

**TOWN OF NEW HARTFORD
CONNECTICUT**

Comprehensive Annual Financial Report

For the Fiscal Year Ended

June 30, 2020

Prepared By
New Hartford Finance Department
New Hartford, Connecticut 06057

TOWN OF NEW HARTFORD

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Introductory Section

TOWN OF NEW HARTFORD

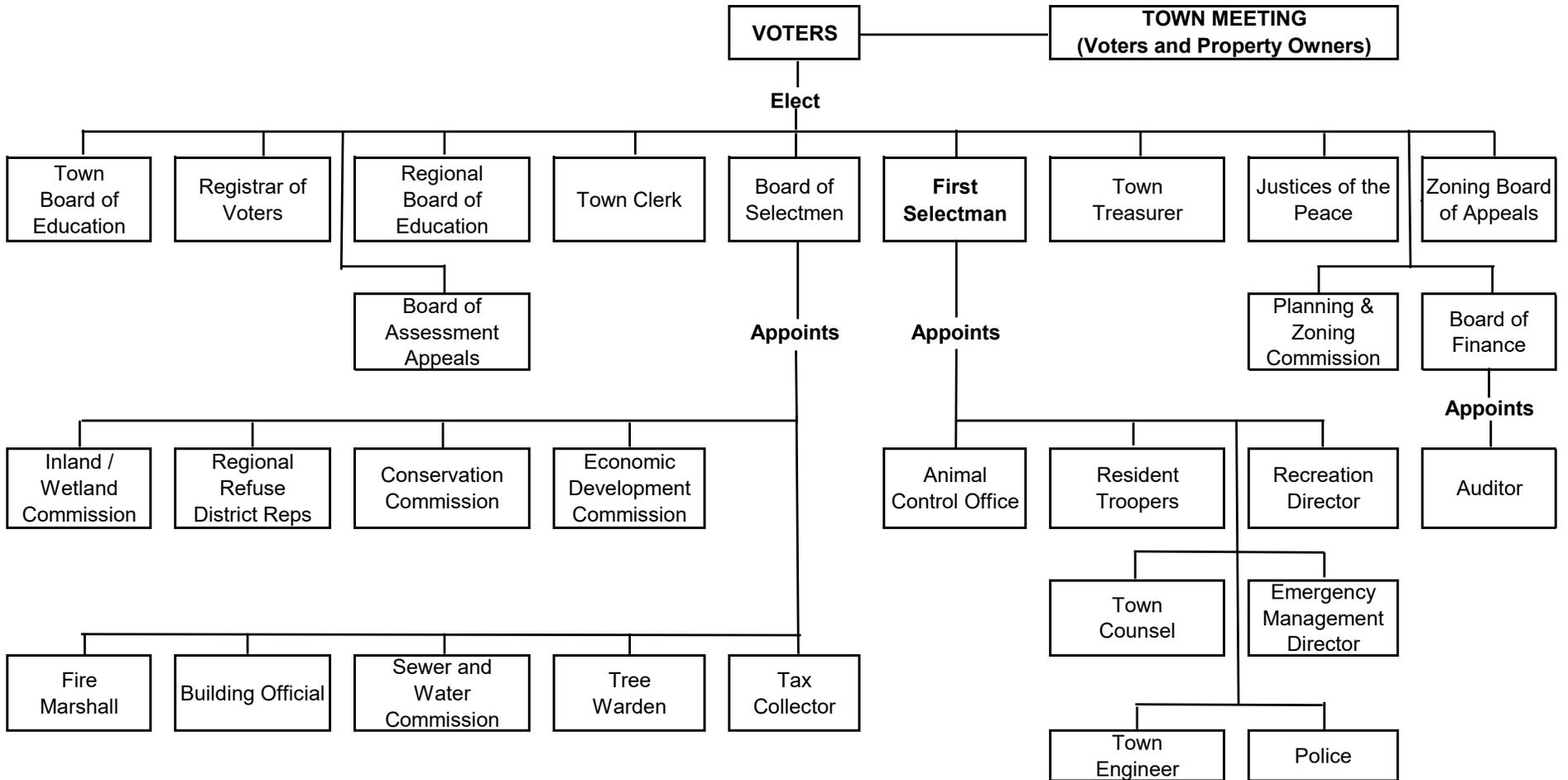
Principal Officials

June 30, 2020

<u>Office</u>	<u>Name</u>	<u>Manner of Selection</u>	<u>Term</u>
First Selectman	Daniel V. Jerram	Elected	2 years
Selectman	David Rosengren	Elected	2 years
Selectman	Alesia Kennerson	Elected	2 years
Town Clerk	Donna N. LaPlante	Elected	4 years
Tax Collector	Karen Wieduwilt	Appointed	2 Years
Treasurer	Gordon Ross	Elected	2 years
Assessor	Rae Ann Walcott	Appointed	2 years
Board of Finance - Chair	Regina Wexler	Elected	6 years
Board of Education - Chair	Tim Goff	Elected	6 years
Superintendent of Schools	Brian Murphy	Appointed	Indefinite
Judge of Probate	Michael Magistralli	Elected	4 years

TOWN OF NEW HARTFORD

Organizational Chart



Daniel V. Jerram
First Selectman

To the Members of the Board of Selectmen,
Board of Education, Board of Finance and
Citizens of the Town of New Hartford, Connecticut:

December 8, 2020

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) of the Town of New Hartford, CT (the “Town”) for the fiscal year ended June 30, 2020. The appointed auditors from King, King & Associates, CPAs Certified Public Accountants, have issued their opinion on New Hartford’s financial statements for the Fiscal Year 2019-2020, which states that the Town’s financial statements are fairly presented in accordance with generally accepted accounting principles. Additionally, the auditor’s reports issued under *Government Auditing Standards* report no material weaknesses and no findings under grant programs. The independent auditor’s report is located at the front of the financial section of this report. Management’s Discussion and Analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

This report was prepared by the Town Finance Department under the direction of the First Selectman with the services of King, King & Associates, CPAs as the Town’s contractual auditor. The report consists of management’s representations concerning the finances of the Town. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive internal control framework that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. As management, we assert that this financial report is complete to the best of our knowledge and belief.

The Town is required to undergo an annual audit in conformity with the provisions of the Connecticut General Statutes, the Connecticut Single Audit Act, Federal Single Audit Act, and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, when applicable. Information related to the Connecticut State Single Audit, including the Schedule of Expenditures of State Financial Assistance, findings and recommendations, and auditor’s reports on the internal control structure and compliance with applicable laws and regulations are issued under a separate cover and are not included in this report. Copies of these reports are on file in the Town Clerk’s office.

Profile of the Government - Description of the Town

New Hartford borders the City of Torrington to the west, Barkhamsted to the north, Canton to the east, and Burlington and Harwinton to the south. The Town was settled in 1733 and incorporated five years later in October of 1738. State routes 44, 202, and 219 along with numerous town and private roads traverse New Hartford’s 38.3 square miles. Grades kindergarten through six attend local Town schools.



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The Town of New Hartford is an Equal Opportunity Provider and Employer

Profile of the Government - Continued

All three Town schools have been renovated in the last 20 years. Renovations to Ann Antolini School were recently completed. The renovations were funded primarily through state construction grants and long-term bonds, which are in the repayment phase. The bond for Bakerville Consolidated School was fully repaid on September 1, 2013. Grades seven through twelve attend Northwestern Regional School District No. 7 in Winsted, whose member towns include New Hartford, Barkhamsted, Colebrook, and Norfolk.

The school building (NWR7) was renovated in 1999, financed primarily through state construction grants and long-term bonds that are being repaid through assessments to the member Towns. All schools attended by the residents are widely accepted to maintain high levels of scholastic achievement.

Many of New Hartford's residents commute to the Hartford area to white collar and management positions. Land use is characterized by many large, limited purpose sites such as the Nepaug State Forest (1,017.4 acres), Metropolitan District Commission water shed lands (2,481.62 acres), sizable agricultural areas, land acquired as open space, and vacant land. Last year the Town completed the preservation of the Butler Farm a 95 acre preservation project that included an 8 acre riverfront parcel that will be used for development of a trail. The few developments in Town are consistently moderate to low density single family residences. The Town has experienced steady population growth in the last 40 years growing from a population of 3,993 in 1970 to 6,970 according to 2010 Census. The Census reports that the town's population has since declined to 6,685 in 2018. Student population in local schools has dropped significantly in recent years. Grand list growth, primarily attributable to new home construction, has slowed significantly in recent years but there has been a recent uptick in permit issuance and new construction. Supporting new initiatives to foster new economic development remains a priority of the Town. Recently "DUNKIN" has completed construction on a new \$1.5 million restaurant facility within the village center continuing a trend of development along Route 44.

The Town's principal industries are manufacture of plumbing supplies, aircraft parts, electronic components, springs, industrial adhesives, motion control products, agriculture and plastics. Home Depot provides large scale retail of home improvement products. Recreational sites, such as the Farmington River for fishing, canoeing and kayaking and Ski Sundown for skiing, attract visitors year round.

Form of Government

New Hartford is governed by the Board of Selectmen/Board of Finance/Town Meeting form of government. A three-member Board of Selectmen, elected biennially, serves as the executive body, and a full-time First Selectman acts as the Town's Chief Executive. The six-member Board of Finance, in conjunction with the First Selectman and the elected part-time Treasurer, is responsible for finances and for preparing and presenting the annual budget of the Town.

The Town Meeting is the legislative body that must approve the annual budget, all special appropriations or expenditures over \$20,000, and all bond and note authorizations. Local elections are held every odd-numbered year in November. There are two voting districts, but all elected officials serve at-large. The Board of Selectmen assumes office four weeks after election and appoints members of various Town boards, commissions, and committees. The Board of Education appoints the Superintendent of Schools who is responsible for administering the Town's educational system.

The Town provides a full range of services, including police and fire protection; emergency medical services; highway, parks and recreation; solid waste disposal; water and sewer; elementary education; library services; utilities; and services to the elderly.

The annual budget serves as the foundation for the Town's financial planning and control. The Board of Selectmen hold public review sessions before approving a proposed budget and submitting it to the Board of Finance each year. The Board of Finance reviews the budget with the Board of Selectmen and holds a public hearing in April each year. The Board of Finance adjusts the proposed budget before recommending the budget to the annual town budget meeting each year, where the budget may be discussed and then adjourned to referendum. It is noted that while statute allows the Town to approve the budget at the "budget meeting", the Board of Selectmen have historically under CGS 7-7 voluntarily removed the item from the call of the Budget Meeting and have taken the budget to referendum every year for the past 30+ years.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Town of New Hartford operates.

Local Economic Condition and Outlook

Local economic indicators have slowed considerably and remain at record low levels. Unemployment remains relatively low in New Hartford (local unemployment for the 2019/2020 fiscal year was 3.8%). Residential construction, the primary source of Grand List growth remains at relatively low levels. Only eight (8) permits were issued for new homes in 2019/2020 fiscal year with an estimated value of \$1,794,080 similar to 2018/2019 fiscal year when eight permits were also issued (\$1,869,300). There were 9 permits issued 2017/2018 for a total of \$2,300,000. The lack of new construction continues to place pressure on residential real estate taxes. The Town is anticipating a reduction in some state grants. Over the past year the town has utilized state and federal grants to complete several large infrastructure projects, but grant funding continues to get harder to find.

Grants totaling \$120,000 from DEEP for Recreational Trail Grant development were received for use in design of a multi-use trail between New Hartford and Canton. The grant will be supplemented with \$30,000 of "local match" funds through Capital. The Town also applied for an \$89,700 in STEAP (Small Town Economic Assistance Program) funding to construct new outdoor restrooms at Brodie Park (to be funded – if approved - with \$50,000 of "local match" funds from Capital).

While the State projects population growth, the Town is not anticipating any significant increase to the tax base by way of new residents or businesses, as the current economic times have people being cautious relative to spending. The First Selectman is committed to continued budget restraint combined with pursuit of grant funds (when available) to help maintain affordable real estate taxes. The First Selectman has taken action to limit long term budget growth by minimizing growth in labor costs through reasonable contractual salary increases balanced with increased co-funding of health care costs by employees. The town recently replaced ConnectiCare with Anthem Blue Cross/Blue Shield as the town's new health insurance provider to reduce costs (the town evaluates costs annually). The Town and Municipal Employee unions have also agreed to "sunset" the Town's pension program in favor of a new Defined Contribution Plan which will show significant savings to the Town in the future.

Long-Term Financial Planning

The Municipal Reserve fund provides financial resources for the acquisition of major equipment or the construction of capital facilities. The Town periodically maintains individual capital projects funds for special grant funded projects, such as school renovation projects. Municipal debt service remains low and no new bonded initiatives have been undertaken in the fiscal year. The Town's largest municipal debt consists of a new loan (bond) for the renovation of Ann Antolini School and replacement of Carpenter Road Bridge that totaled \$3,915,000. Debt service on this loan will cost residents and taxpayers roughly \$290,000 per year for the next 17 years. Appropriations are made on an annual basis by the Board of Selectmen, Board of Finance and Board of Education within the respective operating budgets for infrastructure and facility improvements and vehicle and equipment acquisition.

Cash and Investment Management Policies and Practices

All cash during the year was maintained in demand accounts. The Town restricts its investment activities to instruments that provide, in order of priority, the greatest safety, liquidity and yield.

Risk Management

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God. The Town purchases commercial insurance to cover most potential risks of loss. Neither the Town nor its insurers have settled any claim within the past year, which have exceeded the Town's insurance coverage. There were no significant changes in coverage from the prior year, and no settlements have exceeded insurance coverage in the last three years. Additional information of the Town of New Hartford's risk management activity can be found in Note 7 of the notes to the financial statements.

Pension Trust Fund Operations

The Town has a Pension Trust Fund for Town employees hired on or before July 1, 2011, which is a single employer, defined benefit, noncontributory plan that is administered by the Town. Board of Education employees that are excluded from this plan are participants in the State Teachers Retirement System. Teacher pension contributions provided and managed by the State of Connecticut on behalf of the Town are disclosed in the Town's financial statements but are not a part of the Town's Pension Trust Funds. Newer employees (hired after July 1, 2011) are offered a co-funded Municipal 457 plan administered through VOYA.

The Town's pension assets are invested in Cash Equivalents (Money Funds) and various Mutual Funds. These accounts are managed by investment professionals, who are responsible for coordinating and monitoring the management of the investments within guidelines contained in an approved investment plan. The Board of Selectmen review investment performance and asset allocation and make changes based on recommendations of our investment advisors (Hooker & Holcomb). Over the past two fiscal years, the economy has had a significant impact on the value of the assets of the pension fund. The pension fund balance has a current balance of \$4,480,253 (June 30, 2020), increasing from \$4,321,400 as of June 30, 2019. The fund has seen significant increases over the past several years (the balance was \$3,582,775 as of June 30, 2017). Annual pension contributions currently exceed \$260,000.

The overall pension liability for the town's plan is \$5,715,824, with the town's investment value (as of June 30) \$4,480,253 equating to a 78.38 percent funding ratio.

Independent Audit

Connecticut General Statutes require that all municipalities have their accounts audited annually by an independent public accountant as required under Connecticut General Statutes Section 7-392. The Board of Finance appointed King, King & Associates, CPAs to conduct the 2019-2020 Town audit. The independent auditor's report is included in this report.

Proposed Sale of Water & Sewer Assets

The town continues to pursue the sale of the town's water and sewer assets to Aquarion Water Company. In late 2019, the Asset Evaluation Team (AET) in conjunction with the Water Pollution Control Authority (WPCA) recommended to the Board of Selectmen that the Town accept Aquarion's offer of \$8,000,000 with a plan to alleviate all debt related to the system (roughly \$3,500,000), construct sewers in Pine Meadow (roughly \$3,500,000) and reinvest the remainder of the proceeds of sale into rate subsidies (for all rate payers) and connection assistance for new sewer users. Public presentations to residents were slowed by COVID-19, but continue into the next fiscal year. A vote on the proposed sale is expected in early 2021.

Certificate of Achievement

This report has been prepared following the guidelines of the Government Finance Officers Association (GFOA) of the United States and Canada and the Governmental Accounting Standards Board (GASB). The GFOA awards a Certificate of Achievement for Excellence in Financial Reporting to governmental units that publish an easily readable and efficiently organized Comprehensive Annual Financial Report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. The GFOA awarded the certificate to the Town of New Hartford for all fiscal years between 2009 & 2017. 2009 was the first year that the Town ever received an award of this type. The Town of New Hartford Board of Finance has chosen not to apply for the recognition since 2018 (the award is not free).

A Certificate of Achievement, which is valid for one year only, is the highest form of recognition in the area of governmental accounting and financial reporting, and its attainment represents a significant accomplishment for a government unit and its management. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements.

COVID-19

To complete and submit this report without a discussion of the impact of COVID-19 would be inappropriate. During the month of March 2020, New Hartford like many other Connecticut towns began to experience the impact of the COVID-19 virus. Many town businesses and government operations were impacted. Businesses were closed by the Governor's Executive Orders for several months causing a spike in local unemployment in April, May and June (culminating at 7.2% in June). During the crisis, Town Hall remained open to the public, but implemented "appointment only" procedures for the safety of our employees. All meetings moved to virtual platforms. The annual budget was approved by the Board of Finance without a vote at referendum. Local New Hartford schools (K-6) and Northwestern Regional 7 closed and quickly implemented "virtual classrooms" which has been difficult on families as well as school staff. Emergency Services (Police and DPW) remained operational throughout the pandemic. Much of the data contained within this report is impacted by the virus in some way. Pension funds, unemployment rates all were reaching for new records, but results were tempered by business closures and layoffs in the last few months of the fiscal year. While confirmed cases within the town remained at relatively low levels through June 30, 2020, the impact on local businesses has been significant and will extend far beyond the end of the fiscal year. The total costs related to the pandemic have yet to be defined – some of which has been reimbursed by the State of Connecticut.

Acknowledgments

The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the Board of Selectmen, Board of Finance, and the Finance Department. I would like to express my appreciation to them and other town departments who assisted in compiling this report. My office aims to provide support and advice necessary to carry out the policies of the New Hartford Board of Selectmen and Board of Finance, along with the many challenging issues confronting New Hartford in the years ahead.

Respectfully Submitted,

Daniel V. Jerram, First Selectman

Financial Section

Independent Auditor's Report

To the Board of Finance
Town of New Hartford, CT

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of New Hartford, CT, as of and for the year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the Town of New Hartford, CT's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of New Hartford, CT, as of June 30, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 11–17, the budgetary comparison information on page 24 and the supplementary pension plan information on pages 61–66 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of New Hartford, CT's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2020, on our consideration of the Town of New Hartford, CT's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of New Hartford, CT's internal control over financial reporting and compliance.



King, King & Associates, CPAs
Winsted, CT
November 30, 2020

TOWN OF NEW HARTFORD, CT
Management's Discussion and Analysis
June 30, 2020

As management of the Town of New Hartford, CT, we offer readers of the Town of New Hartford, CT's financial statements this narrative overview and analysis of the financial activities of the Town of New Hartford, CT for the fiscal year ended June 30, 2020.

Financial Highlights

- The assets of the Town of New Hartford, CT exceeded its liabilities at the close of the most recent fiscal year by \$24,482,225 (*net position*). Restricted net position is \$823,604 of which \$17,198 is restricted for Community Investment, \$664,539 is restricted for Community Development, \$120,286 is restricted for Town Hill Cemetery, \$16,637 is restricted for Historical Documents and \$4,944 is restricted for New Hartford Day.
- The Town of New Hartford, CT's, total net position increased by \$419,196. This increase is attributable to favorable tax collections, greater than anticipated grant revenues and cost savings in all departments. In addition, the increase was attributed to current year debt payments and the decrease in the net pension liability. These favorable amounts were reduced by the WPCA's unfavorable results of \$332,675.
- As of the close of the current fiscal year, the Town of New Hartford, CT's governmental funds reported combined ending fund balances of \$5,919,487, an increase of \$418,957 in comparison with the prior year. This increase is attributable to favorable tax collections, greater than anticipated grant revenues and cost savings in all departments. Of this amount, \$3,027,107 is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, assigned and unassigned fund balance for the General Fund was \$4,222,599 or 16.9% percent of total General Fund expenditures.

Overview of the Financial Statements

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

Government-Wide Financial Statements: The *government-wide financial statements* are designed to provide readers with a broad overview of the Town of New Hartford, CT's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the Town of New Hartford, CT's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator whether the financial position of the Town of New Hartford, CT is improving or deteriorating.

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

TOWN OF NEW HARTFORD, CT
Management's Discussion and Analysis
June 30, 2020

Both of the government-wide financial statements distinguish functions of the Town of New Hartford, CT that are principally supported by grants and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town of New Hartford, CT include education, public safety, general government and highway.

The government-wide financial statements can be found on pages 18-19 of this report.

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

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

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

The Town of New Hartford, CT maintains thirteen (13) individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Capital Projects Fund, which is considered to be a major fund. The remaining eleven funds are combined into a single aggregated presentation in the financial statements.

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

The basic governmental fund financial statements can be found on pages 20-24 of this report.

Proprietary Funds: The Town maintains one proprietary fund. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Pollution Control Authority.

The basic proprietary fund financial statements can be found on pages 25-27 of this report.

TOWN OF NEW HARTFORD, CT
Management's Discussion and Analysis
June 30, 2020

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

The basic fiduciary fund financial statements can be found on pages 28-29 of this report.

Notes to the financial statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 30-60 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of New Hartford, CT, assets exceeded liabilities by \$24,482,225 at the close of the most recent fiscal year.

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
Current and Other Assets	\$ 6,417,033	\$ 6,641,755	\$ 245,341	\$ 215,252	\$ 6,662,374	\$ 6,857,007
Capital Assets	19,161,863	18,917,302	9,455,467	9,806,037	28,617,330	28,723,339
Total Assets	<u>25,578,896</u>	<u>25,559,057</u>	<u>9,700,808</u>	<u>10,021,289</u>	<u>35,279,704</u>	<u>35,580,346</u>
Deferred Outflows of Resources	<u>169,256</u>	<u>72,392</u>	<u>-</u>	<u>-</u>	<u>169,256</u>	<u>72,392</u>
Long-term Liabilities	6,469,786	7,252,608	2,938,644	2,799,364	9,408,430	10,051,972
Other Liabilities	1,222,651	1,186,938	104,204	231,290	1,326,855	1,418,228
Total Liabilities	<u>7,692,437</u>	<u>8,439,546</u>	<u>3,042,848</u>	<u>3,030,654</u>	<u>10,735,285</u>	<u>11,470,200</u>
Deferred Inflows of Resources	<u>231,450</u>	<u>119,509</u>	<u>-</u>	<u>-</u>	<u>231,450</u>	<u>119,509</u>
Net Position:						
Net Investment in						
Capital Assets	13,538,752	13,660,989	8,869,932	9,201,803	19,437,356	19,793,753
Restricted	823,604	821,102	-	-	823,604	821,102
Unrestricted	<u>3,461,909</u>	<u>2,590,303</u>	<u>(2,211,972)</u>	<u>(2,211,168)</u>	<u>4,221,265</u>	<u>3,448,174</u>
Total Net Position	<u>\$ 17,824,265</u>	<u>\$ 17,072,394</u>	<u>\$ 6,657,960</u>	<u>\$ 6,990,635</u>	<u>\$ 24,482,225</u>	<u>\$ 24,063,029</u>

The restricted portion of the Town of New Hartford, CT's net position represents net position restricted for Community Investments (\$17,198), Small Cities Housing Rehabilitation (\$664,539), Town Hill Cemetery (\$120,286), and other purposes (\$21,581). The balance of *unrestricted net position* of \$4,221,265 may be used to meet the government's ongoing obligations to citizen and creditors.

