

**LEGISLATIVE COUNCIL REGULAR MEETING
COUNCIL CHAMBERS, 3 PRIMROSE STREET, NEWTOWN, CT
WEDNESDAY, JANUARY 19, 2022**

MINUTES

PRESENT: Jeffrey Capeci, Phil Carroll, Angela Curi, William DeRosa (via teleconference), Charles Gardner, Chris Gardner, Dan Honan, Lisa Kessler, Ryan Knapp, Michelle Embree Ku, Tom Long, Matthew Mihalcik

ALSO PRESENT: First Selectman Dan Rosenthal, Finance Director Bob Tait, BOE Chair Deborra Zukowski, 2 public, 0 press

CALL TO ORDER: Mr. Capeci called the meeting to order with the Pledge of Allegiance at 7:35 pm.

VOTER COMMENT: None

MINUTES: Mr. Charles Gardner moved to accept the minutes of the January 5, 2022 Legislative Council Regular Meeting. Seconded by Mr. Carroll. All in favor. Motion passes (12-0).

COMMUNICATIONS: Mr. Capeci reminded all that we are now officially in budget season. *See attachment A from the BOE.* He recommends everyone to read the minutes and/or watch BOS and BOE meeting deliberations when available. This will help to answer any questions. Mr. Capeci also mentioned that members of the library were not quite ready to discuss the CIP tonight so that portion of tonight's agenda will be postponed.

COMMITTEE REPORTS: None

FIRST SELECTMAN'S REPORT: First Selectman Dan Rosenthal reported on the Covid test kits - we are in the process of distributing the second batch of tests through this Saturday. They are targeting more of the seniors and non-school population this time around. The federal government's test kit website is also live so people can start to order them online. In the last five days, we've had successful decreases in case rates and hospitalizations statewide. The BOS presented their budget this week. The top line is 5%, the reason is that our estimated revenue increase is \$3.5 million, which is more than a mil. Some of this is residential and commercial growth, but a large chunk of it is from motor vehicle taxes. New and, especially, used motor vehicle values have increased over the last couple of years due to Covid. This gives cause for concern because the increase is temporary and this revenue will not be there year after year. The First Selectman proposed in the budget that we put \$1 million in capital and non-recurring. This would cause the spending plan to go up but it would then be offset by revenue causing the net effect on taxation is zero. If you back that out, the overall increase in budget is about 2.8%, of which, the two big drivers are roads and the recycling contract. The general government increase is 1.7%. If no changes were made to either the Town and BOE budget, the mil rate increase would be 0.5%. He is pleased at our current financial position, as well as, being well set up going in to future budgets. The proposed BOS budget is available on the Finance Department's page of the Town's website.

OLD BUSINESS

Discussion and Possible Action

- 2022-23 – 2026-27 CIP

Mr. Honan moved to accept the BOF recommended CIP for 2022-23 – 2026-27. Seconded by Mr. Carroll. Motion amended.

The BOF recommended CIP can be found on the Finance Department's page on the Town's website. Mr. Carroll began by asking which items on the BOE list of projects were priority and would like to know whether the Reed Chiller project could instead be retrofitted instead of replaced. Ms. Zukowski responded that based on the research done by Mr. Gerbert, it was recommended that these units would not be suitable for retrofitting and in terms of priority it is purely financial. It is more of an age-driven concern and could potentially be an issue. Mr. Long asked whether the construction manager included in the Middle School project would be an added position. The First Selectman confirmed that it would be a contracted position. Mr. Capeci stated that in terms of the CIP regulations, anything added to year one should be strictly scrutinized by the Legislative Council – he asked Ms. Zukowski how the BOE factored that into their decision. Ms. Zukowski responded that when Mr. Gerbert was working with other Town leaders, things like the high school's rooftop units were of great concern. In terms of the field, to be able to save \$300,000 in bonding was a big deal. The First Selectman surmised that the chiller is not an elective thing and needs to be done at some point. We can decide to wait one or two years, but then may be taking a chance on having an emergency. Mr. Mihalcik stated that if they are looking at these projects in terms of age, why weren't they on the CIP years ago. In his opinion, adding these projects now are not acceptable. Ms. Zukowski responded that we now have a building inventory work group which is working on gathering information from all the buildings in Town – this will serve very useful in helping to identify age related issues more easily. She further expects that we will learn more. Mr. DeRosa added that a boiler that was installed over 40 years ago may last a lot longer than a boiler installed today, so he does not feel age should be a factor. He strongly believes, from personal experience, that any unit can be retrofitted. Mr. Knapp said from a planning perspective, this puts us in a corner with managing our debt. Some of these projects have been around for a while. He is ok with accepting most of them, with the exception of the Reed chiller project – he'd like to see more information gathered on that one. Mr. Long added to keep in mind that rising costs will be a factor if we decide to put these projects off. Mr. Chris Gardner agreed with Mr. Long and supports keeping them in year one. Mr. DeRosa also feels that he needs more information about the Reed chiller before making a decision. First Selectman Rosenthal stated that in terms of the ARP funding for Hawley, this was something that he had proposed, it did not come from the BOE - he does not believe that these moved because of the bonding. He feels in the spirit of bringing things forward, he gives Mr. Gerbert a lot of credit for the work he does across the board and he did not do this with intent to surprise anyone. While he agrees that it should have been making it's way on the CIP long before now, he does see this as a step in the right direction and we're in a much better place now than we were three years ago. Ms. Zukowski wanted to make note that the BOE will fully support whatever decision this Council makes. Ms. Ku, as a percentage of debt service, the schools have been going down over the last ten years. As a Town, we have reduced the overall debt service, but there needs to be a way to pay for that funding. She supports keeping all the newly added BOE items in year one. The First Selectman fully supports the BOE for bringing these projects forward, however, the timing is uncertain. If we need to push it off, we could reluctantly deal with it by using an appropriation at a later date. We can always amend the CIP and handle it next year, but at least it's on everyone's radar.

Mr. Mihalcik moved to amend the BOF recommended CIP by removing the 2022-2023 Reed School Chiller Replacement Project. Seconded by Mr. Carroll. Motion passes (9-3; Nays: Chris Gardner, Ku, Honan).

Mr. Capeci would have liked these items to have been on the CIP to allow them to make their natural progression in the process. He hopes that with the addition of the new building inventory work group, this will eliminate any further surprises down the road. He supports the amendment. Mr. Knapp also supports the amendment. Mr. Tait noted that anything moved on the CIP does not affect the debt service schedule. We work our way towards the annual debt service amount, not the cap, and every year it keeps going down. Mr. Charles Gardner asked what the school's policies are to closing for heat related issues. Ms. Ku responded that if there is a closure due to heat, it is a district wide decision.

Ms. Curi moved to amend the BOF recommended CIP by reducing the bonding amount for the 2022-2023 Project Hawley Ventilation HVAC (part 2 of 3) by \$1 million to be offset by American Rescue Plan funds. Seconded by Mr. Carroll. All in favor. Motion passes (12-0).

The First Selectman added that in regards to the Edmond Town Hall parking lot project, he was advised to increase it from \$550,000 to \$600,000 so they are not limited should they come across any issues with the drainage pipe. Remediation and demo of the old firehouse is contained in that cost.

Mr. Honan moved to amend the BOF recommended CIP by adding \$50,000 to the Edmond Town Hall Parking Lot Improvements Project for a total of \$600,000. Seconded by Mr. Knapp. All in favor. Motion passes (12-0).

Amended CIP passes unanimously. *See attachments B, C, D.*

- Consideration of BOF Recommended Amendments to the 2021-2022 approved CIP:
 - \$420,000 library project added for roof, gutters, downspout and shutters replacements/upgrades/repair moved to 2021-22. To be funded by the library available fund balance reserved for capital improvements.
 - \$200,000 library project (unspent) in the current approved 2021-22 CIP amended to be used for HVAC comprehensive upgrades in 2022-23 (to be combined with 2022-23 \$350,000).

Mr. Capeci tabled this discussion for a future meeting when members of the library can be present.

NEW BUSINESS

Discussion and Possible Action

- Recommendation to designate the audit firm of MahoneySabol to audit the books and accounts of the Town, for the fiscal year ending June 30th, 2022 and to extend their services for three years

Mr. Honan moved that we accept the recommendation to designate the audit firm of MahoneySabol to audit the books and accounts of the Town, for the fiscal year ending June 30th, 2022 and to extend their services for three years. Seconded by Mr. Chris Gardner. Motion fails (4-8; Nays: Curi, Kessler, DeRosa, Mihalcik, Charles Gardner, Capeci, Knapp, Carroll).

Ms. Ku asked if we are allowed to extend a contract without going out to bid, what would be the hardship and/or benefit of going out to bid and how our costs compare to other towns. Mr. Tait replied that there is no time or length regulation. We've had a good relationship with this auditor; they are familiar with the Town and very knowledgeable about Newtown. There is a disruption in the process if we introduce a new auditor. We received this proposal about 9 months ago and there is a 1.9% increase. Compared to other towns, our fees are reasonable. Mr. Knapp referred to his CCM training which recommends going out to bid. He feels that there is value in having a fresh set of eyes on it. He recommends to convene an audit committee and do an RFP. While he has always been impressed with MahoneySabol, he believes in implementing the best practices laid out in research he has done. Mr. Tait said the auditors begin their process in April which is when the contract would need to be signed by. Mr. DeRosa would also like to get at least one more bid on the table for a comparison since we have time. Ms. Ku suggested that maybe a policy be put in place about how long an auditor can serve. Mr. Capeci doesn't feel we should discount MahoneySabol, but he is also in agreement on receiving more quotes from other auditors – we may get a positive result. Mr. Knapp does not support renewing this contract until we can get at least one more quote. Mr. Honan added that we should accept what the Finance Director is suggesting - he doesn't see the value in changing this. The First Selectman noted the first step

will be to send out RFP's and expect them to come back by mid-February, then an audit committee can be discussed. *See attachments E, F, G, H.*

- Finance Director presentation of the Town of Newtown Comprehensive Annual Financial Report For the Year Ended June 30, 2021

Mr. Tait presented an excerpt of the Town's Comprehensive Annual Financial Report for the fiscal year ending June 30, 2021. *See attachment I.* The full report can be found at www.newtown-ct.gov/sites/g/files/vyhlf3546/f/uploads/cafr-fy2021.pdf

- Recommend to accept the Town of Newtown Comprehensive Annual Financial Report For the Year Ended June 30, 2021

Mr. Mihalcik moved to accept the Town of Newtown Comprehensive Annual Financial Report For the Year Ended June 30, 2021. Seconded by Mr. Long. All in favor. Motion passes (12-0).

- Request by the Tax Collector for Approval to Assign Tax Liens for Property Located at 38 Hucko Trail
- Request by the Tax Collector for Approval to Assign Tax Liens for Property Located at 71 Maplewood Trail

Mr. Charles Gardner moved to accept the request by the Tax Collector for Approval to Assign Tax Liens for Properties Located at 38 Hucko Trail and 71 Maplewood Trail. Seconded by Ms. Curi. Motion rescinded until further information can be gathered.

VOTER COMMENT: None

ANNOUNCEMENTS: Mr. Capeci announced that a Special Meeting may be scheduled for January 31st. He is also planning to invite the Chair of the Charter Revision Committee to come speak at a future meeting. The First Selectman made note of a potential executive session to discuss a legal matter at the February 2nd meeting.

ADJOURNMENT: There being no further business, Mr. Charles Gardner moved to adjourn the meeting at 10:16 pm. Seconded by Mr. Knapp. All in favor.

*Respectfully submitted,
Rina Quijano, Clerk*

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

Sent: Mon, Jan 17, 2022 at 13:06

Subject: Form submission from: Contact the Newtown Legislative Council

Submitted on Monday, January 17, 2022 - 1:06pm

Your name: Deborra Zukowski

Your e-mail address: zukowskid_boe@newtown.k12.ct.us

Subject: Upcoming BoE Operational Budget Plan presentations/discussion

Dear Members of the Legislative Council

The Board of Education will be starting its review of the Superintendent's Requested Operational Plan tomorrow (Tuesday) and Thursday nights. The agendas are available at:

https://newtown.campuscontact.com/_theme/files/Board%20of%20Education/Bo... and

https://www.newtown-ct.gov/sites/g/files/vyhlf3546/f/agendas/boe_1-20-2....

