



**WESTPORT CONNECTICUT
BOARD OF FINANCE**

NOTICE OF EXECUTIVE SESSION

The Board of Finance will hold a Special Meeting on **Wednesday, March 4, 2020 at 7:30 p.m.** in **Room 201/201A of Town Hall** for the following purpose. It is anticipated that the Board of Finance will vote to go into Executive Session for such discussions:

1. To discuss 136 Riverside Avenue property.
2. To discuss the Real Property Committee's preliminary analysis of other potential property sales.

NOTICE OF PUBLIC MEETING

The Board of Finance will hold its Public Meeting on **Wednesday, March 4, 2020 at 8:00 p.m.** in **Room 201/201A of Town Hall** for the following purposes:

AGENDA

1. To approve the Board of Finance Minutes of the January 8, 2020 Regular Meeting and the January 15, 2020 Special Meeting, the February 10, 2020 Special Meeting and the February 13, 2020 Special Meeting.
2. Financial Report from the Finance Director. (Discussion Only)
3. Board of Education 2nd quarter Financial Report from the Chief Financial Officer. (Discussion Only)
4. Status Update from the Audit Manager. (Discussion Only)
5. Questions from the Board of Finance Members to the Administration. (Please submit any questions in advance). (Discussion Only)
6. Coleytown Middle School Status Update from Sheri Gordon. (Discussion Only)
7. Upon the request of the Town Attorney's office and in accordance with §C6-2 of the Town Charter, to recommend a lease renewal between the Town of Westport and Parent Child Center, Inc. for property located at 90 Hillspoint Road.
8. Upon the request of the Town Attorney's office, to approve a special appropriation in the amount of \$170,000.00 to the Contract Services Account 10101170-532000 for unanticipated matters and ongoing affordable housing matters.

9. Upon the request of the Town Attorney's office, to approve a transfer of \$30,000.00 from the Negotiation Services Account 10101170-533200 to the Contract Services Account 10101170-532000 for unanticipated matters and ongoing affordable housing matters.
10. Board of Education Interim Superintendent David Abbey and Board of Education Chair Candice Savin will present the Board of Education Budget for Fiscal Year 2020-21.
11. First Selectman Jim Marpe will present the Town of Westport Budget for Fiscal Year 2020-2021.
12. Budget 2021 Workshop (Discussion Only)

Note: The practice for upcoming BOF regular meetings will be to close the meetings at 10:00 PM. Motions to extend individual meetings can be heard.



**WESTPORT CONNECTICUT
BOARD OF FINANCE**

DRAFT MINUTES OF BOF EXECUTIVE SESSION

The Board of Finance held a Special Meeting on **Wednesday, January 8, 2020 at 7:30 p.m.** in **Room 201/201A of Town Hall** for the following purpose. It is anticipated that the Board of Finance will vote to go into Executive Session for such discussions:

Board voted to go into Executive Session: Motion: Lee Caney, 2nd Brian Stern Vote 6-0. Andrea Moore not in attendance for vote

1. To discuss the town-wide analysis of operational and financial risks.

Board voted to come out of Executive Session: Motion: Lee Caney, 2nd Brian Stern Vote 7-0.

DRAFT MINUTES OF BOF PUBLIC MEETING

The Board of Finance held its Public Meeting on **Wednesday, January 8, 2020 at 8:00 p.m.** in **Room 201/201A of Town Hall** for the following purposes:

In Attendance: Jay DesMarteau, Sheri Gordon, Lee Caney, Brian Stern, Andrea Moore, Nanci Dupier,
Jim Foster

AGENDA

1. To approve the Board of Finance Minutes of the December 11, 2019 Regular Meeting.
Motion to approve: Lee Caney. Second: Nancie Dupier

2. Financial Report heard from the Finance Director. (Discussion Only)

3. Status Update from the Audit Manager. (Discussion Only)

4. Coleytown Middle School Status Update heard from Sheri Gordon. (Discussion Only)

5. Upon the request of the Director of Parks and Recreation, to approve an appropriation of \$240,000.00 along with bond and note authorization to the Municipal Improvement Fund Account 30508810-500182 for the replacement of the boarding fingers on "F" Dock at the Ned Dimes Marina.

