

**TOWN OF NEWTOWN,
CONNECTICUT**



**Comprehensive Annual
Financial Report**

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

TOWN OF NEWTOWN, CONNECTICUT



Comprehensive Annual Financial Report

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

Prepared by:

Finance Department

Robert G. Tait, Finance Director

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

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INTRODUCTORY SECTION

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NEWTOWN, CONNECTICUT 06470

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TOWN OF NEWTOWN

OFFICE OF THE FINANCE DIRECTOR

December 22, 2021

To the Honorable First Selectman, Members of the Board of Selectmen, Members of the Board of Finance, Members of the Legislative Council and Citizens of the Town of Newtown, Connecticut.

The Finance Department is pleased to present the Comprehensive Annual Financial Report ("Annual Report") of the Town of Newtown, Connecticut (the "Town"), for the year ended June 30, 2021. The report includes the independent auditor's report as required by Town Charter Chapter 7, Section 7-05 (c) and the Connecticut Statutes. The report is prepared in conformity with generally accepted accounting principles ("GAAP") and standards set forth by the Governmental Accounting Standards Board ("GASB").

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the management of the Town. Management of the Town is responsible for establishing and maintaining internal controls designed to ensure that the assets of the Town are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the calculation of costs and benefits requires estimates and judgments by management. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations as measured by the financial activity of its various funds. All disclosures necessary to enable the reader to gain an understanding of the Town's financial activities have been included.

MahoneySabol, a public accounting firm fully licensed and qualified to perform audits of municipalities within the State of Connecticut, have audited the financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town for the fiscal year ended June 30, 2021, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town's financial statements for the fiscal year ended June 30, 2021, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the Town was part of a broader, Federal and State mandated "Single Audit" designed to meet the special needs of Federal and State grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of Federal awards and State financial assistance. These reports are available in the Town's separately issued Single Audit Reports.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis ("MD&A"). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Town's MD&A can be found immediately following the report of the independent auditor.

Profile of the Town of Newtown

The Town of Newtown was incorporated in 1711 and has a favorable location in Fairfield County in the southwest part of the State of Connecticut about 60 miles northeast of New York City. The Town has a land area of 60 square miles and a population of 28,000.

The Town operates under a Charter adopted in 1961 and most recently revised in 2016. The First Selectman is the Town's chief executive officer and a twelve-member legislative council is the legislative body. A three-member Board of Selectmen generally supervises the administration of the Town. Fiscal matters are administered under a six-member Board of Finance and an appointed Finance Director. The Town provides a full range of services including police and volunteer fire protection; the construction and maintenance of highways, streets and other infrastructure; and recreational activities and cultural events.

The annual budget serves as the foundation for the Town's financial planning and control. The Town maintains budgetary controls with the objectives to ensure compliance with legal provisions embodied in the annual appropriated budget, approved by the budget referendum. The Town maintains an encumbrance accounting system as one technique of accomplishing budgetary controls. As demonstrated by the budgetary schedules included in the financial section of this report, the Town continues to meet its responsibility for sound financial management. In addition to budgetary schedules, Note 1 to the Required Supplementary Information describes the budget process used by the Town.

Factors Affecting Financial Condition

Newtown's presence in Fairfield County, its proximity to an excellent regional transportation network, its fine schools, public buildings and wide range of recreational and housing opportunities have all contributed to its continued growth and excellent financial condition.

The Town's economic base is supported by a diverse offering of services. Medical service providers, retail locations and restaurants, banking, research and development and manufacturing continue to contribute significantly to the tax base and vitality of the Town.

New housing construction increased from the previous year. In fiscal year 2021, 69 new housing permits were issued compared to 40 issued in fiscal year 2020. In fiscal year 2021, 8 new building commercial permits were issued compared to 5 issued in fiscal year 2020. Commercial permits were issued at a value of \$8,411,000 for fiscal year 2021 compared to a value of \$3,495,000 for fiscal year 2020.

Newtown's unemployment rate of 4.7% is below that of Fairfield County of 5.4% and Connecticut of 5.3%. The educational attainment level of its residents at a bachelor's degree is 31% and a master's degree or higher is 24%, compared to the State's average percentages of 22% and 17%, respectively.

Property taxes, which account for approximately 91% of the General Fund's revenues, have provided a reliable revenue source, with collections consistently at or around 99%. Current tax collections were 99.1% of the adjusted tax levy.

The Town's median household income of \$127,602 are above the State's average of \$78,444. Most residents work in regional employment centers in Fairfield County and Westchester County, New York.

Newtown's General Fund receives over \$7.0 million dollars from the State of Connecticut, which helps offset local taxes. Any cuts in state aid will put increased pressure on local municipal budgets.

Major Initiatives

\$500,000 was approved for bonding for roads in the current capital improvement plan to help hasten the improvement of local roads. This was in addition to the \$2,500,000 budgeted for roads in the General Fund.

Long-Term Financial Planning

Five Year Capital Improvement Plan (CIP)

The Capital Improvement Plan ("CIP") is a five-year plan identifying the Town's capital outlay and improvement needs. As a long-range plan, the CIP reflects the Town's policy regarding future physical and economic development. By providing a planned schedule of public improvements, the CIP outlines present and future public needs and priorities. A capital improvement is defined as any expenditure for equipment, buildings, infrastructure, land acquisition, plan or project in which the cost exceeds 0.25% of the Town budget for the year in which the request is made.

Capital project planning is an ongoing process. Each year the CIP document is updated. The need or idea for capital improvements can originate from the department heads, the First Selectman, the Superintendent of Schools, and boards and commissions. These items are compiled into this document and presented annually to the Board of Finance and Legislative Council. Once approved, the CIP outlines the Town's official commitment to funding these expenditures in the subsequent year's budgets.

Adopting a CIP does not end with the first year. Changing needs and priorities, emergencies, cost changes, mandates and changes in technology all require the CIP to be updated annually. The Town's public facilities, streets, parks, equipment, etc. are constantly in need of repair, replacement or expansion. A growing population will require additional or new facilities. These reasons require that the CIP be updated to maintain the financial solidity of the Town. The CIP achieves the following objectives as a component of the Town's budget and financial planning process:

- Reduces the need for "crash programs" to finance the construction of Town facilities.
- Focuses attention on community goals, needs and capabilities.
- Achieves optimum use of taxpayer dollars.
- Guides future community growth and development.
- Advance planning ensures that projects are well thought out in advance of construction.
- Provides for the orderly replacement of capital expenditures.
- Encourages a more efficient governmental administration as well as maintains a sound and stable financial program.

The following is the CIP for fiscal years 2021-22 to 2025-26 approved by the Legislative Council on January 20, 2021.

TOWN OF NEWTOWN - CAPITAL IMPROVEMENT PLAN 2021-22 TO 2025-26

2021 - 2022 (YEAR ONE)			Proposed Funding	
BOARD OF SELECTMEN	Dept.	Planned Amount	To Be Bonded	Other Financing
Capital Road Program	PW	\$ 3,000,000	\$ 500,000	\$ 2,500,000
Bridge Replacement Program	PW	-	-	-
Emergency Radio System Upgrades	ECC	5,041,933	5,041,933	-
Sandy Hook Permanent Memorial	SH MEM	2,000,000	2,000,000	-
Town Match - Grants (contingency)	ECON DEV	200,000	-	200,000
Clean Up of 7 & 28A Glen Road	ECON DEV	200,000	200,000	-
Library Renovations/Replacements/Upgrades	LIB	200,000	200,000	-
BOARD OF EDUCATION				
Hawley School - Ventilation & HVAC (1 OF 3)	BOE	1,500,000	1,500,000	-
Hawley School - New Generator	BOE	250,000	250,000	-
High School - Replace/Restore Stadium Turf Field	BOE	795,000	795,000	-
Reed School - Install Gas Boilers & LED Lighting	BOE	1,539,894	1,539,894	-
Head O'Meadow - Lighting	BOE	425,000	425,000	-
Totals		<u>\$ 15,151,827</u>	<u>\$ 12,451,827</u>	<u>\$ 2,700,000</u>
2022 - 2023 (YEAR TWO)			Proposed Funding	
BOARD OF SELECTMEN	Dept.	Amount Requested	To Be Bonded	Other Financing
Capital Road Program	PW	\$ 3,000,000	\$ 250,000	\$ 2,750,000
Bridge Replacement Program	PW	400,000	400,000	-
Replacement of Fire Apparatus	FIRE	450,000	450,000	-
Sandy Hook Permanent Memorial	SH MEM	2,000,000	2,000,000	-
Town Match - Grants (contingency)	ECON DEV	200,000	-	200,000
Clean Up of 7 & 28A Glen Road	ECON DEV	650,000	650,000	-
Building Remediation & Demo/Infrastructure	FHA	2,000,000	2,000,000	-
Edmond Town Hall Parking Lot Improvements	ETH	450,000	450,000	-
Library Renovations/Replacements/Upgrades	LIB	550,000	550,000	-
BOARD OF EDUCATION				
Hawley - Ventilation and HVAC Renovations (2 OF 3)	BOE	2,500,000	2,500,000	-
Totals		<u>\$ 12,200,000</u>	<u>\$ 9,250,000</u>	<u>\$ 2,950,000</u>

(Continued)

TOWN OF NEWTOWN - CAPITAL IMPROVEMENT PLAN 2021-22 TO 2025-26 (Continued)

2023 - 2024 (YEAR THREE)			Proposed Funding	
BOARD OF SELECTMEN	Dept.	Amount Requested	To Be Bonded	Other Financing
Capital Road Program	PW	\$ 3,050,000	\$ -	\$ 3,050,000
Bridge Replacement Program	PW	400,000	400,000	-
Multi-Purpose Building Improvements	PW	413,000	413,000	-
Municipal Center - Roof Remediation & Replacement	PW	1,000,000	1,000,000	-
Replacement of Fire Apparatus	FIRE	1,035,000	800,000	235,000
Town Match - Grants (contingency)	ECON DEV	200,000	-	200,000
Library Renovations/Replacements/Upgrades	LIB	946,000	946,000	-
Building Remediation & Demo/Infrastructure	FHA	1,500,000	1,500,000	-
Lake Lillinonah Park Improvements	P&R	500,000	-	500,000
BOARD OF EDUCATION				
Hawley - Ventilation and HVAC Renovations (3 OF 3)	BOE	4,000,000	4,000,000	-
Head O'Meadow - Boiler Plant	BOE	425,000	425,000	-
Middle School HVAC - Design	BOE	300,000	300,000	-
Totals		<u>\$ 13,769,000</u>	<u>\$ 9,784,000</u>	<u>\$ 3,985,000</u>
2024 - 2025 (YEAR FOUR)			Proposed Funding	
BOARD OF SELECTMEN	Dept.	Amount Requested	To Be Bonded	Other Financing
Capital Road Program	PW	\$ 3,100,000	\$ -	\$ 3,100,000
Town Match - Grants (contingency)	ECON DEV	200,000	-	200,000
Totals		<u>\$ 3,300,000</u>	<u>\$ -</u>	<u>\$ 3,300,000</u>
2025 - 2026 (YEAR FIVE)			Proposed Funding	
BOARD OF SELECTMEN	Dept.	Amount Requested	To Be Bonded	Other Financing
Capital Road Program	PW	\$ 3,150,000	\$ -	\$ 3,150,000
Bridge Replacement Program	PW	400,000	400,000	-
Replacement of Fire Apparatus	FIRE	750,000	750,000	-
Building Remediation & Demo/Infrastructure	FHA	2,000,000	2,000,000	-
Library Renovations/Replacements/Upgrades	LIB	1,000,000	1,000,000	-
Edmond Town Hall Building Renovations	ETH	550,000	550,000	-
Town Match - Grants (contingency)	ECON DEV	200,000	-	200,000
Treadwell Artificial Turf & Lighting	P&R	800,000	250,000	550,000
Rail Trail - Batchelder Park	P&R	1,400,000	-	1,400,000
BOARD OF EDUCATION				
Middle School HVAC	BOE	3,782,228	3,782,228	-
Totals		<u>\$ 14,032,228</u>	<u>\$ 8,732,228</u>	<u>\$ 5,300,000</u>
Grand Totals		<u>\$ 58,453,055</u>	<u>\$ 40,218,055</u>	<u>\$ 18,235,000</u>

Economic and Community Development

The State of Connecticut continues with outreach and programs which support local businesses. This cohesive approach to business acquisition and retention appears to be paying off with new companies coming to the State.

The department branding project has begun being rolled out through social media and handouts such as stickers and coasters with QR codes. The new logo has been designed to present a more current and vibrant image to aid in attracting visitors and businesses to Newtown. The process of consolidating multiple departmental websites and social media platforms is near vendor selection. Stronger brand awareness of the Town from a business, tourism and lifestyle perspective will help differentiate Newtown from the many other towns in the State.

In addition to working to retain current businesses, the Newtown Economic and Community Development Department actively promotes and supports projects that lead to new business development, expansion and job creation. New projects including construction of buildings and apartments continue.

COVID-19's impacts will continue being felt for some time. A supportive community, businesses that have been able to pivot, and receipt of needed federal and state funding have brought most Newtown businesses through the pandemic. Time will tell what the long-term impacts of the pandemic will be, but activity in the Town is positive.

Newtown Borough/Central Business District. A new active adult (55+) development is working its way toward being approved. If approved, this development will be the culmination of many years of efforts by the Planning Department and is expected to result in 170 units and significant investment in the community. A newer retail development located directly at Exit 10 of I-84 is now fully leased. A proposal for a medical building on Church Hill Road aims to replace a long vacant house in the heart of the district. A historic yet recently empty inn has been brought back to life with two restaurants, and banquet facility, and has added six apartment on Main Street.

Hawleyville Business District (Rt. 6) is located at Exit 9 of I-84 and is home to Newtown's Medical Mile. Two medical buildings continue filling with new tenants. Maplewood Newtown, a luxury senior living community and Toll Brothers' The Woods, a senior active living development are located in this area. Toll Brothers has been constructing new units in the development. The sewer line extension continues making this area attractive to new development interest. The Covered Bridge Apartment construction continues toward its approved total of 210 apartments. This development will bring density and housing diversity which will be beneficial to the economic vitality of the Town. The available 100+ acre parcel directly adjacent to I-84 shows signs of moving toward being developed. When completed, this is expected to bring significant investment and tax revenue to the Town.

South Main Street (Rt. 25) continues to attract retail businesses. A parcel which has been vacant for over ten years due to a building collapse, is being redeveloped into a third location for an out of state recreational vehicle dealer. A lot of excitement surrounds the anticipated opening of this business which will serve as a destination for those from outside the immediate area.

Sandy Hook Village is a vibrant and walkable commercial district located on the banks of the Pootatuck River. A new bakery has opened in a location which did not previously hold a business. A \$128,000 state grant will both improve a Town owned property with environmental concerns, and become an anchor to a Heritage Trail, being developed by a local business group that works on the revitalization of the village.

Contracts are being finalized with the state and the project will begin moving forward in 2022. 74 new rental apartments have opened within walking distance to the village, bringing additional life to the area.

Fairfield Hills continues to solidify itself as a destination in the region. The Economic Development Administration grant of \$915,000 for the replacement of the original sanitary sewer system on the campus is moving along. A construction vendor should be chosen soon. The new brew pub on campus added a pavilion with a heated slab to attract customers during cooler weather. Additional interest in the campus remains strong. A memorandum of understanding has been signed between the Town and a developer for the historic adaptive reuse of two buildings totaling nearly 300,000 square feet. These structures are expected to be made into mixed use locations offering housing diversity to the community. Many steps in this complicated process need to take place, but the project may be one of the largest investments that the community has ever had.

Relevant Financial Policies

The Town's financial policies have been applied consistently with no notable current year effect on the financial statements. There were no developments at the State level that impact the current fiscal year financial statements.

Awards. The Government Finance Officers Association ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020. This was the twenty third consecutive year that the Town has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the Town published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements. The preparation of this report would not have been possible without the efficient and dedicated services of my assistant finance director, Leslie Muldoon, the entire staff of the Finance Department and Ron Bienkowski, the Education Director of Business, and his entire staff. Each member has my sincere appreciation for their contributions made in the preparation of this report. The cooperation and assistance of the accounting firm of MahoneySabol also contributed significantly to its production.

This comprehensive annual financial report reflects a commitment to the citizens of Newtown, the Board of Finance, the Board of Selectmen, the Legislative Council and all concerned readers of this report to provide information in conformance with the highest standards of financial accountability.

Respectfully submitted,



Robert G. Tait
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Town of Newtown
Connecticut**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

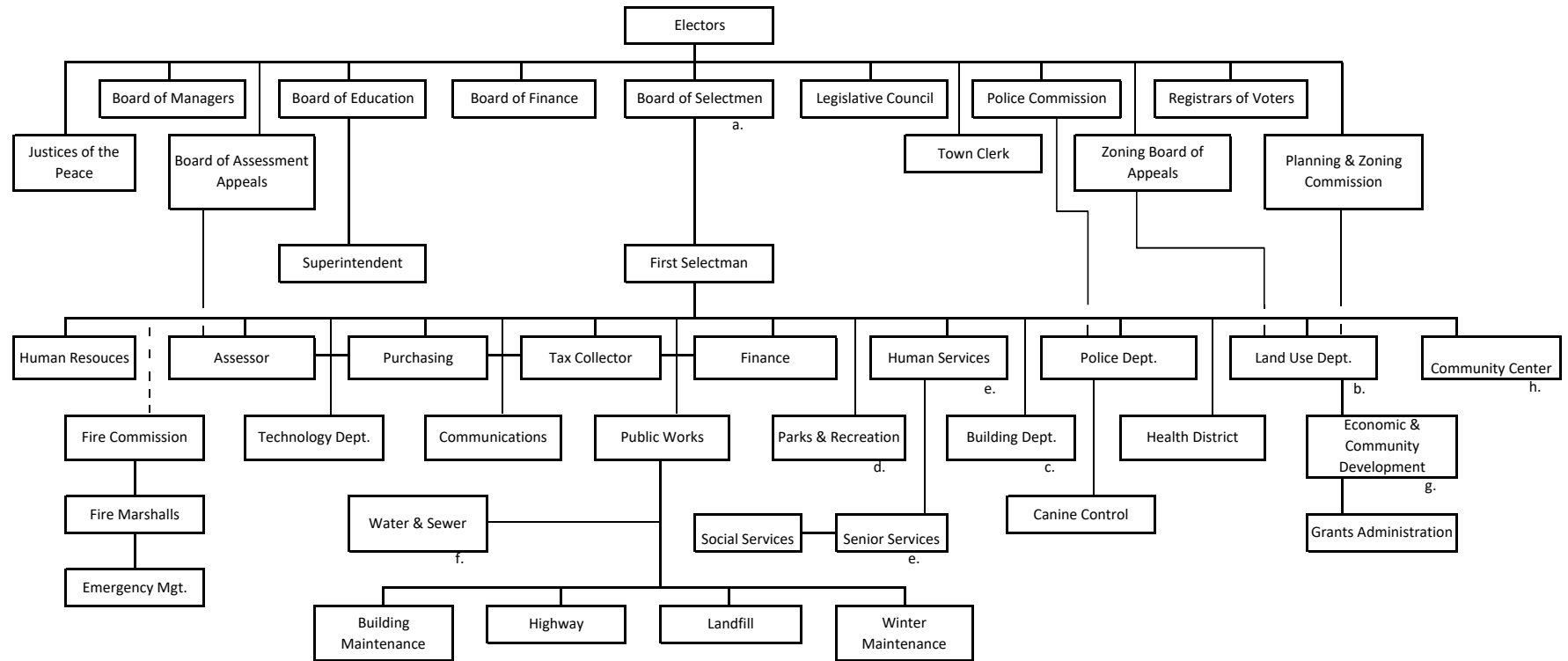
June 30, 2020

Christopher P. Morrell

Executive Director/CEO

TOWN OF NEWTOWN, CONNECTICUT

ORGANIZATIONAL CHART



APPOINTED OFFICIALS, BOARDS, COMMISSIONS, AUTHORITIES:

legend

- e. COMMISSION ON AGING
- c. BUILDING APPEALS BOARD
- a. CHARTER COMMUNICATIONS
- b. CONSERVATION COMMISSION
- a. CULTURAL ARTS COMMISSION
- a. DESIGN ADVISORY BOARD
- g. ECONOMIC DEVELOPMENT COMMISSION
- a. EMPLOYEE MEDICAL BENEFITS BOARD
- a. BOARD OF ETHICS
- a. FAIRFIELD HILLS AUTHORITY
- a. HATTERTOWN HISTORIC DISTRICT

legend

- b. INLAND WETLANDS COMMISSION
- a. LAKE LILLINONAH AUTHORITY
- a. LAKE ZOAR AUTHORITY
- a. MUNICIPAL EMPLOYEE SAFETY COMMITTEE
- d. PARKS & RECREATION COMMISSION
- a. PENSION COMMITTEE
- a. PUBLIC BUILDING & SITE COMMISSION
- a. PUBLIC SAFETY COMMITTEE
- a. SUSTAINABLE ENERGY COMMISSION
- f. WATER & SEWER AUTHORITY
- h. COMMUNITY CENTER COMMITTEE

TOWN OF NEWTOWN, CONNECTICUT

LIST OF PRINCIPAL OFFICIALS JUNE 30, 2021

First Selectman

Daniel C. Rosenthal

Selectmen

Maureen Crick Owen

Jeff Capeci

Board of Finance

Chairman

Keith Alexander

John Madzula II
Chris Gardner
Sandy T. Roussas

Ned J. Simpson
Matthew Mihalcik

Legislative Council

Paul J. Lundquist
Chairman

Andrew Clure
Phil Carroll
Jordana Bloom
Judit DeStefano
Christopher C. Eide
Daniel T. Honan

Alison Plante
Chris Smith
Ryan Knapp
Cathy Reiss
Dan Wiedemann

Financial Director

Robert G. Tait

Chief of Police – James Viadero
Director of Public Works – Frederick Hurley
Community & Economic Dev Deputy Director – Christal Preszler

Tax Collector – Donna Saputo
Tax Assessor – Joyce Alegi (interim) open 5/14/21
Town Clerk – Debbie Aurelia Halstead

Board of Education

Michelle Embree Ku Chairman

Dan R. Delia
Deborra Zukowski
Debbie M. Leidlein

Rebekah Harriman-Stites
John N. Vouros
Daniel Cruson Jr.

Dr. Lorrie Rodrigue. – Superintendent of Schools
Tanja Vadas – School Business Manager

Independent Auditor

MahoneySabol

INDEPENDENT AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Legislative Council
Town of Newtown, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the 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 as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Newtown, Connecticut, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As disclosed in Note 1 to the financial statements, the Town adopted new accounting guidance, GASB Statement No. 84, *Fiduciary Activities*, during the year ended June 30, 2021. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 16 and the information on pages 76 through 88 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section on pages our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section on pages i through x, the combining and individual fund statements and schedules on pages 89 through 109, and the statistical section on pages 110 through 128 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 22, 2021, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



Certified Public Accountants
Glastonbury, Connecticut
December 22, 2021

MANAGEMENT'S DISCUSSION AND ANALYSIS

TOWN OF NEWTOWN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

The management of the Town of Newtown, Connecticut (the "Town"), offers the readers of its financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - vii of this Comprehensive Annual Financial Report ("Report").

Financial Highlights

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$294,367,025 (net position). Of this amount, \$12,977,630 represents the Town's unrestricted net position.
- The Town's total net position increased by \$3,530,268 during the current fiscal year.
- As of the close of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$31,187,710, a current year increase of \$2,895,717 in comparison with the prior year.
- At the close of the current fiscal year, unassigned fund balance of the General Fund was \$16,082,132 or 13.1% of the Town's fiscal year 2022 adopted General Fund budgetary expenditure appropriations. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover approximately 1.57 months of General Fund operating expenditures.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

The statement of net position presents information on all of the Town's assets, deferred outflows and inflows of resources, and liabilities, with net position as the residual of these other elements. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

TOWN OF NEWTOWN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

Overview of the Financial Statements (Continued)

Government-wide Financial Statements *(Continued)*

Both of the government-wide financial statements are intended to distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include activities such as: general government, public safety, health and welfare, land use, public works, parks and recreation and education. The business-type activities of the Town include wastewater and water activities of the Town's Water Pollution Control Authority.

The government-wide financial statements can be found on pages 17 and 18 of this report.

Fund Financial Statements

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

Governmental Funds

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, the Bonded Projects Fund, and the Local Fiscal Recovery Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

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

The basic governmental fund financial statements can be found on pages 19 through 23 of this report.

TOWN OF NEWTOWN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

Overview of the Financial Statements (Continued)

Fund Financial Statements (Continued)

Proprietary Funds

Enterprise funds are used to report the same functions presented as business type activities in the government-wide financial statements. The Town uses an enterprise fund to account for the operations of the Town's wastewater operations and water operations at the Fairfield Hills property. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses an internal service fund to account for medical and dental benefits offered to certain employees. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 24 through 26 of this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the Town government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 27 and 28 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29 through 75 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information, combining and individual fund statements and schedules, and a statistical section that can be found on pages 76 through 128 of this report.