At the end of the current fiscal year, the Town of New Hartford, CT's Governmental Activities is able to report positive balances in all categories of net position, for the government as a whole.

TOWN OF NEW HARTFORD, CT
Management's Discussion and Analysis
June 30, 2020

Net position of governmental activities increased by \$751,871 during this fiscal year. This increase is attributable to favorable tax collections, greater than anticipated grant revenues and cost savings in all departments. In addition, the increase was attributed to current year debt payments and the decrease in the net pension liability.

Net position of business-type activities decreased by \$332,675 during this fiscal year. This decrease is primarily attributable to operating expenses, depreciation and interest.

	Governmental Activities		Business-Type Activities		Totals	
	2020	2019	2020	2019	2020	2019
REVENUES						
<i>General Revenues:</i>						
Property Taxes	\$ 20,713,726	\$ 20,696,042	\$ -	\$ -	\$ 20,713,726	\$ 20,696,042
Unrestricted Grants	28,325	31,097	-	-	28,325	31,097
Investment Income	89,758	132,286	-	-	89,758	132,286
Other Income	97,176	110,521	-	-	97,176	110,521
<i>Program Revenues:</i>						
Charges for Services	639,746	665,009	638,945	636,611	1,278,691	1,301,620
Operating Grants and Contributions	5,519,639	5,753,136	-	-	5,519,639	5,753,136
Capital Grants and Contributions	23,705	43,144	-	-	23,705	43,144
Total Revenues	<u>27,112,075</u>	<u>27,431,235</u>	<u>638,945</u>	<u>636,611</u>	<u>27,751,020</u>	<u>28,067,846</u>
EXPENSES						
<i>Governmental Activities:</i>						
General Government	1,830,663	1,822,563	-	-	1,830,663	1,822,563
Public Safety	831,157	801,479	-	-	831,157	801,479
Highway	1,958,482	2,011,940	-	-	1,958,482	2,011,940
Planning and Development	206,169	235,577	-	-	206,169	235,577
Health and Welfare	196,908	195,154	-	-	196,908	195,154
Libraries	300,000	302,254	-	-	300,000	302,254
Parks and Recreation	334,453	317,216	-	-	334,453	317,216
Commissions and Agencies	111,642	109,011	-	-	111,642	109,011
Education	20,421,156	20,395,301	-	-	20,421,156	20,395,301
Interest Expense	169,574	184,851	-	-	169,574	184,851
<i>Business-Type Activities:</i>						
Water and Sewer System	-	-	971,620	1,012,068	971,620	1,012,068
Total Expenses	<u>26,360,204</u>	<u>26,375,346</u>	<u>971,620</u>	<u>1,012,068</u>	<u>27,331,824</u>	<u>27,387,414</u>
Change in Net Position Before Special Items and Transfers	751,871	1,055,889	(332,675)	(375,457)	419,196	680,432
Transfers	-	(24,450)	-	24,450	-	-
Change in Net Position	751,871	1,031,439	(332,675)	(351,007)	419,196	680,432
Beginning Net Position	17,072,394	16,040,955	6,990,635	7,341,642	24,063,029	23,382,597
Ending Net Position	<u>\$ 17,824,265</u>	<u>\$ 17,072,394</u>	<u>\$ 6,657,960</u>	<u>\$ 6,990,635</u>	<u>\$ 24,482,225</u>	<u>\$ 24,063,029</u>

Governmental Activities: Governmental activities increased the Town of New Hartford, CT's net position by \$751,871. Seventy-six percent (76%) of the revenues of the Town were derived from property taxes, followed by twenty-one percent (21%) from grants and contributions, then two percent (2%) from charges for services, then one percent (1%) from other general revenues and investment earnings.

TOWN OF NEW HARTFORD, CT
Management's Discussion and Analysis
June 30, 2020

Major revenue factors include:

- Better than anticipated tax collection and an increase in assessments
- Better than anticipated Education Pass-through grants and Educational Cost Sharing Grant
- Significant increase in short term interest revenue due to improved management of funds
- The improved revenue performance negated the need for use of fund balance

For Governmental Activities, 78% of the Town's expenses relate to education, 4% relate to public safety and health and welfare, 7% relate to public works/capital outlay, and the remaining 11% relates to government and community services, administration, and other areas.

Major expense factors include:

- Increase in Elementary Education Expenses which were partially offset by a decrease in Region 7 Assessments
- Increases Highway maintenance and snow removal expenses
- Decrease in Legal fees for Planning and Development
- Increase in appropriation to the Capital Projects Fund
- Decrease in Recreation Expenses due to reduced activities as a result of COVID
- Decrease in Debt Service costs

Other significant grant/projects included in governmental activities include:

- The continuation and unresolved completion of Carpenter Road Bridge

Business-Type Activities: Business-type activities decreased the Town of New Hartford, CT's net position by \$332,675. One-hundred percent (100%) of the revenues of the business-type activities were derived from charges for services.

Financial Analysis of the Government's Funds

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

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

As of the end of the current fiscal year, the Town of New Hartford, CT's governmental funds reported combined ending fund balances of \$5,919,487, an increase of \$418,957 in comparison with the prior year. Included in this balance is \$3,027,107 which constitutes *unassigned fund balance*, which is available for spending at the government's discretion.

TOWN OF NEW HARTFORD, CT
Management's Discussion and Analysis
June 30, 2020

The General Fund is the chief operating fund of the Town of New Hartford, CT. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$3,150,266. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 13 percent of total General Fund expenditures. GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, has further classified unreserved fund balance into two categories: Assigned and Unassigned. Assigned Fund Balance is also available for use in the General Fund at the direction of the Boards of Finance and Selectmen. The total Unassigned and Assigned Fund Balance in the General Fund is \$4,222,599. The remaining fund balance consists of \$18,000 restricted for the Waste Water Treatment Plant.

The fund balance of the Town of New Hartford, CT's General Fund increased by \$360,644 during the current fiscal year.

General Fund Budgetary Highlights

- Increased revenue and significant savings from operations, as a result of good management (from both the local BOE & General Government) provided a \$389,873 budget surplus resulting in an increase to the General Fund.
- A use of "prior year's surplus" in the amount of \$345,000 was budgeted; however, none was utilized to balance the budget.

Capital Asset and Debt Administration

Capital Assets: The Town of New Hartford, CT's investment in capital assets for its governmental and business-type activities as of June 30, 2020, amounts to \$28,888,857 (net of accumulated depreciation). This investment in capital assets includes land and buildings, vehicles, machinery and equipment. Major capital asset events during the current fiscal year included the following:

- John Deere Loader
- Dell Power Edge Server
- 2016 Chevy Cargo Van
- Chromebooks and related Cart
- Promethean Boards
- Intercom and Camera at Antolini Playground
- School Furniture
- Gates at Public Works
- Acoustic Barriers
- Sidewalks at Duncan Donuts
- Carpenter Road Bridge project in progress

<i>Governmental Activities:</i>	<u>2020</u>	<u>2019</u>
Land & Infrastructure	\$ 6,694,726	\$ 6,835,797
Construction in Progress	543,600	534,195
Building & Improvements	10,411,279	10,852,300
Vehicles	298,765	405,365
Machinery & Equipment	<u>485,020</u>	<u>289,645</u>
Total	<u>\$ 18,433,390</u>	<u>\$ 18,917,302</u>

TOWN OF NEW HARTFORD, CT
Management's Discussion and Analysis
June 30, 2020

<i>Business-type activities:</i>	<u>2020</u>	<u>2019</u>
Land and Infrastructure	\$ 11,507	\$ 11,507
Buildings and Improvements	9,247,942	9,596,465
Waterlines	149,326	156,039
Machinery & Equipment	46,692	42,026
	<u>\$ 9,455,467</u>	<u>\$ 9,806,037</u>

Additional information on the Town of New Hartford, CT's capital assets can be found in Note 3 on pages 41-42 of this report.

Long-Term Debt: The Town of New Hartford, CT has the following obligations:

	<u>2020</u>	<u>2019</u>
Compensated absences	\$ 194,713	\$ 236,194
Net Pension Liability	1,235,571	1,397,730
USDA Loan	2,971,328	3,069,039
G.O. Bonds	3,582,470	3,765,680
Bond Premium	194,638	216,313
Refunding Bond	1,140,000	1,300,000
Loans	563,065	578,554
Total	<u>\$ 9,881,785</u>	<u>\$ 10,563,510</u>

The Town of New Hartford, CT's total debt decreased by \$681,725 due to current year debt payments. Additional information on the Town of New Hartford, CT's long-term debt can be found in Note 3 on pages 42-44 of this report.

Economic Factors and Next Year's Budgets and Rates

- The Town will use \$850,000 of fund balance to finance the subsequent year's budget.
- The town evaluated the options provided under Governor Lamont's Executive Order to provide tax relief. Towns were required to adopt one or both of the following programs: 1) eligible taxpayers who are significantly economically impacted by COVID-19 would be granted a 90-day deferment of real estate taxes, 2) lower the interest rate to 3% per year for the 90-day period (July through September 2020), on outstanding taxes. The Town elected to reduce the interest rate to 3% per year (or .25% per month) on late tax payments received during the period of July 1 through September 30 2020.
- State grants are expected to continue to decline as the state budget continues in deficit.
- Current recession still has people cautious relative to spending.
- Slow growth in the Grand List will continue to place upward pressure on real estate taxes, although residential construction does appear to be holding steady at moderate levels.

Request for Information

This financial report is designed to provide a general overview of the Town of New Hartford, CT's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Board, Town of New Hartford, 530 Main Street, P.O. Box 316, New Hartford, CT 06057.

Basic Financial Statements

TOWN OF NEW HARTFORD

Statement of Net Position

June 30, 2020

	Primary Government		Total
	Governmental Activities	Business-type Activities	
Assets			
Current Assets			
Cash and Cash Equivalents	\$ 5,630,242	\$ 46,946	\$ 5,677,188
State and Federal Grants Receivable	245,337	-	245,337
Taxes and Assessments Receivable	443,167	198,395	641,562
Interest Receivable	95,768	-	95,768
Inventories	2,519	-	2,519
Total Current Assets	6,417,033	245,341	6,662,374
Noncurrent Assets:			
Restricted Cash & Cash Equivalents			
For Wastewater Treatment Plant Projects	18,000	-	18,000
For Performance Bonds	49,467	-	49,467
Loans Receivable	543,408	-	543,408
Investments	117,598	-	117,598
Capital Assets:			
Nondepreciable Assets	5,985,080	11,507	5,996,587
Depreciable Buildings and Equipment, net	12,448,310	9,443,960	21,892,270
Total Noncurrent Assets	19,161,863	9,455,467	28,617,330
Total Assets	\$ 25,578,896	\$ 9,700,808	\$ 35,279,704
Deferred Outflows of Resources			
Deferred Pension Outflows	169,256	-	169,256
	<u>169,256</u>	<u>-</u>	<u>169,256</u>
Liabilities			
Current Liabilities			
Accounts Payable	\$ 576,033	\$ 58,809	\$ 634,842
Accrued Expenses	108,414	-	108,414
Deferred Revenue	12,968	-	12,968
Refundable Advance	47,809	-	47,809
Current Portion of Other Advances	(26,000)	26,000	-
Current Portion of Notes, Bonds and Leases	503,427	19,395	522,822
Total Current Liabilities	1,222,651	104,204	1,326,855
Non-Current Liabilities			
Internal Balances USDA Debt	(2,336,754)	2,336,754	-
Internal Balances - Other Advances	(35,750)	35,750	-
Noncurrent Portion of Loans, Bonds and Leases	7,557,252	566,140	8,123,392
Performance Bonds	49,467	-	49,467
Net Pension Liability	1,235,571	-	1,235,571
Total Noncurrent Liabilities	6,469,786	2,938,644	9,408,430
Total Liabilities	7,692,437	3,042,848	10,735,285
Deferred Inflows of Resources			
Deferred Pension Inflows	231,450	-	231,450
	<u>231,450</u>	<u>-</u>	<u>231,450</u>
Net Position			
Net Investment in Capital Assets	13,538,752	8,869,932	19,437,356
Restricted for Community Investment	17,198	-	17,198
Restricted for Community Development	664,539	-	664,539
Restricted for Town Hill Cemetery-Expendable	120,286	-	120,286
Restricted for Other Purposes	21,581	-	21,581
Unrestricted	3,461,909	(2,211,972)	4,221,265
Total Net Position	\$ 17,824,265	\$ 6,657,960	\$ 24,482,225

The notes to the financial statements are an integral part of this statement

TOWN OF NEW HARTFORD
Statement of Activities
For the Year Ended June 30, 2020

Functions/programs	Program revenues				Net (expense) revenue and changes in net position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary government		Total
					Governmental Activities	Business-type Activities	
Primary government:							
Governmental activities							
General Government	\$ 1,830,663	\$ 135,126	\$ 6,280	\$ -	\$ (1,689,257)	\$ -	\$ (1,689,257)
Public Safety	831,157	15,382	3,337	-	(812,438)	-	(812,438)
Highway	1,958,482	-	472,189	-	(1,486,293)	-	(1,486,293)
Planning and Development	206,169	104,548	-	23,705	(77,916)	-	(77,916)
Health and Welfare	196,908	-	-	-	(196,908)	-	(196,908)
Libraries	300,000	-	-	-	(300,000)	-	(300,000)
Parks and Recreation	334,453	189,154	-	-	(145,299)	-	(145,299)
Commissions/Agencies	111,642	-	-	-	(111,642)	-	(111,642)
Education	20,421,156	195,536	5,037,833	-	(15,187,787)	-	(15,187,787)
Interest Expense	169,574	-	-	-	(169,574)	-	(169,574)
Total governmental activities	<u>26,360,204</u>	<u>639,746</u>	<u>5,519,639</u>	<u>23,705</u>	<u>(20,177,114)</u>	<u>-</u>	<u>(20,177,114)</u>
Business-type activities							
Water and sewer system	<u>971,620</u>	<u>638,945</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(332,675)</u>	<u>(332,675)</u>
Total business-type activities	<u>971,620</u>	<u>638,945</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(332,675)</u>	<u>(332,675)</u>
Total primary government	<u>\$ 27,331,824</u>	<u>\$ 1,278,691</u>	<u>\$ 5,519,639</u>	<u>\$ 23,705</u>	<u>(20,177,114)</u>	<u>(332,675)</u>	<u>(20,509,789)</u>
General revenues:							
Property taxes levied for general purposes					20,713,726	-	20,713,726
Grants not restricted to specific purpose					28,325	-	28,325
Unrestricted Investment income					89,758	-	89,758
Other Income					<u>97,176</u>	<u>-</u>	<u>97,176</u>
Total general revenues					20,928,985	-	20,928,985
Change in net position					751,871	(332,675)	419,196
Net position - beginning					<u>17,072,394</u>	<u>6,990,635</u>	<u>24,063,029</u>
Net position - ending					<u>\$ 17,824,265</u>	<u>\$ 6,657,960</u>	<u>\$ 24,482,225</u>

The notes to the financial statements are an integral part of this statement

TOWN OF NEW HARTFORD

Balance Sheet
Governmental Funds
June 30, 2020

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Assets				
Cash and Cash Equivalents	\$ 4,977,665	\$ 331,926	\$ 320,651	\$ 5,630,242
Investments	-	-	117,598	117,598
State and Federal Grants Receivable	-	245,337	-	245,337
Property Taxes Receivable, Net	443,167	-	-	443,167
Interfund Receivables	179,396	270,130	33,835	483,361
Internal Loans - WPCA	61,750	-	-	61,750
Inventories	-	-	2,519	2,519
Restricted Cash & Cash Equivalents				
Waste Water Treatment Plant	18,000	-	-	18,000
Performance Bonds	49,467	-	-	49,467
Loans Receivable	-	-	543,408	543,408
Total Assets	<u>\$ 5,729,445</u>	<u>\$ 847,393</u>	<u>\$ 1,018,011</u>	<u>\$ 7,594,849</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts Payable	\$ 568,913	\$ -	\$ 7,120	\$ 576,033
Accrued Expenses	108,414	-	-	108,414
Deferred Revenue	12,968	-	-	12,968
Unearned Grant Revenue	47,809	-	-	47,809
Performance Bonds	49,467	-	-	49,467
Interfund Payables	303,965	-	179,396	483,361
Total Liabilities	<u>1,091,536</u>	<u>-</u>	<u>186,516</u>	<u>1,278,052</u>
Deferred Inflows of Resources				
Deferred Taxes	397,310	-	-	397,310
Total Deferred Inflows of Resources	<u>397,310</u>	<u>-</u>	<u>-</u>	<u>397,310</u>
Fund balances:				
Nonspendable:				
Inventories	-	-	2,519	2,519
Restricted for:				
Capital Projects	18,000	-	-	18,000
New Hartford Day	-	-	4,944	4,944
Historical Documents	-	-	16,637	16,637
Town Hill Cemetery	-	-	120,286	120,286
Small Cities Housing Rehabilitation	-	-	664,539	664,539
Community Investment	-	-	17,198	17,198
Committed to:				
Debt Service	-	-	47,189	47,189
Cafeteria	-	-	1,392	1,392
Recreation & Senior Center	-	-	79,950	79,950
Capital Projects	-	847,393	-	847,393
Assigned (See Note 8)	1,072,333	-	-	1,072,333
Unassigned	3,150,266	-	(123,159)	3,027,107
Total Fund Balances	<u>4,240,599</u>	<u>847,393</u>	<u>831,495</u>	<u>5,919,487</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 5,729,445</u>	<u>\$ 847,393</u>	<u>\$ 1,018,011</u>	<u>\$ 7,594,849</u>

The notes to the financial statements are an integral part of this statement

TOWN OF NEW HARTFORD

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position June 30, 2020

Fund balances reported in governmental funds Balance Sheet	\$ 5,919,487
Amounts reported for governmental activities in the government- wide Statement of Net Position are different because:	
The governmental fund Balance Sheet includes revenues that will only be available to pay current period liabilities. Adjustments are necessary to accrue receivables for all earned revenues.	
<i>Interest on taxes</i>	95,768
<i>Long-term Interfund Advances</i>	2,336,754
Certain Changes related to the pension are deferred and amortized over time	169,256
Governmental funds report the effects of premiums when debt is issued, whereas it is deferred and amortized in the statement of activities	21,675
Deferred Inflows	(231,450)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
<i>Capital Assets</i>	44,393,548
<i>Accumulated Depreciation</i>	(25,960,158)
Deferred revenue for property taxes and grants are reported in the funds but accrued as revenue in the government-wide statements and added to net position.	
<i>Property taxes</i>	397,310
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements.	
<i>General obligation bonds and notes payable</i>	(7,887,641)
<i>Compensated absences</i>	(194,713)
<i>Pension liability</i>	<u>(1,235,571)</u>
Net position of governmental activities	<u>\$ 17,824,265</u>

The notes to the financial statements are an integral part of this statement

TOWN OF NEW HARTFORD
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Revenues				
Property Taxes	\$ 20,605,693	\$ -	\$ -	\$ 20,605,693
Unrestricted Grants and Contributions	28,325	-	-	28,325
Operating Grants and Contributions	4,717,383	-	43,677	4,761,060
Capital Grants and Contributions	-	-	23,705	23,705
Charges for Services	377,000	-	262,746	639,746
Other Income	107,628	-	-	107,628
Investment Earnings	86,472	1,834	1,452	89,758
Total Revenues	<u>25,922,501</u>	<u>1,834</u>	<u>331,580</u>	<u>26,255,915</u>
Expenditures				
Current				
General Government	1,712,825	-	6,588	1,719,413
Public Safety	795,239	-	15,173	810,412
Highway	1,763,385	-	-	1,763,385
Planning and Development	188,527	-	-	188,527
Health and Welfare	184,777	-	-	184,777
Libraries	300,000	-	-	300,000
Parks and Recreation	55,945	-	169,507	225,452
Commissions/Agencies	106,317	-	5,325	111,642
Education	19,198,022	-	119,179	19,317,201
Debt Service	689,804	-	-	689,804
Capital Expenditures	-	526,345	-	526,345
Total Expenditures	<u>24,994,841</u>	<u>526,345</u>	<u>315,772</u>	<u>25,836,958</u>
Excess/(deficiency) of revenues over expenditures	927,660	(524,511)	15,808	418,957
Other Financing Sources/(Uses)				
Transfers In	-	545,500	21,516	567,016
Transfers Out	(567,016)	-	-	(567,016)
Total Other Financing Sources/(Uses)	<u>(567,016)</u>	<u>545,500</u>	<u>21,516</u>	<u>-</u>
Net Change in Fund Balances	360,644	20,989	37,324	418,957
Fund Balances - Beginning	<u>3,879,955</u>	<u>826,404</u>	<u>794,171</u>	<u>5,500,530</u>
Fund Balances - Ending	<u>\$ 4,240,599</u>	<u>\$ 847,393</u>	<u>\$ 831,495</u>	<u>\$ 5,919,487</u>

The notes to financial statements are an integral part of this statement

TOWN OF NEW HARTFORD

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2020

Net Change in Fund Balances - Total Governmental Funds. \$ 418,957

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital expenditures 305,458
Depreciation Expense (789,370)

Revenues in the Statement of Activities that do not provide current financial resources are reported as deferred revenues in the funds. Accordingly, an adjustment is necessary to reconcile amounts reported as interest receivable in the government-wide Statement of Net Position and as deferred revenue in the fund Balance Sheet.

108,033

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

WPCA adjusted contribution due for debt repayment 60,844
General obligation bond principal payments 437,711
Premium on BAN 21,675

Amortization of deferred inflows, outflows related to pension benefits and changes in net pension obligation

147,082

Compensated absences and pension contributions are expended in the funds when resources are used, but are expensed in the Statement of Activities when the liability is incurred. This is the amount by which the accrued liability exceeded the resources expended.

41,481

Change in Net Position of Governmental Activities: \$ 751,871

TOWN OF NEW HARTFORD

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual General Fund

For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts Budgetary Basis	Over (Under)
	Original	Amended		
Revenues				
Taxes	\$ 20,424,004	\$20,424,004	\$ 20,605,693	\$ 181,689
Intergovernmental Revenue	3,592,001	3,592,001	3,702,185	110,184
Fees, Fines, and Permits	212,400	212,400	235,805	23,405
Rental Income	132,000	132,000	132,000	-
Other Revenue	82,075	82,075	107,423	25,348
Investment Earnings	65,000	65,000	86,472	21,472
Surplus to Finance Budget	325,000	345,000	-	(345,000)
Total Revenues	24,832,480	24,852,480	24,869,578	17,098
Expenditures				
Current				
General Government	1,853,886	1,873,886	1,699,483	(174,403)
Public Safety	832,108	810,107	787,080	(23,027)
Highways	1,763,040	1,763,040	1,749,606	(13,434)
Planning and Development	225,338	237,338	183,923	(53,415)
Health and Welfare	187,021	187,021	184,777	(2,244)
Libraries	300,000	310,000	300,000	(10,000)
Parks and Recreation	94,386	94,386	56,747	(37,639)
Commissions/Agencies	117,108	117,108	105,601	(11,507)
Education	18,224,288	18,224,288	18,177,184	(47,104)
Debt Service				
Principal	440,886	440,886	440,886	-
Interest	248,919	248,920	248,918	(2)
Capital Expenditures				
Total Capital Expenditures	545,500	545,500	545,500	-
Total Expenditures	24,832,480	24,852,480	24,479,705	(372,775)
Excess/(Deficiency) of Revenues Over Expenditures	\$ -	\$ -	389,873	\$ 389,873
Fund Balances, beginning *			\$ 4,022,265	
Less: Use of Fund Balance to Finance Budget			-	
Fund Balances, ending			\$ 4,412,138	

* the restated FYE20 beginning budgetary fund balance is due to a typo in the FYE19 audited financial financial statements.

