to the Library; however, the Town is not required to fund deficits nor does the Town participate in program budgets or managing operations. The Library Board of Trustees determines how its funding is spent.

Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effects of interfund activity have been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues and are reported separately from business-type activities, which rely on fees and charges for support. The Town has no business-type activities.

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred. Exceptions to this general rule include: compensated absences, debt service, and claims and judgments that are recorded only when payment is due.

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

The Town reports the following major governmental funds:

General Fund – the primary operating fund of the Town. This fund is used to account for all financial transactions and resources except those required to be accounted for in another fund.

Capital Projects Fund – used to account for capital acquisition and improvements. This is a perpetual fund financed through annual budget appropriations.

Town of Cornwall, Connecticut
Notes to Financial Statements
June 30, 2017 (continued)

Additionally, the Town reports the following fiduciary fund types:

Private-Purpose Trust Funds – used to account for resources legally held in trust for the benefit of individuals, private organizations, or other governments.

Pension Trust Fund – used to account for the accumulation of resources to be used for retirement benefits.

Agency Funds – account for monies held as a custodian for outside groups and agencies.

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

Use of Estimates

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

Cash and Cash Equivalents

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

Receivables and Payables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. The Town has established an allowance for estimated uncollectible property taxes in the amount of \$71,000. The Town also established an allowance for estimated uncollectible interest on taxes in the amount of \$115,000 for a total of \$186,000 in allowances for uncollectible accounts. The Town's property taxes are levied each July 1 on the assessed value listed on the prior October 1 Grand List for all taxable property located in the Town. Taxes are due and payable in two installments on July 1 and January 1 for real property and personal property, and on July 1 for motor vehicles. Additional property taxes are assessed for motor vehicles registered subsequent to the Grand List date through September 30 and are payable in one installment due January 1. The Town files liens against property if taxes, which are due July 1, remain unpaid on the following February 1.

Town of Cornwall, Connecticut
Notes to Financial Statements
June 30, 2017 (continued)

Investments

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

Prepaid Expenses/Expenditures

Payments to vendors that reflect costs applicable to future fiscal periods are reported as prepaid in both the government-wide Statement of Net Position and the governmental fund Balance Sheet. In the governmental fund Balance Sheet, the amount reported as a prepaid expenditure is offset by nonspendable fund balance to indicate that it is not available for expenditure.

Advances To and From Other Funds

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either interfund receivables or payables and are recorded for all funds affected in the period in which transactions are executed.

Capital Assets

Capital assets, which include equipment, fixtures, and other long-lived assets, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Under the rules of Governmental Accounting Standards Board (“GASB”) No. 34, the Town has not retroactively recorded infrastructure assets in the government-wide financial statements.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

| <u>Assets</u> | <u>Years</u> |
|----------------------------|--------------|
| Buildings and improvements | 20-50 |
| Vehicles | 5-10 |
| Equipment | 5-10 |
| Infrastructure | 20 |

Compensated Absences

The Town provides compensated time off to its employees and elected officials as follows:

Teachers and highway department employees earn sick pay, personal days, and vacation time as prescribed by their employment or union contracts. Vested and earned vacation pay is recognized as a liability of the Town and is accounted for using the accrual basis of accounting.

Deferred Outflows/Inflows of Resources

Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports a deferred charge on refunding in this manner in the government-wide Statement of Net Position. A deferred charge on debt refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town only has one type of item, which arises only under a modified accrual basis of accounting, which qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds Balance Sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Long-Term Obligations

In the government-wide financial statements, long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

Net Position and Fund Balance

In the government-wide financial statements, Net Position is classified in the following categories:

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

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

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

Town of Cornwall, Connecticut
Notes to Financial Statements
June 30, 2017 (continued)

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

Nonspendable – amounts that cannot be spent because they are either not in spendable form (inventories, prepaids, and long-term receivables), or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).

Restricted – amounts to be reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments, or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation.

Committed – amounts that can be used only for specific purposes determined by a formal action of the Town's highest level of decision-making authority, which is a motion at a Town Meeting. These funds may only be used for the purpose specified unless the Town removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain amounts established and approved by the Town's governing boards.

Assigned – amounts constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by formal action of the Board of Selectmen or Board of Finance.

Unassigned – remaining fund balance after amounts are set aside for all other classifications.

The Town has not established a formal policy for its use of restricted and unrestricted (committed, assigned, unassigned) fund balance; however, the Town generally uses restricted fund balance first if the expenditure meets the restricted purpose, followed by committed, assigned, and unassigned amounts.

Comparative Information

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the government's financial statements for the year ended June 30, 2016, from which the summarized information was derived.

Note 2 – Budgeting and Budgetary Accounting

Budgetary Basis

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

- A proposed operating budget is submitted for the fiscal year.
- Public hearings are conducted in the Town to obtain taxpayer comments.
- The budget is legally enacted through passage of an ordinance. The operating budget includes proposed expenditures and the means of financing them.

Town of Cornwall, Connecticut
Notes to Financial Statements
June 30, 2017 (continued)

- The Board of Finance is authorized to transfer budgeted amounts between departments within any fund; however, any additional appropriations exceeding \$20,000 over the total budget must be approved at a Town meeting.
- Formal budgetary integration is employed as a management control device during the year for the General Fund.
- All noncontinuing appropriations lapse at year-end. Capital appropriations do not lapse until completion of the applicable projects.

Budgetary/GAAP Reconciliation

The Town prepares its annual General Fund budget on a basis (budgetary basis), which differs in some respects from generally accepted accounting principles (GAAP basis). The budget and all transactions are presented in accordance with the Town's method (budget basis) in the General Fund – Statement of Revenues, Expenditures, and Changes in Fund Balance – Budgetary Basis – Budget and Actual to provide a meaningful comparison of actual results with the budget. The major differences between budgetary and GAAP basis are that education expenditures for the Teachers' Retirement System are only recorded on GAAP basis and certain interfund transfers are recorded as expenditures (budgetary) rather than operating transfers (GAAP).

Adjustments necessary to reconcile the budgetary basis to GAAP basis are presented below:

| | Fund balance beginning | Revenues | Expenditures | Other financing sources (uses) | Fund balance ending |
|--|---------------------------|---------------------|-----------------------|-----------------------------------|------------------------|
| GAAP basis | \$ 2,145,671 | \$ 7,193,223 | \$ (6,469,975) | \$ (647,000) | \$ 2,221,919 |
| Reclassifications | - | - | (647,000) | 647,000 | - |
| Teachers' retirement system on behalf payments not recognized in budgetary basis | - | (416,906) | 416,906 | - | - |
| Budgetary basis | <u>\$ 2,145,671</u> | <u>\$ 6,776,317</u> | <u>\$ (6,700,069)</u> | <u>\$ -</u> | <u>\$ 2,221,919</u> |

Note 3 – Cash, Cash Equivalents, and Investments

Cash and Cash Equivalents

Cash and cash equivalents of the Town consist of the following at June 30, 2017:

| | Governmental Funds | Fiduciary Funds | Total 2017 | Total 2016 |
|---------------------------------|-----------------------|--------------------|---------------------|---------------------|
| Demand accounts | \$ 768,540 | \$ 61,120 | \$ 829,660 | \$ 656,247 |
| Short Term Investment Fund | <u>3,526,342</u> | <u>-</u> | <u>3,526,342</u> | <u>2,071,182</u> |
| Total cash and cash equivalents | <u>\$ 4,294,882</u> | <u>\$ 61,120</u> | <u>\$ 4,356,002</u> | <u>\$ 2,727,429</u> |

Town of Cornwall, Connecticut
Notes to Financial Statements
June 30, 2017 (continued)

Custodial Credit Risk on Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Town’s deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2017, \$509,453 of the Town’s bank balance of \$817,122 was exposed to custodial credit risk as follows:

| | |
|--|-------------------|
| Uninsured and uncollateralized | \$ 417,825 |
| Uninsured and collateral held by pledging bank’s trust department not in the Town’s name | <u>91,628</u> |
| | <u>\$ 509,453</u> |

Investments

Interest Rate Risk – Interest rate risk is the risk that the Town will incur losses in fair value caused by changing interest rates. The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk – Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Town does not have a formal credit risk policy other than restrictions to obligations allowable under the Connecticut General Statutes. As of June 30, 2017, the Town held \$1,195,197 (consisting of \$38,511 in Governmental Funds and \$1,156,686 in Fiduciary Funds) in money market and mutual funds for which ratings were not available at the end of the current fiscal year. The Short Term Investment Fund is rated AAAM by Standard & Poor’s.

Custodial Credit Risk – Custodial credit risk is the risk that, in the event of a failure of the counterparty, the Town’s deposits will not be able to recover the value of its investments that are in possession of an outside party. The Town’s investments held in mutual funds and certificates of deposit are not subject to custodial credit risk as the Town’s investment is not directly exposed to custodial credit risk.

| | 2017 | | | | 2016 |
|---------------------------|---------------------|-------------------------|----------------------------------|-------------------|---------------------|
| | Fair Market Value | Maturity Not Applicable | Investment Maturities (in years) | | Fair Market Value |
| | | | Less Than 1 | 1-5 | |
| Governmental Funds | | | | | |
| Certificates of deposit | \$ 266,287 | \$ - | \$ - | \$ 266,287 | \$ 263,623 |
| Externally managed pool | 38,511 | 38,511 | - | - | 26,132 |
| | <u>\$ 304,798</u> | <u>\$ 38,511</u> | <u>\$ -</u> | <u>\$ 266,287</u> | <u>\$ 289,755</u> |
| Fiduciary Funds | | | | | |
| Certificates of deposit | \$ 17,062 | \$ - | \$ 1,400 | \$ 15,662 | \$ 19,723 |
| Mutual funds | 1,156,686 | 1,156,686 | - | - | 1,069,796 |
| | <u>\$ 1,173,748</u> | <u>\$ 1,156,686</u> | <u>\$ 1,400</u> | <u>\$ 15,662</u> | <u>\$ 1,089,519</u> |

Fair Value Measurements

The Town utilizes the market approach as the valuation technique to measure fair value of its financial assets. GAAP establishes a three-level hierarchy for fair value measurements that distinguishes between market participant assumptions developed based on market data obtained from sources independent of the reporting entity (“observable inputs”) and the reporting entity’s own assumptions about market participant assumptions developed based on the best information available in the circumstances (“unobservable inputs”) and requires that the most observable inputs be used when available. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

Town of Cornwall, Connecticut
Notes to Financial Statements
June 30, 2017 (continued)

- Level 1 - Valuation based on unadjusted quoted prices in active markets for identical assets the Town has the ability to access. Since valuations are based on quoted prices readily and regularly available in an active market, valuation of these assets does not entail significant judgment.
- Level 2 - Valuation based on quoted prices for similar assets in active markets; quoted prices for similar assets in inactive markets; or valuations based on models where the significant inputs are observable (e.g. interest rates, yield curves, etc.) or can be corroborated by observable market data.
- Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement. The unobservable inputs reflect the Town's own assumptions about assumptions that market participants might use.

The Town's investments are measured on a recurring basis using Level 1 information (market quotations for investments that have quoted prices in active markets). The Town has no financial assets measured using Level 2 or Level 3 at June 30, 2017.

Note 4 - Capital Assets

Depreciation expense was charged to functions/programs of the primary government as follows:

| | <u>2017</u> | <u>2016</u> |
|--------------------------|-------------------|-------------------|
| Governmental Activities: | | |
| General government | \$ 19,009 | \$ 19,056 |
| Highway | 87,721 | 80,893 |
| Public safety | 60,433 | 60,258 |
| Education | <u>164,226</u> | <u>169,766</u> |
| | <u>\$ 331,389</u> | <u>\$ 329,973</u> |

Changes in the Town's capital assets used in governmental activities are as follows:

| | <u>Balance at July 1, 2016</u> | <u>Increases</u> | <u>Decreases</u> | <u>Balance at June 30, 2017</u> |
|--|------------------------------------|-------------------|------------------|-------------------------------------|
| Capital assets not being depreciated: | | | | |
| Land | \$ 671,177 | \$ - | \$ - | \$ 671,177 |
| Total capital assets not being depreciated | <u>671,177</u> | <u>-</u> | <u>-</u> | <u>671,177</u> |
| Capital assets being depreciated: | | | | |
| Buildings and improvements | 8,065,871 | 53,892 | - | 8,119,763 |
| Infrastructure | 853,573 | 161,109 | - | 1,014,682 |
| Machinery and equipment | <u>3,025,733</u> | <u>523,010</u> | <u>95,191</u> | <u>3,453,552</u> |
| Total capital assets being depreciated | <u>11,945,177</u> | <u>738,011</u> | <u>95,191</u> | <u>12,587,997</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | 3,065,999 | 188,349 | - | 3,254,348 |
| Infrastructure | 216,769 | 20,061 | - | 236,830 |
| Machinery and equipment | <u>2,149,995</u> | <u>122,979</u> | <u>71,264</u> | <u>2,201,710</u> |
| Total accumulated depreciation | <u>5,432,763</u> | <u>331,389</u> | <u>71,264</u> | <u>5,692,888</u> |
| Total depreciable capital assets, net | <u>6,512,414</u> | <u>406,622</u> | <u>23,927</u> | <u>6,895,109</u> |
| Capital assets, net | <u>\$ 7,183,591</u> | <u>\$ 406,622</u> | <u>\$ 23,927</u> | <u>\$ 7,566,286</u> |

Town of Cornwall, Connecticut
Notes to Financial Statements
June 30, 2017 (continued)

Note 5 – Taxes Receivable and Deferred Inflows of Resources

Taxes receivable at June 30, 2017, for the General Fund, including the applicable allowance for collection losses, are as follows:

| | <u>General Fund</u> |
|---------------------------------|---------------------|
| Property tax | \$ 355,523 |
| Interest and lien fees on taxes | <u>225,036</u> |
| Total gross receivables | <u>580,559</u> |
| Allowance for collection losses | <u>(186,000)</u> |
| Total net receivables | <u>\$ 394,559</u> |

To reflect that a portion of property taxes, interest, and lien fees receivable at June 30, 2017, are not considered available to liquidate general fund liabilities of the current period, the General Fund column of the governmental funds Balance Sheet reports property tax revenue, unavailable for expenditure in the current fiscal year of \$378,950, as a deferred inflow of resources.

Note 6 – Pension Plans

Connecticut State Teachers' Retirement System

Description of System

Teachers within the Town's school system participate in a retirement system administered by the Connecticut State Teachers' Retirement Board. This Connecticut State Teachers' Retirement System (the "System") is a cost sharing, multiple employer defined benefit pension system with a special funding situation.

The System is considered a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106 or by calling (860) 702-3480.

The System is administered under the provisions of Chapter 167a of the Connecticut General Statutes (CGS). Participation in the System is restricted to certified staff employed in the public schools of Connecticut and members of the professional staff of the State Department of Education or the board of Governors of Higher Education and their constituent units. Participation in the System is mandatory for certified personnel of local boards of education who are employed for an average of at least one-half of a school day. Members of the professional staff of the State Department of Education or the Board of Governors of Higher Education and their constituent units may elect to participate in this system, the State Employees' Retirement System, or the Alternate Retirement System (TIAA-CREF).

Summary of Significant Accounting Policies

For purposes of measuring the liability, deferred outflows of resources and deferred inflows of resources, and expense associated with the State's requirement to contribute to the System, information about the System's fiduciary net position and additions to/deductions from the System's fiduciary net position have been determined on the same basis as they are reported by the System. For this purpose, benefit payments (including refunds of contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Town of Cornwall, Connecticut
Notes to Financial Statements
June 30, 2017 (continued)

Benefits Provided

The benefits provided to participants by the System are as follows:

Normal Benefit: A member at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut is eligible for vested benefits of 2% of average annual salary times years of credited service (maximum benefit is 75% of average annual salary.)

Prorated Benefit: A member who completes 10 years of Connecticut public school service is eligible for a vested benefit commencing at age 60. The benefit is 2% less 0.1% for each year less than 20 years of average annual salary times years of credited service.

Minimum Benefit: Effective January 1, 1999, Public Act 98-251 provides a minimum monthly retirement benefit of \$1,200 to teachers who retire under the Normal Benefit provisions and who have completed at least 25 years of full time Connecticut service at retirement.

Contribution Requirements

The pension contributions made by the State to the System are determined on an actuarial reserve basis as described in CGS Sections 10-1831 and 10-183z.