Motion to approve: Andrea Moore, Second: Jay DesMarteau. Vote 5-1-1. For: Foster, Dupier, Moore, Caney, DesMarteau. Against: Stern, Abstained: Gordon.

6. Upon the request of the Director of Parks and Recreation, to approve an appropriation of \$125,000.00 along with bond and note authorization to the Municipal Improvement Fund Account 30508810-500183 to upgrade the control system for the Longshore Golf Course irrigation system.

Motion to approve: Brian Stern, Second: Sheri Gordon. Vote 7-0-0.

7. Upon the request of the Director of Public Works, to approve an appropriation of \$12,099.26 to the Capital and Non-Recurring Account #31503310-500185 for the cost of additional work due to unforeseen conditions during the elevator installation.

Motion to approve: Lee Caney, Second Jay DesMartaeu. Vote: 7-0-0.

8. Upon the request of the Director of Public Works, to approve an appropriation of \$62,000.00 along with bond and note authorization to the Municipal Improvement Fund Account 30503310-500184 for funding Westport's share of the Design expenses for replacement of the Cavalry Road Bridge over the West Branch of the Saugatuck River.

Motion to approve: Brian Stern. Second Andrea Moore. Vote 7-0-0

Motion to Adjourn: Nanci Dupier, Second Jim Foster. Vote 7-0-0. Meeting Adjourned 9:29pm

Notes Respectfully Submitted by Andrea Moore



**WESTPORT CONNECTICUT
BOARD OF FINANCE**

DRAFT MINUTES BOARD OF FINANCE SPECIAL MEETING

The Board of Finance held a Special Meeting on **Wednesday, January 15, 2020 at 8:00 p.m.** at **The Westport Library in the Komansky Room** for the following purposes:

In attendance: Brian Stern, Andrea Moore, Lee Caney, Sheri Gordon, Nanci Dupier, Jim Foster, and Jay DesMarteau.

AGENDA

1. Discuss the following items (no votes taken):
 - a. Town Risk Analysis - Presented by Sara Harris
 - b. Reserve Fund Review - Presented by Gary Conrad
 - c. Expectations for the 2020-2021 budget - Discussion lead by the BOF Members
 - d. Capital Plan Review- Presented by Gary Conrad

Meeting Adjourned 11:01pm

Meeting Notes respectfully submitted by Andrea Moore



**WESTPORT CONNECTICUT
BOARD OF FINANCE**

DRAFT MINUTES OF SPECIAL BUDGET MEETINGS

The Board of Finance held its informal Budget Workshops on Monday February 10, 2020 and Thursday February 13, 2020 at the times and locations below to discuss the Selectman's preliminary requested 2020-21 budget for the Town of Westport. No action or votes taken. Areas to be covered are as follows:

MONDAY, FEBRUARY 10, 2020 6:30PM Library Board Room 210

Attendees: Jay DesMartaeu, Jim Foster, Lee Caney, Sheri Gordon, Nancie Dupier, Andrea Moore and Brian Stern

- | | |
|---|------------------|
| 1. Parks and Recreation & Wakeman Town Farm | 6:30PM – 8:00PM |
| 2. Public Works/Sewer Fund | 8:00PM – 9:00PM |
| 3. General Government | 9:00PM – 9:30PM |
| 4. Pension, Insurance, Transfers | 9:30PM – 10:30PM |

Adjourned at 10:47PM.

DRAFT MINUTES OF BOF EXECUTIVE SESSION

The Board of Finance held a Special Meeting on **Thursday, February 13, 2020 at 12:00 p.m. in the Library Board Room 210** for the following purpose. It is anticipated that the Board of Finance will vote to go into Executive Session for such discussions:

Attendees: Brian Stern, Andrea Moore, Jim Foster, Lee Caney. Jay DesMarteau joins at 12:30pm, Nancie Dupier joins at 12:50pm. Sheri Gordon joins after executive session.

