



COMPTROLLER'S OFFICE

DEPARTMENT DESCRIPTION

The Comptroller's Office provides accounting, auditing and financial reporting services to all City Departments, Boards, and Commissions in accordance with Massachusetts General Laws, Municipal Ordinances, and Generally Accepted Accounting Principles for State and Local Governments.

Provide supervision & oversight over all financial activities of the City; maintain the City's financial accounting system in a manner that is capable of responding to a variety of financial information needs; prepare and distribute timely and accurate financial reports to management; the board of aldermen; state and federal agencies; taxpayers and members of the public; perform other duties as assigned by the Board of Aldermen.

- Provide oversight of all financial activities of the City for purposes of:
 - Assuring financial transactions are undertaken in accordance with federal, state, and local law, regulation, contract, and policy; and that City assets are protected from misuse or misappropriation.
 - Assuring that financial transactions are properly documented and approved.

- Assuring that financial transactions are properly recorded in the City's accounting system.
- Prepare and distribute accurate and timely financial reports from data maintained in the accounting system in order to meet reporting needs of: The Mayor, Board of Aldermen, and School Committee; City departments; Boards and committees; State & federal grant and oversight agencies; Trustees of City trust funds; Independent financial auditors; financial markets, citizens & taxpayers.
- Oversee day-to-day administration of the City's contributory retirement system and serve as one of five trustees of the system
- Administer the City' property insurance program
- Assist the Mayor's Office in the preparation of the annual budget
- Assist the Board of Aldermen in the analysis and approval of the annual budget
- Coordinate the completion of the annual independent financial audit Provide financial research and analysis assistance to the Board of Aldermen, as requested

ACCOMPLISHMENTS

1. **Financial management policies (guidelines):** A draft series of comprehensive financial management policies were developed for review and approval by the Mayor and Board of Aldermen during the spring of 2007. During the month of January, 2008, the Mayor and Board agreed on policy document language and formal policies were adopted. The policies are posted on the Comptroller's page of the City web site.
2. **Year-end close and financial statements:** The City's books for the year ended June 30, 2007 were closed according to schedule and the budgetary basis Annual Financial Report was issued on August 24, 2007, meeting the goal of 60 days of year end.
3. **Year-end financial reporting and free cash certification:** Statutory reporting responsibilities were completed according to schedule and free cash was certified on September 5, 2007, meeting the goal of 90 days of year end.
4. **Annual audit and issuance of the Comprehensive Annual Financial Report (CAFR):** Fieldwork for the 6/30/2007 audit was completed on October 25, 2007 and the auditors conducted their annual exit conference with the Finance Committee on December 10, 2007. This met our objectives for completion of the annual financial audit.
5. **Certificate of excellence:** Submitted the City's 6/30/2006 CAFR to the Government Finance Officers Association review program and received the Certificate of Excellence in Financial Reporting Award for this report, the third consecutive year that the City has received this award. The 6/30/2007 report was submitted for review in December, 2007.
6. **Monthly reconciliation:** Continued to provide the Collector-Treasurer with summary level monthly general ledger cash and receivable activity and ending balances within one week of the close of each month. Worked with the Collector-Treasurer and Audit Committee in the design of a detailed monthly general ledger to cash book and cash book to bank statement cash and investment reconciliation report.
7. **Checkless disbursement controls:** Worked with the Treasurer-Collector and Audit Committee in the design and implementation of new controls over checkless disbursements, designed to detect and correct checkless disbursement errors in a timely manner.
8. **Contributory Retirement asset management:** Worked with the other trustees of the Newton Contributory Retirement System in reaching consensus on the transfer of asset management from the City to the Commonwealth of Massachusetts Pension Reserve Investment Trust. This transfer took place in August of 2007 and the improved investment returns that are expected to result are expected

to speed up the actuarial funding of the City's defined benefit pension plan.

9. **Trust Fund investment management:** Worked with the Chaffin Fund trustees; the City Law Department; Mayor's Office and Board of Aldermen in drafting legislation to exempt City trust fund investments from statutory legal list restrictions, and allow investments to be made on the basis of the prudent man rule. The City's special legislation was successful and implementation is underway.

