

District of Chapman Beach

Financial and Tax Collection Audit Report Fiscal Year 2020/21 and Fiscal First Quarter 2021

Final Report December 29, 2021

Background:

As per the District By-laws Article IV Section, an audit shall be conducted of the books, records and methodology when there is a change of District Treasurer and/or Tax Collector.

“Section 5. AUDITS. The Board of Directors shall appoint an audit committee of three (3) District members, none of whom shall be members of the Board, to audit the District books every other fiscal year or upon a change in the District Treasurer and/or Tax Collector, or as required by long term financing.”

A new Treasurer was elected and a new Tax Collector was appointed effective May 26, 2021. The previous treasurer resigned effective May 23, 2021 and the previous Tax Collector contract was not renewed.

The scope of the audit was set out in the engagement documents prior to the start of the Audit (see Appendix 1 and 2) and subsequently modified for ease of data assembly utilizing standard accounting periods.

The Financial Audit was conducted in two parts:

- Part 1: The period July 1, 2020 to June 30, 2021
- Part 2: The period July 1, 2021 to September 30, 2021

The Tax Collection Audit was conducted in two parts:

- Part 1: The period July 1, 2020 to June 30, 2021
- Part 2: The period July 1, 2021 to September 30, 2021

Summary Conclusions:

Part 1: The period July 1, 2020 to June 30, 2021

The financial books and records of the District for the period ending June 30, 2021 appear to materially reflect the stated financial conditions of the District, as per its financial statement. However, due to the inability to verify tax receipts no opinion is rendered as to the accuracy of the calculation and collection of tax revenues. An audit test of the business receipts and invoices against presented (cashed) checks and bank balances match within an acceptable degree of materiality.

Significant Findings:

No tax records were presented for the tax year 2020 and 2021 therefore no reasonable sample could be tested for the accuracy of their calculations.

For the most part, business receipts and invoices were presented and authorized for agreed services. However, there were no contracts presented associated with two significant services. They were notably, for tax collection services (Kim Bratz) and Accounting Services (Katheryn Kellerman).

Issue: Tax receipts represent virtually 100% of the revenue of the District. The inability to confirm that those transactions were processed according to the established mil rate established by the District leaves the organization open to challenges over tax payments.

Not retaining tax records in accordance with State Statutes (M 4 Section 250 and 260) is a violation of Connecticut State record retention regulations. As in the case of the termination of the Tax Collector, historic books and records were not turned over to the District causing the District to be in breach of the General Statutes of Connecticut 11-8 and 11-8a Records Retention Statute for Municipalities (see Appendix 3). One vendor relationship continues in breach of the District by-laws.

The District is out of compliance with M 4 Sections 250 and 260 regarding tax records retention. Continued non-compliance could result in fines and penalties.

Recommendation: All significant vendor relationships (whether for pay or on a voluntary basis) should be documented so that roles, responsibilities and levels of service are clear and agreed. It is recommended that the Board document the standards and services expected from all major providers including the current Tax Collector and District Book keeper, especially in the case of termination of services.

Part 2: The period July 1, 2021 to September 30, 2021

Summary:

The financial books and records of the District for the period of ending September 30, 2021 appear to materially reflect the stated financial conditions of the District as per its financial statement.

A test of receipts and invoices against presented checks and bank balances match are within an acceptable degree of materiality.

Significant Findings:

1. Non-Authorized Payments

For the period July to September 2021 there were a number of invoices processed without written authorization of the Treasurer (see Appendix 4). For example, the book keeper processed a check for her own payment, without a signed authorization and with a predated check which was subsequently cashed by the bank without challenge.

This represents a significant control weakness and if left unattended, could lead to fraud or the incorrect processing and accounting of District payments. In this

case, there were no invoices presented and no authorized payment for agreed services. In addition, there were no contracts presented that were associated with these services.

Issue: Significant vendor relationships should be documented with a contract to allow for better vendor management. As in the case of the termination of the Tax Collector, historic books and records were not turned over to the District causing the District to be in breach of the Records Retention Statute for Municipalities (see Appendix 3: M 4 sections 250/260).

Recommendation: All significant (recommend over \$500 per year) vendor relationships should be documented and all checks authorizations regardless of amount, should be signed off prior to issuance by at least one board officer.

2. Allowance of Over-the-Counter Checks.

According to Essex Saving Bank's statement reviews during 2020-21 eight "over the counter" checks were allowed. See Appendix 5

Issue: Over the counter checks present the possibility of a control deficiency as they essentially, allow someone to go into the bank and process a withdrawal from the District without using authorized bank check stock.