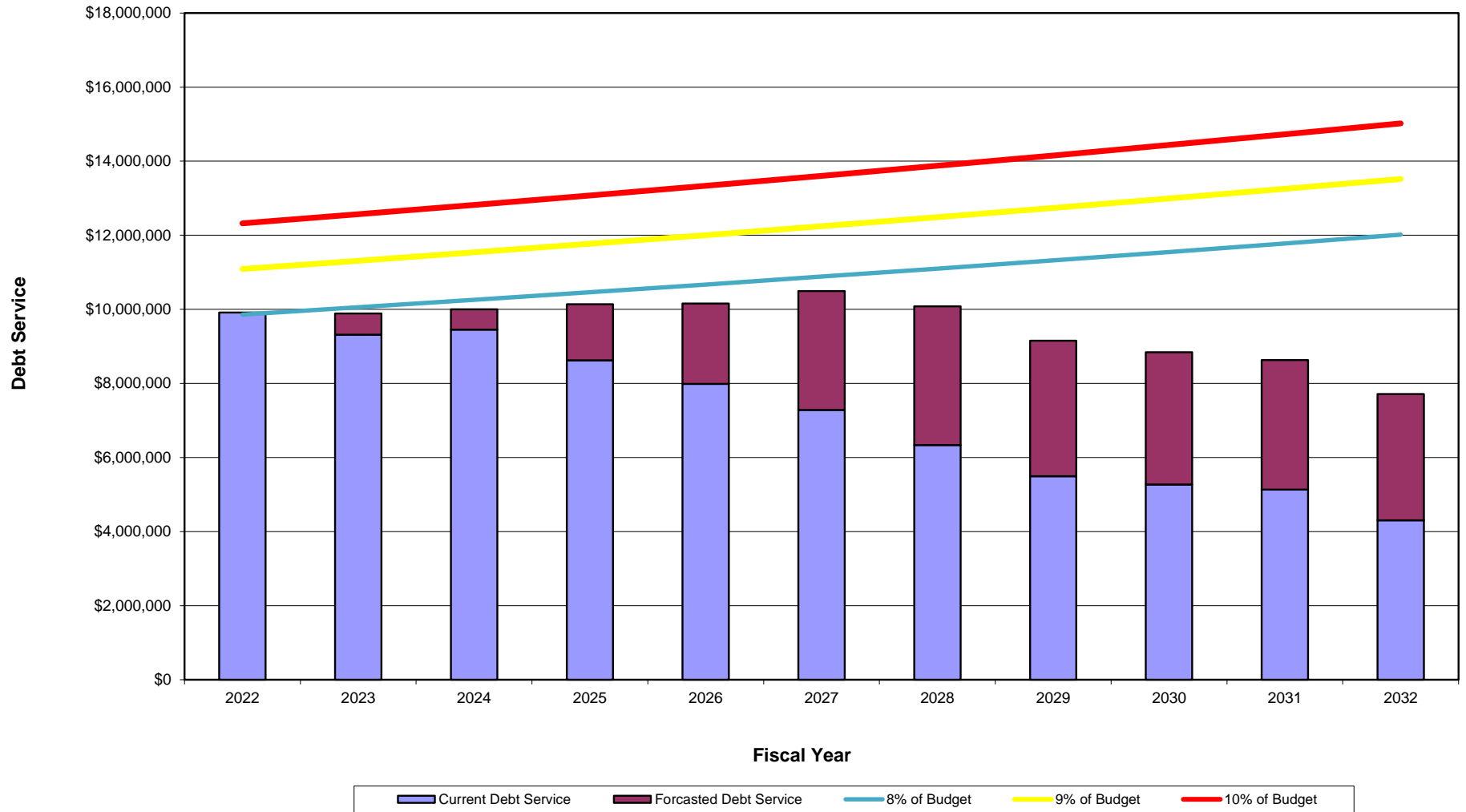
Both meetings will be held at the Reed School Library. Due to technical difficulties, streaming will not be provided. However, there will be someone capturing a video of the meeting that should be posted on the Town website soon afterwards.

I look forward working with you to ensure that our students and community continue to have access to a high quality education.

The results of this submission may be viewed at:

<https://www.newtown-ct.gov/node/86983/submission/136741>

**TOWN OF NEWTOWN
2022- 23 TO 2026-27 CIP EFFECT ON FUTURE DEBT SERVICE**



[illegible]

01/19/2022

LC changes to BOF recommended 2022-23 CIP:

Year 1

- Increased ETH parking lot improvements from \$550,000 to \$600,000.
 - This was due to an updated cost estimate from public works. It could be less but we did not want to come back to request more funds. Increase relates to the estimated cost of drainage pipe.
- Changed the funding source for the Hawley ventilation project. \$2,500,000 in bonding changed to \$1,500,000 in bonding and \$1,000,000 authorized from ARP funds (\$1,500,000 in authorized ARP funds will also be applied to the current year – 2021-22)
- Took the Reed school chiller replacement project off the CIP. Will take a look at this project next project cycle when we have more information.

CHANGES TO BOF RECOMMENDED IN RED

1/19/2022

TOWN OF NEWTOWN
LEGISLATIVE COUNCIL ADOPTED CIP - (2022 - 2023 TO 2026 - 2027) FOR BOF REVIEW

2022 - 2023 (YEAR ONE)			Proposed Funding			
	Dept.	Amount Requested	Bonding	Grants	General Fund	Other
Capital Road Program	PW	3,000,000			2,750,000	250,000
Bridge Replacement Program	PW	400,000	400,000			
Replacement of Fire Apparatus	FIRE	500,000	500,000			
Sandy Hook Permanent Memorial	SH MEM	1,700,000	600,000			1,100,000
Building Remediation & Demo / Infrastructure	FHA	2,000,000	2,000,000			
Clean Up of 28A Glen Road	ECON DEV	650,000	650,000			
Town Match - Grants (contingency)	ECON DEV	200,000				200,000
Edmond Town Hall Parking Lot Improvements	ETH	600,000	600,000			
Library Renovations / replacements / upgrades	LIB	350,000	350,000			
Hawley - Ventilation and HVAC (part 2 of 3)	BOE	2,500,000	1,500,000			1,000,000
Head O'Meadow - Boiler Plant	BOE	424,500	424,500			
Reed - Replace Chiller, Upgrade BMS controls	BOE	-	-			
High School - HVAC Equipment Replacements	BOE	850,000	850,000			
High School - Turf Practice Field (rear)	BOE	760,000	460,000			300,000
TOTALS	>>>>>>>	13,934,500	8,334,500	-	2,750,000	2,850,000
2023 - 2024 (YEAR TWO)			Proposed Funding			
	Dept.	Amount Requested	Bonding	Grants	General Fund	Other
Capital Road Program	PW	3,050,000			3,050,000	
Bridge Replacement Program	PW	400,000	400,000			
Multi-Purpose Building Electrical/Mechanical/HVAC	PW	413,000	413,000			
Municipal Center - Roof Remediation & Replacement	PW	1,000,000	1,000,000			
Replacement of Fire Apparatus	FIRE	1,085,000	800,000			285,000
Building Remediation & Demo / Infrastructure	FHA	1,500,000	1,500,000			
Town Match - Grants (contingency)	ECON DEV	200,000				200,000
Lake Lillinonah Park Improvements	P & R	500,000				500,000
Library Renovations / replacements / upgrades	LIB	570,000	570,000			
Hawley - Ventilation and HVAC (part 3 of 3)	BOE	4,000,000	4,000,000			
High School - HVAC Equipment Replacements	BOE	850,000	850,000			
Middle School - HVAC Design	BOE	450,000	450,000			
Head O'Meadow - Replace Condensing Units	BOE	750,000	750,000			
TOTALS	>>>>>>>	14,768,000	10,733,000	-	3,050,000	985,000
2024 - 2025 (YEAR THREE)			Proposed Funding			
	Dept.	Amount Requested	Bonding	Grants	General Fund	Other
Capital Road Program	PW	3,100,000			3,100,000	
Town Match - Grants (contingency)	ECON DEV	200,000				200,000
Truck Washing Station	PW	50,000				50,000
TOTALS	>>>>>>>	3,350,000		-	3,100,000	250,000
2025 - 2026 (YEAR FOUR)			Proposed Funding			
	Dept.	Amount Requested	Bonding	Grants	General Fund	Other
Capital Road Program	PW	3,150,000			3,150,000	
Bridge Replacement Program	PW	400,000	400,000			
Truck Washing Station	PW	550,000	550,000			
PW Site & Salt Storage Improvements	PW	50,000				50,000
Replacement of Fire Apparatus	FIRE	800,000	800,000			
Building Remediation & Demo / Infrastructure	FHA	2,000,000	2,000,000			
Town Match - Grants (contingency)	ECON DEV	200,000				200,000
Edmond Town Hall Building Renovations	ETH	550,000	550,000			
Treadwell Artificial Turf & Lighting	P & R	800,000	250,000			550,000
Rail Trail - Batchelder Park	P & R	1,400,000		1,400,000		
Middle School - HVAC Construction	BOE	8,000,000	8,000,000			
TOTALS	>>>>>>>	17,900,000	12,550,000	1,400,000	3,150,000	800,000
2026 - 2027 (YEAR FIVE)			Proposed Funding			
	Dept.	Amount Requested	Bonding	Grants	General Fund	Other
Capital Road Program	PW	3,200,000			3,200,000	
Bridge Replacement Program	PW	400,000	400,000			
PW Site & Salt Storage Improvements	PW	600,000	600,000			
Transfer Station Improvements	PW	400,000	400,000			
Replacement of Fire Apparatus	FIRE	820,000	820,000			
Building Remediation & Demo / Infrastructure	FHA	2,000,000	2,000,000			
Town Match - Grants (contingency)	ECON DEV	200,000				200,000
Fairfield Hills Water Infrastructure	WSA	750,000				750,000
High School - HVAC Equipment Replacements	BOE	400,000	400,000			
Middle Gate - Window Replacement	BOE	1,100,000	1,100,000			
Middle Gate - Bathrooms Renovations	BOE	200,000	200,000			
High School - Replace F-Wing Chiller	BOE	500,000	500,000			
High School - Roof Replacement - BUR areas	BOE	450,000	450,000			
TOTALS	>>>>>>>	11,020,000	6,870,000	-	3,200,000	950,000
GRAND TOTALS		60,972,500	38,487,500	1,400,000	15,250,000	5,835,000

Recommendation to designate the audit firm of MahoneySabol to audit the books and accounts of the Town, for the fiscal year ending June 30, 2022, as required by the general statutes per Town Charter chapter 7 – 7-05 (c) and to extend MahoneySabol’s services for three years ending with the fiscal year ending June 30, 2024.

The Finance Director respectfully requests that MahoneySabol’s professional auditing services be extended for another three years. This three year period would bring the Town to the end of the American Rescue Plan (ARP) grant. It would benefit the Town to keep the services of MahoneySabol due to the fact that they have gained a strong knowledge of the Town’s financial landscape and practices. Their guidance relating to the ARP grant would be a valuable asset. Attached is the audit fee schedule outlining the past five audits and the proposed three year extension. MahoneySabol’s proposal is also attached. The percent increases in audit fees over the years (and into the future) are all under inflation figures.