TOWN OF NEWTOWN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

Government-wide Financial Analysis

Net Position

Over time, net position may serve as one measure of a government's financial position. The Town's net position as of June 30, 2020 has been restated for the implementation of GASB Statement No. 84, *Fiduciary Activities*. The effect of implementing GASB Statement No. 84 resulted in an increase to the Town's net position of \$790,045. The Town's total net position (governmental and business-type activities combined) totaled \$294,367,025 as of June 30, 2021 and \$290,836,757, as restated, as of June 30, 2020 and are summarized as follows:

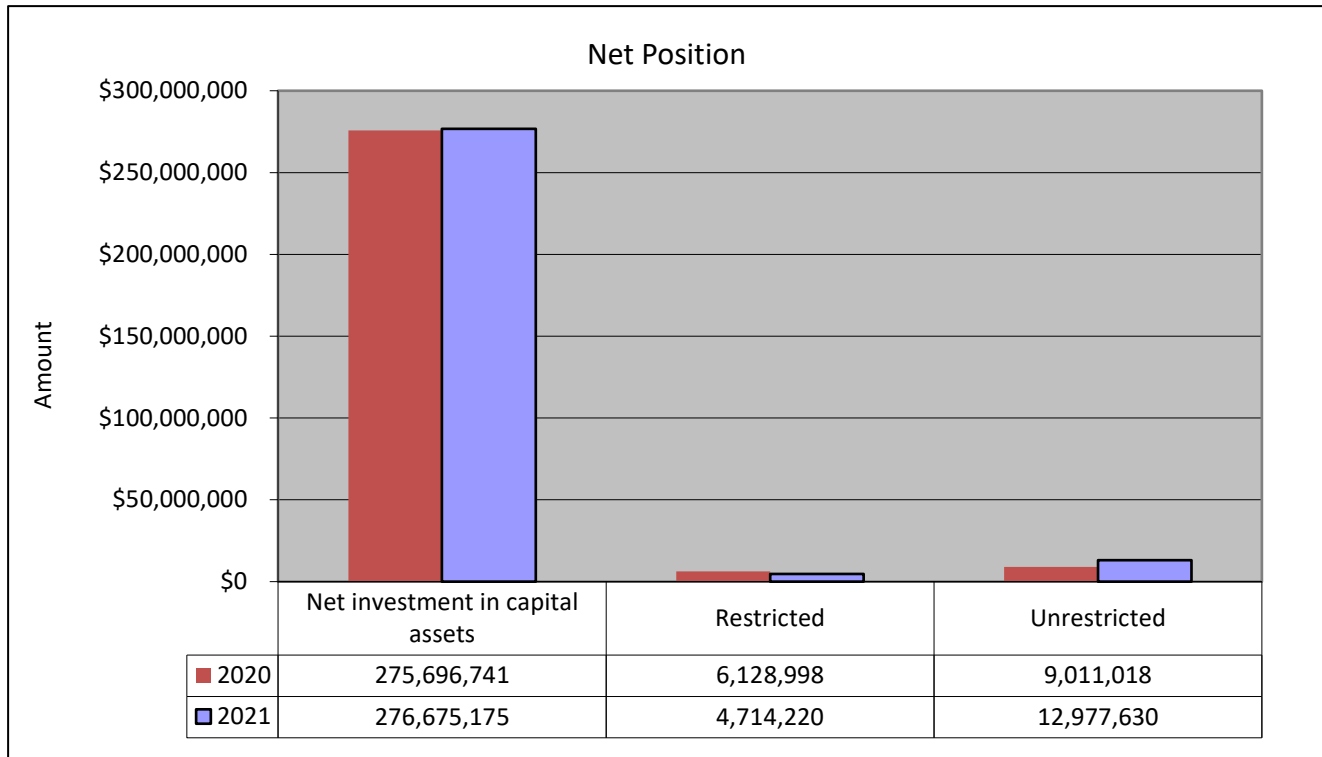
	June 30, 2021			June 30, 2020 (As Restated)		
	Governmental Activities	Business-type Activities	Total	Total	\$ Change	% Change
Current and other assets	\$ 53,700,408	\$ 3,130,073	\$ 56,830,481	\$ 52,602,726	\$ 4,227,755	8.0%
Capital assets	335,505,322	28,935,738	364,441,060	361,929,660	2,511,400	0.7%
Total assets	389,205,730	32,065,811	421,271,541	414,532,386	6,739,155	1.6%
Deferred outflows of resources	4,485,086	55,234	4,540,320	4,052,983	487,337	12.0%
Other liabilities	15,512,116	(283,838)	15,228,278	13,266,287	1,961,991	14.8%
Long-term liabilities	100,575,885	2,838,092	103,413,977	108,632,622	(5,218,645)	-4.8%
Total liabilities	116,088,001	2,554,254	118,642,255	121,898,909	(3,256,654)	-2.7%
Deferred inflows of resources	12,802,581	-	12,802,581	5,849,703	6,952,878	118.9%
Net position:						
Net investment in capital assets	250,577,529	26,097,646	276,675,175	275,696,741	978,434	0.4%
Restricted	4,714,220	-	4,714,220	6,128,998	(1,414,778)	-23.1%
Unrestricted	9,508,485	3,469,145	12,977,630	9,011,018	3,966,612	44.0%
Total net position	\$ 264,800,234	\$ 29,566,791	\$ 294,367,025	\$ 290,836,757	\$ 3,530,268	1.2%

	June 30, 2020 (As Restated)		
	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 49,311,840	\$ 3,290,886	\$ 52,602,726
Capital assets	332,698,491	29,231,169	361,929,660
Total assets	382,010,331	32,522,055	414,532,386
Deferred outflows of resources	3,993,804	59,179	4,052,983
Other liabilities	13,167,638	98,649	13,266,287
Long-term liabilities	106,550,585	2,082,037	108,632,622
Total liabilities	119,718,223	2,180,686	121,898,909
Deferred inflows of resources	5,849,703	-	5,849,703
Net position:			
Net investment in capital assets	248,547,609	27,149,132	275,696,741
Restricted	6,128,998	-	6,128,998
Unrestricted	5,759,602	3,251,416	9,011,018
Total net position	\$ 260,436,209	\$ 30,400,548	\$ 290,836,757

TOWN OF NEWTOWN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

Government-wide Financial Analysis (Continued)

Net Position (Continued)



As of June 30, 2021, 94.0% of the Town's net position reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

1.6% of the Town's net position is subject to restrictions on how it may be used and are, therefore, presented as restricted net position.

The remainder of the Town's net position is considered unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.

Overall, net position increased during the current year by \$3,530,268 in comparison with the prior year.

TOWN OF NEWTOWN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

Government-wide Financial Analysis (Continued)

Changes in Net Position

The change in net position for the year ended June 30, 2020 has also been restated for the implementing GASB Statement No. 84, *Fiduciary Activities*. The effect of implementing GASB Statement No. 84 resulted in an increase to the Town's change in net position of \$27,524 for the year ended June 30, 2020. In addition, certain reclassifications have been made to amounts reported for the year ended June 30, 2020 to confirm with the current year presentation. Changes in net position for the years ended June 30, 2021 and 2020 are as follows.

	2021			2020		
	Governmental	Business-type		(As Restated)		
	Activities	Activities	Total	Total	\$ Change	% Change
Revenues						
Program revenues:						
Charges for services	\$ 7,088,637	\$ 1,472,202	\$ 8,560,839	\$ 10,147,230	\$ (1,586,391)	-15.6%
Operating grants and contributions	36,948,800	-	36,948,800	28,080,552	8,868,248	31.6%
Capital grants and contributions	544,307	222,924	767,231	1,284,298	(517,067)	-40.3%
General revenues:						
Property taxes, levied for general purposes	111,659,716	-	111,659,716	110,835,838	823,878	0.7%
Grants and contributions not restricted to specific programs	1,555,114	-	1,555,114	1,570,502	(15,388)	-1.0%
Investment earnings	548,725	25,247	573,972	1,320,116	(746,144)	-56.5%
Total revenues	158,345,299	1,720,373	160,065,672	153,238,536	6,827,136	4.5%
Expenses						
General government	6,750,852	-	6,750,852	6,787,171	(36,319)	-0.5%
Public safety	11,108,093	-	11,108,093	12,151,228	(1,043,135)	-8.6%
Health and welfare	2,183,913	-	2,183,913	1,882,450	301,463	16.0%
Land use	828,970	-	828,970	851,758	(22,788)	-2.7%
Public works	11,324,009	-	11,324,009	11,311,974	12,035	0.1%
Parks and recreation	6,316,031	-	6,316,031	6,419,400	(103,369)	-1.6%
Education	88,795,734	-	88,795,734	87,129,471	1,666,263	1.9%
Education - State Teachers' Retirement	24,254,004	-	24,254,004	16,075,519	8,178,485	50.9%
Interest expense	2,419,668	-	2,419,668	2,319,358	100,310	4.3%
Sewer	-	2,172,237	2,172,237	1,756,195	416,042	23.7%
Water	-	381,893	381,893	450,075	(68,182)	-15.1%
Total expenses	153,981,274	2,554,130	156,535,404	147,134,599	9,400,805	6.4%
Change in net position	4,364,025	(833,757)	3,530,268	\$ 6,103,937	\$ (2,573,669)	-42.2%
Net position - beginning	260,436,209	30,400,548	290,836,757			
Net position - ending	\$ 264,800,234	\$ 29,566,791	\$ 294,367,025			

TOWN OF NEWTOWN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

Government-wide Financial Analysis (Continued)

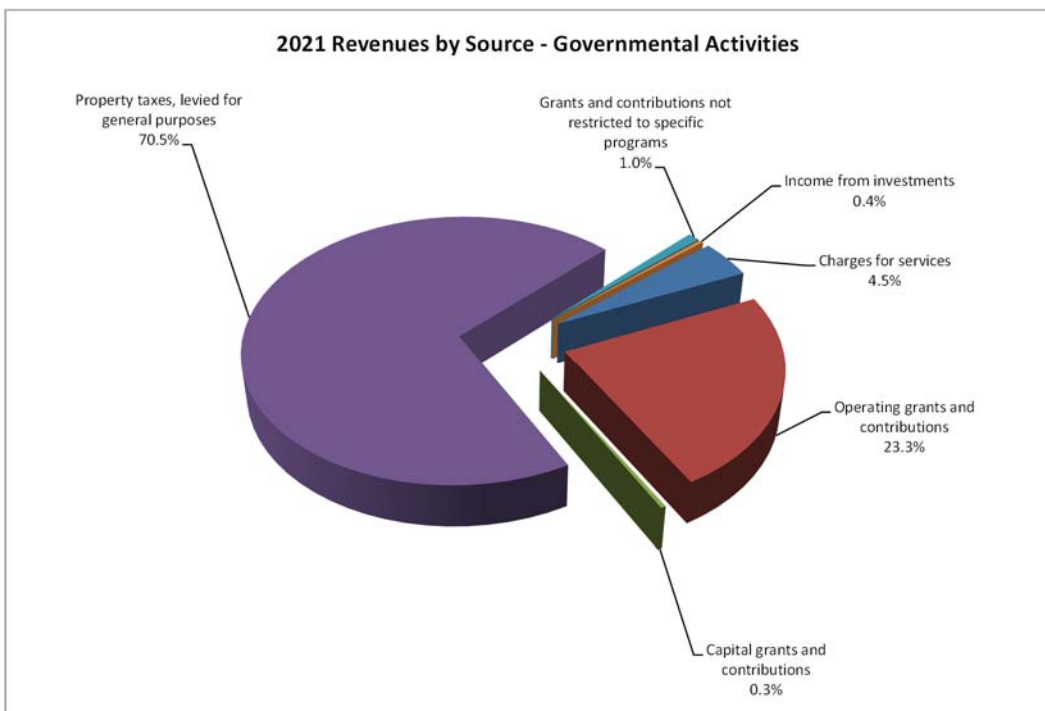
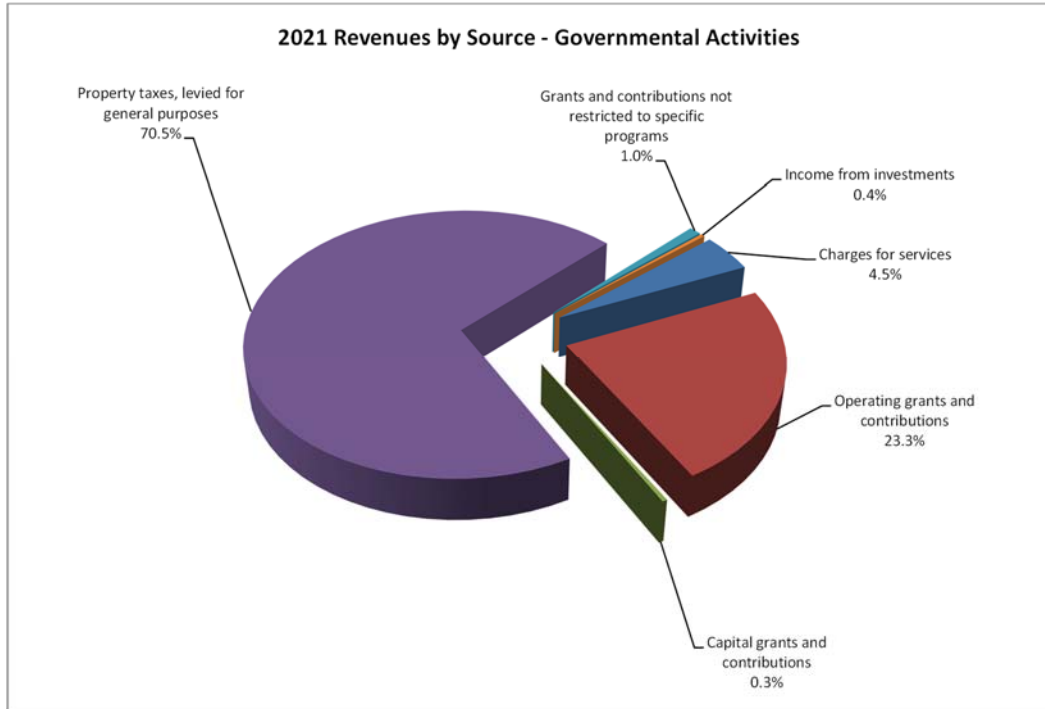
Change in Net Position (Continued)

	2020 (As Restated)		
	Governmental Activities	Business-type Activities	Total
Revenues			
Program revenues:			
Charges for services	\$ 8,430,890	\$ 1,716,340	\$ 10,147,230
Operating grants and contributions	28,080,552	-	28,080,552
Capital grants and contributions	1,284,298	-	1,284,298
General revenues:			
Property taxes, levied for general purposes	110,835,838	-	110,835,838
Grants and contributions not restricted to specific programs	1,570,502	-	1,570,502
Investment earnings	1,283,811	36,305	1,320,116
Total revenues	151,485,891	1,752,645	153,238,536
Expenses			
General government	6,787,171	-	6,787,171
Public safety	12,151,228	-	12,151,228
Health and welfare	1,882,450	-	1,882,450
Land use	851,758	-	851,758
Public works	11,311,974	-	11,311,974
Parks and recreation	6,419,400	-	6,419,400
Education	87,129,471	-	87,129,471
Education - State Teachers' Retirement	16,075,519	-	16,075,519
Interest expense	2,319,358	-	2,319,358
Sewer	-	1,756,195	1,756,195
Water	-	450,075	450,075
Total expenses	144,928,329	2,206,270	147,134,599
Change in net position	6,557,562	(453,625)	6,103,937
Net position - beginning, as originally reported	253,116,126	30,854,173	283,970,299
Adjustments (See Note 1)	762,521	-	762,521
Net position - beginning, as adjusted	253,878,647	30,854,173	284,732,820
Net position - ending	\$ 260,436,209	\$ 30,400,548	\$ 290,836,757

TOWN OF NEWTOWN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

Government-wide Financial Analysis (Continued)

Change in Net Position *(Continued)*



TOWN OF NEWTOWN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (*Continued*)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

Government-wide Financial Analysis (Continued)

Change in Net Position (*Continued*)

Governmental Activities

Governmental activities increased the Town's net position by a current year change of \$4,364,025. Revenues increased by \$6,859,408 or 4.5% over prior year and expenses increased by \$9,052,945 or 6.2% over prior year expenses.

The increase in revenues was driven by an increase in operating grants and contributions of approximately \$8.9 million, offset by a decrease of approximately \$1.4 million in charges for services. The increase in operating grants and contributions includes an \$8.2 million increase in the amount of on-behalf pension and OPEB contributions recognized by the Town for its participation in the Connecticut Teachers' Retirement System. The decrease in charges for services is primarily due to a decrease in school lunch charges related to the Town's participation in the Seamless Summer Option of the National School Lunch Program.

The increase in expenses primarily relates to an increase in education expenses of approximately \$9.8 million. The increase in education expenses is driven by an increase in on-behalf pension and OPEB expenses recognized by the Town for its participation in the Connecticut Teachers' Retirement System.

Business-type Activities

Business-type activities decreased the Town's net position by a current year change of \$833,757. Revenues decreased by \$32,272 or 1.8% over the prior year and expenses increased by \$347,860 or 15.8% over the prior year.

The increase in revenues is attributed primarily to an increase in capital grants and contributions, offset by a decrease in operating charges. The decrease in operating charges was due to two sewer benefit assessment charges levied in the prior year. The increase in capital grants and contributions relates to the procurement of a pump station during the fiscal year.

The increase in expenses is attributed to an increase of \$416,042 in sewer expenses, offset by a decrease in water expenses. The increase in sewer expenses is due primarily to significant nonrecurring repairs incurred during the year.

Financial Analysis of the Town's Funds

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

Governmental Funds

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

As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$31,187,710. Of this amount, \$25,135,214 is available for spending at the discretion of the Town (i.e. committed, assigned and unassigned fund balance).

TOWN OF NEWTOWN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

Financial Analysis of the Town's Funds (Continued)

General Fund

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$16,082,132. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 13.1% of the Town's fiscal year 2022 adopted General Fund budgetary expenditure appropriations. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover approximately 1.57 months of General Fund operating expenditures.

The fund balance of the Town's General Fund decreased by \$237,696 during the current fiscal year, which was primarily due to favorable revenue and expenditure variances within the General Fund budget, offset by transfers out to the Capital and Nonrecurring Fund. Refer to additional discussion of General Fund Budgetary Highlights below.

Bonded Projects Fund

The fund balance of the Bonded Projects Fund increased by \$753,907 during the current fiscal year. This increase was primarily due to the issuance of general obligation bonds in the amount of \$7,810,000, offset by expenditures incurred for authorized capital projects.

Local Fiscal Recovery Fund

The Local Fiscal Recovery Fund was established during the current year to account for the receipt of grant funds provided by the American Rescue Plan Act. The Town received the initial funding under the Act during June 2021. This amount has been reported as unearned revenue as of June 30, 2021. The Town is currently developing a statutory eligible use plan for the funding and will recognize revenue as allowable expenditures are incurred.

Sewer Fund

The net position of the Sewer Fund decreased by \$877,302 during the current fiscal year. The decrease was primarily attributable to shortfalls in operating revenues to cover depreciation and amortization on capital assets and increased system repairs incurred during the fiscal year.

Water Fund

The fund balance of the Water Fund increased by \$43,545 during the current fiscal year. There were no significant changes in operations over the prior year.

General Fund Budgetary Highlights

The original budget did not contemplate the use of fund balance. During the year, additional appropriations from fund balance totaling \$1,771,000 were authorized. In October 2020, an additional appropriation of \$400,000 was authorized to fund coronavirus costs incurred by the School District. In June 2021, an additional appropriation of \$1,371,000 was authorized to fund designated capital projects.

The actual net change in fund balance on a budgetary basis was a decrease of \$503,742, resulting in a favorable budgetary variance of \$1,267,258. Expenditures and other financing uses were \$114,508 less than budgeted, which represented only 0.09% of the overall final budget. Total budgetary revenues and other financing sources were \$1,152,712 more than budgetary estimates. The revenue surplus is attributed to favorable collections on property taxes, higher than budgeted education cost sharing funds received from the State, and higher than budgeted conveyance taxes due to increased property sales.

TOWN OF NEWTOWN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

Capital Asset and Debt Administration

Capital Assets

The Town's investment in capital assets for its governmental and business type activities as of June 30, 2021 totaled \$364,441,060 (net of accumulated depreciation and amortization). This investment in capital assets includes land and improvements, intangible assets, construction in progress, buildings and improvements, machinery, equipment and vehicles, and infrastructure. The total increase in the Town's investment in capital assets for the current fiscal year totaled \$2,511,400 or 0.7%. This increase was primarily comprised of current year capital asset additions, offset by depreciation and amortization on capital assets. Significant capital additions during the current fiscal year included the following:

- outlays for various road and sidewalk improvement projects of approximately \$1.1 million;
- outlays pertaining to the Newtown High School boilers and lighting project of approximately \$419 thousand;
- outlays pertaining to the purchase of a fire apparatus of approximately \$321 thousand;
- outlays pertaining to the Emergency Radio System Upgrade project of approximately \$1.0 million; and
- outlays pertaining to the new Police Building project of approximately \$4.3 million.

The following are tables of the investment in capital assets presented for both governmental and business-type activities:

Capital Assets, Net

June 30, 2021

	Governmental Activities	Business-type Activities	Total
Land	\$ 28,477,886	\$ 1,000	\$ 28,478,886
Intangible assets	3,986,359	274,597	4,260,956
Construction in progress	8,051,053	536,258	8,587,311
Buildings and improvements	205,598,627	-	205,598,627
Land improvements	18,501,214	-	18,501,214
Machinery, equipment and vehicles	15,116,012	660,944	15,776,956
Infrastructure	55,774,171	27,462,939	83,237,110
Totals	<u>\$ 335,505,322</u>	<u>\$ 28,935,738</u>	<u>\$ 364,441,060</u>

Capital Assets, Net

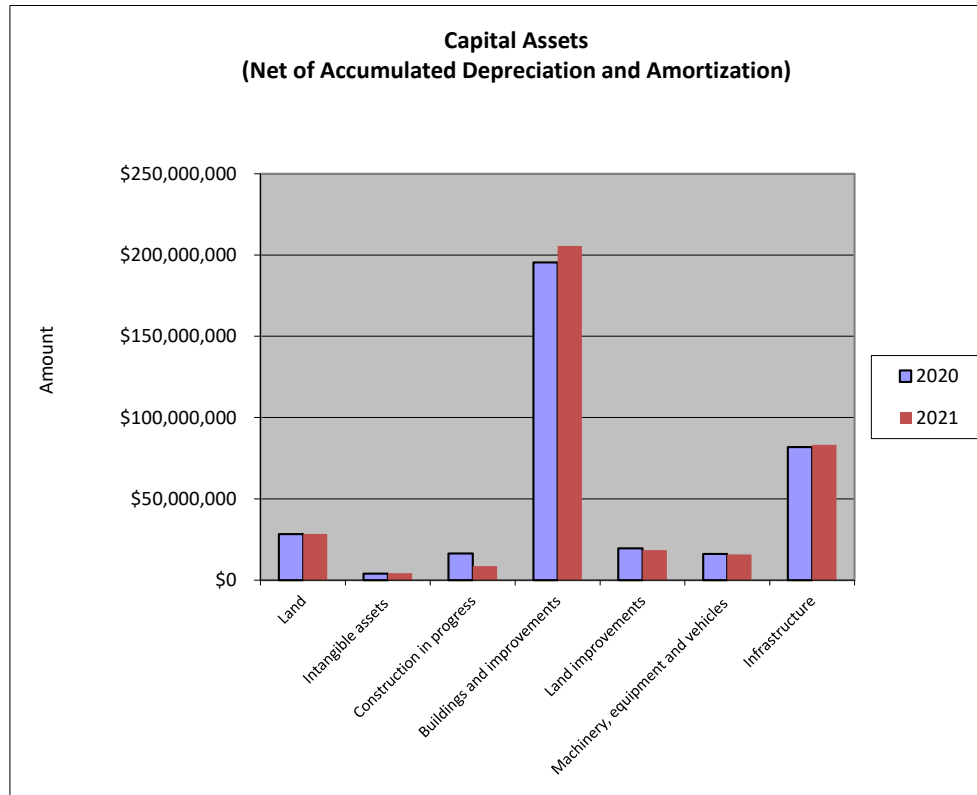
June 30, 2020

	Governmental Activities	Business-type Activities	Total
Land	\$ 28,362,066	\$ 1,000	\$ 28,363,066
Intangible assets	3,687,270	317,948	4,005,218
Construction in progress	15,987,330	398,446	16,385,776
Buildings and improvements	195,473,722	-	195,473,722
Land improvements	19,605,017	-	19,605,017
Machinery, equipment and vehicles	15,590,309	602,130	16,192,439
Infrastructure	53,992,777	27,911,645	81,904,422
Totals	<u>\$ 332,698,491</u>	<u>\$ 29,231,169</u>	<u>\$ 361,929,660</u>

TOWN OF NEWTOWN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

Capital Asset and Debt Administration (Continued)

Capital Assets (Continued)



Additional information on the Town's capital assets can be found in Note 4 starting on page 41 of the financial statements.

Debt Administration

At the end of the current fiscal year, the Town had total long-term debt outstanding of \$84,996,644. This entire amount is comprised of debt backed by the full faith and credit of the Town. The Town's total debt increased by \$1,530,860 or 1.8% during the current fiscal year. The increase is due to the issuance of \$8,725,000 in general obligation bonds, offset by scheduled debt service payments. The \$8,725,000 in bonds were issued to fund various general purpose and school projects authorized by the Town.

State statutes limit the amount of general obligation debt the Town may issue to seven times its annual receipts from taxation, as defined by the statutes. The current debt limitation for the Town is significantly in excess of the Town's outstanding general obligation debt.

TOWN OF NEWTOWN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

Capital Asset and Debt Administration (Continued)

Debt Administration (Continued)

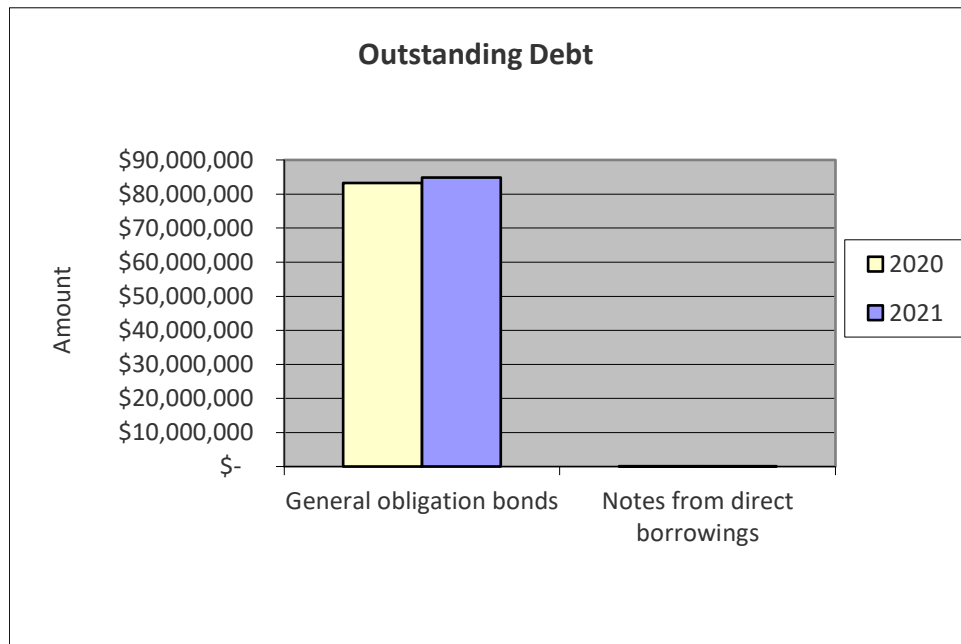
The following are tables of long-term debt presented for both governmental and business-type activities:

**Bonded Debt
June 30, 2021**

	Governmental Activities	Business-type Activities	Total
General obligation bonds	\$ 82,058,000	\$ 2,832,000	\$ 84,890,000
Notes from direct borrowings	106,644	-	106,644
Totals	<u>\$ 82,164,644</u>	<u>\$ 2,832,000</u>	<u>\$ 84,996,644</u>

**Bonded Debt
June 30, 2020**

	Governmental Activities	Business-type Activities	Total
General obligation bonds	\$ 81,244,500	\$ 2,075,500	\$ 83,320,000
Notes from direct borrowings	145,784	-	145,784
Totals	<u>\$ 81,390,284</u>	<u>\$ 2,075,500</u>	<u>\$ 83,465,784</u>



Additional information on the Town's long-term debt can be found in Note 7 starting on page 44 of the financial statements.