Recommendation: The District discontinue the practice of allowing Over the Counter Checks.

3. Transactions without Board Authorization and Charter Authority:

In May 3, 2021 two checks were issued for charitable donations (check numbers #1465 and #1466). Charitable donations appear to be outside of the Charter and Scope of the District. The Charter of the District states

"The District of Chapman Beach was established by the voters at a referendum on June 3, 2000. The purpose and objectives of the District of Chapman Beach are (1) To construct and maintain roads, walkways, crosswalks, drains, and sewers; (2) To appoint and employ watchmen and police officers; (3) To acquire, construct, maintain, and regulate the use of recreational facilities; (4) To plan, lay out, acquire, construct, reconstruct, repair, maintain, supervise, and manage a flood or erosion control system; and (5) To collect garbage, ashes, and other refuse matter in any portion of such District and provide for the disposal of such matter."

The District Charter does not permit charitable donation of public funds. In addition, no Board vote authorizing these donations was provided.

Issue: Engaging in activities and payments outside of the established charter of the District is not permitted.

Recommendation: No further charitable donations should be processed until allowed by a change in the District Charter to expressly permit for public taxpayer funds for charitable purposes.

Tax Audit:

Significant Findings:

There were a significant number of deficiencies connected with the Tax Audit for the periods 2020-2021.

For the period 2020-2021 – no records were delivered so that there are *no finding possible*. The Audit Committee was informed that the former Tax Collector failed to provide any historic information upon transfer of responsibilities. This is in violation of General Statutes of Connecticut 11-8 and 11 8a (M4 Municipal Records Retention). It is our understanding that no independent verification was made of that Tax year and *no reasonable independent assurance can be given that the bills were calculated and processed correctly*.

Issue:

1. No tax records were provided for the year 2020-2021. Records Retention is an obligation of the District under General Statutes of CT 11-8 and 11 8a Municipal Records Retention. Failure to retain records in accordance with the State Statutes is a significant deficiency. If tax bills are challenged the ability to retrieve historic records is important in any defense. Failure of a vendor to perform their contractual duties which were undocumented, does not relieve the District of its obligation.

Recommendation: The District undertake to fully comply with its obligations under the Municipal Record Retention (M4 statue) Appendix 3 offers a more complete views of the record retentions. The District retrieve and test the tax calculations for the year 2020-2021 to a reasonable standard to assure that the financial statement adequately reflect the amount due to District.

For the period 2021-2022. Tax bills for the 2021-2022 period omitted important payment disclosure data that was previously provided to property owners. Further the period of payment (semi annual vs annual) appears to be inconsistent with the permissible payment period under the District's Bylaws (Appendix 7 Article IV Section 1).

Issue:

1. Failure to disclose when payments are delinquent can lead to public misunderstanding as to when the amount outstanding is subject to liens and

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penalties The revised tax bills for the 2021-2022 omitted important information with regard to the date of delinquency (see Appendix 6) that was previously provided to the public in accordance with both state law and municipal practice.

Recommendation: A mailing should go out to all tax payers prior to the December tax bill to correctly state when the taxes are due and/or delinquent in accordance with prior practice. Future tax bills should be revised to include (as they were historically) to state clearly when tax bills are due and delinquent. It is recommended that the format used by the Town of Westbrook and the prior practice of the District be reinstated to include the words “DELINQUENT AFTER AUG 2, 202X and DELINQUENT AFTER FEB 2, 202X”.

2. The Bylaws of the District (Article IV Section 1) call for the collection of taxes on an annual basis which is inconsistent with the process in place. The collection of taxes and the assessment of liens and penalties is a privilege afforded to the District by its charter and bylaws. Failure to follow stated bylaw procedures can penalize the District (through the delay of payments).

Failure to adhere to the Bylaws (Article IV Section 1) regarding the collection of taxes in addition to documenting process and procedures as to the calculation of taxes, collection and safekeeping of data can lead to the inaccurate collection of taxes and misreporting of revenue. No information was provided that states that the Bylaws were amended to allow for the collection of taxes on a semi-annual basis. Information was requested, but no information was provided as to the process of calculation, verification, and billing integrity of the District's taxes. For the tax year 2021 – 2022 no information was provided as to the data integrity of the data base or security of the information. During the previous tax year, it appears that a data security and integrity program was in place from the vendor.

Recommendation: Taxes should be collected on an annual basis. If a semi-annual collection is desired, then the Bylaws should be amended to align desired practice with authorized regulations. Please see Appendix 7.