Town of Newtown										
MahoneySabol Auditing Services Fees & Fee Proposal										
		Year Ended June 30th:								
Basic Reports:		Completed Audits						Proposed Three Year Extension		
		<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>		<u>2022</u>	<u>2023</u>	<u>2024</u>
	Town audit including Comprehensive Annual	64,500	64,500	64,500	65,500	66,500		66,900	68,100	69,400
	Financial Reportand Report of Internal Controls									
	State Single Audit Report	4,000	4,000	4,000	4,000	4,000		4,000	4,100	4,200
	Federal Single Audit Report	3,000	3,000	3,000	3,000	3,000		4,000	4,100	4,200
	Total	71,500	71,500	71,500	72,500	73,500		74,900	76,300	77,800
	Percent Increase		0.0%	0.0%	1.4%	1.4%		1.9%	1.9%	2.0%

TOWN OF NEWTOWN, CONNECTICUT
COMMUNICATION WITH THOSE CHARGED
WITH GOVERNANCE
FOR THE YEAR ENDED JUNE 30, 2021

December 22, 2021

To the Legislative Council and the Board of Finance
Town of Newtown, Connecticut

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Newtown, Connecticut (the "Town"), for the year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, the Connecticut State Single Audit Act and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town are described in Note 1 to the financial statements. As disclosed in Note 1 to the financial statements, the Town implemented the provisions of GASB Statement No. 84, *Fiduciary Activities* ("Statement No. 84"). Based on the application of Statement No. 84, the Town recharacterized certain activities previously reported as fiduciary activities. The Town reported the cumulative effect of applying Statement No. 84 as a restatement of its beginning net position and fund balances.

We noted no transactions entered into by the Town during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the Town's financial statements were:

- Allowances for doubtful accounts - Receivables are subject to credit risk. Although liens are typically filed on delinquent accounts to secure the Town's interest in the receivables, amounts may not be realized by Town in the near term. Accordingly, management performs an evaluation of collectability and establishes an allowance for potential credit losses based on factors surrounding the credit risk of specific accounts, historical trends, and other information.
- Depreciable lives - The determination of depreciation and amortization expense is based on assignment of estimated useful lives.

- Net pension liability - The determination of the Town's net pension liability is based on an actuarial determined liability as of the measurement date. The calculation of the actuarial determined liability involves a number of actuarial assumptions, including the use of a discount rate, an investment rate of return, an inflation rate, and a mortality rate.
- Net OPEB liability - The determination of the Town's net other post-employment benefits (OPEB) liability is based on an actuarial determined liability as of the measurement date. The calculation of the actuarial determined liability involves a number of actuarial assumptions, including the use of a discount rate, a health care cost trend rate, and a mortality rate.

We have evaluated the key factors and assumptions used to develop these estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are considered to be neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 22, 2021.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

Required Supplementary Information

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Other Supplementary Information


We were engaged to report on the combining and individual fund financial statements and schedules, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

The introductory section and the statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Restriction on Use

This information is intended solely for the information and use of the Legislative Council, Boards and management of the Town and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,



Certified Public Accountants
Glastonbury, Connecticut
December 22, 2021

TOWN OF NEWTOWN, CONNECTICUT

**FEDERAL AND STATE
SINGLE AUDITS**

FOR THE YEAR ENDED JUNE 30, 2021

TOWN OF NEWTOWN, CONNECTICUT
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INTERNAL CONTROL AND COMPLIANCE REPORT

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Legislative Council
Town of Newtown, Connecticut

We have audited, in accordance with the 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, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Newtown, Connecticut (the "Town"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated December 22, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

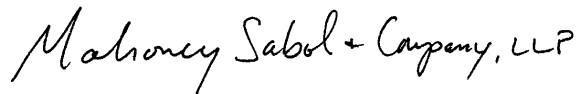
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Mahoney Sabol & Company, LLP". The signature is written in a cursive, flowing style.

Certified Public Accountants
Glastonbury, Connecticut
December 22, 2021

FEDERAL SINGLE AUDIT SECTION

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM,
ON INTERNAL CONTROL OVER COMPLIANCE, AND ON THE SCHEDULE OF EXPENDITURES
OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE**

To the Legislative Council
Town of Newtown, Connecticut

Report on Compliance for Each Major Federal Program

We have audited the Town of Newtown, Connecticut's (the "Town"), compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended June 30, 2021. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of federal findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town of Newtown, Connecticut, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

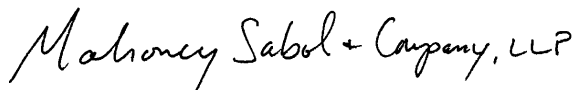
Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon dated December 22, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.



Certified Public Accountants
Glastonbury, Connecticut
December 22, 2021

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor; Pass-Through Grantor; Program Title; Description	Pass-Through Entity Identification Number	Federal CFDA Number	Passed Through to Subrecipients	Expenditures
UNITED STATES DEPARTMENT OF AGRICULTURE				
Child Nutrition Cluster:				
Passed through the Connecticut Department of Education:				
National School Lunch Program - Commodities	-	10.555	\$ -	\$ 42,763
National School Lunch Program - 2021	12060-SDE64370-20560	10.555	-	630,588
National School Lunch Program - CARES Act	12060-SDE64370-29572	10.555	-	9,283
School Breakfast Program - 2021	12060-SDE64370-20508	10.553	-	99,406
Total Child Nutrition Cluster			-	782,040
Passed through the Connecticut Department of Education:				
Child and Adult Care Food Program - 2021	12060-SDE64370-20518	10.558	11,257	11,257
Child and Adult Care Food Program - CARES Act	12060-SDE64370-29575	10.558	6,917	6,917
Child and Adult Care Food Program - Commodities - 2020	12060-SDE64370-20544	10.558	1,191	1,191
Child and Adult Care Food Program - Commodities - 2021	12060-SDE64370-20544	10.558	1,618	1,618
Child and Adult Care Food Program - Commodities - CARES Act	12060-SDE64370-29572	10.558	254	254
			21,237	21,237
TOTAL UNITED STATES DEPARTMENT OF AGRICULTURE			21,237	803,277
UNITED STATES DEPARTMENT OF EDUCATION				
Special Education Cluster:				
Passed through the Connecticut Department of Education:				
Special Education - Grants to States (IDEA, Part B) - 2019	12060-SDE64370-20977	84.027	-	85
Special Education - Grants to States (IDEA, Part B) - 2020	12060-SDE64370-20977	84.027	-	17,132
Special Education - Grants to States (IDEA, Part B) - 2021	12060-SDE64370-20977	84.027	-	845,289
Special Education - Preschool Grants (IDEA Preschool) - 2020	12060-SDE64370-20983	84.173	-	26,822
Total Special Education Cluster			-	889,328
Passed through the Connecticut Department of Education:				
Supporting Effective Instruction State Grants (Title II, Part A) - 2019	12060-SDE64370-20858	84.367	-	4,682
Supporting Effective Instruction State Grants (Title II, Part A) - 2020	12060-SDE64370-20858	84.367	-	4,391
Supporting Effective Instruction State Grants (Title II, Part A) - 2021	12060-SDE64370-20858	84.367	-	62,410
			-	71,483
Title I Grants to Local Educational Agencies - 2020	12060-SDE64370-20679	84.010	-	25,226
Title I Grants to Local Educational Agencies - 2021	12060-SDE64370-20679	84.010	-	133,451
			-	158,677
Career and Technical Education Basic Grants to States (Perkins IV) - 2019	12060-SDE64370-20742	84.048	-	28,710
Career and Technical Education Basic Grants to States (Perkins IV) - 2021	12060-SDE64370-20742	84.048	-	35,302
			-	64,012
Student Support and Academic Enrichment Program (Title IV, Part A) - 2019	12060-SDE64370-22854	84.424	-	389
Student Support and Academic Enrichment Program (Title IV, Part A) - 2020	12060-SDE64370-22854	84.424	-	1,847
Student Support and Academic Enrichment Program (Title IV, Part A) - 2021	12060-SDE64370-22854	84.424	-	11,536
			-	13,772
Elementary & Secondary School Emergency Relief Fund (ESSER)	12060-SDE64370-29571	84.425D	-	47,563
American Rescue Plan Elementary and Secondary School Emergency Relief Fund	12060-SDE64370-29636	84.425U	-	10,367
Passed through EdAdvance:				
English Language Acquisition State Grants (Title III, Part A)	-	84.365	-	3,223
TOTAL UNITED STATES DEPARTMENT OF EDUCATION			-	1,258,425
UNITED STATES DEPARTMENT OF TRANSPORTATION				
Highway Planning and Construction Cluster:				
Passed through the Connecticut Department of Transportation:				
Highway Planning and Construction	12062-DOT57125-22108	20.205	-	18,020
Highway Planning and Construction	12062-DOT57124-22108	20.205	-	8,054
Highway Planning and Construction	12062-DOT57191-22108	20.205	-	141,226
Highway Planning and Construction	12062-DOT57171-22108	20.205	-	10,277
Total Highway Planning and Construction Cluster			-	177,577
Highway Safety Cluster:				
Passed through the Connecticut Department of Transportation:				
State and Community Highway Safety	12062-DOT57513-20559	20.600	-	4,397
National Priority Safety Programs	12062-DOT57513-22600	20.616	-	3,404
Total Highway Safety Cluster			-	7,801
TOTAL UNITED STATES DEPARTMENT OF TRANSPORTATION			-	185,378

Continued

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS *(Continued)*
FOR THE YEAR ENDED JUNE 30, 2021

Federal Grantor; Pass-Through Grantor; Program Title; Description	Pass-Through Entity Identification Number	Federal CFDA Number	Passed Through to Subrecipients	Expenditures
UNITED STATES DEPARTMENT OF HOMELAND SECURITY				
Passed through the Connecticut Department of Emergency Services and Public Protection:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	12060-DPS32990-21891	97.036	\$ -	\$ 7,403
Emergency Management Performance Grant	12060-DPS32160-21881	97.042	-	7,670
Academic Research Initiative	12060-DPS32160-21877	97.077	-	394
TOTAL UNITED STATES DEPARTMENT OF HOMELAND SECURITY			-	15,467
UNITED STATES ENVIRONMENTAL PROTECTION AGENCY				
Passed through Naugatuck Valley Council of Governments:				
Brownfields Cleanup Revolving Loan Fund	-	66.818	-	6,168
UNITED STATES ELECTION ASSISTANCE COMMISSION				
Passed through the Connecticut Secretary of the State:				
Help America Vote Act	12060-SOS12500-21465	90.401	-	15,591
UNITED STATES DEPARTMENT OF THE TREASURY				
Passed through the Connecticut Office of Policy and Management:				
Coronavirus Relief Fund	12060-OPM20600-29561	21.019	-	419,166
Passed through the Connecticut Department of Education:				
Coronavirus Relief Fund	12060-SDE64370-29561	21.019	-	380,841
			-	800,007
TOTAL UNITED STATES DEPARTMENT OF THE TREASURY			-	800,007
UNITED STATES DEPARTMENT OF THE HEALTH AND HUMAN SERVICES				
Passed through the Connecticut Department of Aging and Disability Services:				
Special Programs for the Aging, Title III, Part B - CARES Act	12060-SDR63901-29556	93.044	-	2,500
UNITED STATES DEPARTMENT OF JUSTICE				
Passed through the Connecticut Judicial Branch:				
Crime Victim Assistance	12060-JUD95810-22913	16.575	-	345,323
TOTAL FEDERAL AWARDS EXPENDED			\$ 21,237	\$ 3,432,136
				<i>Concluded</i>

The accompanying notes are an integral part of this schedule.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - ACCOUNTING BASIS

BASIC FINANCIAL STATEMENTS

The accounting policies of the Town of Newtown, Connecticut (the "Town"), conform to accounting principles generally accepted in the United States of America as applicable to governmental organizations.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The accompanying schedule of expenditures of federal awards has been prepared on the accrual basis consistent with the preparation of the basic financial statements. Information included in the schedule of expenditures of federal awards is presented in accordance with the requirements of the Uniform Guidance, *Audits of States, Local Governments, and Non-Profit Organizations*.

For cost reimbursement awards, revenues are recognized to the extent of expenditures. Expenditures have been recognized to the extent the related obligation was incurred within the applicable grant period and liquidated within 90 days after the end of the grant period.

For performance based awards, revenues are recognized to the extent of performance achieved during the grant period.