The beginning budgetary fund balance for FYE19 was never updated to the FYE18 ending budgetary fund basis. The beginning fund balance was incorrectly printed as \$3,228,540 instead of \$3,475,273.

The notes to the financial statements are an integral part of this statement

TOWN OF NEW HARTFORD

Statement of Fund Net Position

Proprietary Funds

June 30, 2020

	Enterprise Fund
	<u>Water Pollution Control Authority</u>
Assets	
Current assets:	
Cash	\$ 46,946
Accounts receivable, net	<u>198,395</u>
Total current assets	<u>245,341</u>
Noncurrent assets:	
Land	11,507
Property, plant, and equipment, net of depreciation	<u>9,443,960</u>
Total noncurrent assets	<u>9,455,467</u>
Total Assets	<u>9,700,808</u>
Deferred Outflows of Resources	<u>-</u>
Liabilities	
Current liabilities:	
Accounts payable & Accrued interest	58,809
Current portion of other advances	26,000
Current portion of long-term debt	<u>19,395</u>
Total current liabilities	<u>104,204</u>
Noncurrent liabilities:	
Interfund Advances-USDA Debt	2,336,754
Interfund Advances-Other	35,750
Long-term notes payable	<u>566,140</u>
Total noncurrent liabilities	<u>2,938,644</u>
Total Liabilities	<u>3,042,848</u>
Deferred Inflows of Resources	<u>-</u>
Net Position	
Net Investment in Capital Assets	8,869,932
Unrestricted	<u>(2,211,972)</u>
Total Net Position	<u>\$ 6,657,960</u>

The notes to the financial statements are an integral part of the financial statements

TOWN OF NEW HARTFORD
Statement of Revenues, Expenses, and Change in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2020

Enterprise Fund
Water Pollution Control Authority

OPERATING REVENUES

Charges for services:	
Usage assessments	\$ 637,431
Other Operating Income	<u>1,514</u>
Total Operating Revenues	<u>638,945</u>

OPERATING EXPENSES

General operations	135,539
Plant management fees	310,076
Repairs and maintenance	80,513
Depreciation	<u>358,526</u>
Total operating expenses	<u>884,654</u>
Operating income/(loss)	(245,709)

NONOPERATING REVENUES/(EXPENSES)

Interest expense	<u>(86,966)</u>
Total nonoperating revenue/(expenses)	<u>(86,966)</u>

Change in net position	(332,675)
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Total net position - beginning	<u>6,990,635</u>
Total net position - ending	<u>\$ 6,657,960</u>

The notes to the financial statements are an integral part of the financial statements

TOWN OF NEW HARTFORD
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2020

Enterprise Fund
Water Pollution Control Authority

Cash flows from operating activities:	
Receipts from customers	\$ 612,575
Payments to suppliers	<u>(543,079)</u>
Net cash provided by operating activities	<u>69,496</u>
Cash flows from noncapital financing activities:	
	<u>-</u>
Cash flows from capital and related financing activities:	
Other Advances from Town	(13,000)
Purchase of capital assets	(7,956)
Principal paid on capital debt	42,145
Interest paid on capital debt	<u>(86,966)</u>
Net cash used by capital and related financing activities	<u>(65,777)</u>
Cash flows from investing activities:	
	<u>-</u>
Net decrease in cash and cash equivalents	3,719
Balances - beginning of the year	<u>43,227</u>
Balances - end of the year	<u>\$ 46,946</u>
Displayed as: Cash	<u>\$ 46,946</u>
Reconciliation of operating income/(loss) to net cash provided by operating activities:	
Operating income/(loss)	\$ (245,709)
Adjustments to reconcile income to net cash provided (used) by operating activities:	
Depreciation expense	358,526
Change in assets and liabilities:	
Accounts Receivable, net	(26,370)
Accounts Payable & Accrued Interest	<u>(16,951)</u>
Net cash provided by operating activities	<u>\$ 69,496</u>

The notes to the financial statements are an integral part of the financial statements

TOWN OF NEW HARTFORD
Statement of Fiduciary Net Position
June 30, 2020

	Pension <u>Trust Fund</u>	Private Purpose Trust Fund - <u>Neighbors</u>	Custodial Fund Student <u>Activities</u>
Assets			
Cash and Cash Equivalents	\$ 111,729	\$ 16,326	\$ 18,135
Investments:			
Fixed Income	1,689,544	-	-
Stocks	2,588,068	-	-
Alternative Investments	<u>90,912</u>	<u>-</u>	<u>-</u>
Total Assets	<u>4,480,253</u>	<u>16,326</u>	<u>18,135</u>
Deferred Outflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities and Net Position			
Liabilities:			
Fiduciary Deposits	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Net Position			
Held in Trust for Others	-	16,326	-
Restricted for Individuals & Organizations			18,135
Restricted for Pension Benefits	<u>4,480,253</u>	<u>-</u>	<u>-</u>
Total Net Position	<u>\$ 4,480,253</u>	<u>\$ 16,326</u>	<u>\$ 18,135</u>

The notes to the financial statements are an integral part of the financial statements

TOWN OF NEW HARTFORD
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2020

	Pension Trust Fund	Private Purpose Trust Fund - Neighbors	Custodial Fund Student Activities
Additions			
Contributions	\$ -	\$ 16,841	\$ -
Activity Fees	-	-	25,268
Employer Contributions	303,210	-	-
Total Contributions	303,210	16,841	25,268
Investment Income:			
Net Appreciation in Fair Value of Investments	(41,347)	-	-
Interest and Dividends	159,665	-	-
Less Investment expense	(12,369)	-	-
Net Income from investing	105,949	-	-
Other Income	-	-	-
Total Additions	409,159	16,841	25,268
Deductions			
Assistance to Individuals	-	8,471	-
Benefit payments, including refunds of member contributions	250,306	-	-
Events and Activities	-	-	16,834
Administrative Expenses	-	-	-
Total Deductions	250,306	8,471	16,834
Net Increase in Fiduciary Net Position	158,853	8,370	8,434
Net Position - Beginning, As Restated	4,321,400	7,956	9,701
Net Position - Ending	\$ 4,480,253	\$ 16,326	\$ 18,135

The notes to the financial statements are an integral part of the financial statements

TOWN OF NEW HARTFORD
Notes to the Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Town of New Hartford, CT was incorporated in 1738 under the provisions of the Connecticut General Statutes. The Town operates under the Board of Selectmen, Town Meeting, and Board of Finance form of government. The Town provides a wide range of services, including the following: public safety, public works, public health and welfare, parks and recreation, education, and water sewer utilities. Education services are provided by Regional School District #7, of which the towns of Barkhamsted, New Hartford, Norfolk, and Colebrook are members. Town appropriations to the school district are determined by a separate taxpayer approved budget and the percentage of New Hartford residents attending the District's schools.

The Legislative authority of the Town is vested in the Town Meeting. The First Selectman is the chief executive and chief administrative officer of the Town. The First Selectman creates the town's general government operating budget and submits it to the Board of Finance. The Board of Finance, as the budget-making authority, is responsible for reviewing submitted budget requests, revising and submitting the final budget to the Town Meeting. The Board of Finance is also responsible for establishing the annual tax rate. The Town has the power to incur indebtedness by issuing bonds or notes as provided by the Connecticut General Statutes.

The accounting and reporting policies of the Town relating to the funds included in the accompanying combined financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. The more significant accounting policies of the Town are described below.

The Town's combined financial statements include the accounts of all Town controlled operations. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Town of New Hartford, CT (the primary government) and its component units. Component units include all organizations for which the government is considered financially accountable and other organizations which by their nature and significance of their relationship with the primary government would cause the financial statements to be incomplete or misleading if excluded. Currently, there are no entities considered component units of the Town. The Town includes all funds, agencies, boards, commissions, and authorities that are controlled by or dependent on the Town's executive and legislative branches.

The financial statements presented herein do not include agencies which have been formed under applicable State laws or separate and distinct units of government apart from the Town of New Hartford, CT.

Based upon the foregoing criteria, the following organization is not considered part of the Town and is excluded from the accompanying financial statements:

Regional School District #7

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

TOWN OF NEW HARTFORD
Notes to the Financial Statements

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statements Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting* as are the proprietary fund and fiduciary fund financial statements (except for Agency funds). Agency funds have no measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Their revenues are recognized when they become measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Exceptions to this general rule include voluntary non-exchange transactions when all eligibility requirements have been met. Expenditures are generally recorded when a liability is incurred. Exceptions to this general rule include compensated absences, debt service, and claims and judgments, which are recorded only when payment is due.

Property taxes when levied, expenditure reimbursement-type grants, charges for services, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government, or specifically identified.

The government reports the following major governmental funds:

The *General Fund* is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another manner.

The *Capital Projects Fund* accounts and reports financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

The government reports the following major proprietary funds:

The *New Hartford Water Pollution Control Authority* accounts for the activity of the Authority. The Authority operates the water distribution system and sewage treatment systems for a portion of the Town's residents.

TOWN OF NEW HARTFORD
Notes to the Financial Statements

Additionally, the government reports the following fiduciary fund types:

The *Pension Trust Fund* is used to account for the accumulation of resources to be used for pension benefit payments to qualified employees.

Private Purpose Trust Funds are used to account for private donations made anonymously for the benefit of New Hartford residents in need of assistance.

Custodial Funds account for taxpayer deposits and monies held as a custodian for outside groups, such as the Student Activities Fund.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule include charges between certain Town functions because the elimination of these charges would distort the direct costs and program revenues reported.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the *New Hartford Water Pollution Control Authority* are charges to customers for services. The fund also recognizes as operating revenue the hookup fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity

Cash and Cash Equivalents: The deposit of public funds is controlled by the Connecticut General Statutes. The Town maintains separate accounts with depositories where necessary. Cash applicable to a particular fund is readily identifiable. Cash in excess of current requirements is invested in various interest-bearing accounts, certificates of deposit, and pooled investment funds which may be deemed to be cash equivalents based on maturity date or availability of conversion to cash. Cash and cash equivalents are stated at cost, which approximates fair value and have maturities of three months or less. The above definition of cash applies to the proprietary funds statement of cash flows.

The Short-Term Investment Fund (STIF) is a money market investment pool managed by the Cash Management Division of the State Treasurer's Office created by Section 3-27 of the Connecticut General Statutes (CGS). Pursuant to CGS 3-27a through 3-27f, the State, municipal entities, and political subdivisions of the State are eligible to invest in the fund. The fund is considered a "2a7-like" pool and reports its investments at amortized cost (which approximates fair value). The pool is rated AAAM by Standard & Poor. This is the highest rating for money market funds and investment pools. The pooled investment funds' risk category cannot be determined since the Town does not own identifiable securities but invests as a shareholder of the investment pool.

TOWN OF NEW HARTFORD

Notes to the Financial Statements

Receivables and Payables: All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. The Town has established an allowance for estimated uncollectible property taxes in the amount of \$10,000. Property taxes are assessed on October 1 and billed the following July. Real and personal property bills are payable in two installments, July 1 and January 1. Motor vehicle taxes are payable in one installment on July 1, with the Motor vehicle supplemental bills payable on January 1. Outstanding real estate tax accounts are lien-ed each year prior to June 30. Assessments for real and personal property, including motor vehicles, are computed at seventy percent of the market value.

Investments: In general, State of Connecticut Statutes allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust, in obligations of any state or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. The trust funds may also invest in certain real estate mortgages, in certain savings banks or savings and loan associations, or in stocks or bonds or other securities selected by the trustee.

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Investments that do not have an established market are reported at estimated fair values.

Fair Value of Financial Instruments

In accordance with ASC 820-10, the Town is required to measure the fair value of its assets and liabilities under a three-level hierarchy, as follows:

Level 1: Quoted market prices for identical assets or liabilities to which an entity has access to at the measurement date.

Level 2: Inputs and information other than quoted market indices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

- a. Quoted prices for similar assets or liabilities in active markets.
- b. Quoted prices for identical or similar assets in markets that are not active;
- c. Observable inputs other than quoted prices for the assets or liability;
- d. Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

Level 3: Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

Observable inputs reflect the assumptions market participants would use in pricing the asset or liability developed from sources independent of the reporting entity; and *unobservable inputs* reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

Investments are carried at fair value based on Level 1 and Level 2 observable inputs and are presented in Note 3. Certificates of Deposits are presented as Level 2 assets as they are reported at period statement balances, which approximate value at year end.

TOWN OF NEW HARTFORD
Notes to the Financial Statements

Inventories: Inventories in the School Cafeteria Fund are reported at cost using the first-in, first-out method, and are recorded as expenditures when consumed, rather than when purchased.

Advances to and from Other Funds: Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

Capital Assets: Capital assets, which include equipment, fixtures, and other long-lived assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement should be reported at acquisition value rather than fair value.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings & Improvements	7-40
Land Improvements	10-39
Infrastructure	18-39
Vehicles	3-10
Machinery & Equipment	3-10
Furniture & Fixtures	7-10

Compensated Absences: Employees accrue vacation and sick leave based upon a prescribed formula. For all Town employees, vacation and sick time may be accumulated and paid upon death, retirement, or termination. The Town has a limit on the accumulation of 121 days. Employees hired after July 2011 are not subject to pay-outs for accrued sick time. All compensated absences are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Long-Term Obligations: In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

TOWN OF NEW HARTFORD
Notes to the Financial Statements

Long-Term Debt: Is recognized as a liability of a governmental fund when it is due or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund.

Deferred outflows/inflows of resources: In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government reports Deferred Pension Expense in this category. as no items that qualify for reporting in this category. Deferred pension expense results from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in pension expense over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active and inactive employees).

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government reports advance property tax collections in the government-wide statement of net position and in the governmental funds balance sheet. Advance property tax collections represent taxes inherently associated with a future period. This amount is recognized during the period in which the revenue is associated. Also, for governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. The governmental funds report unavailable revenues from several sources: property taxes, special assessments, school building grants, and other receivables. These amounts are deferred and recognized as an inflow of resources in the period during which the amounts become available. Also, within the government-wide statement of net position the Town reports as deferred inflows amounts representing the net difference between expected and actual results, changes in assumptions and projected and actual earnings of its pension plans. The amounts will be amortized over a five-year closed period beginning in the year in which the difference occurred.

Fund Balance and Net Position– In the government-wide financial statements, net position is classified in the following categories:

Net Investment in Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category. Debt to be repaid by governmental activities, whose proceeds were used to acquire capital assets reported by business-type activities, is not included in the calculation of net investment in capital assets in the governmental activities or business-type activities columns, but is included in the total column.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations or other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents the net position of the Town, which is not restricted for any project or other purpose.

When both restricted and unrestricted resources are available for certain expenses, the Town expends restricted resources first and uses unrestricted resources when the restricted funds are depleted.

TOWN OF NEW HARTFORD
Notes to the Financial Statements

In the fund financial statements, fund balances of governmental funds are classified in the following five separate categories:

Nonspendable Fund Balance – Indicates amounts that cannot be spent because they are either not in spendable form, or are legally or contractually required to be maintained intact. Examples are items that are not expected to be converted to cash including prepaid expenditures and permanent fund principal.

Restricted Fund Balance – Indicates amounts that are restricted to specific purposes. The spending constraints placed on the use of fund balance amounts are externally imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Indicates amounts that can be used only for specific purposes pursuant to constraints imposed by formal legislative action at Town Meetings in accordance with provisions of the Connecticut General Statutes.

Assigned Fund Balance – Indicates amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by formal action of the Board of Selectman or Board of Finance through an adopted motion.

Unassigned Fund Balance – Represents the remaining fund balance after amounts are set aside for all other classifications.

The Town has not established a formal policy for its use of restricted and unrestricted (committed, assigned, unassigned) fund balance; however, the Town generally used restricted fund balance first if the expenditure meets the restricted purpose, followed by committed, assigned and unassigned amounts.

The Town has not formally enacted legislation or Board policies establishing stabilization funds or requiring it to maintain a minimum fund balance.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information and Accounting

The Town of New Hartford, CT follows these procedures in establishing the budgetary data reflected in the financial statements:

- A proposed operating budget is submitted for the fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted in the Town to obtain taxpayer comments.
- The budget is legally enacted through passage at a Town Meeting.
- The Board of Finance is authorized to approve line-item transfer requests for all appropriations between departments, within any fund; however, any additional appropriations exceeding \$20,000 to any one department must be approved at a Town meeting.
- Formal budgetary integration is employed as a management control device during the year for the General Fund.
- All noncontinuing appropriations lapse at year-end. Capital appropriations do not lapse until completion of the applicable projects.
- Encumbrance accounting is not used.

TOWN OF NEW HARTFORD
Notes to the Financial Statements

Budgeted amounts are presented, or as amended by the Board of Finance and the Board of Education during the course of the year. Annual budgets are adopted only for the General Fund. Program budgets are established for certain funds not budgeted annually. All appropriations lapse at year-end, except for capital appropriations.

The Statement of Revenue and Expenditures-Budget (non-GAAP Budgetary Basis) and Actual-General Fund represents comparisons of the legally adopted budget with actual data on a budgetary basis. Since accounting principles applied for purposes of developing data on a budgetary basis differ significantly from those used to present financial statements in conformity with generally accepted accounting principles, a reconciliation of differences in excess of revenues and expenditures and other sources of financial resources with expenditures for the year ended June 30, 2020 is presented as follows:

	Revenues	Expenditures	Other Financing Sources (Uses)	Net Change
Balance, Budgetary Basis	\$ 24,869,578	\$ 24,479,705	\$ -	\$ 389,873
Adjustments for Timing Differences:				
Grant Revenue	8,203	-	-	8,203
Basis Differences:				
CT Teacher's Retirement & OPEB	1,044,697	1,044,697	-	-
Transfers	-	(567,016)	(567,016)	-
Entity Differences:				
Other Expenditures	<u>23</u>	<u>37,455</u>	<u>-</u>	<u>(37,432)</u>
				-
Balance, GAAP Basis	<u>\$ 25,922,501</u>	<u>\$ 24,994,841</u>	<u>\$ (567,016)</u>	<u>\$ 360,644</u>

NOTE 3 – DETAILED NOTES ON ALL FUNDS

The deposits of public funds are controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a “qualified public depository” as defined by Statute or in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit in an “out of state bank”, as defined by the Statutes, which is not a qualified public depository. The following is a summary of cash and cash equivalents at June 30, 2020.

Detailed Cash Notes on all Funds

	Governmental Funds	Fiduciary Funds	Proprietary Funds	Total
Demand Accounts	\$ 2,623,219	\$ 34,461	\$ 46,946	\$ 2,704,626
Cash Equivalents	3,007,023	-	-	3,007,023
Restricted Cash	67,467	-	-	67,467
Total	<u>\$ 5,697,709</u>	<u>\$ 34,461</u>	<u>\$ 46,946</u>	<u>\$ 5,779,116</u>

TOWN OF NEW HARTFORD
Notes to the Financial Statements

Deposits

Custodial Credit Risk - Deposits: Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. At year-end, the Town's carrying amount of deposits was \$5,732,170 and the bank balance was \$5,930,435. Of the bank balance, Federal Depository Insurance Corporation covered \$500,000. As of June 30, 2020, \$2,483,375 of the Town's bank balance of \$2,983,375 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 2,185,038
Uninsured and collateral held by pledging bank's Trust department, not in Town's name	298,337
	<u>\$ 2,483,375</u>

Cash Equivalents

The Town's cash equivalents (Short-term Investment Fund "STIF") amounted to \$3,007,023. STIF is rated AAA by Standards & Poor's and has an average maturity of under 60 days.

Investments

Interest Rate Risk: The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk: The Town has no investment policy that limits the investment choices further than the State Statutes. As of June 30, 2020, the Town's special revenue and fiduciary funds held \$ 4,597,851 in mutual funds for which ratings were not available at the end of the current fiscal year.

Custodial Credit Risk – Investments: This is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Town's investments are held in various trustee accounts in the Town's name. The Town's mutual funds are not subject to custodial credit risk, as the Town's investment is not directly exposed to custodial credit risk. As of June 30, 2020, the Town had the following investments:

	Fair Value	Investment Maturities	
		Less Than 1 yr.	1-5 yrs.
Short-term Funds	\$ 112,022	\$ 112,022	\$ -
Mutual Funds	4,485,829	N/A	N/A
Total Investments	<u>\$ 4,597,851</u>	<u>\$ 112,022</u>	<u>\$ -</u>

The following is a schedule of assets measured at Fair Value.

Description	June 30, 2020	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash Equivalents	\$ 112,022	\$ 112,022	\$ -	\$ -
Equity Mutual Funds	74,124	74,124	-	-
Stocks	2,588,068	2,588,068	-	-
Exchange Traded Funds	27,694	27,694	-	-
Bond Funds	1,705,031	1,705,031	-	-
Alternative Investments	90,912	90,912	-	-
Total	<u>\$ 4,597,851</u>	<u>\$ 4,597,851</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF NEW HARTFORD
Notes to the Financial Statements

Receivables

Receivables as of year-end for the Town's governmental and business-type activities, including applicable allowances for uncollectible accounts, are as follows:

	Governmental Activities	Business-Type Activities	Total
Property Taxes*	\$ 453,167	\$ -	\$ 453,167
Water Assessments	-	203,395	203,395
Loans Receivable	543,408	-	543,408
State & Federal Grants	245,337	-	245,337
Total Receivables	<u>1,241,912</u>	<u>203,395</u>	<u>1,445,307</u>
Allowance for Tax Collection Losses	<u>(10,000)</u>	<u>(5,000)</u>	<u>(15,000)</u>
Totals	<u>\$ 1,231,912</u>	<u>\$ 198,395</u>	<u>\$ 1,430,307</u>

* a significant portion of these receivables are not expected to be collected within one year

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Delinquent property taxes receivable (General Fund)	\$397,310	\$ -
Taxes Paid in Advance	-	12,968.
Deferred grant revenue	-	47,809
	<u>\$397,310</u>	<u>\$ 69,159</u>

Inventories

Inventories are valued at cost using the first-in/first-out (FIFO) method. Governmental and proprietary funds record costs of inventories as expenditures and expenses when consumed rather than when purchased. Inventories at year-end consisted of:

	<u>Governmental Activities</u>
	Nonmajor <u>Funds</u>
Food inventory	\$ 2,519
Total	<u>\$ 2,519</u>

TOWN OF NEW HARTFORD
Notes to the Financial Statements

Interfund Transfers, Receivables and Payables

<u>Transfers From</u>	<u>Transfer to</u>				<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects</u>	<u>Non-Major Funds</u>	<u>Enterprise Fund</u>	
General Fund	\$ -	\$ 545,500	\$ 21,516	\$ -	\$ 567,016
Capital Projects	-	-	-	-	-
	<u>\$ -</u>	<u>\$ 545,500</u>	<u>\$ 21,516</u>	<u>\$ -</u>	<u>\$ 567,016</u>

Interfund balances represent amounts recognized but not yet received by the appropriate funds. The composition of interfund balances as of June 30, 2020 is as follows:

<u>Due From:</u>	<u>Due To:</u>			<u>Total</u>
	<u>Non-Major Funds</u>	<u>Capital Projects</u>	<u>General Fund</u>	
General Fund	\$ 33,835	\$ 270,130	\$ -	\$ 303,965
Non-Major Funds	-	-	179,396	179,396
WPCA	-	-	61,750	61,750
	<u>\$ 33,835</u>	<u>\$ 270,130</u>	<u>\$ 241,146</u>	<u>\$ 545,111</u>

Interfund receivable balances represent amounts held in the General Fund for Capital Projects, Historical Documents, School Cafeteria and Community Investment. Interfund payable balances represent balances owed to the General Fund from the School Cafeteria for Payroll, Open Space, Recreation Fund and WPCA for a working capital loan.

