

**LEGISLATIVE COUNCIL REGULAR MEETING
COUNCIL CHAMBERS, 3 PRIMROSE STREET, NEWTOWN, CT
WEDNESDAY, JANUARY 6, 2021**

MINUTES

PRESENT VIA TELECONFERENCE: Jordana Bloom, Alison Plante, Chris Smith, Phil Carroll, Ryan Knapp, Judit DeStefano, Paul Lundquist, Chris Eide, Dan Wiedemann, Cathy Reiss, Andy Clure, Dan Honan

ALSO PRESENT: First Selectman Dan Rosenthal, Finance Director Bob Tait, Superintendent Dr. Lorrie Rodrigue, BOE Chair Michelle Embree Ku, BOE Facilities Director Bob Gerber, Public Building and Site Members Allen Adriani and Gordon Johnson, 3 public, 2 press.

CALL TO ORDER: Mr. Lundquist called the meeting to order with the Pledge of Allegiance at 7:33 pm.

VOTER COMMENT: None

MINUTES: Mr. Honan moved to accept the minutes of the December 16, 2020 Legislative Council Regular Meeting. Seconded by Mr. Wiedemann. All in favor. Motion passes (12-0).

COMMUNICATIONS: Letters in support of the Library CIP items included. *See attachment A.*

COMMITTEE REPORTS:

Education Committee – None

Finance Committee – None

Municipal Operations Committee – None

Ordinance Committee – None

FIRST SELECTMAN'S REPORT: First Selectman Dan Rosenthal reported that he has begun budget discussions with Bob Tait to prepare for submission this month. We continue to work on the vaccine roll out for the town's essential workers. More information to come. The BOS ratified draft language to make housing a special exception on the Fairfield Hills campus as a result of the referendum from September. Draft language was submitted to Planning and Zoning. A public hearing will be held Thursday 1/7. He does not expect any action on that until after their second meeting.

NEW BUSINESS

Discussion and Possible Action

- 2021-22 – 2025-26 CIP

Mr. Smith began by asking about whether all our schools have air conditioning. Dr. Rodrigue responded that not all schools have AC. A lot of the this was due to air quality. Some schools that do not, have air conditioning units put into certain areas of the school used as cooling stations, for example Middle Gate Elementary. Mr. Smith mentioned that Hawley is on the CIP, but why wasn't Middle Gate on the CIP. Dr. Rodrigue confirmed that Middle Gate has been added into year 10.

Mr. Honan commented that the cost of this particular HVAC project at Hawley has gone up dramatically and whether this current price is set yet. Mr. Gerber responded that for the Hawley project, the BOF last year was looking for an estimate to validate the number that was on the CIP. The BOE engaged RZ Design Associates to do this. The firm prepared preliminary design concepts and came up with the 4.2 number which was added a year ago. The process they went through wasn't thorough. At that time they were hopeful that number would've been more accurate, but now that there is an engineering firm,

architect and environmental consultant involved, they are now able to put more firm costs to the project and, unfortunately, came up with a significantly higher number of approximately 7.2. The estimators from RZ missed items like environmental, ceilings, electrical servicing, abatement, etc. which are now having to be accounted for. Ms. Embree-Ku spoke on the fact that this number has been much higher over the years. Going back to 2008, the number has consistently been a higher number with \$1.5 million having been allocated for the boilers back in 2013.

Mr. Adriani noted that one item that was not on the initial estimate was replacing the original HVAC units on the roof which are in need of replacement. Another item that was not included initially was adding drop ceilings to cover the duct work which will add roughly \$650,000.

Dr. Rodrigue noted that they purposefully split the \$300,000 for the estimate from the project for this very reason. They knew there were items missing from the original estimate and they split the amount in order to get the project moving forward.

Ms. Reiss asked if there were other alternative estimates for the Hawley project; and whether the estimate allocated for the Middle School HVAC project is also just a placeholder number? Mr. Gerber responded that RZ Designs had offered two options: using a ducted VAV system, and the other option was to use a variable refrigerant system. After discussing pros and cons, the VAV system, which was the more expensive option, was deemed as the better solution taking into consideration the long-term costs of maintenance, etc. The current engineer for the project also offered other alternatives, but the BOE still feels the ducted VAV system is the better way to go because it includes providing ventilation. Mr. Adriani commented that from a strictly financial perspective, you need to take long-term maintenance costs such as changing filters, more coils to clean, refrigerant piping and are just more problematic. Mr. Johnson attested that other systems will be less expensive up front but significantly more expensive in the long run. Ms. Embree-Ku answered the question regarding the Middle School, that it is not an accurate estimate at this time.

Mr. Smith asked if the estimate in year 10 for Middle Gate is accurate. Dr. Rodrigue responded that the current number of \$300,000 is to cover the estimate only and to get it on the CIP. Mr. Smith commented that he feels the Middle Gate project should be moved up as it will be the only school without an HVAC system for at least the next 15 years and will not be fair to the Middle Gate community.

Mr. Knapp asked if anyone could confirm how much money is in the plan for abatement and substances of concern. Mr. Gerber responded that they've identified about \$190,000-\$200,000 total for remediation. He feels good using this environmental company and feels they are professional and trusts their input.

Ms. Reiss asked if someone can speak why the High School Turf Field project increased by \$45,000. Mr. Gerber and Dr. Rodrigue said this is from the most recent estimate received, plus after the estimator went out onto the field to test it, it increased the number which is generally typical.

Mr. Carroll asked if we were charged for the initial poor estimate from RZ's services; and if the current consultant was the only one interviewed or was the project bid out. Mr. Gerber spoke on the process and steps they took before hiring the current consultant. Based on the current design, an RFP was prepared and was put out as a public bid issued by the town's purchasing office - we received about 10 proposals which included walk-throughs and all followed the same process. The one that was selected was Christopher Williams Architects which fell right within the allotted budget of \$300,000. Mr. Carroll added that he believes that the original estimate which was deemed bad should have been factored into this budget amount because although it did not pan out, it was still paid for.

Mr. Knapp asked for confirmation on how much heating work was being done with this project. Mr. Gerber said there would be some ancillary heating work to the VAV boxes in each of the classrooms and

potentially hot water coils on the rooftop piping system. The other reason they preferred this system is that it lets us use the heating system that is already in the building which is rock solid.

Mr. Knapp then asked when they went out in talking with these people, had they spoken about working with the original budget they had? He feels there is a lot of sticker shock in this and will be hard to present to the public. Ms. Embree-Ku commented that Public Building and Site was always present in their decision making meetings and their expertise was brought into it.

Mr. Knapp asked if the intention is for it to be ready for the April referendum. Mr. Gerber replied that the design aspect continues to be worked on everyday and they are shooting to have it ready for April, but there is the possibility that it can be moved to the November referendum. Mr. Knapp then questioned if it's not ready for April, then why would this project be moved to year one. Mr. Adriani replied that they can't complete the full system in the first year anyways. If it should pass the April referendum, then supplies and equipment would need to be ordered and preparations made, this would lead to a September time frame, so only minimal work could be done over the summer.

Mr. Smith asked how we're going about hiring a construction manager. The First Selectman said an RFP would go out and engage someone on a limited basis for the sole purpose of helping with the estimation process, and if we went ahead with it, this manager would take more of the project. Mr. Gerber added that there is interest from at least three firms.

Ms. Bloom commented that, especially in regards to the Hawley project, the BOE has done everything that was asked of them, and does not feel it is their fault for the increase in estimate. She believes the voters will appreciate the due diligence they have made and hard work that has been put into this.

Mr. Lundquist noted a letter sent by BOF Chair Keith Alexander regarding the Library CIP paving estimate. *See attachment B*. In year three, they changed the paving estimate by a total of \$296,640 which was adjusted and voted on, although when voted on, the amount was mistakenly made to be \$396,000.

Mr. Smith asked if someone could find out whether the amounts for the Edmond Town Hall estimate is accurate. He then asked how do we get more out of our open space, noting how attendance to our open spaces has grown exponentially in the last year. The BOS appointed Bike and Trail Committee did adhere a grant with parks service for trail design. There hasn't been a request for funding at this time, but they are actively working on it. Mr. Smith feels that something should be added on the CIP for this just so it can serve as a placeholder.

Mr. Lundquist ended that he will work on getting some clarification. He asked for any other questions to be submitted in writing, and by the next meeting, we should be ready to take action.

- Presentation and acceptance of the Town's Comprehensive Annual Financial Report for the fiscal year ending June 30, 2020.

Mr. Tait presented an excerpt of the Town's Comprehensive Annual Financial Report for the fiscal year ending June 30, 2020. *See attachment C*. The full report can be found at https://www.newtown-ct.gov/sites/g/files/vyhlf3546/f/uploads/newtown_fy_2020_cafr_-_final.pdf

Mr. Clure asked when we'd have a rough idea of the annual operating cost on the Community Center. Mr. Tait stated that due to Covid and losses, we should have a better idea in the next year. Mr. Clure then asked how the \$5 million we receive from GE each year get incorporated. Mr. Tait said that \$5 million is part of the special revenue fund which is authorized by the Legislative Council to account for the GE Grant and their operational revenues to be use for the Community Center's operations. Mr. Eide asked where the BOE non-lapsing account is in terms of all the funds and fund balances. Mr. Tait said it can be found in the capital non-recurring fund.

Ms. DeStefano moved to accept the Town's Comprehensive Annual Financial Report for the fiscal year ending June 30, 2020. Seconded by Mr. Honan. All in favor. Motion passes (12-0).

See attachments D, E, F.

VOTER COMMENT: None

ANNOUNCEMENTS: None

ADJOURNMENT: There being no further business, Ms. DeStefano moved to adjourn the meeting at 9:24 pm. Seconded by Mr. Carroll. All in favor.