Certain financial assistance is not dependent on expenditure activity or the achievement of performance goals and, accordingly, is considered expended in the fiscal year of receipt. These financial assistance program receipts are reflected in the expenditures column of the schedule of expenditures of federal awards.

COST ALLOCATION PRINCIPLES

The Town has elected not to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance.

NOTE 2 - OTHER FEDERAL ASSISTANCE

The United States Department of Agriculture provides commodities to the Town's schools. An amount of \$42,763 has been reflected in the expenditures column in the accompanying schedule of expenditures of federal awards, which represents the fair market value of such commodities received during the year ended June 30, 2021.

The following is a summary of loan program activity for the year ended June 30, 2021.

Environmental Protection Agency: Drinking Water State Revolving Fund Program

<u>Project</u>	<u>Issue Year</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance June 30, 2020</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2021</u>
200402-C	2006	2.32%	\$ 171,738	\$ 54,820	\$ -	\$ 9,455	\$ 45,365

No other federal assistance was received in the form of loans, loan guarantees or insurance.

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2021

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

<input type="radio"/> Material weakness(es) identified?	_____ Yes	_____ <input checked="" type="checkbox"/>	No None reported
<input type="radio"/> Significant deficiency(ies) identified?	_____ Yes	_____ <input checked="" type="checkbox"/>	No None reported

Noncompliance material to financial statements noted? _____ Yes ☒ No

FEDERAL AWARDS

Internal control over major programs:

<input type="radio"/> Material weakness(es) identified?	_____ Yes	_____ <input checked="" type="checkbox"/>	No None reported
<input type="radio"/> Significant deficiency(ies) identified?	_____ Yes	_____ <input checked="" type="checkbox"/>	No None reported

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

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

Identification of major programs:

CFDA Number	Name of Federal Program
10.553/10.555	Child Nutrition Cluster
21.019	Coronavirus Relief Fund

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

Auditee qualified as low-risk auditee? _____ ☒ Yes _____ No

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

SUMMARY SCHEDULE OF THE STATUS OF PRIOR AUDIT FINDINGS

No audit findings were reported in the prior year.

STATE SINGLE AUDIT SECTION

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM,
ON INTERNAL CONTROL OVER COMPLIANCE, AND ON THE SCHEDULE OF EXPENDITURES
OF STATE FINANCIAL ASSISTANCE REQUIRED BY THE STATE SINGLE AUDIT ACT**

To the Legislative Council
Town of Newtown, Connecticut

Report on Compliance for Each Major Program

We have audited the Town of Newtown, Connecticut's (the "Town"), compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the Town's major state programs for the year ended June 30, 2021. The Town's major state programs are identified in the summary of auditor's results section of the accompanying schedule of state findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Town's compliance.

Opinion on Each Major State Program

In our opinion, the Town of Newtown, Connecticut, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2021.

Report on Internal Control over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Purpose of this Report

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

Report on Schedule of Expenditures of State Financial Assistance Required by State Single Audit Act

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon dated December 22, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the basic financial statements. The schedule of expenditures of state financial assistance is the responsibility of management and was 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 schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.



Certified Public Accountants
Glastonbury, Connecticut
December 22, 2021

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2021

State Grantor; Pass-Through Grantor; Program Title	State Grant Program Core-CT Number	Passed Through to Subrecipients	Expenditures
NONEXEMPT PROGRAMS:			
DEPARTMENT OF EDUCATION			
Direct:			
Magnet Schools	11000-SDE64370-17057	\$ -	\$ 5,200
Health Services	11000-SDE64370-17034	-	25,412
Child Nutrition State Matching Grant	11000-SDE64370-16211	-	9,591
Talent Development	11000-SDE64370-12552	-	4,302
Adult Education	11000-SDE64370-17030	-	5,031
Total Department of Education		-	49,536
DEPARTMENT OF EMERGENCY SERVICES AND PUBLIC PROTECTION			
Direct:			
Telecommunications Fund	12060-DPS32741-35190	-	70,364
State Assets Forfeiture Revolving Fund	12060-DPS32155-35142	-	18,179
Total Department of Emergency Services and Public Protection		-	88,543
DEPARTMENT OF TRANSPORTATION			
Direct:			
Town Aid Road Grants Transportation Fund	12052-DOT57131-43455-34005	-	234,742
Town Aid Road Grants Transportation Fund	13033-DOT57131-43459-34005	-	234,742
		-	469,484
Local Transportation Capital Improvement Program (LOTICIP)	13033-DOT57197-43584	-	34,758
FAD-Temporary Holding Account - Walnut Tree Bridge	34003-DOT57331-42350	-	4,548
Total Department of Transportation		-	508,790
OFFICE OF THE STATE TREASURER			
Direct:			
Nitrogen Credit Exchange Program	21016-OTT14230-42407	-	28,172
CONNECTICUT JUDICIAL BRANCH			
Direct:			
Court fees	34001-JUD95162-40001-089	-	4,737
DEPARTMENT OF LABOR			
Passed through Northwest Regional Workforce Investment Board:			
Connecticut's Youth Employment Program - Summer Employment Grant	11000-DOL40000-12205	-	15,642
Connecticut's Youth Employment Program - School Year Employment Grant	11000-DOL40000-12205	-	6,833
		-	22,475
Total Department of Labor		-	22,475
CONNECTICUT STATE LIBRARY			
Direct:			
Historic Documents Preservation Grants	12060-CSL66094-35150	-	7,500

Continued

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE (Continued)
FOR THE YEAR ENDED JUNE 30, 2021

State Grantor; Pass-Through Grantor; Program Title	State Grant Program Core-CT Number	Passed Through to Subrecipients	Expenditures
NONEXEMPT PROGRAMS: (Continued)			
OFFICE OF POLICY AND MANAGEMENT			
Direct:			
Payment in Lieu of Taxes on State-Owned Property	11000-OPM20600-17004	\$ -	\$ 456,363
Municipal Grants-In-Aid	12052-OPM20600-43587	-	235,371
Local Capital Improvement Program	12050-OPM20600-40254	-	207,217
Property Tax Relief for Veterans	11000-OPM20600-17024	-	16,059
Property Tax Relief on Property of Totally Disabled Persons	11000-OPM20600-17011	-	1,398
Total Office of Policy and Management		-	916,408
OFFICE OF EARLY CHILDHOOD			
Direct:			
Child Day Care	11000-OEC64841-16274-83012	197,398	197,398
Child Day Care	11000-OEC64845-16274-83012	24,798	24,798
Total Office of Early Childhood		222,196	222,196
DEPARTMENT OF SOCIAL SERVICES			
Direct:			
Medicaid	11000-DSS60000-16020	-	60,954
DEPARTMENT OF PUBLIC HEALTH			
Direct:			
Local and District Departments of Health	11000-DPH48558-17009	-	53,456
DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION			
Direct:			
Public, Educational and Governmental Programming and Educational Technology Investment Account (PEGPETIA)	12060-DEP44620-35363	-	8,810
DEPARTMENT OF ADMINISTRATIVE SERVICES			
Direct:			
P-Card Rebates	34003-DAS23920-42350	-	7,314
Total State Financial Assistance Before Exempt Programs		222,196	1,978,891
EXEMPT PROGRAMS:			
DEPARTMENT OF EDUCATION			
Direct:			
Education Cost Sharing	11000-SDE64370-17041-82010	-	4,634,262
Excess Costs Student Based and Equity	11000-SDE64370-17047	-	1,484,759
Total Department of Education		-	6,119,021
OFFICE OF POLICY AND MANAGEMENT			
Direct:			
Mashantucket Pequot and Mohegan Fund Grant	12009-OPM20600-17005	-	829,098
Municipal Stabilization Grant	11000-OPM20600-17104	-	267,960
Total Office of Policy and Management		-	1,097,058
Total Exempt Programs		-	7,216,079
TOTAL STATE FINANCIAL ASSISTANCE		\$ 222,196	\$ 9,194,970
			<i>Concluded</i>

The accompanying notes are an integral part of this schedule.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2021

The accompanying schedule of expenditures of state financial assistance includes state grant activity of the Town of Newtown, Connecticut (the "Town"), under programs of the State of Connecticut for the fiscal year ended June 30, 2021. Various departments and agencies of the State of Connecticut have provided financial assistance to the Town through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs of the Town.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town conform to accounting principles generally accepted in the United States of America as applicable to governmental organizations.

The information in the schedule of expenditures of state financial assistance is presented based upon regulations established by the State of Connecticut, Office of Policy and Management. The following is a summary of the more significant policies relating to the aforementioned grant programs.

BASIS OF ACCOUNTING

The accompanying schedule of expenditures of state financial assistance has been prepared on the accrual basis consistent with the preparation of the basic financial statements.

For cost reimbursement awards, revenues are recognized to the extent of expenditures. Expenditures have been recognized to the extent the related obligation was incurred within the applicable grant period and liquidated within 90 days after the end of the grant period.

For performance based awards, revenues are recognized to the extent of performance achieved during the grant period.

Certain financial assistance is not dependent on expenditure activity or the achievement of performance goals and, accordingly, is considered expended in the fiscal year of receipt. In accordance with Section 4-236-22 of the regulations to the Connecticut State Single Audit Act, these financial assistance program receipts are reflected in the expenditures column of the schedule of expenditures of state financial assistance.

NOTE 2 - LOAN PROGRAMS

In accordance with Section 4-236-23(a)(4)(F) of the Regulations to the State Single Audit Act, the notes to the schedule of expenditures of state finance assistance shall include loans and loan activities. The following is a summary of the loan program activity for the year ended June 30, 2021:

Department of Energy and Environmental Protection: Clean Water Fund Program

<u>Project</u>	<u>Issue Year</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance June 30, 2020</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2021</u>
200101-C	2003	2.10%	\$ 516,000	\$ 90,964	\$ -	\$ 29,685	\$ 61,279

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF STATE FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2021

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

☐ Material weakness(es) identified? _____ Yes ☒ No

☐ Significant deficiency(ies) identified? _____ Yes ☒ None Reported

Noncompliance material to financial statements noted? _____ Yes ☒ No

STATE FINANCIAL ASSISTANCE

Internal control over major programs:

☐ Material weakness(es) identified? _____ Yes ☒ No

☐ Significant deficiency(ies) identified? _____ Yes ☒ None Reported

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

Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act? _____ Yes ☒ No

The following schedule reflects the major programs included in the audit:

State Grantor/ Program	State Grant Program Core-CT Number	Expenditures
Department of Transportation:		
Town Aid Road Grants Transportation Fund	12052-DOT57131-43455-34005	\$ 469,484
	13033-DOT57131-43459-34005	
Office of Early Childhood:		
Child Day Care	11000-OEC64841-16274-83012	222,196
Office of Policy and Management:		
Municipal Grants-In-Aid	12052-OPM20600-43587	235,371
Local Capital Improvement Program	12050-OPM20600-40254	207,217

Dollar threshold used to distinguish between Type A and Type B programs: \$200,000

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

No matters were reported.

SUMMARY SCHEDULE OF THE STATUS OF PRIOR AUDIT FINDINGS

No audit findings were reported in the prior year.

**TOWN OF NEWTOWN,
CONNECTICUT**

EXCERPT - with Finance Director annotations



**Comprehensive Annual
Financial Report**

**For The Year Ended
June 30, 2021**

TOWN OF NEWTOWN, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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TOWN OF NEWTOWN, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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COMPREHENSIVE ANNUAL FINANCIAL REPORT
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BASIC FINANCIAL STATEMENTS

GOVERNMENT WIDE FINANCIALS -
COMBINES ALL GOVERNMENTAL AND
PROPRIETARY FUNDS.
STATEMENT OF ACTIVITIES = INCOME &
EXPENSE STATEMENT (FOR COMPARISON
PURPOSES).