Respectfully submitted by the
Audit Committee

William Demiris
Jim Mallozzi
Mike Marino

December 28, 2021

Appendix 1 & 2
Engagement Scope and Data Request Documents
SUBMITTED AT THE BEGINNING OF THE PROCESS

Financial audit 2020
District of Chapman Beach

Scope

Since Diane officially resigned as of the Annual meeting day (I think it was May 29th) and it was the same day that we changed the Tax Collector, we should use May 30th 2021 as the ending date and June 1 2021 - through August 31st 2021 as dates for the audits.

An audit is not just confirming bank balances, but the process of which the Financial Statements are presented and procedures followed.

The committee will need a complete set of financials for that date (essential May30th) Income statements, Balance sheet, Notes to financial statements. We would need a copy of the bank statement as of that date as well. We would like a copy of the notification to the bank of the change in signatures on the bank account and a complete set of financials for August 31st 2021.

The scope of the Financial/Treasurers Audit will be:

Review and confirmation of the Financial Statements ending May 30th, 2021. These should include the Income Statement, Balance Sheet and any footnotes to the financial statements including any significant changes in account policy or practice since the previous audit (June 2020). If you don't have these my guess is Diane has them all.

We would also want a list any significant checks during that period (June 30, 2020 to May 30, 2021) along with a copy of the corresponding contract or invoice. Given the size of the Chapman Beach budget (approx. \$20,000 per year in expenditures) I would define "significant check" as any one check (or several checks to the same party) as over \$1,000 (5% of operating budget) within the period of the audit (so July 1st 2020 to May 30th 2021) and June 1st 2021 to say August 30th 2021.

These would include any and all related party transactions regardless of size (i.e., checks written to a member of the Chapman beach board or community). If there are none, then please just list the question and say "none".

Review and confirmation by the Bank of the opening cash in bank balances for the period June 1, 2020 (essentially the closing balance of the day before unless any checks cleared in the days between). We would look at any significant transactions (since that period to say August 30th) and test the cash in banks against the financial statements for that period. These would include any and all related party transactions (i.e., checks written to a member of the Chapman beach board or community)

Review and confirm any accounting policies changes that have/were adopted in the intervening period of June 1, 2020.

Review the written procedures for data verification/data security/data protection and back up for the new Treasurer (since I believe you have changed both the accounting software and actual computer(s) used to keep the books).

Copy of all the insurance policy in force for the District (or policy abstract/declarations page) showing coverage limits and policy in force dates.

Subsequent amended to use June 30 2021 and September 30, 2021 financial statement dates for convenience of District.

**Tax Collector Audit Scope and requested materials.
Agreed September 2021**

Audit Scope:

The Audit will look at three main activities:

- A. Confirm balances and calculations in accordance with Town Valuations and official mil rates established by the District. A random sample will be pulled for verification purposes along with verification of selected bank deposits.**
- B. Confirm that procedures were following in accordance with the written guidelines of the District and Tax Collector. Review of any exceptions including the reason why the exception was granted.**
- C. Confirm that data is protected and secured to a reasonable standard from unauthorized manipulation, corruption or alteration.**

Initial Data List Request:

- 1. Copy of Chapman Beach Grand list for 2021/22 (this year current) – showing both residence and assessed tax value.
- 2. Copy of the town of Westbrook Grand list to check that assessed values match those established by the Town.
- 3. Copy of Chapman Beach Grand list for 2020/21 (prior year).
- 4. Copy of the mil rate used and enacting vote authorizing the mil rate (for each period time period 2020/2021 and 2021/2022).
- 5. Copy of the ending value of the total tax receipts (and bank reconciliation) for the prior period (2020/21) as of the end of the period.
- 6. Copy of a representative tax bill for the period 2020/2021
- 7. Copy of a representative tax bill for the period 2021/2022
- 8. Copy of the policies and proceeds for the Tax Collection in the District of Chapman Beach. This should be for both periods (including the dates the policies and procedures were adopted).
- 9. Copy of the data protection policies and procedures for the Tax Collection in the District of Chapman Beach (including the dates they were adopted). This includes a review of

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what computer hardware and software programs (and associated backups) are in place to protect the integrity and security of the tax collection.