1. To discuss potential litigation.
2. To discuss pending litigation involving Cross Street LLC v. Westport Planning & Zoning Commission, Garden Homes v. Westport Planning & Zoning Commission and Summit Saugatuck v. Westport Planning & Zoning Commission.

Vote to adjourn executive session (1st Lee Caney, 2nd Andrea Moore, vote 6-0)

THURSDAY, FEBRUARY 13, 2020 1:00 - 5:00PM Library Board Room 210

Attendees: Nancie Dupier, Sheri Gordon, Jay DesMarteau, Jim Foster, Lee Caney, Andrea Moore and Brian Stern

- | | |
|--|-----------------|
| 1. Library | 1:00PM - 1:30PM |
| 2. Earthplace | 1:30PM - 2:00PM |
| 3. Transit District | 2:00PM - 2:30PM |
| 4. Health District | 2:30PM - 3:00PM |
| 5. Human Services | 3:00PM - 3:30PM |
| 6. Information Technology | 3:30PM - 4:00PM |
| 7. Police/EMS/RR Parking | 4:00PM - 4:30PM |
| 8. Fire/Building/PS&BC | 4:30PM - 5:00PM |
| 9. Other matters needing budget review/general budget discussion | |

Meeting adjourned at 5:17pm.

Respectively submitted by Andrea Moore, Vice Chair

WESTPORT PUBLIC SCHOOLS
Quarterly Financial Report - 2Q
December 31, 2019
Theoretical Expenditure Rate: 50%