*Respectfully submitted,
Rina Quijano, Clerk*

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

FRIENDS OF NEWTOWN SENIORS



January 7, 2021

Newtown Legislative Council
3 Primrose Street
Newtown, CT 06470

Dear Sirs and Madams:

Friends of Newtown Seniors (FONS) advocates for Newtown seniors and a more livable, senior friendly community. For many years it has been recognized that the C H Booth Library is not friendly to seniors and others with mobility issues. Technically compliant with the American's with Disabilities Act (ADA), accessing the building by someone with difficulty walking or climbing stairs is a challenge. Many FONS members, reflecting a large portion of Newtown seniors have someone drop them off at an entrance, park, and join them inside.

At the Booth Library this means pulling into the dead-end four spot handicap parking area, turning around, then making two left turns onto and from Main Street. A process many Newtown seniors do not even attempt. For them Booth Library is an attractive building to drive by, not a library service they can access.

Mary Hawley was a generous benefactor to Newtown. But, early 20th century architects for rural town buildings could not anticipate 21st century needs. The building, innovative in it day, is on a narrow lot and bordered by easements to utilities and the house to the south. Creating accessibility will require changes to the easements and a different landscaping scheme.

For years this has been a disappointment without resolution in site. We understand that the library's Board of Trustees are aware of physical accessibility obstacles but have been stymied by easements and process. Now the CIP proposal for "Library Renovations / Replacements / Upgrades" includes repaving and sidewalk replacement in 2022/23. This is an ideal time to make the Booth Library accessible to all Newtown residents.

We ask that Legislative Council support funding and push for necessary changes to clear the way for sidewalk installation and paving by 2023 project to make C H Booth Library accessible for all.

Sincerely,

John S. Boccuzzi Sr.
President
57 Queen Street Newtown, CT 06470

cc: Dan Rosenthal
Doug Lord

PO BOX 413, NEWTOWN, CT 06470

PHONE: 203-430-0633 • E-MAIL: INFO@FRIENDSOFNEWTOWNSENIORS.ORG

Submitted on Thursday, January 7, 2021 - 3:25pm

Your name: vicki bocuzzi

Your e-mail address: vbocuzzi@yahoo.com

Subject: our great library

Message: Making the library accessible to all is a critical goal for our town. The proposed changes to the traffic pattern and parking will go a long way to improving the access for all. I strongly support modifications to the current CH Booth Library driveways and parking to improve accessibility for seniors and others who use aids such as walkers and canes, or who simply cannot manage the walk and stairs. Modifications should allow a car to stop close to a barrier-free entrance to drop off a passenger and then easily parking. The proposed 2022/23 library lot repaving project within the larger "Library Renovations / Replacements / Upgrades" project provides an opportunity to address this long-recognized problem as well. I urge your approval of this Capital Improvement Plan item.

Submitted on Thursday, January 7, 2021 - 3:19pm

Your name: John S Bocuzzi

Your e-mail address: jbocuzzi@yahoo.com

Subject: library access

Message: I strongly support modifications to the current CH Booth Library driveways and parking to improve accessibility for seniors and others who use aids such as walkers and canes, or who simply cannot manage the walk and stairs. Modifications should allow a car to stop close to a barrier-free entrance to drop off a passenger and then easily parking. The proposed 2022/23 library lot repaving project within the larger "Library Renovations / Replacements / Upgrades" project provides an opportunity to address this long-recognized problem as well. I urge your approval of this Capital Improvement Plan item.

Submitted on Thursday, January 7, 2021 - 2:19pm

Your name: Mary Ellen Maday

Your e-mail address: Mmaday34@gmail.com

Subject: CH Booth library

Message:

I strongly support modifications to the current CH Booth Library driveways and parking to improve accessibility for seniors and others who use aids such as walkers and canes, or who simply cannot manage the walk and stairs. Modifications should allow a car to stop close to a barrier-free entrance to drop off a passenger and then easily park. The proposed 2022-23 library lot repaving project within the larger "Library Renovations / Replacements / Upgrades" project provides an opportunity to address this long-recognized problem as well. I urge your approval of this Capital Improvement Plan item.
Mary Maday 107 Haley Lane, Sandy Hook

Submitted on Tuesday, January 5, 2021 - 3:21pm

Your name: Julie Troy

Your e-mail address: julie.troy@att.net

Subject: Funding to improve accessibility at Cyrenius Booth Library

Message:

To whom it should concern:

I strongly support modifications to the current CH Booth Library driveways and parking to improve accessibility for seniors and others who use aids such as walkers and canes, or who simply cannot manage the walk and stairs. Modifications should allow a car to stop close to a barrier-free entrance to drop off a passenger and then easily park. The proposed 2022/23 library lot repaving project within the larger "Library Renovations / Replacements / Upgrades" project provides an opportunity to address this long-recognized problem as well. I urge your approval of this Capital Improvement Plan item.

Regards,

Julie Troy

46 Appleblossom Lane

Newtown 06470

Attachment B

From: alexanderk.bof@gmail.com
Date: Tue, Dec 22, 2020 at 5:25 PM
Subject: RE: Thoughts for LC deliberations
To: Paul Lundquist <plundquist.newtown@gmail.com>
Cc: Robert Tait <robert.tait@newtown-ct.gov>

Hi Paul,

It has been brought to Bob and I that the math for a change the BOF made to the Library CIP item was not the amount intended.

The rational was:

The Library submitted \$135,000 to repave 33,000 sq. yards or \$4.09 per sq. yard

*“2023-24
LIBRARY IMPROVEMENTS PROJECT - \$650,000
· Repave parking lot; replace sidewalks - \$135,000”*

The average of the other proposed paving projects was about \$13.08 per sq. yard. Using the average, the library project should be budgeted at \$431,640. A difference of \$296,640

The motion, which was made and passed by the BOF (and is ultimately in the CIP Recommendation that you received), was “move that LIB-01 for 2023/24 be increased by \$396,000 for Repaving Parking Lot Replace Sidewalks” (\$100,000 higher increase than needed).

While the Board of Finance has not met to discuss changing the CIP Recommendation, it made sense for me to bring the intent and the result to you so that your Board may consider it during deliberations. Board of Finance members had heard the rational but they may have chosen to vote differently on the amendment at a different value so, the communication here is not a Board of Finance suggestion, just information.

Please share this information with Legislative Council.

Thanks—
--Keith
BCC: BOF

Respectfully,
Keith Alexander
Chair, Newtown Board of Finance

**TOWN OF NEWTOWN,
CONNECTICUT**



**Comprehensive Annual
Financial Report**

**For The Year Ended
June 30, 2020**

**TOWN OF NEWTOWN,
CONNECTICUT**

EXCERPT - with annotations



**Comprehensive Annual
Financial Report**

**For The Year Ended
June 30, 2020**

TOWN OF NEWTOWN, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

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TOWN OF NEWTOWN, CONNECTICUT
COMPREHENSIVE ANNUAL FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

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BASIC FINANCIAL STATEMENTS

TOWN OF NEWTOWN, CONNECTICUT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2020

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	\$ 6,942,192	\$ 1,714,192	\$ 380,686	\$ 83,050	\$ (4,764,264)	\$ -	\$ (4,764,264)
Public safety	12,151,228	1,438,804	638,246	-	(10,074,178)	-	(10,074,178)
Health and welfare	3,266,638	44,412	53,682	-	(3,168,544)	-	(3,168,544)
Land use	695,697	82,203	-	-	(613,494)	-	(613,494)
Public works	11,311,974	691,029	668,463	1,201,248	(8,751,234)	-	(8,751,234)
Parks and recreation	5,036,252	1,545,239	1,158,357	-	(2,332,656)	-	(2,332,656)
Education	85,982,714	1,741,543	9,105,599	-	(75,135,572)	-	(75,135,572)
Education - State Teachers' Retirement	16,075,519	-	16,075,519	-	-	-	-
Interest expense	2,319,358	-	-	-	(2,319,358)	-	(2,319,358)
Total governmental activities	143,781,572	7,257,422	28,080,552	1,284,298	(107,159,300)	-	(107,159,300)
Business-type activities:							
Sewer	1,756,195	1,261,013	-	-	-	(495,182)	(495,182)
Water	450,075	455,327	-	-	-	5,252	5,252
Total business-type activities	2,206,270	1,716,340	-	-	-	(489,930)	(489,930)
Total primary government	\$ 145,987,842	\$ 8,973,762	\$ 28,080,552	\$ 1,284,298	(107,159,300)	(489,930)	(107,649,230)
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					1,282,998	36,305	1,319,303
Total general revenues					113,689,338	36,305	113,725,643
Change in net position					6,530,038	(453,625)	6,076,413
Net position - beginning					253,116,126	30,854,173	283,970,299
Net position - ending					\$ 259,646,164	\$ 30,400,548	\$ 290,046,712

Net position is increasing year over year

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

TOWN OF NEWTOWN, CONNECTICUT

BALANCE SHEET

GOVERNMENTAL FUNDS

AS OF JUNE 30, 2020

	General Fund	Bonded Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 22,829,359	\$ -	\$ 1,505,951	\$ 24,335,310
Investments	10,646,399	-	2,726,472	13,372,871
Receivables:				
Property taxes and interest, net	3,229,057	-	-	3,229,057
Grants and contracts	-	656,898	488,833	1,145,731
Loans	-	-	232,042	232,042
Other	170,739	-	171,500	342,239
Due from other funds	1,506,193	2,030,384	7,077,085	10,613,662
Other	2,679	-	56,251	58,930
Total assets	<u>\$ 38,384,426</u>	<u>\$ 2,687,282</u>	<u>\$ 12,258,134</u>	<u>\$ 53,329,842</u>
LIABILITIES				
Accounts payable	\$ 1,687,869	\$ 2,497,019	\$ 438,008	\$ 4,622,896
Accrued payroll	4,559,887	-	24,597	4,584,484
Due to other funds	11,022,143	-	674,729	11,696,872
Unearned revenue	-	421,093	451,856	872,949
Other	435,322	-	-	435,322
Total liabilities	<u>17,705,221</u>	<u>2,918,112</u>	<u>1,589,190</u>	<u>22,212,523</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenues	<u>3,383,329</u>	<u>-</u>	<u>232,042</u>	<u>3,615,371</u>
FUND BALANCES				
Nonspendable	-	-	666,251	666,251
Restricted	-	937,320	4,728,953	5,666,273
Committed	178,552	-	5,041,698	5,220,250
Assigned	379,499	-	-	379,499
Unassigned	16,737,825	(1,168,150)	-	15,569,675
Total fund balances	<u>17,295,876</u>	<u>(230,830)</u>	<u>10,436,902</u>	<u>27,501,948</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 38,384,426</u>	<u>\$ 2,687,282</u>	<u>\$ 12,258,134</u>	<u>\$ 53,329,842</u>

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

\$11,221,140 "on-behalf" payments - state teachers retirement fund are added here (an off set between intergovernmental revenues and education expenditures.