TOWN OF NEW HARTFORD
Notes to the Financial Statements

Capital Assets

Capital asset activity for the year ended June 30, 2020, was as follows:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
<i>Governmental Activities:</i>				
Capital assets, not being depreciated				
Land	\$ 5,441,480	\$ -	\$ -	\$ 5,441,480
Construction in Progress	<u>535,151</u>	<u>8,449</u>	<u>-</u>	<u>543,600</u>
Total capital assets, not being depreciated	<u>5,976,631</u>	<u>8,449</u>	<u>-</u>	<u>5,985,080</u>
Capital assets, being depreciated				
Buildings & Improvements	24,765,849	7,550	(20,400)	24,752,999
Land Improvements	865,265	-	-	865,265
Infrastructure	8,771,769	-	-	8,771,769
Vehicles	1,904,422	22,600	(26,425)	1,900,597
Machinery & Equipment	1,579,550	231,944	(36,162)	1,775,332
Furniture & Fixtures	<u>297,845</u>	<u>45,367</u>	<u>(700)</u>	<u>342,512</u>
Total capital assets, being depreciated	<u>38,184,700</u>	<u>307,461</u>	<u>(83,687)</u>	<u>38,408,474</u>
Less accumulated depreciation for:				
Buildings & Improvements	14,380,471	395,082	(9,948)	14,765,605
Land Improvements	399,299	42,081	-	441,380
Infrastructure	7,377,452	141,071	-	7,518,523
Vehicles	1,499,057	129,200	(26,425)	1,601,832
Machinery & Equipment	1,329,526	68,379	(36,162)	1,361,743
Furniture & Fixtures	<u>258,224</u>	<u>13,557</u>	<u>(700)</u>	<u>271,081</u>
Total accumulated depreciation	<u>25,244,029</u>	<u>789,370</u>	<u>(73,235)</u>	<u>25,960,164</u>
Total capital assets, being depreciated	<u>12,940,671</u>	<u>(481,909)</u>	<u>(10,452)</u>	<u>12,448,310</u>
<i>Governmental Activities capital assets, net</i>	<u>\$ 18,917,302</u>	<u>\$ (473,460)</u>	<u>\$ (10,452)</u>	<u>\$ 18,433,390</u>
<i>Business-Type Activities:</i>				
Capital assets not being depreciated				
Land	<u>11,507</u>	<u>-</u>	<u>-</u>	<u>11,507</u>
Total capital assets, not being depreciated	<u>11,507</u>	<u>-</u>	<u>-</u>	<u>11,507</u>
Capital assets, being depreciated				
Building & Improvements	14,112,851	-	-	14,112,851
Water Lines	288,067	-	-	288,067
Machinery & Equipment	<u>151,557</u>	<u>7,956</u>	<u>-</u>	<u>159,513</u>
Total capital assets, being depreciated	<u>14,552,475</u>	<u>7,956</u>	<u>-</u>	<u>14,560,431</u>
Less accumulated depreciation for:				
Building & Improvements	4,516,386	348,523	-	4,864,909
Water Lines	132,028	6,713	-	138,741
Machinery & Equipment	<u>109,531</u>	<u>3,290</u>	<u>-</u>	<u>112,821</u>
Total accumulated depreciation	<u>4,757,945</u>	<u>358,526</u>	<u>-</u>	<u>5,116,471</u>
Total capital assets, being depreciated, net	<u>9,794,530</u>	<u>(350,570)</u>	<u>-</u>	<u>9,443,960</u>
<i>Business Activities capital assets, net</i>	<u>\$ 9,806,037</u>	<u>\$ (350,570)</u>	<u>\$ -</u>	<u>\$ 9,455,467</u>

TOWN OF NEW HARTFORD
Notes to the Financial Statements

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General Government	\$ 215,770
Public Safety	18,028
Highway	173,170
Planning & Development	17,058
Health & Welfare	12,131
Recreation	30,456
Education	<u>322,757</u>
Total	<u>\$ 789,370</u>
Business-type activities	
Water & Sewer	<u>\$ 358,526</u>

The Town has active construction projects as of June 30, 2020. The year-end total accumulated construction costs were:

	<u>2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>2020</u>
Carpenter Road Bridge	\$ 535,151	\$ 8,449	\$ -	\$ 543,600

The Carpenter Road Bridge preliminary engineering work was started with a commitment from the state to fund 47.3% of the project. The total cost is estimated to be \$735,000 with a reimbursement of \$348,978. The town has approved funding the project with the issuance of bonds up to \$759,000. Bond anticipation notes were issued in connection with these projects and refinanced with permanent debt in November 2017.

Long-Term Obligations

General Obligation Bonds are direct obligations and pledge the full faith and credit of the town. These bonds generally are issued as 10 and 20-year serial bonds with unequal amounts of principal maturing each year. The funds were used for the acquisition and construction of major capital facilities. BANs and bonds have been issued for both governmental and business-type activities. The BAN was refinanced with long term financing during the year ended June 30, 2020. The General Fund has historically been used to liquidate other long-term liabilities related to governmental activities. The WPCA liquidates the long-term liabilities related to business-type activities.

	<u>Interest Rate</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Original Amount at Issuance</u>	<u>Annual Principal</u>	<u>Principal Outstanding at June 30, 2020</u>
Governmental Activities:						
Refunding Bond	2-4%	11/16/16	09/01/26	2,045,000	\$155,000-375,000	1,140,000
GO Bond	3.-3.125%	11/17/17	11/15/37	3,915,000	\$175,000-220,000	3,560,000
USDA WPCA Note	3.25	09/15/10	09/15/40	<u>3,594,000</u>	\$61,657-190,455	<u>2,971,328</u>
Total Business-Type Bonds & Loans				<u>\$ 9,554,000</u>		<u>\$ 7,671,328</u>

TOWN OF NEW HARTFORD
Notes to the Financial Statements

	Interest Rate	Date of Issue	Date of Maturity	Original Amount at Issuance	Annual Principal	Principal Outstanding at June 30, 2020
Business-Type Activities:						
Loan - Prospect Street Sewers	4.5	07/16/96	07/16/26	96,300	3,210	22,470
Loan - Water System Improvements	4.5	07/19/00	07/19/40	591,360	8,974-29,896	439,536
Loan - Water System Improvements	4.5	06/27/02	06/27/42	165,730	2,408-8,249	123,529
				Total Business-Type Bonds & Loans	\$ 853,390	\$ 585,535

Changes in long-term obligations for the year ended June 30, 2020, are as follows:

	July 1, 2019	Additions	Reductions	June 30, 2020	Due Within One Year
Governmental Activities					
Compensated Absences	\$ 236,194	\$ 500	\$ (41,981)	\$ 194,713	\$ 35,865
Net Pension Liability	1,397,730	-	(162,159)	1,235,571	-
G.O. Bonds	5,040,000	-	(340,000)	4,700,000	345,000
Unamortized Premiums	216,313	-	(21,675)	194,638	21,675
USDA WPCA Note	3,069,039	-	(97,711)	2,971,328	100,887
Total	<u>\$ 9,959,276</u>	<u>\$ 500</u>	<u>\$ (663,526)</u>	<u>\$ 9,296,250</u>	<u>\$ 503,427</u>

	July 1, 2019	Additions	Reductions	June 30, 2020	Due Within One Year
Business-type Activities					
Loans	\$ 604,254	\$ -	\$ (18,719)	\$ 585,535	\$ 19,395
Total	<u>\$ 604,254</u>	<u>\$ -</u>	<u>\$ (18,719)</u>	<u>\$ 585,535</u>	<u>\$ 19,395</u>

Advance Refunding of Debt

On November 16, 2016, General Obligation Bonds were issued to refund an earlier issue. This refunding resulted in an economic gain as well as savings from refunding. The economic gain realized in the refunding was \$45,000 and the savings resulting from the refunding was as follows:

Cash flow requirements to service old debt	\$ 2,489,049
Less: Cash flow requirements for new debt	<u>(2,360,005)</u>
Net Savings from refunding	<u>\$ 129,044</u>

Interest Expense

No interest was capitalized during the year. Interest expense charged to business-type activities was as follows:

Business-Type Activities:	
Water Pollution Control Authority	\$ 86,966
Total interest expense Business-Type Activities	<u>\$ 86,966</u>

TOWN OF NEW HARTFORD
Notes to the Financial Statements

Debt Service Requirements

Debt service requirements on long-term debt at June 30, 2020, are as follows:

Year Ending	<u>Governmental activities</u>		<u>Business-type activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2021	\$ 445,887	\$ 238,669	\$ 19,395	\$ 25,998
2022	449,166	225,038	20,725	25,122
2023	452,551	209,654	21,514	24,213
2024	496,046	193,558	22,337	23,270
2025	499,656	176,750	23,198	22,291
2026-2030	2,046,654	673,523	120,683	95,845
2031-2035	1,681,191	397,436	142,393	68,234
2036-2040	1,409,721	142,755	167,622	34,383
2041-2042	375,700	18,400	47,668	6,291
Total	<u>\$ 7,856,572</u>	<u>\$ 2,275,783</u>	<u>\$ 585,535</u>	<u>\$ 325,647</u>

During a prior year, the Town received long-term financing from the U.S. Department of Agriculture for \$3,594,000. The Town had an arrangement with the New Hartford WPCA to repay the loan with a 61/39 split. The original agreement proposed that the NHWPCA repay 61% of the loan and the Town will repay 39%. The note was modified for the NHWPCA to make decreased payments for fiscal years 2015-2018 and then extended through 6/30/2021. The payments will then revert to the original agreement, and then make increased payments for the last 5 years. Payments to the town have been suspended since August 2017. The note requires total principal and interest payments of \$197,455 due annually through 2040. The final payment of \$196,645 is due September 15, 2040. The interest rate on the note is 3.25%.

This Town also loaned NHWPCA \$130,000 which was due in in March 2014. The agreement was modified to propose the NHWPCA repay in annual installments of \$13,000, paid in quarterly installments of \$3,250 beginning March 31, 2014. During the year ended June 30, 2020, \$13,000 was repaid, however NHWPCA is behind by four quarterly payments totaling \$13,000. The balance of this loan was \$61,750 as of June 30, 2020.

Overlapping Debt

New Hartford is a member of the Regional School District No. 7, along with the Towns of Barkhamsted, Colebrook, and Norfolk. New Hartford's scheduled payment to the School District is a pro rata share of 49.64%, which is based upon student enrollment. The Town's portion of the bond principal for Regional School District No. 7 is as follows:

Bonds Outstanding	<u>Principal</u>
Town's Pro Rata %	\$623,000
Town's Share	<u>49.64%</u>
	<u>\$ 309,257</u>

TOWN OF NEW HARTFORD
Notes to the Financial Statements

NOTE 4 – OPERATING LEASES

The Town has entered into several lease agreements for equipment. These leases require monthly payments from \$159 to \$474. These leases expire ranging from December 2019 to July 30, 2022. Total lease expense for 2020 was \$16,428. Future minimum lease payments under current agreements are as follows:

<u>Year</u>	<u>Amount</u>
2021	\$ 8,548
2022	3,701
2023	288

NOTE 5 – SEGMENT INFORMATION

The Town issued bonds and notes to finance improvements to its water pollution control authority, which operates the government's water and sewage treatment plants, pumping stations, and collections systems. The New Hartford Water Pollution Control Authority is reported as the sole enterprise fund. Because both the water and sewer activity is recorded in the same fund and financial activity is blended, segment information for each activity is not presented. Summary financial information for the WPCA is presented in the proprietary fund statements on pages 25-27.

NOTE 6 – PENSION PLANS

Defined Benefit Pension Plan

Plan Description - The Town of New Hartford, CT Retirement Plan (the Plan) is a single-employer, defined benefit, noncontributory pension plan administered by the Town of New Hartford, CT. The Plan provides retirement and death benefits to plan members and beneficiaries. The Town of New Hartford, CT retains the authority to establish and amend benefit provisions. The Plan is considered to be part of the Town of New Hartford, CT's financial reporting entity and is included in the Town's financial reports as a Pension Trust Fund. The Plan does not issue a separate stand-alone financial report. The pension board is comprised of 5 members who serve for a specified term length and are appointed by the Board of Selectmen. The Board of Selectmen seek residents who have expertise in the field of investments, pensions, or something similar to serve on this Board.

Classes of Employees Covered and Current Membership – All employees (except those covered by the State of Connecticut Teachers Retirement System) at least 25 years of age and having five years of credited service are eligible. Effective July 1, 2011, the plan is closed to new entrants. One year of credited service is earned for each calendar year during which 1,000 hours is worked. Current membership consists of the following:

Active plan members	37
Inactive plan members or beneficiaries receiving benefits	32
Inactive plan members entitled to but not yet receiving benefits	<u>31</u>
Total plan participants	100

TOWN OF NEW HARTFORD
Notes to the Financial Statements

Benefits Provided - Under the Plan, employees who have attained 25 years of age are 100% vested after 5 years of credited service. For employees hired after January 1, 2002, normal retirement is the Social Security normal retirement age. Otherwise, normal retirement is at age 65. Retirees will receive a retirement benefit for life of 1.25% of final average compensation for the highest three consecutive calendar years out of the final ten years, multiplied by years of credited service (not to exceed 40). A surviving spouse of a participant, who dies after five years of service, will receive a death benefit equal to 50% of the benefit, which the deceased employee was (or would have been) eligible for at early retirement (age 55 with ten years of service). Benefits and refunds are recognized when due and payable in accordance with terms of the plan.

Contributions - The contribution requirements of the Town are established and may be amended by the Board of Selectmen, as suggested by the actuarial valuations. The actuarial method used to develop the annual funding percentage for all benefits is the Entry Age Normal Actuarial Cost Method. The Town currently contributes at the actuarially determined rate, which at \$303,210 was 18.6% of annual covered payroll. Employees do not contribute to the Plan. Costs to administer the plan are paid by the Town out of the General Fund, and are not included in the actuarially determined contribution. Investment management fees are paid out of the pension trust.

Significant Accounting Policies

Basis of Accounting - Financial statements are prepared using the accrual basis of accounting. Employer contributions are recognized in the period that the contributions are due. Benefits are recognized in the period owed.

Investment Policy – The pension plan’s policy in regard to the allocation of invested assets is established by and may be revised by the Pension Committee. The overall investment goal is to obtain a competitive rate-of-return on portfolio assets commensurate with prudent investment rules and the responsibility to provide retirement benefits for members, retirees and their beneficiaries. The committee regards prudent risk taking as justifiable and necessary to meet the plan liabilities and minimize long term contributions within reasonable and prudent levels of risk. The strategic allocation targets approved by the Pension Committee in September 2020 are:

<u>Asset Class</u>	<u>Target Allocation</u>
Money Market	2.00%
Core Fixed Income	38.00%
Large Capitalization Domestic Equity	31.00%
Mid/Small Cap Equity Domestic Equity	11.00%
International Equity	16.00%
Speciality	2.00%

Method Used to Value Investments – The actuarial value of assets phases in recognition of the difference between the actuarial return on Market Value and the expected return of Market Value over a 4-year period at 25% per year. Short-term investments are reported at cost, which approximates fair value. Securities traded on national exchanges are valued at the last reported sales price. Investments that do not have an established market are reported at estimated fair values.

TOWN OF NEW HARTFORD
Notes to the Financial Statements

Money-weighted rate of return – The annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.43%. Money-weighted rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested.

Currently there is no Deferred Retirement Option Plan.

Funded Status and Funding Progress

The Town’s annual pension cost and net pension obligation to the Plan for the current year as of July 1, 2019 (the most recent actuarial date) were as follows:

Schedule of Net Pension Liability	
	<u>2020</u>
Total Pension Liability *	\$ 5,715,824
Plan Fiduciary net position	<u>4,480,253</u>
Net pension liability (asset)	1,235,571
Plan fiduciary net position as a percentage of total pension liability	78.38%
Covered-employee payroll	\$ 1,630,858
Net pension liability as a % of covered employee payroll	75.76%

* Total pension liability calculated using the Entry Age Normal Cost Method

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations.

Actuarial Methods and Assumptions: The actuarially determined employer contribution (ADEC) for the current year was determined as part of the July 1, 2017 actuarial valuation using the Entry Age Normal Actuarial Cost Method. The funding policy consists of two parts, normal cost plus an amortization of the plan’s Unfunded Actuarial Liability. Each year, the plan sponsor pays the Normal Cost plus an amortization of the plan’s unfunded actuarial liability amortized over 30 years on a closed basis beginning July 1, 2015. Significant actuarial assumptions used include (1) inflation of 2.5% (2) rate of return on investments of 7.25% per year, (3) projected salary increases of 3.0% per year, and (4) and retirement age of 50% at normal retirement date, 25% for all later ages up to 100% at age 70. The unfunded actuarial accrued liability is being amortized over 30 years. Mortality was based on Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables projected to the valuation date with Scale MP-2019. A full actuarial experience study has not been completed.

TOWN OF NEW HARTFORD
Notes to the Financial Statements

Discount Rate – The discount rate used to measure the total pension liability was 7.25%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the Town contributions will be made at a rate equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all prior periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in the discount rate – The following presents the net pension liability, calculated using the discount rate of 7.25% as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	<u>1% Decrease Discount Rate</u> 6.25%	<u>Current Discount Rate</u> 7.25%	<u>1% Increase Discount Rate</u> 8.25%
Net pension liability as of June 30, 2020	\$1,832,209	\$1,235,571	\$722,028

Valuation Date and Roll Forward Process – The plan used the July 1, 2017 valuation to calculate the Actuarially Determined Employer Contribution for fiscal year ending June 30, 2020. The July 1, 2019 valuation directly calculated the July 1, 2019 Total Pension Liability. The July 1, 2019 Total Pension Liability was increased by service cost and interest and decreased by benefit payments to estimate the total pension liability as of June 30, 2020. The Total Pension Liability was also adjusted to reflect any material plan changes after the valuation, if applicable.

Target Allocation and Expected Rate of Return
Actuarial Valuation as of July 1, 2019

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return *</u>	<u>Weighting</u>
US Large Cap	31.00%	4.50%	1.40%
US Mid Cap/Small Cap	11.00%	5.00%	0.55%
Developed International Equities	16.00%	5.25%	0.84%
Intermediate Bond	38.00%	2.50%	0.95%
Short-Term Bond/Cash	2.00%	0.25%	0.01%
Speciality and Alternative Investments	2.00%	4.50%	0.09%
	100.00%		3.84%
Long-Term Inflation Expectation			2.50%
Long-Term Expected Nominal Return			6.34%

* Long-term returns are provided by HHIA. The returns are geometric means.

TOWN OF NEW HARTFORD
Notes to the Financial Statements

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return are developed. Best estimates of the real rates of return for each major asset class are included in the pension plan's target asset allocation.

The information is based on geometric means and does not reflect additional returns through investment selection, asset allocation and rebalancing. The results support a rate between 6.25% and 7.25%. An expected rate of return 7.25% was used in the calculation of the liability in this report.

Required Supplementary Information - Historical trend information for the pension plan are presented as supplementary schedules following the notes to the financial statements, and, as information becomes available, will present multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

TOWN OF NEW HARTFORD
Notes to the Financial Statements

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pension – For the year ended June 30, 2020 the Town recognized pension expense of \$156,128. At June 30, 2020, the Town reported deferred outflows and inflows of resources related to pensions from the following sources:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(A)	(B)	(A) + (B)
Balance at June 30, 2019	\$ (5,719,130)	\$ 4,321,400	\$ (1,397,730)
Changes for the year:			
Service Cost	(149,137)	-	(149,137)
Interest	(416,534)	-	(416,534)
Net Investment Income	-	105,949	105,949
Contributions - Employer	-	303,210	303,210
Contributions - Member	-	-	-
Benefit Payments, including Refunds of Member Contributions	250,306	(250,306)	-
Administrative Expense	-	-	-
Other	-	-	-
Recognized in Total Pension Expense			
Differences Between Expected and Actual Assumptions	122,360	-	122,360
Changes of Assumptions	196,311	-	196,311
Differences Between Expected and Actual Earnings on Pension Plan	-	-	-
Deferred Outflows/Inflows of Resources			
Differences Between Expected and Actual Experience	-	-	-
Changes of Assumptions	-	-	-
Differences Between Projected and Actual Earnings on Pension Plan	-	-	-
Total Pension Expense	-	-	-
Net Changes	3,306	158,853	162,159
Balance at June 30, 2020	\$ (5,715,824)	\$ 4,480,253	\$ (1,235,571)
Plan fiduciary net position as a percentage of total pension liability			78.38%
Covered-Employee Payroll			\$ 1,630,858
Net pension liability as a percentage of covered-employee payroll			75.76%

TOWN OF NEW HARTFORD
Notes to the Financial Statements

	<u>Deferred Outflows/(Inflows) of Resources</u>		
	<u>(Gains)/ Losses</u>	<u>Assumption Changes</u>	<u>Projected Net Investment Income</u>
Balances at June 30, 2019	\$ (98,489)	\$ 47,632	\$ 3,739
Recognized in Total Pension Expense			
Differences Between Expected and Actual Experience	118,017	-	-
Changes of Assumptions	-	35,902	-
Differences Between Projected and Actual Earnings on Pension Plan	-	-	(59,562)
Deferred Outflows/Inflows of Resources			
Differences Between Expected and Actual Experience	(122,360)	-	-
Changes of Assumptions	-	(196,311)	-
Differences Between Projected and Actual Earnings on Pension Plan	-	-	209,237
Balances at June 30, 2020	<u>\$ (102,832)</u>	<u>\$ (112,777)</u>	<u>\$ 153,414</u>

Amounts reported as deferred outflows of resources related to pensions will be recognized in pension expense as follows:

June 30, 2021	\$ (101,920)
June 30, 2022	(50,535)
June 30, 2023	48,412
June 30, 2024	41,849

Defined Contribution Plan
Town Employees

The Town adopted and administers a single-employer defined contribution pension plan (Town of New Hartford 457(b) Plan) to provide benefits at retirement to employees of the Town. Union and non-union town employees hired after 7/1/11, who are not covered by CT Teacher's Retirement Board, are required to contribute 1% of their salary and are eligible for a required 5% employer contribution. Employer contributions are 100% vested. Benefit terms may be amended by the Town. At June 30, 2020, there were 27 plan members. A provision has been included to allow pre-tax employee contributions up to 100% of compensation, subject to IRS dollar limits. Income accumulates tax-free until distribution from the plan.

The Town's required 5% contribution was \$38,621. The Board of Education's required 5% contribution was \$7,624. Participant contributions were \$99,374 for the year. Contributions are placed into individual participant accounts, where the funds are invested in mutual funds at the employees' discretion. Each participant has ownership of his or her respective accounts. There are no assets accumulated in a GASB-compliant Trust. Plan provisions and contribution requirements are established and may be amended by the Town.

TOWN OF NEW HARTFORD
Notes to the Financial Statements

Teacher's Retirement System

Certified teachers in the Town of New Hartford, CT are eligible to participate in the State of Connecticut's Teacher's Retirement System, a multiple-employer, public employee's retirement system. The Town does not contribute to the system nor does it have any legal obligation for benefits. A member who completes 20 years of Connecticut public school service is eligible for a vested benefit commencing at age 60. Members were required to contribute 7.25% of their annual salary to the system through December 31, 2017. The contribution rate was increased to 8.25% of their annual salary as of January 1, 2018 as required by section 10-183b (7) C.G.S. The State contributes amounts based on actuarial estimates.