GOALS AND OBJECTIVES

1. Continue work on a web-based accounting and financial reporting policies and procedures manual. This will provide complete documentation for the City's accounting and financial reporting activities and serve as a valuable staff communications and training tool.
2. Continue timely and accurate year-end closings; issuance of the budgetary basis Annual Financial Report within 60 days of year-end; completion of all statutory reporting and free cash certification within 90 days of year end; completion of the annual audit within 120 days of year end; completion of the annual audit exit conference within and issuance of a CAFR by December 31. It is our intent to continue to submit the annual CAFR for review by the GFOA for the excellence in financial reporting award.
3. Continue to work with the mayor's office and finance committee of the board of aldermen to develop meaningful interim financial reporting packages, including enhanced web-based interim financial reporting.
4. Fully implement the financial reporting requirements of Governmental Accounting Standards Board (GASB) Statement 45 relative to post employment health and life insurance benefits.
5. Continue working with the Mayor's Office and Board of Aldermen in the ongoing improvement of the multi-year financial forecast and the development of a process to encourage a multi-year approach to budget and financial planning.
6. Work with a subcommittee of the City's Finance Committee in developing a funding plan for the City's post retirement health benefit obligations that can be submitted to the Mayor and Board of Aldermen for approval.
7. Continue to work with the Treasurer-Collector in the development of a formal monthly receivable reconciliation process, similar to what is currently in place for cash and investments.

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**CITY OF NEWTON BUDGET
DEPARTMENT SUMMARY**

OBJECT SUMMARY	ACTUAL 2006	ACTUAL 2007	ORIGINAL	2008		RECOMMENDED 2009	APPROPRIATION CHANGE	
				ADJUSTMENTS	TOTAL		2008 To 2009	
51 - PERSONAL SERVICES	561,736	575,638	3,382,398	2,007,486	5,389,884	3,485,297	-1,904,587	-35%
52 - EXPENSES	1,397,790	1,445,725	1,986,512	-300,356	1,686,156	2,137,329	451,173	27%
59 - OTHER FINANCING USES	2,301,383	1,675,526	542,879	5,445,158	5,988,037	47,417	-5,940,620	-99%
SUB-TOTALS:	4,260,909	3,696,889	5,911,789	7,152,288	13,064,077	5,670,043	-7,394,034	-57%
57 - FRINGE BENEFITS	18,376,983	18,885,942	19,929,152	-8,611	19,920,541	20,735,661	815,120	4%
SUB-TOTALS:	18,376,983	18,885,942	19,929,152	-8,611	19,920,541	20,735,661	815,120	4%
DEPARTMENT TOTALS:	22,637,892	22,582,831	25,840,941	7,143,677	32,984,618	26,405,704	-6,578,914	-20%

FUNCTIONAL ELEMENT SUMMARY	ACTUAL 2006	ACTUAL 2007	ORIGINAL	2008		RECOMMENDED 2009	APPROPRIATION CHANGE	
				ADJUSTMENTS	TOTAL		2008 To 2009	
0110401 COMPTROLLER	540,235	547,717	558,343	11,013	569,356	562,664	-6,692	-1%
0110491 RETIREMENT	18,525,152	19,043,013	20,106,019	4,058	20,110,077	21,006,920	896,843	4%
0110492 WORKERS COMPENSATION	1,001,353	1,034,342	950,000	192,000	1,142,000	950,000	-192,000	-17%
0110494 PROPERTY INSURANCE	269,768	282,234	277,300	22,136	299,436	309,959	10,523	4%
0110498 RESERVE FUND	0	0	3,406,400	1,469,312	4,875,712	3,528,744	-1,346,968	-28%
0110499 INTER-FUND TRANSFERS	2,301,383	1,675,526	542,879	5,445,158	5,988,037	47,417	-5,940,620	-99%
DEPARTMENT TOTALS:	22,637,892	22,582,831	25,840,941	7,143,677	32,984,618	26,405,704	-6,578,914	-20%

COMPTROLLER	ACTUAL 2006	ACTUAL 2007	ORIGINAL	2008		RECOMMENDED 2009	APPROPRIATION CHANGE	
				ADJUSTMENTS	TOTAL		2008 To 2009	
51 - PERSONAL SERVICES	410,592	417,204	422,659	10,824	433,483	428,574	-4,909	-1%
52 - EXPENSES	63,979	64,609	65,380	8,800	74,180	65,280	-8,900	-12%
SUB-TOTALS:	474,571	481,813	488,039	19,624	507,663	493,854	-13,809	-3%
57 - FRINGE BENEFITS	65,664	65,904	70,304	-8,611	61,693	68,810	7,117	12%
SUB-TOTALS:	65,664	65,904	70,304	-8,611	61,693	68,810	7,117	12%
Element Totals:	540,235	547,717	558,343	11,013	569,356	562,664	-6,692	-1%