TOWN OF NEWTOWN, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (*Continued*)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

Economic Factors and Next Year's Budget and Rates

During April 2021, the Town adopted a General Fund budget for the fiscal year ending June 30, 2022. The budget reflected an overall increase in expenditures of \$1,593,019 or 1.3% over the Town's fiscal year 2021 original adopted budget. Fiscal year 2022 budgeted expenditures of \$123,219,554 allows the Town to continue to maintain the same level of programs and services to its residents. The Town has not planned for a utilization of fund balance for purposes of balancing the budget.

A summary of key economic factors affecting the Town are as follows:

- o For purposes of calculating property tax revenues, the assessor's grand list was used along with an estimated tax rate, and an estimated rate of collection, with deductions for taxes to be paid by the State on-behalf of certain taxpayers.
- o The Town receives intergovernmental revenues from the State of Connecticut. Connecticut's economy moves in the same general cycle as the national economy, which may affect the amount of intergovernmental revenues the Town will receive. The Town's budget for such grants were based on estimates from the State.
- o It is was unknown how changes in market interest rates will impact real estate activity and related revenues collected by the Town Clerk and the amount of conveyance taxes and interest income.
- o In 2020, there was a global outbreak of COVID-19 that was declared a Public Health Emergency of International Concern by the World Health Organization and was subsequently declared a state of emergency by the Governor of Connecticut and a national emergency by the President of the United States. The outbreak of the virus has affected travel, commerce and financial markets globally, and is widely expected to affect economic growth worldwide. The extent to which COVID-19 will impact the Town's tax base, operations and its financial condition will ultimately depend on future developments that are uncertain and cannot be fully predicted with confidence at this time.

All of these factors were considered in preparing the Town's General Fund budget for fiscal year 2022.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Finance Director, 3 Primrose Street, Town Hall, Newtown, CT 06470.

BASIC FINANCIAL STATEMENTS

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

	Primary Government		
	Governmental	Business-type	Total
	Activities	Activities	
ASSETS			
Cash and cash equivalents	\$ 31,713,757	\$ 689,104	\$ 32,402,861
Investments	15,627,061	-	15,627,061
Receivables:			
Property taxes and interest, net	3,377,263	-	3,377,263
Assessments and interest, net	-	159,713	159,713
User charges and interest, net	-	159,685	159,685
Grants and contracts	1,439,721	-	1,439,721
Other	572,849	-	572,849
Internal balances	713,986	(713,986)	-
Other	23,729	-	23,729
Noncurrent assets:			
Receivables:			
Assessments	-	2,835,557	2,835,557
Loans	232,042	-	232,042
Capital assets:			
Non-depreciable	40,515,298	537,258	41,052,556
Depreciable, net	294,990,024	28,398,480	323,388,504
Total assets	389,205,730	32,065,811	421,271,541
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on pension expense	3,636,221	-	3,636,221
Deferred charges on OPEB expense	222,693	-	222,693
Deferred charges on refunding	626,172	55,234	681,406
Total deferred outflows of resources	4,485,086	55,234	4,540,320
LIABILITIES			
Accounts payable	3,591,362	46,284	3,637,646
Accrued interest payable	925,497	-	925,497
Other accrued liabilities	4,681,219	31,207	4,712,426
Internal balances	361,329	(361,329)	-
Unearned revenue	5,158,399	-	5,158,399
Deposits payable	794,310	-	794,310
Other	-	-	-
Noncurrent liabilities:			
Due in one year	7,716,095	153,000	7,869,095
Due in more than one year	92,859,790	2,685,092	95,544,882
Total liabilities	116,088,001	2,554,254	118,642,255
DEFERRED INFLOWS OF RESOURCES			
Deferred charges on pension expense	9,081,919	-	9,081,919
Deferred charges on OPEB expense	3,140,389	-	3,140,389
Deferred charges on refunding	580,273	-	580,273
Total deferred inflows of resources	12,802,581	-	12,802,581
NET POSITION			
Net investment in capital assets	250,577,529	26,097,646	276,675,175
Restricted for:			
Endowments:			
Nonexpendable	610,000	-	610,000
Expendable	2,199,166	-	2,199,166
Grants and other programs	1,905,054	-	1,905,054
Unrestricted	9,508,485	3,469,145	12,977,630
Total net position	\$ 264,800,234	\$ 29,566,791	\$ 294,367,025

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

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

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
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
AS OF JUNE 30, 2021

Total fund balances for governmental funds	\$ 31,187,710
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	335,505,322
Deferred outflows and inflows of resources resulting from changes in the components of the net pension and net OPEB liabilities are reported in the statement of net position.	(8,363,394)
Some of the Town's receivables will be collected after year end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflows of resources in the funds.	3,609,305
Long-term liabilities and related amounts applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities and related amounts - both current and long-term - are reported in the statement of net position.	
Accrued interest payable	(925,497)
Long-term debt:	
Bonds and notes payable, net	(86,015,680)
Deferred charges on refunding	45,899
Other long-term liabilities:	
Capital lease obligations	(272,679)
Compensated absences	(1,072,746)
Early retirement obligations	(365,791)
Landfill post-closure care liability	(68,000)
Net pension liability	(8,432,831)
Net OPEB liability	(4,348,158)
Total long-term liabilities	(101,455,483)
An internal service fund is used by the Town to charge the cost of risk management activities to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities statement of net position.	4,316,774
Net position of governmental activities	\$ 264,800,234

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	<u>133,212,350</u>	<u>175,984</u>	<u>-</u>	<u>11,174,772</u>	<u>144,563,106</u>
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	<u>130,231,408</u>	<u>7,225,101</u>	<u>-</u>	<u>12,851,637</u>	<u>150,308,146</u>
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)	<u>(3,218,638)</u>	<u>7,803,024</u>	<u>-</u>	<u>4,056,371</u>	<u>8,640,757</u>
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	<u>17,295,876</u>	<u>(230,830)</u>	<u>-</u>	<u>11,226,947</u>	<u>28,291,993</u>
Fund balances - ending	<u>\$ 17,058,180</u>	<u>\$ 523,077</u>	<u>\$ -</u>	<u>\$ 13,606,453</u>	<u>\$ 31,187,710</u>

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

TOWN OF NEWTOWN, CONNECTICUT
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021

Net change in fund balances - total governmental funds \$ 2,895,717

Total change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which capital additions exceeded depreciation and amortization in the current period is as follows:

Expenditures for capital assets	\$ 9,371,261	
Depreciation and amortization expense	<u>(6,666,840)</u>	
Net adjustment		2,704,421

In the statement of activities, only the loss on the sale of capital assets is reported whereas the proceeds from the sale increase financial resources in the funds.	(43,872)
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Contribution of capital assets increase net position in the statement of activities, but do not appear in the governmental funds because they are not financial resources.	146,282
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of these differences in the treatment of long-term obligations is as follows:

Debt issued or incurred:		
General obligation bonds	(7,810,000)	
Premium on bonds	(830,757)	
Principal repayments:		
Bonds and notes payable	7,035,640	
Capital lease financing	<u>147,745</u>	
Net adjustment		(1,457,372)

Deferred outflows and inflows of resources resulting from changes in the components of the net pension and OPEB liabilities are amortized as a component of pension and OPEB expense in the statement of activities.	(6,402,334)
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(Continued)

TOWN OF NEWTOWN, CONNECTICUT
RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES *(Concluded)*
FOR THE YEAR ENDED JUNE 30, 2021

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The net effect of such items is as follows:

Accrued interest	\$ (120,854)	
Amortization of bond premiums	362,376	
Amortization of deferred charges on refunding	(59,262)	
Compensated absences	(2,470)	
Early retirement obligations	(333,791)	
Landfill post-closure care liability	17,000	
Net pension liability	6,545,529	
Net OPEB liability	<u>843,428</u>	
		\$ 7,251,956

Certain revenues reported in the statement of activities do not provide current financial resources and therefore are reported as deferred inflows of resources in the governmental funds. This amount represents the change in unavailable revenues. (6,066)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service fund is reported within the governmental activities. (724,707)

Change in net position of governmental activities	<u>\$ 4,364,025</u>
	<u><i>Concluded</i></u>

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

	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	<u>1,046,764</u>	<u>425,438</u>	<u>1,472,202</u>	<u>14,726,066</u>
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	<u>2,134,902</u>	<u>359,204</u>	<u>2,494,106</u>	<u>15,486,436</u>
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	<u>(12,088)</u>	<u>(22,689)</u>	<u>(34,777)</u>	<u>35,663</u>
Change in net position before capital contributions	(1,100,226)	43,545	(1,056,681)	(724,707)
Capital contributions	<u>222,924</u>	<u>-</u>	<u>222,924</u>	<u>-</u>
Change in net position	(877,302)	43,545	(833,757)	(724,707)
Net position - beginning	<u>29,289,077</u>	<u>1,111,471</u>	<u>30,400,548</u>	<u>5,041,481</u>
Net position - ending	<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 CASH FLOWS -
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2021

	Business-type Activities			Governmental Activities
	Sewer Fund	Water Fund	Total	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received for the following:				
Charges for services	\$ 1,320,204	\$ 433,251	\$ 1,753,455	\$ 14,721,328
Cash paid for the following:				
Operating activities	(1,602,237)	(228,510)	(1,830,747)	(1,479,315)
Claims incurred	-	-	-	(13,839,801)
Net cash provided by (used in) operating activities	<u>(282,033)</u>	<u>204,741</u>	<u>(77,292)</u>	<u>(597,788)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Interfund activity	<u>(246,042)</u>	<u>(182,052)</u>	<u>(428,094)</u>	<u>(1,854,030)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchases of capital assets	(216,875)	-	(216,875)	-
Issuance of debt	915,000	-	915,000	-
Interest paid on capital debt	(37,780)	(22,689)	(60,469)	-
Principal paid on capital debt	(154,555)	-	(154,555)	-
Net cash used in capital and related financial activities	<u>505,790</u>	<u>(22,689)</u>	<u>483,101</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Net proceeds from investments	-	-	-	2,021,139
Investment income	25,247	-	25,247	35,663
Net cash provided by investing activities	<u>25,247</u>	<u>-</u>	<u>25,247</u>	<u>2,056,802</u>
Net increase in cash and cash equivalents	2,962	-	2,962	(395,016)
Cash and cash equivalents, beginning of year	686,142	-	686,142	400,737
Cash and cash equivalents, end of year	<u>\$ 689,104</u>	<u>\$ -</u>	<u>\$ 689,104</u>	<u>\$ 5,721</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Operating income (loss)	\$ (1,088,138)	\$ 66,234	\$ (1,021,904)	\$ (760,370)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation and amortization	583,504	151,726	735,230	-
Changes in assets and liabilities:				
Receivables	273,440	7,813	281,253	(4,738)
Accounts payable	(50,839)	(21,032)	(71,871)	119,320
Accrued liabilities	-	-	-	48,000
Net cash provided by (used in) operating activities	<u>\$ (282,033)</u>	<u>\$ 204,741</u>	<u>\$ (77,292)</u>	<u>\$ (597,788)</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
Increase in depreciable capital assets from capital contributions	\$ 222,924	\$ -	\$ 222,924	\$ -

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

	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><u>\$ 64,204,014</u></u>

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

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>

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

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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. The following is a summary of significant accounting policies:

Financial Reporting Entity

The Town of Newtown, Connecticut, was incorporated on October 11, 1711, and covers an area of 60 square miles. The Town operates under a Board of Selectmen/Board of Finance/Legislative Council/Town referendum form of government as prescribed by the Connecticut General Statutes and its charter, which was adopted in 1961 and amended in 2016. The Town provides the following services as authorized by its charter: public safety (police and fire), public works (streets and highways), public health and social services, water pollution control and solid waste disposal services and education encompassing grades Pre-K through 12th grade.

The legislative power of the Town is with the Board of Selectmen, Legislative Council and Town referendum. The Legislative Council may enact, amend or repeal ordinances and resolutions. The Board of Finance is responsible for financial and taxation matters as prescribed by Connecticut General Statutes and is responsible for presenting fiscal operating budgets to the Legislative Council for approval at Town referendum.

Accounting principles generally accepted in the United States of America require that the reporting entity include, the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Town has determined that there are no agencies or entities, which should be presented within the Town's financial statements based on these criteria.

Related Organizations

The C.H. Booth Library is a 501(c)3 not-for-profit organization that operates within the Town of Newtown. The First Selectman of the Town, with approval of the Board of Selectmen, appoints eight of the sixteen members of the Library's Board of Trustees. The Town owns the building and supports the operations of the Library through annual appropriations from its General Fund. The amount paid to the Library by the Town for the year ended June 30, 2021 totaled \$1,423,908.

The Town is a member of the Western Connecticut Council of Governments (the "Council"), which provides certain member initiated regional programs and services. The Town's First Selectman serves on the Council's Board of Directors. The Council issues publicly available financial reports.

Government-wide and Fund Financial Statements

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the Town and include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. The statements are intended to distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Government-wide and Fund Financial Statements *(Continued)*

Government-wide Financial Statements *(Continued)*

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

Fund Financial Statements

The fund financial statements provide information about the Town's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds and enterprise funds, each displayed in a separate column. All remaining governmental funds and enterprise funds are aggregated and reported as nonmajor funds.

The Town reports the following major governmental funds:

General Fund - This fund is the Town's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

Bonded Projects Fund - This fund is used to account for the financial activity of capital projects financed with debt proceeds.

Local Fiscal Recovery Fund - This fund is used to account for the receipt of Coronavirus State and Local Fiscal Recovery Funds established by the American Rescue Plan Act.

The Town reports the following major proprietary funds:

Sewer Fund - This fund is used to account for the activities of the Town's sewer operations.

Water Fund - This fund is used to account for the activities of the Town's water operations.

In addition, the Town reports the following proprietary and fiduciary fund types:

Internal Service Fund - This fund accounts for activities that provide goods or services to other funds, departments, or agencies of the Town on a cost-reimbursement basis. The Town utilizes an internal service fund to account for medical and dental self-insurance activities.

Pension and Other Post-Employment Benefits Trust Funds - These funds are used to account for resources held in trust for the members and beneficiaries of the Town's retirement and other post-employment benefit plans.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital lease are reported as other financing sources.

Property taxes and interest have been recognized as revenues in the current fiscal year to the extent amounts have been collected by the end of the fiscal year. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the year or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received or is available to be received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when the cash is received.

The proprietary, pension trust, and other post-employment benefits trust funds are reported using the economic resources measurement focus and the accrual basis of accounting.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connections with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise funds consist of sewer and water charges and premiums for medical and dental benefits. Operating expenses of the Town's enterprise fund include the cost of operations and maintenance, administrative expenses, and depreciation of capital assets. The principal operating revenues of the Town's internal service fund consist of charges for premiums. Operating expenses of the Town's internal service fund consist of claims incurred and administrative expenses. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Implementation of Accounting Standards

Effective July 1, 2020, the Town implemented the provisions of GASB Statement No. 84, *Fiduciary Activities* ("Statement No. 84"). The objective of this statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. Based on the application of Statement No. 84, the Town has recharacterized certain activities previously reported as fiduciary activities. The Town has reported the cumulative effect of applying Statement No. 84 as a restatement of its beginning net position and fund balances as follows:

	Governmental Activities	Governmental Funds
Net Position/Fund balance - beginning, as originally reported	\$ 259,646,164	\$ 27,501,948
Recharacterization of certain activities previously reported as fiduciary activities	<u>790,045</u>	<u>790,045</u>
Net Position/Fund balance - beginning, as adjusted	<u>\$ 260,436,209</u>	<u>\$ 28,291,993</u>

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance

Cash and Cash Equivalents

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

Investments are measured by the Town at fair value (generally based on quoted market prices), except for investments in certain external investment pools. Investments in certain external investment pools consist of money market mutual funds and the Short-Term Investment Fund (STIF), which is managed by the State of Connecticut Treasurer's Office. Investments in these types of funds, which are permitted to measure their investment holdings at amortized costs, are measured by the Town at the net asset value per share as determined by the fund.

Donor-Restricted Endowments

The Town has received certain endowments for the maintenance of Hawley School, Edmond Town Hall, the Newtown flagpole and for the care of animals. These amounts are reflected in net position as restricted for endowments. Investment income is approved for expenditure by the individual boards of the benefiting activities and is included in restricted fund balance. As of June 30, 2021, net appreciation available for appropriation is \$2,199,166.

The Town allocates investment income in accordance with donor restrictions and Connecticut law. The State of Connecticut adopted the provisions of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) effective October 1, 2007. UPMIFA requires the investment of endowments in good faith and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances. It requires prudence in incurring investment costs, authorizing only costs that are appropriate and reasonable. Factors to be considered in investing are expanded to include, for example, the effects of inflation. UPMIFA emphasizes that investment decisions be made in relation to the overall resources of the Town.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance *(Continued)*

Property Taxes

Property taxes are assessed as of October 1. Real estate and personal property taxes are billed in the following July and are due in two installments, July 1 and January 1. Motor vehicle taxes are billed in July and are due in one installment, July 1, and supplemental motor vehicle taxes are due in full January 1. Taxes become delinquent thirty days after the installment is due. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date. Based on historical collection experience and other factors, the Town has established an allowance for uncollectible taxes and interest as of June 30, 2021 of \$309,000 and \$531,000, respectively.

Sewer and Water Charges

The Town operates a centralized wastewater treatment system and a potable water system. Upon completion of projects, assessments are levied and assess to users annually over a twenty year period. Usage charges are billed either annually or semi-annually depending upon the type of customer. Assessments and usage charges are due and payable within thirty days and delinquent amounts are subject to interest at prevailing rates. Liens are filed on all properties until the assessment is paid in full. Based on historical collection experience and other factors, the Town has established an allowance for uncollectible assessment and usage charges of \$74,185 and \$5,000 as of June 30, 2021, respectively.

Loans

The Town administers a federally funded residential rehabilitation loan program for low to moderate income families. The loans do not accrue interest and repayment of the loans is deferred. The loans become due and payable upon sale or transfer of the property, the owner's demise, or when the subject property is no longer the applicant's principal place of residence. The loans may be paid in full or in part by the borrower at any time without penalty. As of June 30, 2021, loans receivable totaled \$232,042 under this program.

Capital Assets

Capital assets, which include property, buildings, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and proprietary fund financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$5,000 for equipment, \$20,000 for improvements and \$100,000 for infrastructure, and an estimated useful life in excess of two years. Such assets are recorded at historical cost, or estimated historical cost, when purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance *(Continued)*

Capital Assets *(Continued)*

The costs of normal maintenance and repairs that do not add to the value of a capital asset or materially extend capital asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred net of interest earned on project specific debt during the construction phase of capital assets of business-type activities and enterprise funds are included as part of the capitalized cost of the assets constructed.

Capital assets of the Town are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Interlocal agreement rights	30
Sewer plant	50
Sewer transmission lines	100
Roads	50-75
Bridges	100
Land improvements	20-100
Buildings	20-100
Vehicles	3-30
Equipment	5-30
Intangible assets	30-43

Capital assets acquired under capital lease are amortized over the life of the lease term or estimated useful life of the asset, as applicable.

Unearned Revenue

This liability represents resources that have been received but not yet earned.

Deferred Outflows and Inflows of Resources

Deferred outflows and inflows of resources represent either an acquisition or consumption of net position that applies to a future period(s) and so will not be recognized as an outflow or inflow of resources until that time.

Deferred outflows and inflows of resources consists of deferred charges on pension and OPEB expenses and deferred charges on refundings reported in the government-wide statement of net position. Deferred charges on pension and OPEB expenses result from changes in the components of the Town's net pension and OPEB liabilities and are amortized as a component of pension and OPEB expenses on a systematic and rational basis. Deferred charges on refundings resulted from the difference in the carrying value of refunded debt and its reacquisition price. This amount has been deferred and is being amortized as a component of interest expense over the life of the related debt.

Deferred inflows of resources consists of unavailable revenue reported in the governmental funds balance sheet. Unavailable revenue is deferred and recognized as an inflow of resources in the period that the amounts become available.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance *(Continued)*

Compensated Absences

Employees of the Town and Board of Education earn sick leave, which can accumulate, and vacation leave based on the provisions of negotiated contracts or other personnel policies. Accumulated sick leave does not vest and the payment of nonvesting accumulated sick pay depends on the future illness of the employee and, therefore, no liability has been accrued for in the financial statements. Expenditures for compensated absences are recognized in the governmental fund financial statements in the current year to the extent they are paid during the year, or the vested amount is expected to be paid with available resources. All compensated absences are accrued when incurred in the government-wide, proprietary fund and fiduciary fund financial statements. Expenditures for compensated absences are recognized in the governmental fund financial statements in the current year to the extent they have matured (i.e. due to resignation or retirement).

Long-term Obligations

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

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

Net Position and Fund Balance

The government-wide statement of net position presents the Town's assets, deferred outflows and inflows of resources and liabilities, with net position as the residual of these other elements. Net position is reported in three categories:

Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation and amortization and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement of capital assets.

Restricted net position - This component of net position consists of amounts restricted either through external restrictions imposed by creditors, grantors, contributors, and the like, or through restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position - This component of net position is the net amount of the assets, liabilities, and deferred outflows and inflows of resources which do not meet the definition of the two preceding categories.

The Town's governmental funds report the following fund balance categories:

Nonspendable - Amounts that cannot be spent because they are not in spendable form or they are legally or contractually required to be maintained intact.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance *(Continued)*

Net Position and Fund Balance *(Continued)*

Restricted - Constraints are placed on the use of resources that are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through enabling legislation.

Committed - Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision making authority of the Town and cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same formal action. Commitments may be established, modified, or rescinded through resolutions approved by the Board of Finance/Legislative Council.

Assigned - Amounts are constrained by the government's intent to be used for specific purposes, but are not restricted or committed. Amounts may be constrained to be used for a specific purpose by a governing board or body or official that has been delegated authority to assign amounts. Intent is expressed by the passing of a resolution by the Board of Finance/Legislative Council or from a properly approved purchase order.

Unassigned - Residual classification for the General Fund or amounts necessary in other governmental funds to eliminate otherwise negative fund balance amounts in the other four categories.

Net Position Flow Assumption

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumption

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy, when committed, assigned and unassigned resources are available for use, that the Town will use committed resources first, then assigned resources and then unassigned resources as they are needed.

Interfund Activities

Interfund activities are reported as follows:

Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Interfund Activities *(Continued)*

Interfund Services Provided and Used

Sales and purchases of goods and services between funds for a price approximating their external exchange value are reported as revenues and expenditures, or expenses, in the applicable funds.

Interfund Transfers

Interfund transfers represent flows of assets without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and other financing sources in the funds receiving transfers. In proprietary funds, transfers are reported after non-operating revenues and expenses.

Interfund Reimbursements

Interfund reimbursements represent repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

NOTE 2 - CASH DEPOSITS AND INVESTMENTS

Cash Deposits

A reconciliation of the Town's cash deposits as of June 30, 2021 is as follows:

Government-wide statement of net position:	
Cash and cash equivalents	\$ 32,402,861
Statement of fiduciary net position:	
Cash and cash equivalents	511,742
	<u>32,914,603</u>
 Add: non-negotiable certificates of deposit presented as investments	 1,284,283
Less: investments presented as cash equivalents	<u>(11,250,622)</u>
	<u><u>\$ 22,948,264</u></u>

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

NOTE 2 - CASH DEPOSITS AND INVESTMENTS *(Continued)*

Cash Deposits *(Continued)*

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2021, \$23,086,800 of the Town's bank balance of \$24,135,952 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 20,778,120
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	<u>2,308,680</u>
	<u><u>\$ 23,086,800</u></u>

All of the Town's deposits were in qualified public institutions as defined by Connecticut state statute. Under this statute, any bank holding public deposits must at all times maintain, segregated from its other assets, eligible collateral in an amount equal to a certain percentage of its public deposits. The applicable percentage is determined based on the bank's risk-based capital ratio. The amount of public deposits is determined based on either the public deposits reported on the most recent quarterly call report, or the average of the public deposits reported on the four most recent quarterly call reports, whichever is greater. The collateral is kept in the custody of the trust department of either the pledging bank or another bank in the name of the pledging bank.

Investments

A reconciliation of the Town's investments as of June 30, 2021 is as follows:

Government-wide statement of net position:	
Investments	\$ 15,627,061
Statement of fiduciary net position:	
Investments	<u>63,683,296</u>
	79,310,357
Less: non-negotiable certificates of deposit presented as investments	(1,284,283)
Add: investments presented as cash equivalents	<u>11,250,622</u>
	<u><u>\$ 89,276,696</u></u>

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

NOTE 2 - CASH DEPOSITS AND INVESTMENTS *(Continued)*

Investments *(Continued)*

As of June 30, 2021, the Town's investments consist of the following:

Investment Type	Valuation Basis	Value	Investment Maturities (In Years)	
			Less Than 1	1 to 5
Debt Securities:				
Governmental Activities:				
Short-Term Investment Fund	Net asset value	\$ 10,738,880	\$ 10,738,880	\$ -
Certificates of Deposits	Fair Value	12,339,075	2,305,600	10,033,475
U.S. Government Securities	Fair Value	328,505	328,505	-
Fiduciary Funds:				
Money Market Mutual Funds	Amortized Cost	511,742	511,742	-
		23,918,202	\$ 13,884,727	\$ 10,033,475
Other Investments:				
Governmental Activities:				
Mutual Funds	Fair Value	1,595,800		
Alternative Investments	Fair Value	79,398		
Fiduciary Funds:				
Mutual Funds	Fair Value	63,683,296		
		\$ 89,276,696		

Interest Rate Risk

The Town does not have a formal investment policy that limits Town investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, its practice is to structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

Credit Risk

The Town has no investment policy that would further limit its investment choices beyond those limited by Connecticut state statutes. Connecticut state statutes permit the Town to invest in obligations of the United States, including its instrumentalities and agencies; in obligations of any state or of any political subdivision, authority or agency thereof, provided such obligations are rated within one of the top two rating categories of any recognized rating service; or in obligations of the State of Connecticut or of any political subdivision thereof, provided such obligations are rated within one of the top three rating categories of any recognized rating service.