TOWN OF NEWTOWN, CONNECTICUT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary Government:							
Governmental activities:							
General government	\$ 6,750,852	\$ 2,280,827	\$ 411,078	\$ 115,820	\$ (3,943,127)	\$ -	\$ (3,943,127)
Public safety	11,108,093	695,178	530,524	9,731	(9,872,660)	-	(9,872,660)
Health and welfare	2,183,913	2,650	368,630	-	(1,812,633)	-	(1,812,633)
Land use	828,970	98,375	-	-	(730,595)	-	(730,595)
Public works	11,324,009	709,000	872,042	418,756	(9,324,211)	-	(9,324,211)
Parks and recreation	6,316,031	1,798,775	1,197,909	-	(3,319,347)	-	(3,319,347)
Education	88,795,734	1,503,832	9,314,613	-	(77,977,289)	-	(77,977,289)
Education - State Teachers' Retirement	24,254,004	-	24,254,004	-	-	-	-
Interest expense	2,419,668	-	-	-	(2,419,668)	-	(2,419,668)
Total governmental activities	153,981,274	7,088,637	36,948,800	544,307	(109,399,530)	-	(109,399,530)
Business-type activities:							
Sewer	2,172,237	1,046,764	-	222,924	-	(902,549)	(902,549)
Water	381,893	425,438	-	-	-	43,545	43,545
Total business-type activities	2,554,130	1,472,202	-	222,924	-	(859,004)	(859,004)
Total primary government	\$ 156,535,404	\$ 8,560,839	\$ 36,948,800	\$ 767,231	(109,399,530)	(859,004)	(110,258,534)
General revenues:							
Property taxes, levied for general purposes					111,659,716	-	111,659,716
Grants and contributions not restricted to specific programs					1,555,114	-	1,555,114
Investment earnings					548,725	25,247	573,972
Total general revenues					113,763,555	25,247	113,788,802
Change in net position					4,364,025	(833,757)	3,530,268
Net position - beginning, as originally reported					259,646,164	30,400,548	290,046,712
Cumulative effect of implementing new accounting standard (see Note 1)					790,045	-	790,045
Net position - beginning, as adjusted					260,436,209	30,400,548	290,836,757
Net position - ending					264,800,234	\$ 29,566,791	\$ 294,367,025

NET POSITION IS INCREASING
YEAR OVER YEAR

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

TOWN OF NEWTOWN, CONNECTICUT

**BALANCE SHEET -
GOVERNMENTAL FUNDS
AS OF JUNE 30, 2021**

	General Fund	Bonded Projects Fund	Local Fiscal Recovery Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 28,076,540	\$ -	\$ -	\$ 3,631,496	\$ 31,708,036
Investments	10,683,208	-	-	3,188,381	13,871,589
Receivables:					
Property taxes and interest, net	3,377,263	-	-	-	3,377,263
Grants and contracts	-	798,124	-	641,597	1,439,721
Loans	-	-	-	232,042	232,042
Other	467,064	-	-	99,161	566,225
Due from other funds	2,222,258	313,131	3,837,147	8,993,794	15,366,330
Other	120	-	-	23,609	23,729
Total assets	<u>\$ 44,826,453</u>	<u>\$ 1,111,255</u>	<u>\$ 3,837,147</u>	<u>\$ 16,810,080</u>	<u>\$ 66,584,935</u>
LIABILITIES					
Accounts payable	\$ 1,740,212	\$ 201,843	\$ -	\$ 480,468	\$ 2,422,523
Accrued payroll	4,633,291	-	-	47,928	4,681,219
Due to other funds	17,223,197	-	-	1,508,272	18,731,469
Deposits payable	794,310	-	-	-	794,310
Unearned revenue	-	386,335	3,837,147	934,917	5,158,399
Total liabilities	<u>24,391,010</u>	<u>588,178</u>	<u>3,837,147</u>	<u>2,971,585</u>	<u>31,787,920</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenues	<u>3,377,263</u>	<u>-</u>	<u>-</u>	<u>232,042</u>	<u>3,609,305</u>
FUND BALANCES					
Nonspendable	-	-	-	633,609	633,609
Restricted	-	1,314,667	-	4,104,220	5,418,887
Committed	171,106	-	-	8,879,198	9,050,304
Assigned	804,942	-	-	-	804,942
Unassigned	16,082,132	(791,590)	-	(10,574)	15,279,968
Total fund balances	<u>17,058,180</u>	<u>523,077</u>	<u>-</u>	<u>13,606,453</u>	<u>31,187,710</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 44,826,453</u>	<u>\$ 1,111,255</u>	<u>\$ 3,837,147</u>	<u>\$ 16,810,080</u>	<u>\$ 66,584,935</u>

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

TOWN OF NEWTOWN, CONNECTICUT
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Bonded Projects Fund	Local Fiscal Recovery Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 111,665,782	\$ -	\$ -	\$ -	\$ 111,665,782
Intergovernmental	18,112,576	175,984	-	4,891,048	23,179,608
Charges for services	3,063,005	-	-	4,025,632	7,088,637
Investment income	79,203	-	-	469,522	548,725
Contributions and other	291,784	-	-	1,788,570	2,080,354
Total revenues	133,212,350	175,984	-	11,174,772	144,563,106
EXPENDITURES					
Current:					
General government	4,673,546	-	-	798,616	5,472,162
Public safety	10,414,415	-	-	719,382	11,133,797
Health and welfare	1,793,570	-	-	355,522	2,149,092
Land use	823,306	-	-	-	823,306
Public works	9,561,329	-	-	516,244	10,077,573
Parks and recreation	3,681,620	-	-	1,880,472	5,562,092
Education	88,550,934	-	-	6,135,261	94,686,195
Debt service:					
Principal	7,087,514	-	-	95,871	7,183,385
Interest and fiscal charges	2,546,028	-	-	55,900	2,601,928
Capital outlays	1,099,146	7,225,101	-	2,294,369	10,618,616
Total expenditures	130,231,408	7,225,101	-	12,851,637	150,308,146
Excess (deficiency) of revenues over expenditures	2,980,942	(7,049,117)	-	(1,676,865)	(5,745,040)
OTHER FINANCING SOURCES (USES)					
Bonds issued	-	7,810,000	-	-	7,810,000
Premium on bonds issued	-	-	-	830,757	830,757
Transfers in	250,000	10,375	-	3,636,886	3,897,261
Transfers out	(3,468,638)	(17,351)	-	(411,272)	(3,897,261)
Total other financing sources (uses)	(3,218,638)	7,803,024	-	4,056,371	8,640,757
Net change in fund balances	(237,696)	753,907	-	2,379,506	2,895,717
Fund balances - beginning, as originally reported	17,295,876	(230,830)	-	10,436,902	27,501,948
Adjustments (see Note 1)	-	-	-	790,045	790,045
Fund balances - beginning, as adjusted	17,295,876	(230,830)	-	11,226,947	28,291,993
Fund balances - ending	\$ 17,058,180	\$ 523,077	\$ -	\$ 13,606,453	\$ 31,187,710

\$10,612,027 "ON BEHALF" STATE TEACHER RETIREMENT FUND PAYMENTS. A REVENUE / EXPENSE OFF SET

GENERAL FUND, FUND BALANCE DECREASED BY \$237,696 DUE TO A MID-YEAR BUDGETED USE OF FUND BALANCE OF \$1,771,000 OFF SET BY A YEAR END BUDGET SURPLUS.

TOWN OF NEWTOWN, CONNECTICUT
STATEMENTS OF NET POSITION -
PROPRIETARY FUNDS
AS OF JUNE 30, 2021

Medical self - insurance fund

Working capital = \$1,147,518 (working capital ratio = 6.2). This shows the ability to pay current liabilities with current assets.

	Business-type Activities			Governmental Activities
	Sewer Fund	Water Fund	Total	Internal Service Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 689,104	\$ -	\$ 689,104	\$ 5,721
Investments	-	-	-	1,755,472
Receivables:				
Assessments and interest, net	159,713	-	159,713	-
User charges and interest, net	159,685	-	159,685	-
Other	-	-	-	6,624
Due from other funds	361,329	-	361,329	3,717,796
Total current assets	<u>1,369,831</u>	<u>-</u>	<u>1,369,831</u>	<u>5,485,613</u>
Noncurrent assets:				
Receivables:				
Assessments	2,835,557	-	2,835,557	-
Advance to other fund	531,997	-	531,997	-
Capital assets:				
Non-depreciable	342,239	195,019	537,258	-
Depreciable, net	<u>26,184,322</u>	<u>2,214,158</u>	<u>28,398,480</u>	<u>-</u>
Total noncurrent assets	<u>29,894,115</u>	<u>2,409,177</u>	<u>32,303,292</u>	<u>-</u>
Total assets	<u>31,263,946</u>	<u>2,409,177</u>	<u>33,673,123</u>	<u>5,485,613</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	<u>55,234</u>	<u>-</u>	<u>55,234</u>	<u>-</u>
LIABILITIES				
Current liabilities:				
Accounts payable	38,106	8,178	46,284	309,839
Accrued liabilities:				
Claims	-	-	-	859,000
Other	31,207	-	31,207	-
Due to other funds	-	713,986	713,986	-
Bonds and notes payable	<u>153,000</u>	<u>-</u>	<u>153,000</u>	<u>-</u>
Total current liabilities	<u>222,313</u>	<u>722,164</u>	<u>944,477</u>	<u>1,168,839</u>
Noncurrent liabilities:				
Advances from other fund	-	531,997	531,997	-
Bonds and notes payable	<u>2,685,092</u>	<u>-</u>	<u>2,685,092</u>	<u>-</u>
Total non-current liabilities	<u>2,685,092</u>	<u>531,997</u>	<u>3,217,089</u>	<u>-</u>
Total liabilities	<u>2,907,405</u>	<u>1,254,161</u>	<u>4,161,566</u>	<u>1,168,839</u>
NET POSITION				
Net investment in capital assets	23,688,469	2,409,177	26,097,646	-
Unrestricted	<u>4,723,306</u>	<u>(1,254,161)</u>	<u>3,469,145</u>	<u>4,316,774</u>
Total net position	<u>\$ 28,411,775</u>	<u>\$ 1,155,016</u>	<u>\$ 29,566,791</u>	<u>\$ 4,316,774</u>

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

TOWN OF NEWTOWN, CONNECTICUT
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Business-type Activities			Governmental Activities
	Sewer Fund	Water Fund	Total	Internal Service Fund
OPERATING REVENUES				
Charges for services	\$ 1,046,764	\$ 425,438	\$ 1,472,202	\$ 14,726,066
Total operating revenues	1,046,764	425,438	1,472,202	14,726,066
OPERATING EXPENSES				
Premiums and claims	-	-	-	14,007,121
Contracted services	1,271,201	116,767	1,387,968	-
Utilities	117,121	75,981	193,102	-
Administrative and other	148,133	14,730	162,863	1,479,315
Depreciation and amortization	583,504	151,726	735,230	-
Other	14,943	-	14,943	-
Total operating expenses	2,134,902	359,204	2,494,106	15,486,436
Operating income (loss)	(1,088,138)	66,234	(1,021,904)	(760,370)
NON-OPERATING INCOME (EXPENSE)				
Interest income	25,247	-	25,247	35,663
Interest expense	(37,335)	(22,689)	(60,024)	-
Total non-operating expense, net	(12,088)	(22,689)	(34,777)	35,663
Change in net position before capital contributions	(1,100,226)	43,545	(1,056,681)	(724,707)
Capital contributions	222,924	-	222,924	-
Change in net position	(877,302)	43,545	(833,757)	(724,707)
Net position - beginning	29,289,077	1,111,471	30,400,548	5,041,481
Net position - ending	\$ 28,411,775	\$ 1,155,016	\$ 29,566,791	\$ 4,316,774

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

TOWN OF NEWTOWN, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
AS OF JUNE 30, 2021

breakdown on my
page 35

	Pension and Other Post- Employment Benefits Trust Funds
ASSETS	
Cash and cash equivalents	\$ 511,742
Investments:	
Bond mutual funds	22,324,373
Equity mutual funds	41,358,923
Receivables	9,818
Total assets	<u>64,204,856</u>
LIABILITIES	
Accounts payable	842
Total liabilities	<u>842</u>
NET POSITION	
Restricted for:	
OPEB benefits	4,098,574
Pension benefits	60,105,440
Total net position	<u>\$ 64,204,014</u>