2016-2017 Year-End Expense	2017-2018 Year-End Expense	2018-2019 Year-End Expense	Object Code	Descriptions	2019-2020 ADOPTED BUDGET	2019-2020 ADJUSTED BUDGET	BUDGET ADJUSTMENT	2019-2020 ENCUMBERED TO DATE	2019-2020 EXPENDED TO DATE	YTD %	ESTIMATED ADJUSTMENTS	PROJECTED TO EOY	BALANCE AVAILABLE	Balance Available %
5,357,442	5,317,348	5,403,166	100	Certified Administrators	5,223,447	5,223,447	-	2,573,253	2,576,883	49%		5,150,136	73,311	1.4%
1,769,108	1,875,276	2,076,448	101	Directors	2,261,191	2,274,475	13,284	1,092,933	979,390	43%	170,000	2,242,323	32,152	1.4%
22,408,703	22,846,979	23,188,723	102	Reg Ed Teachers	23,143,153	23,143,153	-	13,917,549	9,205,999	40%	-	23,123,548	19,605	0.1%
11,649,873	11,628,676	11,778,849	103	Special Area Teachers	12,215,141	12,215,141	-	7,243,279	4,714,417	39%	-	11,957,696	257,445	2.1%
4,189,360	4,293,239	4,246,724	104	Support Teachers	4,191,210	4,191,210	-	2,689,335	1,749,573	42%	-	4,438,908	(247,698)	-5.9%
138,704	79,535	104,021	105	Curr/Instr Resource	95,927	95,927	-	70,942	43,144	45%	-	114,086	(18,159)	-18.9%
916,666	910,798	930,297	107	Library/Media Teachers	884,495	884,495	-	485,498	319,019	36%	-	804,517	79,978	9.0%
1,455,550	1,463,683	1,500,395	108	Guidance	1,542,499	1,529,215	(13,284)	836,504	595,696	39%	-	1,432,200	97,015	6.3%
4,549,144	4,554,832	4,695,295	109	Special Ed Teachers	4,875,116	4,875,116	-	2,769,207	2,031,252	42%	-	4,800,459	74,657	1.5%
1,618,793	1,613,902	1,614,249	110	Psychologists	1,829,597	1,829,597	-	1,012,087	677,878	37%	-	1,689,965	139,632	7.6%
255,882	226,362	237,067	113	Social Workers	256,126	256,126	-	190,070	129,704	51%	-	319,774	(63,648)	-24.9%
1,342,906	1,307,615	1,412,585	114	Speech/Hearing Therapists	1,457,417	1,454,367	(3,050)	781,884	557,652	38%	-	1,339,536	114,831	7.9%
116,329	143,903	115,609	115	Staff Dev/Leadership	103,474	103,474	-	61,155	38,550	37%	3,769	103,474	-	0.0%
666,363	661,124	686,315	116	Extra-Curricular	700,214	700,214	-	-	90,836	13%	609,378	700,214	-	0.0%
569,512	612,237	629,105	118	Coaches-Intrmral/Intrschlsc	644,817	644,817	-	-	194,721	30%	450,096	644,817	-	0.0%
129,218	112,507	122,098	119	Curriculum Work/Other	125,000	125,000	-	-	71,736	57%	53,264	125,000	-	0.0%
\$ 57,133,554	\$ 57,648,017	\$ 58,740,945		Sub-Total Certified Salaries	\$ 59,548,824	\$ 59,545,774	\$ (3,050)	\$ 33,723,696	\$ 23,976,450		\$ 1,286,507	\$ 58,986,653	559,121	0.9%