TOWN OF NEWTOWN, CONNECTICUT
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	General Fund	Bonded Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 110,566,918	\$ -	\$ -	\$ 110,566,918
Intergovernmental	18,550,813	812,815	4,116,076	23,479,704
Charges for services	2,159,489	-	5,097,933	7,257,422
Investment income	1,101,765	-	181,233	1,282,998
Contributions and other	173,196	351,926	1,993,097	2,518,219
Total revenues	<u>132,552,181</u>	<u>1,164,741</u>	<u>11,388,339</u>	<u>145,105,261</u>
EXPENDITURES				
Current:				
General government	4,733,518	-	1,257,036	5,990,554
Public safety	10,195,897	-	1,323,097	11,518,994
Health and welfare	3,138,834	-	94,735	3,233,569
Land use	678,228	-	-	678,228
Public works	9,769,280	-	95,069	9,864,349
Parks and recreation	2,352,411	-	1,778,419	4,130,830
Education	88,047,704	-	6,034,207	94,081,911
Debt service:				
Principal	6,983,198	-	9,654	6,992,852
Interest and fiscal charges	2,545,400	-	432,950	2,978,350
Capital outlays	993,371	14,376,589	609,205	15,979,165
Total expenditures	<u>129,437,841</u>	<u>14,376,589</u>	<u>11,634,372</u>	<u>155,448,802</u>
Excess (deficiency) of revenues over expenditures	3,114,340	(13,211,848)	(246,033)	(10,343,541)
OTHER FINANCING SOURCES (USES)				
Bonds issued	-	11,500,000	-	11,500,000
Premium on bonds issued	-	-	796,753	796,753
Refunding bonds issued	13,965,000	-	-	13,965,000
Premium on refunding bonds issued	291,977	-	-	291,977
Payments to escrow agent	(14,122,266)	-	-	(14,122,266)
Transfers in	400,000	251,175	3,114,960	3,766,135
Transfers out	(3,010,525)	(104,435)	(651,175)	(3,766,135)
Total other financing sources (uses)	<u>(2,475,814)</u>	<u>11,646,740</u>	<u>3,260,538</u>	<u>12,431,464</u>
Net change in fund balances	638,526	(1,565,108)	3,014,505	2,087,923
Fund balances - beginning	<u>16,657,350</u>	<u>1,334,278</u>	<u>7,422,397</u>	<u>25,414,025</u>
Fund balances - ending	<u>\$ 17,295,876</u>	<u>\$ (230,830)</u>	<u>\$ 10,436,902</u>	<u>\$ 27,501,948</u>

change in GF fund balance = \$638,526. Mainly due to a \$1,355,984 surplus in the education budget (due to covid) off set by a planned use of fund balance.

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

working capital = \$927,680
(ratio = 4.4)
Ability to pay current liabilities with current assets.

TOWN OF NEWTOWN, CONNECTICUT

STATEMENTS OF NET POSITION

PROPRIETARY FUNDS

AS OF JUNE 30, 2020

medical self insurance fund

	Business-type Activities			Governmental Activities
	Sewer Fund	Water Fund	Total	Internal Service Fund
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 686,142	\$ -	\$ 686,142	\$ 400,737
Investments	-	-	-	3,776,611
Receivables:				
Assessments and interest, net	292,411	-	292,411	-
User charges and interest, net	177,066	7,813	184,879	-
Other	-	-	-	1,886
Due from other funds	50,713	-	50,713	1,863,961
Total current assets	1,206,332	7,813	1,214,145	6,043,195
Noncurrent assets:				
Receivables:				
Assessments	2,958,918	-	2,958,918	-
Advance to other fund	596,571	-	596,571	-
Capital assets:				
Non-depreciable	204,428	195,019	399,447	-
Depreciable, net	26,465,838	2,365,884	28,831,722	-
Total noncurrent assets	30,225,755	2,560,903	32,786,658	-
Total assets	31,432,087	2,568,716	34,000,803	6,043,195
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charge on refunding	59,179	-	59,179	-
LIABILITIES				
Current liabilities:				
Accounts payable	96,323	29,210	125,533	190,519
Accrued liabilities:				
Claims	-	-	-	811,000
Other	23,829	-	23,829	-
Due to other funds	-	831,464	831,464	-
Bonds and notes payable	158,500	-	158,500	-
Unearned revenue	-	-	-	195
Total current liabilities	278,652	860,674	1,139,326	1,001,714
Noncurrent liabilities:				
Advances from other fund	-	596,571	596,571	-
Bonds and notes payable	1,923,537	-	1,923,537	-
Total non-current liabilities	1,923,537	596,571	2,520,108	-
Total liabilities	2,202,189	1,457,245	3,659,434	1,001,714
NET POSITION				
Net investment in capital assets	24,588,229	2,560,903	27,149,132	-
Unrestricted	4,700,848	(1,449,432)	3,251,416	5,041,481
Total net position	\$ 29,289,077	\$ 1,111,471	\$ 30,400,548	\$ 5,041,481

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, 2020

	Business-type Activities			Governmental Activities
	Sewer Fund	Water Fund	Total	Internal Service Fund
OPERATING REVENUES				
Charges for services	\$ 1,261,013	\$ 455,327	\$ 1,716,340	\$ 14,075,314
Total operating revenues	<u>1,261,013</u>	<u>455,327</u>	<u>1,716,340</u>	<u>14,075,314</u>
OPERATING EXPENSES				
Premiums and claims	-	-	-	12,915,548
Contracted services	772,115	223,384	995,499	-
Utilities	108,750	35,182	143,932	-
Administrative and other	192,192	14,567	206,759	1,400,842
Depreciation and amortization	588,445	151,727	740,172	-
Other	35,989	-	35,989	-
Total operating expenses	<u>1,697,491</u>	<u>424,860</u>	<u>2,122,351</u>	<u>14,316,390</u>
Operating income (loss)	(436,478)	30,467	(406,011)	(241,076)
NON-OPERATING INCOME (EXPENSE)				
Interest income	36,305	-	36,305	119,416
Interest expense	(58,704)	(25,215)	(83,919)	-
Total non-operating expense, net	<u>(22,399)</u>	<u>(25,215)</u>	<u>(47,614)</u>	<u>119,416</u>
Change in net position	(458,877)	5,252	(453,625)	(121,660)
Net position - beginning	<u>29,747,954</u>	<u>1,106,219</u>	<u>30,854,173</u>	<u>5,163,141</u>
Net position - ending	<u>\$ 29,289,077</u>	<u>\$ 1,111,471</u>	<u>\$ 30,400,548</u>	<u>\$ 5,041,481</u>

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, 2020

breakdown on page 109



	Pension and Other Post- Employment Benefits Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 306,688	\$ 1,391,418
Investments:		
Certificates of deposit	-	193,544
Bond mutual funds	17,861,582	-
Equity mutual funds	32,466,199	-
Receivables	700	-
Total assets	50,635,169	\$ 1,584,962
LIABILITIES		
Due to others	-	\$ 1,584,962
Total liabilities	-	\$ 1,584,962
NET POSITION		
Restricted for:		
OPEB benefits	3,109,880	
Pension benefits	47,525,289	
Total net position	\$ 50,635,169	

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

TOWN OF NEWTOWN, CONNECTICUT
STATEMENT OF CHANGES
IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020

	Pension and Other Post- Employment Benefits Trust Funds
ADDITIONS	
Contributions:	
Employer	\$ 2,589,078
Plan members	449,597
Total contributions	<u>3,038,675</u>
Investment earnings:	
Interest and dividends	1,322,642
Net change in the fair value of investments	708,263
Total investment earnings	<u>2,030,905</u>
Total additions	<u>5,069,580</u>
DEDUCTIONS	
Benefit payments	2,562,107
Administrative expenses	16,462
Other	92,474
Total deductions	<u>2,671,043</u>
Change in net position	2,398,537
Net position - beginning	<u>48,236,632</u>
Net position - ending	<u>\$ 50,635,169</u>

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

TOWN OF NEWTOWN, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS (Continued)
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

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, 2020 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	2011	\$ 8,910,000	0.25% - 5.0%	2024	\$ 2,055,000
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	603,000
General Obligation Refunding Bonds	2015	17,620,000	2.375% - 5.0%	2031	9,615,000
General Obligation Bonds	2016	12,000,000	2.0% - 4.0%	2036	9,200,000
General Obligation Refunding Bonds	2016	2,295,000	3.0% - 4.0%	2022	910,000
General Obligation Bonds	2017	4,808,000	2.0% - 4.0%	2037	3,776,500
General Obligation Bonds	2018	13,000,000	2.0%-5.0%	2038	11,050,000
General Obligation Refunding Bonds	2019	6,750,000	3.0% - 5.0%	2032	6,150,000
General Obligation Bonds	2019	10,400,000	2.0%-5.0%	2039	9,880,000
General Obligation Bonds	2020	11,500,000	3.0% - 5.0%	2040	11,500,000
General Obligation Refunding Bonds	2020	3,515,000	5.0%	2024	3,515,000
General Obligation Refunding Bonds	2020	10,685,000	1.0% - 2.5%	2036	10,450,000
					81,244,500
Notes from direct borrowings:					
Clean Water Fund Note	2004	516,000	2.10%	2023	90,964
Drinking Water Fund Note	2006	171,738	2.32%	2026	54,820
					145,784
					\$ 81,390,284
Business-type Activities:					
General obligation bonds:					
General Obligation Bonds	2014	\$ 2,488,000	2.5% - 3.5%	2034	\$ 372,000
General Obligation Bonds	2017	282,000	2.0% - 4.0%	2037	238,500
General Obligation Refunding Bonds	2020	1,230,000	1.0% - 2.5%	2036	1,465,000
					\$ 2,075,500