Trusts fund balance
increased by
\$13,568,845 or 27%

TOWN OF NEWTOWN, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Pension and Other Post- Employment Benefits Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 2,685,983
Plan members	422,186
Total contributions	<u>3,108,169</u>
Investment earnings:	
Interest and dividends	1,330,532
Net change in the fair value of investments	<u>11,941,415</u>
	13,271,947
Less investment fees	<u>(53,615)</u>
Total investment earnings	<u>13,218,332</u>
Total additions	<u>16,326,501</u>
DEDUCTIONS	
Benefit payments	2,703,122
Administrative expenses	<u>54,534</u>
Total deductions	<u>2,757,656</u>
Change in net position	13,568,845
Net position - beginning	<u>50,635,169</u>
Net position - ending	<u>\$ 64,204,014</u>

Contributions cover
benefit payments

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 7 - LONG-TERM DEBT (Continued)

General Obligation Bonds and Notes from Direct Borrowings

A summary of general obligation bonds and notes from direct borrowings outstanding at June 30, 2021 is as follows:

Purpose of Bonds	Fiscal Date of Issue	Original Issue	Interest Rates	Fiscal Maturity Date	Amount Outstanding
Governmental Activities:					
General obligation bonds:					
General Obligation Refunding Bonds	2012	15,300,000	1.0% - 4.0%	2027	\$ 2,540,000
General Obligation Bonds	2014	4,012,000	2.5% - 3.5%	2034	402,000
General Obligation Refunding Bonds	2015	17,620,000	2.375% - 5.0%	2031	8,325,000
General Obligation Bonds	2016	12,000,000	2.0% - 4.0%	2036	8,700,000
General Obligation Refunding Bonds	2016	2,295,000	3.0% - 4.0%	2022	455,000
General Obligation Bonds	2017	4,808,000	2.0% - 4.0%	2037	3,541,000
General Obligation Bonds	2018	13,000,000	2.0%-5.0%	2038	10,400,000
General Obligation Refunding Bonds	2019	6,750,000	3.0% - 5.0%	2032	5,580,000
General Obligation Bonds	2019	10,400,000	2.0%-5.0%	2039	9,480,000
General Obligation Bonds	2020	11,500,000	3.0% - 5.0%	2040	11,075,000
General Obligation Refunding Bonds	2020	3,515,000	5.0%	2024	3,515,000
General Obligation Refunding Bonds	2020	10,450,000	1.0% - 2.5%	2036	10,235,000
General Obligation Bonds	2021	7,810,000	2.0%-5.0%	2041	7,810,000
					<u>82,058,000</u>
Notes from direct borrowings:					
Clean Water Fund Note	2004	516,000	2.10%	2023	61,279
Drinking Water Fund Note	2006	171,738	2.32%	2026	45,365
					<u>106,644</u>
					<u><u>\$ 82,164,644</u></u>
Business-type Activities:					
General obligation bonds:					
General Obligation Bonds	2014	\$ 2,488,000	2.5% - 3.5%	2034	\$ 248,000
General Obligation Bonds	2017	282,000	2.0% - 4.0%	2037	224,000
General Obligation Refunding Bonds	2020	1,465,000	1.0% - 2.5%	2036	1,445,000
General Obligation Bonds	2021	915,000	2.0%-5.0%	2041	915,000
					<u>\$ 2,832,000</u>

Annual debt service requirements to maturity on general obligation bonds and the notes from direct borrowings for governmental activities are as follows as of June 30, 2021:

Year ending June 30:	Governmental Activities				
	General Obligation Bonds		Notes from direct borrowings		Total
	Principal	Interest	Principal	Interest	
2022	\$ 7,227,000	\$ 2,642,724	\$ 39,991	\$ 1,942	\$ 9,911,657
2023	6,927,000	2,345,102	40,867	1,072	9,314,041
2024	7,416,000	2,026,563	10,135	491	9,453,189
2025	6,846,000	1,766,380	10,373	253	8,623,006
2026	6,416,000	1,563,842	5,278	36	7,985,156
2027-2031	24,185,000	5,329,937	-	-	29,514,937
2032-2036	15,600,000	2,354,629	-	-	17,954,629
2037-2041	7,441,000	477,625	-	-	7,918,625
	<u>\$ 82,058,000</u>	<u>\$ 18,506,802</u>	<u>\$ 106,644</u>	<u>\$ 3,794</u>	<u>\$ 100,675,240</u>

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

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

General Obligation Bonds and Notes from Direct Borrowings (Continued)

Annual debt service requirements to maturity on general obligation bonds for business-type activities are as follows as of June 30, 2021:

Year ending June 30:	Business-type Activities		
	General Obligation Bonds		
	Principal	Interest	Total
2022	\$ 153,000	\$ 67,659	\$ 220,659
2023	203,000	64,304	267,304
2024	214,000	57,312	271,312
2025	214,000	52,340	266,340
2026	204,000	47,392	251,392
2027-2031	960,000	161,190	1,121,190
2032-2036	645,000	58,348	703,348
2037-2041	239,000	13,890	252,890
	<u>\$ 2,832,000</u>	<u>\$ 522,435</u>	<u>\$ 3,354,435</u>

Legal Debt Limit

Connecticut General Statutes Section 7-374(b) provides that debt of the Town shall not exceed seven times base receipts, as defined in the Statute. Further, the Statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal and pension deficit. The Town did not exceed any of the statutory debt limitations at June 30, 2021.

Authorized/Unissued Debt

At June 30, 2021, the Town had authorized unissued debt as follows:

New Police Facility	\$ 248,000
Newtown HS Boilers/Lighting	297,000
High School Addition & Renovation	734,657
Hawleyville Sewer Extension	115,000
Hawley Boiler/Lighting	33,200
Fairfield Hills Remediation / Demolition	315,000
Library Improvements	300,000
Sandy Hook Permanent Memorial	3,950,000
Bridge Program	471,000
Hawley School Roof	170,000
Middle Gate Roof	78,000
Treadwell Parking Lot	15,000
Emergency Radio System	5,341,933
Fairfield Hills Sewer Improvements	914,981
Fire Apparatus	25,000
High School Stadium Turf	765,000
Reed School Gas Boiler & LED Lighting	1,539,894
	<u>\$ 15,313,665</u>

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
REVENUES				
Property taxes	\$ 111,212,009	\$ 111,212,009	\$ 111,665,782	\$ 453,773
Intergovernmental	6,783,686	6,783,686	7,185,640	401,954
Charges for goods and services	2,169,840	2,169,840	3,063,005	893,165
Investment income	950,000	950,000	238,600	(711,400)
Other	211,000	211,000	309,804	98,804
Total revenues	<u>121,326,535</u>	<u>121,326,535</u>	<u>122,462,831</u>	<u>1,136,296</u>
EXPENDITURES				
Current:				
General government	4,832,076	4,712,176	4,668,380	(43,796)
Public safety	10,706,941	10,586,304	10,564,192	(22,112)
Health and welfare	1,567,881	1,556,114	1,549,479	(6,635)
Planning	875,420	856,752	845,514	(11,238)
Public works	11,076,896	10,725,188	10,704,197	(20,991)
Recreation and leisure	3,889,384	3,723,929	3,715,309	(8,620)
Education	78,651,776	78,651,776	78,651,776	-
Contingency	140,000	1,135	-	(1,135)
Debt service:				
Principal	6,705,640	6,939,769	6,939,769	-
Interest and fiscal charges	2,780,157	2,546,028	2,546,028	-
Total expenditures	<u>121,226,171</u>	<u>120,299,171</u>	<u>120,184,644</u>	<u>(114,527)</u>
Excess of revenues over expenditures	100,364	1,027,364	2,278,187	1,250,823
OTHER FINANCING SOURCES (USES)				
Appropriation of fund balance	-	1,771,000	-	(1,771,000)
Cancellation of prior year encumbrances	-	-	66,416	66,416
Transfers in	300,000	300,000	250,000	(50,000)
Transfers out	(400,364)	(3,098,364)	(3,098,345)	19
Total other financing sources (uses)	<u>(100,364)</u>	<u>(1,027,364)</u>	<u>(2,781,929)</u>	<u>(1,754,565)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (503,742)</u>	<u>\$ (503,742)</u>

Excess funds in GF fund balance due mainly to a large surplus in the Education budget due to savings from COVID restrictions. Amount represents the amount in fund balance that is over the 12% to total budget figure.

See accompanying notes to required supplementary information.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

GENERAL FUND

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

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
Property Taxes:				
Collections - current year	\$ 109,190,009	\$ 109,190,009	\$ 109,501,515	\$ 311,506
Collections - prior years	500,000	500,000	656,743	156,743
Interest and lien fees	375,000	375,000	461,118	86,118
Motor vehicle supplement list	1,100,000	1,100,000	998,001	(101,999)
Telecommunications property tax	47,000	47,000	48,405	1,405
Total property taxes	111,212,009	111,212,009	111,665,782	453,773
Intergovernmental:				
Veterans additional exemptions	19,033	19,033	16,059	(2,974)
In lieu of taxes	456,363	456,363	456,363	-
Totally disabled	1,643	1,643	1,398	(245)
Town aid for roads	470,587	470,587	469,483	(1,104)
Grants for municipal projects	235,371	235,371	235,371	-
Mashantucket Pequot fund grant	829,098	829,098	829,098	-
Education cost-sharing grant	4,250,000	4,250,000	4,634,262	384,262
Health services - St. Rose	22,170	22,170	25,412	3,242
LOCIP grant	206,461	206,461	207,217	756
State revenue sharing	267,960	267,960	267,960	-
Miscellaneous grants	25,000	25,000	43,017	18,017
Total intergovernmental revenue	6,783,686	6,783,686	7,185,640	401,954
Charges for Services:				
Town clerk - conveyance tax	500,000	500,000	925,471	425,471
Town clerk - other	200,000	200,000	364,153	164,153
Parks and recreation	225,000	225,000	231,059	6,059
Tuition	32,340	32,340	60,938	28,598
School generated fees	30,000	30,000	20,000	(10,000)
Building	500,000	500,000	747,033	247,033
Permit fees	2,500	2,500	7,679	5,179
Transfer Station permits	475,000	475,000	469,892	(5,108)
WPCA	125,000	125,000	125,000	-
Senior center membership fees	20,000	20,000	13,405	(6,595)
Land use	60,000	60,000	98,375	38,375
Total charges for services	2,169,840	2,169,840	3,063,005	893,165
Investment Income	950,000	950,000	238,600	(711,400)
Other Revenues:				
Miscellaneous - Police	30,000	30,000	54,135	24,135
Miscellaneous - Board of Education	6,000	6,000	42,148	36,148
Miscellaneous - Selectmen	175,000	175,000	213,521	38,521
Total other revenues	211,000	211,000	309,804	98,804
Total revenues	121,326,535	121,326,535	122,462,831	1,136,296

Continued

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Concluded)
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
Other Financing Sources:				
Appropriation of fund balance	\$ -	\$ 1,771,000	\$ -	\$ (1,771,000)
Cancellation of prior year encumbrances	-	-	66,416	66,416
Transfers in	300,000	300,000	250,000	(50,000)
Total other financing sources	300,000	2,071,000	316,416	(1,754,584)
Total revenues and other financing sources	<u>\$ 121,626,535</u>	<u>\$ 123,397,535</u>	<u>\$ 122,779,247</u>	<u>\$ (618,288)</u>
				<i>Concluded</i>

The favorable variance on page 18 off set the planned use of fund balance (the favorable balance on the expenditure side further off set it.