Participants are required to contribute 7.25% of their annual salary rate to the System as required by CGS Section 10-183b (7). For the 2016/2017 school year, \$76,456 mandatory contributions were deducted from the salaries of teachers who were participants of the System during that school year. The estimated covered payroll for the Town is \$1,054,570. The Town had 15 active participants in the System at June 30, 2017.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2016, using the following key actuarial assumptions:

| | |
|---|-------------------|
| Inflation | 2.75 Percent |
| Salary increases, including inflation | 3.25-6.50 Percent |
| Long-term investment rate of return, net of pension investment expense, including inflation | 8.00 Percent |

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

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

Town of Cornwall, Connecticut
Notes to Financial Statements
June 30, 2017 (continued)

The long-term expected rate of return on pension investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target asset allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> | <u>Long-Term Expected Real Rate of Return</u> |
|-----------------------------|--------------------------|---|
| Large cap U.S. equities | 21.0% | 5.8% |
| Developed non-U.S. equities | 18.0% | 6.6% |
| Emerging markets (non-U.S.) | 9.0% | 8.3% |
| Real estate | 7.0% | 5.1% |
| Private equity | 11.0% | 7.6% |
| Alternative investments | 8.0% | 4.1% |
| Core fixed income | 7.0% | 1.3% |
| High yield bonds | 5.0% | 3.9% |
| Emerging market bond | 5.0% | 3.7% |
| Inflation linked bond fund | 3.0% | 1.0% |
| Cash | 6.0% | 0.4% |

Discount Rate

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

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the Town's proportionate share of the net pension liability of the System, calculated using the discount rate of 8.0%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (7.0%) or 1-percentage-point higher (9.0%) than the current rate.

| | <u>1% Decrease (7.0%)</u> | <u>Current Discount Rate (8.0%)</u> | <u>1% Increase (9.0%)</u> |
|--|-------------------------------|---|-------------------------------|
| Sensitivity of the system's proportionate share of the net pension liability related to the Town | <u>\$ 5,215,807</u> | <u>\$ 3,822,885</u> | <u>\$ 3,218,120</u> |

Pension Liabilities, Pension Expense, and Deferred Inflows/Outflows of Resources

The State makes all contributions to the System on behalf of employees of the participating districts. Therefore, participating employers are considered to be in a special funding situation as defined by Governmental Accounting Standards Board No. 68 and the State is treated as a non-employer contributing entity in the System. Since the districts do not contribute directly to the System, there is no net pension liability or deferred inflows or outflows to report in the financial statements of the Town. The portion of the net pension liability that was associated with the Town was \$3,822,885 and 100% of the collective net pension liability is allocated to the State.

Town of Cornwall, Connecticut
Notes to Financial Statements
June 30, 2017 (continued)

The Town recognized the total pension expense associated with the Town as well as revenue in an amount equal to the non-employer contributing entities' total proportionate share of the collective pension expense associated with the Town. For the fiscal year ended June 30, 2017, the Town recognized \$416,906 as the amount expended by the State on behalf of the Town to meet the State's funding requirements.

Defined Contribution Plan

The Town maintains a defined contribution money purchase plan that covers all full-time employees of the Town, excluding certified teachers. The plan is a single-employer contribution pension plan administered and amended by the trustees of the "Town of Cornwall Employee Pension Plan." Current participants total 24 employees.

Plan Description

The plan covers employees who have completed one year of service in which 1,000 hours is worked and have attained age 21. The plan is integrated with life insurance at the option of the participant and is an approved prototype plan.

The participants become 100% vested after 7 years of service. Normal retirement age is at 65. All active eligible participants and any terminated participants who complete 500 hours during the plan year prior to their termination date will receive a contribution equal to 7% compensation. There were no voluntary participant contributions during the year. Those terminating for reasons of death, disability, or retirement will share in the allocation, regardless of hours. Employer contributions, net of forfeitures, for the fiscal year ended June 30, 2017, totaled \$35,719. The contribution is calculated on gross compensation paid for the calendar year. The plan allows for amendment by the Town as employer.

Assets of the fund are invested as directed by plan participants in mutual funds provided by the trustee. The employer pays the costs of plan administration.

Service Incentive Program (CVFD)

The Town established the Cornwall VFD Service Incentive Program on behalf of volunteers of the Cornwall Volunteer Fire Department (CVFD). Under this program, the Town annually contributes \$1,000 per eligible volunteer. The total contribution for the year ended June 30, 2017 was \$13,563, net of forfeitures and was paid in the subsequent period. 31 individuals qualified for the benefit. Such volunteers become fully vested after five years of service. The normal retirement age for receiving benefits is age 62, although participants may apply for hardship distributions under certain circumstances as prescribed by the United States Department of Labor.

The plan is administered by a board consisting of three members appointed by the President of the Cornwall Volunteer Fire Department. Since the trust fund established to hold plan assets is subject to claims of the Town's general creditors, the plan is reported as an expendable trust fund.

Significant Accounting Policies

Basis of Accounting: Financial statements are prepared using the accrual basis of accounting. Employer contributions are recognized in the period that the contributions are due.

Town of Cornwall, Connecticut
Notes to Financial Statements
June 30, 2017 (continued)

Method Used in Value Investments: Plan investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair values.

Note 7 - Long-Term Obligations

Landfill Closure

During 1994-1995, the Town ceased all operations at its landfill site. State and federal laws and regulations require the Town to perform certain maintenance and monitoring functions at the landfill site for 30 years after the closure date of February 1996. The Town has recognized the remaining estimated postclosure care costs of \$63,047 in the Government-wide financial statements. Current year expenditures were recognized in the General Fund in the amount of \$4,162. Changes in the estimated total current cost of postclosure care may occur and are reported in the periods in which the change is probable and can be reasonably estimated. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

Long-Term Obligation Activity

General Obligation Bonds of \$1,500,000 were issued on April 24, 2017, with an interest rate of 2.325%. The bonds mature serially through April 1, 2027.

General Obligation Bonds of \$1,900,000 were issued on June 1, 2012, to refund an earlier bond issue, with interest rates varying from 1.0% to 3.0%, which results in an average weighted interest rate of 2.0%. The bonds mature serially through August 15, 2023.

The following table summarizes changes in the Town's long-term indebtedness for the year ending June 30, 2017:

| | <u>Beginning Balance</u> | <u>Additions</u> | <u>Reductions</u> | <u>Ending Balance</u> | <u>Due Within One Year</u> |
|---------------------------------|------------------------------|---------------------|---------------------|---------------------------|--------------------------------|
| Governmental activities: | | | | | |
| General obligation bonds (2017) | \$ - | \$ 1,500,000 | \$ - | \$ 1,500,000 | \$ 150,000 |
| General obligation bonds (2012) | 1,315,000 | - | (155,000) | 1,160,000 | 160,000 |
| Unamortized premiums | 33,290 | - | (4,162) | 29,128 | 4,162 |
| Landfill post-closure costs | <u>70,095</u> | <u>-</u> | <u>(7,048)</u> | <u>63,047</u> | <u>8,225</u> |
| Total long-term obligations | <u>\$ 1,418,385</u> | <u>\$ 1,500,000</u> | <u>\$ (166,210)</u> | <u>\$ 2,752,175</u> | <u>\$ 322,387</u> |

Debt Service Requirements

Debt service requirements on long-term debt at June 30, 2017, are as follows:

| <u>Year Ending</u> | <u>Principal</u> | <u>Interest</u> |
|--------------------|---------------------|-------------------|
| 2018 | \$ 310,000 | \$ 55,381 |
| 2019 | 310,000 | 50,873 |
| 2020 | 310,000 | 44,215 |
| 2021 | 315,000 | 37,352 |
| 2022 | 320,000 | 30,466 |
| 2023-2027 | <u>1,095,000</u> | <u>60,790</u> |
| | <u>\$ 2,660,000</u> | <u>\$ 279,077</u> |

Town of Cornwall, Connecticut
Notes to Financial Statements
June 30, 2017 (continued)

Prior Years Advance Refunding

In a prior year, the Town defeased a bond issue by creating a separate irrevocable trust fund. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust fund. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and, therefore, removed as a liability from the Town's financial statements.

Statutory Debt Limitation

Connecticut General Statutes Section 7-374(b) provides that authorized 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, 2017.

Note 8 – Commitments and Contingencies

The Town is contingently liable on Regional School District No. 1 serial bonds payable, which has an outstanding balance of \$3,325,000. The amount (8.85%) attributed to the Town is \$294,319.

The Town has received State grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditures disallowed under terms of the grant. Based on prior experience, Town management believes such disallowances, if any, will not be material.

Note 9 – Interfund Balances/Transfers

At June 30, 2017, interfund balances were as follows:

| | <u>Due From</u> | | | | <u>Total Governmental</u> |
|-----------------------|---------------------|----------------------------------|-------------------------------|-----------------|-------------------------------|
| | <u>General Fund</u> | <u>Capital Projects Fund</u> | <u>Town Activity Fund</u> | <u>Dog Fund</u> | |
| Due to: | | | | | |
| General Fund | \$ - | \$ 11,000 | \$ 30 | \$ 4,120 | \$ 15,150 |
| Capital Projects Fund | <u>111</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>111</u> |
| Total | <u>\$ 111</u> | <u>\$ 11,000</u> | <u>\$ 30</u> | <u>\$ 4,120</u> | <u>\$ 15,261</u> |

Interfund transfers for the year are summarized below:

| | <u>Transfers in: Capital Projects Fund</u> | <u>Total Governmental</u> |
|----------------|--|-------------------------------|
| Transfers out: | | |
| General Fund | <u>\$ 647,000</u> | <u>\$ 647,000</u> |
| | <u>\$ 647,000</u> | <u>\$ 647,000</u> |

Town of Cornwall, Connecticut
Notes to Financial Statements
June 30, 2017 (continued)

Note 10 – Governmental Fund Balances

As of June 30, 2017, governmental fund balances are composed of the following:

| | <u>General Fund</u> | <u>Capital Projects Fund</u> | <u>Nonmajor Funds</u> | <u>Total Governmental Funds</u> |
|--------------------------|-------------------------|----------------------------------|---------------------------|---|
| <u>Nonspendable:</u> | | | | |
| Prepaid expenses | \$ 12,211 | \$ - | \$ - | \$ 12,211 |
| Permanent endowments | - | - | 34,895 | 34,895 |
| | <u>12,211</u> | <u>-</u> | <u>34,895</u> | <u>47,106</u> |
| <u>Restricted:</u> | | | | |
| Milk Fund | - | - | 283 | 283 |
| Food and fuel | - | - | 4,646 | 4,646 |
| Open space | - | - | 16,251 | 16,251 |
| | <u>-</u> | <u>-</u> | <u>21,180</u> | <u>21,180</u> |
| <u>Committed:</u> | | | | |
| Capital projects | - | 1,704,025 | - | 1,704,025 |
| Food and fuel | - | - | 3,200 | 3,200 |
| Town activities | - | - | 57,097 | 57,097 |
| | <u>-</u> | <u>1,704,025</u> | <u>60,297</u> | <u>1,764,322</u> |
| <u>Assigned:</u> | | | | |
| Subsequent year's budget | 200,000 | - | - | 200,000 |
| Gates Bequest | 262,774 | - | - | 262,774 |
| Building inspection | 10,041 | - | - | 10,041 |
| Dog Fund | - | - | 1,750 | 1,750 |
| Food and fuel | - | - | 48,162 | 48,162 |
| Endowment | - | - | 6,011 | 6,011 |
| Capital projects | - | 4,628 | - | 4,628 |
| | <u>472,815</u> | <u>4,628</u> | <u>55,923</u> | <u>533,366</u> |
| <u>Unassigned</u> | <u>1,736,893</u> | <u>-</u> | <u>-</u> | <u>1,736,893</u> |
| | <u>\$ 2,221,919</u> | <u>\$ 1,708,653</u> | <u>\$ 172,295</u> | <u>\$ 4,102,867</u> |

Note 11 – Risk Management

The Town is exposed to various risks of loss relating to liability, theft, or impairment of assets, errors or omissions, injuries to employees, and natural disasters. Commercial liability and property insurance coverage is purchased to protect against losses from these risks. Additionally, employee health coverage is purchased from a commercial carrier. The Town does not maintain a self-insurance fund. There was no significant reduction coverage from the prior year, and no claims have exceeded insurance coverage in the past three years.

Town of Cornwall, Connecticut
Notes to Financial Statements
June 30, 2017 (continued)

The Town currently is a member of the Connecticut Interlocal Risk Management Agency (CIRMA), a public entity risk pool currently operating as a common risk management and insurance program for a comprehensive workers' compensation insurance program through its workers' compensation pool, as well as liability insurance. The Town pays an annual premium to the pool for its coverage. The agreement for the formation of CIRMA provides that the pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$1,000,000 for each insured event to an unlimited excess limit. The pooling agreement allows CIRMA to make additional assessments to make the pool self-sustaining. The Town cannot estimate the amount of such additional assessments and has not been notified that any assessments are forthcoming. CIRMA publishes its own financial report, which can be obtained from: CIRMA, 900 Chapel Street, 9th Floor, New Haven, CT 06510.

Note 12 – Recently Issued Accounting Standards

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

GASB Statement No. 81, Irrevocable Split-Interest Agreements. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively.

GASB issued Statement No. 82, Pension Issues – an amendment of GASB Statements No. 67, No. 68 and No. 73. This statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this statement are effective for periods beginning after June 15, 2017.

GASB Statement No. 83, Certain Asset Retirement Obligations. This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018.

GASB Statement No. 84, Fiduciary Activities. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

Town of Cornwall, Connecticut
Notes to Financial Statements
June 30, 2017 (continued)

This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

GASB Statement No. 86, Certain Debt Extinguishment Issues. This Statement improves the consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this Statement are effective for reporting periods beginning after June 15, 2017.

GASB Statement No. 87, Leases. This Statement improves the accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

**REQUIRED SUPPLEMENTARY
INFORMATION
(UNAUDITED)**

TOWN OF CORNWALL, CONNECTICUT

**CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM
SCHEDULE OF REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

| | <u>2017</u> | <u>2016</u> | <u>2015</u> |
|--|---------------------|---------------------|---------------------|
| Town's proportion of the net pension liability | 0.00% | 0.00% | 0.00% |
| Town's proportionate share of the net pension liability | \$ - | \$ - | \$ - |
| State's proportionate share of the net pension liability associated with the Town | <u>3,822,885</u> | <u>3,001,850</u> | <u>2,774,609</u> |
| Total | <u>\$ 3,822,885</u> | <u>\$ 3,001,850</u> | <u>\$ 2,774,609</u> |
| Town's covered-employee payroll | <u>\$ 1,054,570</u> | <u>\$ 1,098,440</u> | <u>\$ 1,083,159</u> |
| Town's proportionate share of the net pension liability as a percentage of its covered payroll | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> |
| System fiduciary net position as a percentage of the total pension liability | <u>52.26%</u> | <u>59.50%</u> | <u>61.56%</u> |

Notes to Connecticut State Teachers' Retirement System

Method and Assumptions used in Calculations of Actuarially Determined Contributions

The actuarially determined contributions in the schedule of employer contributions are calculated as of June 30 each biennium for the fiscal years ending two and three years after the valuation date. The following actuarial methods and assumptions were used to determine the most recent contributions reported in that schedule:

| | |
|---------------------------------------|---|
| Actuarial cost method | Entry age |
| Amortization method | Level percent of pay, closed |
| Single equivalent amortization period | 20.4 years |
| Asset valuation method | 4-year smoothed market |
| Inflation | 2.75 percent |
| Salary increase | 3.25-6.50 percent, including inflation |
| Investment rate of return | 8.00 percent, net of investment related expense |

See accompanying Independent Auditors' Report.