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, 2020:

Year ending June 30:	Governmental Activities				
	General Obligation Bonds		Notes from direct borrowings		Total
	Principal	Interest	Principal	Interest	
2021	\$ 6,996,500	\$ 2,518,238	\$ 39,140	\$ 2,794	\$ 9,556,672
2022	7,227,000	2,401,174	39,991	1,942	9,670,107
2023	6,512,000	2,102,202	40,867	1,072	8,656,141
2024	7,001,000	1,804,413	10,135	491	8,816,039
2025	6,431,000	1,564,980	10,373	253	8,006,606
2026-2030	24,195,000	5,414,992	5,278	36	29,615,306
2031-2035	15,055,000	2,481,087	-	-	17,536,087
2036-2040	7,827,000	591,504	-	-	8,418,504
	\$ 81,244,500	\$ 18,878,590	\$ 145,784	\$ 6,588	\$ 100,275,462

TOWN OF NEWTOWN, CONNECTICUT
 NOTES TO FINANCIAL STATEMENTS *(Continued)*
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2020

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, 2020:

Year ending June 30:	Business-type Activities		
	General Obligation Bonds		
	Principal	Interest	Total
2021	\$ 158,500	\$ 33,836	\$ 192,336
2022	153,000	39,019	192,019
2023	153,000	35,504	188,504
2024	164,000	31,012	195,012
2025	164,000	28,540	192,540
2026-2030	730,000	104,110	834,110
2031-2035	525,000	33,440	558,440
2036-2040	28,000	1,470	29,470
	<u>\$ 2,075,500</u>	<u>\$ 306,931</u>	<u>\$ 2,382,431</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, 2020.

Authorized/Unissued Debt

At June 30, 2020, the Town had authorized unissued debt as follows:

New Police Facility	\$ 4,000,000
Newtown HS Boilers/Lighting	297,000
High School Addition & Renovation	1,024,657
Hawleyville Sewer Extension	1,030,000
Road Improvements	750,000
Hawley Boiler/Lighting	33,200
Fairfield Hills Remediation / Demolition	315,000
Library Improvements	300,000
Sandy Hook Permanent Memorial	250,000
Bridge Program	71,000
Hawley School Roof	170,000
Middle Gate Roof	78,000
Treadwell Parking Lot	15,000
Emergency Radio System	2,500,000
Fairfield Hills Sewer Improvements	914,981
Fire Apparatus	575,000
	<u>\$ 12,323,838</u>

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF NEWTOWN, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 110,229,769	\$ 110,229,769	\$ 110,566,918	\$ 337,149
Intergovernmental	6,475,944	6,475,944	7,051,021	575,077
Charges for goods and services	2,120,200	2,120,200	2,159,489	39,289
Investment income	950,000	950,000	729,934	(220,066)
Other	258,000	258,000	161,663	(96,337)
Total revenues	<u>120,033,913</u>	<u>120,033,913</u>	<u>120,669,025</u>	<u>635,112</u>
EXPENDITURES				
Current:				
General government	4,929,506	4,812,781	4,767,869	(44,912)
Public safety	10,520,468	10,369,963	10,343,527	(26,436)
Health and welfare	2,932,345	2,873,240	2,865,057	(8,183)
Land use	714,116	684,017	678,228	(5,789)
Public works	10,763,425	10,654,036	10,598,890	(55,146)
Parks and recreation	2,501,014	2,442,910	2,431,629	(11,281)
Education	78,104,410	78,104,410	76,748,426	(1,355,984)
Contingency	140,000	1,635	-	(1,635)
Debt service:				
Principal	6,910,107	6,835,453	6,835,453	-
Interest and fiscal charges	2,339,011	2,411,665	2,410,689	(976)
Total expenditures	<u>119,854,402</u>	<u>119,190,110</u>	<u>117,679,768</u>	<u>(1,510,342)</u>
Excess of revenues over expenditures	179,511	843,803	2,989,257	2,145,454
OTHER FINANCING SOURCES (USES)				
Appropriation of fund balance	-	1,697,175	-	(1,697,175)
Cancellation of prior year encumbrances	-	-	28,479	28,479
Transfers in	250,000	250,000	400,000	150,000
Transfers out	(429,511)	(2,790,978)	(2,790,975)	3
Total other financing sources (uses)	<u>(179,511)</u>	<u>(843,803)</u>	<u>(2,362,496)</u>	<u>(1,518,693)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 626,761</u>	<u>\$ 626,761</u>

Excess funds in GF fund balance due to a FEMA reimbursement in the prior year. Amount was used for capital and non-recurring items.

See accompanying notes to required supplementary information.

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

GENERAL FUND

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

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Property Taxes:				
Collections - current year	\$ 108,205,769	\$ 108,205,769	\$ 108,301,627	\$ 95,858
Collections - prior years	475,000	475,000	677,779	202,779
Interest and lien fees	400,000	400,000	445,609	45,609
Motor vehicle supplement list	1,100,000	1,100,000	1,097,177	(2,823)
Telecommunications property tax	49,000	49,000	44,726	(4,274)
Total property taxes	<u>110,229,769</u>	<u>110,229,769</u>	<u>110,566,918</u>	<u>337,149</u>
Intergovernmental:				
Veterans additional exemptions	19,033	19,033	15,548	(3,485)
In lieu of taxes	417,704	417,704	456,363	38,659
Totally disabled	1,643	1,643	1,533	(110)
Town aid for roads	470,865	470,865	471,024	159
Grants for municipal projects	235,371	235,371	235,371	-
Mashantucket Pequot fund grant	829,098	829,098	829,098	-
Equalized cost-sharing grant	3,956,332	3,956,332	4,501,064	544,732
Health services - St. Rose	22,170	22,170	23,141	971
LOCIP grant	240,865	240,865	207,543	(33,322)
State revenue sharing	257,863	257,863	267,960	10,097
Miscellaneous grants	25,000	25,000	42,376	17,376
Total intergovernmental revenue	<u>6,475,944</u>	<u>6,475,944</u>	<u>7,051,021</u>	<u>575,077</u>
Charges for Services:				
Town clerk - conveyance tax	500,000	500,000	556,736	56,736
Town clerk - other	225,000	225,000	239,226	14,226
Parks and recreation	225,000	225,000	146,253	(78,747)
Tuition	38,950	38,950	32,340	(6,610)
School generated fees	20,000	20,000	20,000	-
Building	450,000	450,000	495,812	45,812
Permit fees	1,250	1,250	8,088	6,838
Transfer Station permits	475,000	475,000	440,722	(34,278)
WPCA	125,000	125,000	125,000	-
Senior center membership fees	10,000	10,000	13,109	3,109
Land use	50,000	50,000	82,203	32,203
Total charges for services	<u>2,120,200</u>	<u>2,120,200</u>	<u>2,159,489</u>	<u>39,289</u>
Investment Income	<u>950,000</u>	<u>950,000</u>	<u>729,934</u>	<u>(220,066)</u>
Other Revenues:				
Miscellaneous - Police	30,000	30,000	30,015	15
Miscellaneous - Board of Education	10,000	10,000	4,262	(5,738)
Miscellaneous - Selectmen	218,000	218,000	127,386	(90,614)
Total other revenues	<u>258,000</u>	<u>258,000</u>	<u>161,663</u>	<u>(96,337)</u>
Total revenues	<u>120,033,913</u>	<u>120,033,913</u>	<u>120,669,025</u>	<u>635,112</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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Other Financing Sources:				
Appropriation of fund balance	\$ -	\$ 1,697,175	\$ -	\$ (1,697,175)
Cancellation of prior year encumbrances	-	-	28,479	28,479
Transfers in	250,000	250,000	400,000	150,000
Total other financing sources	<u>250,000</u>	<u>1,947,175</u>	<u>428,479</u>	<u>(1,518,696)</u>
Total revenues and other financing sources	<u>\$ 120,283,913</u>	<u>\$ 121,981,088</u>	<u>\$ 121,097,504</u>	<u>\$ (883,584)</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, 2020

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
General Government:				
Selectmen	\$ 440,493	\$ 401,553	\$ 397,334	\$ (4,219)
Selectmen - other	168,500	155,500	148,555	(6,945)
Human Resources	111,546	111,606	110,721	(885)
Tax Collector	380,630	379,805	378,105	(1,700)
Purchasing	74,301	74,236	72,973	(1,263)
Probate Court	7,972	5,972	5,915	(57)
Town Clerk	304,732	314,882	313,458	(1,424)
Registrars	167,331	165,331	163,558	(1,773)
Assessor	327,901	291,401	287,487	(3,914)
Finance	542,888	539,988	539,106	(882)
Technology	803,106	753,156	746,897	(6,259)
Unemployment	10,000	35,000	28,332	(6,668)
OPEB contribution	178,531	178,531	178,531	-
Professional organizations	40,658	40,658	40,658	-
Insurance	1,110,500	1,099,500	1,098,944	(556)
Legislative Council	45,000	54,245	54,245	-
Districts	10,000	10,000	4,029	(5,971)
Economic Development Commission	133,327	129,327	128,788	(539)
Grants administration	27,090	27,090	26,233	(857)
Sustainable Energy Commission	1,000	1,000.00	-	(1,000)
Fairfield Hills	44,000	44,000	44,000	-
Total General Government	<u>4,929,506</u>	<u>4,812,781</u>	<u>4,767,869</u>	<u>(44,912)</u>
Public Safety:				
Building inspector	422,872	404,322	400,017	(4,305)
Communications	1,136,488	1,099,213	1,095,890	(3,323)
Police Department	7,009,204	6,929,404	6,923,831	(5,573)
Fire Department	1,397,347	1,389,397	1,380,098	(9,299)
Emergency Management / N.U.S.	61,172	55,172	52,666	(2,506)
Animal Control	165,996	165,066	163,886	(1,180)
Lake authorities	45,776	45,776	45,776	-
N.W. safety communications	11,363	11,363	11,363	-
Emergency Medical Services	270,000	270,000	270,000	-
Northwest CT Emergency Medical Services	250	250	-	(250)
Total Public Safety	<u>10,520,468</u>	<u>10,369,963</u>	<u>10,343,527</u>	<u>(26,436)</u>
Health and Welfare:				
Social services	293,877	272,427	269,349	(3,078)
Senior services	346,543	307,943	303,566	(4,377)
Outside agencies	203,070	203,185	203,180	(5)
Youth & Family services	301,239	301,539	301,436	(103)
Newtown Parade Committee	1,400	1,400	1,090	(310)
N.W. Conservation District	1,100	1,100	1,040	(60)
Booth Library	1,382,115	1,382,295	1,382,058	(237)
Newtown Health District	403,001	403,351	403,338	(13)
Total Health and Welfare	<u>2,932,345</u>	<u>2,873,240</u>	<u>2,865,057</u>	<u>(8,183)</u>