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
General Government:				
Selectmen	\$ 443,852	\$ 429,852	\$ 425,211	\$ (4,641)
Selectmen - other	168,500	157,500	150,335	(7,165)
Human Resources	119,257	119,257	117,181	(2,076)
Tax Collector	389,097	376,497	374,464	(2,033)
Purchasing	75,667	73,967	72,365	(1,602)
Probate Court	8,315	8,315	7,590	(725)
Town Clerk	308,917	300,917	297,640	(3,277)
Registrars	167,711	159,911	154,558	(5,353)
Assessor	331,286	289,286	284,834	(4,452)
Finance	555,755	551,755	551,045	(710)
Technology	832,476	829,476	825,376	(4,100)
Unemployment	8,000	200	133	(67)
OPEB contribution	179,285	179,285	179,285	-
Professional organizations	40,658	33,658	33,481	(177)
Insurance	1,110,500	1,109,500	1,108,569	(931)
Legislative Council	45,000	45,000	44,963	(37)
District contributions	7,500	7,500	1,350	(6,150)
Sustainable Energy Commission	300	300	-	(300)
Fairfield Hills	40,000	40,000	40,000	-
Total General Government	4,832,076	4,712,176	4,668,380	(43,796)
Public Safety:				
Building inspector	427,455	402,455	400,689	(1,766)
Emergency communications	1,160,923	1,152,040	1,146,130	(5,910)
Police Department	7,160,184	7,093,184	7,088,044	(5,140)
Fire Department	1,396,825	1,395,816	1,390,246	(5,570)
Emergency management/N.U.S.A.R.	64,577	61,577	59,604	(1,973)
Animal Control	169,445	152,445	151,043	(1,402)
Lake authorities	45,692	46,947	46,947	-
N.W. safety communications	11,590	11,590	11,489	(101)
Emergency medical services	270,000	270,000	270,000	-
Northwest CT Emergency Medical Services	250	250	-	(250)
Total Public Safety	10,706,941	10,586,304	10,564,192	(22,112)
Health and Welfare:				
Social services	323,241	321,241	317,486	(3,755)
Senior services	322,030	317,030	315,175	(1,855)
Outside agencies	205,847	207,080	206,780	(300)
Youth & Family services	301,660	301,660	301,597	(63)
Newtown Health District	415,103	409,103	408,441	(662)
Total Health and Welfare	1,567,881	1,556,114	1,549,479	(6,635)

Continued

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Concluded)
FOR THE YEAR ENDED JUNE 30, 2021

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
Planning:				
Land Use	\$ 711,211	\$ 692,211	\$ 683,246	\$ (8,965)
Economic Development Commission	135,352	135,684	134,612	(1,072)
Grants administration	27,817	27,817	27,656	(161)
N.W. Conservation District	1,040	1,040	-	(1,040)
Total Planning	875,420	856,752	845,514	(11,238)
Public Works:				
Highway	7,955,646	7,810,929	7,802,296	(8,633)
Winter maintenance	744,832	680,832	675,990	(4,842)
Transfer station	1,558,282	1,449,282	1,447,269	(2,013)
Public building maintenance	818,136	784,145	778,642	(5,503)
Total Public Works	11,076,896	10,725,188	10,704,197	(20,991)
Recreation and Leisure:				
Parks and Recreation	2,465,020	2,300,020	2,291,401	(8,619)
Booth Library	1,422,964	1,423,909	1,423,908	(1)
Newtown Parade Committee	1,400	-	-	-
Total Recreation and Leisure	3,889,384	3,723,929	3,715,309	(8,620)
Education	78,651,776	78,651,776	78,651,776	-
Contingency	140,000	1,135	-	(1,135)
Debt Service:				
Principal	6,705,640	6,939,769	6,939,769	-
Interest and fiscal charges	2,780,157	2,546,028	2,546,028	-
Total Debt Service	9,485,797	9,485,797	9,485,797	-
Other Financing Uses:				
Transfers out:				
Edmond Town Hall Fund	180,364	180,364	180,345	(19)
Capital and Nonrecurring Fund - Town	220,000	2,907,625	2,907,625	-
Other Funds	-	10,375	10,375	-
Total Other Financing Uses	400,364	3,098,364	3,098,345	(19)
Total Expenditures and Other Financing Uses	\$ 121,626,535	\$ 123,397,535	\$ 123,282,989	\$ (112,272)
				<i>Concluded</i>

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
 FOR THE YEAR ENDED JUNE 30, 2021

Grand List Year	Balance Uncollected June 30, 2020	Current Levy	Lawful Corrections		Transfers To Suspense	Balance To Be Collected	Collections			Balance Uncollected June 30, 2021
			Additions	Deductions			Taxes	Interest Liens and Fees	Total	
2019	\$ -	\$ 111,621,903	\$ 300,796	\$ 587,934	\$ 157,047	\$ 111,177,718	\$ 110,499,517	\$ 313,924	\$ 110,813,441	\$ 678,201
2018	725,054	-	9,202	24,986	52,677	656,593	407,608	94,522	502,130	248,985
2017	230,018	-	1,472	15,489	15,331	200,670	37,584	16,143	53,727	163,086
2016	165,498	-	15	-	3,496	162,017	11,100	10,369	21,469	150,917
2015	145,180	-	16	-	-	145,196	12,731	10,226	22,957	132,465
2014	125,975	-	-	367	-	125,608	3,078	4,137	7,215	122,530
2013	114,778	-	-	403	-	114,375	1,623	2,598	4,221	112,752
2012	89,133	-	-	58	-	89,075	1,616	2,183	3,799	87,459
2011	123,288	-	-	-	-	123,288	1,999	3,035	5,034	121,289
2010	116,055	-	-	-	-	116,055	539	710	1,249	115,516
2009	109,601	-	-	-	-	109,601	58	135	193	109,543
2008	99,932	-	-	-	-	99,932	57	142	199	99,875
2007	94,019	-	-	-	-	94,019	57	326	383	93,962
2006	14,942	-	-	-	-	14,942	41	127	168	14,901
2005 and prior	21,902	-	-	-	9,286	12,616	40	132	172	12,576
	<u>\$ 2,175,375</u>	<u>\$ 111,621,903</u>	<u>\$ 311,501</u>	<u>\$ 629,237</u>	<u>\$ 237,837</u>	<u>\$ 113,241,705</u>	<u>\$ 110,977,648</u>	<u>\$ 458,709</u>	<u>\$ 111,436,357</u>	<u>\$ 2,264,057</u>

TAX COLLECTION RATE FOR CURRENT TAX YEAR = 99.39%

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NONMAJOR GOVERNMENTAL FUNDS *(Continued)*

SPECIAL REVENUE FUNDS *(Continued)*

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

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

Miscellaneous Grants Fund - To account for various reimbursement grants.

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

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

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

Project Recovery Fund - To account for the proceeds from the May 2020 settlement agreement relating to the Newtown Community Center/Senior Center project.

Waterfront Fund - To account for using revenues from the operations of waterfront properties (Eichler's Cove and Lake Lillinonah) for waterfront property operational and capital expenditures.

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

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

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

DEBT SERVICE FUND

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

CAPITAL PROJECTS FUND

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

NONMAJOR GOVERNMENTAL FUNDS *(Continued)*

PERMANENT FUNDS

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

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

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

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

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

TOWN OF NEWTOWN, CONNECTICUT
COMBINING BALANCE SHEET -
NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
AS OF JUNE 30, 2021

		Capital Projects Fund			
	Special Revenue Funds	Capital and Nonrecurring Fund	Debt Service Fund	Permanent Funds	Total Nonmajor Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 3,368,731	\$ 250,336	\$ -	\$ 12,429	\$ 3,631,496
Investments	394,748	-	-	2,793,633	3,188,381
Receivables:					
Grants and contracts	641,597	-	-	-	641,597
Loans	232,042	-	-	-	232,042
Other	99,161	-	-	-	99,161
Due from other funds	2,701,450	4,522,925	1,748,335	21,084	8,993,794
Other	23,609	-	-	-	23,609
Total assets	<u>\$ 7,461,338</u>	<u>\$ 4,773,261</u>	<u>\$ 1,748,335</u>	<u>\$ 2,827,146</u>	<u>\$ 16,810,080</u>
LIABILITIES					
Accounts payable	\$ 339,856	\$ 140,612	\$ -	\$ -	\$ 480,468
Accrued payroll	47,928	-	-	-	47,928
Due to other funds	667,974	822,318	-	17,980	1,508,272
Unearned revenue	934,917	-	-	-	934,917
Total liabilities	<u>1,990,675</u>	<u>962,930</u>	<u>-</u>	<u>17,980</u>	<u>2,971,585</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	<u>232,042</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>232,042</u>
FUND BALANCES					
Nonspendable	23,609	-	-	610,000	633,609
Restricted	1,905,054	-	-	2,199,166	4,104,220
Committed	3,320,532	3,810,331	1,748,335	-	8,879,198
Unassigned	(10,574)	-	-	-	(10,574)
Total fund balances	<u>5,238,621</u>	<u>3,810,331</u>	<u>1,748,335</u>	<u>2,809,166</u>	<u>13,606,453</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 7,461,338</u>	<u>\$ 4,773,261</u>	<u>\$ 1,748,335</u>	<u>\$ 2,827,146</u>	<u>\$ 16,810,080</u>

TOWN OF NEWTOWN, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES -
NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE
FOR THE YEAR ENDED JUNE 30, 2021

		Capital Projects Fund			
	Special Revenue Funds	Capital and Nonrecurring Fund	Debt Service Fund	Permanent Funds	Total Nonmajor Governmental Funds
REVENUES					
Intergovernmental	\$ 4,655,884	\$ 235,164	\$ -	\$ -	\$ 4,891,048
Charges for services	3,917,174	108,458	-	-	4,025,632
Investment income	49,872	895	-	418,755	469,522
Other	1,606,820	141,113	40,597	40	1,788,570
Total revenues	<u>10,229,750</u>	<u>485,630</u>	<u>40,597</u>	<u>418,795</u>	<u>11,174,772</u>
EXPENDITURES					
Current:					
General government	674,782	534	-	123,300	798,616
Public safety	670,637	-	-	48,745	719,382
Health and welfare	355,522	-	-	-	355,522
Public works	-	516,244	-	-	516,244
Parks and recreation	1,880,472	-	-	-	1,880,472
Education	6,080,471	-	-	54,790	6,135,261
Debt service:					
Principal	-	-	95,871	-	95,871
Interest and fiscal charges	-	-	55,900	-	55,900
Capital outlays	82,171	2,212,198	-	-	2,294,369
Total expenditures	<u>9,744,055</u>	<u>2,728,976</u>	<u>151,771</u>	<u>226,835</u>	<u>12,851,637</u>
Excess (deficiency) of revenues over expenditures	485,695	(2,243,346)	(111,174)	191,960	(1,676,865)
OTHER FINANCING SOURCES (USES)					
Premium on bonds issued	-	-	830,757	-	830,757
Transfers in	670,916	2,934,863	31,107	-	3,636,886
Transfers out	(397,516)	(13,756)	-	-	(411,272)
Total other financing sources (uses)	<u>273,400</u>	<u>2,921,107</u>	<u>861,864</u>	<u>-</u>	<u>4,056,371</u>
Net change in fund balances	759,095	677,761	750,690	191,960	2,379,506
Fund balances - beginning, as originally reported	3,689,481	3,132,570	997,645	2,617,206	10,436,902
Adjustments (see Note 1)	790,045	-	-	-	790,045
Fund balances - beginning, as adjusted	<u>4,479,526</u>	<u>3,132,570</u>	<u>997,645</u>	<u>2,617,206</u>	<u>11,226,947</u>
Fund balances - ending	<u>\$ 5,238,621</u>	<u>\$ 3,810,331</u>	<u>\$ 1,748,335</u>	<u>\$ 2,809,166</u>	<u>\$ 13,606,453</u>