10. List of any exceptions to the policies and procedures during either 2020/2021 period or 2021/2022 period (e.g., This would include but not be limited to, collection dates, collection amounts, payments in lieu of, forbearance or alteration of the mil rate for any home or parcel) including a written explanation of why the exception was granted against the written policy.
11. Copy of deposit slips and representative bank statement showing the deposit.
12. Copy of the ownership receipt for any P.O. box or lock box arrangement

This is a non-exclusive list and the data list above will be used with information provided to support the Financial (Treasurer) audit. Additional data may be requested upon further review. This list has not been reviewed by other Audit Committee members. (This list was later supplemented with the list below

Financial Audit Document Checklist				
ITEM & PERIOD COVERED	DATE REQUESTED	DATE RECEIVED	DATE VERIFIED	ASSIGNED TO
End of Term JUNE 30, 2021				
Income statement 6/30/21	Sept 9, 2021	Oct 5, 2021		
Balance Sheet 6/30/21	Sept 9, 2021	Oct 5, 2021		
Bank balance 6/30/21	Sept 9, 2021			
Checks over \$5,000 & Double Check Signature Amount Verification	Sept 9, 2021	NONE		
Written Accounting Policy/Footnotes	Sept 9, 2021	Oct 5, 2021		
Copy of Insurance Policies in force (declaration pages)	Sept 9, 2021	Received various dates		
Data Verification/Security Procedures	Sept 9, 2021	None received		
Related Party Transactions/Authorization	Sept 9, 2021	None received		
Monthly bank statement with check image (if possible)	October 9, 2021	Received various dates October		
New Term: Quarter ended September 30,2021	Sept 9, 2021			
Income statement 9/30/21	Sept 9, 2021	Oct 5, 2021		
Balance Sheet 9/30/21	Sept 9, 2021	Oct 5, 2021		
Bank balance 9/30/21	Sept 9, 2021	Oct 5, 2021		
Related Party Transactions	Sept 9, 2021	None		

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Checks over \$5,000 & Double Check Signature Amount Verification	Sept 9, 2021	None		
Written Accounting Policy/Footnotes	Sept 9, 2021	Oct 5, 2021		
Copy of Insurance Policies in force (declaration pages)	Sept 9, 2021	N/A		
Data Verification/Security Procedures	Sept 9, 2021	None Received		
Period Related Party Transactions/Authorization	Sept 9, 2021	None Received		
Monthly bank statement with check image (if possible)	October 9, 2021	Various dates October		

Tax Audit Document Checklist				
ITEM & PERIOD COVERED	DATE REQUESTED	DATE RECEIVED	DATE VERIFIED	ASSIGNED TO
End of Term TAX YEAR 2020/21				
Copy of Chapman Beach Grand list for 2020/21 (this year current) – showing both residence and assessed tax value.	Sept 5, 2021	Not received after multiple requests		
Copy of the town of Westbrook Grand list to check that assessed values match those established by the Town.	Sept 5, 2021	Received October		
Copy of Chapman Beach Grand list for 2020/21.	Sept 5, 2021	Not received after multiple request		
Copy of the mil rate used and enacting vote authorizing the mil rate (for each period time period 2020/2021)	Sept 5, 2021	Not received		
Copy of the ending value of the total tax receipts (and bank reconciliation) for the prior period (2020/21) as of the end of the period.	Sept 5, 2021	Received but unable to verify accuracy		

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Copy of a representative District tax bill for the period 2020/2021	Sept 5, 2021	Requested but not supplied – Committee sourced		
Copy of the policies and proceeds for the Tax Collection in the District of Chapman Beach. For the period 2020/21	Sept 5, 2021	Not received		
Copy of the data protection policies and procedures for the Tax Collection in the District of Chapman Beach (including the dates they were adopted). This includes a review of what computer hardware and software programs (and associated backups) in place to protect the integrity and security of the tax collection.	Sept 5, 2021	Not received		
List of any exceptions to the policies and procedures during either 2020/2021 period	Sept 5, 2021	None		
Copy of deposit slips and representative bank statement showing the deposit.	Sept 5, 2021	Received various times October		
Copy of the ownership receipt for any P.O. box or lock box arrangement for the 2020/21	Sept 5, 2021	Not received		
Copy of Board Vote or District Vote authorizing the ending previous Tax Collector contract	October 9, 2021	Not received		
ITEM & PERIOD COVERED End of Term TAX YEAR 2021/22	DATE REQUESTED	DATE RECEIVED	DATE VERIFIED	ASSIGNED TO
Copy of Chapman Beach Grand list for 2021/22 (this year current) – showing both residence and assessed tax value.	Sept 5, 2021	Received October 2021		
Copy of the town of Westbrook Grand list to check	Sept 5, 2021	Received October 2021		