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, 2020

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Land Use	\$ 714,116	\$ 684,017	\$ 678,228	\$ (5,789)
Public Works:				
Highway	7,700,924	7,533,635	7,517,438	(16,197)
Winter maintenance	782,128	707,128	703,374	(3,754)
Transfer station	1,566,586	1,568,186	1,556,384	(11,802)
Public building maintenance	713,787	845,087	821,694	(23,393)
Total Public Works	<u>10,763,425</u>	<u>10,654,036</u>	<u>10,598,890</u>	<u>(55,146)</u>
Parks and Recreation	<u>2,501,014</u>	<u>2,442,910</u>	<u>2,431,629</u>	<u>(11,281)</u>
Education	<u>78,104,410</u>	<u>78,104,410</u>	<u>76,748,426</u>	<u>(1,355,984)</u>
Contingency	<u>140,000</u>	<u>1,635</u>	<u>-</u>	<u>(1,635)</u>
Debt Service:				
Principal	6,910,107	6,835,453	6,835,453	-
Interest and fiscal charges	2,339,011	2,411,665	2,410,689	(976)
	<u>9,249,118</u>	<u>9,247,118</u>	<u>9,246,142</u>	<u>(976)</u>
Other Financing Uses:				
Transfers out:				
Edmond Town Hall Fund	179,511	179,611	179,608	(3)
Capital and Nonrecurring Fund - Town	250,000	2,484,175	2,484,175	-
Other Funds	-	127,192	127,192	-
Total Other Financing Uses	<u>429,511</u>	<u>2,790,978</u>	<u>2,790,975</u>	<u>(3)</u>
Total Expenditures and Other Financing Uses	<u>\$ 120,283,913</u>	<u>\$ 121,981,088</u>	<u>\$ 120,470,743</u>	<u>\$ (1,510,345)</u> <i>Concluded</i>

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2020

tax collection rate = 99.3%

Grand List Year	Balance Uncollected June 30, 2019	Current Levy	Lawful Corrections		Transfers To Suspense	Balance To Be Collected	Collections			Balance Uncollected June 30, 2020
			Additions	Deductions			Taxes	Interest Liens and Fees	Total	
2018	\$ -	\$ 110,542,955	\$ 170,856	\$ 420,302	\$ 170,250	\$ 110,123,259	\$ 109,398,205	\$ 311,097	\$ 109,709,302	\$ 725,054
2017	727,734	-	22,916	36,860	42,755	671,035	441,017	91,289	532,306	230,018
2016	227,014	-	7,198	2,232	19,266	212,714	47,216	15,139	62,355	165,498
2015	164,214	-	1,646	1,052	7,322	157,486	12,306	7,581	19,887	145,180
2014	141,568	-	272	325	5,416	136,099	10,124	4,736	14,860	125,975
2013	126,286	-	28	-	6,669	119,645	4,867	4,938	9,805	114,778
2012	96,197	-	-	-	4,479	91,718	2,585	3,372	5,957	89,133
2011	131,904	-	-	-	5,277	126,627	3,339	5,793	9,132	123,288
2010	120,369	-	-	-	4,295	116,074	19	254	273	116,055
2009	112,551	-	-	-	2,933	109,618	17	57	74	109,601
2008	102,585	-	-	-	2,635	99,950	18	58	76	99,932
2007	96,268	-	-	-	2,231	94,037	18	362	380	94,019
2006	14,960	-	-	-	-	14,960	18	64	82	14,942
2005	12,633	-	-	-	-	12,633	17	66	83	12,616
2004 and prior	18,075	-	-	8,773	-	9,302	16	67	83	9,286
	<u>\$ 2,092,358</u>	<u>\$ 110,542,955</u>	<u>\$ 202,916</u>	<u>\$ 469,544</u>	<u>\$ 273,528</u>	<u>\$ 112,095,157</u>	<u>\$ 109,919,782</u>	<u>\$ 444,873</u>	<u>\$ 110,364,655</u>	<u>\$ 2,175,375</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.

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.

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 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	Dog License Fund	Blight Fund	Police Private Duty Fund	Town Gifts Fund	School Lunch Program Fund	Education Grants Fund
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 207,150	\$ 3,224,917
Charges for services	13,102	-	1,425,702	-	1,215,543	395,648
Investment income	-	-	-	-	-	-
Other	10,012	-	-	135,083	-	555,756
Total revenues	<u>23,114</u>	<u>-</u>	<u>1,425,702</u>	<u>135,083</u>	<u>1,422,693</u>	<u>4,176,321</u>
EXPENDITURES						
Current:						
General government	-	-	-	12,173	-	-
Public safety	26,582	-	999,027	-	-	-
Health and welfare	-	-	-	40,169	-	-
Public works	-	-	-	-	-	-
Parks and recreation	-	-	-	22,764	-	-
Education	-	-	-	-	1,509,135	4,171,805
Capital outlays	-	-	-	-	-	12,526
Total expenditures	<u>26,582</u>	<u>-</u>	<u>999,027</u>	<u>75,106</u>	<u>1,509,135</u>	<u>4,184,331</u>
Excess (deficiency) of revenues over expenditures	(3,468)	-	426,675	59,977	(86,442)	(8,010)
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(400,000)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(400,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(3,468)	-	26,675	59,977	(86,442)	(8,010)
Fund balances - beginning	<u>12,491</u>	<u>35,218</u>	<u>64,036</u>	<u>270,900</u>	<u>188,005</u>	<u>259,286</u>
Fund balances - ending	<u>\$ 9,023</u>	<u>\$ 35,218</u>	<u>\$ 90,711</u>	<u>\$ 330,877</u>	<u>\$ 101,563</u>	<u>\$ 251,276</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, 2020

	Law Enforcement Fund	Septage Management Ordinance Fund	Fairfield Hills Authority Fund	School Custodial Fund	Adult Education Fund
REVENUES					
Intergovernmental	\$ 25,291	\$ -	\$ -	\$ -	\$ -
Charges for services	-	3,475	17,165	1,944	76,068
Investment income	-	1,515	-	-	-
Other	2,425	-	10,507	-	-
Total revenues	<u>27,716</u>	<u>4,990</u>	<u>27,672</u>	<u>1,944</u>	<u>76,068</u>
EXPENDITURES					
Current:					
General government	-	-	48,542	-	-
Public safety	13,803	-	-	-	-
Health and welfare	-	672	-	-	-
Public works	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Education	-	-	-	805	126,587
Capital outlays	-	-	-	-	-
Total expenditures	<u>13,803</u>	<u>672</u>	<u>48,542</u>	<u>805</u>	<u>126,587</u>
Excess (deficiency) of revenues over expenditures	13,913	4,318	(20,870)	1,139	(50,519)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	13,913	4,318	(20,870)	1,139	(50,519)
Fund balances - beginning	<u>219,307</u>	<u>122,476</u>	<u>71,956</u>	<u>82,934</u>	<u>64,423</u>
Fund balances - ending	<u>\$ 233,220</u>	<u>\$ 126,794</u>	<u>\$ 51,086</u>	<u>\$ 84,073</u>	<u>\$ 13,904</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, 2020

	Edmond Town Hall Fund	Newtown Community Center Fund	Town Recreation Fund	Miscellaneous Grants Fund	Small Cities Program Fund
REVENUES					
Intergovernmental	\$ -	\$ -	\$ -	\$ 651,218	\$ -
Charges for services	370,132	589,320	657,183	-	10,500
Investment income	47,365	21,153	-	-	-
Other	5,987	1,044,607	-	4,534	-
Total revenues	<u>423,484</u>	<u>1,655,080</u>	<u>657,183</u>	<u>655,752</u>	<u>10,500</u>
EXPENDITURES					
Current:					
General government	700,370	-	-	255,351	-
Public safety	-	-	-	159,682	-
Health and welfare	-	-	-	-	-
Public works	-	-	-	5,926	-
Parks and recreation	-	996,324	561,997	-	-
Education	-	-	-	117,812	-
Capital outlays	-	93,589	-	169,173	-
Total expenditures	<u>700,370</u>	<u>1,089,913</u>	<u>561,997</u>	<u>707,944</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(276,886)	565,167	95,186	(52,192)	10,500
OTHER FINANCING SOURCES (USES)					
Transfers in	179,608	75,000	-	52,192	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>179,608</u>	<u>75,000</u>	<u>-</u>	<u>52,192</u>	<u>-</u>
Net change in fund balances	(97,278)	640,167	95,186	-	10,500
Fund balances - beginning	<u>161,802</u>	<u>913,521</u>	<u>(39,545)</u>	<u>-</u>	<u>16,299</u>
Fund balances - ending	<u>\$ 64,524</u>	<u>\$ 1,553,688</u>	<u>\$ 55,641</u>	<u>\$ -</u>	<u>\$ 26,799</u>