TOWN OF NEWTOWN, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Dog License Fund	Blight Fund	Police Private Duty Fund	Town Gifts Fund	School Lunch Program Fund	Education Grants Fund
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 791,631	\$ 3,391,499
Charges for services	20,154	-	675,024	-	164,586	430,761
Investment income	-	-	-	-	-	-
Other	12,308	-	-	73,909	-	204,768
Total revenues	32,462	-	675,024	73,909	956,217	4,027,028
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Public safety	28,400	-	495,216	-	-	-
Health and welfare	-	-	-	-	-	-
Parks and recreation	-	-	-	53,341	-	-
Education	-	-	-	-	1,309,506	4,084,883
Capital outlays	-	-	-	-	-	-
Total expenditures	28,400	-	495,216	53,341	1,309,506	4,084,883
Excess (deficiency) of revenues over expenditures	4,062	-	179,808	20,568	(353,289)	(57,855)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	371,126	-
Transfers out	-	-	(250,000)	-	-	-
Total other financing sources (uses)	-	-	(250,000)	-	371,126	-
Net change in fund balances	4,062	-	(70,192)	20,568	17,837	(57,855)
Fund balances - beginning, as originally reported	9,023	35,218	90,711	330,877	101,563	251,276
Adjustments (see Note 1)	-	-	-	-	-	-
Fund balances - beginning, as adjusted	9,023	35,218	90,711	330,877	101,563	251,276
Fund balances - ending	\$ 13,085	\$ 35,218	\$ 20,519	\$ 351,445	\$ 119,400	\$ 193,421

Continued

TOWN OF NEWTOWN, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR SPECIAL REVENUE FUNDS *(Continued)*
FOR THE YEAR ENDED JUNE 30, 2021

	Law Enforcement Fund	Septage Management Ordinance Fund	Fairfield Hills Authority Fund	School Custodial Fund	Adult Education Fund	Police Benevolent Fund
REVENUES						
Intergovernmental	\$ 21,582	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	5,650	35,582	-	121,863	-
Investment income	-	504	-	-	-	-
Other	1,984	-	5,568	19,696	-	620
Total revenues	23,566	6,154	41,150	19,696	121,863	620
EXPENDITURES						
Current:						
General government	-	-	41,223	-	-	-
Public safety	81,504	-	-	-	-	250
Health and welfare	-	687	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Education	-	-	-	5,957	38,301	-
Capital outlays	37,250	-	-	-	-	-
Total expenditures	118,754	687	41,223	5,957	38,301	250
Excess (deficiency) of revenues over expenditures	(95,188)	5,467	(73)	13,739	83,562	370
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(28,071)	-	-
Total other financing sources (uses)	-	-	-	(28,071)	-	-
Net change in fund balances	(95,188)	5,467	(73)	(14,332)	83,562	370
Fund balances - beginning, as originally reported	233,220	126,794	51,086	84,073	13,904	-
Adjustments <i>(see Note 1)</i>	-	-	-	-	-	1,367
Fund balances - beginning, as adjusted	233,220	126,794	51,086	84,073	13,904	1,367
Fund balances - ending	\$ 138,032	\$ 132,261	\$ 51,013	\$ 69,741	\$ 97,466	\$ 1,737

Continued

TOWN OF NEWTOWN, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR SPECIAL REVENUE FUNDS *(Continued)*
FOR THE YEAR ENDED JUNE 30, 2021

	Edmond Town Hall Fund	Newtown Community Center Fund	Town Recreation Fund	Miscellaneous Grants Fund	Small Cities Program Fund	Board of Education Flex Spending Plan Fund	Student Activities Fund
REVENUES							
Intergovernmental	\$ -	\$ 2,691	\$ 4,300	\$ 436,681	\$ -	\$ -	\$ -
Charges for services	174,029	891,732	482,430	-	-	79,056	626,628
Investment income	46,082	2,039	-	-	-	-	820
Other	56,559	1,082,909	-	17,920	-	-	-
Total revenues	276,670	1,979,371	486,730	454,601	-	79,056	627,448
EXPENDITURES							
Current:							
General government	532,113	-	-	23,888	-	-	-
Public safety	-	-	-	65,267	-	-	-
Health and welfare	-	-	-	345,524	-	-	-
Parks and recreation	-	1,203,503	493,191	-	-	-	-
Education	-	-	-	-	-	75,573	566,251
Capital outlays	-	-	-	19,922	-	-	-
Total expenditures	532,113	1,203,503	493,191	454,601	-	75,573	566,251
Excess (deficiency) of revenues over expenditures	(255,443)	775,868	(6,461)	-	-	3,483	61,197
OTHER FINANCING SOURCES (USES)							
Transfers in	180,345	119,445	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	180,345	119,445	-	-	-	-	-
Net change in fund balances	(75,098)	895,313	(6,461)	-	-	3,483	61,197
Fund balances - beginning, as originally reported	64,524	1,553,688	55,641	-	26,799	-	-
Adjustments <i>(see Note 1)</i>	-	-	-	-	-	21,423	767,255
Fund balances - beginning, as adjusted	64,524	1,553,688	55,641	-	26,799	21,423	767,255
Fund balances - ending	\$ (10,574)	\$ 2,449,001	\$ 49,180	\$ -	\$ 26,799	\$ 24,906	\$ 828,452

Continued

TOWN OF NEWTOWN, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR SPECIAL REVENUE FUNDS (Concluded)
FOR THE YEAR ENDED JUNE 30, 2021

	Project Recovery Fund	Waterfront Fund	Historic Documents Fund	Cultural Arts Fund	Sandy Hook Special Revenue Fund	Total Nonmajor Special Revenue Funds
REVENUES						
Intergovernmental	\$ -	\$ -	\$ 7,500	\$ -	\$ -	\$ 4,655,884
Charges for services	-	180,149	26,880	2,650	-	3,917,174
Investment income	-	-	-	427	-	49,872
Other	115,000	-	-	11,859	3,720	1,606,820
Total revenues	115,000	180,149	34,380	14,936	3,720	10,229,750
EXPENDITURES						
Current:						
General government	-	-	29,053	-	48,505	674,782
Public safety	-	-	-	-	-	670,637
Health and welfare	-	-	-	9,311	-	355,522
Parks and recreation	9,385	121,052	-	-	-	1,880,472
Education	-	-	-	-	-	6,080,471
Capital outlays	-	24,999	-	-	-	82,171
Total expenditures	9,385	146,051	29,053	9,311	48,505	9,744,055
Excess (deficiency) of revenues over expenditures	105,615	34,098	5,327	5,625	(44,785)	485,695
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	670,916
Transfers out	(117,174)	-	-	-	(2,271)	(397,516)
Total other financing sources (uses)	(117,174)	-	-	-	(2,271)	273,400
Net change in fund balances	(11,559)	34,098	5,327	5,625	(47,056)	759,095
Fund balances - beginning, as originally reported	11,559	368,950	51,408	182,111	47,056	3,689,481
Adjustments (see Note 1)	-	-	-	-	-	790,045
Fund balances - beginning, as adjusted	11,559	368,950	51,408	182,111	47,056	4,479,526
Fund balances - ending	\$ -	\$ 403,048	\$ 56,735	\$ 187,736	\$ -	\$ 5,238,621

Concluded

TOWN OF NEWTOWN, CONNECTICUT
COMBINING BALANCE SHEET -
NONMAJOR PERMANENT FUNDS
AS OF JUNE 30, 2021

	Hawley School Trust Fund	Edmond Town Hall Endowment Fund	Newtown Flagpole Fund	The V.G. Hair and Frances E. Hair Fund	Total Nonmajor Permanent Funds
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 12,429	\$ 12,429
Investments	447,618	1,233,606	12,715	1,099,694	2,793,633
Due from other funds	18,078	-	3,006	-	21,084
Total assets	<u>\$ 465,696</u>	<u>\$ 1,233,606</u>	<u>\$ 15,721</u>	<u>\$ 1,112,123</u>	<u>\$ 2,827,146</u>
LIABILITIES					
Due to other funds	\$ -	\$ -	\$ -	\$ 17,980	\$ 17,980
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,980</u>	<u>17,980</u>
FUND BALANCES					
Nonspendable	350,000	250,000	10,000	-	610,000
Restricted	115,696	983,606	5,721	1,094,143	2,199,166
Total fund balances	<u>465,696</u>	<u>1,233,606</u>	<u>15,721</u>	<u>1,094,143</u>	<u>2,809,166</u>
Total liabilities and fund balances	<u>\$ 465,696</u>	<u>\$ 1,233,606</u>	<u>\$ 15,721</u>	<u>\$ 1,112,123</u>	<u>\$ 2,827,146</u>

TOWN OF NEWTOWN, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
NONMAJOR PERMANENT FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Hawley School Trust Fund	Edmond Town Hall Endowment Fund	Newtown Flagpole Fund	The V.G. Hair and Frances E. Hair Fund	Total Nonmajor Permanent Funds
REVENUES					
Investment income	\$ 101,588	\$ 312,990	\$ 60	\$ 4,117	\$ 418,755
Contributions	-	-	40	-	40
Total revenues	<u>101,588</u>	<u>312,990</u>	<u>100</u>	<u>4,117</u>	<u>418,795</u>
EXPENDITURES					
Current:					
General government	-	119,214	4,086	-	123,300
Public safety	-	-	-	48,745	48,745
Education	54,790	-	-	-	54,790
Total expenditures	<u>54,790</u>	<u>119,214</u>	<u>4,086</u>	<u>48,745</u>	<u>226,835</u>
Net change in fund balances	46,798	193,776	(3,986)	(44,628)	191,960
Fund balances - beginning	<u>418,898</u>	<u>1,039,830</u>	<u>19,707</u>	<u>1,138,771</u>	<u>2,617,206</u>
Fund balances - ending	<u>\$ 465,696</u>	<u>\$ 1,233,606</u>	<u>\$ 15,721</u>	<u>\$ 1,094,143</u>	<u>\$ 2,809,166</u>

FIDUCIARY FUNDS

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

PENSION TRUST FUNDS

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

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

OPEB TRUST FUNDS

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

TOWN OF NEWTOWN, CONNECTICUT
COMBINING STATEMENT OF FIDUCIARY NET POSITION -
PENSION AND OTHER POST-EMPLOYMENT BENEFITS TRUST FUNDS
AS OF JUNE 30, 2021

	Town Pension Trust Fund	OPEB Trust Fund	Total Pension Trust Funds
ASSETS			
Cash and cash equivalents	\$ 483,481	\$ 28,261	\$ 511,742
Investments:			
Bond mutual funds	20,897,259	1,427,114	22,324,373
Equity mutual funds	38,715,724	2,643,199	41,358,923
Contributions receivable	9,818	-	9,818
Total assets	<u>\$ 60,106,282</u>	<u>\$ 4,098,574</u>	<u>\$ 64,204,856</u>
LIABILITIES			
Accounts payable	<u>842</u>	<u>-</u>	<u>842</u>
NET POSITION			
Restricted for pension and OPEB benefits	<u>\$ 60,105,440</u>	<u>\$ 4,098,574</u>	<u>\$ 64,204,014</u>

TOWN OF NEWTOWN, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
PENSION AND OTHER POST-EMPLOYMENT BENEFITS TRUST FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Town Pension Trust Fund	OPEB Trust Fund	Total Pension Trust Funds
ADDITIONS			
Contributions:			
Employer	\$ 2,485,983	\$ 200,000	\$ 2,685,983
Plan members	422,186	-	422,186
Total contributions	<u>2,908,169</u>	<u>200,000</u>	<u>3,108,169</u>
Investment earnings:			
Interest and dividends	1,248,480	82,052	1,330,532
Net change in the fair value of investments	<u>11,219,896</u>	<u>721,519</u>	<u>11,941,415</u>
Total investment earnings	12,468,376	803,571	13,271,947
Less: investment fee expense	<u>(48,538)</u>	<u>(5,077)</u>	<u>(53,615)</u>
Total investment earnings, net	<u>12,419,838</u>	<u>798,494</u>	<u>13,218,332</u>
Total additions	15,328,007	998,494	16,326,501
DEDUCTIONS			
Benefit payments	2,703,122	-	2,703,122
Administrative expenses	<u>44,734</u>	<u>9,800</u>	<u>54,534</u>
Total deductions	<u>2,747,856</u>	<u>9,800</u>	<u>2,757,656</u>
Change in net position	12,580,151	988,694	13,568,845
Net position - beginning	<u>47,525,289</u>	<u>3,109,880</u>	<u>50,635,169</u>
Net position - ending	<u>\$ 60,105,440</u>	<u>\$ 4,098,574</u>	<u>\$ 64,204,014</u>