**SUPPLEMENTAL
STATEMENTS AND SCHEDULES**

TOWN OF CORNWALL, CONNECTICUT

**GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

| | Budgeted Amounts | | | Actual | Variance With Final Budget Positive (Negative) |
|-------------------------------|------------------|-----------|------------------|------------------|---|
| | Original | Transfers | Final | | |
| Fees for Services | | | | | |
| Town Clerk's fees | \$ 38,000 | \$ - | \$ 38,000 | \$ 50,426 | \$ 12,426 |
| Hammond Beach passes | 2,000 | - | 2,000 | 1,900 | (100) |
| Brush dump fees | 1 | - | 1 | - | (1) |
| Landfill receipts | 12,000 | - | 12,000 | 13,767 | 1,767 |
| Building permits | - | - | - | 59,454 | 59,454 |
| Planning and Zoning fees | 600 | - | 600 | 643 | 43 |
| Park and Recreation | 2,000 | - | 2,000 | 3,431 | 1,431 |
| Other fees, charges | 4,800 | - | 4,800 | 6,010 | 1,210 |
| Tax Map charges | 500 | - | 500 | 673 | 173 |
| | <u>59,901</u> | <u>-</u> | <u>59,901</u> | <u>136,304</u> | <u>76,403</u> |
| Other Revenues | | | | | |
| Commercial recycling | 3,000 | - | 3,000 | 3,662 | 662 |
| Miscellaneous | 500 | - | 500 | 13,357 | 12,857 |
| | <u>3,500</u> | <u>-</u> | <u>3,500</u> | <u>17,019</u> | <u>13,519</u> |
| Property Taxes | | | | | |
| Current levy | 6,046,824 | - | 6,046,824 | 6,059,251 | 12,427 |
| Delinquent taxes | 20,000 | - | 20,000 | 172,860 | 152,860 |
| Interest and fees | 20,000 | - | 20,000 | 91,909 | 71,909 |
| | <u>6,086,824</u> | <u>-</u> | <u>6,086,824</u> | <u>6,324,020</u> | <u>237,196</u> |
| State Education Grants | | | | | |
| Education grants | 42,565 | - | 42,565 | 6,950 | (35,615) |
| School transportation | 246 | - | 246 | - | (246) |
| | <u>42,811</u> | <u>-</u> | <u>42,811</u> | <u>6,950</u> | <u>(35,861)</u> |
| State General Grants | | | | | |
| Town aid roads | 224,174 | - | 224,174 | 224,166 | (8) |
| Indian Casino funds | 8,199 | - | 8,199 | 8,178 | (21) |
| In lieu tax grant | 3,174 | - | 3,174 | - | (3,174) |
| Telephone access | 7,000 | - | 7,000 | 9,100 | 2,100 |
| Elderly tax relief | 12,000 | - | 12,000 | 13,135 | 1,135 |
| Vet's disabled tax relief | 700 | - | 700 | 1,175 | 475 |
| Town Clerk's grant | 5,000 | - | 5,000 | 4,000 | (1,000) |
| LOCIP bonded funds | 32,569 | - | 32,569 | - | (32,569) |
| Miscellaneous state grants | 16,221 | - | 16,221 | 11,613 | (4,608) |
| | <u>309,037</u> | <u>-</u> | <u>309,037</u> | <u>271,367</u> | <u>(37,670)</u> |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT

**GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017**

| | <u>Budgeted Amounts</u> | | | <u>Actual</u> | Variance With Final Budget Positive (Negative) |
|---|-------------------------|------------------|---------------------|---------------------|---|
| | <u>Original</u> | <u>Transfers</u> | <u>Final</u> | | |
| Transfer/Non-Revenue Receipts | | | | | |
| Undesignated fund balance | \$ 200,000 | \$ - | \$ 200,000 | \$ - | \$ (200,000) |
| Grants | 5,000 | - | 5,000 | - | (5,000) |
| Non-revenue credits - refunds | - | - | - | 8,744 | 8,744 |
| NIB checking interest | 6,000 | - | 6,000 | 7,527 | 1,527 |
| Miscellaneous interest | - | - | - | 4,386 | 4,386 |
| | <u>211,000</u> | <u>-</u> | <u>211,000</u> | <u>20,657</u> | <u>(190,343)</u> |
| Total revenues and other financing sources | | | | | |
| | <u>\$ 6,713,073</u> | <u>\$ -</u> | <u>\$ 6,713,073</u> | <u>\$ 6,776,317</u> | <u>\$ 63,244</u> |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT

**GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2017**

| | Budgeted Amounts | | | Actual | Variance With Final Budget Positive (Negative) |
|------------------------------------|------------------|------------|---------------|---------------|---|
| | Original | Transfers | Final | | |
| Board of Selectmen Budget | | | | | |
| Assessor | | | | | |
| Assessor's salary | \$ 8,549 | \$ - | \$ 8,549 | \$ 8,549 | \$ - |
| Assessor's clerk salary | 21,407 | - | 21,407 | 21,407 | - |
| Office supplies | 1,500 | - | 1,500 | 3,243 | (1,743) |
| Mileage, travel | 1,000 | - | 1,000 | - | 1,000 |
| Meetings/memberships | 15 | - | 15 | - | 15 |
| Computer | 3,500 | - | 3,500 | 1,250 | 2,250 |
| Contracted services | 5,000 | - | 5,000 | 4,779 | 221 |
| | <u>40,971</u> | <u>-</u> | <u>40,971</u> | <u>39,228</u> | <u>1,743</u> |
| Board of Assessment Appeals | | | | | |
| BAA salaries | 498 | - | 498 | - | 498 |
| BAA clerk wage | 1 | - | 1 | - | 1 |
| Expenditures | 1 | - | 1 | - | 1 |
| | <u>500</u> | <u>-</u> | <u>500</u> | <u>-</u> | <u>500</u> |
| Board of Selectmen | | | | | |
| Selectmens' salaries | 59,888 | - | 59,888 | 59,887 | 1 |
| Selectmens' clerk | 35,853 | - | 35,853 | 35,853 | - |
| BOS temporary clerk | 1,165 | - | 1,165 | 949 | 216 |
| BOS office supplies | 850 | 306 | 1,156 | 925 | 231 |
| BOS bids, legal, etc. | 500 | - | 500 | 729 | (229) |
| BOS meetings, mileage | 15 | - | 15 | 153 | (138) |
| BOS meetings, memberships | 300 | - | 300 | 160 | 140 |
| BOS postage | 200 | - | 200 | 387 | (187) |
| | <u>98,771</u> | <u>306</u> | <u>99,077</u> | <u>99,043</u> | <u>34</u> |
| Finance Department | | | | | |
| Treasurer's salary | 3,175 | - | 3,175 | 3,175 | - |
| Finance Director salary | 36,306 | - | 36,306 | 36,306 | - |
| Treasurer's clerk expense | 1 | - | 1 | - | 1 |
| Office supplies | 1,000 | - | 1,000 | 1,251 | (251) |
| Printing | 2,500 | - | 2,500 | 2,500 | - |
| Computer | 1,500 | - | 1,500 | 1,422 | 78 |
| Postage | 1,000 | - | 1,000 | 809 | 191 |
| Town audit | 14,750 | - | 14,750 | 14,750 | - |
| | <u>60,232</u> | <u>-</u> | <u>60,232</u> | <u>60,213</u> | <u>19</u> |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT

**GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017**

| | Budgeted Amounts | | | Actual | Variance With Final Budget Positive (Negative) |
|--|------------------|---------------|----------------|----------------|---|
| | Original | Transfers | Final | | |
| Hammond Beach | | | | | |
| Salaries | \$ 33,784 | \$ - | \$ 33,784 | \$ 30,849 | \$ 2,935 |
| Programs | 1,000 | - | 1,000 | 713 | 287 |
| Utilities | 800 | - | 800 | 979 | (179) |
| Supplies | 700 | - | 700 | 1,653 | (953) |
| Equipment | 500 | - | 500 | 132 | 368 |
| Contracted services | 2,000 | - | 2,000 | 1,963 | 37 |
| | <u>38,784</u> | <u>-</u> | <u>38,784</u> | <u>36,289</u> | <u>2,495</u> |
| Highway Administration/Supplies | | | | | |
| Garage heat | 6,500 | - | 6,500 | 8,708 | (2,208) |
| Utilities | 5,000 | - | 5,000 | 4,662 | 338 |
| Supplies | 5,000 | - | 5,000 | 8,561 | (3,561) |
| Small equipment | 2,500 | - | 2,500 | 2,437 | 63 |
| Contracted services | 19,000 | 10,600 | 29,600 | 32,897 | (3,297) |
| Small equipment repairs | 500 | - | 500 | 159 | 341 |
| Garage repairs (building) | 1,000 | - | 1,000 | 86 | 914 |
| Drug testing | 200 | - | 200 | - | 200 |
| Labor expense: | | | | | |
| OT labor expense | 14,726 | - | 14,726 | 11,337 | 3,389 |
| Regular labor expense | 220,992 | - | 220,992 | 218,947 | 2,045 |
| | <u>235,718</u> | <u>-</u> | <u>235,718</u> | <u>230,284</u> | <u>5,434</u> |
| Highway temporary labor | 6,000 | - | 6,000 | 5,882 | 118 |
| Fuel/gas/oil/grease | 35,000 | - | 35,000 | 25,913 | 9,087 |
| Highway signs | 1,500 | - | 1,500 | 1,528 | (28) |
| Road materials | 20,000 | - | 20,000 | 27,182 | (7,182) |
| Snow removal | 70,000 | - | 70,000 | 74,805 | (4,805) |
| Tree maintenance | 18,000 | - | 18,000 | 12,350 | 5,650 |
| | <u>425,918</u> | <u>10,600</u> | <u>436,518</u> | <u>435,454</u> | <u>1,064</u> |
| Highway Vehicle Maintenance | | | | | |
| Vehicle equipment maintenance | 40,000 | 3,600 | 43,600 | 43,527 | 73 |
| | <u>40,000</u> | <u>3,600</u> | <u>43,600</u> | <u>43,527</u> | <u>73</u> |
| Insurance and Benefits | | | | | |
| General insurance | 4,120 | - | 4,120 | 5,385 | (1,265) |
| Workers' compensation | 34,479 | - | 34,479 | 45,375 | (10,896) |
| Public liability | 74,263 | - | 74,263 | 54,666 | 19,597 |
| Employees' health insurance | 195,876 | - | 195,876 | 201,573 | (5,697) |
| Employees' pension plan | 39,051 | - | 39,051 | 34,972 | 4,079 |
| | <u>347,789</u> | <u>-</u> | <u>347,789</u> | <u>341,971</u> | <u>5,818</u> |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT

**GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017**

| | Budgeted Amounts | | | Actual | Variance With Final Budget Positive (Negative) |
|----------------------------------|------------------|-----------|----------|----------|---|
| | Original | Transfers | Final | | |
| Land Use | | | | | |
| Zoning Enforcement wage | \$ 6,525 | \$ - | \$ 6,525 | \$ 5,821 | \$ 704 |
| Land Use Administrator | 10,141 | - | 10,141 | 7,872 | 2,269 |
| Land Use Clerk | 5,850 | - | 5,850 | 6,896 | (1,046) |
| Office supplies | 500 | - | 500 | 437 | 63 |
| Printing | 200 | - | 200 | 230 | (30) |
| Legal notices | 1,800 | - | 1,800 | 1,088 | 712 |
| Meetings/mileage | 500 | - | 500 | 543 | (43) |
| Computer | 400 | - | 400 | - | 400 |
| Building inspection expense | - | - | - | 64,893 | (64,893) |
| Consulting services | 6,800 | - | 6,800 | 1,941 | 4,859 |
| Legal fees | 2,500 | - | 2,500 | - | 2,500 |
| | 35,216 | - | 35,216 | 89,721 | (54,505) |
| Organizational Support | | | | | |
| Cornwall Child Center | 38,000 | - | 38,000 | 38,000 | - |
| Cornwall Library | 42,000 | - | 42,000 | 42,000 | - |
| Cornwall Historical Society | 4,000 | - | 4,000 | 4,000 | - |
| Cornwall Housing Corp | 4,000 | - | 4,000 | 4,000 | - |
| Cornwall Conservation Trust | 2,000 | - | 2,000 | 2,000 | - |
| NW Council of Governments | 1,120 | - | 1,120 | 1,118 | 2 |
| Council of Small Towns | 725 | - | 725 | 725 | - |
| Tax refunds | 1,500 | - | 1,500 | 447 | 1,053 |
| Cemetery maintenance | 2,600 | - | 2,600 | 2,600 | - |
| Regional Housing | 100 | - | 100 | 100 | - |
| NW Conservation District | 600 | - | 600 | 600 | - |
| Housatonic River Commission | 350 | - | 350 | 350 | - |
| Geer Adult Day Center | 8,000 | - | 8,000 | 8,000 | - |
| Susan B. Anthony Project | 1,500 | - | 1,500 | 1,500 | - |
| Town celebrations | 600 | - | 600 | 209 | 391 |
| NW Corner Chore Service | 5,000 | - | 5,000 | 5,000 | - |
| Women's Support Service | 1,500 | - | 1,500 | 1,500 | - |
| Regional Mental Health | 155 | - | 155 | 155 | - |
| Housatonic Youth Service | 4,608 | - | 4,608 | 4,608 | - |
| Agricultural Advisory | 700 | - | 700 | 767 | (67) |
| Elderly Nutrition Project | 442 | - | 442 | 441 | 1 |
| Greenwoods Counseling referrals | 1,500 | - | 1,500 | 1,500 | - |
| HVA-Housatonic Vally Association | 250 | - | 250 | 250 | - |
| FISH | 250 | - | 250 | - | 250 |
| Conservation Commission | 1,500 | - | 1,500 | 201 | 1,299 |
| Economic Study | 4,000 | - | 4,000 | 2,080 | 1,920 |
| | 127,000 | - | 127,000 | 122,151 | 4,849 |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT

GENERAL FUND
 SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
 BUDGET AND ACTUAL (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 2017

| | Budgeted Amounts | | | Actual | Variance With Final Budget Positive (Negative) |
|------------------------------------|------------------|-----------|---------------|---------------|---|
| | Original | Transfers | Final | | |
| Park & Recreation | | | | | |
| Salaries | \$ 21,548 | \$ - | \$ 21,548 | \$ 21,548 | \$ - |
| Supplies | 800 | - | 800 | 1,549 | (749) |
| Park & Rec program | 8,000 | - | 8,000 | 7,787 | 213 |
| Basketball | 1,000 | - | 1,000 | 619 | 381 |
| Soccer | 2,100 | - | 2,100 | 544 | 1,556 |
| Skiing | 3,000 | - | 3,000 | 2,502 | 498 |
| Baseball | 2,000 | - | 2,000 | 371 | 1,629 |
| Fields/services | 8,500 | - | 8,500 | 11,196 | (2,696) |
| | <u>46,948</u> | <u>-</u> | <u>46,948</u> | <u>46,116</u> | <u>832</u> |
| Payroll Expenses | | | | | |
| Social Security/Medicare | 51,038 | - | 51,038 | 49,381 | 1,657 |
| | <u>51,038</u> | <u>-</u> | <u>51,038</u> | <u>49,381</u> | <u>1,657</u> |
| Probate Court | | | | | |
| Contracted services | 3,113 | - | 3,113 | 3,112 | 1 |
| | <u>3,113</u> | <u>-</u> | <u>3,113</u> | <u>3,112</u> | <u>1</u> |
| Public Health & Welfare | | | | | |
| Commission on Aging: | | | | | |
| Municipal Agent salary | 1,000 | - | 1,000 | 1,000 | - |
| Supplies | 200 | - | 200 | 200 | - |
| Printing | 200 | - | 200 | 128 | 72 |
| | <u>1,400</u> | <u>-</u> | <u>1,400</u> | <u>1,328</u> | <u>72</u> |
| Social Service: | | | | | |
| Social Service Administrator | 27,119 | - | 27,119 | 27,119 | - |
| Office supplies | 1,200 | - | 1,200 | 991 | 209 |
| Mileage/travel | 500 | - | 500 | 536 | (36) |
| Meetings/memberships | 100 | - | 100 | 150 | (50) |
| General assistance | 500 | - | 500 | 500 | - |
| GA Medical | 200 | - | 200 | 200 | - |
| GA Burial | 1 | - | 1 | - | 1 |
| | <u>29,620</u> | <u>-</u> | <u>29,620</u> | <u>29,496</u> | <u>124</u> |
| Torrington Area Health | 8,679 | - | 8,679 | 8,679 | - |
| NW CT Transit | 615 | - | 615 | 615 | - |
| Senior van | 5,000 | - | 5,000 | 415 | 4,585 |
| Visiting Nurse homecare | 4,475 | - | 4,475 | 2,386 | 2,089 |
| Hepatitis B vaccine | 300 | - | 300 | 153 | 147 |
| NW Center Family Service | 500 | - | 500 | - | 500 |
| | <u>50,589</u> | <u>-</u> | <u>50,589</u> | <u>43,072</u> | <u>7,517</u> |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT

**GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017**

| | Budgeted Amounts | | | Actual | Variance With Final Budget Positive (Negative) |
|-----------------------------------|------------------|-----------|----------|----------|---|
| | Original | Transfers | Final | | |
| Public Safety | | | | | |
| CVFD physical exams | \$ 6,000 | \$ - | \$ 6,000 | \$ 5,077 | \$ 923 |
| Firehouse maintenance | 28,650 | - | 28,650 | 23,172 | 5,478 |
| Service incentive | 34,000 | - | 34,000 | 15,503 | 18,497 |
| Operations | 50,690 | - | 50,690 | 57,070 | (6,380) |
| Rescue | 25,200 | - | 25,200 | 25,348 | (148) |
| Police services | 1 | - | 1 | - | 1 |
| Fire Marshall salary | 3,000 | - | 3,000 | 3,771 | (771) |
| Fire Marshall expenses | 1,700 | - | 1,700 | 1,501 | 199 |
| 911 contract | 14,656 | - | 14,656 | 14,847 | (191) |
| Civil preparedness | 1,000 | - | 1,000 | 159 | 841 |
| | 164,897 | - | 164,897 | 146,448 | 18,449 |
| Registrars of Voters | | | | | |
| Registrars' salary expenses | 4,370 | - | 4,370 | 4,285 | 85 |
| Election workers' wages | 1,865 | - | 1,865 | 1,179 | 686 |
| Office supplies | 150 | - | 150 | 261 | (111) |
| Printing | 1 | - | 1 | - | 1 |
| Legal notices | 1 | - | 1 | - | 1 |
| Mileage/travel | 50 | - | 50 | 64 | (14) |
| Meetings/memberships | 2,300 | - | 2,300 | 2,130 | 170 |
| Contracted services | 3,450 | - | 3,450 | 1,300 | 2,150 |
| Postage | 70 | - | 70 | 96 | (26) |
| | 12,257 | - | 12,257 | 9,315 | 2,942 |
| Sanitation & Recycling | | | | | |
| Salaries/wages | 63,116 | 3,300 | 66,416 | 66,952 | (536) |
| Landfill supplies/repairs | 3,000 | - | 3,000 | 2,696 | 304 |
| MSW hauling | 17,000 | - | 17,000 | 19,786 | (2,786) |
| Site testing | 8,225 | - | 8,225 | 7,048 | 1,177 |
| Building repairs | 500 | - | 500 | - | 500 |
| CRRA contract | 20,000 | - | 20,000 | 18,628 | 1,372 |
| Bulky waste | 19,000 | - | 19,000 | 21,440 | (2,440) |
| Hazardous waste | 2,500 | - | 2,500 | 2,356 | 144 |
| Stump grinding | 1 | - | 1 | - | 1 |
| Recycling expense | 800 | - | 800 | 222 | 578 |
| Recycling box rent | 1,100 | - | 1,100 | 756 | 344 |
| Recycling hauling | 8,000 | - | 8,000 | 6,656 | 1,344 |
| | 143,242 | 3,300 | 146,542 | 146,540 | 2 |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT

**GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017**

| | Budgeted Amounts | | | Actual | Variance With Final Budget Positive (Negative) |
|--|------------------|-----------------|------------------|------------------|---|
| | Original | Transfers | Final | | |
| Tax Collector | | | | | |
| Salary | \$ 23,709 | \$ - | \$ 23,709 | \$ 23,709 | \$ - |
| Tax Collector's clerk wage | 2,575 | - | 2,575 | 2,173 | 402 |
| Office supplies | 1,084 | - | 1,084 | 285 | 799 |
| Printing | 1,234 | - | 1,234 | 67 | 1,167 |
| Legal notices | 420 | - | 420 | 449 | (29) |
| Meetings/memberships | 500 | - | 500 | 287 | 213 |
| Computer | 400 | - | 400 | - | 400 |
| Contracted services | 5,600 | - | 5,600 | 6,819 | (1,219) |
| Postage | 1,478 | - | 1,478 | 1,369 | 109 |
| | <u>37,000</u> | <u>-</u> | <u>37,000</u> | <u>35,158</u> | <u>1,842</u> |
| Town Clerk | | | | | |
| Town Clerk salary | 40,910 | - | 40,910 | 40,910 | - |
| Assistant Town Clerk wage | 2,884 | - | 2,884 | 2,640 | 244 |
| Office supplies | 550 | - | 550 | 1,163 | (613) |
| Legal notices | 950 | - | 950 | 172 | 778 |
| Meetings/memberships | 650 | - | 650 | 655 | (5) |
| Computer | 425 | - | 425 | 1,405 | (980) |
| Contracted services | 13,500 | - | 13,500 | 11,079 | 2,421 |
| Elections | 900 | - | 900 | 510 | 390 |
| Postage | 350 | - | 350 | 426 | (76) |
| | <u>61,119</u> | <u>-</u> | <u>61,119</u> | <u>58,960</u> | <u>2,159</u> |
| Town Office Administration | | | | | |
| Town office custodian | 2,752 | - | 2,752 | 3,200 | (448) |
| Town office supplies | 2,400 | 11,630 | 14,030 | 2,965 | 11,065 |
| Town office heating | 7,500 | - | 7,500 | 7,272 | 228 |
| Town office utilities | 11,000 | - | 11,000 | 17,608 | (6,608) |
| Town office contracted | 9,500 | - | 9,500 | 11,025 | (1,525) |
| Town counsel | 12,000 | - | 12,000 | 15,092 | (3,092) |
| Town building repairs | 500 | - | 500 | 99 | 401 |
| | <u>45,652</u> | <u>11,630</u> | <u>57,282</u> | <u>57,261</u> | <u>21</u> |
| Contingency | <u>30,000</u> | <u>(29,436)</u> | <u>564</u> | <u>-</u> | <u>564</u> |
| Transfers | | | | | |
| To Capital Projects Fund | - | 45,000 | 45,000 | 45,000 | - |
| | <u>-</u> | <u>45,000</u> | <u>45,000</u> | <u>45,000</u> | <u>-</u> |
| Total Board of Selectmen Budget | <u>1,861,036</u> | <u>45,000</u> | <u>1,906,036</u> | <u>1,907,960</u> | <u>(1,924)</u> |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT

**GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2017**

| | <u>Budgeted Amounts</u> | | | <u>Actual</u> | <u>Variance With Final Budget Positive (Negative)</u> |
|--|-------------------------|------------------|---------------------|---------------------|---|
| | <u>Original</u> | <u>Transfers</u> | <u>Final</u> | | |
| Board of Education | | | | | |
| Board of Education expenses | \$ 4,068,862 | \$ - | \$ 4,068,862 | \$ 4,008,934 | \$ 59,928 |
| | <u>4,068,862</u> | <u>-</u> | <u>4,068,862</u> | <u>4,008,934</u> | <u>59,928</u> |
| Capital Expenditures | | | | | |
| Capital expenditures - CCS | 40,000 | - | 40,000 | 40,000 | - |
| Capital expenditures - BOS | 562,000 | - | 562,000 | 562,000 | - |
| | <u>602,000</u> | <u>-</u> | <u>602,000</u> | <u>602,000</u> | <u>-</u> |
| Debt Service | | | | | |
| Debt bond principal | 155,000 | - | 155,000 | 155,000 | - |
| Debt bond interest | 26,175 | - | 26,175 | 26,175 | - |
| | <u>181,175</u> | <u>-</u> | <u>181,175</u> | <u>181,175</u> | <u>-</u> |
| Total expenditures and other financing uses | <u>\$ 6,713,073</u> | <u>\$ 45,000</u> | <u>\$ 6,758,073</u> | <u>\$ 6,700,069</u> | <u>\$ 58,004</u> |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2017**

| | <u>Special Revenue Funds</u> | <u>Capital Projects Fund Open Space</u> | <u>Permanent Fund Cornwall Endowment Fund</u> | <u>Total</u> |
|--|--------------------------------------|---|---|-------------------|
| <u>Assets</u> | | | | |
| Cash and cash equivalents | \$ 121,034 | \$ 16,251 | \$ 2,395 | \$ 139,680 |
| Investments | - | - | 38,511 | 38,511 |
| Due from other funds | - | - | - | - |
| Total assets | \$ 121,034 | \$ 16,251 | \$ 40,906 | \$ 178,191 |
| <u>Liabilities</u> | | | | |
| Due to State of CT | \$ 1,746 | \$ - | \$ - | \$ 1,746 |
| Due to other funds | 4,150 | - | - | 4,150 |
| Total liabilities | 5,896 | - | - | 5,896 |
| <u>Fund Balances</u> | | | | |
| Nonspendable | - | - | 34,895 | 34,895 |
| Restricted | 4,929 | 16,251 | - | 21,180 |
| Committed | 60,297 | - | - | 60,297 |
| Assigned | 49,912 | - | 6,011 | 55,923 |
| Unassigned | - | - | - | - |
| Total fund balances | 115,138 | 16,251 | 40,906 | 172,295 |
| Total liabilities and fund balances | \$ 121,034 | \$ 16,251 | \$ 40,906 | \$ 178,191 |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT

**NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2017**

| | Special Revenue Funds | Capital Projects Fund Open Space | Permanent Fund Cornwall Endowment Fund | Total |
|---|--------------------------------------|---|---|-------------------|
| Revenues | | | | |
| Investment income | \$ 143 | \$ - | \$ 4,257 | \$ 4,400 |
| Fees and charges | 3,073 | - | - | 3,073 |
| Intergovernmental revenues | 200 | - | - | 200 |
| Contributions | 44,888 | - | 10,048 | 54,936 |
| Total revenues | 48,304 | - | 14,305 | 62,609 |
| Expenditures | | | | |
| General government | 13,506 | - | 776 | 14,282 |
| Health and welfare | 15,285 | - | - | 15,285 |
| Education | - | - | - | - |
| Total expenditures | 28,791 | - | 776 | 29,567 |
| Excess of revenues over (under) expenditures | 19,513 | - | 13,529 | 33,042 |
| Other Financing Sources (Uses): | | | | |
| Transfers in (out) | - | - | - | - |
| Net change in fund balances | 19,513 | - | 13,529 | 33,042 |
| Fund balances, beginning of year | 95,625 | 16,251 | 27,377 | 139,253 |
| Fund balances, end of year | \$ 115,138 | \$ 16,251 | \$ 40,906 | \$ 172,295 |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT

**NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2017**

| | Dog Fund | Milk Fund | Food & Fuel Fund | Town Activity Fund | Total |
|--|---------------------|----------------------|---------------------------------|-----------------------------------|-------------------|
| <u>Assets</u> | | | | | |
| Cash and cash equivalents | \$ 7,616 | \$ 283 | \$ 56,008 | \$ 57,127 | \$ 121,034 |
| Investments | - | - | - | - | - |
| Due from other funds | - | - | - | - | - |
| Total assets | \$ 7,616 | \$ 283 | \$ 56,008 | \$ 57,127 | \$ 121,034 |
| <u>Liabilities</u> | | | | | |
| Due to State of CT | \$ 1,746 | \$ - | \$ - | \$ - | \$ 1,746 |
| Due to other funds | 4,120 | - | - | 30 | 4,150 |
| Total liabilities | 5,866 | - | - | 30 | 5,896 |
| <u>Fund Balances</u> | | | | | |
| Nonspendable | - | - | - | - | - |
| Restricted | - | 283 | 4,646 | - | 4,929 |
| Committed | - | - | 3,200 | 57,097 | 60,297 |
| Assigned | 1,750 | - | 48,162 | - | 49,912 |
| Unassigned | - | - | - | - | - |
| Total fund balances | 1,750 | 283 | 56,008 | 57,097 | 115,138 |
| Total liabilities and fund balances | \$ 7,616 | \$ 283 | \$ 56,008 | \$ 57,127 | \$ 121,034 |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT

**NONMAJOR GOVERNMENTAL FUNDS
SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2017**

| | Dog Fund | Milk Fund | Food & Fuel Fund | Town Activity Fund | Total |
|---|---------------------|----------------------|---------------------------------|-----------------------------------|-------------------|
| Revenues | | | | | |
| Investment income | \$ - | \$ - | \$ - | \$ 143 | \$ 143 |
| Fees and charges | 3,073 | - | - | - | 3,073 |
| Intergovernmental revenues | - | 200 | - | - | 200 |
| Contributions | - | 641 | 35,930 | 8,317 | 44,888 |
| Total revenues | 3,073 | 841 | 35,930 | 8,460 | 48,304 |
| Expenditures | | | | | |
| General government | 5,107 | 863 | - | 7,536 | 13,506 |
| Health and welfare | - | - | 15,285 | - | 15,285 |
| Education | - | - | - | - | - |
| Total expenditures | 5,107 | 863 | 15,285 | 7,536 | 28,791 |
| Excess of revenues over (under) expenditures | (2,034) | (22) | 20,645 | 924 | 19,513 |
| Other Financing Sources (Uses): | | | | | |
| Transfers in (out) | - | - | - | - | - |
| Net change in fund balances | (2,034) | (22) | 20,645 | 924 | 19,513 |
| Fund balances, beginning of year | 3,784 | 305 | 35,363 | 56,173 | 95,625 |
| Fund balances, end of year | \$ 1,750 | \$ 283 | \$ 56,008 | \$ 57,097 | \$ 115,138 |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT
FIDUCIARY FUNDS
PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2017

| | <u>Educational Trust Fund</u> | <u>Dorothy Hermann Memorial</u> | <u>Marie K. Baum Scholarship Fund</u> | <u>Hepprich Scholarship Fund</u> | <u>Total</u> |
|--|---------------------------------------|---|---|--|--------------------------|
| <u>Assets</u> | | | | | |
| Cash and cash equivalents | \$ 15,797 | \$ 180 | \$ 934 | \$ 12,851 | \$ 29,762 |
| Contributions receivable | | - | - | - | - |
| Investments | | 1,400 | 10,901 | 499,447 | 511,748 |
| Total assets | <u>\$ 15,797</u> | <u>\$ 1,580</u> | <u>\$ 11,835</u> | <u>\$ 512,298</u> | <u>\$ 541,510</u> |
| <u>Liabilities</u> | | | | | |
| Due to beneficiaries | \$ - | \$ - | \$ - | \$ - | \$ - |
| Other payables | - | - | - | - | - |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| <u>Net Position</u> | | | | | |
| Held in trust for other purposes | 15,797 | 1,580 | 11,835 | 512,298 | 541,510 |
| Total net position | <u>15,797</u> | <u>1,580</u> | <u>11,835</u> | <u>512,298</u> | <u>541,510</u> |
| Total liabilities and fund balances | <u>\$ 15,797</u> | <u>\$ 1,580</u> | <u>\$ 11,835</u> | <u>\$ 512,298</u> | <u>\$ 541,510</u> |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT
FIDUCIARY FUNDS
PRIVATE-PURPOSE TRUST FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017

| | <u>Educational Trust Fund</u> | <u>Dorothy Hermann Memorial</u> | <u>Marie K. Baum Scholarship Fund</u> | <u>Hepprich Scholarship Fund</u> | <u>Total</u> |
|--|---------------------------------------|---|---|--|-------------------|
| Additions: | | | | | |
| Investment income | \$ - | \$ 3 | \$ 286 | \$ 49,556 | \$ 49,845 |
| Contributions | 150 | - | - | 4,200 | 4,350 |
| | <u>150</u> | <u>3</u> | <u>286</u> | <u>53,756</u> | <u>54,195</u> |
| Deductions: | | | | | |
| General government | - | - | - | - | - |
| Education | 683 | - | - | 10,000 | 10,683 |
| Recreation | - | - | - | - | - |
| Other | - | - | 430 | 3,394 | 3,824 |
| | <u>683</u> | <u>-</u> | <u>430</u> | <u>13,394</u> | <u>14,507</u> |
| Change in net position | (533) | 3 | (144) | 40,362 | 39,688 |
| Net position, beginning of year | <u>16,330</u> | <u>1,577</u> | <u>11,979</u> | <u>471,936</u> | <u>501,822</u> |
| Net position, end of year | <u>\$ 15,797</u> | <u>\$ 1,580</u> | <u>\$ 11,835</u> | <u>\$ 512,298</u> | <u>\$ 541,510</u> |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT
FIDUCIARY FUNDS
PENSION TRUST FUND
STATEMENT OF FIDUCIARY NET POSITION
JUNE 30, 2017

| | <u>CVFD Incentive Program</u> |
|--|--|
| <u>Assets</u> | |
| Cash and cash equivalents | \$ 3,590 |
| Contributions receivable | 13,563 |
| Investments | <u>646,337</u> |
| Total assets | <u><u>\$ 663,490</u></u> |
| <u>Liabilities</u> | |
| Due to beneficiaries | \$ - |
| Other payables | <u>-</u> |
| Total liabilities | <u>-</u> |
| <u>Net Position</u> | |
| Held in trust for pension benefits | 663,490 |
| Held in trust for other purposes | <u>-</u> |
| Total net position | <u>663,490</u> |
| Total liabilities and fund balances | <u><u>\$ 663,490</u></u> |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT
FIDUCIARY FUNDS
PENSION TRUST FUND
STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017

| | CVFD Incentive Program |
|--|---------------------------------------|
| Additions: | |
| Investment income | \$ 2,702 |
| Unrealized gains on investments | 54,085 |
| Contributions | 13,563 |
| | 70,350 |
| Deductions: | |
| Retirement | 38,040 |
| Other | - |
| | 38,040 |
| Change in net position | 32,310 |
| Net position, beginning of year | 631,180 |
| Net position, end of year | \$ 663,490 |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT

**FIDUCIARY FUNDS
AGENCY FUND
STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 2017**

| | <u>Student Activities Fund</u> |
|--|--|
| <u>Assets</u> | |
| Beginning balance - cash | \$ 19,044 |
| Additions | 24,052 |
| Deductions | (15,328) |
| Ending balance - cash | <u>27,768</u> |
| | |
| Beginning balance - investments | 18,146 |
| Additions | - |
| Deductions | (2,484) |
| Ending balance - investments | <u>15,662</u> |
| | |
| Total assets | <u>\$ 43,430</u> |
| <u>Liabilities</u> | |
| Beginning balance - other payables | \$ - |
| Additions | - |
| Deductions | - |
| Ending balance - other payables | <u>-</u> |
| | |
| Beginning balance - due to beneficiaries | 37,190 |
| Additions | 24,052 |
| Deductions | (17,812) |
| Ending balance - due to beneficiaries | <u>43,430</u> |
| | |
| Total liabilities | <u>\$ 43,430</u> |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT
STATEMENT OF DEBT LIMITATION
CONNECTICUT GENERAL STATUTES SECTION 7.374(B)
FOR THE YEAR ENDED JUNE 30, 2017

| | | | | | |
|---|----------------------|----------------------|----------------------|--------------------------|----------------------------|
| Total tax collection including interest and lien fees - year ending June 30, 2016 | \$ 6,208,992 | | | | |
| Reimbursement for revenue loss on: Tax relief for elderly (CGS 12-129d) | <u>13,135</u> | | | | |
| Base | <u>\$ 6,222,127</u> | | | | |
| | <u>General</u> | <u>Schools</u> | <u>Sewers</u> | <u>Urban Renewal</u> | <u>Pension Deficit</u> |
| Debt Limitation: | | | | | |
| 2 1/4 times base | \$ 13,999,786 | \$ - | \$ - | \$ - | \$ - |
| 4 1/2 times base | - | 27,999,572 | - | - | - |
| 3 3/4 times base | - | - | 23,332,976 | - | - |
| 3 1/4 times base | - | - | - | 20,221,913 | - |
| 3 times base | - | - | - | - | 18,666,381 |
| Total debt limitation | <u>13,999,786</u> | <u>27,999,572</u> | <u>23,332,976</u> | <u>20,221,913</u> | <u>18,666,381</u> |
| Indebtedness: | | | | | |
| Bonds payable | 1,500,000 | 1,160,000 | - | - | - |
| Overlapping debt: Regional School District #1 | <u>-</u> | <u>294,319</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total indebtedness | <u>1,500,000</u> | <u>1,454,319</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Debt limitation in excess of outstanding and authorized debt | <u>\$ 12,499,786</u> | <u>\$ 26,545,253</u> | <u>\$ 23,332,976</u> | <u>\$ 20,221,913</u> | <u>\$ 18,666,381</u> |

Note: In no case shall total indebtedness exceed seven times annual receipts from taxation.