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, 2020

	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	\$ -	\$ -	\$ 4,116,076
Charges for services	-	152,483	16,533	31,303	-	4,976,101
Investment income	-	-	-	7,498	-	77,531
Other	113,750	-	-	11,903	510	1,895,074
Total revenues	<u>113,750</u>	<u>152,483</u>	<u>24,033</u>	<u>50,704</u>	<u>510</u>	<u>11,064,782</u>
EXPENDITURES						
Current:						
General government	-	-	10,703	-	65,113	1,092,252
Public safety	-	-	-	-	-	1,199,094
Health and welfare	-	-	-	53,894	-	94,735
Public works	-	-	-	-	-	5,926
Parks and recreation	-	75,898	-	-	-	1,656,983
Education	-	-	-	-	-	5,926,144
Capital outlays	102,191	-	-	-	-	377,479
Total expenditures	<u>102,191</u>	<u>75,898</u>	<u>10,703</u>	<u>53,894</u>	<u>65,113</u>	<u>10,352,613</u>
Excess (deficiency) of revenues over expenditures	11,559	76,585	13,330	(3,190)	(64,603)	712,169
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	306,800
Transfers out	-	-	-	-	-	(400,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(93,200)</u>
Net change in fund balances	11,559	76,585	13,330	(3,190)	(64,603)	618,969
Fund balances - beginning	<u>-</u>	<u>292,365</u>	<u>38,078</u>	<u>185,301</u>	<u>111,659</u>	<u>3,070,512</u>
Fund balances - ending	<u>\$ 11,559</u>	<u>\$ 368,950</u>	<u>\$ 51,408</u>	<u>\$ 182,111</u>	<u>\$ 47,056</u>	<u>\$ 3,689,481</u>

Concluded

TOWN OF NEWTOWN, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR PERMANENT FUNDS
AS OF JUNE 30, 2020

	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	\$ 830	\$ 6,356	\$ -	\$ 16,040	\$ 23,226
Investments	386,819	1,033,474	12,655	1,091,966	2,524,914
Due from other funds	31,249	-	7,052	30,765	69,066
Total assets	<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					
Nonspendable	350,000	250,000	10,000	-	610,000
Restricted	68,898	789,830	9,707	1,138,771	2,007,206
Total fund balances	<u>418,898</u>	<u>1,039,830</u>	<u>19,707</u>	<u>1,138,771</u>	<u>2,617,206</u>
Total liabilities and fund balances	<u>\$ 418,898</u>	<u>\$ 1,039,830</u>	<u>\$ 19,707</u>	<u>\$ 1,138,771</u>	<u>\$ 2,617,206</u>

TOWN OF NEWTOWN, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR PERMANENT FUNDS
 FOR THE YEAR ENDED JUNE 30, 2020

	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	\$ 16,503	\$ 30,521	\$ 247	\$ 52,554	\$ 99,825
Contributions	-	-	3,414	-	3,414
Total revenues	<u>16,503</u>	<u>30,521</u>	<u>3,661</u>	<u>52,554</u>	<u>103,239</u>
EXPENDITURES					
Current:					
General government	-	63,642	-	-	63,642
Public safety	-	-	-	49,007	49,007
Education	15,765	-	-	-	15,765
Total expenditures	<u>15,765</u>	<u>63,642</u>	<u>-</u>	<u>49,007</u>	<u>128,414</u>
Net change in fund balances	738	(33,121)	3,661	3,547	(25,175)
Fund balances - beginning	<u>418,160</u>	<u>1,072,951</u>	<u>16,046</u>	<u>1,135,224</u>	<u>2,642,381</u>
Fund balances - ending	<u>\$ 418,898</u>	<u>\$ 1,039,830</u>	<u>\$ 19,707</u>	<u>\$ 1,138,771</u>	<u>\$ 2,617,206</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.

AGENCY FUNDS

Agency funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities).

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.

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

Performance Bonds Fund - A fund to account for developers' bonds which are held to assure performance on road construction. Once the roads are constructed, the bonds are released to the developers.

TOWN OF NEWTOWN, CONNECTICUT
COMBINING STATEMENT OF FIDUCIARY NET POSITION
PENSION AND OTHER POST-EMPLOYMENT BENEFITS TRUST FUNDS
AS OF JUNE 30, 2020

	Town Pension Trust Fund	OPEB Trust Fund	Total Pension Trust Funds
ASSETS			
Cash and cash equivalents	\$ 295,399	\$ 11,289	\$ 306,688
Investments:			
Bond mutual funds	16,723,039	1,138,543	17,861,582
Equity mutual funds	30,506,151	1,960,048	32,466,199
Contributions receivable	700	-	700
Total assets	<u>\$ 47,525,289</u>	<u>\$ 3,109,880</u>	<u>\$ 50,635,169</u>
NET POSITION			
Restricted for pension benefits	<u>\$ 47,525,289</u>	<u>\$ 3,109,880</u>	<u>\$ 50,635,169</u>

OPEB = retiree health benefits (other post employment benefits). Only police and teachers.

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, 2020

	Town Pension Trust Fund	OPEB Trust Fund	Total Pension Trust Funds
ADDITIONS			
Contributions:			
Employer	\$ 2,389,078	\$ 200,000	\$ 2,589,078
Plan members	449,597	-	449,597
Total contributions	<u>2,838,675</u>	<u>200,000</u>	<u>3,038,675</u>
Investment earnings:			
Interest and dividends	1,242,850	79,792	1,322,642
Net change in the fair value of investments	674,485	33,778	708,263
Total investment earnings	<u>1,917,335</u>	<u>113,570</u>	<u>2,030,905</u>
Total additions	4,756,010	313,570	5,069,580
DEDUCTIONS			
Benefit payments	2,562,107	-	2,562,107
Administrative expenses	9,773	6,689	16,462
Other	89,170	3,304	92,474
Total deductions	<u>2,661,050</u>	<u>9,993</u>	<u>2,671,043</u>
Change in net position	2,094,960	303,577	2,398,537
Net position - beginning	<u>45,430,329</u>	<u>2,806,303</u>	<u>48,236,632</u>
Net position - ending	<u>\$ 47,525,289</u>	<u>\$ 3,109,880</u>	<u>\$ 50,635,169</u>

net position
increased 4.6%



TOWN OF NEWTOWN, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Balance, July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2020</u>
ASSETS				
Cash and cash equivalents:				
Flexible Spending Fund	\$ 23,732	\$ 84,545	\$ 86,854	\$ 21,423
Student Activities Fund	544,691	1,088,923	1,059,903	573,711
Police Benevolent Fund	1,367	-	-	1,367
Performance Bonds Fund	274,731	536,445	16,259	794,917
Total cash and cash equivalents	<u>844,521</u>	<u>1,709,913</u>	<u>1,163,016</u>	<u>1,391,418</u>
Investments:				
Student Activities Fund	192,731	813	-	193,544
Total assets	<u>\$ 1,037,252</u>	<u>\$ 1,710,726</u>	<u>\$ 1,163,016</u>	<u>\$ 1,584,962</u>
LIABILITIES				
Due to others:				
Flexible Spending Fund	\$ 23,732	\$ 84,545	\$ 86,854	\$ 21,423
Student Activities Fund	737,422	1,089,736	1,059,903	767,255
Police Benevolent Fund	1,367	-	-	1,367
Performance Bonds Fund	274,731	536,445	16,259	794,917
Total liabilities	<u>\$ 1,037,252</u>	<u>\$ 1,710,726</u>	<u>\$ 1,163,016</u>	<u>\$ 1,584,962</u>

**TOWN OF NEWTOWN, CONNECTICUT
COMMUNICATION WITH THOSE CHARGED
WITH GOVERNANCE
FOR THE YEAR ENDED JUNE 30, 2020**

December 21, 2020

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

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Newtown, Connecticut (the "Town"), for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, the Connecticut State Single Audit Act and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town are described in Note 1 to the financial statements. The application of existing policies was not changed during the year ended June 30, 2020.

In May 2020, the GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this statement was to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective was accomplished by postponing the effective dates of certain provisions in statements and implementation guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. As such, no new accounting standards were implemented by the Town for the year ended June 30, 2020.

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

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

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

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

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

The financial statement disclosures are considered to be neutral, consistent, and clear. Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- Note 7 on Long-term Debt
- Note 8 on Other Long-term Liabilities
- Note 11 on Risk Management and Uncertainties

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

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

Disagreements with Management

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

Management Representations

We have requested certain representations from management that are included in the management representation letter dated December 21, 2020.

Management Consultations with Other Independent Accountants

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

Other Audit Findings or Issues

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

Other Matters

Required Supplementary Information

We applied certain limited procedures to the required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

Other Supplementary Information

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

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

Other Reporting

In the prior year, we reported a significant deficiency in the Town's internal control over financial reporting relating to the accounting for sewer assessments. The significant deficiency was reported in our separate Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated December 9, 2019. This finding is no longer considered to be a significant deficiency and we have removed it from our current year Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* dated December 21, 2020.

Restriction on Use

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

Very truly yours,



Certified Public Accountants
Glastonbury, Connecticut
December 21, 2020

STATE OF CONNECTICUT

OFFICE OF POLICY AND MANAGEMENT

FY 2019-2020 MUNICIPAL AUDIT QUESTIONNAIRE

This Questionnaire is required to be submitted to OPM with the audit reports of municipalities and audited agencies (as defined under Section 7-391 of the Connecticut General Statutes).