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

NOTE 2 - CASH DEPOSITS AND INVESTMENTS *(Continued)*

Investments *(Continued)*

Credit Risk *(Continued)*

The Town's investments in debt securities, whose ratings are required to be disclosed, were rated by Standard & Poor's as follows:

<u>Investment Type</u>	<u>AAA</u>	<u>Unrated</u>	<u>Total</u>
Debt Securities:			
<i>Governmental Activities:</i>			
Short-Term Investment Fund	\$ 10,738,880	\$ -	\$ 10,738,880
Certificates of Deposits	-	12,339,075	12,339,075
U.S. Government Securities	328,505	-	328,505
<i>Fiduciary Funds:</i>			
Money Market Mutual Funds	-	511,742	511,742
	<u>\$ 11,067,385</u>	<u>\$ 12,850,817</u>	<u>\$ 23,918,202</u>

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town's investments in external investment pools and mutual funds are not evidenced by securities and are therefore not exposed to custodial credit risk. The Town's other investments are held in book entry form in the name of the Town and are therefore also not exposed to custodial credit risk.

Concentrations of Credit Risk

The Town's policy states credit risk will be minimized by limiting investments to the safest types of securities and pre-qualifying the financial institution with which the Town will do business. The Town is only allowed to invest in those types of investments that are covered by the state of Connecticut Municipal Investment Act. The investment portfolio must be diversified so that potential losses on individual securities will be minimized.

NOTE 3 - FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, as of the measurement date. Authoritative guidance establishes a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (also referred to as observable inputs). The Town classifies its assets and liabilities measured at fair value into Level 1 (securities valued using quoted prices from active markets for identical assets), Level 2 (securities not traded on an active market for which market inputs are observable, either directly or indirectly, and Level 3 (securities valued based on unobservable inputs). Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The Town's financial assets that are accounted for at fair value on a recurring basis as of June 30, 2021, by level within the fair value hierarchy are presented in the table below.

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

NOTE 3 - FAIR VALUE MEASUREMENTS *(Continued)*

Financial Assets Measured at Fair Value	Prices in Active Market (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
<i>Governmental Activities:</i>				
Certificates of Deposits	\$ -	\$ 12,339,075	\$ -	\$ 12,339,075
U.S. Government Securities	328,505	-	-	328,505
Mutual funds	1,595,800	-	-	1,595,800
Alternative investments	79,398	-	-	79,398
<i>Fiduciary Funds:</i>				
Mutual Funds	63,683,296	-	-	63,683,296
	<u>\$ 65,686,999</u>	<u>\$ 12,339,075</u>	<u>\$ -</u>	<u>78,026,074</u>
Investments measured at Net Asset Value and Amortized Cost				<u>11,250,622</u>
				<u>\$ 89,276,696</u>

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended June 30, 2021 consisted of the following:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
Governmental Activities					
Capital assets, not being depreciated:					
Land	\$ 28,362,066	\$ 115,820	\$ -	\$ -	\$ 28,477,886
Intangible assets	3,687,270	299,089	-	-	3,986,359
Construction in progress	15,987,330	7,863,606	-	(15,799,883)	8,051,053
Total capital assets, not being depreciated	<u>48,036,666</u>	<u>8,278,515</u>	<u>-</u>	<u>(15,799,883)</u>	<u>40,515,298</u>
Capital assets, being depreciated:					
Buildings and systems	234,723,271	-	(84,589)	13,292,149	247,930,831
Land improvements	29,441,299	12,824	-	-	29,454,123
Machinery and equipment	18,675,921	278,989	(27,268)	-	18,927,642
Vehicles	12,704,712	590,505	(257,477)	-	13,037,740
Infrastructure	72,867,536	356,710	-	2,507,734	75,731,980
Total capital assets, being depreciated	<u>368,412,739</u>	<u>1,239,028</u>	<u>(369,334)</u>	<u>15,799,883</u>	<u>385,082,316</u>
Less accumulated depreciation and amortization for:					
Buildings and systems	39,225,432	3,182,902	(76,130)	-	42,332,204
Land improvements	9,836,282	1,116,627	-	-	10,952,909
Machinery and equipment	9,278,140	622,641	(22,307)	-	9,878,474
Vehicles	6,536,301	661,620	(227,025)	-	6,970,896
Infrastructure	18,874,759	1,083,050	-	-	19,957,809
Total accumulated depreciation and amortization	<u>83,750,914</u>	<u>6,666,840</u>	<u>(325,462)</u>	<u>-</u>	<u>90,092,292</u>
Total capital assets, being depreciated, net	<u>284,661,825</u>	<u>(5,427,812)</u>	<u>(43,872)</u>	<u>15,799,883</u>	<u>294,990,024</u>
Governmental activities capital assets, net	<u>\$ 332,698,491</u>	<u>\$ 2,850,703</u>	<u>\$ (43,872)</u>	<u>\$ -</u>	<u>\$ 335,505,322</u>

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

NOTE 4 - CAPITAL ASSETS *(Continued)*

Depreciation and amortization expense was charged to functions of the Town as follows:

Governmental Activities:	
General government	\$ 1,171,894
Public safety	426,097
Public works	1,335,583
Health and welfare	20,018
Park and recreation	746,510
Education	<u>2,966,738</u>
Total depreciation and amortization expense - governmental activities	<u>\$ 6,666,840</u>

Capital asset activity for business-type activities for the year ended June 30, 2021 consisted of the following:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type Activities				
Capital assets, not being depreciated:				
Land	\$ 1,000	\$ -	\$ -	\$ 1,000
Construction in progress	398,447	244,029	(106,218)	536,258
Total capital assets, not being depreciated	<u>399,447</u>	<u>244,029</u>	<u>(106,218)</u>	<u>537,258</u>
Capital assets, being depreciated:				
Intangible assets	1,361,000	-	-	1,361,000
Plant and pumping stations	15,418,657	222,924	-	15,641,581
Sewer distribution system	23,232,801	-	-	23,232,801
Water distribution system	2,275,502	-	-	2,275,502
Equipment	674,848	79,064	-	753,912
Vehicles	173,006	-	-	173,006
Total capital assets, being depreciated	<u>43,135,814</u>	<u>301,988</u>	<u>-</u>	<u>43,437,802</u>
Less accumulated depreciation and amortization for:				
Intangible assets	1,043,052	43,351	-	1,086,403
Plant and pumping stations	6,428,397	337,281	-	6,765,678
Sewer distribution system	5,187,469	248,032	-	5,435,501
Water distribution system	1,399,450	86,316	-	1,485,766
Equipment	101,114	12,233	-	113,347
Vehicles	144,610	8,017	-	152,627
Total accumulated depreciation and amortization	<u>14,304,092</u>	<u>735,230</u>	<u>-</u>	<u>15,039,322</u>
Total capital assets, being depreciated, net	<u>28,831,722</u>	<u>(433,242)</u>	<u>-</u>	<u>28,398,480</u>
Business-type activities capital assets, net	<u>\$ 29,231,169</u>	<u>\$ (189,213)</u>	<u>\$ (106,218)</u>	<u>\$ 28,935,738</u>

Depreciation and amortization expense was charged to the enterprise funds of the Town as follows:

Business-Type Activities:	
Sewer	\$ 583,504
Water	<u>151,726</u>
Total depreciation and amortization expense - business-type activities	<u>\$ 735,230</u>

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

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 2021 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds:		
General Fund	Water Fund	\$ 713,986
	Other Governmental Funds	1,508,272
		<u>2,222,258</u>
Bonded Projects Fund	General Fund	313,131
Local Fiscal Recovery Fund	General Fund	3,837,147
Other Governmental Funds	General Fund	8,993,794
		<u>\$ 15,366,330</u>
Proprietary Funds:		
Internal Service Fund	General Fund	\$ 3,717,796
Sewer Fund	General Fund	361,329
	Water Fund	531,997
		<u>893,326</u>
		<u>\$ 4,611,122</u>

Except as discussed below, the above balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

The Water Pollution Control Authority approved a loan from the Sewer Fund to the Water Fund. Interest is payable on amounts outstanding at an annual rate of 4.0%. It is anticipated that a portion of the balance, in the amount of \$531,997, due to the Sewer Fund from the Water Fund will not be repaid within one year. This amount has been presented as an advance as of June 30, 2021.

NOTE 6 - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2021 consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Governmental Funds:		
General Fund	Other Governmental Funds	\$ 250,000
Bonded Projects Fund	General Fund	10,375
Other Governmental Funds	General Fund	3,458,263
	Bonded Projects Fund	17,351
	Other Governmental Funds	161,272
		<u>3,636,886</u>
		<u>\$ 3,897,261</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

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

NOTE 7 - LONG-TERM DEBT

The applicable accounting standards define debt as a liability that arises from a contractual obligation to pay cash, or other assets that may be used in lieu of cash, in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. For disclosure purposes, debt does not include accounts payable or leases, except for contracts reported as financed purchase of the underlying asset.

Changes in long-term debt for the year ended June 30, 2021, are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Bonds payable:					
General obligation bonds	\$ 81,244,500	\$ 7,810,000	\$ (6,996,500)	\$ 82,058,000	\$ 7,227,000
Unamortized premiums	3,382,655	830,757	(362,376)	3,851,036	-
Total bonds payable	84,627,155	8,640,757	(7,358,876)	85,909,036	7,227,000
Notes from direct borrowings	145,784	-	(39,140)	106,644	39,991
Capital leases from direct borrowings	420,424	-	(147,745)	272,679	147,746
	<u>\$ 85,193,363</u>	<u>\$ 8,640,757</u>	<u>\$ (7,545,761)</u>	<u>\$ 86,288,359</u>	<u>\$ 7,414,737</u>
Business-type Activities					
Bonds payable:					
General obligation bonds	\$ 2,075,500	\$ 915,000	\$ (158,500)	\$ 2,832,000	\$ 153,000
Unamortized premiums	6,537	-	(445)	6,092	-
Total bonds payable	<u>\$ 2,082,037</u>	<u>\$ 915,000</u>	<u>\$ (158,945)</u>	<u>\$ 2,838,092</u>	<u>\$ 153,000</u>

Long-term debt above typically has been liquidated by the General Fund for governmental activities and the Sewer and Water Fund for business-type activities.

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>\$ 82,164,644</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>

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)*

Debt Refundings

The Town has advanced refunded general obligation bonds in prior years. The net proceeds from the refundings were deposited in an irrevocable trust with an escrow agent to provide fund for the future debt service payment on the refunded bonds. The refunded bonds are considered defeased and the liability for the bonds has been removed from the government-wide statement of net position. The difference between the reacquisition prices (the amounts placed in escrow) and the net carrying amounts of the refunded bonds have resulted in deferred gains and losses on refundings. These amounts, net of accumulated amortization, have been presented as deferred outflows and inflows of resources in the government-wide financial statements and are being amortized to interest expense using the effective-interest method over the life of the new bonds. Amortization of deferred charges on refundings totaled \$59,262 for the year ended June 30, 2021.

Capital Leases from Direct Borrowings

Capital leases from direct borrowings include non-appropriation clauses and provide the obligor with a security interest in the underlying equipment in the event of default.

A summary of assets acquired through capital leases is as follows as of June 30, 2021:

	Governmental Activities
Equipment	\$ 738,735
Less: accumulated amortization	132,628
	<u>\$ 606,107</u>

Amortization expense relative to leased property under capital leases totaled \$51,150 for the year ended June 30, 2021 and is included in depreciation and amortization expense disclosed in Note 4.

Future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2021 is as follows:

	Governmental Activities
Year Ending June 30:	
2022	\$ 147,746
2023	124,933
Total minimum lease payments	272,679
Less: amount representing interest	-
Present value of minimum lease payments	<u>\$ 272,679</u>

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

NOTE 8 - OTHER LONG-TERM LIABILITIES

Changes in other long-term liabilities for the year ended June 30, 2021 are as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Compensated absences	\$ 1,070,276	\$ 40,603	\$ (38,133)	\$ 1,072,746	\$ 108,000
Termination benefits	32,000	349,791	(16,000)	365,791	176,358
Landfill post-closure care liability	85,000	-	(17,000)	68,000	17,000
Net pension liability <i>(see Note 9)</i>	14,978,360	-	(6,545,529)	8,432,831	-
Net OPEB liability <i>(see Note 10)</i>	5,191,586	-	(843,428)	4,348,158	-
	<u>\$ 21,357,222</u>	<u>\$ 390,394</u>	<u>\$ (7,460,090)</u>	<u>\$ 14,287,526</u>	<u>\$ 301,358</u>

Other long-term liabilities are liquidated primarily from the General Fund.

Landfill Post-Closure Care Liability

The Town landfill has been closed since 1995. State and federal laws and regulations require landfill closures to meet certain standards. Monitoring costs for the next 4 years are estimated to be \$17,000 per year. This amount is based on estimates, which are subject to change due to inflation, technology or applicable laws and regulations.

Termination Benefits

The Town's Board of Education provides special termination benefits to former employees in the form of an early retirement incentive. The cost to the Town for the year ended June 30, 2021 was \$16,000. As of June 30, 2021, the Town's liability for early retirement incentives totaled \$365,791.

Future annual payments on early retirement incentives as of June 30, 2021 are as follows:

	Governmental Activities
Year Ending June 30:	
2022	\$ 176,358
2023	179,433
2024	5,000
2025	5,000
Total payments	<u>\$ 365,791</u>

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

NOTE 9 - EMPLOYEE RETIREMENT PLANS

Pension Trust Fund

Plan Description

Plan Administration

The Town administers two single-employer defined benefit pension plans (the Town of Newtown Employees' Pension Plan and the Town of Newtown Police Officers Pension Plan, collectively referred to as the "Town Plan"), which provides pensions for all permanent full-time employees of the Town and police officers. Both of the pension plans grant the authority to establish and amend benefit terms to the Board of Selectmen. Management of the plan is vested in the Pension Committee, which consists of several employees or individuals appointed by the Board of Selectmen. The Town currently maintains one Pension Trust Fund. All assets accumulated in the Pension Trust Fund for the payment of benefits may legally be used to pay benefits to participants of either plan. As such, the Town reports information about both plans as one defined benefit plan. The Town Plan is considered to be part of the Town's financial reporting entity. The Town Plan does not issue a publicly available financial report and is not included in the financial statements of another entity.

Summary of Significant Accounting Policies

The Town Plan is accounted for using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Town Plan are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Town Plan.

Investments - Investments are generally reported at fair value, except for investments in external investment pools. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investment income is recognized when earned and gains and losses on sales or exchanges are recognized on the transaction date. Investments in external investment pools, which are permitted to measure their investment holdings at amortized costs, are measured by the Plan at the net asset value per share as determined by the pools.

Investment policy - The Town's policy in regard to the allocation of invested assets is established and may be amended by the Pension Committee. The Town's Pension Committee pursues an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes, discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

Concentrations - As of June 30, 2021, there were no investments in any one issuer that represented 5.0% or more of the Town Plan's total investments.

Rate of return - For the year ended June 30, 2021, the annual money-weighted rate of return on the Town Plan's investments, net of pension plan investment expense was 25.89%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

NOTE 9 - EMPLOYEE RETIREMENT PLANS *(Continued)*

Pension Trust Fund *(Continued)*

Plan Membership

As of June 30, 2021, plan membership consisted of the following:

Inactive plan members or beneficiaries receiving benefits	193
Inactive plan members entitled to but not yet receiving benefits	62
Active plan members	263
	<u>518</u>

Benefit Provisions

Town of Newtown Employees' Pension Plan - The plan provides retirement, disability and death benefits to Board of Selectmen, uncertified Board of Education personnel, civilian police department personnel and certain employees of the Cyrenius H. Booth Library, the Children's Adventure Center, Inc. and the Newtown District Department of Health. Each employee may enter the plan after six months of full service. Retirement benefits for employees are calculated as the greater of a) the difference between 2.0% of the member's average annual salary times the member's years and months of credited service and 50.0% of the member's primary insurance amount or b) 1.15% of the member's average annual compensation times the member's years and months of credited service. Plan members upon completion of 30 years of service are eligible to retire at any age with full benefits, or at age 65 upon completion of 10 years of service.

All plan members are eligible for disability benefits after 10 years of service who are determined to have a total and permanent disability. Disability retirement benefits are determined in the same manner as retirement benefits, but are payable immediately without an actuarial reduction. Death benefits will be paid if a member dies prior to the normal retirement date equal to the member's contributions with credited interest. If a member dies after normal retirement date, the benefit will be determined under the form of payment then in effect.

A plan member who terminates employment with less than 10 years of credited services shall forfeit all rights to benefits under the plan except for the return of member contributions with credited interest, unless there is a separate vesting schedule set by union contract. In addition, department heads and deputy department heads who are not considered highly compensated employees shall be fully vested when they have completed five years of service.

The plan does not have any provisions for cost of living adjustments.

Town of Newtown Police Officers' Pension Plan - The plan provides retirement, disability and death benefits to police officers. Sworn police officers may enter the plan after six months of full time service. Retirement benefits for plan members are calculated as the greater of a) the difference between 2.25% of the member's average annual salary times the member's years and months of credit service and 50.0% of the member's primary insurance amount or b) 1.15% of the member's average annual compensation times the member's years and months of credited service. Plan members upon completion of 25 years of service are eligible to retire at any age with full benefits, or at age 60 upon completion of 10 years of service.

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

NOTE 9 - EMPLOYEE RETIREMENT PLANS *(Continued)*

Pension Trust Fund *(Continued)*

Benefit Provisions *(Continued)*

All plan members are eligible for disability benefits after 1 year of service who are determined to have a total permanent disability. Disability retirement benefits are determined in the same manner as retirement benefits; however, benefits are subject to a minimum of 25.0% of base salary and one of the following maximums: 1) job related disability paid at 85.0% of annual compensation less any other job related disability paid by the Town or 2) non-job related disability paid at 50.0% of annual compensation less any other job related disability paid by the Town. Death benefits will be paid if a member dies prior to the normal retirement date equal to the member's contributions with credited interest. If death is incurred in the line of duty, the benefit is equal to 50.0% of the member's accrued benefit based on credited service and annual compensation projected to the member's normal retirement date. If a member dies after normal retirement date, the benefit will be determined under the form of payment then in effect.

A plan member who terminates employment with 10 or more years of credited service prior to his normal, early or disability retirement date and who does not elect a refund of member contributions with credited interest, shall be vested in the accrued benefit payable at the normal retirement date. A member who is vested on his date of determination and elects a refund of member contributions and credited interest shall forfeit the entire accrued benefit. Such an election may be made any time prior to actual retirement.

Benefit terms provide for a grandfathered annual cost-of-living adjustment, which is being provided to three retired police officers/beneficiaries, in an amount equal to the less of 3.0% or 50.0% of the rate of the salary increases for new police officers.

Contributions

Town of Newtown Employees' Pension Plan - Plan participants are required to contribute 2.0% of their annual compensation to the plan. The Town is required to contribute the amount determined by the actuary, considering the participant's contributions.

Town of Newtown Police Officers' Pension Plan - Plan participants are required to contribute 5.0% of their annual compensation to the plan. The Town is required to contribute the amount determined by the actuary, considering the participant's contributions.

The Town's contribution to the Plan totaled \$2,474,343 and represented 14.86% of covered payroll.

Net Pension Liability

The components of the Town's net pension liability of the Town Plan at June 30, 2021, were as follows:

Total pension liability	\$ 68,341,637
Plan fiduciary net position	59,908,806
Net pension liability	<u>\$ 8,432,831</u>
Plan fiduciary net position as a percentage of the total pension liability	87.66%

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

NOTE 9 - EMPLOYEE RETIREMENT PLANS *(Continued)*

Pension Trust Fund *(Continued)*

Net Pension Liability *(Continued)*

The components of the change in the net pension liability of the Town Plan for the year ended June 30, 2021, were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance as of June 30, 2020	\$ 62,361,251	\$ 47,382,891	\$ 14,978,360
Changes for the year:			
Service cost	1,708,489	-	1,708,489
Interest	4,253,575	-	4,253,575
Differences between expected and actual experience	(769,578)	-	(769,578)
Change in assumption	3,491,022	-	3,491,022
Contributions - employer	-	2,474,344	(2,474,344)
Contributions - employee	-	418,325	(418,325)
Net investment income	-	12,381,008	(12,381,008)
Benefit payments, including refunds	(2,703,122)	(2,703,122)	-
Administrative expense	-	(44,640)	44,640
Net changes	<u>5,980,386</u>	<u>12,525,915</u>	<u>(6,545,529)</u>
Balance as of June 30, 2021	<u>\$ 68,341,637</u>	<u>\$ 59,908,806</u>	<u>\$ 8,432,831</u>

Actuarial assumptions - The total pension liability for the Town Plan was determined by an actuarial valuation as of July 1, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.00%
Salary increases, including inflation	3.00%
Investment rate of return, including inflation, net of pension plan investment expense	6.50%
Discount rate	6.50%

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

NOTE 9 - EMPLOYEE RETIREMENT PLANS *(Continued)*

Pension Trust Fund *(Continued)*

Net Pension Liability *(Continued)*

Mortality rates were based on the SOA PUB-10 Male and Female Pre- and Post Retirement Mortality Tables, using job appropriate tables, projected generationally using the MP-2019 projection scales.

The long-term expected rate of return on the Town Plan's investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the Town Plan's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
U.S. Bond	23.50%	2.10%
U.S. Bonds - Dynamic	8.00%	2.70%
High Yield Bond	3.50%	4.40%
U.S. Large Cap Equities	25.00%	6.30%
U.S. Small Cap Equities	10.00%	6.70%
Developed International Equities	18.50%	7.90%
Emerging Market Equity Funds	6.50%	9.40%
Broad Real Assets	5.00%	4.80%

Discount rate - The discount rate used to measure the total pension liability of the Town Plan was 6.5%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that the Town contributes at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Town Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate - The following presents the net pension liability of the Town Plan, calculated using the discount rate of 6.5% as well as what the Town Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.5%) or 1-percentage-point higher (7.5%) than the current rate:

	<u>Discount Rate</u>		
	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Net pension liability	\$ 17,633,924	\$ 8,432,831	\$ 1,009,199

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

NOTE 9 - EMPLOYEE RETIREMENT PLANS *(Continued)*

Pension Trust Fund *(Continued)*

Pension Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2021, the Town recognized pension expense related to the Town Plan of \$1,259,054. At June 30, 2021, the Town reported deferred outflows and inflows of resources related to the Town Plan from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Amounts
Difference between expected and actual experience	\$ 112,361	\$ (2,832,718)	\$ (2,720,357)
Changes of assumptions	3,523,860	-	3,523,860
Difference between projected and actual earnings on plan investments	-	(6,249,201)	(6,249,201)
Total	<u>\$ 3,636,221</u>	<u>\$ (9,081,919)</u>	<u>\$ (5,445,698)</u>

Amounts reported as deferred outflows and inflows of resources related to the Town Plan will be recognized as a component of pension expense in future years as follows:

	Amortization
Year ended June 30,	
2022	\$ (800,586)
2023	(1,385,870)
2024	(1,514,694)
2025	(1,744,548)
	<u>\$ (5,445,698)</u>

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

NOTE 9 - EMPLOYEE RETIREMENT PLANS *(Continued)*

Pension Trust Fund *(Continued)*

Plan Financial Statements

The following presents the statement of fiduciary net position and the statement of changes in fiduciary net position for the Town Plan as of and for the year ended June, 30 2021:

	<u>Town Plan</u>
ASSETS	
Cash and cash equivalents	\$ 483,481
Investments:	
Bond mutual funds	20,897,259
Equity mutual funds	38,715,724
Receivables	9,818
Total assets	<u>60,106,282</u>
LIABILITIES	
Payables	<u>842</u>
NET POSITION	
Restricted for pension benefits	<u>\$ 60,105,440</u>
ADDITIONS	
Contributions:	
Employer	\$ 2,485,983
Plan members	422,186
Total contributions	<u>2,908,169</u>
Investment earnings:	
Interest and dividends	1,248,480
Net change in the fair value of investments	<u>11,219,896</u>
	12,468,376
Less investments fees	<u>(48,538)</u>
Total investment earnings	<u>12,419,838</u>
Total additions	<u>15,328,007</u>
DEDUCTIONS	
Benefit payments	2,703,122
Administrative expenses	44,734
Total deductions	<u>2,747,856</u>
Change in net position	12,580,151
Net position - beginning	<u>47,525,289</u>
Net position - ending	<u>\$ 60,105,440</u>

NOTE 9 - EMPLOYEE RETIREMENT PLANS *(Continued)*

Connecticut Teachers' Retirement System

Plan Description

The Connecticut Teachers' Retirement System ("TRS" or the "Plan") is the public pension plan offered by the State of Connecticut (the "State") to provide retirement, disability, survivorship and health insurance benefits for Connecticut public school teachers and their beneficiaries. The Plan is governed by Connecticut Statute Title 10, Chapter 167a of the Connecticut General Statutes. TRS is a multiemployer pension plan administered by the Connecticut State Teachers' Retirement Board ("TRB"). The State Treasurer is responsible for investing TRS funds for the exclusive benefit of TRS members.

Teachers, principals, superintendents or supervisors engaged in the service of public schools are provided with pensions through the Connecticut Teachers' Retirement System - a cost sharing multi-employer defined benefit pension plan administered by the TRB. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS issues a publicly available financial report that can be obtained at www.ct.gov.

Benefit Provisions

The Plan provides retirement, disability and death benefits. Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

Normal Retirement: Retirement benefits for the employees are calculated as 2.0% of the average annual salary times the years of credited service (maximum benefit is 75.0% of average annual salary during the 3 years of highest salary). In addition, amounts derived from the accumulation of the 6.0% contributions made prior to July 1, 1989 and voluntary contributions are payable.

Early Retirement: Employees are eligible after 25 years of credited service with a minimum of 20 years of Connecticut service, or age 55 with 20 years of credited service with a minimum of 15 years of Connecticut service. Benefit amounts are reduced by 6.0% per year for the first 5 years preceding normal retirement age and 4.0% per year for the next 5 years preceding normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3% per year by which retirement precedes normal retirement date.