TOWN OF CORNWALL, CONNECTICUT

**REPORT OF THE TAX COLLECTOR
JULY 1, 2016 TO JUNE 30, 2017**

| Grand List October 1, | Outstanding 6/30/2016 | Current Levy | Lawful Corrections | | Collectible Taxes | Receipt of Taxes | Interest and Liens | Total Receipts | Transfers to Suspense | Outstanding 6/30/2017 |
|--------------------------|--------------------------|---------------------|--------------------|-----------------|----------------------|---------------------|-----------------------|---------------------|--------------------------|--------------------------|
| | | | Additions | Deductions | | | | | | |
| 2015 | \$ - | \$ 6,193,803 | \$ 5,132 | \$ 4,623 | \$ 6,194,312 | \$ 6,084,326 | \$ 24,105 | \$ 6,108,431 | \$ 2,409 | \$ 107,577 |
| 2014 | 130,518 | - | - | 237 | 130,281 | 54,460 | 10,616 | 65,076 | 498 | 75,323 |
| 2013 | 90,873 | - | - | - | 90,873 | 33,089 | 14,387 | 47,476 | - | 57,784 |
| 2012 | 66,825 | - | - | - | 66,825 | 33,325 | 20,621 | 53,946 | 2,170 | 31,330 |
| 2011 | 22,115 | - | - | - | 22,115 | 15,213 | 10,158 | 25,371 | - | 6,902 |
| 2010 | 23,460 | - | - | - | 23,460 | 15,247 | 10,578 | 25,825 | - | 8,213 |
| 2009 | 20,324 | - | - | - | 20,324 | 11,168 | 7,795 | 18,963 | - | 9,156 |
| 2008 | 10,221 | - | - | - | 10,221 | 26 | 24 | 50 | - | 10,195 |
| 2007 | 8,637 | - | - | - | 8,637 | - | - | - | - | 8,637 |
| 2006 | 9,899 | - | - | - | 9,899 | 35 | 109 | 144 | - | 9,864 |
| 2005 | 6,495 | - | - | - | 6,495 | - | - | - | - | 6,495 |
| 2004 | 6,298 | - | - | - | 6,298 | 72 | 153 | 225 | - | 6,226 |
| 2003 | 5,536 | - | - | 4 | 5,532 | 82 | 189 | 271 | - | 5,450 |
| 2002 | 6,033 | - | - | - | 6,033 | 89 | 216 | 305 | - | 5,944 |
| 2001 | 6,427 | - | - | - | 6,427 | - | - | - | - | 6,427 |
| Total | \$ 413,661 | \$ 6,193,803 | \$ 5,132 | \$ 4,864 | \$ 6,607,732 | \$ 6,247,132 | \$ 98,951 | \$ 6,346,083 | \$ 5,077 | \$ 355,523 |

See accompanying Independent Auditors' Report.

TOWN OF CORNWALL, CONNECTICUT
TOP 10 TAXPAYERS
BASED ON 10/1/15 NET TAXABLE GRAND LIST
FOR THE YEAR ENDED JUNE 30, 2017

| <u>Name</u> | <u>Valuation</u> |
|--------------------------------|------------------|
| C&D Farms LLC | \$ 9,377,300 |
| Lendl, Ivan & Samantha Trustee | 7,700,000 |
| Connecticut Light & Power | 5,866,960 |
| FCCP LLC | 5,762,500 |
| Walzer, Roy S. | 3,022,200 |
| Push 'Em Up Farm LLC | 2,990,800 |
| 56 Whitcomb LLC | 2,552,500 |
| Trinity Episcopal Center | 2,269,900 |
| 40 Cobble Hill Road LLC | 1,994,000 |
| Mohawk Mountain Ski Area, Inc. | 1,843,330 |

Source: Assessor's Office, Town of Cornwall, Connecticut

See accompanying Independent Auditors' Report.

Appendix D - USDA Natural Resources Conservation Service

- **Soils Map**
- **Sewage Disposal Report**



Soil Map may not be valid at this scale.

Map Scale: 1:2,920 if printed on B portrait (11" x 17") sheet.



MAP LEGEND

Area of Interest (AOI)

 Area of Interest (AOI)

Soils

 Soil Map Unit Polygons

 Soil Map Unit Lines

 Soil Map Unit Points

Special Point Features



Blowout



Borrow Pit



Clay Spot



Closed Depression



Gravel Pit



Gravelly Spot



Landfill



Lava Flow



Marsh or swamp



Mine or Quarry



Miscellaneous Water



Perennial Water



Rock Outcrop



Saline Spot



Sandy Spot



Severely Eroded Spot



Sinkhole



Slide or Slip



Sodic Spot



Spoil Area



Stony Spot



Very Stony Spot



Wet Spot



Other



Special Line Features

Water Features



Streams and Canals

Transportation



Rails



Interstate Highways



US Routes



Major Roads



Local Roads

Background



Aerial Photography

MAP INFORMATION

The soil surveys that comprise your AOI were mapped at 1:12,000.

Warning: Soil Map may not be valid at this scale.

Enlargement of maps beyond the scale of mapping can cause misunderstanding of the detail of mapping and accuracy of soil line placement. The maps do not show the small areas of contrasting soils that could have been shown at a more detailed scale.

Please rely on the bar scale on each map sheet for map measurements.

Source of Map: Natural Resources Conservation Service
 Web Soil Survey URL:
 Coordinate System: Web Mercator (EPSG:3857)

Maps from the Web Soil Survey are based on the Web Mercator projection, which preserves direction and shape but distorts distance and area. A projection that preserves area, such as the Albers equal-area conic projection, should be used if more accurate calculations of distance or area are required.

This product is generated from the USDA-NRCS certified data as of the version date(s) listed below.

Soil Survey Area: State of Connecticut
 Survey Area Data: Version 15, Sep 28, 2016

Soil map units are labeled (as space allows) for map scales 1:50,000 or larger.

Date(s) aerial images were photographed: Jul 2, 2015—Oct 5, 2016

The orthophoto or other base map on which the soil lines were compiled and digitized probably differs from the background imagery displayed on these maps. As a result, some minor shifting of map unit boundaries may be evident.

Map Unit Legend

| State of Connecticut (CT600) | | | |
|------------------------------------|---|--------------|----------------|
| Map Unit Symbol | Map Unit Name | Acres in AOI | Percent of AOI |
| 3 | Ridgebury, Leicester, and Whitman soils, 0 to 8 percent slopes, extremely stony | 1.2 | 2.5% |
| 32A | Haven and Enfield soils, 0 to 3 percent slopes | 8.2 | 17.4% |
| 32B | Haven and Enfield soils, 3 to 8 percent slopes | 6.2 | 13.1% |
| 34B | Merrimac fine sandy loam, 3 to 8 percent slopes | 8.1 | 17.3% |
| 34C | Merrimac fine sandy loam, 8 to 15 percent slopes | 0.2 | 0.4% |
| 38C | Hinckley loamy sand, 3 to 15 percent slopes | 0.1 | 0.2% |
| 38E | Hinckley loamy sand, 15 to 45 percent slopes | 11.8 | 25.0% |
| 62D | Canton and Charlton fine sandy loams, 15 to 35 percent slopes, extremely stony | 0.1 | 0.3% |
| 86D | Paxton and Montauk fine sandy loams, 15 to 35 percent slopes, extremely stony | 2.1 | 4.5% |
| 306 | Udorthents-Urban land complex | 5.4 | 11.6% |
| 308 | Udorthents, smoothed | 2.8 | 5.9% |
| W | Water | 0.8 | 1.8% |
| Totals for Area of Interest | | 47.0 | 100.0% |

Sewage Disposal

This table shows the degree and kind of soil limitations that affect septic tank absorption fields and sewage lagoons. The ratings are both verbal and numerical. Rating class terms indicate the extent to which the soils are limited by all of the soil features that affect these uses. *Not limited* indicates that the soil has features that are very favorable for the specified use. Good performance and very low maintenance can be expected. *Somewhat limited* indicates that the soil has features that are moderately favorable for the specified use. The limitations can be overcome or minimized by special planning, design, or installation. Fair performance and moderate maintenance can be expected. *Very limited* indicates that the soil has one or more features that are unfavorable for the specified use. The limitations generally cannot be overcome without major soil reclamation, special design, or expensive installation procedures. Poor performance and high maintenance can be expected.

Numerical ratings in the table indicate the severity of individual limitations. The ratings are shown as decimal fractions ranging from 0.01 to 1.00. They indicate gradations between the point at which a soil feature has the greatest negative impact on the use (1.00) and the point at which the soil feature is not a limitation (0.00).

Septic tank absorption fields are areas in which effluent from a septic tank is distributed into the soil through subsurface tiles or perforated pipe. Only that part of the soil between depths of 24 and 72 inches or between a depth of 24 inches and a restrictive layer is evaluated. The ratings are based on the soil properties that affect absorption of the effluent, construction and maintenance of the system, and public health. Saturated hydraulic conductivity (Ksat), depth to a water table, ponding, depth to bedrock or a cemented pan, and flooding affect absorption of the effluent. Stones and boulders, ice, and bedrock or a cemented pan interfere with installation. Subsidence interferes with installation and maintenance. Excessive slope may cause lateral seepage and surfacing of the effluent in downslope areas.

Some soils are underlain by loose sand and gravel or fractured bedrock at a depth of less than 4 feet below the distribution lines. In these soils the absorption field may not adequately filter the effluent, particularly when the system is new. As a result, the ground water may become contaminated.

Sewage lagoons are shallow ponds constructed to hold sewage while aerobic bacteria decompose the solid and liquid wastes. Lagoons should have a nearly level floor surrounded by cut slopes or embankments of compacted soil. Nearly impervious soil material for the lagoon floor and sides is required to minimize seepage and contamination of ground water. Considered in the ratings are slope, saturated hydraulic conductivity (Ksat), depth to a water table, ponding, depth to bedrock or a cemented pan, flooding, large stones, and content of organic matter.

Saturated hydraulic conductivity (Ksat) is a critical property affecting the suitability for sewage lagoons. Most porous soils eventually become sealed when they are used as sites for sewage lagoons. Until sealing occurs, however, the hazard of pollution is severe. Soils that have a Ksat rate of more than 14 micrometers per second are too porous for the proper functioning of sewage lagoons. In these soils, seepage of the effluent can result in contamination of the ground water. Ground-water contamination is also a hazard if fractured bedrock is within a depth of 40 inches, if the water table is high enough to raise the level of sewage in the lagoon, or if floodwater overtops the lagoon.

A high content of organic matter is detrimental to proper functioning of the lagoon because it inhibits aerobic activity. Slope, bedrock, and cemented pans can cause construction problems, and large stones can hinder compaction of the lagoon floor. If the lagoon is to be uniformly deep throughout, the slope must be gentle enough and the soil material must be thick enough over bedrock or a cemented pan to make land smoothing practical.

Information in this table is intended for land use planning, for evaluating land use alternatives, and for planning site investigations prior to design and construction. The information, however, has limitations. For example, estimates and other data generally apply only to that part of the soil between the surface and a depth of 5 to 7 feet. Because of the map scale, small areas of different soils may be included within the mapped areas of a specific soil.

The information is not site specific and does not eliminate the need for onsite investigation of the soils or for testing and analysis by personnel experienced in the design and construction of engineering works.

Government ordinances and regulations that restrict certain land uses or impose specific design criteria were not considered in preparing the information in this table. Local ordinances and regulations should be considered in planning, in site selection, and in design.

Report—Sewage Disposal

[Onsite investigation may be needed to validate the interpretations in this table and to confirm the identity of the soil on a given site. The numbers in the value columns range from 0.01 to 1.00. The larger the value, the greater the potential limitation. The table shows only the top five limitations for any given soil. The soil may have additional limitations]

| Sewage Disposal--State of Connecticut | | | | | |
|---|------------------|------------------------------------|-------|------------------------------------|-------|
| Map symbol and soil name | Pct. of map unit | Septic tank absorption fields | | Sewage lagoons | |
| | | Rating class and limiting features | Value | Rating class and limiting features | Value |
| 3—Ridgebury, Leicester, and Whitman soils, 0 to 8 percent slopes, extremely stony | | | | | |
| Ridgebury, extremely stony | 40 | Very limited | | Very limited | |
| | | Depth to saturated zone | 1.00 | Depth to saturated zone | 1.00 |
| | | Slow water movement | 1.00 | Seepage | 0.68 |
| Leicester, extremely stony | 35 | Very limited | | Very limited | |
| | | Depth to saturated zone | 1.00 | Depth to saturated zone | 1.00 |
| | | Slow water movement | 0.32 | Seepage | 0.68 |
| Whitman, extremely stony | 17 | Very limited | | Very limited | |
| | | Ponding | 1.00 | Ponding | 1.00 |
| | | Depth to saturated zone | 1.00 | Organic matter content | 1.00 |
| | | Slow water movement | 1.00 | Depth to saturated zone | 1.00 |
| | | | | Seepage | 0.68 |
| 32A—Haven and Enfield soils, 0 to 3 percent slopes | | | | | |
| Haven | 60 | Very limited | | Very limited | |
| | | Seepage, bottom layer | 1.00 | Seepage | 1.00 |
| | | Slow water movement | 0.50 | | |
| Enfield | 25 | Very limited | | Very limited | |
| | | Seepage, bottom layer | 1.00 | Seepage | 1.00 |
| | | Slow water movement | 0.50 | | |
| 32B—Haven and Enfield soils, 3 to 8 percent slopes | | | | | |
| Haven | 60 | Very limited | | Very limited | |
| | | Seepage, bottom layer | 1.00 | Seepage | 1.00 |
| | | Slow water movement | 0.50 | Slope | 0.92 |
| Enfield | 25 | Very limited | | Very limited | |
| | | Seepage, bottom layer | 1.00 | Seepage | 1.00 |
| | | Slow water movement | 0.50 | Slope | 0.92 |
| 34B—Merrimac fine sandy loam, 3 to 8 percent slopes | | | | | |
| Merrimac | 85 | Very limited | | Very limited | |
| | | Filtering capacity | 1.00 | Seepage | 1.00 |
| | | Seepage, bottom layer | 1.00 | Slope | 0.68 |