Name of Auditee Town of Newtown, Connecticut

Fiscal Period under Audit June 30, 2020

Mahoney Sabol & Company, LLP

(Audit Firm Name)

Mahoney Sabol & Company, LLP

(Signature)

December 21, 2020

(Date)

This Questionnaire was reviewed with and a copy given to:

Daniel C. Rosenthal

Name of Municipal Official

on

December 21, 2020

Date

First Selectman

Title of Municipal Official

203.270.4201

Telephone

	<u>YES</u>	<u>NO</u>	<u>NA</u>
1. Did you inform the town, city or Borough clerk to that part of Section 7-394 of the General Statutes which provides that within one week after receiving the audit report he/she shall cause to be published a legal notice in a newspaper having a substantial circulation in the municipality that the report is on file in said clerk's office?	<u>X</u>	<u> </u>	<u> </u>
2. Did you obtain a letter from municipal counsel with respect to unpaid or pending judgments and as to any other legal proceeding affecting the municipality's finances?	<u>X</u>	<u> </u>	<u> </u>
3. Were financial statements and/or books and records of the entity made available within a reasonable time after the close of the fiscal year?	<u>X</u>	<u> </u>	<u> </u>
4. Did the entity issue tax anticipation notes (TANs) during the fiscal year? (If yes, the notes to the financial statements should provide details regarding such TANs, including the purpose for which the TANs were issued.)	<u> </u>	<u>X</u>	<u> </u>
5. Was a separate management letter issued in addition to the Internal Control Report? If so, it should be submitted to the Office of Policy and Management with the audit report.	<u> </u>	<u>X</u>	<u> </u>
6. Were municipal officials (including the chief elected or executive official and governing body of the municipal entity) made aware of findings and recommendations resulting from the audit?	<u>X</u>	<u> </u>	<u> </u>
7. Federal Single Audit Act as Amended, 1996; Uniform Guidance for Federal Awards (Title 2 of CFR, 12/26/13)			
(a) Did you conduct a Single Audit of Federal Financial Assistance expended by the entity for FY 2019-20?	<u>X</u>	<u> </u>	<u> </u>
(b) Is a copy of the Single Audit included in the reporting package submitted?	<u>X</u>	<u> </u>	<u> </u>
8. State Single Audit (SSA) Act as amended by P.A. 09-7; Regulations to the SSA Act as amended by P.A. 09-7			
(a) Did you conduct a Single Audit of state financial assistance expended by the entity for FY 2019-20 or a program-specific audit of the entity's sole state program?	<u>X</u>	<u> </u>	<u> </u>
(b) Is a copy of the State Single Audit or program-specific audit included in the reporting package submitted?	<u>X</u>	<u> </u>	<u> </u>
(c) If applicable, did officials prepare a Corrective Action Plan (CAP) in sufficient time for inclusion in the audit report package [C.G.S. Sec.4-33(d)] to be filed with OPM as the cognizant state agency (hardcopy and electronic)?	<u> </u>	<u> </u>	<u>X</u>
(c) Did you upload the corrective action plan with the audit report package on OPM's Electronic Audit Reporting System?	<u> </u>	<u> </u>	<u>X</u>
The following question applies only to the one-hundred and sixty-nine (169) Connecticut municipalities, including the Borough of Naugatuck. It does not apply to other boroughs, regional school districts, other audited agencies or the City of Groton.			
9. Did the municipality complete its filings of the annual report in accordance with the Uniform System of Accounting for fiscal years ended 2014 through 2019 as provided under Section 7-406c(b) of the General Statutes?	<u> </u>	<u>X</u>	<u>*</u>

* Fiscal year 2019 not completed.

TOWN OF NEWTOWN, CONNECTICUT

**FEDERAL AND STATE
SINGLE AUDITS**

FOR THE YEAR ENDED JUNE 30, 2020

TOWN OF NEWTOWN, CONNECTICUT
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INTERNAL CONTROL AND COMPLIANCE REPORT

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

To the Legislative Council
Town of Newtown, Connecticut

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town of Newtown, Connecticut (the "Town"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated December 21, 2020.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

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

Certified Public Accountants
Glastonbury, Connecticut
December 21, 2020

FEDERAL SINGLE AUDIT SECTION

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

To the Legislative Council
Town of Newtown, Connecticut

Report on Compliance for Each Major Federal Program

We have audited the Town of Newtown, Connecticut's (the "Town"), compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended June 30, 2020. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of federal findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, the Town of Newtown, Connecticut, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

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

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

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

Purpose of this Report

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

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

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon dated December 21, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

Mahoney Sabol + Company, LLP

Certified Public Accountants
Glastonbury, Connecticut
December 21, 2020

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

Federal Grantor; Pass-Through Grantor; Program Title; Description	Pass-Through Entity Identification Number	Federal CFDA Number	Passed Through to Subrecipients	Federal Expenditures
UNITED STATES DEPARTMENT OF AGRICULTURE				
Child Nutrition Cluster:				
Passed through the State of Connecticut Department of Administrative Services:				
National School Lunch Program - Commodities	-	10.555	\$ -	\$ 64,693
Passed through the State of Connecticut Department of Education:				
National School Lunch Program (NSLP) - 2020	12060-SDE64370-20560	10.555	-	108,172
National School Lunch Program (NSLP) - 2019	12060-SDE64370-20560	10.555	-	24,517
School Breakfast Program (SBP) - 2020	12060-SDE64370-20508	10.553	-	289
School Breakfast Program (SBP) - 2019	12060-SDE64370-20508	10.553	-	28
Total Child Nutrition Cluster			-	197,699
Passed through the State of Connecticut Department of Education:				
Child and Adult Care Food Program (CACFP) - 2020	12060-SDE64370-20518	10.558	8,646	8,646
Child and Adult Care Food Program (CACFP) - 2019	12060-SDE64370-20518	10.558	6,784	6,784
Child and Adult Care Food Program (CACFP) - CARES Act	12060-SDE64370-29575	10.558	469	469
Child and Adult Care Food Program (CACFP) - Commodities - 2020	12060-SDE64370-20544	10.558	1,376	1,376
Child and Adult Care Food Program (CACFP) - Commodities - 2019	12060-SDE64370-20544	10.558	1,363	1,363
			18,638	18,638
TOTAL UNITED STATES DEPARTMENT OF AGRICULTURE			18,638	216,337
UNITED STATES DEPARTMENT OF EDUCATION				
Special Education Cluster:				
Passed through the State of Connecticut Department of Education:				
Special Education - Grants to States (IDEA, Part B) - 2019-2021	12060-SDE64370-20977	84.027	-	846,116
Special Education - Grants to States (IDEA, Part B) - 2018-2021	12060-SDE64370-20977	84.027	-	25,696
Special Education - Grants to States - Cognitive Disabilities Stipend - 2018	12060-SDE64215-20977	84.027	-	6,000
Special Education - Grants to States - Early Childhood Stipend - 2018	12060-SDE64215-20977	84.027	-	5,500
Special Education - Preschool Grants (IDEA Preschool) - 2018-2021	12060-SDE64370-20983	84.173	-	25,215
Total Special Education Cluster			-	908,527
Passed through the State of Connecticut Department of Education:				
Supporting Effective Instruction State Grants (Title II, Part A) - 2019-2021	12060-SDE64370-20858	84.367	-	67,268
Supporting Effective Instruction State Grants (Title II, Part A) - 2018-2021	12060-SDE64370-20858	84.367	-	1,272
			-	68,540
Title I Grants to Local Educational Agencies - 2019-2021	12060-SDE64370-20679	84.010	-	145,011
Title I Grants to Local Educational Agencies - 2018-2021	12060-SDE64370-20679	84.010	-	8,058
			-	153,069
Career and Technical Education Basic Grants to States (Perkins IV) (2020)	12060-SDE64370-20742	84.048	-	34,846
Career and Technical Education Basic Grants to States (Perkins IV) (2019)	12060-SDE64370-20742	84.048	-	21,139
			-	55,985
Elementary & Secondary School Emergency Relief Fund (ESSER) - CARES Act	12060-SDE64370-29571	84.425D	-	109,733
Student Support and Academic Enrichment Program (Title IV, Part A) - 2019-2021	12060-SDE64370-22854	84.424	-	8,219
Student Support and Academic Enrichment Program (Title IV, Part A) - 2018-2021	12060-SDE64370-22854	84.424	-	705
			-	8,924
Passed through EdAdvance:				
English Language Acquisition State Grants (Title III, Part A) - 2019	-	84.365	-	3,759
TOTAL UNITED STATES DEPARTMENT OF EDUCATION			-	1,308,537
UNITED STATES DEPARTMENT OF TRANSPORTATION				
Highway Planning and Construction Cluster:				
Passed through the State of Connecticut Department of Transportation:				
Highway Planning and Construction	12062-DOT57124-22108	20.205	-	18,637
Highway Planning and Construction	12062-DOT57191-22108	20.205	-	656,898
Highway Planning and Construction	12062-DOT57171-22108	20.205	-	146,449
Total Highway Planning and Construction Cluster			-	821,984
Highway Safety Cluster:				
Passed through the State of Connecticut Department of Transportation:				
State and Community Highway Safety	12062-DOT57513-20559	20.600	-	20,479
National Priority Safety Programs	12062-DOT57513-22600	20.616	-	3,394
Total Highway Safety Cluster			-	23,873
Passed through the State of Connecticut Department of Transportation:				
Alcohol Open Container Requirements	12062-DOT57513-22091	20.607	-	21,897
TOTAL UNITED STATES DEPARTMENT OF TRANSPORTATION			-	867,754

Continued

The accompanying notes are an integral part of this schedule.

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2020

<u>Federal Grantor; Pass-Through Grantor; Program Title; Description</u>	<u>Pass-Through Entity Identification Number</u>	<u>Federal CFDA Number</u>	<u>Passed Through to Subrecipients</u>	<u>Federal Expenditures</u>
UNITED STATES DEPARTMENT OF HOMELAND SECURITY				
Passed through the State of Connecticut Department of Emergency Services and Public Protection:				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	12060-DPS32990-21891	97.036	\$ -	\$ 2,016,907
Emergency Management Performance Grant	12060-DPS32160-21881	97.042	-	7,022
			<u>-</u>	<u>2,023,929</u>
UNITED STATES DEPARTMENT OF JUSTICE				
Passed through the State of Connecticut Judicial Branch:				
Crime Victim Assistance	12060-JUD95810-22913	16.575	-	345,721
TOTAL FEDERAL AWARDS EXPENDED			<u>\$ 18,638</u>	<u>\$ 4,762,278</u> <i>Concluded</i>

The accompanying notes are an integral part of this schedule.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2020

NOTE 1 - ACCOUNTING BASIS

BASIC FINANCIAL STATEMENTS

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

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

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

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

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

COST ALLOCATION PRINCIPLES

The Town has elected not to use the 10 percent de minimus indirect cost rate as allowed under the Uniform Guidance. The Town has no federal awards for which an indirect cost rate is applicable.