RETIREMENT	ACTUAL 2006	ACTUAL 2007	ORIGINAL	2008		RECOMMENDED 2009	APPROPRIATION CHANGE	
				ADJUSTMENTS	TOTAL		2008 To 2009	
51 - PERSONAL SERVICES	151,144	158,434	163,339	4,058	167,397	177,979	10,582	6%
52 - EXPENSES	62,690	64,540	83,832	0	83,832	162,090	78,258	93%
SUB-TOTALS:	213,834	222,974	247,171	4,058	251,229	340,069	88,840	35%
57 - FRINGE BENEFITS	18,311,319	18,820,039	19,858,848	0	19,858,848	20,666,851	808,003	4%
SUB-TOTALS:	18,311,319	18,820,039	19,858,848	0	19,858,848	20,666,851	808,003	4%
Element Totals:	18,525,152	19,043,013	20,106,019	4,058	20,110,077	21,006,920	896,843	4%

WORKERS COMPENSATION	ACTUAL 2006	ACTUAL 2007	ORIGINAL	2008		RECOMMENDED 2009	APPROPRIATION CHANGE	
				ADJUSTMENTS	TOTAL		2008 To 2009	
52 - EXPENSES	1,001,353	1,034,342	950,000	192,000	1,142,000	950,000	-192,000	-17%
SUB-TOTALS:	1,001,353	1,034,342	950,000	192,000	1,142,000	950,000	-192,000	-17%
Element Totals:	1,001,353	1,034,342	950,000	192,000	1,142,000	950,000	-192,000	-17%

PROPERTY INSURANCE	ACTUAL 2006	ACTUAL 2007	ORIGINAL	2008		RECOMMENDED 2009	APPROPRIATION CHANGE	
				ADJUSTMENTS	TOTAL		2008 To 2009	
52 - EXPENSES	269,768	282,234	277,300	22,136	299,436	309,959	10,523	4%
SUB-TOTALS:	269,768	282,234	277,300	22,136	299,436	309,959	10,523	4%
Element Totals:	269,768	282,234	277,300	22,136	299,436	309,959	10,523	4%

RESERVE FUND	ACTUAL 2006	ACTUAL 2007	ORIGINAL	2008		RECOMMENDED 2009	APPROPRIATION CHANGE	
				ADJUSTMENTS	TOTAL		2008 To 2009	
51 - PERSONAL SERVICES	0	0	2,796,400	1,992,604	4,789,004	2,878,744	-1,910,260	-40%
52 - EXPENSES	0	0	610,000	-523,292	86,708	650,000	563,292	650%
SUB-TOTALS:	0	0	3,406,400	1,469,312	4,875,712	3,528,744	-1,346,968	-28%
Element Totals:	0	0	3,406,400	1,469,312	4,875,712	3,528,744	-1,346,968	-28%

INTER-FUND TRANSFERS	ACTUAL 2006	ACTUAL 2007	ORIGINAL	2008		RECOMMENDED 2009	APPROPRIATION CHANGE	
				ADJUSTMENTS	TOTAL		2008 To 2009	
59 - OTHER FINANCING USES	2,301,383	1,675,526	542,879	5,445,158	5,988,037	47,417	-5,940,620	-99%
SUB-TOTALS:	2,301,383	1,675,526	542,879	5,445,158	5,988,037	47,417	-5,940,620	-99%
Element Totals:	2,301,383	1,675,526	542,879	5,445,158	5,988,037	47,417	-5,940,620	-99%

DEPARTMENT:
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CITY OF NEWTON BUDGET
PERSONAL SERVICES SUMMARY

ACCOUNT	POSITION TITLE	RANGE	2008 BUDGET		2009 RECOMMENDED	
			FTE	SALARY	FTE	SALARY
511001	Comptroller	H13	1	121,307	1	124,969
511001	Asst Comptroller	H09	2	137,577	2	143,859
511001	Accountant	H10	1	81,070	1	58,975
511001	Payroll Auditor	S06	1	47,249	1	48,675
511001	Retirement Director	XXX	1	99,983	1	105,955
511001	Admin Assistant	XXX	1	66,381	1	70,374
Account Totals:			7	553,566	7	552,807
511101	PT Accounting Clerk	QQQ	0	0	0.3	20,000
Account Totals:			0	0	0.3	20,000
511102	Accounting Asst	S05	1	43,229	0.6	26,721
Account Totals:			1	43,229	0.6	26,721
Report Totals:			8	596,794	7.9	599,528