100.0%	0.9%	1.9%			1.4%	1.4%		56.6%	40.3%		2.2%	99.1%	0.9%	
1,277,138	1,254,533	1,254,230	120	Support Supervisors	1,365,368	1,365,368	-	557,566	645,860	47%	60,000	1,263,426	101,942	7.5%
2,537,172	2,535,495	2,514,948	121	Secretaries	2,650,823	2,650,823	-	1,207,925	1,256,316	47%	100,000	2,564,241	86,582	3.3%
1,847,587	1,789,074	1,859,305	122	Paraprofessionals	1,864,280	1,864,280	-	964,401	719,499	39%	76,607	1,760,507	103,773	5.6%
2,707,700	2,750,902	2,952,375	123	Sped Paraprofessionals	3,056,506	3,059,556	3,050	1,660,536	1,428,145	47%	136,489	3,225,170	(165,614)	-5.4%
2,748,852	2,687,981	2,670,997	124	Custodians	2,665,156	2,665,156	-	1,322,038	1,357,105	51%	(18,371)	2,660,772	4,384	0.2%
529,560	594,233	615,592	125	Maintainers	626,494	626,494	-	302,191	290,715	46%	12,530	605,436	21,058	3.4%
910,681	893,629	899,444	126	Nurses	928,486	928,486	-	505,089	368,773	40%	18,570	892,432	36,054	3.9%
253,524	260,967	244,894	127	Nurses Aides	239,662	239,662	-	145,196	92,806	39%	4,793	242,795	(3,133)	-1.3%
571,660	566,911	565,164	128	Technology Assistants	606,095	606,095	-	283,583	299,988	49%	20,000	603,571	2,524	0.4%
293,164	296,453	308,685	129	Security Aides	345,930	345,930	-	200,699	143,701	42%	-	344,400	1,530	0.4%
241,574	246,584	267,840	130	Bus Monitors	250,513	250,513	-	-	104,173	42%	146,340	250,513	-	0.0%
245,277	240,183	240,703	131	Athletics	233,967	233,967	-	98,212	98,612	42%	37,143	233,967	-	0.0%
142,160	145,777	138,945	133	Other	149,887	149,887	-	69,606	58,940	39%	21,341	149,887	-	0.0%
594,923	612,129	679,019	135	Occupational Therapists	694,267	694,267	-	391,356	322,428	46%	-	713,784	(19,517)	-2.8%
176,085	180,001	182,087	136	Physical Therapists	187,213	187,213	-	98,564	79,030	42%	-	177,594	9,619	5.1%
21,993	22,071	21,992	140	Adult Ed Mandated	25,000	25,000	-	-	-	0%	21,375	21,375	3,625	14.5%
\$ 15,099,052	\$ 15,076,923	\$ 15,416,219		Sub-Total Non-Certified Salaries	\$ 15,889,646	\$ 15,892,696	\$ 3,050	\$ 7,806,962	\$ 7,266,091		\$ 636,816	\$ 15,709,869	182,827	1.2%
100.0%	-0.1%	2.3%			3.1%	3.1%		49.1%	45.7%		4.0%	98.8%	1.2%	
171,210	266,732	292,731	150	Perm Cert Subs	455,600	455,600	-	208,018	77,000	17%	18,200	303,218	152,382	33.4%
199,407	174,810	151,712	151	Daily Cert Subs	177,400	177,400	-	50,875	51,009	29%	50,000	151,884	25,516	14.4%
36,834	35,945	36,150	152	Staff Training Cert Subs	45,000	45,000	-	-	14,500	32%	25,500	40,000	5,000	11.1%