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

Disability Retirement: Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required to be eligible for non-service related disability. Disability benefits are calculated as 2.0% per year of service times the average of the highest three years of pensionable salary, but not less than 15.0%, nor more than 50.0%. In addition, disability benefits under this Plan (without regard to cost-of-living adjustments) plus any initial award of Social Security benefits and workers' compensation cannot exceed 75.0% of average annual salary. A plan member who leaves service and has attained 10 years of service will be entitled to 100.0% of the accrued benefit as of the date of termination of covered employment. Benefits are payable at age 60, and early retirement reductions are based on the number of years of service the member would have had if they had continued work until age 60.

Pre-Retirement Death Benefit: The plan also offers a lump-sum return of contributions with interest or surviving spouse benefit depending on length of service.

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

NOTE 9 - EMPLOYEE RETIREMENT PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Contributions

State of Connecticut - Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State are amended and certified by the TRB and appropriated by the General Assembly. The contributions are actuarially determined as an amount that, when combined with employee contributions and investment earnings, is expected to finance the costs of the benefits earned by employees during the year, with any additional amounts to finance any unfunded accrued liability.

Employers - School District employers are not required to make contributions to the Plan, as contributions are required only from employees and the State.

Employees - Effective July 1, 1992, each teacher was required to contribute 6.0% of pensionable salary for the pension benefit. Effective January 1, 2018, the required contribution increased to 7.0% of pensionable salary.

Administrative Expenses

Administrative costs of the plan are to be paid by the General Assembly per Section 10-183r of the Connecticut General Statutes.

Basis of Presentation

The components associated with pension expense and deferred outflows and inflows of resources have been determined based on fiduciary net position as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2020. The net pension liability at June 30, 2020 has been calculated using the audited amounts. TRS is included in the State of Connecticut audit as a pension trust fund. The State of Connecticut's Comprehensive Annual Financial Report can be obtained at www.ct.gov.

The accounting standards require participating employers to recognize their proportional share of the collective net pension liability, deferred outflows and inflows of resources and pension expense. Contributions remitted by the State are recognized when legally due, based upon statutory requirements.

Allocation Methodology

The allocations for participating employers are based on the 2020 expected contribution effort for each participating employer. The employer allocations were then applied to the net pension liability and pension expense to determine the amount applicable to each employer. Based upon the employee contributions made by the employees of each employer, as compared to the total employee contributions, an employer allocation percentage is calculated to six decimal places and is used to allocate the elements noted above. The employer allocation applied to Town totaled 0.857% as of the most recent measurement date.

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

NOTE 9 - EMPLOYEE RETIREMENT PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Collective Net Pension Liability

The following summarizes the collective net pension liability of the State for the TRS as of June 30, 2020, the measurement date, in addition to the Town's and State's proportionate shares of the collective net pension liability that is attributed to the Town:

Collective Net Pension Liability of the State for the TRS		<u>\$ 18,846,090,000</u>
	<u>Proportion</u>	<u>Proportionate Share</u>
Town's proportionate share of the Collective Net Pension Liability	0.000%	<u>\$ -</u>
State's proportionate share of the Collective Net Pension Liability attributed to the Town	0.857%	<u>\$ 161,548,000</u>

Collective Pension Expense

The Town's expected contribution effort for allocation purposes totaled \$10,361,957 or 0.857% of the total expected contribution effort. The Town has recognized this amount as an on-behalf payment into the TRS as intergovernmental revenues and related education expenditures in the General Fund for the year ended June 30, 2021.

The collective pension expense includes certain current period changes in the collective net pension liability, projected earnings on pension plan investments and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The portion of the collective pension expense attributed to the Town totaled \$23,141,002 or 0.857% of the total collective pension expense and has been recognized as an operating contribution and related education expenses in the statement of activities for the year ended June 30, 2021.

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2020, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	3.00% - 6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation
Administrative expenses	\$0 assumption as expenses are paid for by the General Assembly

Mortality rates were based on the PubT-2010 Healthy Retiree Table, adjusted 105% for males and 103% for females as ages 82 and above, projected generationally with MP-2019 for the period after service retirement.

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

NOTE 9 - EMPLOYEE RETIREMENT PLANS *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Actuarial Assumptions *(Continued)*

Future cost-of-living increases for teachers who retired prior to September 1, 1992, are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5.0% per annum. For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6.0% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%. For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5.0% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3.0%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

Long-Term Rate of Return

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity Fund	20.0%	5.6%
Developed Market Intl. Stock Fund	11.0%	6.0%
Emerging Market Intl. Stock Fund	9.0%	7.9%
Core Fixed Income Fund	16.0%	2.1%
Inflation Linked Bond Fund	5.0%	1.1%
Emerging Market Debt Fund	5.0%	2.7%
High Yield Bond Fund	6.0%	4.0%
Real Estate Fund	10.0%	4.5%
Private Equity	10.0%	7.3%
Alternative Investments	7.0%	2.9%
Liquidity Fund	1.0%	0.4%
	<u>100%</u>	

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

NOTE 9 - EMPLOYEE RETIREMENT PLANS *(Continued)*

Defined Contribution Plans

The Town administers two single employer defined contribution plans.

One plan covers certain elected officials and “at will” employees of the Town. This plan is included in the Town’s financial statements in the Pension Trust Fund. As of June 30, 2021, the net position available for benefits include \$196,634 of assets restricted for this plan. The Board of Selectmen approved and adopted this plan on July 7, 1986, and the Board has the authority to make changes to the plan. All salaried, full time elected officials and such other salaried, full time appointed officials as designated by the Board of Selectmen can participate in the plan on January 1st following or coincident with their commencement of employment with the Town. A participant’s employer contribution account fully vests at age 50 or upon termination of employment with the Town. At age 65, participants are entitled to a lump-sum payment as a retirement benefit. The Town is required to contribute 6.0% of each participant’s compensation for the year and each participant is required to contribute 2.0% of their compensation. For the year ended June 30, 2021, employer contributions were \$11,639 and employee contributions totaled \$3,861.

The second plan is a 401(a) money purchase plan that was established in January 2014. This plan applies to the following groups:

- non-union employees hired on or after December 31, 2013
- park and recreation employees hired on or after June 30, 2014
- police officers hired on or after May 5, 2015
- emergency telecommunicators and police clerical staff hired on or after July 1, 2016
- education paraeducators hired on or after July 1, 2015
- education custodial and maintenance staff hired on or after December 15, 2015
- education secretaries hired on or after November 17, 2015
- education nurses hired on or after July 1, 2017
- public works employees hired after January 1, 2019
- town hall employees hired on or after July 1, 2019

All participants are required to contribute 5.0% of their compensation. The Town contributes 15.0% of each participant’s compensation for the year for police and 5.0% of each participant’s compensation for the year for all other employees. Participants are 100% vested after one year of service and entitled to benefits at age 59½ and are no longer employed by the Town. For the year ended June 30, 2021, employer contributions were \$133,568 and employee contributions totaled \$113,566.

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS

Town and Board of Education Plan

Plan Description

Plan Administration - The Town administers an Other Post-Employment Benefits Plan (the “OPEB Plan”), which is a single-employer defined benefit healthcare plan. The OPEB Plan provides medical and dental insurance benefits for eligible retirees and their spouses through the Town’s group insurance plans, which covers both active and retired members. The OPEB Plan is considered to be part of the Town’s financial reporting entity. The OPEB Plan does not issue a publicly available financial report and is not included in the financial statements of another entity.

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

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Town and Board of Education Plan *(Continued)*

Plan Description *(Continued)*

Plan Membership - As of July 1, 2020, the date of the most recent actuarial valuation, membership data was as follows:

Inactive plan members or beneficiaries currently receiving benefits	29
Active plan members	<u>465</u>
	<u><u>494</u></u>

Benefits Provided - The plan provides for medical and dental insurance benefits for eligible retirees and their spouses. Benefit provisions are established by State Statutes or through negotiations between the Town and the unions representing Town employees, which are renegotiated each bargaining period. Currently, teachers retiring under the Connecticut State Teachers Retirement System are eligible to receive benefits. Normal retirement for teachers is the earlier of age 60 with 20 years of services, or completion of 35 years of service regardless of age.

Contributions - Contribution requirements of the plan members and the Town are established in the provisions of the program and in accordance with State Statutes. The Town funds these benefits through contributions to an Other Post-Employment Benefits Trust Fund. Town contributions are based on an actuarially determined amount. Active employees are not required to contribute to the plan, however, retirees are required to contribute 100% of their premium costs to the Town. For the year ended June 30, 2021, the Town's contribution totaled \$93,853, which represented 0.22% of covered payroll.

Summary of Significant Accounting Policies

The OPEB Plan is accounted for using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the OPEB Plan are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the OPEB Plan.

Investments - Investments are generally reported at fair value, except for investments in external investment pools. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investment income is recognized when earned and gains and losses on sales or exchanges are recognized on the transaction date. Investments in external investment pools, which are permitted to measure their investment holdings at amortized costs, are measured by the OPEB Plan at the net asset value per share as determined by the pools.

Investment policy - The Town's policy in regard to the allocation of invested assets is established and may be amended by the Pension Committee. The Town's Pension Committee pursues an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes, discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

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

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Town and Board of Education Plan *(Continued)*

Summary of Significant Accounting Policies *(Continued)*

Concentrations - The OPEB Plan's investments consist solely of investments in various mutual funds and are therefore not exposed to concentrations of credit risk, as these investments are considered to be diversified by nature.

Rate of return - For the year ended June 30, 2021, the annual money-weighted rate of return on the OPEB Plan's investments, net of pension plan investment expense was 23.96%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Net OPEB Liability

The Town's net OPEB liability was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2020. The components of the net OPEB liability of the OPEB Plan as of June 30, 2021, were as follows:

Total OPEB liability	\$ 8,446,732
Plan fiduciary net position	<u>4,098,574</u>
Net OPEB liability	<u><u>\$ 4,348,158</u></u>
Plan fiduciary net position as a percentage of the total pension liability	48.52%

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

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Town and Board of Education Plan *(Continued)*

Net OPEB Liability *(Continued)*

The components of the change in the net OPEB liability of the Town's OPEB Plan for the year ended June 30, 2021, were as follows:

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balance as of June 30, 2020	\$ 8,301,466	\$ 3,109,880	\$ 5,191,586
Changes for the year:			
Service cost	304,607	-	304,607
Interest	583,181	-	583,181
Changes of benefit terms	-		-
Changes of assumptions and differences between expected and actual experience	(810,912)	-	(810,912)
Contributions - employer	-	200,000	(200,000)
Contributions - retirees' subsidies	-	37,757	(37,757)
Net investment income	-	798,494	(798,494)
Benefit payments	(37,757)	(37,757)	-
Other	106,147	(9,800)	115,947
Net changes	<u>145,266</u>	<u>988,694</u>	<u>(843,428)</u>
Balance as of June 30, 2021	<u>\$ 8,446,732</u>	<u>\$ 4,098,574</u>	<u>\$ 4,348,158</u>

Actuarial Assumptions - The Total OPEB liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Investment rate of return	6.50%
Discount rate	6.50%
Inflation	2.40%
Healthcare cost trend rate:	
Initial	6.50%
Ultimate	4.40%

Mortality rates were based on the Pub-2010 Public Retirement Plans (with separate tables for Public Safety employees and Teachers) and for non-annuitants and annuitants, projected to the valuation date with Scale MP-2020.

Projections of benefits are based on the substantive plan (the plan as understood by the Town and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the Town and the plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Town and plan members in the future. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

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

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Town and Board of Education Plan *(Continued)*

Net OPEB Liability *(Continued)*

The long-term expected rate of returns on OPEB Plan investments were determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB Plan's target asset allocation as of June 30, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return	Weighting
Core Fixed Income	35.00%	1.65%	0.58%
US Large Cap Equities	27.50%	4.75%	1.31%
US Small Cap Equities	7.50%	5.15%	0.39%
Developed Foreign Equities	30.00%	5.45%	1.64%

Discount rate - The discount rate used to measure the total OPEB liability was 6.50%. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rates and that the Town's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rates of return on the OPEB Plan's investments were applied to all periods of projected benefit payments to determine the OPEB Plan's total OPEB liability.

Sensitivity of the net OPEB asset to changes in the discount rate - The following presents the Town's net OPEB asset for the OPEB Plan, calculated using the discount rate of 6.5%, as well as what the Town's net OPEB liability would be for the OPEB Plan if it were calculated using a discount rate that is 1-percentage-point lower (5.5%) or 1-percentage-point higher (7.5%) than the current rate:

	Discount Rates		
	1% Decrease	Current	1% Increase
Net OPEB liability	\$ 5,175,446	\$ 4,348,158	\$ 3,607,666

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

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Town and Board of Education Plan *(Continued)*

Net OPEB Liability *(Continued)*

Sensitivity of the net OPEB asset to changes in the healthcare cost trend rates - The following presents the Town's net OPEB asset for the OPEB Plan, calculated using the discount rate disclosed above, as well as what the Town's net OPEB liability would be for the OPEB Plan if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Healthcare Cost Trend Rates		
	1% Decrease	Current	1% Increase
Net OPEB liability	\$ 3,372,260	\$ 4,348,158	\$ 5,495,710

OPEB Plan Financial Statements

The following presents the statements of fiduciary net position and the statement of changes in fiduciary net position for the Town's OPEB plan as of and for the year ended June 30, 2021.

	Other Post-Employment Benefit Trust Fund
ASSETS	
Cash and cash equivalents	\$ 28,261
Investments:	
Bond mutual funds	1,427,114
Equity mutual funds	2,643,199
Total assets	<u>4,098,574</u>
NET POSITION	
Restricted for other post-employment benefits	<u>\$ 4,098,574</u>

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

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Town and Board of Education Plan *(Continued)*

OPEB Plan Financial Statements *(Continued)*

	Other Post-Employment Benefit Trust Fund
ADDITIONS	
Contributions:	
Employer	\$ 200,000
Total contributions	<u>200,000</u>
Investment earnings:	
Interest and dividends	82,052
Net change in the fair value of investments	<u>721,519</u>
	803,571
Less investments fees	<u>(5,077)</u>
Total investment earnings	<u>798,494</u>
Total additions	<u>998,494</u>
DEDUCTIONS	
Benefit payments	-
Administrative expenses	<u>9,800</u>
Total deductions	<u>9,800</u>
Change in net position	988,694
Net position - beginning	<u>3,109,880</u>
Net position - ending	<u><u>\$ 4,098,574</u></u>

OPEB Expense and Deferred Outflows and Inflows of Resources

For the year ended June 30, 2021, the Town recognized OPEB expense of \$322,557. As of June 30, 2021, the Town reported deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Net Amounts
Difference between expected and actual experience	\$ -	\$ (2,747,897)	\$ (2,747,897)
Changes of assumptions	222,693	-	222,693
Difference between projected and actual earnings on OPEB plan investments	<u>-</u>	<u>(392,492)</u>	<u>(392,492)</u>
Total	<u><u>\$ 222,693</u></u>	<u><u>\$ (3,140,389)</u></u>	<u><u>\$ (2,917,696)</u></u>

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

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Town and Board of Education Plan *(Continued)*

OPEB Expense and Deferred Outflows and Inflows of Resources *(Continued)*

Amounts reported as deferred outflows and inflows of resources related to the OPEB Plan will be recognized as a component of OPEB expense in future years as follows:

Year ended June 30,		
2022	\$	(310,916)
2023		(307,692)
2024		(314,166)
2025		(332,662)
2026		(218,236)
Thereafter		(1,434,024)
	\$	<u>(2,917,696)</u>

Connecticut Teachers' Retirement System

Plan Description

The Connecticut Teachers' Retirement System ("TRS" or the "Plan") is the public pension plan offered by the State of Connecticut (the State) to provide retirement, disability, survivorship and health insurance benefits for Connecticut public school teachers and their beneficiaries. The Plan is governed by Connecticut Statute Title 10, Chapter 167a of the Connecticut General Statutes. TRS is a multiemployer pension plan administered by the Connecticut State Teachers' Retirement Board ("TRB"). The State Treasurer is responsible for investing TRS funds for the exclusive benefit of TRS members.

Teachers, principals, superintendents or supervisors engaged in service of public schools are provided with benefits, including retiree health insurance, through the Connecticut Teachers' Retirement System - a cost sharing multi employer defined benefit pension plan administered by the TRB. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS issues a publicly available financial report that can be obtained at www.ct.gov.

Benefit Provisions

The Plan covers retired teachers and administrators of public schools in the State who are receiving benefits from the Plan. The Plan provides healthcare insurance benefits to eligible retirees and their spouses. Any member that is currently receiving a retirement or disability benefit through the Plan is eligible to participate in the healthcare portion of the Plan. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the TRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

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

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Benefit Provisions *(Continued)*

Any member that is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the Plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage. If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits).

Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

Contributions

State of Connecticut - Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are amended and certified by the TRB and appropriated by the General Assembly. The State pays for one third of plan costs through an annual appropriation in the General Fund.

Employers - School District employers are not required to make contributions to the Plan.

Employees/Retirees - The cost of providing plan benefits is financed on a pay-as-you-go basis as follows: active teachers' pay for one third of the Plan costs through a contribution of 1.25% of their pensionable salaries, and retired teachers pay for one third of the Plan costs through monthly premiums, which helps reduce the cost of health insurance for eligible retired members and dependents.

Administrative Expenses

Administrative costs of the Plan are to be paid by the General Assembly per Section 10-183r of the Connecticut General Statutes.

Basis of Presentation

The components associated with other postemployment benefits (OPEB) expense and deferred outflows and inflows of resources have been determined based on fiduciary net position as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2020. The net pension liability at June 30, 2020 has been calculated using the audited amounts. TRS is included in the State of Connecticut audit as a pension trust fund. The State of Connecticut's Comprehensive Annual Financial Report can be obtained at www.ct.gov.

The accounting standards require participating employers to recognize their proportional share of the collective net pension liability, deferred outflows and inflows of resources and pension expense. Contributions remitted by the State are recognized when legally due, based upon statutory requirements.

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

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Allocation Methodology

The allocations for participating employers are based on the 2020 expected contribution effort for each participating employer. The employer allocations were then applied to the net pension liability and pension expense to determine the amount applicable to each employer. Based upon the employee contributions made by the employees of each employer, as compared to the total employee contributions, an employer allocation percentage is calculated to six decimal places and is used to allocate the elements noted above. The employer allocation applied to Town totaled 0.857% as of the most recent measurement date.

Collective Net OPEB Liability

The following summarizes the collective net OPEB liability of the State for the TRS as of June 30, 2020, the measurement date, in addition to the Town's and State's proportionate shares of the collective net OPEB liability that is attributed to the Town:

Collective Net OPEB Liability of the State for the TRS		<u>\$ 2,810,895,000</u>
	<u>Proportion</u>	<u>Proportionate Share</u>
Town's proportionate share of the Collective Net OPEB Liability	0.000%	<u>\$ -</u>
State's proportionate share of the Collective Net OPEB Liability attributed to the Town	0.857%	<u>\$ 24,095,000</u>

Collective OPEB Expense

The Town's expected contribution effort for allocation purposes totaled \$250,070 or 0.857% of the total expected contribution effort. The Town has recognized this amount as an on-behalf payment into the TRS as intergovernmental revenues and related education expenditures in the General Fund for the year ended June 30, 2021.

The collective OPEB expense includes certain current period changes in the collective net OPEB liability, projected earnings on OPEB plan investments and the amortization of deferred outflows of resources and deferred inflows of resources for the current period. The portion of the collective OPEB expense attributed to the Town totaled \$1,113,002 or 0.857% of the total collective OPEB expense and has been recognized as a reduction in operating contributions and related education expenses in the statement of activities for the year ended June 30, 2021.

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

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Actuarial Assumptions

The total OPEB liability was determined by an actuarial valuation as of June 30, 2020 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Real Wage Growth	0.50%
Wage Inflation	3.00%
Salary increases	3.00% - 6.50%, including inflation
Investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates:	
Medicare	5.125% for 2020 decreasing to an ultimate rate of 4.50% by 2023

Mortality rates were based on the PubT-2010 Healthy Retiree Table, adjusted 105% for males and 103% for females as ages 82 and above, projected generationally with MP-2019 for the period after service retirement.

Long-Term Rate of Return

The long-term expected rate of return on plan assets is reviewed as part of the actuarial valuation process. Several factors are considered in evaluation the long-term rate of return assumption, including the Plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) for each major asset class.

The long-term expected rate of return was determined by weighing the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Expected 10-Year Geometric Real Rate of Return	Standard Deviation
U.S. Treasuries (Cash Equivalents)	100.0%	-0.42%	1.78%

Discount Rate

The discount rate used to measure the total OPEB liability was 2.21%. The projection of cash flows used to determine the discount rate was performed in accordance with the applicable standards. The projection's basis was an actuarial valuation performed as of June 30, 2020.

In addition to the actuarial methods and assumptions of the June 30, 2020 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

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

NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Connecticut Teachers' Retirement System *(Continued)*

Discount Rate *(Continued)*

- o Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annual at a rate of 3.00%.
- o Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- o Annual State contributions were assumed to be equal to the most recent five-year average of state contributions toward the fund.

Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2021 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

NOTE 11 - RISK MANAGEMENT AND UNCERTAINTIES

Risk Management - Insurance

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God for which the Town carries commercial insurance, except as disclosed below. During fiscal year 2021 deductibles paid by the Town were insignificant. Neither the Town nor its insurers have settled any claims which exceeded the Town's insurance coverage during the past three years. There have been no significant reductions in any insurance coverage from amounts in the prior year.

The Town provides medical and dental coverage to eligible employees through a self-insured plan. The Town retains the risk of loss under the plan and claims are processed by a third party administrator. The Town utilizes an internal service fund to report the activities of the plan. The Town contributes based on estimates made using historical data. The Town covers all claims up to \$175,000 per employee per year with a stop-loss policy covering amounts exceeding this limit. The Town has also purchased an aggregate stop-loss policy that would cover claims exceeding 125% of the total estimated claims for the plan year. The Town establishes claims liabilities based on estimates of claims that have been incurred but not reported as of year end. This estimate is based on the ultimate costs of settling the claims, which include past experience data, inflation and other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries.

A summary of claims activity for the years ended June 30, 2021 and 2020 are as follows:

Year Ended June 30	Claims Payable, Beginning of Year	Claims and Changes in Estimates	Claims Paid	Claims Payable, End of Year
2021	\$ 1,001,519	\$ 14,007,121	\$ 13,839,801	\$ 1,168,839
2020	1,027,016	12,915,548	12,941,045	1,001,519

Uncertainties - Pandemic

In early March 2020, there was a global outbreak of COVID-19 that was declared a Public Health Emergency of International Concern by the World Health Organization and was subsequently declared a state of emergency by the Governor of Connecticut and a national emergency by the President of the United States. The outbreak of the virus has affected travel, commerce and financial markets globally, and is widely expected to affect economic growth worldwide.

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

NOTE 11 - RISK MANAGEMENT AND UNCERTAINTIES *(Continued)*

Uncertainties - Pandemic *(Continued)*

The extent to which COVID-19 will impact the Town's tax base, operations and its financial condition will ultimately depend on future developments that are uncertain and cannot be fully predicted with confidence at this time.

NOTE 12 - FUND BALANCE

As of June 30, 2021, fund balances have been classified based on the following purposes:

	General Fund	Bonded Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Edmond Town Hall Trust	\$ -	\$ -	\$ 250,000	\$ 250,000
Hawley School Trust	-	-	350,000	350,000
Newtown Flagpole Trust	-	-	10,000	10,000
Inventories	-	-	23,609	23,609
	<u>-</u>	<u>-</u>	<u>633,609</u>	<u>633,609</u>
Restricted for:				
General government:				
Edmond Town Hall	-	-	983,606	983,606
Historic documents	-	-	56,735	56,735
Flag pole	-	-	5,721	5,721
Public safety:				
Law enforcement programs	-	-	139,769	139,769
Health and welfare:				
Education and care of animals	-	-	1,094,143	1,094,143
Rehabilitation programs	-	-	26,799	26,799
Park and recreation:				
Recreation programs	-	-	351,445	351,445
Cultural arts programs	-	-	187,736	187,736
Education:				
School lunch program	-	-	95,791	95,791
Education programs	-	-	1,046,779	1,046,779
Hawley School	-	-	115,696	115,696
Capital projects	-	1,314,667	-	1,314,667
	<u>-</u>	<u>1,314,667</u>	<u>4,104,220</u>	<u>5,418,887</u>
Committed to:				
General government:				
Fairfield Hills Campus	-	-	51,013	51,013
Blight	-	-	35,218	35,218
Public safety:				
Animal control	-	-	13,085	13,085
Police private duty	-	-	20,519	20,519
Public works:				
Septage management	-	-	132,261	132,261
Park and recreation:				
Newtown Community Center	-	-	2,449,001	2,449,001
Marina operations	-	-	403,048	403,048
Teen center programs	-	-	49,180	49,180
Education:				
Adult education programs	-	-	97,466	97,466
Other programs	-	-	69,741	69,741
Capital purposes	-	-	3,810,331	3,810,331
Debt service	-	-	1,748,335	1,748,335
Senior tax credit program	171,106	-	-	171,106
	<u>171,106</u>	<u>-</u>	<u>8,879,198</u>	<u>9,050,304</u>

Continued

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

NOTE 12 - FUND BALANCE (Continued)

	General Fund	Bonded Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assigned to encumbrances:				
General government	\$ 50,158	\$ -	\$ -	\$ 50,158
Public safety	21,189	-	-	21,189
Health and welfare	57,798	-	-	57,798
Land use	22,208	-	-	22,208
Public works	255,763	-	-	255,763
Parks and recreation	32,132	-	-	32,132
Education	365,694	-	-	365,694
	<u>804,942</u>	<u>-</u>	<u>-</u>	<u>804,942</u>
Unassigned	16,082,132	(791,590)	(10,574)	15,279,968
	<u>\$ 17,058,180</u>	<u>\$ 523,077</u>	<u>\$ 13,606,453</u>	<u>\$ 31,187,710</u>
				<i>Concluded</i>

Deficit Fund Balance

The Edmond Town Hall Fund has an unassigned fund balance deficit of \$10,574 as of June 30, 2021. The deficit is expected to be eliminated through future grant funding and or a transfer in from the General Fund. The Water Fund has an unrestricted deficit of \$791,590 as of June 30, 2021. The deficit is expected to be eliminated through future revenues.