The State's aggregate contribution to the plan for the fiscal year ended June 30, 2019 for all participating local governments was \$1,292,314,000. The amount of the contribution allocable to the Town was estimated to be \$1,016,904 and the "on-behalf" payment has been recognized as a government grant and an education expenditure in the General Fund. For the year ended June 30, 2020, teachers for the Town of New Hartford, CT contributed \$284,654 to the plan. The funding level was determined based on an actuarial valuation of the plan as a whole, which does not provide actuarial information on an individual Town basis.

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

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

Normal Retirement - Retirement benefits for the employees are calculated as 2% of the average annual salary times during the years credited service (maximum benefit is 75% of average annual salary during the 3 years of highest salary).

Early Retirement - Employees are eligible after 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service with reduced benefit amounts.

Disability Retirement - Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required for non-service related disability eligibility. Disability benefits are calculated as 2% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary.

TOWN OF NEW HARTFORD
Notes to the Financial Statements

Contributions - Per Connecticut General Studies Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are approved and amended and certified by the State Teachers Retirement Board and appropriated by the General Assembly.

Employer (School Districts)

School District employers are not required to make contributions to the plan.

The statutes require the State of Connecticut to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount that, when combined with employee contributions and investment earnings, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

Employees:

Effective July 1, 1992, each teacher was required to contribute 6% of salary for the pension benefit. The rate was increased to 7% effective January 1, 2018.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2020, the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$	-
State's proportionate share of the net pension liability associated with the Town	\$	13,434,289
Total	\$	<u>13,434,289</u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation of June 30, 2018. At June 30, 2020 the Town has no proportionate share of the net pension liability. For the year ended June 30, 2020, the Town recognized benefits expense and contribution revenue of \$1,016,904 in the governmental funds for on-behalf amounts for the benefits provided by the state. In the Government-wide financial statements, the town recognized \$1,649,960 for pension expense related to actuarial liabilities for on-behalf amounts for the benefits provided by the State.

Actuarial Assumptions - The total pension liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.50%
Salary increase	3.25-6.50%, including inflation
Investment rate of return	6.90%, net of pension plan investment expense, including inflation

Mortality rates were based on the RPH-2014 White Collar Table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

TOWN OF NEW HARTFORD
Notes to the Financial Statements

Future Cost-of-Living increases for members who retire on or after September 1, 1992 are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return was less than 8.5%, the maximum increase is 1.0%.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Public Equity - US Equity	20.00%	8.1%
Public Equity - International Developed Equity	11.00%	8.5%
Public Equity - Emerging Market Equity	9.00%	10.4%
Fixed Income - Core Fixed Income	16.00%	4.6%
Fixed Income - Inflation Linked Bonds	5.00%	3.6%
Fixed Income - High Yield	6.00%	6.5%
Fixed Income - Emerging Market Debt	5.00%	5.2%
Private Equity	10.00%	9.8%
Real Estate	10.00%	7.0%
Alternative Investments - Real Assets	4.00%	8.2%
Alternative Investments - Hedge Funds	3.00%	5.4%
Liquidity Fund	<u>1.00%</u>	2.9%
Total	<u><u>100%</u></u>	

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

Sensitivity of the net pension liability to changes in the discount rate - The Town's proportionate share of the net pension liability is \$0, and therefore the change in the discount rate would only impact the amount recorded by the State of Connecticut.

TOWN OF NEW HARTFORD
Notes to the Financial Statements

Connecticut Teacher's Retirement System - OPEB

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

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

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

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

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

School district employers are not required to make contributions to the Plan. The State of Connecticut's estimated allocated contribution to the Plan on behalf of the Town was \$27,793.

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

TOWN OF NEW HARTFORD
Notes to the Financial Statements

Actuarial Assumptions - The total OPEB liability was determined by an actuarial valuation as of June 30, 2019 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Inflation	2.50%
Real Wage Growth	0.75%
Wage Inflation	3.25%
Salary increases	3.25-6.50%, including inflation
Long-term investment rate of return	3.00%, net of OPEB plan investment expense, including inflation

Municipal bond index rate:

Measurement Date	3.50%
Prior Measurement Date	3.87%

The projected fiduciary net position is projected to be depleted in 2019.

Single equivalent interest rate

Measurement Date	3.50%, net of OPEB plan investment expense, including price inflation
Prior Measurement Date	3.87%, net of OPEB plan investment expense, including price inflation

Healthcare cost trend rates:

Pre-Medicare	5.95% for 2018 decreasing to an ultimate Rate of 4.75% by 2025
Medicare	5.00% for 2018 decreasing to an ultimate Rate of 4.75% by 2028

Mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

Long-Term Rate of Return - The long-term expected rate of return on plan assets is reviewed as part of the GASB 75 valuation process. Several factors are considered in evaluation the long-term rate of return assumption, including the Plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) for each major asset class.

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

TOWN OF NEW HARTFORD
Notes to the Financial Statements

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Expected 10-Year Geometric Real Rate of Return</u>	<u>Standard Deviation</u>
U.S. Treasuries (Cash Equivalents)	100.0%	0.41%	2.31%
Price inflation		2.50%	
Expected rate of return (Rounded nearest 0.25%)		3.00%	

Discount Rate - The discount rate used to measure the total OPEB liability was 3.50%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection's basis was an actuarial valuation performed as of June 30, 2018.

In addition to the actuarial methods and assumptions of the June 30, 2018 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annually at a rate of 3.25%.
- Employee contributions were assumed to be made at the current member contribution rate. Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- No future employer contributions were assumed to be made.

Based on those assumptions, the plan's fiduciary net position was projected to be depleted in 2019 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

Sensitivity of the Net OPEB Liability to Changes in Healthcare Cost Trend Rates - The following presents the total OPEB liability, calculated using current cost trend rates, as well as what the Plan's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than current healthcare cost trend rates:

	<u>1% Lower Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Higher Trend Rates</u>
Initial Healthcare Cost Trend Rate	4.95%/4.00%	5.95%/5.00%	6.95%/6.00%
Ultimate Healthcare Cost Trend Rate	3.75%	4.75%	5.75%
Total OPEB Liability	\$1,745,451	\$2,095,152	\$2,562,289

TOWN OF NEW HARTFORD
Notes to the Financial Statements

Sensitivity of the Net OPEB Liability to Changes in Discount Rates - The following presents the net OPEB liability, calculated using the current discount rate, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease <u>(2.50%)</u>	Current Discount Rate <u>(3.50%)</u>	1% Increase <u>(4.50%)</u>
Net OPEB liability	\$2,496,792	\$2,095,152	\$1,775,323

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions: At June 30, 2020 the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

Town's proportionate share of the net OPEB Liability	\$	-
State's proportionate share of the net OPEB liability associated with the Town		<u>2,095,152</u>
Total	\$	<u>2,095,152</u>

The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2019. At June 30, 2019, the Town had no proportionate share of the net OPEB liability.

NOTE 7 – RISK MANAGEMENT

Risk Management

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God. The Town purchases commercial insurance to cover most potential risks of loss. Neither the Town nor its insurers have settled any claim within the past year, which have exceeded the Town's insurance coverage. There were no significant changes in coverage from the prior year, and no settlements have exceeded insurance coverage in the last three years.

The Town belongs to the Connecticut Interlocal Risk Management Agency (CIRMA), a public entity risk pool currently operating as a common risk management and insurance program for a comprehensive workers' compensation insurance program through its workers' compensation pool. The Town pays an annual premium to the pool for its coverage. The agreement for the formation of CIRMA provides that the pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$1,000,000 for each insured event to an unlimited excess limit. The pooling agreement allows CIRMA to make additional assessments to make the pool self-sustaining. The Town cannot estimate the amount of such additional assessments and has not been notified that any assessments are forthcoming. CIRMA publishes its own financial report, which can be obtained from: CIRMA, 900 Chapel Street, New Haven, CT.

TOWN OF NEW HARTFORD
Notes to the Financial Statements

NOTE 8 – FUND BALANCES

The following balances were assigned at June 30, 2020:

General Fund:

Subsequent Year Budget	\$ 850,000
Return of Settlement Funds	50,833
Capital Improvements	<u>171,500</u>
Total	<u>\$ 1,072,333</u>

The Open Space Fund reported a negative fund balance of \$122,315 and the Dog Fund reported a negative fund balance of \$844 at June 30, 2020.

NOTE 9 – CONTINGENCIES AND COMMITMENTS

The Town participates in Regional Refuse District No. 1, a transfer station that was formally a landfill. The District has been informed that its landfill is on the Superfund list and has been named a potentially responsible party by the Environmental Protection Agency. The District has settled its liability for the Remedial Investigation/Feasibility Study, and the EPA has approved a long-term natural attenuation and monitoring program as the final remedy for the site. The annual financial obligation for this long-term work was funded by amounts obtained in grant funds and assessed to all PRP's and set aside in a trust fund for these activities. At this point, it is premature to estimate the final cost of the program, as the total cost of post closure care is an estimate and subject to changes resulting from inflation, deflation, technology, or changes in applicable laws and regulations. The towns served by the District are required to pay any shortfall in the District's budget. The Town of New Hartford, CT is responsible for approximately 32% of any such shortfall.

The Town is in dispute with a contractor over a claim over delays and defective work concerning the construction of Carpenter Road Bridge. The vendor has filed a legal claim for additional costs due to unforeseen matters incurred during construction. The Town maintains that the work was not completed according to the contract and is due compensation for the significant delays and sub-standard construction. The Town is pursuing the legal steps outlined in the contract, beginning with mediation.

The Asset Evaluation Team has been formed to investigate selling of the drinking water and wastewater assets of the Water Pollution Control Authority. The Team is recommending that the assets be sold, and the proceeds be used to repay the outstanding debt and the balance be used to extend the water lines. The Planning and Zoning Commission has approved the recommendation. The proposal needs the approval of the Board of Finance and the Town.

NOTE 10 – PRIOR PERIOD RESTATEMENT

	Custodial Funds
Net position as previously reported at June 30, 2019	\$ -
To reclassify funds as a result of the implementation of GASB 84	<u>9,701</u>
Net position as restated at July 1, 2019	<u>\$ 9,701</u>

TOWN OF NEW HARTFORD
Notes to the Financial Statements

NOTE 11 – RISKS AND UNCERTAINTIES

The World Health Organization declared the coronavirus outbreak (“COVID-19”) a pandemic. The impact of COVID-19 could negatively affect the Town’s operations, vendors, and/or taxpayer base. The extent to which the COVID-19 impacts the Town’s financial position will depend upon future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions taken to contain the coronavirus or its impact, among others.

NOTE 12 – GASB PRONOUNCEMENTS ISSUED, BUT NOT YET EFFECTIVE

The Governmental Accounting Standards Board (GASB) is the standard setting board for governmental entities. The following are statements which have been approved by GASB, but are not yet effective:

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

- ***GASB Statement No. 89, Accounting for Interest Cost Incurred before the End of a Construction Period.*** The objectives of this statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred. As a result, interest cost before the end of a construction period will not be included in the historical cost of the capital asset. The requirements of this statement are effective for the Town’s reporting period beginning July 1, 2021.

**Required
Supplementary
Information**

TOWN OF NEW HARTFORD
Schedule of Net Pension Liability and Related Ratios
For the Last 5 Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Total Pension Liability *							
Service Cost	\$ 149,137	\$ 145,496	\$ 163,936	\$ 159,157	\$ 170,833	\$ 155,489	\$ 149,509
Interest	416,534	393,605	386,623	359,230	342,348	322,788	300,559
Changes in benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	(122,360)	-	(249,300)	-	(5,843)	-	-
Changes of assumptions	(196,311)	-	174,275	-	(441,420)	133,735	-
Benefit payments, including refunds of member contributions	<u>(250,306)</u>	<u>(203,454)</u>	<u>(163,230)</u>	<u>(152,792)</u>	<u>(157,716)</u>	<u>(158,991)</u>	<u>(144,348)</u>
Net change in total pension liability	(3,306)	335,647	312,304	365,595	(91,798)	453,021	305,720
Total pension liability - beginning	<u>5,719,130</u>	<u>5,383,483</u>	<u>5,071,179</u>	<u>4,705,584</u>	<u>4,797,382</u>	<u>4,344,361</u>	<u>4,038,641</u>
Total pension liability - ending (a)	<u>\$ 5,715,824</u>	<u>\$ 5,719,130</u>	<u>\$ 5,383,483</u>	<u>\$ 5,071,179</u>	<u>\$ 4,705,584</u>	<u>\$ 4,797,382</u>	<u>\$ 4,344,361</u>
Plan fiduciary net position							
Contributions - employer	\$ 303,210	\$ 282,713	\$ 288,414	\$ 281,633	\$ 263,543	\$ 263,543	\$ 231,114
Contributions - employee	-	-	-	-	-	-	-
Net investment income	105,949	258,787	273,620	401,509	(13,157)	49,354	378,155
Benefit payments, including refunds of member contributions	(250,306)	(203,454)	(163,230)	(152,792)	(157,716)	(158,991)	(144,348)
Administrative Expenses	-	-	-	-	-	-	-
Other	<u>-</u>	<u>-</u>	<u>1,775</u>	<u>1,373</u>	<u>558</u>	<u>291</u>	<u>6,956</u>
Net change in pension fiduciary net position	158,853	338,046	400,579	531,723	93,228	154,197	471,877
Plan fiduciary net position - beginning	<u>4,321,400</u>	<u>3,983,354</u>	<u>3,582,775</u>	<u>3,051,052</u>	<u>2,957,824</u>	<u>2,803,627</u>	<u>2,331,750</u>
Plan fiduciary net position - ending (b)	<u>\$ 4,480,253</u>	<u>\$ 4,321,400</u>	<u>\$ 3,983,354</u>	<u>\$ 3,582,775</u>	<u>\$ 3,051,052</u>	<u>\$ 2,957,824</u>	<u>\$ 2,803,627</u>
Net pension liability - ending: (a) - (b)	<u>\$ 1,235,571</u>	<u>\$ 1,397,730</u>	<u>\$ 1,400,129</u>	<u>\$ 1,488,404</u>	<u>\$ 1,654,532</u>	<u>\$ 1,839,558</u>	<u>\$ 1,540,734</u>
Plan fiduciary net position as a percentage of the total pension liability	78.38%	75.56%	73.99%	70.65%	64.84%	61.65%	64.53%
Covered payroll	\$ 1,630,858	\$ 1,846,422	\$ 1,783,903	\$ 1,919,240	\$ 1,845,423	\$ 1,708,040	\$ 1,642,346
Net pension liability as a percentage of covered payroll	75.76%	75.70%	78.49%	77.55%	89.66%	107.70%	93.81%

* Total pension liability calculated using the Entry Age Normal Cost Method, as required by paragraph 46 of GASB Statement 67.

** Pension schedules in the required supplementary information are intended to show information for ten years. Additional information will be displayed as it becomes available.

See accountant's report.

TOWN OF NEW HARTFORD

Schedule of Contributions
For the Last 7 Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution (ADC)	\$ 303,210	\$ 282,713	\$ 288,415	\$ 281,633	\$ 257,906	\$ 253,343	\$ 208,104
Contributions in relation to the ADC	<u>303,210</u>	<u>282,713</u>	<u>288,414</u>	<u>281,633</u>	<u>263,543</u>	<u>263,543</u>	<u>231,114</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>(5,637)</u>	<u>(10,200)</u>	<u>(23,010)</u>
Covered payroll	1,630,858	1,846,422	1,783,903	1,919,240	1,845,423	1,708,040	1,642,346
Contributions as a percentage of covered payroll	18.59%	15.31%	16.17%	14.67%	14.28%	15.43%	14.07%

Notes to Schedule

Valuation Date:

07/01/2019

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age Normal
Amortization method	Closed
Remaining amortization period	26 yrs. Remaining as of July 1, 2015
Asset valuation method	Phases in recognition of the difference between actual return on Market Value and expected return of Market Value over a 4-year period at 25% per year
Inflation	2.50%
Salary increases	3.00%
Investment rate of return	7.25%
Retirement Age	50% at Participant's Normal Retirement Date, 25% for all ages up to 100% at age 70
Mortality	Pub-2010 Public Retirement Plans Amount-Weighted Mortality Tables, projected to the Valuation Date with Scale MP-2019

* Pension schedules in the required supplementary information are intended to show information for ten years. Additional information will be displayed as it becomes available.

See accountant's report.

TOWN OF NEW HARTFORD
Schedule of Investment Returns
Last 6 Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	2.43%	6.42%	7.35%	12.44%	-0.41%	1.73%	16.45%

See accountant's report.

TOWN OF NEW HARTFORD
 State Teacher's Retirement System
 Proportionate Share of Net Pension Liability
 June 30, 2020

<u>Schedule of Proportionate Share of Net Pension Liability</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net pension associated with Town	<u>13,434,289</u>	<u>10,358,617</u>	<u>11,516,040</u>	<u>12,149,511</u>	<u>10,022,228</u>	<u>9,263,541</u>
Total	<u>\$ 13,434,289</u>	<u>\$ 10,358,617</u>	<u>\$ 11,516,040</u>	<u>\$ 12,149,511</u>	<u>\$ 10,022,228</u>	<u>\$ 9,263,541</u>
Town's covered-employee payroll	<u>\$ 3,450,353</u>	<u>\$ 3,335,509</u>	<u>\$ 3,305,535</u>	<u>\$ 3,493,688</u>	<u>\$ 3,424,590</u>	<u>\$ 3,287,462</u>
Town's proportionate share of the net pension liability (asset) as a percentage of its covered -employee payroll.	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>52.00%</u>	<u>57.69%</u>	<u>55.93%</u>	<u>52.26%</u>	<u>59.50%</u>	<u>61.51%</u>

Changes in Benefit Terms: Beginning January 1, 2018, member contributions increased from 6% to 7% of salary

Changes in Assumptions: The inflation assumption was reduced from 2.75% to 2.5%

Real rate of return assumption reduced to 4.4% which, when combined with the inflation assumption change, results in a decrease in the investment rate of return assumption from 8% to 6.9%

Note: This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

See accountant's report.

TOWN OF NEW HARTFORD
State Teacher's Retirement System
Note to Required Supplementary Information
Schedule of Proportionate Share of the Net Pension Liability
Year-ended June 30, 2020

Change of benefit terms	None
Changes of assumptions	The total pension liability was determined by an actuarial valuation as of June 30, 2018.
Actuarial Cost Method	Entry Age
Amortization Period	Level percent of salary, closed
Remaining Amortization Period	17.6 years
Asset Valuation Method	4 year smoothed market
Inflation	2.75%
Salary Increases	3.25%-6.50% average, including inflation
Investment Rate of Return	8.0%, net of pension plan investment expense, including inflation

TOWN OF NEW HARTFORD
 State Teacher's Retirement System
 Proportionate Share of Net OPEB Liability
 June 30, 2020

<u>Schedule of Proportionate Share of Net OPEB Liability</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Town's proportion of the net OPEB liability	0.00%	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net OPEB liability associated with Town	<u>2,092,152</u>	<u>2,070,732</u>	<u>2,964,086</u>
Total	\$ 2,092,152	\$ 2,070,732	\$ 2,070,732
Town's covered-employee payroll	\$ 3,450,353	\$ 3,335,509	\$ 3,305,535
Town's proportionate share of the net OPEB liability as a percentage of its covered -employee payroll.	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>2.08%</u>	<u>1.49%</u>	<u>1.79%</u>

Notes to Schedule

Changes in Benefit Terms

The Plan was amended, effective January 1, 2019, to elect a new prescription drug plan, which is expected to reduce overall costs and allow for the Board to receive a government subsidy for members whose claims reach a catastrophic level.

Changes to Assumptions

The discount rate used to measure Plan obligations for financial accounting purposes as of June 30, 2019 was updated to equal the Municipal Bond Index Rate of 3.5% as of June 30, 2019
 Expected annual per capita claims costs were updated to better reflect anticipated medical and prescription claim experience both before and after the plan change that became effective on January 1, 2019.
 Expected rate of inflation was decreased, and Real Wage Growth assumption was increased.

**Supplemental, Combining,
and Individual Fund
Statements and Schedules**

General Fund

The General Fund is the general operating fund of the Town. It is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund budget is legally adopted at the Annual Town Meeting. The General Fund utilizes the modified accrual basis of accounting.

TOWN OF NEW HARTFORD

Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Over (Under)</u>
Revenues				
Taxes				
Property Taxes	\$ 20,194,004	\$ 20,194,004	\$ 20,349,765	\$ 155,761
Property Taxes - Prior Years	150,000	150,000	165,563	15,563
Interest and Lien Fees	80,000	80,000	90,365	10,365
Total Taxes	<u>20,424,004</u>	<u>20,424,004</u>	<u>20,605,693</u>	<u>181,689</u>
Fees, Fines, and Permits				
Licenses and Permits	1,000	1,000	4,470	3,470
Copy Machine Fees	10,000	10,000	12,874	2,874
Town Clerk Fees	100,000	100,000	113,460	13,460
Building Inspector Fees	95,000	95,000	96,056	1,056
Zoning & Wetlands Fees	5,000	5,000	6,050	1,050
Burning Official Fees	1,300	1,300	2,720	1,420
Parking Tickets Fees	100	100	175	75
Total Fees, Fines, and Permits	<u>212,400</u>	<u>212,400</u>	<u>235,805</u>	<u>23,405</u>
Intergovernmental Revenue				
Telephone access line tax	19,750	19,750	15,280	(4,470)
Town Aid for Roads	269,865	269,865	269,945	80
State-Owned Property	10,288	10,288	10,288	-
LOCIP Grant	62,726	62,726	63,070	344
Lieu of taxes-Veteran	2,000	2,000	1,452	(548)
Lieu of taxes-Disabled	475	475	483	8
Adult Education	2,979	2,979	3,046	67
Pequot Grant	822	822	822	-
ECS Grant	2,927,500	2,927,500	2,966,653	39,153
Municipal Grant in Aid	139,174	139,174	139,174	-
Emergency Homeland Security Grant	-	-	3,337	3,337
Education Pass-through Grants	110,990	110,990	199,859	88,869
Special Education Excess Cost Grant	45,432	45,432	28,776	(16,656)
Total Intergovernmental Revenues	<u>3,592,001</u>	<u>3,592,001</u>	<u>3,702,185</u>	<u>110,184</u>
Other Revenues				
Rental Income	132,000	132,000	132,000	-
Tuition	-	-	9,195	9,195
WPCA split 61%	33,075	33,075	-	(33,075)
CIRMA Equity Distribution	9,000	9,000	13,466	4,466
Miscellaneous	40,000	40,000	84,762	44,762
Total Other Revenues	<u>214,075</u>	<u>214,075</u>	<u>239,423</u>	<u>25,348</u>
Investment Earnings				
Short-Term Interest	65,000	65,000	86,472	21,472
Total Investment Income	<u>65,000</u>	<u>65,000</u>	<u>86,472</u>	<u>21,472</u>
Other Financing Sources				
Surplus to Finance Budget	325,000	345,000	-	(345,000)
Total Other Financing Sources	<u>325,000</u>	<u>345,000</u>	<u>-</u>	<u>(345,000)</u>
Total Revenues	<u>\$ 24,832,480</u>	<u>\$ 24,852,480</u>	<u>\$ 24,869,578</u>	<u>\$ 17,098</u>

See accountant's report.