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that assessed values match those established by the Town.				
Copy of the mil rate used and enacting vote authorizing the mil rate (for 2021/2022 tax year).	Sept 5, 2021	Received October 2021		
Copy of the ending value of the total tax receipts (and bank reconciliation) for the prior period (2021/22) collections as of Sept 30, 2021	Sept 5, 2021	Received October 2021		
Copy of a representative tax bill for the period 2021/2022	Sept 5, 2021	Not received committee self-sourced		
Copy of the policies and proceeds for the Tax Collection in the District of Chapman Beach for the period 2021/22	Sept 5, 2021	Not received		
Copy of the data protection policies and procedures for the Tax Collection in the District of Chapman Beach (including the dates they were adopted). This includes a review of what computer hardware and software programs (and associated backups) are in place to protect the integrity and security of the tax collection.	Sept 5, 2021	Not received		
List of any exceptions to the policies and procedures during either 2021/2022 period	Sept 5, 2021	??		
Copy of deposit slips and representative bank statement showing the deposit.	Sept 5, 2021	Received October		
Copy of the ownership receipt for any P.O. box or lock box arrangement for the 2021/22 tax year.	Sept 5, 2021	Not received		
Copy of Board Vote or District Vote authorizing current Tax Collector contract	October 9, 2021	???		

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Check list control version 2.0 10-9-21				

Appendix 3 Summary

M4-250	Grand List – Real property	Lists of total taxable property; also known as “tax abstracts”.	Permanent	Maintain in municipality	Towns may transfer grand lists prior to 1945 to the State Archives in the State Library. Exceptions to this cutoff date may be made. Contact State Archivist for additional information.
M4-260	Grand List Reports	OPM forms M-13, M-13a.	2 years	Destroy after receipt of signed Form RC-075	CGS §12-120.

Appendix 3

**MUNICIPAL RECORDS RETENTION SCHEDULE
M4: ASSESSMENT AND TAX COLLECTION
RECORDS**
(Revised: 05/2012)



STATE OF CONNECTICUT
Connecticut State Library
Office of the Public Records Administrator
231 Capitol Avenue, Hartford, CT 06106
www.cslib.org/publicrecords

- SCOPE:** This schedule lists records common to tax assessors and tax collectors. It applies to towns, cities, boroughs, districts, and other political subdivisions of the state, as well as certain quasi-public agencies and is used in conjunction with general schedules M1 through M16.
- AUTHORITY:** The Office of the Public Records Administrator issues this schedule under the authority granted by §11-8 and §11-8a of the *General Statutes of Connecticut*.
- SUPERSEDEENCE:** This schedule supersedes *Municipalities’ Records Retention Schedule M4: Taxation – Assessment/Collection Records (02/2005)*.
- COMMON DEFINITIONS:**
See [Records Management Terms](#) for additional definitions.
 - PUBLIC RECORD:** “Any recorded data or information relating to the conduct of the public’s business prepared, owned, used, received or retained by a public agency, or to which a public agency is entitled to receive a copy by law or contract under section 1-218, whether such data or information be handwritten, typed, tape-recorded, printed, Photostatted, photographed or recorded by any other method.” [Source: CGS §1-200(5).]
 - OFFICIAL RECORD COPY:** “Original or official copy of a record that is retained for legal, operational, or historical purposes.” Retention requirements only apply to the official record copy. Note: In accordance with CGS §11-8a(c), administrative and fiscal values are included within “operational” purposes. [Source: *Glossary of Records and Information Management Terms, 3rd Edition*, ARMA International.]
 - NON-RECORD:** “Item that is not usually included within the scope of official records.” Examples of non-records are extra (duplicate) copies kept only for convenience, reference materials, and blank forms. [Source: *Glossary, 3rd ed.*]
 - RECORDS SERIES:** “A group of related records filed/used together as a unit and evaluated as a unit for retention purposes (e.g., a personnel file consisting of an application, reference letters, benefit forms, etc.).” Records on this schedule are arranged by records series. [Source: *Glossary, 3rd ed.*]
 - RECORDS CUSTODIAN:** “The individual or organization having possession of and responsibility for the care and control of material.” [Source: Pearce-Moses, Richard. *A Glossary of Archival and Records Terminology*. Chicago, IL: Society of American Archivists, 2005.]
- RETENTION PERIODS:** Retention periods listed on this schedule are based on the records’ administrative, fiscal, legal, and historical values, as well as statutory or regulatory requirements. In most instances the established period sets the minimum retention requirement. This office strongly recommends applying disposition to all records once the retention period has been met. However, some records have maximum retention periods set by federal or state statutes or regulations and **must** be destroyed at the end of the retention period. Please note that any statute or regulation listed in brackets in the “Retention” column indicates the legal citation that mandates the retention period.