NOTE 13 - COMMITMENTS AND CONTINGENCIES

There are several lawsuits pending against the Town. The outcome and eventual liability to the Town, if any, in these cases is not known by management. The Town's management believes it has meritorious defenses against these lawsuits and estimates that potential claims against the Town, not covered by insurance, resulting from such litigation would not have a material adverse effect on the financial condition of the Town.

The Town has received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under terms of the grant. Based on prior experience, Town management believes such disallowances, if any, would not have a material adverse effect on the financial condition of the Town.

The Town received a \$15,000,000 pledge from a donor in a prior year for the design, construction and operation of a Community Center. The Town has recognized a cumulative amount of \$13,000,000 as contribution revenue in its government-wide financial statements. The remaining portion of the pledge to be used for operations of \$2,000,000 will be recorded by the Town as contribution revenue over the next four fiscal years.

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

NOTE 14 - IMPACT OF NEW ACCOUNTING STANDARDS NOT YET EFFECTIVE

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2021. The Town is currently evaluating the potential impact of adopting this Statement on its financial statements.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objective of this Statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (b) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement should be applied prospectively and are effective for the Town's reporting period beginning July 1, 2021. The Town does not expect this statement to have a material effect on its financial statements.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2022. The Town does not expect this statement to have a material effect on its financial statements.

In January 2020, the GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and the requirements of this statement are effective for the Town's reporting period beginning July 1, 2021. The Town does not expect this statement to have a material effect on its financial statements.

In March 2020, the GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). The requirements of this statement are effective for the Town's reporting period beginning July 1, 2022. The Town is currently evaluating the potential impact of adopting this Statement on its financial statements.

In May 2020, the GASB issued Statement 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The requirements of this statement are effective for the Town's reporting period beginning July 1, 2022. The Town does not expect this statement to have a material effect on its financial statements.

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

NOTE 14 - IMPACT OF NEW ACCOUNTING STANDARDS NOT YET EFFECTIVE *(Continued)*

In June 2020, the GASB issued Statement 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - An Amendment of GASB Statement No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The requirements of this statement that relate to the accounting and reporting of Section 457 plans are effective for the Town's reporting period beginning July 1, 2021. The Town does not expect this statement to have a material effect on its financial statements.

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
	Original	Final	Actual	Final Budget
				Over (Under)
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>

See accompanying notes to required supplementary information.

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY -
TOWN OF NEWTOWN RETIREMENT SYSTEM (UNAUDITED)
LAST EIGHT FISCAL YEARS*

	2021	2020	2019	2018	2017	2016	2015	2014
Total pension liability								
Service cost	\$ 1,708,489	\$ 1,579,726	\$ 1,757,544	\$ 1,682,271	\$ 1,470,642	\$ 1,458,028	\$ 1,369,633	\$ 1,376,812
Interest	4,253,575	4,163,460	4,116,599	3,964,240	3,642,643	3,476,233	3,153,241	2,973,226
Differences between expected and actual experience	(769,578)	(1,721,108)	(863,332)	(1,369,101)	623,086	(690,374)	(1,273,135)	-
Changes of assumptions	3,491,022	-	-	-	4,095,514	-	1,589,661	-
Benefit payments, including refunds	(2,703,122)	(2,560,413)	(2,324,490)	(2,027,723)	(1,932,479)	(1,834,724)	(1,717,013)	(1,513,354)
Net change in total pension liability	5,980,386	1,461,665	2,686,321	2,249,687	7,899,406	2,409,163	3,122,387	2,836,684
Total pension liability - beginning	62,361,251	60,899,586	58,213,265	55,963,578	48,064,172	45,655,009	42,532,622	39,695,938
Total pension liability - ending	68,341,637	62,361,251	60,899,586	58,213,265	55,963,578	48,064,172	45,655,009	42,532,622
Plan fiduciary net position								
Contributions - employer	2,474,344	2,377,806	2,243,901	1,885,303	1,687,814	1,422,737	1,375,889	1,189,938
Contributions - members	418,325	431,858	457,286	475,316	488,239	474,546	458,556	461,526
Other	-	-	-	-	-	-	26,724	-
Net investment income	12,381,008	1,872,506	2,310,752	2,957,771	4,641,117	(991,005)	941,047	4,302,666
Benefit payments, including refunds	(2,703,122)	(2,560,413)	(2,324,490)	(2,027,723)	(1,932,479)	(1,834,724)	(1,717,013)	(1,356,367)
Administrative expense	(44,640)	(59,654)	(65,658)	(36,574)	(27,086)	(17,500)	(74,654)	(170,876)
Net change in plan fiduciary net position	12,525,915	2,062,103	2,621,791	3,254,093	4,857,605	(945,946)	1,010,549	4,426,887
Plan fiduciary net position - beginning	47,382,891	45,320,788	42,698,997	39,444,904	34,587,299	35,533,245	34,522,696	30,095,809
Plan fiduciary net position - ending	59,908,806	47,382,891	45,320,788	42,698,997	39,444,904	34,587,299	35,533,245	34,522,696
Town's net pension liability	\$ 8,432,831	\$ 14,978,360	\$ 15,578,798	\$ 15,514,268	\$ 16,518,674	\$ 13,476,873	\$ 10,121,764	\$ 8,009,926
Plan fiduciary net position as a percentage of total pension liability	87.66%	75.98%	74.42%	73.35%	70.48%	71.96%	77.83%	81.17%
Covered payroll	\$ 16,652,458	\$ 17,291,083	\$ 18,396,670	\$ 18,869,931	\$ 18,199,947	\$ 18,441,265	\$ 17,725,368	\$ 17,608,101
Town's net pension liability as a percentage of covered payroll	50.64%	86.62%	84.68%	82.22%	90.76%	73.08%	57.10%	45.49%

* This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

See accompanying notes to required supplementary information.

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS -
TOWN OF NEWTOWN RETIREMENT SYSTEM (UNAUDITED)
LAST EIGHT FISCAL YEARS *

	2021	2020	2019	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 2,474,343	\$ 2,378,512	\$ 2,243,901	\$ 1,885,303	\$ 1,687,815	\$ 1,422,737	\$ 1,373,207	\$ 1,186,605
Contributions in relation to the actuarially determined contribution	<u>2,474,344</u>	<u>2,377,806</u>	<u>2,243,901</u>	<u>1,885,303</u>	<u>1,687,814</u>	<u>1,422,737</u>	<u>1,375,889</u>	<u>1,189,938</u>
Contribution deficiency (excess)	<u>\$ (1)</u>	<u>\$ 706</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (2,682)</u>	<u>\$ (3,333)</u>
Covered payroll	\$ 16,652,458	\$ 17,291,083	\$ 18,396,670	\$ 18,869,931	\$ 18,199,947	\$ 18,441,265	\$ 17,725,368	\$ 17,608,101
Contributions as a percentage of covered payroll	14.86%	13.75%	12.20%	9.99%	9.27%	7.71%	7.76%	6.76%
Annual money-weighted rate of return, net of investment expense	25.89%	4.26%	5.22%	7.30%	13.30%	-2.83%	2.49%	14.35%

* This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

See accompanying notes to required supplementary information.

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY -
CONNECTICUT TEACHERS' RETIREMENT SYSTEM (UNAUDITED)
LAST SEVEN FISCAL YEARS*
(Rounded to nearest thousand)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the collective net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the collective net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the collective net pension liability attributed to the Town	161,548,000	144,298,000	111,262,000	116,319,000	122,717,000	99,707,000	92,159,000
Total	<u>\$ 161,548,000</u>	<u>\$ 144,298,000</u>	<u>\$ 111,262,000</u>	<u>\$ 116,319,000</u>	<u>\$ 122,717,000</u>	<u>\$ 99,707,000</u>	<u>\$ 92,159,000</u>
Town's covered payroll	\$ 37,313,000	\$ 37,101,000	\$ 36,526,000	\$ 36,869,000	\$ 35,536,000	\$ 37,062,000	\$ 35,722,000
Town's proportionate share of the collective net pension liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total collective pension liability	49.24%	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

* This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

See accompanying notes to required supplementary information.

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF CHANGES IN NET OPEB LIABILITY -
OTHER POST-EMPLOYMENT BENEFITS PLAN (UNAUDITED)
LAST FIVE FISCAL YEARS*

	2021	2020	2019	2018	2017
Total OPEB liability					
Service cost	\$ 304,607	\$ 298,573	\$ 310,817	\$ 301,764	\$ 292,975
Interest	583,181	546,188	625,860	607,177	568,628
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	(978,697)	(184,508)	(1,800,782)	(363,565)	(397,054)
Changes of assumptions	167,785	-	84,984	-	-
Benefit payments, including refunds	(37,757)	(298,897)	(476,145)	(85,531)	(109,120)
	<u>106,147</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in total OPEB liability	145,266	361,356	(1,255,266)	459,845	355,429
Total OPEB liability - beginning	<u>8,301,466</u>	<u>7,940,110</u>	<u>9,195,376</u>	<u>8,735,531</u>	<u>8,380,102</u>
Total OPEB liability - ending	<u>8,446,732</u>	<u>8,301,466</u>	<u>7,940,110</u>	<u>9,195,376</u>	<u>8,735,531</u>
Plan fiduciary net position					
Contributions - employer	200,000	458,377	633,528	285,531	255,287
Contributions - retirees' subsidies	37,757	40,520	42,617	-	53,833
Net investment income	798,494	103,577	140,697	164,582	241,743
Benefit payments, including refunds	(37,757)	(298,897)	(331,602)	(230,074)	(109,120)
Other	<u>(9,800)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in plan fiduciary net position	988,694	303,577	485,240	220,039	441,743
Plan fiduciary net position - beginning	<u>3,109,880</u>	<u>2,806,303</u>	<u>2,321,063</u>	<u>2,101,024</u>	<u>1,659,281</u>
Plan fiduciary net position - ending	<u>4,098,574</u>	<u>3,109,880</u>	<u>2,806,303</u>	<u>2,321,063</u>	<u>2,101,024</u>
Town's net OPEB liability	<u>\$ 4,348,158</u>	<u>\$ 5,191,586</u>	<u>\$ 5,133,807</u>	<u>\$ 6,874,313</u>	<u>\$ 6,634,507</u>
Plan fiduciary net position as a percentage of total OPEB liability	48.52%	37.46%	35.34%	25.24%	24.05%
Covered payroll	\$ 41,804,245	\$ 37,562,912	\$ 36,468,847	\$ 38,408,893	\$ 37,290,187
Town's net OPEB liability as a percentage of covered payroll	10.40%	13.82%	14.08%	17.90%	17.79%

* This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS -
OTHER POST-EMPLOYMENT BENEFITS PLAN (UNAUDITED)
LAST FIVE FISCAL YEARS*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 782,270	\$ 768,072	\$ 874,889	\$ 865,530	\$ 814,292
Contributions in relation to the actuarially determined contribution	<u>93,853</u>	<u>458,377</u>	<u>633,528</u>	<u>285,531</u>	<u>255,287</u>
Contribution deficiency (excess)	<u>\$ 688,417</u>	<u>\$ 309,695</u>	<u>\$ 241,361</u>	<u>\$ 579,999</u>	<u>\$ 559,005</u>
Covered payroll	\$ 41,804,245	\$ 37,562,912	\$ 36,468,847	\$ 38,408,893	\$ 37,290,187
Contributions as a percentage of covered payroll	0.22%	1.22%	1.74%	0.74%	0.68%
Annual money-weighted rate of return, net of investment expense	23.96%	3.46%	5.31%	7.21%	13.64%

* This schedule is intended to show information for ten years and additional years' information will be displayed as it becomes available.

See accompanying notes to required supplementary information.

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET OPEB LIABILITY -
CONNECTICUT TEACHERS' RETIREMENT SYSTEM (UNAUDITED)
LAST FOUR FISCAL YEARS*
(Rounded to Nearest Thousand)

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Town's proportion of the collective net OPEB liability	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the collective net OPEB liability	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the collective net OPEB liability attributed to the Town	<u>24,095,000</u>	<u>22,504,000</u>	<u>22,242,000</u>	<u>29,939,000</u>
Total	<u>\$ 24,095,000</u>	<u>\$ 22,504,000</u>	<u>\$ 22,242,000</u>	<u>\$ 29,939,000</u>
Town's covered payroll	\$ 38,046,000	\$ 37,101,000	\$ 36,526,000	\$ 36,869,000
collective net OPEB liability as a percentage of its covered payroll	0.00%	0.00%	0.00%	0.00%
total collective OPEB liability	2.50%	2.08%	1.49%	1.79%

See accompanying notes to required supplementary information.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND

Budgetary Information

The Town adheres to the following procedures in establishing the budgetary data included in the General Fund (the only fund for which a legal budget is adopted) financial statements:

By February 1st	All Town departments, except the School System, submit the budget requests to the Board of Selectmen.
By February 14th	The Board of Selectmen reviews budgets with department heads and makes revisions and submits Selectmen's budget to the Board of Finance.
By the first Wednesday in March	The Board of Finance holds a public hearing on the budget and reviews and makes revisions.
By March 14th	The Board of Finance submits the Town of Newton budget to the Legislative Council.
By the last Wednesday in March	The Legislative Council holds a public hearing on the budget and makes final revisions.
On the fourth Tuesday in April	The Annual Budget Referendum is presented the budget and vote for adoption.

- Within the first 335 days of the fiscal year, the First Selectman and Financial Director, in accordance with the provisions of the Town's charter, are authorized to transfer budgeted appropriations within a department up to \$50,000. All transfers within a department that exceed the sum of \$50,000 shall require the approval of the Board of Finance. The Board of Finance may transfer any unencumbered appropriation from one department to another up to \$200,000. All transfers between departments, which exceed the sum of \$200,000 as well as all contingency transfers, shall require the approval of the Legislative Council. After 335 days, the Legislative Council approves all transfers. The Legislative Council may approve special and/or emergency appropriations up to an aggregate of \$1,500,000 for any one purpose per year. Special and/or emergency appropriations in excess of an amount equal to one mil on the most recently completed grand list shall be recommended by the Legislative Council to the Town referendum. During the year ended June 30, 2021, additional appropriations of \$1,771,000 were authorized.
- The Board of Education, which is not a separate legal entity but a function of the Town, is authorized under State law to make any transfers required within their budget at their discretion. Any additional appropriations must have Board of Education, Legislative Council and, if necessary, Town Meeting approval.
- Formal budgetary integration is employed as a management control device during the year. The legal level of control, the level at which expenditures may not exceed appropriations, is at the department level.
- Generally, all unencumbered appropriations lapse at year end except those for capital projects funds. Appropriations for capital projects are continued until completion of applicable projects even when projects extend more than one fiscal year. Encumbered appropriations in the General Fund are not re-appropriated in the ensuing year's budget, but are carried forward.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Unaudited) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND *(Continued)*

Budgetary Information *(Continued)*

- Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year end are reported in budgetary reports as expenditures in the current year. Generally, all unencumbered appropriations lapse at year end, except those for the capital projects fund. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

As described above, accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP basis"). A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented on the GAAP basis is as follows for the year ended June 30, 2021:

	Total Revenues	Total Expenditures	Other Financing Sources (Uses), Net	Net Change in Fund Balance
Budgetary basis	\$ 122,462,831	\$ 120,184,644	\$ (2,781,929)	\$ (503,742)
"On-behalf" payments - State Teachers Retirement Fund	10,612,027	10,612,027	-	-
Encumbrances:				
June 30, 2021	-	(787,511)	-	787,511
June 30, 2020	-	295,652	-	(295,652)
Cancellation of prior year encumbrances	-	-	(66,416)	(66,416)
Reimbursement for certain costs recorded as a reduction to expenditures for budgetary purposes	296,889	296,889	-	-
Unrealized gains on certificates of deposit to be held to maturity	(159,397)	-	-	(159,397)
Certain items recorded as transfers for budgetary purposes	-	(370,293)	(370,293)	-
GAAP basis	<u>\$ 133,212,350</u>	<u>\$ 130,231,408</u>	<u>\$ (3,218,638)</u>	<u>\$ (237,696)</u>

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Unaudited) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND *(Continued)*

Capital Project Authorizations

The following is a summary of authorized capital projects, cumulative expenditures through June 30, 2021 and the balance as of June 30, 2021:

	<u>Authorization</u>	<u>Cumulative Expenditures</u>	<u>Balance</u>
High School	\$ 41,576,000	\$ 40,841,358	\$ 734,642
New Sandy Hook Elementary School	50,000,000	48,484,687	1,515,313
Library Improvements	273,000	211,350	61,650
Edmond Town Hall Improvements	571,000	571,000	-
Bridge program	1,765,000	929,263	835,737
Town Roads	750,000	750,000	-
Fire Apparatus	575,000	321,315	253,685
South Main/Mile Hill Sidewalk	1,175,600	1,131,654	43,946
Toddy Hill Road	2,596,000	1,860,712	735,288
Police Facility Design	15,100,000	14,852,000	248,000
Hawley School Roof	850,000	698,632	151,368
Sandy Hook Permanent Memorial	3,950,000	286,360	3,663,640
Hawley School Boiler	783,200	783,072	128
Library Improvements Phase II	300,000	50,997	249,003
Emergency Radio System	7,541,933	1,490,406	6,051,527
Fairfield Hills Sewer Improvements	1,829,963	60,132	1,769,831
NHS Stadium Turf	765,000	-	765,000
Reed School Boiler & LED Lighting	1,539,894	419,077	1,120,817
Edmond Town Hall Exterior Improvements	268,000	3,000	265,000
	<u>\$ 132,209,590</u>	<u>\$ 113,745,015</u>	<u>\$ 18,464,575</u>

NOTE 2 - SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY - TOWN OF NEWTOWN RETIREMENT SYSTEM

The Town began to report this schedule when it implemented GASB Statement No. 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*, in fiscal year 2014. GASB Statement No. 67 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial valuations are prepared every year with the most recent available actuarial valuation performed as of July 1, 2020. The total pension liability was determined by a projected actuarial valuation as of June 30, 2021.

Benefit Changes - There have been no benefit term changes that have had a significant effect on the measurement of the net pension liability.

Assumption Changes - The following assumption changes had a significant effect on the measurement of the net pension liability reported as of June 30, 2021.

- o the discount rate was decreased from 7.0% to 6.5%;
- o the mortality table scale was updated from the MP-2018 generational projections as of the June 30, 2020 measurement date to MP-2019 generational projections as of the June 30, 2021 measurement date.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Unaudited) (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 3 - SCHEDULE OF CONTRIBUTIONS AND INVESTMENTS RETURNS - TOWN OF NEWTOWN RETIREMENT SYSTEM

The Town began to report this schedule when it implemented GASB Statement No. 67, *Financial Reporting for Pension Plan - An amendment of GASB Statement No. 25*, in fiscal year 2014. GASB Statement No. 67 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarially determined contributions rates are calculated as of July 1, two years prior to the end of the fiscal year in which contributions are reported.

The following methods and assumptions were utilized to determine the contribution rates for the year ended June 30, 2021:

Actuarial cost method:	Entry Age Normal
Amortization method:	Closed level dollar method; 20 Year amortization of initial base, future gains and losses over 10 years
Remaining amortization period:	20 years (as of July 1, 2017)
Asset valuation method:	5-year smoothed market
Inflation:	2.00%
Investment rate of return, including inflation:	6.50%, net of pension plan investment expenses
Salary increases, including inflation:	3.00%
Retirement age:	Normal Retirement Date or on Valuation Date if past normal retirement date

NOTE 4 - SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET PENSION LIABILITY - CONNECTICUT TEACHERS' RETIREMENT SYSTEM

The Town began to report this schedule when it implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*, in fiscal year 2015. GASB Statement No. 68 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of June 30, 2020. The liabilities were estimated based on a measurement date of June 30, 2020. The employer allocations were then applied to the net pension liability and pension expense to determine the amount applicable to each employer. This information is utilized by the Town for reporting as of June 30, 2021.

Benefit changes - There were no benefit term changes that have had a significant effect on the measurement of the collective net pension liability reported as of June 30, 2021.

Assumption changes - The following significant assumptions had a significant effect on the measurement of the collective pension liability reported as of June 30, 2021.

- o a decrease in the annual rate of real wage increase assumption from 0.75% to 0.50%;
- o a decrease in the payroll growth assumption from 3.25% to 3.00%; and
- o rates of withdrawal, disability, retirement, mortality, and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Unaudited) (Continued)
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 5 - SCHEDULE OF CHANGES IN NET OPEB LIABILITY - OTHER-POST EMPLOYMENT BENEFITS PLAN

The Town began to report this schedule when it implemented GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, in fiscal year 2017. GASB Statement No. 74 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of July 1, 2020. The July 1, 2020 total OPEB liability was increased by service cost and interest and decreased by benefit payments to calculate the total OPEB liability as of June 30, 2021.

Benefit Changes - There have been no benefit term changes that have had a significant effect on the measurement of the total OPEB liability.

Assumption Changes - The following assumption changes had a significant effect on the measurement of the net OPEB liability reported as of June 30, 2021:

- o The interest rate assumption was decreased from 6.75% to 6.50%
- o the inflation assumption was reduced from 2.60% to 2.40%;
- o the current Mortality Table is Pub-2010 Public Retirement Plans Mortality Tables (with separate tables for Public Safety employees and Teachers) and for non-annuitants and annuitants, projected to the valuation date with Scale MP-2020, previously Scale MP-2018.
- o Mortality Improvement is projected to the date of decrement using Scale MP-2020, prior Scale MP2018; and
- o Healthcare Cost Trend Rates are as follows: 6.50% in 2020, reducing by 0.2% each year to an ultimate rate of 4.40% per year rate for 2031 and later, previously 7.00% in 2018, reducing by 0.5% each year to an ultimate rate of 4.60% per year rate for 2023 and later.

NOTE 6 - SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS - OTHER-POST EMPLOYMENT BENEFITS PLAN

The Town began to report this schedule when it implemented GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, in fiscal year 2017. GASB Statement No. 74 requires the information within this schedule to be presented for the ten most recent fiscal years.

The July 1, 2020 Actuarial Valuation directly calculated the July 1, 2020 Total OPEB Liability (TOL). The July 1, 2020 TOL was increased by service cost and interest and decreased by benefit payments to estimate the TOL as of June 30, 2021.

The following methods and assumptions were utilized to determine the contribution rates for the year ended June 30, 2021:

Actuarial cost method:	Entry Age Normal
Amortization method:	Level percentage of salary, closed
Remaining amortization period:	20 years (as of July 1, 2020)
Asset valuation method:	Market Value
Inflation:	2.40%
Investment rate of return:	6.50%
Healthcare cost trend rates:	6.50%, current 4.40%, final
Mortality:	
Certified employees	Pub-2010 Public Retirement Plans Mortality Tables (with separate tables for Public Safety employees and Teachers) and for non-annuitants and annuitants, projected to the valuation date with Scale MP-2020.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Unaudited) *(Continued)*
AS OF AND FOR THE YEAR ENDED JUNE 30, 2021

NOTE 7 - SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE COLLECTIVE NET OTHER POST-EMPLOYMENT BENEFITS LIABILITY - CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM

The Town began to report this schedule when it implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, in fiscal year 2018. GASB Statement No. 75 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of June 30, 2020. This information is utilized by the Town for reporting as of June 30, 2021.

Benefit Changes - There were no benefit term changes that had a significant effect on the measurement of the collective net OPEB liability reported as of June 30, 2021.

Assumption Changes - The following assumption changes had a significant effect on the measurement of the collective net OPEB liability reported as of June 30, 2021:

- o a decrease in the annual rate of real wage increase assumption from 0.75% to 0.50%;
- o a decrease in the payroll growth assumption from 3.25% to 3.00%; and
- o rates of withdrawal, disability, retirement, mortality, and assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

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	<u>111,212,009</u>	<u>111,212,009</u>	<u>111,665,782</u>	<u>453,773</u>
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	<u>6,783,686</u>	<u>6,783,686</u>	<u>7,185,640</u>	<u>401,954</u>
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	<u>2,169,840</u>	<u>2,169,840</u>	<u>3,063,005</u>	<u>893,165</u>
Investment Income	<u>950,000</u>	<u>950,000</u>	<u>238,600</u>	<u>(711,400)</u>
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	<u>211,000</u>	<u>211,000</u>	<u>309,804</u>	<u>98,804</u>
Total revenues	<u>121,326,535</u>	<u>121,326,535</u>	<u>122,462,831</u>	<u>1,136,296</u>

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	<u>300,000</u>	<u>2,071,000</u>	<u>316,416</u>	<u>(1,754,584)</u>
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>

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			Variance With Final Budget Over (Under)
	Original	Final	Actual	
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	<u>875,420</u>	<u>856,752</u>	<u>845,514</u>	<u>(11,238)</u>
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	<u>11,076,896</u>	<u>10,725,188</u>	<u>10,704,197</u>	<u>(20,991)</u>
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	<u>3,889,384</u>	<u>3,723,929</u>	<u>3,715,309</u>	<u>(8,620)</u>
Education	<u>78,651,776</u>	<u>78,651,776</u>	<u>78,651,776</u>	<u>-</u>
Contingency	<u>140,000</u>	<u>1,135</u>	<u>-</u>	<u>(1,135)</u>
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	<u>9,485,797</u>	<u>9,485,797</u>	<u>9,485,797</u>	<u>-</u>
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	<u>400,364</u>	<u>3,098,364</u>	<u>3,098,345</u>	<u>(19)</u>
Total Expenditures and Other Financing Uses	<u>\$ 121,626,535</u>	<u>\$ 123,397,535</u>	<u>\$ 123,282,989</u>	<u>\$ (112,272)</u>
				<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>

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF DEBT LIMITATION -
CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)
FOR THE YEAR ENDED JUNE 30, 2021

Total cash collections for the year ended
June 30, 2021:

Town:	
Taxes	\$ 110,977,648
Interest and lien fees	458,709
Subtotal	<u>111,436,357</u>
Newtown Borough:	
Taxes	163,352
Interest and lien fees	1,760
Subtotal	<u>165,112</u>
Reimbursement for revenue loss:	
Tax relief (CGS 12-129d)	-
Base	<u><u>\$ 111,601,469</u></u>

	General Purposes	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2-1/4 times base	\$ 251,103,305	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	502,206,611	-	-	-
3-3/4 times base	-	-	418,505,509	-	-
3-1/4 times base	-	-	-	362,704,774	-
3 times base	-	-	-	-	334,804,407
Total debt limitation	<u>251,103,305</u>	<u>502,206,611</u>	<u>418,505,509</u>	<u>362,704,774</u>	<u>334,804,407</u>
Indebtedness:					
Bonds payable	52,884,300	29,173,700	2,832,000	-	-
Notes payable	-	-	61,279 *	-	-
Authorized and unissued debt	649,000	2,210,420	530,000	-	-
Total indebtedness	<u>53,533,300</u>	<u>31,384,120</u>	<u>3,423,279</u>	<u>-</u>	<u>-</u>
Less: Self-supporting sewer debt	<u>-</u>	<u>-</u>	<u>(2,995,270)</u>	<u>-</u>	<u>-</u>
Total and net indebtedness	<u>53,533,300</u>	<u>31,384,120</u>	<u>6,418,549</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u><u>\$ 197,570,005</u></u>	<u><u>\$ 470,822,491</u></u>	<u><u>\$ 412,086,960</u></u>	<u><u>\$ 362,704,774</u></u>	<u><u>\$ 334,804,407</u></u>
Total capacity of borrowing (7 times base)	\$ 781,210,283				
Total present indebtedness	<u>91,335,969</u>				
Margin for additional borrowing	<u><u>\$ 689,874,314</u></u>				

* State law excludes debt issued for water projects in the amount \$45,365 of from the Town's aggregate debt calculation.