| Sewage Disposal--State of Connecticut | | | | | |
|---|------------------|------------------------------------|-------|------------------------------------|-------|
| Map symbol and soil name | Pct. of map unit | Septic tank absorption fields | | Sewage lagoons | |
| | | Rating class and limiting features | Value | Rating class and limiting features | Value |
| 34C--Merrimac fine sandy loam, 8 to 15 percent slopes | | | | | |
| Merrimac | 85 | Very limited | | Very limited | |
| | | Filtering capacity | 1.00 | Slope | 1.00 |
| | | Seepage, bottom layer | 1.00 | Seepage | 1.00 |
| | | Slope | 0.16 | | |
| 38C--Hinckley loamy sand, 3 to 15 percent slopes | | | | | |
| Hinckley | 85 | Very limited | | Very limited | |
| | | Filtering capacity | 1.00 | Seepage | 1.00 |
| | | Seepage, bottom layer | 1.00 | Slope | 1.00 |
| | | Slope | 0.63 | | |
| 38E--Hinckley loamy sand, 15 to 45 percent slopes | | | | | |
| Hinckley | 85 | Very limited | | Very limited | |
| | | Slope | 1.00 | Slope | 1.00 |
| | | Filtering capacity | 1.00 | Seepage | 1.00 |
| | | Seepage, bottom layer | 1.00 | | |
| 62D--Canton and Charlton fine sandy loams, 15 to 35 percent slopes, extremely stony | | | | | |
| Canton, extremely stony | 55 | Very limited | | Very limited | |
| | | Slope | 1.00 | Slope | 1.00 |
| | | Filtering capacity | 1.00 | Seepage | 1.00 |
| | | Seepage, bottom layer | 1.00 | | |
| Charlton, extremely stony | 30 | Very limited | | Very limited | |
| | | Slope | 1.00 | Slope | 1.00 |
| | | Slow water movement | 0.32 | Seepage | 0.68 |

| Sewage Disposal--State of Connecticut | | | | | |
|---|------------------|------------------------------------|-------|------------------------------------|-------|
| Map symbol and soil name | Pct. of map unit | Septic tank absorption fields | | Sewage lagoons | |
| | | Rating class and limiting features | Value | Rating class and limiting features | Value |
| 86D—Paxton and Montauk fine sandy loams, 15 to 35 percent slopes, extremely stony | | | | | |
| Paxton, extremely stony | 55 | Very limited | | Very limited | |
| | | Depth to saturated zone | 1.00 | Slope | 1.00 |
| | | Slow water movement | 1.00 | Seepage | 0.68 |
| | | Slope | 1.00 | Depth to saturated zone | 0.56 |
| Montauk, extremely stony | 30 | Very limited | | Very limited | |
| | | Depth to saturated zone | 1.00 | Slope | 1.00 |
| | | Slope | 1.00 | Seepage | 0.68 |
| | | Slow water movement | 1.00 | Depth to saturated zone | 0.06 |
| 306—Udorthents-Urban land complex | | | | | |
| Udorthents | 50 | Very limited | | Very limited | |
| | | Slope | 1.00 | Slope | 1.00 |
| | | Seepage, bottom layer | 1.00 | Seepage | 1.00 |
| | | Depth to saturated zone | 0.50 | | |
| Urban land | 35 | Not rated | | Not rated | |
| 308—Udorthents, smoothed | | | | | |
| Udorthents | 80 | Very limited | | Very limited | |
| | | Depth to saturated zone | 1.00 | Depth to saturated zone | 1.00 |
| | | Slope | 1.00 | Slope | 1.00 |
| | | Seepage, bottom layer | 1.00 | Seepage | 1.00 |
| W—Water | | | | | |
| Water | 100 | Not rated | | Not rated | |

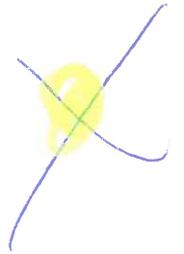
Data Source Information

Soil Survey Area: State of Connecticut
 Survey Area Data: Version 15, Sep 28, 2016

Appendix E – Existing Condition Information

- **Torrington Health District Files**
- **Water Quality Sampling Results**
- **Monitoring Well Sampling Results**

WEST CORNWALL SEWERS



ADDRESS: 3 RAILROAD ST.

OF BEDROOMS _____

RECORDS OF SEPTIC SYSTEM: YES ___ NO ___

AGE OF SEPTIC SYSTEM: > 30 YRS

CODE COMPLIANT: YES ___ NO

RECORDS OF COMPLAINTS: YES NO ___

RESERVE AREA AVAILABLE: YES ___ NO

WELL WATER: YES NO ___

TYPE OF WELL: DRILLED ___ DUG ___?

DISTANCE TO NEAREST SEPTIC SYSTEM < 75'

NOTES: CANNOT DETERMINE WHICH PARCEL THIS IS ON THE MAP. SEPTIC SYSTEM IS SUBSTANDARD.

WEST CORNWALL SEWERS



ADDRESS: 7 RAILROAD ANNEX

OF BEDROOMS 0

RECORDS OF SEPTIC SYSTEM: YES ___ NO ___

AGE OF SEPTIC SYSTEM: _____

CODE COMPLIANT: YES ___ NO ___

RECORDS OF COMPLAINTS: YES ___ NO ___

RESERVE AREA AVAILABLE: YES ___ NO ___

WELL WATER: YES ___ NO ___

TYPE OF WELL: DRILLED ___ DUG ___

DISTANCE TO NEAREST SEPTIC SYSTEM _____

NOTES. NO RECORDS
NO PLUMBING

WEST CORNWALL SEWERS

ADDRESS: 2 River Road
OF BEDROOMS ?
RECORDS OF SEPTIC SYSTEM: YES ___ NO
AGE OF SEPTIC SYSTEM: ?
CODE COMPLIANT: ? YES ___ NO ___
RECORDS OF COMPLAINTS: YES ___ NO
RESERVE AREA AVAILABLE: ? YES ___ NO ___
WELL WATER: YES NO ___
TYPE OF WELL: ? DRILLED ___ DUG ___
DISTANCE TO NEAREST SEPTIC SYSTEM ?

NOTES: NO Records of property / septic on file.

WEST CORNWALL SEWERS

ADDRESS: 7 River Road

OF BEDROOMS ?

RECORDS OF SEPTIC SYSTEM: YES ___ NO ✓

AGE OF SEPTIC SYSTEM: ?

CODE COMPLIANT: Ⓟ YES ___ NO ✓

RECORDS OF COMPLAINTS: YES ___ NO ✓

RESERVE AREA AVAILABLE: ? YES ___ NO ___

WELL WATER: YES ✓ NO ___

TYPE OF WELL: DRILLED ? DUG ___

DISTANCE TO NEAREST SEPTIC SYSTEM ?

NOTES: NO septic Records on file

WEST CORNWALL SEWERS



ADDRESS: 8 River Road

OF BEDROOMS ?

RECORDS OF SEPTIC SYSTEM: YES NO ✓

AGE OF SEPTIC SYSTEM: ?

CODE COMPLIANT: ? YES NO

RECORDS OF COMPLAINTS: YES NO ✓

RESERVE AREA AVAILABLE: ? YES NO

WELL WATER: YES ✓ NO

TYPE OF WELL: ? DRILLED DUG

DISTANCE TO NEAREST SEPTIC SYSTEM ?

NOTES:

NO RECORDS OF PROPERTY / SEPTIC SYSTEM.

WEST CORNWALL SEWERS

ADDRESS: 9 river Road

OF BEDROOMS _____

RECORDS OF SEPTIC SYSTEM: YES _____ NO

AGE OF SEPTIC SYSTEM: _____

CODE COMPLIANT: YES _____ NO _____

RECORDS OF COMPLAINTS: YES _____ NO _____

RESERVE AREA AVAILABLE: YES _____ NO _____

WELL WATER: YES _____ NO _____

TYPE OF WELL: DRILLED _____ DUG _____

DISTANCE TO NEAREST SEPTIC SYSTEM _____

NOTES: NO Records on file
NO address found in records

WEST CORNWALL SEWERS

ADDRESS: 10 RIVER ROAD

OF BEDROOMS 6

RECORDS OF SEPTIC SYSTEM: YES NO

AGE OF SEPTIC SYSTEM: 19

CODE COMPLIANT: YES NO

RECORDS OF COMPLAINTS: YES NO

RESERVE AREA AVAILABLE: ? YES NO

WELL WATER: YES NO

TYPE OF WELL: ? DRILLED DUG

DISTANCE TO NEAREST SEPTIC SYSTEM 75'

NOTES:

* PERMIT TO DISCHARGE FOR REPAIR ON FILE,
UNDER 10 RIVER RD SOUTH.

* SEPTIC PLAN ON FILE - NO RESERVE AREA.

WEST CORNWALL SEWERS

ADDRESS: 14 River Road

OF BEDROOMS 3

RECORDS OF SEPTIC SYSTEM: YES NO

AGE OF SEPTIC SYSTEM: 35

CODE COMPLIANT: ? YES NO

RECORDS OF COMPLAINTS: YES NO

RESERVE AREA AVAILABLE: YES NO

WELL WATER: YES NO

TYPE OF WELL: DRILLED DUG

DISTANCE TO NEAREST SEPTIC SYSTEM 75'

NOTES:

As Built and Permit to construct Available
no Reserve Area shown.

WEST CORNWALL SEWERS

ADDRESS: 15 River Road

OF BEDROOMS 2

RECORDS OF SEPTIC SYSTEM: YES NO

AGE OF SEPTIC SYSTEM: 27

CODE COMPLIANT: YES NO

RECORDS OF COMPLAINTS: YES NO

RESERVE AREA AVAILABLE: YES NO

WELL WATER: YES NO

TYPE OF WELL: DRILLED DUG

DISTANCE TO NEAREST SEPTIC SYSTEM ?

NOTES:

WEST CORNWALL SEWERS

ADDRESS: 17 RIVER Road
OF BEDROOMS ? 2-story wood frame.

RECORDS OF SEPTIC SYSTEM: YES ___ NO

AGE OF SEPTIC SYSTEM: 34

CODE COMPLIANT: ? YES ___ NO ___

RECORDS OF COMPLAINTS: YES ___ NO

RESERVE AREA AVAILABLE: ? YES ___ NO ___

WELL WATER: YES NO ___

TYPE OF WELL: ? DRILLED ___ DUG ___

DISTANCE TO NEAREST SEPTIC SYSTEM ?

NOTES: * As Built - no record of plan or location of reserve/well.
* unknown separation dist.

WEST CORNWALL SEWERS

ADDRESS: 18 River Road

OF BEDROOMS ?

RECORDS OF SEPTIC SYSTEM: YES NO ✓

AGE OF SEPTIC SYSTEM: ?

CODE COMPLIANT: ? YES NO ✓

RECORDS OF COMPLAINTS: YES NO ✓

RESERVE AREA AVAILABLE: ? YES NO

WELL WATER: YES ✓ NO

TYPE OF WELL: ? DRILLED DUG

DISTANCE TO NEAREST SEPTIC SYSTEM ?

NOTES: NO RECORD OF PROPERTY / SYSTEM
ON FILE.

WEST CORNWALL SEWERS

ADDRESS: 22 River Road

OF BEDROOMS 2

RECORDS OF SEPTIC SYSTEM: YES ___ NO

AGE OF SEPTIC SYSTEM: ?

CODE COMPLIANT: YES ___ NO ___

RECORDS OF COMPLAINTS: YES ___ NO ___

RESERVE AREA AVAILABLE: YES ___ NO ___

WELL WATER: YES ___ NO ___

TYPE OF WELL: DRILLED ___ DUG ___

DISTANCE TO NEAREST SEPTIC SYSTEM _____

NOTES:

* Building addition available

* no record of septic system

WEST CORNWALL SEWERS

ADDRESS: 26 River Road

OF BEDROOMS _____

RECORDS OF SEPTIC SYSTEM: YES _____ NO

AGE OF SEPTIC SYSTEM: _____

CODE COMPLIANT: YES _____ NO _____

RECORDS OF COMPLAINTS: YES _____ NO _____

RESERVE AREA AVAILABLE: YES _____ NO _____

WELL WATER: YES _____ NO _____

TYPE OF WELL: DRILLED _____ DUG _____

DISTANCE TO NEAREST SEPTIC SYSTEM _____

NOTES: NO septic Records on file.

WEST CORNWALL SEWERS

ADDRESS: 28 River Road

OF BEDROOMS _____

RECORDS OF SEPTIC SYSTEM: YES _____ NO

AGE OF SEPTIC SYSTEM: _____

CODE COMPLIANT: YES _____ NO _____

RECORDS OF COMPLAINTS: YES _____ NO _____

RESERVE AREA AVAILABLE: YES _____ NO _____

WELL WATER: YES _____ NO _____

TYPE OF WELL: DRILLED _____ DUG _____

DISTANCE TO NEAREST SEPTIC SYSTEM _____

NOTES:

NO RECORD of septic system on file.

WEST CORNWALL SEWERS

ADDRESS: 30 River Road

OF BEDROOMS ~~3~~ 3

RECORDS OF SEPTIC SYSTEM: YES NO

AGE OF SEPTIC SYSTEM: 18

CODE COMPLIANT: YES NO

RECORDS OF COMPLAINTS: YES NO

RESERVE AREA AVAILABLE: YES NO

WELL WATER: YES NO

TYPE OF WELL: ? DRILLED DUG

DISTANCE TO NEAREST SEPTIC SYSTEM >75

NOTES:

* The septic system installed in 1997 is now substandard noted on permit to discharge

* ~~repair~~ remodel of existing (3) bedroom creation of 4 bedroom potential.

WEST CORNWALL SEWERS

ADDRESS: 32 River Road

OF BEDROOMS _____

RECORDS OF SEPTIC SYSTEM: YES ___ NO

AGE OF SEPTIC SYSTEM: _____

CODE COMPLIANT: YES ___ NO ___

RECORDS OF COMPLAINTS: YES ___ NO ___

RESERVE AREA AVAILABLE: YES ___ NO ___

WELL WATER: YES ___ NO ___

TYPE OF WELL: DRILLED ___ DUG ___

DISTANCE TO NEAREST SEPTIC SYSTEM _____

NOTES:

* no record of property or
septic on file.

WEST CORNWALL SEWERS

ADDRESS: 1 TARADIDDLE LANE

OF BEDROOMS 4

RECORDS OF SEPTIC SYSTEM: YES NO

AGE OF SEPTIC SYSTEM: 12 YRS.

CODE COMPLIANT: YES NO

RECORDS OF COMPLAINTS: YES NO

RESERVE AREA AVAILABLE: YES NO 100% COMPLIANT

WELL WATER: YES NO

TYPE OF WELL: DRILLED DUG

DISTANCE TO NEAREST SEPTIC SYSTEM 75'

NOTES:

WEST CORNWALL SEWERS

ADDRESS: 7 TARRADIDDLE LANE

OF BEDROOMS ?

RECORDS OF SEPTIC SYSTEM: YES ___ NO

AGE OF SEPTIC SYSTEM: ?

CODE COMPLIANT: YES ___ NO

RECORDS OF COMPLAINTS: YES ___ NO

RESERVE AREA AVAILABLE: YES ? NO ___

WELL WATER: YES NO ___

TYPE OF WELL: DRILLED DUG ___

DISTANCE TO NEAREST SEPTIC SYSTEM 75' ?

NOTES:

NO RECORDS OF SEPTIC SYSTEM

WEST CORNWALL SEWERS

ADDRESS: 402 SHARON GOSTEN TPK.

OF BEDROOMS ?

RECORDS OF SEPTIC SYSTEM: YES NO ✓

AGE OF SEPTIC SYSTEM:

CODE COMPLIANT: YES NO ✓

RECORDS OF COMPLAINTS: YES ✓ NO

RESERVE AREA AVAILABLE: YES NO ✓

WELL WATER: YES ✓ NO

TYPE OF WELL: ? DRILLED DUG IN BASEMENT

DISTANCE TO NEAREST SEPTIC SYSTEM < 75'

NOTES: - FAILING CESS POOL ABANDONED 2005,
WHICH SERVED 1 BATHROOM
- BATHROOM CONNECTED TO SYSTEM SERVING
REMAINDER OF HOUSE - ? 1250 TANK &
MINIMAL LEACH FIELDS.

WEST CORNWALL SEWERS

ADDRESS: 404 SHARON GOSHEN TPK.

OF BEDROOMS 2

RECORDS OF SEPTIC SYSTEM: YES NO

AGE OF SEPTIC SYSTEM: 31 yrs.

CODE COMPLIANT: YES NO

RECORDS OF COMPLAINTS: YES NO

RESERVE AREA AVAILABLE: YES NO

WELL WATER: YES NO

TYPE OF WELL: DRILLED DUG

DISTANCE TO NEAREST SEPTIC SYSTEM < 75'

NOTES:

WEST CORNWALL SEWERS

ADDRESS: 406 SHARON GOSHEN TPK
OF BEDROOMS ~~1000~~ 300 GPD - FOOD SERVICE
RECORDS OF SEPTIC SYSTEM: YES NO
AGE OF SEPTIC SYSTEM: 19 YRS
CODE COMPLIANT: YES NO
RECORDS OF COMPLAINTS: YES NO
RESERVE AREA AVAILABLE: YES NO
WELL WATER: YES NO
TYPE OF WELL: DRILLED DUG
DISTANCE TO NEAREST SEPTIC SYSTEM < 75'

NOTES:

WEST CORNWALL SEWERS

ADDRESS: 407 SHARON GOSHEN TPK.