NOTE 2 - OTHER FEDERAL ASSISTANCE

The United States Department of Agriculture provides commodities to the Town's schools. An amount of \$64,693 has been reflected in the expenditures column in the accompanying schedule of expenditures of federal awards, which represents the fair market value of such commodities received during the year ended June 30, 2020.

The following is a summary of loan program activity for the year ended June 30, 2020.

Department of Environmental Protection: Drinking Water State Revolving Fund Program

<u>Project</u>	<u>Issue Year</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance June 30, 2019</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2020</u>
200402-C	2006	2.32%	\$ 171,738	\$ 64,058	\$ -	\$ 9,238	\$ 54,820

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

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF FEDERAL FINDINGS AND QUESTIONED COSTS (Continued)
FOR THE YEAR ENDED JUNE 30, 2020

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes ✓ No

Significant deficiency(ies) identified? _____ Yes ✓ None

Noncompliance material to financial statements noted? _____ Yes ✓ No

FEDERAL AWARDS

Internal control over major programs:

Material weakness(es) identified? _____ Yes ✓ No

Significant deficiency(ies) identified? _____ Yes ✓ None

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

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

Identification of major programs:

CFDA Number	Name of Federal Program
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)

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

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

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

No matters were reported.

SUMMARY SCHEDULE OF THE STATUS OF PRIOR AUDIT FINDINGS

Finding 2019-001, *Significant Deficiency over Internal Control over Financial Reporting - Accounting for Sewer Assessments*, is no longer considered to be a significant deficiency.

STATE SINGLE AUDIT SECTION

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

To the Legislative Council
Town of Newtown, Connecticut

Report on Compliance for Each Major Program

We have audited the Town of Newtown, Connecticut's (the "Town"), compliance with the types of compliance requirements described in the State of Connecticut, Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the Town's major state programs for the year ended June 30, 2020. The Town's major state programs are identified in the summary of auditor's results section of the accompanying schedule of state findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major State Program

In our opinion, the Town of Newtown, Connecticut, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2020.

Report on Internal Control over Compliance

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

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

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

Purpose of this Report

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

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

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon dated December 21, 2020, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the basic financial statements. The schedule of expenditures of state financial assistance is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.

Mahoney Sabol + Company, LLP

Certified Public Accountants
Glastonbury, Connecticut
December 21, 2020

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2020

State Grantor; Pass-Through Grantor; Program Title	State Grant Program Core-CT Number	Passed Through to Subrecipients	Expenditures
NONEXEMPT PROGRAMS:			
DEPARTMENT OF EDUCATION			
Direct:			
Magnet Schools	11000-SDE64370-17057	\$ -	\$ 20,800
Health Services	11000-SDE64370-17034	-	23,141
Child Nutrition State Matching Grant	11000-SDE64370-16211	-	9,451
Talent Development	11000-SDE64370-12552	-	6,558
Adult Education	11000-SDE64370-17030	-	4,786
Total Department of Education		<u>-</u>	<u>64,736</u>
DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT			
Direct:			
Brownfield Remediation Program	12060-ECD46260-35533	-	22,908
DEPARTMENT OF EMERGENCY SERVICES AND PUBLIC PROTECTION			
Direct:			
Telecommunications Fund - 2020	12060-DPS32741-35190	-	37,137
Telecommunications Fund - 2019	12060-DPS32741-35190	-	145,260
Total Department of Emergency Services and Public Protection		<u>-</u>	<u>182,397</u>
DEPARTMENT OF TRANSPORTATION			
Direct:			
Town Aid Road Grants - Transportation Fund	12052-DOT57131-43455-34005	-	235,512
Town Aid Road Grants - Transportation Fund - STO	13033-DOT57131-43459-34005	-	235,512
Local Transportation Capital Improvement Program (LOTICIP)	13033-DOT57197-43584	-	155,917
Interstate Highway Projects	13033-DOT57124-41404	-	5,778
Total Department of Transportation		<u>-</u>	<u>632,719</u>
OFFICE OF THE STATE TREASURER			
Direct:			
Nitrogen Credit Exchange Program	21016-OTT14230-42407	-	45,932
CONNECTICUT JUDICIAL BRANCH			
Direct:			
IOLTA Court fees	34001-JUD95162-40001	-	21,898
CONNECTICUT DEPARTMENT OF LABOR			
Passed through Northwest Regional Workforce Investment Board:			
Connecticut's Youth Employment Program - Summer Employment Grant	11000-DOL40000-12205	-	16,852
Connecticut's Youth Employment Program - School Year Employment Grant	11000-DOL40000-12205	-	6,000
		<u>-</u>	<u>22,852</u>
CONNECTICUT STATE LIBRARY			
Direct:			
Construction Grants to Public Libraries	12052-CSL66051-43299	-	27,500
Historic Documents Preservation Grants	12060-CSL66094-35150	-	7,500
		<u>-</u>	<u>35,000</u>
			<i>Continued</i>

The accompanying notes are an integral part of this schedule.

TOWN OF NEWTOWN, CONNECTICUT
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE *(Continued)*
 FOR THE YEAR ENDED JUNE 30, 2020

State Grantor; Pass-Through Grantor; Program Title	State Grant Program Core-CT Number	Passed Through to Subrecipients	Expenditures
NONEXEMPT PROGRAMS: <i>(Continued)</i>			
OFFICE OF POLICY AND MANAGEMENT			
Direct:			
Payment in Lieu of Taxes (PILOT) on State-Owned Property	11000-OPM20600-17004	\$ -	\$ 456,363
Municipal Grants-In-Aid	12052-OPM20600-43587	-	235,371
Local Capital Improvement Program	12050-OPM20600-40254	-	207,543
Property Tax Relief for Veterans	11000-OPM20600-17024	-	15,548
Neglected Cemetery Program	12060-OPM20600-35570	-	2,500
Property Tax Relief on Property of Totally Disabled Persons	11000-OPM20600-17011	-	1,533
Office of Policy and Management		<u>-</u>	<u>918,858</u>
OFFICE OF EARLY CHILDHOOD			
Direct:			
Child Day Care	11000-OEC64841-16274-83012	260,014	260,014
DEPARTMENT OF SOCIAL SERVICES			
Direct:			
Medicaid	11000-DSS60000-16020	-	45,448
DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION			
Direct:			
Public, Educational and Governmental Programming and Educational Technology Investment Account (PEGPETIA)	12060-DEP44620-35363	-	55,890
Total State Financial Assistance Before Exempt Programs		<u>260,014</u>	<u>2,308,652</u>
EXEMPT PROGRAMS:			
DEPARTMENT OF EDUCATION			
Direct:			
Education Cost Sharing	11000-SDE64370-17041-82010	-	4,501,064
Excess Costs Student Based and Equity	11000-SDE64370-17047	-	1,760,046
Total Department of Education		<u>-</u>	<u>6,261,110</u>
OFFICE OF POLICY AND MANAGEMENT			
Direct:			
Mashantucket Pequot and Mohegan Fund Grant	12009-OPM20600-17005	-	829,098
Municipal Stabilization Grant	11000-OPM20600-17104	-	267,960
Total Office of Policy and Management		<u>-</u>	<u>1,097,058</u>
Total Exempt Programs		<u>-</u>	<u>7,358,168</u>
TOTAL STATE FINANCIAL ASSISTANCE		<u>\$ 260,014</u>	<u>\$ 9,666,820</u>
			<i>Concluded</i>

The accompanying notes are an integral part of this schedule.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE YEAR ENDED JUNE 30, 2020

The accompanying schedule of expenditures of state financial assistance includes state grant activity of the Town of Newtown, Connecticut (the "Town"), under programs of the State of Connecticut for the fiscal year ended June 30, 2020. Various departments and agencies of the State of Connecticut have provided financial assistance to the Town through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs of the Town.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

BASIS OF ACCOUNTING

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

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

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

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

NOTE 2 - LOAN PROGRAMS

In accordance with Section 4-236-23(a)(4)(F) of the Regulations to the State Single Audit Act, the notes to the schedule of expenditures of state finance assistance shall include loans and loan activities. The following is a summary of the loan program activity for the year ended June 30, 2020:

Department of Energy and Environmental Protection: Clean Water Fund Program

<u>Project</u>	<u>Issue Year</u>	<u>Interest Rate</u>	<u>Original Amount</u>	<u>Balance June 30, 2019</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance June 30, 2020</u>
200101-C	2003	2.10%	\$ 516,000	\$ 120,033	\$ -	\$ 29,069	\$ 90,964

TOWN OF NEWTOWN, CONNECTICUT
SCHEDULE OF STATE FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2020

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? _____ Yes No

Significant deficiency(ies) identified? _____ Yes Reported

Noncompliance material to financial statements noted? _____ Yes No

STATE FINANCIAL ASSISTANCE

Internal control over major programs:

Material weakness(es) identified? _____ Yes No

Significant deficiency(ies) identified? _____ Yes Reported

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

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

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

State Grantor/ Program	State Grant Program Core-CT Number	Expenditures
Department of Transportation:		
Town Aid Road Grants - Transportation Fund	12052-DOT57131-43455-34005 13033-DOT57131-43459-34005	\$ 471,024
Office of Policy and Management:		
Municipal Grants-In-Aid	12052-OPM20600-43587	235,371
Payment in Lieu of Taxes (PILOT) on State-Owned Property	11000-OPM20600-17004	456,363

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

SECTION II - FINANCIAL STATEMENT FINDINGS

No matters were reported.

SECTION III - STATE FINANCIAL ASSISTANCE FINDINGS AND QUESTIONED COSTS

No matters were reported.

SUMMARY SCHEDULE OF THE STATUS OF PRIOR AUDIT FINDINGS

Finding 2019-001, *Significant Deficiency over Internal Control over Financial Reporting - Accounting for Sewer Assessments*, is no longer considered to be a significant deficiency.