Records of historical value should be preserved for the benefit of historians and other researchers. “Historical” denotes that the municipality may request that a records series be transferred to a local, regional, or state repository approved by the Office of the Public Records Administrator. If a records series has a note that indicates, “May contain historical value,” the public agency should contact the State Archives for archival review before requesting disposition of the records. Not all such records will be determined to be archival; conversely, some records without this statement might have archival value.
- FORMAT:** Retention periods listed on this schedule apply to the official record copy, whether in paper, electronic, or other format. If records are maintained only in an electronic system, the records custodian must be able to retrieve and interpret the content for the retention period.

Municipal Records Retention Schedule M4: Assessment and Tax Collection Records (Revised: 05/2012), Page 7 of 14

Series #	Records Series Title	Description	Retention	Disposition	Notes
M4-240	Grand List – Personal Property and Motor Vehicles	Includes motor vehicle supplemental lists.	15 years from due date of tax	Destroy after receipt of signed Form RC-075	Towns may transfer grand lists prior to 1945 to the State Archives in the State Library. Exceptions to this cutoff date may be made. Contact State Archivist for additional information. Prior to the 1970s, towns may not have kept separate personal property and motor vehicle lists.
M4-250	Grand List – Real property	Lists of total taxable property; also known as "tax abstracts".	Permanent	Maintain in municipality	Towns may transfer grand lists prior to 1945 to the State Archives in the State Library. Exceptions to this cutoff date may be made. Contact State Archivist for additional information.
M4-260	Grand List Reports	OPM forms M-13, M-13a.	2 years	Destroy after receipt of signed Form RC-075	CGS §12-120.
M4-270	Grand List Working Papers – Motor Vehicles	Includes preparatory material, such as price guidelines, DMV (Department of Motor Vehicles) transfer lists, exempt organizations, edit reports and value of cars extracted from the grand list.	2 years, or until appeal completed	Destroy after receipt of signed Form RC-075	
M4-280	Personal Property Audits	Consists of assessor's and OPM audit of business books and assets that examines the business declaration and matches assets and expenses.	6 years from audit billing date	Destroy after receipt of signed Form RC-075	CGS §12-53(f) and CGS §12-120b.
M4-290	Personal Property Declarations	Includes but not limited to industrial equipment, machinery, store fixtures, farm equipment and certain types of livestock. OPM form M-15.	6 years from date due or until tax is paid if no appeal is pending	Destroy after receipt of signed Form RC-075	
M4-300	Private Colleges and General Hospitals – Report of	OPM Forms M-37C&H.	2 years, if no appeal pending	Destroy after receipt of signed Form RC-075	

5.14a

Appendix 4

					\$485.78
Special Mtgs-Notices	\$400.00				
Web Site	\$400.00				\$0.00
					\$0.00
Bookkeeper	\$440.00				
Kathleen Kelemen		7/1/21	CK #1470	\$440.00	
				\$440.00	

Not Signed

Page 1 of 1

DISTRICT OF CHAPMAN BEACH
 PO BOX 108
 WESTBOROUGH, CT 06091

1467

6-8-21

Pay to the Order of T.A. Longobardi & Lewis LLC \$ 2,975.00
Two Thousand, Nine Hundred and Seventy Five 00/100 Dollars

ESSEX SAVINGS BANK
 For Love 180 Kathleen H. Kelemen

2111703754 BOD 501 274 1467

-\$2,395.00 1467 06152021

DISTRICT OF CHAPMAN BEACH
 PO BOX 108
 WESTBOROUGH, CT 06091

1468

14 JUN 12 2021

6-8-21

Pay to the Order of Christopher J. Hurlahan Inc. \$ 9,750.00
Nine Thousand, Seven Hundred and Fifty 00/100 Dollars

ESSEX SAVINGS BANK
 For Kathleen H. Kelemen

2111703754 BOD 501 274 1468

-\$2,750.00 1468 06142021

DISTRICT OF CHAPMAN BEACH
 PO BOX 108
 WESTBOROUGH, CT 06091

1470

7-1-21

Pay to the Order of Kathleen H. Kelemen \$ 440.00
Four Hundred and Forty 00/100 Dollars