OF BEDROOMS ?

RECORDS OF SEPTIC SYSTEM: YES NO

AGE OF SEPTIC SYSTEM:

CODE COMPLIANT: YES NO

RECORDS OF COMPLAINTS: YES NO

RESERVE AREA AVAILABLE: YES NO

WELL WATER: YES NO

TYPE OF WELL: DRILLED DUG

DISTANCE TO NEAREST SEPTIC SYSTEM

NOTES: NO RECORDS.

WEST CORNWALL SEWERS

ADDRESS: 408 SHARON GASTON TPK.

OF BEDROOMS NON-RESIDENTIAL

RECORDS OF SEPTIC SYSTEM: YES NO SMALL DRY-WELL

AGE OF SEPTIC SYSTEM: 42 YRS.

CODE COMPLIANT: YES NO

RECORDS OF COMPLAINTS: YES NO

RESERVE AREA AVAILABLE: YES NO

WELL WATER: YES NO

TYPE OF WELL: DRILLED ? DUG

DISTANCE TO NEAREST SEPTIC SYSTEM < 75'

NOTES: SEPTIC SYSTEM LOCATED ON
410 SHARON GASTON.

- U.V. LIGHT ON WATER SUPPLY (LETTER DATED 2/5/93)

WEST CORNWALL SEWERS

ADDRESS: 410 SHARON GOSHEN Tpk.

OF BEDROOMS 7

RECORDS OF SEPTIC SYSTEM: YES NO

AGE OF SEPTIC SYSTEM: 21 YRS.

CODE COMPLIANT: YES NO

RECORDS OF COMPLAINTS: YES NO

RESERVE AREA AVAILABLE: YES NO

WELL WATER: YES NO

TYPE OF WELL: DRILLED DUG

DISTANCE TO NEAREST SEPTIC SYSTEM ?

NOTES: SEPTIC SYSTEM FOR #408 ON THIS PROPERTY

WEST CORNWALL SEWERS

ADDRESS: 413 SHARON TAKE
OF BEDROOMS RESIDENTIAL + RETAIL
RECORDS OF SEPTIC SYSTEM: YES NO
AGE OF SEPTIC SYSTEM: 33 YRS
CODE COMPLIANT: YES ? NO ?
RECORDS OF COMPLAINTS: YES NO
RESERVE AREA AVAILABLE: YES NO
WELL WATER: YES NO
TYPE OF WELL: DRILLED DUG
DISTANCE TO NEAREST SEPTIC SYSTEM 75'

NOTES:

WEST CORNWALL SEWERS

ADDRESS: 415 SHARON GOSHEN TPK.

OF BEDROOMS RETAIL

RECORDS OF SEPTIC SYSTEM: YES + NO

AGE OF SEPTIC SYSTEM: TANK - 19 YRS, LEACH FIELD - UNKNOWN

CODE COMPLIANT: YES NO

RECORDS OF COMPLAINTS: YES NO

RESERVE AREA AVAILABLE: YES NO

WELL WATER: YES NO

TYPE OF WELL: DRILLED DUG (IN BASEMENT)

DISTANCE TO NEAREST SEPTIC SYSTEM _____

NOTES: LEACH FIELD IS ON NEIGHBOR'S PROPERTY.

WEST CORNWALL SEWERS

ADDRESS: 416 Sharon Goshen Trk.

OF BEDROOMS 3

RECORDS OF SEPTIC SYSTEM: YES NO

AGE OF SEPTIC SYSTEM: 42 yrs

CODE COMPLIANT: YES NO

RECORDS OF COMPLAINTS: YES NO

RESERVE AREA AVAILABLE: YES NO (NOT CODE COMPLIANT)

WELL WATER: YES NO

TYPE OF WELL: DRILLED DUG SHARED

DISTANCE TO NEAREST SEPTIC SYSTEM < 75'

NOTES: Brook is located 25' from septic system

WEST CORNWALL SEWERS

ADDRESS: 417 SHARON GOSHEN TPK

OF BEDROOMS 7

RECORDS OF SEPTIC SYSTEM: YES ___ NO ___

AGE OF SEPTIC SYSTEM: ___

CODE COMPLIANT: YES ___ NO ___

RECORDS OF COMPLAINTS: YES ___ NO ___

RESERVE AREA AVAILABLE: YES ___ NO ___

WELL WATER: YES ___ NO ___

TYPE OF WELL: DRILLED ___ DUG ___

DISTANCE TO NEAREST SEPTIC SYSTEM ___

NOTES: NO RECORDS

WEST CORNWALL SEWERS

ADDRESS: 418 SHARON GOSHEN TPK.

OF BEDROOMS 7

RECORDS OF SEPTIC SYSTEM: YES ___ NO ___

AGE OF SEPTIC SYSTEM: ___

CODE COMPLIANT: YES ___ NO ___

RECORDS OF COMPLAINTS: YES ___ NO ___

RESERVE AREA AVAILABLE: YES ___ NO ___

WELL WATER: YES ___ NO ___

TYPE OF WELL: DRILLED ___ DUG ___

DISTANCE TO NEAREST SEPTIC SYSTEM ___

NOTES: NO RECORDS

WEST CORNWALL SEWERS

ADDRESS: 419 SHARON GOSNOLD Tpk.

OF BEDROOMS _____

RECORDS OF SEPTIC SYSTEM: YES ___ NO

AGE OF SEPTIC SYSTEM: ?

CODE COMPLIANT: YES ___ NO

RECORDS OF COMPLAINTS: YES ___ NO

RESERVE AREA AVAILABLE: YES ___ NO ___

WELL WATER: YES ___ NO ___

TYPE OF WELL: DRILLED ___ DUG ___

DISTANCE TO NEAREST SEPTIC SYSTEM ?

NOTES: NO RECORDS.

WEST CORNWALL SEWERS

ADDRESS: 420 SHARON GOSNEN TPK.

OF BEDROOMS 4

RECORDS OF SEPTIC SYSTEM: YES ___ NO

AGE OF SEPTIC SYSTEM: ___

CODE COMPLIANT: YES ___ NO

RECORDS OF COMPLAINTS: YES NO ___

RESERVE AREA AVAILABLE: YES ___ NO

WELL WATER: YES NO ___

TYPE OF WELL: DRILLED ___ DUG ?

DISTANCE TO NEAREST SEPTIC SYSTEM ? < 75'

NOTES: SYSTEM IS INSTALLED PARTIALLY ON NEIGHBOR'S PROPERTY LOCATED AT 422 SHARON GOSNEN TPK.

WEST CORNWALL SEWERS

ADDRESS: 421 SHARON GASTEN TPK
OF BEDROOMS RESTAURANT + 3 BEDROOM APT.

RECORDS OF SEPTIC SYSTEM: YES NO

AGE OF SEPTIC SYSTEM: 32 yrs

CODE COMPLIANT: YES NO

RECORDS OF COMPLAINTS: YES NO

RESERVE AREA AVAILABLE: YES NO

WELL WATER: YES NO LOCATED ON ALTERNATE PROPERTY

TYPE OF WELL: DRILLED DUG " " "

DISTANCE TO NEAREST SEPTIC SYSTEM 75'

NOTES: SEPTIC SYSTEM UNDERSIZED FOR RESTAURANT + APT.

WEST CORNWALL SEWERS



ADDRESS: 422 SHARON GOSHEN TRK.

OF BEDROOMS 0 - RETAIL

RECORDS OF SEPTIC SYSTEM: YES ___ NO ___

AGE OF SEPTIC SYSTEM: ___

CODE COMPLIANT: YES ___ NO ___

RECORDS OF COMPLAINTS: YES NO ___ NEIGHBOR'S SYSTEM OVERFLOWING ONTO

RESERVE AREA AVAILABLE: YES ___ NO ___ PROPERTY.

WELL WATER: YES ___ NO NO WATER

TYPE OF WELL: DRILLED ___ DUG ___

DISTANCE TO NEAREST SEPTIC SYSTEM ___

NOTES: NEIGHBOR'S SEPTIC SYSTEM IS PARTIALLY ON THIS PROPERTY

NO PLUMBING IN BUILDING.

WEST CORNWALL SEWERS

ADDRESS: 3 SMITH PLACE

OF BEDROOMS 3 PLUS PREVIOUS VIDEO STORE

RECORDS OF SEPTIC SYSTEM: YES NO

AGE OF SEPTIC SYSTEM: 14 YRS.

CODE COMPLIANT: YES NO

RECORDS OF COMPLAINTS: YES NO

RESERVE AREA AVAILABLE: YES NO

WELL WATER: YES NO

TYPE OF WELL: DRILLED DUG

DISTANCE TO NEAREST SEPTIC SYSTEM 50'

NOTES: SEPTIC SYSTEM ONLY 35% OF FULL SIZED SYSTEM
TOO CLOSE TO WELL.
TOO CLOSE TO WATERCOURSE.
- VARIANCE REQUIRED FOR WELL

WEST CORNWALL SEWERS

ADDRESS: 5 SMITH PLACE

OF BEDROOMS 3

RECORDS OF SEPTIC SYSTEM: YES NO

AGE OF SEPTIC SYSTEM: 30 yrs

CODE COMPLIANT: YES NO

RECORDS OF COMPLAINTS: YES NO

RESERVE AREA AVAILABLE: YES NO ?

WELL WATER: YES NO

TYPE OF WELL: DRILLED DUG

DISTANCE TO NEAREST SEPTIC SYSTEM ?

COLIFORM IN WATER

WEST CORNWALL SEWERS

ADDRESS: 8 SMITH PLACE

OF BEDROOMS ?

RECORDS OF SEPTIC SYSTEM: YES ___ NO

AGE OF SEPTIC SYSTEM: ?

CODE COMPLIANT: YES ___ NO

RECORDS OF COMPLAINTS: YES ___ NO

RESERVE AREA AVAILABLE: YES ___ NO ___ ?

WELL WATER: YES NO ___

TYPE OF WELL: DRILLED ___ DUG ___

DISTANCE TO NEAREST SEPTIC SYSTEM ?

NOTES: NO RECORDS

WEST CORNWALL SEWERS

ADDRESS: 9 SMITH PLACE

OF BEDROOMS 4

RECORDS OF SEPTIC SYSTEM: YES ___ NO

AGE OF SEPTIC SYSTEM: OLD

CODE COMPLIANT: YES ___ NO

RECORDS OF COMPLAINTS: YES NO ___

RESERVE AREA AVAILABLE: YES NO ___

WELL WATER: YES NO ___

TYPE OF WELL: DRILLED ___ DUG ___

DISTANCE TO NEAREST SEPTIC SYSTEM _____

NOTES: SYSTEM FAILING.

WEST CORNWALL SEWERS

ADDRESS: 4 RAILROAD ST.

OF BEDROOMS 4

RECORDS OF SEPTIC SYSTEM: YES NO

AGE OF SEPTIC SYSTEM: 15 YRS.

CODE COMPLIANT: YES NO

RECORDS OF COMPLAINTS: YES NO

RESERVE AREA AVAILABLE: YES NO

WELL WATER: YES NO

TYPE OF WELL: DRILLED DUG ? OLD WELL - ABANDONED

DISTANCE TO NEAREST SEPTIC SYSTEM OLD WELL < 75' (MIGHT NOT BE IN USE)

WEST CORNWALL SEWERS

ADDRESS: 5 RAILROAD ST.
OF BEDROOMS 2 plus studio/store
RECORDS OF SEPTIC SYSTEM: YES NO
AGE OF SEPTIC SYSTEM: 27 yrs.
CODE COMPLIANT: YES NO
RECORDS OF COMPLAINTS: YES NO
RESERVE AREA AVAILABLE: YES NO
WELL WATER: YES NO
TYPE OF WELL: DRILLED DUG
DISTANCE TO NEAREST SEPTIC SYSTEM ?

WEST CORNWALL SEWERS



ADDRESS: 6 RAILROAD ST.

OF BEDROOMS 3 plus OFFICE SPACE

RECORDS OF SEPTIC SYSTEM: YES NO

AGE OF SEPTIC SYSTEM: 35 yrs.

CODE COMPLIANT: YES NO

RECORDS OF COMPLAINTS: YES NO

RESERVE AREA AVAILABLE: YES NO

WELL WATER: YES NO

TYPE OF WELL: DRILLED DUG

DISTANCE TO NEAREST SEPTIC SYSTEM 75'

WEST CORNWALL SEWERS



ADDRESS: 7 RAILROAD ST

OF BEDROOMS 1 + PACKAGE STORAGE

RECORDS OF SEPTIC SYSTEM: YES WRITTEN ONLY NO

AGE OF SEPTIC SYSTEM: 37 yrs.

CODE COMPLIANT: YES NO

RECORDS OF COMPLAINTS: YES NO

RESERVE AREA AVAILABLE: YES NO

WELL WATER: YES NO

TYPE OF WELL: DRILLED DUG

DISTANCE TO NEAREST SEPTIC SYSTEM 75'

NOTES:

- ILLEGAL SUBDIVISION BETWEEN #'S 7 + 9
- SHOULD HAVE WATER METER

WEST CORNWALL SEWERS

ADDRESS: 9 RAILROAD ST
OF BEDROOMS 2 PLUS FOOD SERVICE
RECORDS OF SEPTIC SYSTEM: YES ___ NO
AGE OF SEPTIC SYSTEM: 39 YRS.
CODE COMPLIANT: YES ___ NO
RECORDS OF COMPLAINTS: YES ___ NO ___
RESERVE AREA AVAILABLE: YES NO ___
WELL WATER: YES NO ___
TYPE OF WELL: DRILLED DUG ___
DISTANCE TO NEAREST SEPTIC SYSTEM 75'

- NOTES:
- ILLEGAL SUBDIVISION BETWEEN #S 7 + 9.
 - SHOULD HAVE WATER METER

WEST CORNWALL SEWERS

ADDRESS: 11 RAILROAD ST.

OF BEDROOMS -0- OR GPD-180

RECORDS OF SEPTIC SYSTEM: YES NO

AGE OF SEPTIC SYSTEM: 9 YRS

CODE COMPLIANT: YES NO

RECORDS OF COMPLAINTS: YES NO

RESERVE AREA AVAILABLE: YES NO

WELL WATER: YES NO

TYPE OF WELL: DRILLED DUG

DISTANCE TO NEAREST SEPTIC SYSTEM 75'

WEST CORNWALL SEWERS

ADDRESS: 13 RAILROAD ST.

OF BEDROOMS 3

RECORDS OF SEPTIC SYSTEM: YES NO

AGE OF SEPTIC SYSTEM: 23 yrs.

CODE COMPLIANT: YES NO LESS THAN 75' TO WELL

RECORDS OF COMPLAINTS: YES NO

RESERVE AREA AVAILABLE: YES NO

WELL WATER: YES NO

TYPE OF WELL: DRILLED DUG

DISTANCE TO NEAREST SEPTIC SYSTEM < 75'

NOTES:

EASEMENT GRANTED BY RAILROAD FOR SEPTIC SYSTEM INSTALLATION

WEST CORNWALL SEWERS



ADDRESS: 15 RAILROAD ST.

OF BEDROOMS 3 TOTAL. GARAGE w/ 1 BEDROOM, HOUSE - 2 BEDROOM.

RECORDS OF SEPTIC SYSTEM: YES NO

AGE OF SEPTIC SYSTEM: 34 YRS -

CODE COMPLIANT: YES NO

RECORDS OF COMPLAINTS: YES NO

RESERVE AREA AVAILABLE: YES NO

WELL WATER: YES NO

TYPE OF WELL: DRILLED DUG

DISTANCE TO NEAREST SEPTIC SYSTEM < 75'

NOTES:

- VARIANCE FROM STATE HEALTH DEPT. CONTACT SYSTEM
- NEW WELL TO BE DRILLED WHEN SEPTIC REPAIR SYSTEM NEEDED. EASEMENT FOR ACCESS GRANTED BY NEIGHBOR

WEST CORNWALL SEWERS

ADDRESS: 19 RAILROAD ST

OF BEDROOMS 2

RECORDS OF SEPTIC SYSTEM: YES NO

AGE OF SEPTIC SYSTEM: 7 yrs.

CODE COMPLIANT: YES NO

RECORDS OF COMPLAINTS: YES NO

RESERVE AREA AVAILABLE: YES NO

WELL WATER: YES NO

TYPE OF WELL: DRILLED DUG

DISTANCE TO NEAREST SEPTIC SYSTEM 75'

WEST CORNWALL SEWERS

ADDRESS: 21 RAILROAD ST.
OF BEDROOMS 3
RECORDS OF SEPTIC SYSTEM: YES NO
AGE OF SEPTIC SYSTEM: 28 yrs.
CODE COMPLIANT: YES NO
RECORDS OF COMPLAINTS: YES NO
RESERVE AREA AVAILABLE: YES NO
WELL WATER: YES NO
TYPE OF WELL: DRILLED DUG
DISTANCE TO NEAREST SEPTIC SYSTEM < 75'

NOTES - SEPTIC TANK + PORTION OF LEACH FIELDS
ARE WITHIN THE REQUIRED 75' SETBACK TO WELL.
- LEACH FIELD IS LOCATED ON PROPERTY OWNED
BY THE RAILROAD

WEST CORNWALL SEWERS

ADDRESS: 48 RAILROAD ST.