SEWER FUND

The Sewer Fund accounts for the operations of the sewer department.

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF CHANGES IN SEWER ASSESSMENT RECEIVABLES
FOR THE YEAR ENDED JUNE 30, 2021

	Uncollected Assessments July 1, 2020	Additions	Deductions	Adjusted Assessments Collectible	Collections	Uncollected Assessments June 30, 2021
Sewer assessments receivables	\$ 3,146,505	\$ -	\$ 34,775	\$ 3,111,730	\$ 151,014	\$ 2,960,716
	<u>\$ 3,146,505</u>	<u>\$ -</u>	<u>\$ 34,775</u>	<u>\$ 3,111,730</u>	<u>\$ 151,014</u>	<u>2,960,716</u>
					Penalty, interest and liens	<u>108,739</u>
					Gross receivable	<u>3,069,455</u>
					Less: allowance for uncollectible accounts	<u>74,185</u>
					Net receivable	<u>\$ 2,995,270</u>

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 BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS
AS OF JUNE 30, 2021

	Dog License Fund	Blight Fund	Police Private Duty Fund	Town Gifts Fund	School Lunch Program Fund	Education Grants Fund
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 51,440	\$ 73,377	\$ 735,930
Investments	-	-	-	-	-	-
Receivables:						
Grants and contracts	-	-	-	-	196,890	138,208
Loans	-	-	-	-	-	-
Other	1,605	-	37,877	-	1,255	48,258
Due from other funds	11,480	35,218	10,684	300,005	-	13,069
Other	-	-	-	-	23,609	-
Total assets	<u>\$ 13,085</u>	<u>\$ 35,218</u>	<u>\$ 48,561</u>	<u>\$ 351,445</u>	<u>\$ 295,131</u>	<u>\$ 935,465</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 86,228	\$ 1,787
Accrued payroll	-	-	28,042	-	-	-
Due to other funds	-	-	-	-	2,226	141,697
Unearned revenue	-	-	-	-	87,277	598,560
Total liabilities	<u>-</u>	<u>-</u>	<u>28,042</u>	<u>-</u>	<u>175,731</u>	<u>742,044</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES						
Nonspendable	-	-	-	-	23,609	-
Restricted	-	-	-	351,445	95,791	193,421
Committed	13,085	35,218	20,519	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>13,085</u>	<u>35,218</u>	<u>20,519</u>	<u>351,445</u>	<u>119,400</u>	<u>193,421</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 13,085</u>	<u>\$ 35,218</u>	<u>\$ 48,561</u>	<u>\$ 351,445</u>	<u>\$ 295,131</u>	<u>\$ 935,465</u>
						<i>Continued</i>

TOWN OF NEWTOWN, CONNECTICUT
COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
AS OF JUNE 30, 2021

	Law Enforcement Fund	Septage Management Ordinance Fund	Fairfield Hills Authority Fund	School Custodial Fund	Adult Education Fund	Police Benevolent Fund
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 74,750	\$ 98,512	\$ 1,737
Investments	-	76,015	-	-	-	-
Receivables:						
Grants and contracts	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Other	-	-	8,750	-	-	-
Due from other funds	138,032	56,246	42,763	-	-	-
Other	-	-	-	-	-	-
Total assets	<u>\$ 138,032</u>	<u>\$ 132,261</u>	<u>\$ 51,513</u>	<u>\$ 74,750</u>	<u>\$ 98,512</u>	<u>\$ 1,737</u>
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ 500	\$ -	\$ -	\$ -
Accrued payroll	-	-	-	-	-	-
Due to other funds	-	-	-	5,009	1,046	-
Unearned revenue	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>500</u>	<u>5,009</u>	<u>1,046</u>	<u>-</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	-	-	-	-	-
FUND BALANCES						
Nonspendable	-	-	-	-	-	-
Restricted	138,032	-	-	-	-	1,737
Committed	-	132,261	51,013	69,741	97,466	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>138,032</u>	<u>132,261</u>	<u>51,013</u>	<u>69,741</u>	<u>97,466</u>	<u>1,737</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 138,032</u>	<u>\$ 132,261</u>	<u>\$ 51,513</u>	<u>\$ 74,750</u>	<u>\$ 98,512</u>	<u>\$ 1,737</u>
					<i>Continued</i>	<i>Continued</i>

TOWN OF NEWTOWN, CONNECTICUT
COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS (Continued)
AS OF 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
ASSETS							
Cash and cash equivalents	\$ 276,121	\$ 1,192,317	\$ 106,175	\$ -	\$ 27,121	\$ 24,906	\$ 642,816
Investments	-	-	-	-	-	-	195,184
Receivables:							
Grants and contracts	-	-	-	306,499	-	-	-
Loans	-	-	-	-	232,042	-	-
Other	1,313	-	-	-	-	-	-
Due from other funds	-	1,412,209	188,492	-	-	-	-
Other	-	-	-	-	-	-	-
Total assets	<u>\$ 277,434</u>	<u>\$ 2,604,526</u>	<u>\$ 294,667</u>	<u>\$ 306,499</u>	<u>\$ 259,163</u>	<u>\$ 24,906</u>	<u>\$ 838,000</u>
LIABILITIES							
Accounts payable	\$ 8,727	\$ 52,334	\$ 122,412	\$ 34,954	\$ -	\$ -	\$ -
Accrued payroll	-	19,886	-	-	-	-	-
Due to other funds	279,281	-	-	228,845	322	-	9,548
Unearned revenue	-	83,305	123,075	42,700	-	-	-
Total liabilities	<u>288,008</u>	<u>155,525</u>	<u>245,487</u>	<u>306,499</u>	<u>322</u>	<u>-</u>	<u>9,548</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue	-	-	-	-	232,042	-	-
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	26,799	24,906	828,452
Committed	-	2,449,001	49,180	-	-	-	-
Unassigned	(10,574)	-	-	-	-	-	-
Total fund balances	<u>(10,574)</u>	<u>2,449,001</u>	<u>49,180</u>	<u>-</u>	<u>26,799</u>	<u>24,906</u>	<u>828,452</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 277,434</u>	<u>\$ 2,604,526</u>	<u>\$ 294,667</u>	<u>\$ 306,499</u>	<u>\$ 259,163</u>	<u>\$ 24,906</u>	<u>\$ 838,000</u>

Continued

TOWN OF NEWTOWN, CONNECTICUT
COMBINING BALANCE SHEET -
NONMAJOR SPECIAL REVENUE FUNDS (Concluded)
AS OF JUNE 30, 2021

	Project Recovery Fund	Waterfront Fund	Historic Documents Fund	Cultural Arts Fund	Sandy Hook Special Revenue Fund	Total Nonmajor Special Revenue Funds
ASSETS						
Cash and cash equivalents	\$ -	\$ 9,175	\$ -	\$ 54,354	\$ -	\$ 3,368,731
Investments	-	-	-	123,549	-	394,748
Receivables:						
Grants and contracts	-	-	-	-	-	641,597
Loans	-	-	-	-	-	232,042
Other	-	-	103	-	-	99,161
Due from other funds	-	426,787	56,632	9,833	-	2,701,450
Other	-	-	-	-	-	23,609
Total assets	<u>\$ -</u>	<u>\$ 435,962</u>	<u>\$ 56,735</u>	<u>\$ 187,736</u>	<u>\$ -</u>	<u>\$ 7,461,338</u>
LIABILITIES						
Accounts payable	\$ -	\$ 32,914	\$ -	\$ -	\$ -	\$ 339,856
Accrued payroll	-	-	-	-	-	47,928
Due to other funds	-	-	-	-	-	667,974
Unearned revenue	-	-	-	-	-	934,917
Total liabilities	<u>-</u>	<u>32,914</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,990,675</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue	-	-	-	-	-	232,042
FUND BALANCES						
Nonspendable	-	-	-	-	-	23,609
Restricted	-	-	56,735	187,736	-	1,905,054
Committed	-	403,048	-	-	-	3,320,532
Unassigned	-	-	-	-	-	(10,574)
Total fund balances	<u>-</u>	<u>403,048</u>	<u>56,735</u>	<u>187,736</u>	<u>-</u>	<u>5,238,621</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ -</u>	<u>\$ 435,962</u>	<u>\$ 56,735</u>	<u>\$ 187,736</u>	<u>\$ -</u>	<u>\$ 7,461,338</u>
						<i>Concluded</i>

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	<u>32,462</u>	<u>-</u>	<u>675,024</u>	<u>73,909</u>	<u>956,217</u>	<u>4,027,028</u>
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	<u>28,400</u>	<u>-</u>	<u>495,216</u>	<u>53,341</u>	<u>1,309,506</u>	<u>4,084,883</u>
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)	<u>-</u>	<u>-</u>	<u>(250,000)</u>	<u>-</u>	<u>371,126</u>	<u>-</u>
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	<u>9,023</u>	<u>35,218</u>	<u>90,711</u>	<u>330,877</u>	<u>101,563</u>	<u>251,276</u>
Fund balances - ending	<u>\$ 13,085</u>	<u>\$ 35,218</u>	<u>\$ 20,519</u>	<u>\$ 351,445</u>	<u>\$ 119,400</u>	<u>\$ 193,421</u>

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	<u>12,468,376</u>	<u>803,571</u>	<u>13,271,947</u>
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>

STATISTICAL SECTION

The objectives of statistical section information are to provide financial statement users with additional historical perspective, context and detail to assist in using the information in the financial statements, notes to financial statements and required supplementary information to understand and assess economic condition.

CONTENTS:

Financial Trends (Tables 1 - 4):

These schedules contain trend information to help the reader understand how the Town's financial performance and well-being have changed over time.

Revenue Capacity (Tables 5 - 8):

These schedules contain information to help the reader assess the Town's most significant local revenue source, the property tax.

Debt Capacity (Tables 9 - 12):

These schedules present information to help the reader assess the affordability of the Town's current levels of outstanding debt and the Town's ability to issue additional debt in the future.

Demographic and Economic Information (Tables 13 - 14):

These schedules offer demographic and economic indicators to help the reader understand the environment within which the Town's financial activities take place.

Operating Information (Table 15 - 17):

These schedules contain service and infrastructure data to help the reader understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

Sources: Unless otherwise noted, the information presented in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Table 1

TOWN OF NEWTOWN, CONNECTICUT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting - Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 160,006,067	\$ 164,022,205	\$ 172,186,652	\$ 191,092,069	\$ 219,568,514	\$ 229,166,050	\$ 232,743,644	\$ 245,998,804	\$ 248,547,609	\$ 250,577,529
Restricted for grants and other purposes	1,805,744	3,891,876	5,421,702	4,920,388	4,291,228	13,348,919	12,423,807	5,215,378	4,575,310	4,714,220
Unrestricted	17,480,920	16,922,074	9,914,472	15,857,578	21,104,881	1,544,434	2,050,448	1,901,944	7,313,290	9,508,485
Total governmental activities net position	<u>\$ 179,292,731</u>	<u>\$ 184,836,155</u>	<u>\$ 187,522,826</u>	<u>\$ 211,870,035</u>	<u>\$ 244,964,623</u>	<u>\$ 244,059,403</u>	<u>\$ 247,217,899</u>	<u>\$ 253,116,126</u>	<u>\$ 260,436,209</u>	<u>\$ 264,800,234</u>
Business-type activities										
Invested in capital assets, net of related debt	\$ 24,084,436	\$ 24,629,094	\$ 23,031,532	\$ 24,500,880	\$ 26,005,257	\$ 28,379,407	\$ 28,192,066	\$ 27,626,523	\$ 27,149,132	\$ 26,097,646
Unrestricted	7,641,205	6,731,333	7,733,196	5,327,679	3,028,503	4,435,154	3,896,993	3,227,650	3,251,416	3,469,145
Total business-type activities net assets	<u>\$ 31,725,641</u>	<u>\$ 31,360,427</u>	<u>\$ 30,764,728</u>	<u>\$ 29,828,559</u>	<u>\$ 29,033,760</u>	<u>\$ 32,814,561</u>	<u>\$ 32,089,059</u>	<u>\$ 30,854,173</u>	<u>\$ 30,400,548</u>	<u>\$ 29,566,791</u>
Primary government										
Net investment in capital assets	\$ 184,090,503	\$ 188,651,299	\$ 195,218,184	\$ 215,592,949	\$ 245,573,771	\$ 257,545,457	\$ 260,935,710	\$ 273,625,327	\$ 275,696,741	\$ 276,675,175
Restricted	1,805,744	3,891,876	5,421,702	4,920,388	4,291,228	13,348,919	12,423,807	5,215,378	4,575,310	4,714,220
Unrestricted	25,122,125	23,653,407	17,647,668	21,185,257	24,133,384	5,979,588	5,947,441	5,129,594	10,564,706	12,977,630
Total primary government net position	<u>\$ 211,018,372</u>	<u>\$ 216,196,582</u>	<u>\$ 218,287,554</u>	<u>\$ 241,698,594</u>	<u>\$ 273,998,383</u>	<u>\$ 276,873,964</u>	<u>\$ 279,306,958</u>	<u>\$ 283,970,299</u>	<u>\$ 290,836,757</u>	<u>\$ 294,367,025</u>

Note:

Amounts reported as of June 30, 2020 have been restated for the implementation of GASB Statement No. 84, *Fiduciary Activities*. Information to restate amounts prior to June 30, 2020 is not readily available.

Table 2-1

TOWN OF NEWTOWN, CONNECTICUT
CHANGES NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting - Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government	\$ 5,572,507	\$ 5,525,271	\$ 6,002,205	\$ 6,487,392	\$ 6,748,506	\$ 7,385,317	\$ 6,945,084	\$ 6,907,954	\$ 6,787,171	\$ 6,750,852
Public safety	9,859,389	9,986,240	10,603,300	11,028,701	11,763,967	13,341,455	11,775,277	12,087,651	12,151,228	11,108,093
Health and welfare	2,060,024	1,484,145	1,666,370	2,042,810	1,931,081	1,659,556	1,909,169	1,930,791	1,882,450	2,183,913
Land use	557,698	588,147	723,512	666,559	753,241	631,791	632,820	703,298	851,758	828,970
Public works	11,621,141	9,873,453	10,416,008	9,630,398	10,403,732	11,321,488	11,509,804	13,441,190	11,311,974	11,324,009
Parks and recreation	4,448,839	4,308,765	4,246,003	4,779,673	4,958,640	5,086,402	5,268,080	5,828,998	6,419,400	6,316,031
Education	82,229,207	83,295,987	90,475,882	90,038,453	89,774,822	90,644,415	97,705,211	89,993,500	103,204,990	113,049,738
Interest expense	3,294,660	2,530,417	2,350,574	2,534,616	2,226,691	1,606,362	2,135,932	2,648,364	2,319,358	2,419,668
Total governmental activities expenses	119,643,465	117,592,425	126,483,854	127,208,602	128,560,680	131,676,786	137,881,377	133,541,746	144,928,329	153,981,274
Business-type activities:										
Sewer	1,655,992	1,621,751	1,575,726	1,696,442	1,696,780	1,643,747	1,710,495	1,921,345	1,756,195	2,172,237
Water	287,707	308,571	359,157	479,700	511,594	524,881	404,610	393,681	450,075	381,893
Total Business-type activities expenses	1,943,699	1,930,322	1,934,883	2,176,142	2,208,374	2,168,628	2,115,105	2,315,026	2,206,270	2,554,130
Total Expenses	121,587,164	119,522,747	128,418,737	129,384,744	130,769,054	133,845,414	139,996,482	135,856,772	147,134,599	156,535,404
Program Revenues										
Governmental activities:										
Charges for services:										
General government	681,250	657,318	661,787	764,436	811,598	2,087,378	1,781,957	1,709,232	1,714,192	2,280,827
Public safety	1,014,724	496,807	398,294	607,587	843,555	919,069	978,197	1,281,153	1,438,804	695,178
Health and welfare	26,004	18,660	55,400	2,515	10,404	8,230	6,335	9,960	44,412	2,650
Land use	55,489	67,810	42,717	81,168	56,628	49,737	72,995	64,649	82,203	98,375
Public works	1,072,364	936,145	1,184,725	1,079,601	1,151,513	703,365	834,793	962,901	691,029	709,000
Parks and recreation	1,418,411	1,314,279	1,627,318	1,489,006	1,450,819	1,128,552	1,003,064	1,105,370	1,545,239	1,798,775
Education	2,180,993	2,136,233	2,185,632	2,274,004	2,369,659	2,384,561	2,339,223	2,339,058	2,915,011	1,503,832
Operating grants and contributions	16,619,958	18,865,291	22,660,148	19,919,812	19,384,116	18,758,945	25,336,044	18,685,375	28,080,552	36,948,800
Capital grants and contributions	3,497,555	1,699,664	4,827,049	21,188,401	30,852,252	2,664,970	1,741,624	2,621,830	1,284,298	544,307
Total governmental activities program revenues	26,566,748	26,192,207	33,643,070	47,406,530	56,930,544	28,704,807	34,094,232	28,779,528	37,795,740	44,581,744
Business-type activities:										
Sewer	1,158,657	1,182,768	976,159	875,006	1,027,189	5,650,537	975,190	1,049,861	1,261,013	1,269,688
Water	351,139	335,215	319,567	323,481	346,945	261,575	369,866	415,083	455,327	425,438
Total business-type activities program revenues	1,509,796	1,517,983	1,295,726	1,198,487	1,374,134	5,912,112	1,345,056	1,464,944	1,716,340	1,695,126
Total Program Revenues	28,076,544	27,710,190	34,938,796	48,605,017	58,304,678	34,616,919	35,439,288	30,244,472	39,512,080	46,276,870
Net Expenses										
Governmental activities	(93,076,717)	(91,400,218)	(92,840,784)	(79,802,072)	(71,630,136)	(102,971,979)	(103,787,145)	(104,762,218)	(107,132,589)	(109,399,530)
Business-type activities	(433,903)	(412,339)	(639,157)	(977,655)	(834,240)	3,743,484	(770,049)	(850,082)	(489,930)	(859,004)
Total net expenses	(93,510,620)	(91,812,557)	(93,479,941)	(80,779,727)	(72,464,376)	(99,228,495)	(104,557,194)	(105,612,300)	(107,622,519)	(110,258,534)

Notes:

Amounts reported for the year ended June 30, 2020 have been restated for the implementation of GASB Statement No. 84, *Fiduciary Activities*. Information to restate amounts prior to June 30, 2020 is not readily available. Amounts reported in prior years include certain reclassifications to conform to the current year presentation, including the reclassification of library expenses from health and welfare to parks and recreation expenses.

Table 2-2

TOWN OF NEWTOWN, CONNECTICUT
CHANGES NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting - Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Revenues and Other Changes In Net Position										
Governmental activities:										
Property taxes	\$ 95,287,752	\$ 96,220,137	\$ 100,629,359	\$ 100,926,929	\$ 101,373,044	\$ 103,477,136	\$ 104,669,353	\$ 107,694,541	\$ 110,835,838	\$ 111,659,716
Grants and contributions not restricted	2,576,596	2,602,165	2,685,543	2,962,325	2,770,496	2,382,347	1,647,784	1,574,097	1,570,502	1,555,114
Contributions to permanent funds	-	1,387,342	-	-	-	-	-	-	-	-
Investment income	224,944	293,593	370,978	210,013	360,637	480,819	628,504	1,391,807	1,283,811	548,725
Gain on sale of assets	90,000	-	-	-	-	-	-	-	-	-
Other	125,100	161,772	136,925	50,014	220,547	-	-	-	-	-
Total governmental activities	98,304,392	100,665,009	103,822,805	104,149,281	104,724,724	106,340,302	106,945,641	110,660,445	113,690,151	113,763,555
Business-type activities:										
Sewer	52,319	47,125	43,458	41,486	39,441	37,317	44,547	40,496	36,305	25,247
Total Business-type activities	52,319	47,125	43,458	41,486	39,441	37,317	44,547	40,496	36,305	25,247
Total general revenues	98,356,711	100,712,134	103,866,263	104,190,767	104,764,165	106,377,619	106,990,188	110,700,941	113,726,456	113,788,802
Change in Net Position Before Extraordinary Item										
Governmental activities	5,227,675	9,264,791	10,982,021	10,982,021	33,094,588	3,368,323	3,158,496	5,898,227	6,557,562	4,364,025
Business-type activities	(381,584)	(365,214)	(595,699)	(595,699)	(794,799)	3,780,801	(725,502)	(809,586)	(453,625)	(833,757)
	4,846,091	8,899,577	10,386,322	10,386,322	32,299,789	7,149,124	2,432,994	5,088,641	6,103,937	3,530,268
Extraordinary Item - Asset Impairment	-	-	(3,721,367)	-	-	-	-	-	-	-
Change in Net Position										
Governmental activities	5,227,675	9,264,791	7,260,654	10,982,021	33,094,588	3,368,323	3,158,496	5,898,227	6,557,562	4,364,025
Business-type activities	(381,584)	(365,214)	(595,699)	(595,699)	(794,799)	3,780,801	(725,502)	(809,586)	(453,625)	(833,757)
Total change in net position	\$ 4,846,091	\$ 8,899,577	\$ 6,664,955	\$ 10,386,322	\$ 32,299,789	\$ 7,149,124	\$ 2,432,994	\$ 5,088,641	\$ 6,103,937	\$ 3,530,268

Notes:

Amounts reported for the year ended June 30, 2020 have been restated for the implementation of GASB Statement No. 84, *Fiduciary Activities*. Information to restate amounts prior to June 30, 2020 is not readily available.

Table 3

TOWN OF NEWTOWN, CONNECTICUT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting - Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund:										
Committed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 175,484	\$ 264,924	\$ 178,552	\$ 171,106
Assigned	810,891	1,416,183	958,996	698,388	868,010	963,885	390,306	739,565	379,499	804,942
Unassigned	8,379,750	9,390,049	10,242,495	10,608,535	11,444,280	12,301,299	12,826,790	15,652,861	16,737,825	16,082,132
Total General Fund	9,190,641	10,806,232	11,201,491	11,306,923	12,312,290	13,265,184	13,392,580	16,657,350	17,295,876	17,058,180
All Other Governmental Funds:										
Nonspendable	610,000	610,000	610,000	610,000	610,000	650,896	632,917	625,100	666,251	633,609
Restricted	1,195,744	3,281,876	4,811,702	4,310,388	3,681,228	10,422,614	15,506,381	7,649,194	6,456,318	5,418,887
Committed	2,889,512	2,761,894	3,293,443	1,728,989	8,075,178	2,535,021	3,393,676	2,617,205	5,041,698	8,879,198
Assigned	152,761	182,284	382,280	65,891	85,213	-	-	-	-	-
Unassigned	(53,605)	(1,036,866)	-	(526,469)	-	(1,714,482)	(1,153,355)	(2,134,824)	(1,168,150)	(802,164)
Total All Other Governmental Funds	4,794,412	5,799,188	9,097,425	6,188,799	12,451,619	11,894,049	18,379,619	8,756,675	10,996,117	14,129,530
Total All Governmental Funds	<u>\$ 13,985,053</u>	<u>\$ 16,605,420</u>	<u>\$ 20,298,916</u>	<u>\$ 17,495,722</u>	<u>\$ 24,763,909</u>	<u>\$ 25,159,233</u>	<u>\$ 31,772,199</u>	<u>\$ 25,414,025</u>	<u>\$ 28,291,993</u>	<u>\$ 31,187,710</u>

Note:

Amounts reported as of June 30, 2020 have been restated for the implementation of GASB Statement No. 84, *Fiduciary Activities*. Information to restate amounts prior to June 30, 2020 is not readily available.