ESSEX SAVINGS BANK
 For 2021 2022 Kathleen H. Kelemen

2111703754 BOD 501 274 1470

-\$440.00 1470 06292021

APPENDIX 4 NO AUTHORIZED INVOICE NOR CONTRACT FOUND FOR THIS PAYMENT – CHECKED CASHED ON WEDNESDAY JUNE 29, 2021 BUT DATED THURSDAY JULY 1ST

Scanned with CamScanner

Fiscal Year 2021 - 2022

**DISTRICT OF CHAPMAN BEACH
Check Request**

Pay To: Westbrook Council of Beach Associations, Inc

Address: c/o Steve Smith
24 Young Rd, Westbrook, CT 06498

Department: Administration Budget Line Item: Council of Beaches

<u>Amount</u>	<u>Description</u>
<u>\$196.00</u>	<u>2021 - 2022 Dues</u>

Total: \$196

Approvals:

Committee Chairman: _____

Or/Board Officer: George Zinser Treasurer

Check Number and Date: _____

A statement, invoice and/or receipt must be attached to this check request. Payment cannot be made without documentation.

Date Submitted: 8.11.21

Date Approved: 8.11.21

*NO check is assigned
check # 1480*

Appendix 4 An example of Non authorized check approval

Fiscal Year 21-22

DISTRICT OF CHAPMAN BEACH
Check Request

Pay To: T.G. Landscaping and Lawn Care, LLC

Address: 568 Old Clinton Rd.

Westbrook, Ct 06498

Department: Road/Beach Maintenance Budget Line Item: Mowing/Weekly Beach clean

<u>Amount</u>	<u>Description</u>
<u>\$300</u>	<u>Mowing X 3</u>
<u>\$1,660</u>	<u>Beach cleaning X 4</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

Total: \$1,960

Approvals:

Committee Chairman: Pete Potter/LMC

Or/ Board Officer:

Check Number and Date: CE# 1479, Dated 8-2-21

A Statement, invoice and/or receipt must be attached to this check request. Payment cannot be made without documentation.

Presidents initials PJM

Date Approved 9-11-21

Appendix 4 An example of a duly authorized check request with the President's initials

Fiscal Year 21-22

DISTRICT OF CHAPMAN BEACH
Check Request

Pay To: T.G. Landscaping and Lawn Care, LLC

Address: 568 Old Clinton Rd.

Westbrook, Ct 06498

Department: Road/Beach Maintenance Budget Line Item: Mowing/Weekly Beach clean

<u>Amount</u>	<u>Description</u>
<u>\$300</u>	<u>Mowing X 3</u>
<u>\$1,660</u>	<u>Beach cleaning X 4</u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>
<u> </u>	<u> </u>

Total: \$1,960

Approvals:

Committee Chairman: Pete Potter/LMC

Or/ Board Officer: _____

Check Number and Date: CK# ~~1477~~ 1477, Dated 7.18.21

A Statement, invoice and/or receipt must be attached to this check request. Payment cannot be made without documentation.

President's initials PDM 07/21/21 _____

Not signed

Replaced check / cashed two checks. some personal

1477 they cashed both

Appendix 4 An example of a non-signed check authorization

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Excluding the Appendix this is a 5 page document. It cannot approval of the Audit Committee. It should be

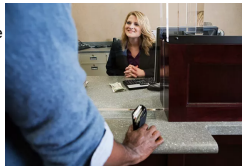
Appendix 5

Over the counter checks as per Essex Bank Statements:

Check #	Amount	Date Processed
1448	\$705	10/8/2020
1443	\$150	8/28/2020
1435	\$1875	7/10/2020
1468	\$2,750	6/12/2021
1464	\$105	5/3/2021
1466	\$50	5/12/2021
1459	\$560	4/07/2021
1455	\$1875	01/08/2021

What Are Counter Checks at a Bank?

Counter checks, often called starter checks, are given to customers by bank tellers. They are primarily used when a person opens up a new checking account. A bank also gives counter checks to customers when they run out of regular checks. Counter



What Are Counter Checks at a Bank
Image Credit: Image Source/Photodisc/Getty Images

checks have a high rate of fraud, and institutions should be careful when accepting them.

Tip

Counter checks are blank checks that do not have the account holder's imprinted name and address information at the top and, sometimes, also lack the account number. They are used when a checking account holder runs out of imprinted checks or before checks are imprinted for a new account.

Writing Counter Checks

When a customer uses a counter check, the customer must fill in his name and address. He can also fill in his phone number, driver's license number or Social Security number. The customer must also choose a check number for each check written, which is handwritten at the top of the check.