OF BEDROOMS: ? _____

RECORDS OF SEPTIC SYSTEM: YES _____ NO

AGE OF SEPTIC SYSTEM: ? _____

CODE COMPLIANT: YES _____ NO

RECORDS OF COMPLAINTS: YES _____ NO

RESERVE AREA AVAILABLE: YES _____ NO

WELL WATER: YES _____ NO _____

TYPE OF WELL: DRILLED _____ DUG _____

DISTANCE TO NEAREST SEPTIC SYSTEM _____

NO RECORDS

WEST CORNWALL SEWERS

ADDRESS: 50 RAILROAD ST.

OF BEDROOMS _____

RECORDS OF SEPTIC SYSTEM: YES ___ NO

AGE OF SEPTIC SYSTEM: ?

CODE COMPLIANT: YES ___ NO

RECORDS OF COMPLAINTS: YES ___ NO

RESERVE AREA AVAILABLE: YES ___ NO ?

WELL WATER: YES ___ NO ___

? TYPE OF WELL: DRILLED ___ DUG ___

' DISTANCE TO NEAREST SEPTIC SYSTEM _____

NO RECORDS

WEST CORNWALL SEWERS

ADDRESS: 14 Lower River Rd.

OF BEDROOMS 3

RECORDS OF SEPTIC SYSTEM: YES NO

AGE OF SEPTIC SYSTEM: 20 YRS.

CODE COMPLIANT: YES NO

RECORDS OF COMPLAINTS: YES NO SYSTEM REPLACED - NO FURTHER COMPLAINTS

RESERVE AREA AVAILABLE: YES NO

WELL WATER: YES NO

TYPE OF WELL: DRILLED DUG

DISTANCE TO NEAREST SEPTIC SYSTEM 50'

NOTES: THIS SYSTEM IS A NON-COMPLIANT SYSTEM.

WEST CORNWALL SEWERS

ADDRESS: 22 Lower River Rd.

OF BEDROOMS _____

RECORDS OF SEPTIC SYSTEM: YES ___ NO ___

AGE OF SEPTIC SYSTEM: _____

CODE COMPLIANT: YES ___ NO ___

RECORDS OF COMPLAINTS: YES ___ NO ___

RESERVE AREA AVAILABLE: YES ___ NO ___

WELL WATER: YES ___ NO ___

TYPE OF WELL: DRILLED ___ DUG ___

DISTANCE TO NEAREST SEPTIC SYSTEM _____

NOTES:

NO RECORDS

WEST CORNWALL SEWERS

ADDRESS: 31 Lower River Rd.

OF BEDROOMS 2

RECORDS OF SEPTIC SYSTEM: YES NO

AGE OF SEPTIC SYSTEM: 31 YRS.

CODE COMPLIANT: YES NO

RECORDS OF COMPLAINTS: YES NO

RESERVE AREA AVAILABLE: YES NO

WELL WATER: YES NO

TYPE OF WELL: DRILLED DUG

DISTANCE TO NEAREST SEPTIC SYSTEM < 75'

NOTES.

WEST CORNWALL SEWERS

ADDRESS: 33 Lower River Rd.

OF BEDROOMS 3

RECORDS OF SEPTIC SYSTEM: YES NO

AGE OF SEPTIC SYSTEM: 42 yrs.

CODE COMPLIANT: YES NO

RECORDS OF COMPLAINTS: YES NO

RESERVE AREA AVAILABLE: YES NO

WELL WATER: YES NO

TYPE OF WELL: DRILLED DUG

DISTANCE TO NEAREST SEPTIC SYSTEM 75'

NOTES: LEACH FIELD IS SHOWN 30' FROM RIVER.

WEST CORNWALL SEWERS

ADDRESS: 35 Lower River Rd.
OF BEDROOMS 0 - 200 GPD - LIBRARY
RECORDS OF SEPTIC SYSTEM: YES ___ NO
AGE OF SEPTIC SYSTEM: 0
CODE COMPLIANT: YES ___ NO
RECORDS OF COMPLAINTS: YES ___ NO
RESERVE AREA AVAILABLE: YES NO ___ ON NEIGHBORING PROPERTY
WELL WATER: YES NO ___ DOES NOT SERVE THIS PROPERTY
TYPE OF WELL: DRILLED DUG ___ ONLY SERVES #421 SHARON
DISTANCE TO NEAREST SEPTIC SYSTEM > 75' GOSHEN TPK.

NOTES: THERE IS CURRENTLY NO SEPTIC SYSTEM ON THIS PROPERTY. AN ORDER HAS BEEN GRANTED BY THE STATE HEALTH DEPT. TO INSTALL A SEPTIC SYSTEM FOR THIS BUILDING ON ADJACENT PROPERTY OWNED BY CL&P.

A WELL CURRENTLY EXISTS ON THIS PROPERTY WHICH SERVES #421 SHARON GOSHEN TPK. (WANDERING MOOSE).

WEST CORNWALL SEWERS

ADDRESS: 36 LOWER RIVER Rd.

OF BEDROOMS 6

RECORDS OF SEPTIC SYSTEM: YES NO

AGE OF SEPTIC SYSTEM: 38 YRS.

CODE COMPLIANT: YES NO

RECORDS OF COMPLAINTS: YES NO Blocked SEWER LINE

RESERVE AREA AVAILABLE: YES NO

WELL WATER: YES NO

TYPE OF WELL: DRILLED DUG

DISTANCE TO NEAREST SEPTIC SYSTEM 75'

NOTES:

WEST CORNWALL SEWERS

ADDRESS: 38 Lower River Rd.
OF BEDROOMS 3/4
RECORDS OF SEPTIC SYSTEM: YES NO
AGE OF SEPTIC SYSTEM: 23 yrs.
CODE COMPLIANT: YES NO
RECORDS OF COMPLAINTS: YES NO
RESERVE AREA AVAILABLE: YES NO
WELL WATER: YES NO
TYPE OF WELL: DRILLED DUG
DISTANCE TO NEAREST SEPTIC SYSTEM 75'

NOTES:

WEST CORNWALL SEWERS

ADDRESS: 40 Lower River Road

OF BEDROOMS 4

RECORDS OF SEPTIC SYSTEM: YES NO

AGE OF SEPTIC SYSTEM: 31 years

CODE COMPLIANT: YES NO

RECORDS OF COMPLAINTS: YES NO

RESERVE AREA AVAILABLE: ? YES NO

WELL WATER: YES NO

TYPE OF WELL: DRILLED DUG

DISTANCE TO NEAREST SEPTIC SYSTEM ?

NOTES.

WEST CORNWALL SEWERS



ADDRESS: 44 Lower River Rd.

OF BEDROOMS _____

RECORDS OF SEPTIC SYSTEM: YES ___ NO ___

AGE OF SEPTIC SYSTEM: _____

CODE COMPLIANT: YES ___ NO ___

RECORDS OF COMPLAINTS: YES ___ NO ___

RESERVE AREA AVAILABLE: YES ___ NO ___

WELL WATER: YES ___ NO ___

TYPE OF WELL: DRILLED ___ DUG ___

DISTANCE TO NEAREST SEPTIC SYSTEM _____

NOTES: NO RECORDS

Date Samples Received: 07/27/17

Client Name : **WMC Consulting Engineers**

CTL Lab No. : 0717372

Report Date : 08/01/17

PO/ Job No. : West Cornwall

RESULTS OF ANALYSIS

| | | | | |
|-----------------------|-------------|-------------|-------------|-------------|
| Matrix Type : | W | W | W | W |
| CTL Sample No. | 8853 | 8854 | 8855 | 8856 |
| Field ID : | W-1 | W-2 | W-3 | W-4 |

| Parameters | RL | | | | |
|-------------------------|-----------|------|------|------|------|
| Total Nitrogen-mg/L | 0.5 | 0.8 | 0.8 | ND | 0.5 |
| Total Phosphorus-P-mg/L | 0.01 | 0.02 | 0.02 | 0.01 | 0.02 |
| Fecal Coliform/100ml | 10 | 90 | 160 | 40 | 50 |
| Fecal Strep./100ml | 10 | 90 | 230 | 120 | 40 |

| | | |
|-----------------------|-------------|-------------|
| Matrix Type : | W | W |
| CTL Sample No. | 8857 | 8858 |
| Field ID : | W-5 | W-6 |

| Parameters | RL | | | | |
|-------------------------|-----------|----|-----|--|--|
| Total Nitrogen-mg/L | 0.5 | ND | 0.5 | | |
| Total Phosphorus-P-mg/L | 0.01 | ND | ND | | |
| Fecal Coliform/100ml | 10 | ND | 160 | | |
| Fecal Strep./100ml | 10 | ND | 200 | | |

RL= Reporting Limit ND= Not Detected

Matrix Types: W = Water/Aqueous S= Soil/Solid O= Oil/Hydrocarbon



Report To: _____ Report Date: 11/08/2017 Report #: N1771993

WMC CONSULTING ENGINEERS
Attn: John Alden Wengell
87 Holmes Rd
Newington, CT 06111

Monitor Well Sample #: W - 1

Sampled by: **J.A. Wengell of WMC**

Samples Received @ NELabs: **10/19/2017 13:35**

Tested by: **NELabs (PH0404) & ♦ = Phoenix Labs (PH0168)**

Laboratory ID #: **1771993 – 03 (♦ BZ29222)**

| <u>Parameters:</u> | <u>Result</u> | <u>Units</u> | <u>Method</u> | <u>Date Tested</u> |
|---------------------------|---------------|--------------|---------------|--------------------|
| Ammonia Nitrogen ♦ | 0.10 | mg/L | SM4500N | 11/06/2017 |
| Fecal Coliform Count | <10 | per 100 mL | SM9222D | 10/19/2017 15:00 |
| Fecal Streptococcus | <10 | per 100 mL | SM9213D | 10/19/2017 15:00 |
| Nitrate Nitrogen (NO3) ♦ | 0.44 | mg/L | SM4500NO3 | 11/03/2017 |
| Nitrite Nitrogen (NO2) | <0.010 | mg/L | SM4500NO2 | 10/20/2017 |
| Nitrogen, Total | 0.87 | mg/L | SM4500 | 11/07/2017 |
| pH | 7.6 | ---- | SM4500H | 11/06/2017 |
| Phosphorous, Total ♦ | <0.025 | mg/L | SM4500 PE | 11/07/2017 |
| Total Kjeldahl Nitrogen ♦ | 0.33 | mg/L | SM4500B | 11/06/2017 |

Comments:

- Results relate only to the items tested for the above- noted sample, as received by the NELabs on: 10/19/2017
- All holding times (were) met
- Temperature: 12.1°C to 14.8°C

Approved by: 
 Alan C. Johnson, Laboratory Director



Report To: _____ Report Date: 11/08/2017 Report #: N1771993

WMC CONSULTING ENGINEERS
Attn: John Alden Wengell
87 Holmes Rd
Newington, CT 06111

Monitor Well Sample #: W - 2
Sampled by: J.A. Wengell of WMC
Samples Received @ NELabs: 10/19/2017 13:35
Tested by: NELabs (PH0404) & ♦ = Phoenix Labs (PH0168)
Laboratory ID #: 1771993 - 04 (♦ BZ29223)

| <u>Parameters:</u> | <u>Result</u> | <u>Units</u> | <u>Method</u> | <u>Date Tested</u> |
|---------------------------|---------------|--------------|---------------|--------------------|
| Ammonia Nitrogen ♦ | <0.05 | mg/L | SM4500N | 11/06/2017 |
| Fecal Coliform Count | <10 | per 100 mL | SM9222D | 10/19/2017 15:00 |
| Fecal Streptococcus | <10 | per 100 mL | SM9213D | 10/19/2017 15:00 |
| Nitrate Nitrogen (NO3) ♦ | <0.20 | mg/L | SM4500NO3 | 11/06/2017 |
| Nitrite Nitrogen (NO2) | <0.010 | mg/L | SM4500NO2 | 10/20/2017 |
| Nitrogen, Total | 0.17 | mg/L | SM4500 | 11/07/2017 |
| pH | 7.8 | ---- | SM4500H | 11/06/2017 |
| Phosphorous, Total ♦ | <0.020 | mg/L | SM4500 PE | 11/07/2017 |
| Total Kjeldahl Nitrogen ♦ | 0.17 | mg/L | SM4500B | 11/06/2017 |

Comments:

- Results relate only to the items tested for the above- noted sample, as received by the NELabs on: 10/19/2017
- All holding times (were) met
- Temperature: 12.1°C to 14.8°C


 Approved by: _____
 Alan C. Johnson, Laboratory Director



Report To: _____ Report Date: 11/08/2017 Report #: N1771993

WMC CONSULTING ENGINEERS
Attn: John Alden Wengell
87 Holmes Rd
Newington, CT 06111

Monitor Well Sample #: MW - 1
Sampled by: J.A. Wengell of WMC
Samples Received @ NELabs: 10/19/2017 13:35
Tested by: NELabs (PH0404) & ♦ = Phoenix Labs (PH0168)
Laboratory ID #: 1771993 - 01 (♦ BZ29220)

| <u>Parameters:</u> | <u>Result</u> | <u>Units</u> | <u>Method</u> | <u>Date Tested</u> |
|---------------------------|---------------|--------------|---------------|--------------------|
| Ammonia Nitrogen ♦ | 0.56 | mg/L | SM4500N | 11/06/2017 |
| Fecal Coliform Count | 42,000 | per 100 MI | SM9222D | 10/19/2017 15:00 |
| Fecal Streptococcus | 2,200 | per 100 mL | SM9213D | 10/19/2017 15:00 |
| Nitrate Nitrogen (NO3) ♦ | 0.04 | mg/L | SM4500NO3 | 11/03/2017 |
| Nitrite Nitrogen (NO2) | <0.010 | mg/L | SM4500NO2 | 10/20/2017 |
| Nitrogen, Total | 3.85 | mg/L | SM4500 | 11/07/2017 |
| pH | 7.3 | ----- | SM4500H | 11/06/2017 |
| Phosphorous, Total ♦ | 1.03 | mg/L | SM4500 PE | 11/07/2017 |
| Total Kjeldahl Nitrogen ♦ | 3.25 | mg/L | SM4500B | 11/03/2017 |

Comments:

- Results relate only to the items tested for the above- noted sample, as received by the NELabs on: 10/19/2017
- All holding times (were) met
- Temperature: 12.1°C to 14.8°C


 Approved by: _____
 Alan C. Johnson, Laboratory Director



Report To: _____ Report Date: 11/08/2017 Report #: N1771993

WMC CONSULTING ENGINEERS
Attn: John Alden Wengell
87 Holmes Rd
Newington, CT 06111

Monitor Well Sample #: MW - 2
Sampled by: J.A. Wengell of WMC
Samples Received @ NELabs: 10/19/2017 13:35
Tested by: NELabs (PH0404) & ♦ = Phoenix Labs (PH0168)
Laboratory ID #: 1771993 – 02 (♦ BZ29221)

| <u>Parameters:</u> | <u>Result</u> | <u>Units</u> | <u>Method</u> | <u>Date Tested</u> |
|---------------------------|---------------|--------------|---------------|--------------------|
| Ammonia Nitrogen ♦ | 0.36 | mg/L | SM4500N | 11/06/2017 |
| Fecal Coliform Count | <200 | per 100 mL | SM9222D | 10/19/2017 15:00 |
| Fecal Streptococcus | 660 | per 100 mL | SM9213D | 10/19/2017 15:00 |
| Nitrate Nitrogen (NO3) ♦ | <0.20 | mg/L | SM4500NO3 | 11/06/2017 |
| Nitrite Nitrogen (NO2) | <0.010 | mg/L | SM4500NO2 | 10/20/2017 |
| Nitrogen, Total | 4.96 | mg/L | SM4500 | 11/07/2017 |
| pH | 7.7 | ----- | SM4500H | 11/06/2017 |
| Phosphorous, Total ♦ | 18.3 | mg/L | SM4500 PE | 11/07/2017 |
| Total Kjeldahl Nitrogen ♦ | 4.60 | mg/L | SM4500B | 11/06/2017 |

Comments:

- Results relate only to the items tested for the above- noted sample, as received by the NELabs on: 10/19/2017
- All holding times (were) met
- Temperature: 12.1°C to 14.8°C


 Approved by: _____
 Alan C. Johnson, Laboratory Director