TOWN OF NEW HARTFORD

Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2020

	<u>Original</u> <u>Budget</u>	<u>Amended</u> <u>Budget</u>	<u>Actual</u>	<u>Over</u> <u>(Under)</u>
Expenditures				
General Government				
First Selectman	\$ 77,630	\$ 77,630	\$ 75,924	\$ (1,706)
Senior Bookkeeper	59,085	59,085	57,796	(1,289)
Bookkeeper Ass't	41,241	41,241	33,990	(7,251)
Admin. Asst./Welfare Admin.	65,250	65,250	63,784	(1,466)
Overtime/ Substitutes	5,000	5,000	1,770	(3,230)
Town Hall Janitorial Service	18,351	18,351	16,474	(1,877)
Administrative Expenses	14,000	14,000	12,110	(1,890)
Office Supplies and Equipment	22,000	22,000	24,243	2,243
Communications Expense	4,000	4,000	3,328	(672)
Town Hall Maintenance and Utilities:				
Telephone	13,000	13,000	13,342	342
Heating	14,000	14,000	9,083	(4,917)
Electricity	47,000	47,000	39,521	(7,479)
Other Utilities	11,000	11,000	10,791	(209)
Computer Maintenance	35,000	55,000	50,972	(4,028)
Interior Maintenance	39,000	39,000	37,736	(1,264)
Insurance				
Liability and Property	68,000	68,000	60,798	(7,202)
Workers' Compensation	94,000	94,000	79,773	(14,227)
Pension	154,000	154,000	151,737	(2,263)
Retirement/Benefits	39,642	39,642	38,621	(1,021)
Town's Share of FICA	135,000	135,000	137,014	2,014
Unemployment	2,000	2,000	388	(1,612)
Health	453,000	453,000	392,606	(60,394)
Longevity Pay	3,952	3,952	3,744	(208)
Town:				
Attorney	15,000	15,000	6,240	(8,760)
Engineer	15,000	15,000	10,479	(4,521)
Tax Collector:				
Salary	51,500	51,500	52,366	866
Assistant	10,000	10,000	5,950	(4,050)
Data Processing	15,000	15,000	13,726	(1,274)
Supplies and Expenses	4,700	4,700	2,482	(2,218)
Collection Expense	1,500	1,500	800	(700)
Assessor:				
Salary	50,582	50,582	50,980	398
Data Processing	17,515	17,515	21,033	3,518
Supplies and Expenses	5,050	5,050	4,328	(722)
Probate Supplies	6,045	6,045	5,090	(955)
Registrar Salary (D)	13,000	13,000	8,813	(4,187)
Registrar Salary (R)	13,000	13,000	9,497	(3,503)
Elections	26,500	26,500	13,189	(13,311)
Referendums	7,340	7,340	29	(7,311)

See accountant's report.

TOWN OF NEW HARTFORD

Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2020

	<u>Original Budget</u>	<u>Amended Budget</u>	<u>Actual</u>	<u>Over (Under)</u>
Board of Finance				
Supplies and Expenses	2,400	2,400	825	(1,575)
Audit	30,420	30,420	28,545	(1,875)
Town Reports	1,000	1,000	700	(300)
Attorney Fees	-	-	-	-
Treasurer's Salary	7,644	7,644	7,476	(168)
Town Clerk:				
Salary	66,789	66,789	65,321	(1,468)
Clerical Salary	41,524	41,524	40,916	(608)
Supplies and Expenses	36,976	36,976	35,153	(1,823)
Town Clerk Training	250	250	-	(250)
Total General Government	<u>1,853,886</u>	<u>1,873,886</u>	<u>1,699,483</u>	<u>(174,403)</u>
Public Safety				
Constables	\$ 319,722	\$ 297,721	\$ 294,587	\$ (3,134)
Constables - Overtime	6,000	6,000	3,900	(2,100)
Resident State Troopers	175,477	175,477	156,930	(18,547)
Vehicle Expense	5,000	5,000	4,578	(422)
Supplies and Expenses	5,450	5,450	14,365	8,915
Street Lights	26,000	26,000	23,224	(2,776)
Fire Department:				
Fire Marshal	13,000	13,000	10,949	(2,051)
Deputy Fire Marshal	1,000	1,000	960	(40)
Fire Marshal Vehicle	1,800	1,800	1,800	-
Burning Official	1,600	1,600	2,920	1,320
Animal Control Fund	13,000	13,000	7,869	(5,131)
Local Emergency Planning	4,000	4,000	5,700	1,700
Litchfield County Dispatch	77,500	77,500	77,459	(41)
Paramedic Intercept	66,100	66,100	65,380	(720)
Ambulance Association	116,459	116,459	116,459	-
Total Public Safety	<u>832,108</u>	<u>810,107</u>	<u>787,080</u>	<u>(23,027)</u>
Highways				
Wages	\$ 534,040	\$ 534,040	\$ 517,502	\$ (16,538)
Overtime Wages	80,000	80,000	57,476	(22,524)
Supplies and Expenses	80,000	80,000	82,644	2,644
Equip. Maint. and Repair	120,000	120,000	143,595	23,595
Gas, Grease, and Oil	80,000	80,000	52,464	(27,536)
Telephone	3,000	3,000	3,614	614
Heating Oil	14,000	14,000	4,929	(9,071)
Electricity	8,000	8,000	7,598	(402)
Tree Removal	50,000	50,000	80,795	30,795
Road Maint. and Improvement	130,000	130,000	130,560	560
Snow Sand	70,000	70,000	7,544	(62,456)
Snow Salt/Liquid Calcium	80,000	80,000	117,417	37,417
Road Sweeping/Catchbasin Clean	14,000	14,000	5,400	(8,600)
Asphalt/Bituminous Paving	500,000	500,000	538,068	38,068
Total Highway	<u>1,763,040</u>	<u>1,763,040</u>	<u>1,749,606</u>	<u>(13,434)</u>

See accountant's report.

TOWN OF NEW HARTFORD

Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2020

	Original <u>Budget</u>	Amended <u>Budget</u>	<u>Actual</u>	Over <u>(Under)</u>
Planning and Development				
Building Inspector	\$ 62,599	\$ 62,599	\$ 62,271	\$ (328)
Building Department Expense	3,450	3,450	913	(2,537)
Zoning:				
Officer	63,025	63,025	51,409	(11,616)
Zoning Secretary	4,000	4,000	4,329	329
Land Use Administrative Assistant	51,469	51,469	50,320	(1,149)
Printing Supplies and Expenses	9,000	9,000	3,928	(5,072)
Legal and Professional Fees	27,000	39,000	7,487	(31,513)
Inland Wetlands	3,000	3,000	1,471	(1,529)
Litchfield Co. Soil Conservation	1,795	1,795	1,795	-
Total Planning and Development	<u>225,338</u>	<u>237,338</u>	<u>183,923</u>	<u>(53,415)</u>
Health and Welfare				
Farmington Valley Health District	\$ 40,700	\$ 40,700	\$ 40,644	\$ (56)
Foothills Visiting Nurse	15,000	15,000	13,125	(1,875)
Regional Refuse Disposal	127,341	127,341	127,340	(1)
Meals on Wheels	3,130	3,130	2,918	(212)
Agent for the Elderly	100	100	-	(100)
Helping Hands Chore	750	750	750	-
Total Health and Welfare	<u>187,021</u>	<u>187,021</u>	<u>184,777</u>	<u>(2,244)</u>
Libraries				
N. H. Free Public Library	\$ 245,000	\$ 245,000	\$ 245,000	\$ -
Bakerville Library	55,000	65,000	55,000	(10,000)
Total Libraries	<u>300,000</u>	<u>310,000</u>	<u>300,000</u>	<u>(10,000)</u>
Parks and Recreation				
Recreation Director	\$ 26,886	\$ 26,886	\$ 10,844	\$ (16,042)
Recreation Recording Secretary	1,000	1,000	-	(1,000)
Seasonal Help	8,000	8,000	3,046	(4,954)
General Recreation	1,500	1,500	403	(1,097)
Contracted Services	45,000	45,000	36,082	(8,918)
Sports Allocations	5,000	5,000	-	(5,000)
Propane	7,000	7,000	6,372	(628)
Total Parks and Recreation	<u>94,386</u>	<u>94,386</u>	<u>56,747</u>	<u>(37,639)</u>
Debt Service				
Principal	\$ 440,886	\$ 440,886	\$ 440,886	\$ -
Interest	248,919	248,920	248,918	(2)
Total Debt Service	<u>689,805</u>	<u>689,806</u>	<u>689,804</u>	<u>(2)</u>

See accountant's report.

TOWN OF NEW HARTFORD

Schedule of Revenues and Expenditures - Budget and Actual
For the Year Ended June 30, 2020

	Original <u>Budget</u>	Amended <u>Budget</u>	<u>Actual</u>	Over <u>(Under)</u>
Commissions/Other Agencies				
Conservation Commission	\$ 500	\$ 500	\$ 500	\$ -
Open Space Board	500	500	65	(435)
Board of Tax Review	500	500	52	(448)
New Hartford Day	1,800	1,800	849	(951)
Historic District Commission	500	500	48	(452)
Senior Citizen Supplies	25,140	25,140	28,801	3,661
Senior Director	26,796	26,796	21,031	(5,765)
Northwest Transportation	1,162	1,162	1,162	-
Historical Society	500	500	-	(500)
Litchfield Hills CEO	5,375	5,375	5,374	(1)
Contingency	4,000	-	-	-
Community Club	50	50	-	(50)
Town Hill Cemetery	100	100	-	(100)
Susan B. Anthony Project	2,500	2,500	2,500	-
Winchester Youth Service	5,000	9,000	5,000	(4,000)
Economic Development	6,000	6,000	3,535	(2,465)
COST	825	825	825	-
Stanclift Cove	6,000	6,000	6,000	-
West Hill Lake Association	15,000	15,000	15,000	-
Torrington Water Co. Hydrants	10,745	10,745	10,744	(1)
CCM	4,115	4,115	4,115	-
Total Commissions/Other Agencies	<u>117,108</u>	<u>117,108</u>	<u>105,601</u>	<u>(11,507)</u>
Capital Expenditures				
Technology	\$ 10,000	\$ 10,000	\$ 10,000	\$ -
Wash Bay at WWTP	25,000	25,000	25,000	-
BOE Capital	110,500	110,500	110,500	-
Garage Equipment	165,000	165,000	165,000	-
Police Equipment	20,000	20,000	20,000	-
DPW Gates	30,000	30,000	30,000	-
Recreation Capital	30,000	30,000	30,000	-
Town Hall Equipment Replacement	25,000	25,000	25,000	-
Village Parking Expansion	50,000	50,000	50,000	-
Downtown Improvements	30,000	30,000	30,000	-
Box Culvert/Bridge Improvements	50,000	50,000	50,000	-
Total Capital Expenditures	<u>545,500</u>	<u>545,500</u>	<u>545,500</u>	<u>-</u>
Education				
Elementary Education	\$ 8,351,516	\$ 8,351,516	\$ 8,243,240	\$ (108,276)
Adult Education Cooperative	2,774	2,774	9,120	6,346
Regional School District #7	9,716,738	9,716,738	9,716,738	-
Pass Through Education Grants	110,990	110,990	208,086	97,096
Teacher's Retirement	42,270	42,270	-	(42,270)
Total Education	<u>18,224,288</u>	<u>18,224,288</u>	<u>18,177,184</u>	<u>(47,104)</u>
Total Expenditures	<u>\$ 24,832,480</u>	<u>\$ 24,852,480</u>	<u>\$ 24,479,705</u>	<u>\$ (372,775)</u>
Excess of Revenues over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 389,873</u>	<u>\$ 389,873</u>

See accountant's report.

Nonmajor Governmental Funds

Debt Service Fund – A fund used to account for financial resources to be used for the payment of compensated absences payable to retired or terminated employees.

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

New Hartford Day Fund – To account for the revenues and expenditures related to the “New Hartford Day” celebration.

Dog Fund – To account for funds provided by the sale of dog licenses, sale of stray dogs, and various fines levied against owners of stray dogs, as well as General Fund appropriations.

Historical Documents Fund – To account for funds related to the preservation of the Town’s records.

School Cafeteria Fund – To separately account for the operations of the school cafeterias. The Town’s participation in the state-administered Federal Child Nutrition Program is reported in this fund.

Recreation Fund – To account for the revenues and expenditures involved in the administration of recreational services.

Senior Center Fund – To account for the revenues and expenditures involved in the administration of senior center activities.

Town Hill Cemetery Fund – To account for funds used for the maintenance of Town Hill Cemetery.

Small Cities Housing Rehabilitation – To account for funds used to assist qualified citizens in making improvements to their homes.

Open Space Fund – To account for funds related to the preservation of undeveloped land.

Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Community Investment (formerly known as Farmland Preservation) – To account for funds restricted to preservation of farmland located within the town boundaries.

TOWN OF NEW HARTFORD
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	SPECIAL REVENUE FUNDS					
	Debt Service Fund	New Hartford Day	Dog Fund	Historical Documents Fund	School Cafeteria	Recreation Fund
Assets						
Cash and cash equivalents	\$ 47,189	\$ 4,944	\$ 5,340	\$ -	\$ 34,370	\$ 91,801
Investments	-	-	-	-	-	-
Grants Receivable	-	-	-	-	-	-
Deferred Loans Receivable	-	-	-	-	-	-
Interfund Receivables	-	-	-	16,637	-	-
Inventories	-	-	-	-	2,519	-
Total Assets	<u>\$ 47,189</u>	<u>\$ 4,944</u>	<u>\$ 5,340</u>	<u>\$ 16,637</u>	<u>\$ 36,889</u>	<u>\$ 91,801</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts Payable	-	-	6,184	-	-	-
Interfund Payables	-	-	-	-	32,978	24,103
Due to State of CT	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>-</u>	<u>6,184</u>	<u>-</u>	<u>32,978</u>	<u>24,103</u>
Fund Balances						
Nonspendable	-	-	-	-	2,519	-
Restricted	-	4,944	-	16,637	-	-
Committed	47,189	-	-	-	1,392	67,698
Assigned	-	-	-	-	-	-
Unassigned	-	-	(844)	-	-	-
Total Fund Balances	<u>47,189</u>	<u>4,944</u>	<u>(844)</u>	<u>16,637</u>	<u>3,911</u>	<u>67,698</u>
Total Liabilities and Fund Balances	<u>\$ 47,189</u>	<u>\$ 4,944</u>	<u>\$ 5,340</u>	<u>\$ 16,637</u>	<u>\$ 36,889</u>	<u>\$ 91,801</u>

See accountant's report.

TOWN OF NEW HARTFORD
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	SPECIAL REVENUE FUNDS				CAPITAL PROJECTS FUND	
	Senior Center	Town Hill Cemetery Fund	Small Cities Housing Rehabilitation	Open Space	Community Investment	Total
Assets						
Cash and cash equivalents	\$ 13,188	\$ 2,688	\$ 121,131	\$ -	\$ -	\$ 320,651
Investments	-	117,598	-	-	-	117,598
Grants Receivable	-	-	-	-	-	-
Deferred Loans Receivable	-	-	543,408	-	-	543,408
Interfund Receivables	-	-	-	-	17,198	33,835
Inventories	-	-	-	-	-	2,519
Total Assets	<u>\$ 13,188</u>	<u>\$ 120,286</u>	<u>\$ 664,539</u>	<u>\$ -</u>	<u>\$ 17,198</u>	<u>\$ 1,018,011</u>
Liabilities and Fund Balances						
Liabilities:						
Accounts Payable	936	-	-	-	-	7,120
Interfund Payables	-	-	-	122,315	-	179,396
Due to State of CT	-	-	-	-	-	-
Total Liabilities	<u>936</u>	<u>-</u>	<u>-</u>	<u>122,315</u>	<u>-</u>	<u>186,516</u>
Fund Balances						
Nonspendable	-	-	-	-	-	2,519
Restricted	-	120,286	664,539	-	17,198	823,604
Committed	12,252	-	-	-	-	128,531
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	(122,315)	-	(123,159)
Total Fund Balances	<u>12,252</u>	<u>120,286</u>	<u>664,539</u>	<u>(122,315)</u>	<u>17,198</u>	<u>831,495</u>
Total Liabilities and Fund Balances	<u>\$ 13,188</u>	<u>\$ 120,286</u>	<u>\$ 664,539</u>	<u>\$ -</u>	<u>\$ 17,198</u>	<u>\$ 1,018,011</u>

See accountant's report.

TOWN OF NEW HARTFORD

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2020

	Debt Service Fund	SPECIAL REVENUE FUNDS				
		New Hartford Day	Dog Fund	Historical Documents Fund	School Cafeteria	Recreation Fund
Revenues						
Operating Grants and Contributions	\$ -	\$ 780	\$ -	\$ 5,500	\$ 37,397	\$ -
Capital Grants and Contributions	-	-	-	-	-	-
Charges for Services	-	-	12,487	3,722	54,341	173,238
Other Income	-	-	-	-	-	-
Investments earnings	81	3	-	-	-	-
Total Revenues	<u>81</u>	<u>783</u>	<u>12,487</u>	<u>9,222</u>	<u>91,738</u>	<u>173,238</u>
Expenditures						
Current						
General government	-	-	-	6,244	-	-
Public safety	-	-	15,173	-	-	-
Parks and recreation	-	-	-	-	-	163,972
Commissions/agencies	-	-	-	-	-	-
Education	-	-	-	-	119,179	-
Debt Service	-	-	-	-	-	-
Capital Expenditures	-	-	-	-	-	-
Total Expenditures	<u>-</u>	<u>-</u>	<u>15,173</u>	<u>6,244</u>	<u>119,179</u>	<u>163,972</u>
Excess/(Deficiency) of Revenues Over Expenditures	81	783	(2,686)	2,978	(27,441)	9,266
Other Financing Sources/(Uses)						
Proceeds from Financing	-	-	-	-	-	-
Transfers in	-	-	-	-	21,516	-
Transfers out	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,516</u>	<u>-</u>
Net change in fund balances	<u>81</u>	<u>783</u>	<u>(2,686)</u>	<u>2,978</u>	<u>(5,925)</u>	<u>9,266</u>
Fund balances - beginning, as restated	<u>47,108</u>	<u>4,161</u>	<u>1,842</u>	<u>13,659</u>	<u>9,836</u>	<u>58,432</u>
Fund balances - ending	<u>\$ 47,189</u>	<u>\$ 4,944</u>	<u>\$ (844)</u>	<u>\$ 16,637</u>	<u>\$ 3,911</u>	<u>\$ 67,698</u>

See accountant's report.

TOWN OF NEW HARTFORD

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
 Nonmajor Governmental Funds
 For the Year Ended June 30, 2020

	SPECIAL REVENUE FUNDS				CAPITAL PROJECTS FUNDS	
	Senior Center	Town Hill Cemetery Fund	Small Cities Housing Rehabilitation	Open Space	Community Investment	Total
Revenues						
Operating Grants and Contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,677
Capital Grants and Contributions	-	-	-	23,705	-	23,705
Charges for Services	15,916	600	-	-	2,442	262,746
Other Income	-	-	-	-	-	-
Investments earnings	-	1,306	62	-	-	1,452
Total Revenues	<u>15,916</u>	<u>1,906</u>	<u>62</u>	<u>23,705</u>	<u>2,442</u>	<u>331,580</u>
Expenditures						
Current						
General government	-	-	344	-	-	6,588
Public safety	-	-	-	-	-	15,173
Parks and recreation	5,535	-	-	-	-	169,507
Commissions/agencies	-	5,325	-	-	-	5,325
Education	-	-	-	-	-	119,179
Debt Service	-	-	-	-	-	-
Capital Expenditures	-	-	-	-	-	-
Total Expenditures	<u>5,535</u>	<u>5,325</u>	<u>344</u>	<u>-</u>	<u>-</u>	<u>315,772</u>
Excess/(Deficiency) of Revenues						
Over Expenditures	10,381	(3,419)	(282)	23,705	2,442	15,808
Other Financing Sources/(Uses)						
Proceeds from Financing	-	-	-	-	-	-
Transfers in	-	-	-	-	-	21,516
Transfers out	-	-	-	-	-	-
Total Other Financing Sources/(Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>21,516</u>
Net change in fund balances	10,381	(3,419)	(282)	23,705	2,442	37,324
Fund balances - beginning, as restated	<u>1,871</u>	<u>123,705</u>	<u>664,821</u>	<u>(146,020)</u>	<u>14,756</u>	<u>794,171</u>
Fund balances - ending	<u>\$ 12,252</u>	<u>\$ 120,286</u>	<u>\$ 664,539</u>	<u>\$ (122,315)</u>	<u>\$ 17,198</u>	<u>\$ 831,495</u>

See accountant's report.

Supplemental Schedules

TOWN OF NEW HARTFORD
Schedule of Property Taxes Levied, Collected and Outstanding
For the Year Ended June 30, 2020

	Outstanding July 1, 2019	Current Levy	Lawful Corrections		Transfers to Suspense	Collectible Taxes	Receipt of Taxes	Receipt of Interest and Liens	Total Receipts	Outstanding June 30, 2020
			Additions	Deductions						
List of 10/1:										
2018		\$ 20,631,743	\$ 28,905	\$ 49,561	\$ (694)	\$ 20,610,393	\$ 20,350,428	\$ 55,023	\$ 20,405,451	\$ 259,965
2017	\$ 239,404	-	1,080	6,567	(937)	232,980	132,679	24,926	157,605	100,301
2016	97,943	-	538	436	(2,091)	95,954	34,213	13,752	47,965	61,741
2015	38,374	-	2	-	(2,671)	35,705	12,070	6,574	18,644	23,635
2014	10,630	-	-	-	(2,521)	8,109	2,848	1,081	3,929	5,261
2013	3,871	-	-	-	(1,348)	2,523	259	609	868	2,264
2012	189	-	-	-	(189)	-	-	407	407	-
2011	-	-	-	-	-	-	-	227	227	-
2010	-	-	-	-	-	-	-	43	43	-
2009	-	-	-	-	-	-	-	34	34	-
2008	-	-	-	-	-	-	-	-	-	-
2007	-	-	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-	-	-
2005	-	-	-	-	-	-	-	-	-	-
2004	-	-	-	-	-	-	-	71	71	-
2003	-	-	-	-	-	-	-	-	-	-
2002	-	-	-	-	-	-	-	-	-	-
2001	-	-	-	-	-	-	-	-	-	-
	\$ 390,411	\$ 20,631,743	\$ 30,525	\$ 56,564	\$ (10,451)	\$ 20,985,664	\$ 20,532,497	\$ 102,747	\$ 20,635,244	\$ 453,167

Net Grand List- October 1, 2018

Tax Rate: 30.25 mills

Total Suspense Collections	-	2,976	2,976
Total Collections	\$ 20,532,497	\$ 105,723	\$ 20,638,220

See accountant's report.

TOWN OF NEW HARTFORD

Schedule of Debt Limitation

As of June 30, 2020

Total Prior Year Tax Collections - including interest and lien fees Received by Treasurer	\$ 20,455,592
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Reimbursement for revenue loss on:

Tax relief for elderly	-
Base	\$ 20,455,592

Debt limitation:	<u>General Purposes</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>
2 1/4 times base	\$ 46,025,082	\$ -	\$ -	\$ -
4 1/2 times base	-	92,050,164	-	-
3 3/4 times base	-	-	76,708,470	-
3 1/4 times base	-	-	-	66,480,674
Total debt limitation	46,025,082	92,050,164	76,708,470	66,480,674

Indebtedness:

Bonds payable	4,076,166	623,834	-	-
Notes payable	-	-	-	-
USDA Note	-	-	2,971,328	-

Overlapping debt:

Regional School District No. 7	-	309,257	-	-
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Total Indebtedness	4,076,166	933,091	2,971,328	-
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Debt limitation in excess of outstanding and authorized debt	\$ 41,948,916	\$ 91,117,073	\$ 73,737,142	\$ 66,480,674
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NOTE:

In no case should this total indebtedness exceed seven times the base \$20,455,592 or \$143,189,144

See accountant's report.