Table 4

TOWN OF NEWTOWN, CONNECTICUT
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Modified Accrual Basis of Accounting - Unaudited)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Property taxes	\$ 94,848,822	\$ 96,477,212	\$ 100,427,517	\$ 101,013,572	\$ 101,236,267	\$ 103,098,824	\$ 104,543,685	\$ 107,411,022	\$ 110,566,918	\$ 111,665,782
Intergovernmental	20,996,562	21,047,684	29,675,603	34,292,844	53,276,588	23,123,936	22,377,709	27,030,601	23,479,704	23,179,608
Charges for services	6,476,781	5,642,737	6,140,973	6,302,145	6,687,682	6,958,039	7,016,564	7,271,770	8,430,890	7,088,637
Investment income	219,078	285,354	365,616	202,778	352,580	480,819	628,504	1,391,807	1,283,811	548,725
Contributions	504,502	3,430,866	1,076,879	783,631	263,880	6,097,601	5,235,630	1,720,317	2,518,219	2,080,354
Other	125,100	161,772	136,925	50,014	220,547	-	-	-	-	-
Total revenues	123,170,845	127,045,625	137,823,513	142,644,984	162,037,544	139,759,219	139,802,092	144,825,517	146,279,542	144,563,106
Expenditures										
General government	4,924,957	4,980,373	5,471,010	6,308,275	6,137,799	5,794,214	6,339,352	5,804,071	5,946,554	5,432,162
Fairfield Hills	149,582	55,211	56,888	27,640	27,785	-	44,000	43,999	44,000	40,000
Public safety	9,313,761	9,619,031	9,878,324	10,403,207	10,411,943	10,640,650	10,808,734	11,105,058	11,518,994	11,133,797
Health and welfare	2,045,592	1,461,420	1,641,981	2,028,254	1,880,026	1,619,514	1,926,897	1,874,125	1,851,511	2,149,092
Land use	570,199	579,059	720,127	673,894	674,599	680,106	666,024	662,685	678,228	823,306
Public works	10,433,422	9,453,990	10,060,991	10,076,262	9,733,804	9,667,449	11,463,088	10,408,191	9,864,349	10,077,573
Parks and recreation	3,998,429	4,131,103	4,020,640	4,151,970	4,103,333	4,462,254	4,480,660	4,666,224	5,512,888	5,562,092
Education	80,220,967	82,288,773	88,921,365	87,257,274	86,970,790	88,091,733	89,102,583	92,558,079	95,228,668	94,686,195
Debt service:										
Principal	6,745,760	7,387,177	7,581,211	7,581,211	7,846,937	6,974,847	6,808,127	6,904,695	6,992,852	7,183,385
Interest	2,863,256	2,672,401	2,577,717	3,266,877	2,490,558	2,453,419	2,376,153	2,791,143	2,978,350	2,601,928
Capital outlays	7,842,117	2,480,606	7,756,118	14,053,371	37,091,149	13,941,677	12,534,327	25,649,383	15,979,165	10,618,616
Total expenditures	129,108,042	125,109,144	138,686,372	145,828,235	167,368,723	144,325,863	146,549,945	162,467,653	156,595,559	150,308,146
Excess of revenues over (under) expenditures	(5,937,197)	1,936,481	(862,859)	(3,183,251)	(5,331,179)	(4,566,644)	(6,747,853)	(17,642,136)	(10,316,017)	(5,745,040)
Other Financing Sources (Uses)										
Issuance of debt	11,800,000	-	4,012,000	-	12,000,000	4,808,000	13,000,000	17,150,000	11,500,000	7,810,000
Issuance of refunding bonds	15,047,300	-	-	17,620,000	2,295,000	-	-	-	13,965,000	-
Capital lease financing	-	-	-	179,866	-	-	114,065	624,662	-	-
Premiums on debt	1,655,587	683,886	544,355	2,592,690	731,617	152,968	247,754	1,242,915	1,088,730	830,757
Payment to refunded escrow	(16,172,025)	-	-	(20,012,499)	(2,427,251)	-	-	(7,732,615)	(14,122,266)	-
Sale of assets	90,000	-	-	-	-	-	-	-	-	-
Transfers in	787,684	574,285	969,830	1,049,293	861,427	1,130,009	2,915,068	1,949,331	3,766,135	3,897,261
Transfers out	(787,684)	(574,285)	(969,830)	(1,049,293)	(861,427)	(1,130,009)	(2,915,068)	(1,949,331)	(3,766,135)	(3,897,261)
Total other financing sources (uses)	12,420,862	683,886	4,556,355	380,057	12,599,366	4,960,968	13,361,819	11,284,962	12,431,464	8,640,757
Net change in fund balances	\$ 6,483,665	\$ 2,620,367	\$ 3,693,496	\$ (2,803,194)	\$ 7,268,187	\$ 394,324	\$ 6,613,966	\$ (6,357,174)	\$ 2,115,447	\$ 2,895,717
Total debt service	\$ 9,609,016	\$ 10,059,578	\$ 10,158,928	\$ 10,848,088	\$ 10,337,495	\$ 9,428,266	\$ 9,184,280	\$ 9,695,838	\$ 9,971,202	\$ 9,785,313
Noncapital expenditures	113,423,808	120,147,932	123,174,136	117,721,493	93,186,425	116,442,509	121,481,291	111,168,887	140,771,517	140,936,885
Debt service as a percentage of noncapital expenditures	8%	8%	8%	9%	11%	8%	8%	7%	7%	7%

Notes:

Amounts reported for the year ended June 30, 2020 have been restated for the implementation of GASB Statement No. 84, *Fiduciary Activities*. Information to restate amounts prior to June 30, 2020 is not readily available. Amounts reported in prior years include certain reclassifications to conform to the current year presentation, including the reclassification of library expenses from health and welfare to parks and recreation expenses.

Table 5

TOWN OF NEWTOWN, CONNECTICUT
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	Real Estate	Personal Property		Totals		(3)	Assessed Value as a Percentage of Actual Value
	(1)	(1)	(1)	(2)	Total		
	Assessed Value	Motor Vehicle Assessed Value	Personal Property Assessed Value	Assessed Value	Estimated Value	Direct Tax Rate	
2012	3,633,553,446	215,781,712	108,306,358	\$ 3,957,641,516	\$ 5,653,773,594	24.98	70.00%
2013	3,648,196,507	227,546,256	108,087,739	3,983,830,502	5,691,186,431	25.15	70.00%
2014	2,707,112,590	225,073,540	105,001,262	3,037,187,392	4,338,839,131	34.21	70.00%
2015	2,717,924,953	229,453,000	105,519,888	3,052,897,841	4,361,282,630	34.16	70.00%
2016	2,743,010,486	236,403,001	134,621,196	3,114,034,683	4,448,620,976	33.93	70.00%
2017	2,748,022,668	234,824,465	100,984,365	3,083,831,498	4,405,473,569	34.46	70.00%
2018	2,800,272,164	241,202,332	116,504,468	3,157,978,964	4,511,398,520	35.09	70.00%
2019	2,811,683,222	244,809,635	132,072,361	3,188,565,218	4,555,093,169	34.91	70.00%
2020	2,851,800,404	252,048,281	172,615,189	3,276,463,874	4,680,662,677	35.43	70.00%
2021	2,855,990,241	257,697,017	149,106,131	3,262,793,389	4,661,133,413	35.42	70.00%

- (1) Assessed value taken from the Board of Assessment Appeals corrected abstracts for the respective year.
(2) By State law, property is assessed at 70% of actual value with periodic revaluation of real property.
(3) From Table 6.

Table 6

TOWN OF NEWTOWN, CONNECTICUT
PROPERTY TAX RATES
DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN YEARS
(Unaudited)

Year Ended June 30	Grand List of October 1	Tax Rate - Mills		
		Town Mill Rate	Borough Mill Rate	Total Mill Rate
2012	2010	24.37	0.61	24.98
2013	2011	24.54	0.61	25.15
2014	2012	33.32	0.89	34.21
2015	2013	33.31	0.85	34.16
2016	2014	33.07	0.86	33.93
2017	2015	33.60	0.86	34.46
2018	2016	34.24	0.85	35.09
2019	2017	34.24	0.67	34.91
2020	2018	34.77	0.66	35.43
2021	2019	34.76	0.66	35.42

Source: Data provided by Town of Newton and Borough Tax Collectors

Table 7

TOWN OF NEWTOWN, CONNECTICUT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

Taxpayer	2021			2012		
	Taxable Assessed Value	Rank	(1) Percentage of Total Town Taxable Assessed Grand List	Taxable Assessed Value	Rank	(2) Percentage of Total Town Taxable Assessed Grand List
Eversource	\$ 52,087,360	1	1.60%	\$ 21,582,440	1	0.55%
E&A/I&G Sandhill Plaza LTD Partnership	15,732,280	2	0.48%	20,405,000	2	0.52%
Iroquois Gas Transmission System	13,057,300	3	0.40%	18,213,270	3	0.46%
Newtown Shopping Village Limited	10,397,800	4	0.32%	11,651,660	5	0.30%
Yankee Gas Services Co	9,435,880	5	0.29%			
Newtown Landlord CT LLC	8,892,010	6	0.27%			
Newtown Alf Property LLC	7,862,280	7	0.24%			
Aquarion Water Company	7,549,220	8	0.23%			
M Newtown Assoc LTD PRTNR	6,646,230	9	0.20%			
Newtown Savings Bank	6,597,110	10	0.20%	6,876,690	9	0.17%
Curtis Packaging Corp				12,941,714	4	0.33%
Maplewood At Newtown LLC				10,574,380	6	0.27%
Tauton Press				8,662,110	7	0.22%
Barnabas Realty Group Gen Ptrshp				7,508,781	8	0.19%
	<u>\$ 138,257,470</u>		<u>4.24%</u>	<u>\$ 118,416,045</u>		<u>3.01%</u>

(1) Based on October 1, 2019 net taxable Grand List of \$3,262,459,969

(2) Based on October 1, 2010 net taxable Grand List of \$3,933,724,354

Source: Town Assessor Department

Table 8

TOWN OF NEWTOWN, CONNECTICUT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year Ended June 30,	(1) Mill Rate	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Current Delinquent Balance
			Amount	Percentage of Levy		Amount	Percentage of Levy	
2012	24.37	\$ 94,762,206	\$ 93,813,987	99.0%	\$ 813,204	\$ 94,627,191	99.9%	\$ 115,516
2013	24.54	96,019,710	95,073,707	99.0%	801,399	95,875,106	99.8%	121,289
2014	33.32	99,925,361	99,196,280	99.3%	619,484	99,815,764	99.9%	87,459
2015	33.31	100,736,217	99,928,950	99.2%	638,429	100,567,379	99.8%	112,752
2016	33.07	100,822,157	100,147,614	99.3%	407,810	100,555,424	99.7%	122,530
2017	33.60	102,847,280	102,196,864	99.4%	387,684	102,584,548	99.7%	132,465
2018	34.24	104,201,004	103,526,641	99.4%	425,502	103,952,143	99.8%	150,917
2019	34.24	107,152,760	106,425,026	99.3%	535,300	106,960,326	99.8%	163,086
2020	35.43	110,123,259	109,398,205	99.3%	476,069	109,874,274	99.8%	248,985
2021	35.42	111,177,718	110,499,517	99.4%	-	110,499,517	99.4%	678,201

(1) This represents the Town's mill rate per \$1,000 of taxable property. See Table 6.

Source: Town financial statements.

Table 9

TOWN OF NEWTOWN, CONNECTICUT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	Governmental Activities					Business-Type Activities			Total Primary Government	Percentage of Personal Income (1)	Debt Per Capita (2)
	General Obligation Bonds	Unamortized Premium	Clean Water Notes	Drinking Water Note	Capital Leases	General Obligation Bonds	Unamortized Premium	Clean Water Notes			
2012	\$ 83,482,300	\$ 4,148,873	\$ 1,489,134	\$ 123,060	\$ 182,902	\$ 327,700	\$ 7,398	\$ 4,903,085	\$ 94,664,452	8.72%	\$ 3,387
2013	76,381,600	3,758,373	1,210,511	115,206	124,998	268,400	6,869	4,023,113	85,889,070	7.26%	3,116
2014	73,104,700	3,428,872	926,239	107,167	64,083	2,690,300	44,167	3,125,380	83,490,908	6.42%	3,029
2015	64,221,900	3,230,825	636,202	98,940	99,866	2,488,100	41,747	2,209,527	73,027,107	5.35%	2,598
2016	68,594,300	3,414,557	340,285	90,520	49,933	2,285,900	39,327	1,275,188	76,090,010	5.57%	2,715
2017	66,668,300	2,801,131	176,372	81,903	39,078	2,431,700	36,907	321,895	72,557,286	5.31%	2,590
2018	72,938,800	2,652,522	148,498	73,084	111,210	2,281,200	34,820	-	78,240,134	5.64%	2,795
2019	75,694,300	3,294,385	120,033	64,058	568,169	2,130,700	32,067	-	81,903,712	5.54%	2,922
2020	81,244,500	3,382,655	90,964	54,820	420,424	2,075,500	6,537	-	87,275,400	5.61%	3,141
2021	82,058,000	3,851,036	61,279	45,365	272,679	2,832,000	6,092	-	89,126,451	5.58%	3,203

(1) See Table 5 for taxable property value data.

(2) See Table 13 for population data.

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

Table 10

TOWN OF NEWTOWN, CONNECTICUT
RATIOS OF GENERAL DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Unaudited)

(Continued)								
	GENERAL DEBT OUTSTANDING							
	Governmental Activities		Business-Type Activities					
Fiscal Year	General Obligation Bonds	Unamortized Premium	General Obligation Bonds	Unamortized Premium	Notes	Total Primary Government	Percentage of Personal Income (1)	Debt Per Capita (2)
2012	\$ 83,482,300	\$ 4,148,873	\$ 327,700	\$ 7,398	\$ 6,515,279	\$ 94,481,550	8.70%	\$ 3,380
2013	76,381,600	3,758,373	268,400	6,869	5,348,830	85,764,072	7.25%	3,112
2014	73,104,700	3,428,872	2,690,300	44,167	4,158,786	83,426,825	6.41%	3,027
2015	64,221,900	3,230,825	2,488,100	41,747	2,944,669	72,927,241	5.34%	2,594
2016	68,594,300	3,414,557	2,285,900	39,327	1,705,993	76,040,077	5.57%	2,714
2017	66,668,300	2,801,131	2,431,700	36,907	580,170	72,518,208	5.31%	2,589
2018	72,938,800	2,652,522	2,281,200	34,820	221,582	78,128,924	5.63%	2,791
2019	75,694,300	3,294,385	2,130,700	32,067	184,091	81,335,543	5.50%	2,902
2020	81,244,500	3,382,655	2,075,500	6,537	145,784	86,854,976	5.58%	3,126
2021	82,058,000	3,851,036	2,832,000	6,092	106,644	88,853,772	5.57%	3,194

(1) See Table 5 for taxable property value data.

(2) See Table 13 for population data.

Note: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

Table 11

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)
FOR THE YEAR ENDED JUNE 30, 2021
(Unaudited)

Total cash collections for the year ended
June 30, 2021:

Town:

Taxes	\$ 110,977,648
Interest and lien fees	458,709
Subtotal	<u>111,436,357</u>

Newtown Borough:

Taxes	163,352
Interest and lien fees	1,760
Subtotal	<u>165,112</u>

Reimbursement for revenue loss:

Tax relief for elderly (CGS 12-129d)	-
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Base

<u>\$ 111,601,469</u>

	General Purposes	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2-1/4 times base	\$ 251,103,305	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	502,206,611	-	-	-
3-3/4 times base	-	-	418,505,509	-	-
3-1/4 times base	-	-	-	362,704,774	-
3 times base	-	-	-	-	334,804,407
Total debt limitation	<u>251,103,305</u>	<u>502,206,611</u>	<u>418,505,509</u>	<u>362,704,774</u>	<u>334,804,407</u>
Indebtedness:					
Bonds payable	52,884,300	29,173,700	2,832,000	-	-
Notes payable	-	-	61,279	-	-
Authorized but unissued bonds	649,000	2,210,420	530,000	-	-
Total indebtedness	<u>53,533,300</u>	<u>31,384,120</u>	<u>3,423,279</u>	<u>-</u>	<u>-</u>
Less: Self-supporting sewer debt	<u>-</u>	<u>-</u>	<u>(2,995,270)</u>	<u>-</u>	<u>-</u>
Net indebtedness	<u>53,533,300</u>	<u>31,384,120</u>	<u>6,418,549</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u>\$ 197,570,005</u>	<u>\$ 470,822,491</u>	<u>\$ 412,086,960</u>	<u>\$ 362,704,774</u>	<u>\$ 334,804,407</u>
Total capacity of borrowing (7 times base)	\$ 781,210,283				
Total present indebtedness	91,335,969				
Margin for additional borrowing	<u>\$ 689,874,314</u>				

* State law excludes debt issued for water projects in the amount \$45,365 of from the Town's aggregate debt calculation.

Table 12

TOWN OF NEWTOWN, CONNECTICUT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)

	2012	2013	2014	2015	2016
Debt limit	\$ 663,291,993	\$ 674,434,558	\$ 706,209,245	\$ 706,964,622	\$ 710,145,842
Total net debt applicable to limit	81,074,943	74,516,848	71,751,326	63,374,699	68,249,369
Legal Debt Margin	<u>\$ 582,217,050</u>	<u>\$ 599,917,710</u>	<u>\$ 634,457,919</u>	<u>\$ 643,589,923</u>	<u>\$ 641,896,473</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>12.22%</u>	<u>11.05%</u>	<u>10.16%</u>	<u>8.96%</u>	<u>9.61%</u>
	2017	2018	2019	2020	2021
Debt limit	\$ 723,086,609	\$ 731,965,500	\$ 752,134,362	\$ 773,800,916	\$ 781,210,283
Total net debt applicable to limit	81,131,541	83,074,239	97,092,948	95,789,622	91,335,969
Legal Debt Margin	<u>\$ 641,955,068</u>	<u>\$ 648,891,261</u>	<u>\$ 655,041,414</u>	<u>\$ 678,011,294</u>	<u>\$ 689,874,314</u>
Total net debt applicable to the limit as a percentage of debt limit	<u>11.22%</u>	<u>11.35%</u>	<u>12.91%</u>	<u>12.38%</u>	<u>11.69%</u>

Note: There is no overlapping debt for the Town of Newtown.

Table 13

TOWN OF NEWTOWN, CONNECTICUT
DEMOGRAPHIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

Fiscal Year	(1) Population	Personal Income	(2) Per Capita Personal Income	(2) Median Age	(4) Education Level in Years of Schooling	(3) School Enrollment	(2) Unemployment Rate
2012	27,953	\$ 1,086,113,815	\$ 38,855	39	n/a	5,298	6.5%
2013	27,560	1,182,820,080	42,918	39	n/a	5,126	6.6%
2014	27,560	1,301,410,760	47,221	39	94.3%	4,880	6.5%
2015	28,113	1,365,054,828	48,556	44	95.4%	4,747	4.6%
2016	28,022	1,365,792,280	48,740	44	94.0%	4,564	4.8%
2017	28,012	1,365,416,928	48,744	44	95.4%	4,470	4.4%
2018	27,990	1,388,387,970	49,603	45	94.6%	4,407	4.3%
2019	28,030	1,478,694,620	52,754	45	94.6%	4,218	2.9%
2020	27,788	1,555,711,180	55,985	45	96.5%	4,306	3.5%
2021	27,822	1,596,593,292	57,386	46	97.4%	4,053	4.7%

- (1) State of Connecticut Department of Public Health
(2) State of Connecticut, Labor Department, Office of Research and Statistics
(3) State of Connecticut Department of Education
(4) Percentage based on receipt of High School diploma

Table 14

TOWN OF NEWTOWN, CONNECTICUT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

<u>Employer</u>	2021			2012		
	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Town Employment</u>	<u>Employees</u>	<u>Rank</u>	<u>Percentage of Total Town Employment</u>
Town of Newtown-BOE	756	1	6.1%	704	1	5.4%
State of CT- Garner Correctional	320	2	2.6%	288	3	2.2%
Town of Newtown	195	3	1.6%	166	7	1.3%
Eversource	191	4	1.6%	-		0.0%
Athena Healthcare LLC of Newtown	171	5	1.4%	299		2.3%
Spectrum (Charter)	165	6	1.3%	175	5	1.3%
Newtown Savings Bank	164	7	1.3%	-	6	0.0%
Curtis Packaging Corp	152	8	1.2%	148	8	1.1%
Caraluzzi's Newtown Market	130	9	1.1%	136	10	1.0%
Maplewood of Newtown	91	10	0.7%			
Masonicare of Newtown				299	2	2.3%
Taunton Press				235	4	1.8%
Hubbell Wiring Devices-Kellems				145	9	1.10%
Total	<u>2,335</u>		<u>18.9%</u>	<u>2,595</u>		<u>19.7%</u>
 Total Employees	 <u>12,323</u>			 <u>13,148</u>		

Table 15

TOWN OF NEWTOWN, CONNECTICUT
FULL-TIME EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

FUNCTION / PROGRAM	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<u>General Government:</u>										
Selectmen	3	3	3	3	3	3	3	3	3	3
Finance	5	5	5	5	5	4	4	4	4	4
Parks and recreation	17	17	17	17	17	16	17	17	16	16
Town clerk	4	4	4	4	4	4	4	3	3	3
Senior center	3	3	3	2	2	2	2	1	1	1
Registrars	2	2	2	2	2	2	2	2	2	2
Tax collector	5	4	4	4	4	4	4	4	4	4
Tax assessor	3	4	4	3	3	4	4	4	3	3
Technology						4	4	4	4	4
Social services	2	2	2	2	2	4	4	4	5	5
Community Center								3	5	5
<u>Police:</u>										
Officers	46	45	45	45	45	45	45	45	45	45
Civilians	4	4	4	4	4	4	3	3	3	3
Canine control	2	2	2	2	3	3	3	2	1	1
<u>Fire:</u>										
Fire Marshall	3	3	3	3	3	3	3	3	3	3
<u>Public Works:</u>										
Engineering	2	2	2	2	2	2	2	2	2	2
Highway	37	37	38	37	38	40	38	36	37	37
Landfill	3	3	3	3	3	3	3	3	1	1
Building	5	5	5	5	5	5	5	4	4	4
Building (Maintenance)							2	1	1	1
<u>Land Use</u>	6	6	6	6	8	9	8	8	8	8
<u>Emergency Communications</u>	10	10	10	10	10	9	10	9	10	10
<u>Education</u>	717	751	759	786	779	793	803	815	805	806
Total	879	912	921	945	942	963	973	980	970	971

Sources: Town Budget

Table 16-1

TOWN OF NEWTOWN, CONNECTICUT
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

FUNCTION / PROGRAM	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities:										
<u>Public Safety:</u>										
Volunteer Fire:										
No. of incidents	1,757	1,271	1,073	1,718	1,629	1,696	4,987	2,004	4,556	1,353
No. of rescue/medical calls	54	33	98	33	147	141	119	186	192	206
Police:										
No. of calls	25,515	22,540	24,701	26,796	17,082	24,561	27,160	31,509	28,142	15,397
No. of 911 calls	8,080	6,983	7,078	7,098	7,587	6,399	8,302	6,548	6,635	7,143
No. of formal investigations	2,536	2,259	2,202	2,077	1,678	1,630	1,625	1,674	1,517	1,503
<u>Town Clerk:</u>										
No. of documents recorded	6,732	6,521	5,562	6,276	5,015	5,193	5,140	4,417	4,607	7,332
<u>Health and Welfare:</u>										
No. of food service facilities inspections	129	129	114	108	127	125	129	126	125	131
No. of new homes built	n/a	n/a	18	19	18	23	13	13	20	72
No. of soil tests	123	94	164	111	121	126	146	117	110	166
No. of new septic permits	31	17	12	19	25	26	30	23	40	49
No. of septic repairs	79	74	83	83	97	98	98	86	112	131
No. of well permits	49	48	49	53	60	81	74	43	78	92
<u>Land Use:</u>										
No. of subdivisions approved	1	3	3	2	-	1	2	2	-	-
No. of commercial applications approved	1	4	4	5	4	2	5	9	-	-
<u>Building:</u>										
No. of residential permits issued	1,832	1,698	1,816	1,744	1,836	1,203	1,540	1,943	1,601	2,134
No. of commercial permits issued	202	215	215	275	136	196	236	247	190	127
<u>Public Works:</u>										
Streets:										
Accepted Town roads (miles)	256	256	256	256	256	256	256	256	256	256
Private roads	19	19	19	19	19	19	19	19	19	19
Roads under construction	1	1	1	1	1	1	1	1	1	3
Sidewalks	3	3	3	3	3	3	4	4	4	4

n/a - information is not available

Sources: Various Town Departments

Table 16-2

TOWN OF NEWTOWN, CONNECTICUT
OPERATING INDICATORS BY FUNCTION/PROGRAM (CONTINUED)
LAST TEN FISCAL YEARS
(Unaudited)

FUNCTION / PROGRAM	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities:										
<u>Education:</u>										
Enrollment:										
High School Grades 9-12	1,744	1,764	1,716	1,738	1,681	1,684	1,624	1,559	1,516	1,441
Middle School Grades 7-8	871	893	857	833	812	750	712	683	680	637
Intermediate School Grades 5-6	878	819	788	731	701	659	648	626	560	582
Elementary School Grades Pre-K-4	1,805	1,650	1,519	1,445	1,370	1,354	1,384	1,421	1,395	1,359
Newtown Community Partnership							17	16	16	11
Business-type Activities:										
<u>Water Fund:</u>										
Water mains (miles)	6	6	6	6	6	6	6	6	6	6
Fire hydrants	47	47	47	47	47	47	47	47	47	47
Storage capacity (thousand of gallons)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
<u>Sewer Fund:</u>										
Sewer mains (miles)	24	24	24	24	24	24	25	25	25	25
Treatment capacity (thousands of gallons)	932	932	932	932	932	932	932	932	932	932

n/a - information is not available

Sources: Various Town Departments

Table 17

TOWN OF NEWTOWN, CONNECTICUT
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

FUNCTION / PROGRAM	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities:										
<u>Parks and Recreation:</u>										
Acreage (includes all open space)	2,100	2,100	2,102	2,103	2,103	2,108	2,113	2,113	2,113	2,113
Playgrounds	10	10	10	10	10	10	10	10	10	10
Baseball fields	14	13	13	13	13	13	13	14	14	14
Softball fields	9	9	9	9	9	10	10	10	10	10
Multi-purpose fields	20	20	20	20	20	20	20	20	20	20
Senior center	1	1	1	1	1	1	1	1	1	1
Skate park	1	1	1	1	1	1	1	1	1	1
Dog park	-	-	1	1	1	1	1	1	1	1
Community Center	-	-	-	-	-	-	-	1	1	1
<u>Public Safety:</u>										
Fire stations	5	5	5	5	5	5	5	5	5	5
Police Department:										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol officers	31	30	31	30	30	30	30	30	30	32
<u>Public Works:</u>										
Highway Department:										
Streets (miles)	276	276	276	276	276	276	276	276	276	276
Sidewalks (miles)	3	3	3	3	3	3	3	3	5	5
<u>Transfer Station:</u>										
Stations	1	1	1	1	1	1	1	1	1	1
<u>Education:</u>										
High Schools	1	1	1	1	1	1	1	1	1	1
Middle Schools	1	1	1	1	1	1	1	1	1	1
Intermediate Schools	1	1	1	1	1	1	1	1	1	1
Elementary Schools	4	4	4	4	4	4	4	4	4	4
Business-type Activities:										
<u>Water Fund:</u>										
Water mains (miles)	6	6	6	6	6	6	6	6	6	6
Fire hydrants	47	47	47	47	47	47	47	47	47	47
Storage capacity (thousand of gallons)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
<u>Sewer Fund:</u>										
Sewer mains (miles)	24	24	24	24	24	24	25	25	25	25
Treatment capacity (thousands of gallons)	932	932	932	932	932	932	932	932	932	932

Sources: Various Town Departments