As soon as a customer opens a checking account, the bank typically orders official checks for the customer. When these arrive, the customer should destroy any remaining counter checks and begin using the official checks. The official checks have the customer's name and address printed on them. They also have the bank's routing number, checking account number and are in sequential check number order.

Problems with Counter Checks

Many retail places will not accept counter checks because they are not official checks. Typically, counter checks are accepted for payments by utility companies and loan companies. Many recipients of counter checks feel that there is a higher risk involved when accepting these types of checks because the person does not have an established account yet.

Description of Counter Checks

A counter check is a blank check that does not contain a check number, a person's name or address. Many counter checks also do not have an account number pre-printed on them. Counter checks do have the bank's routing number on the bottom of the check.

Video of the Day

Sapling - How To Find A List Of Your Previous Addresses

Uses for Counter Checks

If a customer runs out of checks and needs one immediately, the bank may provide the customer with a counter check. Sometimes the bank imprints the customer's account number on the bottom, other times the customer must write it in.

When a person opens a new checking account, the bank generally gives the customer a small book of counter checks. The book may contain approximately five to 10 counter checks and are often called starter checks. These checks do contain the customer's account number and the bank's routing number but the customer's name and address is not printed on them.

Appendix 6

REAL ESTATE TAX BILL 2021

Make checks payable to:
TOWN OF WESTBROOK
WESTBROOK TAX COLLECTOR
866 BOSTON POST ROAD
WESTBROOK, CT 06498
PHONE: (860) 399-3043

RETURN WITH 2nd PAYMENT B
(See reverse side for important information)
***** THIS IS YOUR ONLY BILLING - NO JANUARY BILL WILL BE SENT *****
Assessment Questions Call: (860) 399-3043 / Tax Questions Call: (860) 399-3043.
Pay online @ www.westbrookct.us Fees apply

LIST NUMBER	DIST	BANK	ON GRAND LIST	TOTAL TAX DUE	PAYMENT DUE	PAYMENT DUE
[REDACTED]	CB	[REDACTED]	OCTOBER 1, 2020	[REDACTED]	July 1, 2021	January 1, 2022
MILL RATE	GROSS ASSESSMENT	EXEMPTION	NET ASSESSMENT			
25.0000	[REDACTED]	0	[REDACTED]			

DELINQUENT AFTER AUG 1, 2021 DELINQUENT AFTER FEB 1, 2022

PAY ONLINE
SCAN HERE

Town tax bill and previous years District bills state the delinquent period dates (required by law)

CUT ACROSS PAGE AND INCLUDE WITH YOUR JULY PAYMENT.

TAXPAYER'S JULY VOUCHER A
CHAPMAN BEACH DISTRICT TAX

Make checks payable to:
DISTRICT OF CHAPMAN BEACH
PO BOX 213
WESTBROOK, CT 06498

ON GRAND LIST# 2020 [REDACTED]
OCTOBER 1, 2020 DISTRICT: CB
MILLRATE 1.45
GROSS ASSESSMENT: [REDACTED]
EXEMPTIONS: \$0
NET ASSESSMENT [REDACTED]
TOTAL 2021 TAX [REDACTED]

PAYMENT DUE JULY 1, 2021 [REDACTED]
PAYMENT DUE BY JANUARY 1, 2022 [REDACTED]

*MAY INCLUDE UNPAID TAXES, ACCRUED INTEREST, PENALTIES, AND/OR LIEN FEES. LATE PAYMENTS WILL BE DUE IMMEDIATELY WITH INTEREST CALCULATED MONTHLY AT 1.5% PER MONTH FROM THE DUE DATE.

BILL FOR YOUR CHAPMAN BEACH PROPERTY AT:
PROPERTY INFO [REDACTED]

The Districts current year bills have deleted this delinquent period dates (required by law)

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Appendix 7

The Bylaws of the District state:

ARTICLE IV REVENUES, BUDGETING, FINANCING, AND EXPENDITURES
Section 1. REVENUES. The revenues of the District will be generated by a tax based on the net assessed values of the real estate properties located within the District of Chapman Beach as stated on the record of the Town of Westbrook. The tax year will be a fiscal year commencing on July 1 and ending the following year on June 30. The tax rate will be determined and fixed based on the operating and capital budgets approved by the District. **The annual tax will be billed out in June for the following fiscal year. The collection of the tax will be on an annual basis. Any tax bill not paid within thirty (30) days of the due date shall be subject to liens and penalties.** All monies collected, generated, or gifted will be placed in the general fund until allocated for spending in accordance with established budgetary procedures.

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