Statistical Section

Statistical Section Information

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

Statistical section information is presented in the following categories:

- *Financial trends information* is intended to assist users in understanding and assessing how financial position has changed over time.
- *Revenue capacity information* is intended to assist users in understanding and assessing the factors affecting the ability to generate *own-source revenues* (property taxes, charges for services, etc.)
- *Debt capacity information* is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.
- *Demographic and economic information* is intended 1) to assist users in understanding the socioeconomic environment and 2) to provide information that facilitates comparisons of financial statement information over time and among governments.
- *Operating information* is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

The accompanying tables are presented in the above order. Refer to the Table of Contents for applicable page number locations.

TOWN OF NEW HARTFORD
 Net Position By Component
 Last Ten Fiscal Years
 (accrual basis of accounting)

Table 1

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Governmental Activities:										
Net Investment in Capital Assets	\$ 10,921,448	\$ 11,155,435	\$ 12,124,042	\$ 12,513,900	\$ 13,359,082	\$ 12,910,546	\$ 12,967,824	\$ 13,405,590	\$ 13,660,989	\$ 13,538,752
Restricted	28,944	31,929	36,948	636,139	640,194	1,615,291	623,410	632,719	821,102	823,604
Unrestricted	<u>3,400,525</u>	<u>3,546,323</u>	<u>1,963,071</u>	<u>1,590,443</u>	<u>833,140</u>	<u>981,767</u>	<u>2,332,332</u>	<u>2,002,646</u>	<u>2,590,303</u>	<u>3,461,909</u>
Total Governmental Activities Net Position	<u>\$ 14,350,917</u>	<u>\$ 14,733,687</u>	<u>\$ 14,124,061</u>	<u>\$ 14,740,482</u>	<u>\$ 14,832,416</u>	<u>\$ 15,507,604</u>	<u>\$ 15,923,566</u>	<u>\$ 16,040,955</u>	<u>\$ 17,072,394</u>	<u>\$ 17,824,265</u>
Business-type Activities:										
Net Investment in Capital Assets	\$ 11,265,057	\$ 10,945,088	\$ 10,636,926	\$ 10,767,874	\$ 10,446,135	\$ 10,126,458	\$ 9,790,577	\$ 9,520,794	\$ 9,201,803	\$ 8,869,932
Restricted	-	-	-	-	-	-	-	-	-	-
Unrestricted	<u>(2,016,632)</u>	<u>(2,045,157)</u>	<u>(1,965,796)</u>	<u>(1,993,158)</u>	<u>(2,044,291)</u>	<u>(2,085,887)</u>	<u>(2,161,368)</u>	<u>(2,179,152)</u>	<u>(2,211,168)</u>	<u>(2,211,972)</u>
Total Business-type Activities Net Position	<u>\$ 9,248,425</u>	<u>\$ 8,899,931</u>	<u>\$ 8,671,130</u>	<u>\$ 8,774,716</u>	<u>\$ 8,401,844</u>	<u>\$ 8,040,571</u>	<u>\$ 7,629,209</u>	<u>\$ 7,341,642</u>	<u>\$ 6,990,635</u>	<u>\$ 6,657,960</u>
Primary Government:										
Net Investment in Capital Assets	\$ 22,186,505	\$ 22,100,523	\$ 19,167,283	\$ 19,779,931	\$ 20,385,138	\$ 20,385,138	\$ 20,385,138	\$ 20,385,138	\$ 19,793,753	\$ 19,437,356
Restricted	28,944	31,929	36,948	636,139	640,194	1,615,291	623,410	632,719	821,102	823,604
Unrestricted	<u>1,383,893</u>	<u>1,501,166</u>	<u>3,590,960</u>	<u>3,099,128</u>	<u>2,208,928</u>	<u>1,547,746</u>	<u>2,544,227</u>	<u>2,364,740</u>	<u>3,448,174</u>	<u>4,221,265</u>
Total Primary Government Net Position	<u>\$ 23,599,342</u>	<u>\$ 23,633,618</u>	<u>\$ 22,795,191</u>	<u>\$ 23,515,198</u>	<u>\$ 23,234,260</u>	<u>\$ 23,548,175</u>	<u>\$ 23,552,775</u>	<u>\$ 23,382,597</u>	<u>\$ 24,063,029</u>	<u>\$ 24,482,225</u>

TOWN OF NEW HARTFORD

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Expenses										
Governmental Activities:										
General Government	\$ 2,257,962	\$ 1,940,123	\$ 1,858,404	\$ 1,692,211	\$ 2,272,452	\$ 1,879,103	\$ 1,809,887	\$ 1,962,809	\$ 1,822,563	\$ 1,830,663
Public Safety	738,279	616,213	621,356	611,487	655,616	742,342	779,498	786,109	801,479	831,157
Highways	1,834,330	1,535,240	1,564,137	1,701,028	1,804,175	1,833,059	1,865,478	1,991,375	2,011,940	1,958,482
Planning and Development	164,289	144,909	148,092	146,313	161,557	155,243	197,353	218,913	235,577	206,169
Health and Welfare	296,489	331,132	204,198	220,060	204,070	203,117	213,615	193,629	195,154	196,908
Libraries	259,000	263,000	268,000	272,000	280,000	285,600	288,455	274,033	302,254	300,000
Parks and Recreation	317,543	317,706	329,721	284,804	301,555	353,647	301,870	336,612	317,216	334,453
Commissions/Agencies	64,330	76,513	62,503	83,391	76,250	102,127	194,602	74,843	109,011	111,642
Education	16,341,565	16,837,641	17,543,708	18,094,896	18,270,620	18,905,910	19,631,108	19,849,746	20,395,301	20,421,156
Interest on Long-Term Debt	-	232,961	219,579	195,733	176,910	159,693	116,543	142,638	184,851	169,574
Total Governmental Activities Expenses	<u>22,273,787</u>	<u>22,295,438</u>	<u>22,819,698</u>	<u>23,301,923</u>	<u>24,203,205</u>	<u>24,619,841</u>	<u>25,398,409</u>	<u>25,830,707</u>	<u>26,375,346</u>	<u>26,360,204</u>
Business-Type Activities:										
Water and Sewer System	877,457	979,493	950,811	1,093,402	1,075,029	1,055,465	1,011,545	1,007,179	1,012,068	971,620
Total Business-Type Activities Expenses	<u>877,457</u>	<u>979,493</u>	<u>950,811</u>	<u>1,093,402</u>	<u>1,075,029</u>	<u>1,055,465</u>	<u>1,011,545</u>	<u>1,007,179</u>	<u>1,012,068</u>	<u>971,620</u>
Total Primary Government Expenses	<u>\$ 23,151,244</u>	<u>\$ 23,274,931</u>	<u>\$ 23,770,509</u>	<u>\$ 24,395,325</u>	<u>\$ 25,278,234</u>	<u>\$ 25,675,306</u>	<u>\$ 26,409,954</u>	<u>\$ 26,837,886</u>	<u>\$ 27,387,414</u>	<u>\$ 27,331,824</u>
Program Revenues										
Governmental Activities:										
Charges for Services:										
General Government	\$ 107,446	\$ 115,562	\$ 129,867	\$ 109,571	\$ 111,026	\$ 139,335	\$ 126,151	\$ 121,526	\$ 120,635	\$ 135,126
Parks and Recreation	162,076	180,775	180,819	185,591	189,482	223,558	176,137	197,488	209,170	189,154
Education	117,464	110,907	98,401	148,500	148,323	121,954	197,917	218,275	214,242	195,536
Other Activities	87,996	83,986	100,975	103,326	95,250	128,055	140,698	122,605	120,962	119,930
Operating Grants and Contributions	4,392,255	4,827,438	4,551,503	4,947,624	4,748,459	4,728,849	5,102,903	4,798,381	5,753,136	5,519,639
Capital Grants and Contributions	1,450,936	117,896	130,370	146,071	294,645	549,794	106,216	295,730	43,144	23,705
Total Governmental Activities Program Revenues	<u>6,318,173</u>	<u>5,436,564</u>	<u>5,191,935</u>	<u>5,640,683</u>	<u>5,587,185</u>	<u>5,891,545</u>	<u>5,850,022</u>	<u>5,754,005</u>	<u>6,461,289</u>	<u>6,183,090</u>
Business-type Activities:										
Charges for Services:										
Water and Sewer System	617,682	666,939	722,010	741,298	702,157	718,642	600,183	657,993	636,611	638,945
Capital Grants and Contributions	2,697,580	-	-	455,891	-	-	-	-	-	-
Total Business-type Activities Program Revenues	<u>3,315,262</u>	<u>666,939</u>	<u>722,010</u>	<u>1,197,189</u>	<u>702,157</u>	<u>718,642</u>	<u>600,183</u>	<u>657,993</u>	<u>636,611</u>	<u>638,945</u>
Total Primary Government Program Revenues	<u>\$ 9,633,435</u>	<u>\$ 6,103,503</u>	<u>\$ 5,913,945</u>	<u>\$ 6,837,872</u>	<u>\$ 6,289,342</u>	<u>\$ 6,610,187</u>	<u>\$ 6,450,205</u>	<u>\$ 6,411,998</u>	<u>\$ 7,097,900</u>	<u>\$ 6,822,035</u>
	(continued)									

TOWN OF NEW HARTFORD

Changes in Net Position
Last Ten Fiscal Years
(accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net (Expense)/Revenue										
Governmental Activities	\$ (15,955,614)	\$ (16,858,874)	\$ (17,627,763)	\$ (17,661,240)	\$ (18,616,020)	\$ (18,728,296)	\$ (19,548,387)	\$ (20,076,702)	\$ (19,914,057)	\$ (20,177,114)
Business-type Activities	<u>2,437,805</u>	<u>(312,554)</u>	<u>(228,801)</u>	<u>103,787</u>	<u>(372,872)</u>	<u>(336,823)</u>	<u>(411,362)</u>	<u>(349,186)</u>	<u>(375,457)</u>	<u>(332,675)</u>
Total Primary Government Net Expense	<u>\$ (13,517,809)</u>	<u>\$ (17,171,428)</u>	<u>\$ (17,856,564)</u>	<u>\$ (17,557,453)</u>	<u>\$ (18,988,892)</u>	<u>\$ (19,065,119)</u>	<u>\$ (19,959,749)</u>	<u>\$ (20,425,888)</u>	<u>\$ (20,289,514)</u>	<u>\$ (20,509,789)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes	\$ 16,990,778	\$ 17,274,591	\$ 17,928,524	\$ 18,065,221	\$ 18,237,621	\$ 19,222,996	\$ 19,607,260	\$ 20,108,115	\$ 20,696,042	\$ 20,713,726
Grants Not Restricted for Specific Purpose	236,197	222,749	455,629	96,757	97,629	75,692	211,383	34,080	31,097	28,325
Unrestricted Investment Income	30,162	43,584	26,823	29,189	12,159	13,542	28,407	47,523	132,286	89,758
Gain on Disposal of Fixed Assets	-	-	-	-	-	14,981	-	-	-	-
Rental Income	45,901	47,278	48,933	-	-	-	-	-	-	-
Other Income	27,261	73,393	100,365	86,293	67,740	51,823	117,299	65,992	110,521	97,176
Special Item-Return of Unexpended Grant	-	(455,891)	-	-	-	-	-	-	-	-
Transfers	<u>954,570</u>	<u>35,940</u>	<u>-</u>	<u>201</u>	<u>-</u>	<u>24,450</u>	<u>-</u>	<u>(61,619)</u>	<u>(24,450)</u>	<u>-</u>
Total Governmental Activities	<u>18,284,869</u>	<u>17,241,644</u>	<u>18,560,274</u>	<u>18,277,661</u>	<u>18,415,149</u>	<u>19,403,484</u>	<u>19,964,349</u>	<u>20,194,091</u>	<u>20,945,496</u>	<u>20,928,985</u>
Business-type Activities:										
Unrestricted Investment Income	-	-	-	-	-	-	-	-	-	-
Other Income	-	-	-	-	-	-	-	-	-	-
Transfers	<u>(954,570)</u>	<u>(35,940)</u>	<u>-</u>	<u>(201)</u>	<u>-</u>	<u>(24,450)</u>	<u>-</u>	<u>61,619</u>	<u>24,450</u>	<u>-</u>
Total Business-type Activities	<u>(954,570)</u>	<u>(35,940)</u>	<u>-</u>	<u>(201)</u>	<u>-</u>	<u>(24,450)</u>	<u>-</u>	<u>61,619</u>	<u>24,450</u>	<u>-</u>
Total Primary Government	<u>\$ 17,330,299</u>	<u>\$ 17,205,704</u>	<u>\$ 18,560,274</u>	<u>\$ 18,277,460</u>	<u>\$ 18,415,149</u>	<u>\$ 19,379,034</u>	<u>\$ 19,964,349</u>	<u>\$ 20,255,710</u>	<u>\$ 20,969,946</u>	<u>\$ 20,928,985</u>
Change in Net Position										
Governmental Activities	\$ 2,329,255	\$ 382,770	\$ 932,511	\$ 616,421	\$ (200,871)	\$ 675,188	\$ 415,962	\$ 117,389	\$ 1,031,439	\$ 751,871
Business-type Activities	<u>1,483,235</u>	<u>(348,494)</u>	<u>(228,801)</u>	<u>103,586</u>	<u>(372,872)</u>	<u>(361,273)</u>	<u>(411,362)</u>	<u>(287,567)</u>	<u>(351,007)</u>	<u>(332,675)</u>
Total Primary Government	<u>\$ 3,812,490</u>	<u>\$ 34,276</u>	<u>\$ 703,710</u>	<u>\$ 720,007</u>	<u>\$ (573,743)</u>	<u>\$ 313,915</u>	<u>\$ 4,600</u>	<u>\$ (170,178)</u>	<u>\$ 680,432</u>	<u>\$ 419,196</u>

TOWN OF NEW HARTFORD
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
General Fund:										
Nonspendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,450	\$ 31,860	\$ -
Restricted	452,090	17,542	17,542	17,865	17,883	1,024,177	17,918	17,936	17,969	18,000
Committed	-	-	-	-	-	-	-	-	-	-
Assigned	464,312	858,333	792,140	999,022	1,069,364	422,333	472,333	547,333	547,333	1,072,333
Unassigned	3,082,427	3,083,829	3,194,256	2,442,778	1,919,270	2,497,535	1,851,502	2,796,153	3,282,793	3,150,266
Total General Fund	<u>\$ 3,998,829</u>	<u>\$ 3,959,704</u>	<u>\$ 4,003,938</u>	<u>\$ 3,459,665</u>	<u>\$ 3,006,517</u>	<u>\$ 3,944,045</u>	<u>\$ 2,341,753</u>	<u>\$ 3,390,872</u>	<u>\$ 3,879,955</u>	<u>\$ 4,240,599</u>
All Other Governmental Funds:										
Nonspendable	\$ 3,177	\$ 2,051	\$ 472,412	\$ 469,019	\$ 446,235	\$ 418,448	\$ 417,100	\$ 930	\$ 1,065	\$ 2,519
Restricted	464,373	543,574	157,417	172,329	196,719	192,857	207,252	632,719	821,102	823,604
Committed	318,673	401,303	289,285	790,083	423,342	409,945	167,660	1,075,186	944,428	975,924
Assigned	188,267	182,222	99,614	-	-	-	-	-	-	-
Unassigned	-	-	(110,172)	(61,292)	(48,180)	(7,254)	(1,705,750)	(121,989)	(146,020)	(123,159)
Total All Other Governmental Funds	<u>\$ 974,490</u>	<u>\$ 1,129,150</u>	<u>\$ 908,556</u>	<u>\$ 1,370,139</u>	<u>\$ 1,018,116</u>	<u>\$ 1,013,996</u>	<u>\$ (913,738)</u>	<u>\$ 1,586,846</u>	<u>\$ 1,620,575</u>	<u>\$ 1,678,888</u>

TOWN OF NEW HARTFORD
 Changes in Fund Balances
 Governmental Funds
 Last Ten Fiscal Years
 (modified accrual basis of accounting)

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Revenues										
Taxes	\$ 17,002,857	\$ 17,308,285	\$ 17,782,201	\$ 17,985,887	\$ 18,230,946	\$ 19,105,372	\$ 19,856,873	\$ 20,236,342	\$ 20,694,752	\$ 20,605,693
Investment Income	29,836	43,258	26,497	28,874	12,159	13,542	28,407	47,523	132,286	89,758
Fees and Charges	474,982	491,230	510,062	546,988	544,081	612,902	640,903	659,894	665,009	639,746
Intergovernmental Revenue	6,149,577	5,168,083	5,080,569	5,190,452	5,287,314	5,387,895	4,927,618	4,659,388	5,005,822	4,813,090
Contributions	-	-	-	-	-	-	-	-	-	-
Other	73,162	120,671	149,298	86,293	67,740	66,804	117,299	65,992	110,521	107,628
Total Revenues	<u>23,730,414</u>	<u>23,131,527</u>	<u>23,548,627</u>	<u>23,838,494</u>	<u>24,142,240</u>	<u>25,186,515</u>	<u>25,571,100</u>	<u>25,669,139</u>	<u>26,608,390</u>	<u>26,255,915</u>
Expenditures										
General Government	\$ 1,580,523	\$ 1,585,276	\$ 1,563,846	\$ 1,602,052	\$ 1,724,351	\$ 1,639,205	\$ 1,632,700	\$ 1,827,955	\$ 1,708,902	\$ 1,719,413
Public Safety	584,985	606,213	613,637	596,726	634,275	715,068	741,946	781,178	772,721	810,412
Highways	1,493,270	1,464,743	1,487,442	1,526,042	1,670,141	1,556,910	1,631,628	1,568,570	1,659,399	1,763,385
Planning and Development	144,366	128,590	132,650	135,820	147,345	141,684	184,341	202,705	219,093	188,527
Health and Welfare	269,942	319,288	288,890	206,340	190,352	189,396	199,895	179,911	182,227	184,777
Libraries	259,000	263,000	268,000	272,000	280,000	285,600	288,455	274,033	302,254	300,000
Commissions/Other Agencies	64,330	76,513	65,503	83,391	76,250	316,087	264,809	302,839	109,011	111,642
Parks and Recreation	266,589	288,181	293,088	267,333	263,802	102,127	194,602	74,843	286,288	225,452
Education	16,276,498	16,704,697	17,386,193	18,056,763	18,264,708	18,726,311	18,917,773	19,141,291	19,235,747	19,317,201
Capital Outlay	1,069,740	289,638	810,160	492,731	1,072,501	2,105,964	2,546,211	1,043,629	676,606	526,345
Debt Service										
Principal	601,000	601,000	596,000	486,454	446,776	453,312	409,162	450,120	639,634	437,710
Interest	343,171	232,961	219,579	195,733	176,910	164,213	252,338	226,745	269,246	252,094
Total Expenditures	<u>22,953,414</u>	<u>22,560,100</u>	<u>23,724,988</u>	<u>23,921,385</u>	<u>24,947,411</u>	<u>26,395,877</u>	<u>27,263,860</u>	<u>26,073,819</u>	<u>26,061,128</u>	<u>25,836,958</u>
Excess of Revenues										
Over (Under) Expenditures	777,000	571,427	(176,361)	(82,891)	(805,171)	(1,209,362)	(1,692,760)	(404,680)	547,262	418,957
Other Financing Sources (Uses)										
Issuance of Debt	-	-	-	-	-	100,000	2,045,000	3,915,000	-	-
Proceeds from Bond Anticipation Notes	3,594,000	-	-	-	-	2,000,000	-	-	-	-
Proceeds from Premiums Received	-	-	-	-	-	18,320	207,734	101,002	-	-
Repayment of Refinanced Debt	-	-	-	-	-	-	(2,090,000)	-	-	-
Repayment of Bond Anticipation Notes	(8,900,000)	-	-	-	-	-	(2,000,000)	-	-	-
Contributions to Enterprise Funds	-	-	-	-	-	-	-	-	-	-
Transfer from Enterprise Funds	954,570	-	-	201	-	24,450	-	-	-	-
Transfers Out	(350,872)	(353,000)	(412,300)	(782,128)	(508,191)	(634,932)	(532,290)	(375,050)	(515,874)	(567,016)
Transfers In	350,872	353,000	412,300	782,128	508,191	634,932	532,290	313,431	491,424	567,016
Total Other Financing Sources (Uses)	<u>(4,351,430)</u>	<u>-</u>	<u>-</u>	<u>201</u>	<u>-</u>	<u>2,142,770</u>	<u>(1,837,266)</u>	<u>3,954,383</u>	<u>(24,450)</u>	<u>-</u>
Special Item										
Return of Unexpended Grant	-	(455,891)	-	-	-	-	-	-	-	-
Net Change in Fund Balances	<u>\$ (3,574,430)</u>	<u>\$ 115,536</u>	<u>\$ (176,361)</u>	<u>\$ (82,690)</u>	<u>\$ (805,171)</u>	<u>\$ 933,408</u>	<u>\$ (3,530,026)</u>	<u>\$ 3,549,703</u>	<u>\$ 522,812</u>	<u>\$ 418,957</u>
Debt Service as a Percentage of										
Noncapital Expenditures	4.3%	3.7%	3.6%	2.9%	2.6%	2.5%	2.7%	2.7%	3.6%	2.7%

TOWN OF NEW HARTFORD
 Assessed Value and Estimated Actual Value of Taxable Property
 Last Ten Fiscal Years

Grand List Year	Fiscal Year	Real Property						Personal Property			Less: Exemptions	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Taxable Assessed Value as a Percentage of Actual Taxable Value
		Residential	Commercial	Industrial	Vacant Land	Use Assessment	Apartments	Other	Motor Vehicle						
2017	2020	\$ 529,836,517	\$ 27,974,380	\$ 8,459,710	\$ 12,413,660	\$ 17,708,915	\$ 69,090	\$ 32,987,390	\$ 61,635,539	\$ 12,258,133	\$ 678,827,068	30.25	\$ 969,752,954	70%	
2016	2019	520,412,762	27,527,710	7,152,390	12,953,520	17,190,225	69,090	32,362,470	60,286,125	13,095,235	664,859,057	30.62	949,798,653	70%	
2015	2018	517,014,122	26,733,840	7,036,680	13,999,985	17,019,720	69,090	30,170,355	59,430,540	12,901,453	658,572,879	30.28	940,818,399	70%	
2014	2017	515,285,010	26,006,400	6,970,250	14,491,750	17,245,505	69,090	31,068,440	58,182,587	12,825,610	656,493,422	29.52	937,847,746	70%	
2013	2016	513,211,520	25,871,440	6,960,450	15,244,865	17,211,795	69,090	30,848,860	57,409,728	13,918,685	652,909,063	29.04	932,727,233	70%	
2012	2015	510,929,750	26,099,570	7,103,460	15,619,170	17,327,155	69,090	31,926,020	56,025,595	13,357,930	651,741,880	27.68	931,059,829	70%	
2011	2014	570,100,559	28,860,510	7,596,470	17,403,750	17,203,400	69,090	32,323,614	55,073,646	13,259,673	715,371,366	24.95	1,021,959,094	70%	
2010	2013	568,307,790	29,351,770	7,966,770	18,838,400	17,231,035	69,090	32,717,914	56,030,144	13,761,705	716,751,208	24.80	1,023,930,297	70%	
2009	2012	564,660,510	29,328,740	7,524,510	18,364,055	17,360,701	69,090	29,983,113	52,849,285	12,151,635	707,988,369	24.20	1,011,411,956	70%	
2008	2011	560,053,480	30,043,625	7,653,940	19,274,615	17,653,200	138,180	28,495,609	49,953,523	11,417,954	701,848,218	24.00	1,002,640,311	70%	
2007	2010	558,111,710	29,543,265	8,809,570	19,909,745	18,143,775	825,090	27,931,410	47,992,715	10,294,724	700,972,556	23.90	1,001,389,366	70%	

Source: Assessor's Office - Town of New Hartford, Connecticut

N/A = not available

Note: By State law, property is assessed at 70% of actual value with periodic revaluation of real property. The estimated actual amount is the equalized grand list which is estimated by the state of Connecticut, office of Policy and Management.

TOWN OF NEW HARTFORD
 Property Tax Rates
 Direct and Overlapping Governments
 Last Ten Fiscal Years

Table 6

Fiscal Year	NEW HARTFORD	REGIONAL SCHOOL DISTRICT 7	Total Direct and Overlapping
	Direct Rate	District*	
2011	24.00	-	24.00
2012	24.20	-	24.20
2013	24.80	-	24.80
2014	24.95	-	24.95
2015	27.68	-	27.68
2016	29.04	-	29.04
2017	29.52	-	29.52
2018	30.28	-	30.28
2019	30.62	-	30.62
2020	30.25	-	30.25

Source: Assessors Office, Town of New Hartford

* Regional School District 7 is a school district and is funded through annual assessments billed to its member towns.

The direct rate is composed of only one rate, levied on the taxable grand list.

TOWN OF NEW HARTFORD
Principal Property Taxpayers
Current Year and Nine Years Ago

Table 7

Taxpayer	Nature of Business	Grand List as of October 1, 2019			Grand List as of October 1, 2010		
		Taxable Assessed Value	Rank	Percent of Total Town Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total Town Taxable Assessed Value
Metropolitan District Water Bureau	Water and Sewer Utility	\$ 11,215,610	1	1.65%	\$ 10,389,750	1	1.47%
Connecticut Light & Power	Power Company	10,946,300	2	1.61%	8,929,500	3 & 7	1.26%
Home Depot USA, Inc.	Retail Tools and Maintenance Materials	6,910,330	3	1.02%	8,844,380	2	1.25%
Perry Technology Corp	Retail	5,296,760	4	0.78%	4,971,700	4	0.70%
Altra Industrial Motion	Manufacturer	4,908,360	5	0.72%	3,632,180	5	0.51%
Ski Sundown	Ski Area	2,835,960	6	0.42%	3,050,760	6	0.43%
PNL Nutmeg, LLC	Manufacturer	2,430,750	7	0.36%	-	-	-
Hitchcock Properties LLC	Real Estate Property Management	1,991,220	8	0.29%	1,521,590	10	0.21%
Shurtape Technologies LLC	Manufacturer	1,984,610	9	0.29%	-	-	-
Zahnradfabrik LLC	Real Estate Property Management	1,865,360	10	0.27%	-	-	-
Marandino	Individual	-	-	-	1,631,000	8	0.23%
Rutsky	Individual	-	-	-	1,630,960	9	0.23%
		\$ 50,385,260		7.42%	\$ 41,339,860		6.29%

Source: Assessor's Office, Town of New Hartford

TOWN OF NEW HARTFORD
Property Tax Levies and Collections
Last Ten Fiscal Years

Table 8

Fiscal Year	Tax Rate in Mills	Total Tax Levy for Fiscal Year	Collected Within Fiscal Year of Levy		Collections in Subsequent Years	Tax Collections to Date	
			Amount	Percentage of Levy		Amount	Percentage of Levy
2011	24.00	16,913,359	16,648,060	98.4%	223,203	16,871,263	99.8%
2012	24.20	17,201,545	16,965,763	98.6%	213,764	17,179,527	99.9%
2013	24.80	17,815,716	17,498,226	98.2%	282,744	17,780,970	99.8%
2014	24.95	17,943,205	17,675,720	98.5%	238,409	17,914,129	99.8%
2015	27.68	18,143,764	17,840,536	98.3%	229,246	18,069,782	99.6%
2016	29.04	19,079,697	18,787,961	98.5%	265,277	19,053,238	99.9%
2017	29.52	19,510,965	19,235,749	98.6%	247,701	19,483,450	99.9%
2018	30.28	20,126,712	19,865,440	98.7%	214,861	20,080,301	99.8%
2019	30.62	20,532,116	20,262,519	98.7%	232,980	20,495,499	99.8%
2020	30.25	20,631,743	20,350,429	98.6%	-	20,350,429	98.6%

Source: Tax Collector Reports

TOWN OF NEW HARTFORD
Ratios of Outstanding Debt By Type
Last Ten Fiscal Years

Table 9

Fiscal Year						Other Debt					Total Primary Government Debt	Total Debt per Capita	Percentage of Personal Income ²
	Governmental Activities		Business Type Activities			Governmental Activities		Business Type Activities					
	General Obligation Bonds	Bond Anticipation Notes	General Obligation Bonds	Percentage of Actual Taxable Value of Property ¹	Total Primary Government Bonded Debt	Bonded Debt per Capita	USDA Note	Capital Lease and Loans	Sewer Notes				
2020	\$ 4,700,000	\$ -	\$ -	0.48%	\$ 4,700,000	\$ 703	\$ 2,971,328	\$ -	\$ 585,535	\$ 8,256,863	\$ 1,235	2.75%	
2019	\$ 5,040,000	\$ -	\$ -	0.53%	\$ 5,040,000	\$ 754	\$ 3,069,039	\$ -	\$ 604,234	\$ 8,713,273	\$ 1,303	3.09%	
2018	5,585,000	-	-	0.59%	5,585,000	826	3,163,673	-	622,265	9,370,938	1,385	3.62%	
2017	2,201,556	4,000,000	-	0.66%	6,201,556	917	3,255,330	50,000	639,659	10,146,545	1,500	4.08%	
2016	2,460,000	2,018,320	-	0.48%	4,478,320	657	3,344,102	100,000	659,652	8,582,074	1,260	3.34%	
2015	2,830,000	-	20,000	0.31%	2,850,000	414	3,430,079	19,500	675,850	6,975,429	1,013	2.70%	
2014	3,190,000	-	40,000	0.32%	3,230,000	466	3,513,350	37,955	678,479	7,459,784	1,077	2.76%	
2013	3,645,000	-	60,000	0.36%	3,705,000	537	3,594,000	-	694,507	7,993,507	1,158	2.73%	
2012	4,241,000	-	80,000	0.43%	4,321,000	628	3,594,000	-	709,099	8,624,099	1,253	3.41%	
2011	4,842,000	-	105,000	0.49%	4,947,000	710	3,594,000	-	723,618	9,264,618	1,329	3.64%	

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

¹ See Table 5 for taxable property value data

² See Table 16 for personal income and population data.

TOWN OF NEW HARTFORD
 Legal Debt Margin Information
 Last Ten Fiscal Years

Table 10

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limitation	\$ 119,524,370	\$ 121,581,929	\$ 124,470,437	\$ 126,290,486	\$ 127,775,816	\$ 133,916,559	\$ 133,917,098	\$ 138,771,717	\$ 142,591,918	\$ 143,189,144
Total net debt applicable to limit	\$ 7,756,015	\$ 8,352,087	\$ 9,716,111	\$ 8,853,680	\$ 8,035,572	\$ 9,393,477	\$ 10,496,504	\$ 9,816,760	\$ 8,826,739	\$ 8,175,223
Legal debt margin	<u>\$ 111,768,355</u>	<u>\$ 113,229,842</u>	<u>\$ 114,754,326</u>	<u>\$ 117,436,806</u>	<u>\$ 119,740,244</u>	<u>\$ 124,523,082</u>	<u>\$ 123,420,594</u>	<u>\$ 128,954,957</u>	<u>\$ 133,765,179</u>	<u>\$ 135,013,921</u>
Total net debt applicable to the limit as a percentage of debt limit	6.49%	6.87%	7.81%	7.01%	6.29%	7.01%	7.84%	7.07%	6.19%	5.71%

Note: The State of Connecticut General Statutes require that in no event shall the total debt of the Town exceed seven (7) times the annual receipts from taxation. The calculation of the 2020 debt limit can be found on page 77 of this Report.

TOWN OF NEW HARTFORD
 Direct and Overlapping Governmental Activities Debt
 As of June 30, 2020

Table 11

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable¹</u>	<u>Estimated Share of Overlapping Debt</u>
Debt repaid with property taxes:			
Regional School District Number 7	\$ 623,000	49.64%	\$ 309,257
Subtotal, overlapping debt			<u>309,257</u>
Town of New Hartford direct debt, net of premiums and discounts			<u>7,865,966</u>
Total direct and overlapping debt			<u>\$ 8,175,223</u>

Sources: Enrollment data used to estimate applicable percentage provided by Regional School District Number 7. Debt outstanding data also provided by Regional School District Number 7.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the Town of New Hartford. This process recognizes that when, considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

¹The percentage of overlapping debt applicable is estimated using student population. Applicable percentages were estimated by determining the towns enrolled student population at Regional School District Number 7 and dividing it by the student population at Regional School District Number 7

TOWN OF NEW HARTFORD

Table 12

Pledged-Revenue Coverage
Last Ten Fiscal Years
(amounts expressed in thousands)

WPCA Notes

Fiscal Year	Service Charges and Other	Less: Operating Expenses	Net Available Revenue	Debt Service		
				Principal	Interest	Coverage
2011	618	574	44	14	32	0.96
2012	667	511	156	15	103	1.32
2013	722	496	226	15	107	1.85
2014	741	640	101	36	104	0.72
2015	702	618	84	23	101	0.68
2016	721	602	119	36	98	0.89
2017	600	564	36	20	91	0.32
2018	658	558	100	17	92	0.92
2019	637	563	74	18	90	0.69
2020	639	526	113	19	87	1.07

Note: Details regarding the government's outstanding debt can be found in the notes to the financial statements. Service charges and other includes investment earnings. Operating expenses do not include interest or depreciation.

TOWN OF NEW HARTFORD
Annual Bonded Debt Maturity Schedule
As of June 30, 2020

Table 13

Fiscal <u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	345,000	142,100	487,100
2022	345,000	131,750	476,750
2023	345,000	119,750	464,750
2024	385,000	107,150	492,150
2025	385,000	93,950	478,950
2026	375,000	82,500	457,500
2027	380,000	71,150	451,150
2028	220,000	61,350	281,350
2029	220,000	54,750	274,750
2030	220,000	48,150	268,150
2031	220,000	41,550	261,550
2032	180,000	35,550	215,550
2033	180,000	30,150	210,150
2034	180,000	24,750	204,750
2035	180,000	19,350	199,350
2036	180,000	13,950	193,950
2037	180,000	8,438	188,438
2038	180,000	2,812	182,812
Total	<u>\$ 4,700,000</u>	<u>\$ 1,089,150</u>	<u>\$ 5,789,150</u>

TOWN OF NEW HARTFORD
Annual Self-Supporting Water and Sewer Debt Maturity Schedule
As of June 30, 2020

Table 14

Fiscal <u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	19,970	25,998	45,968
2022	20,725	25,122	45,847
2023	21,514	24,213	45,727
2024	22,337	23,270	45,607
2025	23,198	22,291	45,489
2026	24,096	21,275	45,371
2027	25,036	20,221	45,257
2028	22,809	19,123	41,932
2029	23,835	18,131	41,966
2030	24,907	17,095	42,002
2031	26,028	16,013	42,041
2032	27,199	14,882	42,081
2033	28,424	13,700	42,124
2034	29,703	12,465	42,168
2035	31,039	11,174	42,213
2036	32,436	9,826	42,262
2037	33,896	8,416	42,312
2038	35,421	6,943	42,364
2039	37,015	5,403	42,418
2040	28,854	3,795	32,649
2041	26,917	2,116	29,033
2042	19,099	380	19,479
Total	<u>\$ 584,458</u>	<u>\$ 321,852</u>	<u>\$ 906,310</u>

TOWN OF NEW HARTFORD
 Long-Term Debt Ratios
 For the Year Ended June 30, 2020

Table 15

1 Population	6,685
2 Net Taxable Grand List (10/1/18)	\$678,827,068
Estimated Full Value (70%)	\$969,752,954
1 Equalized Net Taxable Grand List (2018)	\$969,752,954
1 Money Income per Capita (2018)	\$44,846

	Total Direct Debt	Total Net Direct Debt	Total Overall Net Debt
	<u>\$ 4,700,000</u>	<u>\$ 4,700,000</u>	<u>\$ 5,009,257</u>
Per Capita	\$703.07	\$703.07	\$749.33
Ratio to Net Taxable Grand List	0.69%	0.69%	0.74%
Ratio to Estimated Full Value	0.48%	0.48%	0.52%
Ratio to Equalized Net Taxable Grand List	0.48%	0.48%	0.52%
Debt per Capita to Money Income per Capita	1.57%	1.57%	1.67%

1 State of Connecticut Municipal Fiscal Indicators, (2013-2017 American Community Survey)
 2 Revalued 10/1/19

TOWN OF NEW HARTFORD

Table 16

Presentation of Intergovernmental Revenues as a Percentage of General Fund Revenues
As of June 30, 2020

	<u>General Fund</u>	<u>Governmental Funds</u>
Intergovernmental Revenue	\$ 4,745,708	\$ 4,813,090
Total Revenue	\$ 25,922,501	\$ 26,255,915
Percent Intergovernmental	18.31%	18.33%

TOWN OF NEW HARTFORD
 Enumeration of Outstanding Bond Authorizations
 As of June 30, 2020

Table 17

Project	Authorized	Debt Issued	(Grants/ Paydowns)	Authorized/Unissued		
				General Purpose	School	Sewer
Ann Antolini School	\$ 4,751,000	\$ 3,507,155	\$ 701,957	\$ -	\$ 541,888	\$ -
Carpenter Road Bridge	759,000	407,845	3,500	347,655	-	-
New Hartford Elementary School	2,822,552	1,744,000	1,025,000	-	53,552	-
Wastewater Facility	3,118,000	-	796,000	-	-	2,322,000
Open Space	2,579,000	1,443,000	980,000	156,000	-	-
Phillips Farm Easement	755,000	438,000	-	317,000	-	-
WWTP Upgrade	8,950,000	3,594,000	4,596,716	-	-	759,284
	<u>\$ 23,734,552</u>	<u>\$ 11,134,000</u>	<u>\$ 8,103,173</u>	<u>\$ 820,655</u>	<u>\$ 595,440</u>	<u>\$ 3,081,284</u>

Source:
 Official Statement, G.O. Bonds Issue of 2018

TOWN OF NEW HARTFORD
Demographic and Economic Statistics
Last Ten Fiscal Years

Table 18

Fiscal Year	Population¹	Personal Income (thousands of dollars)	Per Capita Personal Income²	Median Age	School Enrollment⁴	Unemployment Rate³
2020	6,685	\$ 299,796	\$ 44,846	45	423	3.4%
2019	6,685	281,927	42,173	44	434	3.1%
2018	6,733	259,032	38,472	44	456	3.5%
2017	6,764	248,706	36,769	45	443	4.3%
2016	6,812	257,214	37,759	44	473	4.7%
2015	6,886	257,956	37,461	44	494	4.3%
2014	6,924	263,791	38,098	44	545	5.6%
2013	6,901	292,457	42,379	44	569	7.2%
2012	6,882	253,086	36,775	43	582	6.6%
2011	6,970	254,182	36,468	43	608	7.6%

¹ State of Connecticut Department of Economic and Community Development

² State of Connecticut Municipal Fiscal Indicators, (2013-2017 American Community Survey)

³ State of Connecticut Department of Labor

⁴ New Hartford Board of Education

Note: The per capita personal income figures are based upon the U.S. Bureau of Census compiled in 2011. The information contained in the Census is the most recent data available.

TOWN OF NEW HARTFORD

Principal Employers
Current Year and Nine
Years Ago

Table 19

Employer	Nature of Business	2020			2011		
		Employees	Rank	Percentage of Total Town Employment	Employees	Rank	Percentage of Town Employment
Altra Industrial Motion	Mfgr of Electromagnetic Clutches & Brakes	235	1	6.0%	118	1	3.3%
Perry Technology Corporation	Mfgr of Machined Parts	117	2	3.0%	100	3	2.8%
Home Depot	Retail Store	111	3	2.8%	N/A	N/A	N/A
New Hartford Board of Education	Board of Education	98	4	2.5%	103	2	2.6%
Shurtape Technologies	Mfgr of Pressure Sensitive Adhesive Products	69	5	1.8%	N/A	N/A	N/A
DB	Mfgr of Musical Instruments	54	6	1.4%	N/A	N/A	N/A
Marandino Foods	Grocery Store	46	7	1.2%	40	5	1.1%
Town of New Hartford	Municipality	33	8	0.8%	37	6	1.0%
Hurley Mfg	Mfgr of Metal Springs	27	9	0.7%	27	8	0.8%
Northeast Work & Safety	Boat Inspection	20	10	0.5%	N/A	N/A	N/A

TOWN OF NEW HARTFORD
 Full-Time Equivalent Employees By Function
 Last Ten Fiscal Years

Table 20

Function/Department	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Town Clerk	2	2	2	2	2	2	2	2	2	2
Tax Collector	2	2	2	2	2	2	2	2	1	1
Registrar of Voters	2	2	2	2	2	2	2	2	2	2
Assessor	2	2	2	2	2	1	1	1	1	1
Board of Assessment	3	3	3	3	3	3	3	3	3	3
Financial Services	2	2	2	2	2	2	2	2	2	2
Administrative Services	3	3	3	3	3	3	3	3	3	3
Public Safety										
Fire	2	2	2	2	2	2	2	2	2	2
Police	3	3	2	3	4	4	4	4	4	4
Community Maintenance										
Building Official	1	1	1	1	1	1	1	1	1	1
Land Use	1	1	1	1	1	1	1	1	1	1
Zoning Enforcement Officer	1	1	1	1	1	1	1	1	1	1
Public Works	7	8	8	8	8	9	9	9	9	9
Human and Cultural										
Leisure Services	0	0	1	1	1	1	1	1	1	1
Human & Leisure Services	0	0	0	0	0	0	0	0	0	0
Total - Town	31	32	32	33	34	34	34	34	33	33
Education										
Instructional Staff	62	53	52	52	50	47	47	46	46	46
Non-Instructional Staff	35	45	41	38	35	39	38	42	42	42
Total - Education	97	98	93	90	85	86	85	88	88	88
TOTAL	128	130	125	123	119	120	119	122	121	121

Source: Various Town Departments

TOWN OF NEW HARTFORD
 Operating Indicators By Function
 Last Ten Fiscal Years

Function/Department	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
GENERAL GOVERNMENT										
Town Clerk										
Land Records Processed	1,732	1,756	1,865	1,641	1,463	1,502	1,536	1,452	1,351	1,497
Registrar of Voters										
Number of Registered Voters	4,853	4,722	5,144	4,952	4,674	4,662	4,655	5,124	4,979	5,277
Voter Turnout % - National Election	N/A	N/A	85.04%	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Voter Turnout % - State Election	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Voter Turnout % - Local Election	N/A	N/A	N/A	50.54%	70.23%	86.56%	N/A	N/A	37.90%	87.30%
PUBLIC SAFETY										
Police										
Number of 911 Call Responses	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of Physical Arrests	N/A	83	74	49	64	54	50	54	57	34
Number of Major Crimes	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of Parking Violations	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of Traffic Stops	823	724	518	684	1,047	966	729	768	652	601
Fire										
Number of Fire Related Calls	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of Emergency Medical/Rescue Calls	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of Fires Extinguished	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Ambulance										
Number of Ambulance Calls	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
COMMUNITY MAINTENANCE										
Building Department										
Number of Inspections Conducted	622	773	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of Building Permits Issued	472	496	501	506	N/A	N/A	436	483	494	609
Public Works										
Number of Snow Operations	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Miles of Street Reconstructed	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
HUMAN AND CULTURAL										
Parks & Recreation										
Number of instructional programs conducted	60	61	65	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of Members at Senior Center	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Library										
Volumes in Collection**	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Registered Borrowers	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Transit District										
Number of Dial-A-Ride Trips	861	1,141	747	542	684	950	610	947	1,383	N/A
EDUCATION										
Average Class Size										
Elementary Schools	21	22	21	20	19	18	18	18	18	18
Middle School*	x	x	x	x	x	x	x	x	x	x
High School*	x	x	x	x	x	x	x	x	x	x
SAT Scores*										
Math/Verbal	x	x	x	x	x	x	x	x	x	x
CAPT Scores										
% at goal (average of tests taken in Grade 10) *	x	x	x	x	x	x	x	x	x	x
CMT Scores										
% at goal: Grade 3 - Reading/Writing/Math	74.4/81.4/88.4	84.1/85.5/91.5	76.5/75.9/80.2	x/x/x	x/x/x	x/x/x	x/x/x	x/x/x	x/x/x	x/x/x
% at goal: Grade 4 - Reading/Writing/Math	85.2/92.0/94.3	78.4/84.1/89.7	86.6/78.0/87.8	x/x/x	x/x/x	x/x/x	x/x/x	x/x/x	x/x/x	x/x/x
% at goal: Grade 5 - Reading/Writing/Math/Science	80.2/87.4/91.9/75.9	89.5/90.7/93.0/87.2	72.2/68.9/89.9/78.9	x/x/x/86.4	x/x/x/87.2	x/x/x/x	x/x/x/x	x/x/x/x	x/x/x/x	x/x/x/x
% at goal: Grade 6 - Reading/Writing/Math	91.7/79.8/91.8	91.1/78.0/91.1	94.3/84.1/88.6	x/x/x	x/x/x	x/x/x	x/x/x	x/x/x	x/x/x	x/x/x

Source: Various Town Departments

* New Hartford Schools are only grades K-6; students go on to attend a Regional School District upon completion of 6th grade.

** estimated by the Bakerville Library stating that the size of their collection is over 14,000 and there are two libraries in the Town.

N/A = not available

TOWN OF NEW HARTFORD
Capital Asset Statistics By Function
Last Ten Fiscal Years

Function/Department	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
GENERAL GOVERNMENT										
Town Offices	1	1	1	1	1	1	1	1	1	1
PUBLIC SAFETY										
Police										
Police Cars	6	6	3	3	4	4	4	4	5	5
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Pieces of Equipment	8	8	8	8	8	8	8	8	8	8
TOWN MAINTENANCE										
Public Works										
Miles of Town Streets	82.6	82.6	82.6	82.6	82.6	82.6	82.6	82.6	82.6	82.6
Miles of Highway	18.36	18.36	18.36	18.36	18.36	18.36	18.36	18.36	18.36	18.36
Streetlights	N/A									
Traffic Signals	N/A									
HUMAN AND CULTURAL										
Leisure Services										
Senior Centers	1	1	1	1	1	1	1	1	1	1
Parks	4	4	4	4	4	4	4	4	4	4
Acres of Park Land	206	206	206	206	206	206	206	206	206	206
Playgrounds	3	3	3	3	3	3	3	3	3	3
Tennis Courts	2	2	2	2	2	2	2	2	2	2
Athletic Fields	6	6	6	6	6	6	6	6	6	6
Basketball Courts	2	2	2	2	2	2	2	2	2	2
Library										
Branches	2	2	2	2	2	2	2	2	2	2
EDUCATION										
Education										
Elementary Schools	3	3	3	3	3	3	3	3	3	3
Middle Schools*	N/A									
High Schools*	N/A									

Source(s): Various Town Departments

* New Hartford Schools are only grades K-6; students go on to attend a Regional School District upon completion of 6th grade.