WESTPORT PUBLIC SCHOOLS
Quarterly Financial Report - 2Q
December 31, 2019
Theoretical Expenditure Rate: 50%

2016-2017 Year-End Expense	2017-2018 Year-End Expense	2018-2019 Year-End Expense	Object Code	Descriptions	2019-2020 ADOPTED BUDGET	2019-2020 ADJUSTED BUDGET	BUDGET ADJUSTMENT	2019-2020 ENCUMBERED TO DATE	2019-2020 EXPENDED TO DATE	YTD %	ESTIMATED ADJUSTMENTS	PROJECTED TO EOY	BALANCE AVAILABLE	Balance Available %
50,361	55,757	56,600	153	PPT Cert Subs	55,000	55,000	-	-	14,004	25%	40,996	55,000	-	0.0%
711,789	854,334	782,155	154	Long Term Subs	775,000	775,000	-	353,175	357,776	46%	114,049	825,000	(50,000)	-6.5%
267,253	245,870	276,387	155	Non-Cert Subs	245,000	245,000	-	78,480	87,064	36%	100,000	265,544	(20,544)	-8.4%
473,855	480,645	633,328	156	Overtime	455,000	455,000	-	-	337,730	74%	262,270	600,000	(145,000)	-31.9%
\$ 1,910,709	\$ 2,114,093	\$ 2,229,063		Sub-Total Other Salaries	\$ 2,208,000	\$ 2,208,000	\$ -	\$ 690,548	\$ 939,083		\$ 611,015	\$ 2,240,646	(32,646)	-1.5%
100.0%	10.6%	5.4%			-0.9%	-0.9%		31.3%	42.5%		27.7%	101.5%	-1.5%	
\$ 74,143,314	\$ 74,839,033	\$ 76,386,228		TOTAL SALARIES	\$ 77,646,470	\$ 77,646,470	\$ -	\$ 42,221,206	\$ 32,181,624		\$ 2,534,338	\$ 76,937,168	709,302	0.9%
100.0%	0.9%	2.1%			1.6%	1.6%		54.4%	41.4%		3.3%	99.1%	0.9%	
12,956,551	14,145,247	15,415,241	210	Health Insurance	15,371,307	15,371,307	-	6,847,121	9,613,546	63%	(1,169,360)	15,291,307	80,000	0.5%
317,898	336,046	341,468	211	Group Life Insurance	339,742	339,742	-	160,941	181,300	53%	-	342,241	(2,499)	-0.7%
43,345	45,730	44,556	212	Teacher Child Care (WEA)	43,000	43,000	-	-	18,000	42%	27,000	45,000	(2,000)	-4.7%
42,040	42,335	30,602	213	Health Insurance Waiver	32,000	32,000	-	9,000	8,552	27%	15,000	32,552	(552)	-1.7%
2,016,354	2,081,337	2,173,235	220	FICA/Medicare	2,264,214	2,264,214	-	1,090,778	923,929	41%	160,000	2,174,707	89,507	4.0%
28,634	20,316	18,736	240	Course Reimbursement	50,000	50,000	-	4,867	11,295	23%	9,000	25,162	24,838	49.7%
24,449	42,623	38,764	250	Unemployment Compensation	50,000	50,000	-	31,960	20,947	42%	-	52,907	(2,907)	-5.8%
547,396	444,343	374,654	260	Workers Compensation	415,712	415,712	-	107,231	261,456	63%	47,025	415,712	-	0.0%
35,020	36,697	35,703	287	Uniform Allowance	45,000	45,000	-	3,868	29,898	66%	6,000	39,766	5,234	11.6%
21,923	35,165	34,543	290	Other Employee Benefits	40,000	40,000	-	9,102	27,912	70%	1,000	38,014	1,986	5.0%
\$ 16,033,609	\$ 17,229,838	\$ 18,507,501		TOTAL BENEFITS	\$ 18,650,975	\$ 18,650,975	\$ -	\$ 8,264,868	\$ 11,096,835		\$ (904,335)	\$ 18,457,368	193,606	1.0%
100.0%	7.5%	7.4%			0.8%	0.8%		44.3%	59.5%		-4.8%	99.0%	1.0%	
121,001	71,652	103,391	320	HomeBound	80,000	80,000	-	9,884	34,049	43%	56,000	99,933	(19,933)	-24.9%
20,178	6,188	6,809	321	Gifted Activities	25,000	25,000	-	2,848	5,470	22%	6,682	15,000	10,000	40.0%
68,700	-	-	322	Educational Interns	-	-	-	-	-	0%	-	-	-	0.0%
437,591	622,986	438,823	323	Instr Program Improvements	452,680	467,491	14,811	201,610	139,355	30%	126,526	467,491	-	0.0%
11,092	6,827	12,350	324	Pupil Services	11,000	11,000	-	4,322	1,796	16%	4,882	11,000	-	0.0%
196,439	239,971	260,020	325	PPT Consultations	274,700	274,700	-	98,574	149,327	54%	26,799	274,700	-	0.0%
102,500	128,481	117,292	327	Student Evaluations-Outside	135,000	116,995	(18,005)	32,178	17,040	15%	67,777	116,995	-	0.0%
26,839	19,176	19,345	328	Medical Advisors	25,000	25,000	-	8,000	-	0%	12,000	20,000	5,000	20.0%
329,599	516,831	674,702	330	Other Prof/Tech Services	522,390	525,584	3,194	248,322	274,529	52%	2,733	525,584	-	0.0%
371,748	373,441	501,302	331	Legal/Negotiations	414,000	414,000	-	316,860	171,035	41%	-	487,895	(73,895)	-17.8%
\$ 1,685,687	\$ 1,985,555	\$ 2,134,035		TOTAL PURCHASED SERVICES	\$ 1,939,770	\$ 1,939,770	\$ -	\$ 922,598	\$ 792,601		\$ 303,399	\$ 2,018,598	(78,828)	-4.1%
100.0%	17.8%	7.5%			-9.1%	-9.1%		47.6%	40.9%		15.6%	104.1%	-4.1%	
90,839	97,395	94,450	411	Water/Sewer	93,801	93,801	-	49,680	44,160	47%	-	93,840	(39)	0.0%
1,971,458	1,702,294	1,839,161	413	Electricity	1,920,583	1,920,583	-	729,153	734,052	38%	709,393	2,172,598	(252,015)	-13.1%
745,332	933,868	866,075	414	Natural Gas	869,400	869,400	-	744,059	120,706	14%	-	864,765	4,635	0.5%
13,196	14,374	14,094	415	Heating Oil	14,500	14,500	-	12,365	1,735	12%	400	14,500	-	0.0%
557,524	529,616	519,970	421	Contracted Maintenance	607,605	584,717	(22,888)	224,112	339,441	58%	21,164	584,717	-	0.0%

WESTPORT PUBLIC SCHOOLS
Quarterly Financial Report - 2Q
December 31, 2019
Theoretical Expenditure Rate: 50%

2016-2017 Year-End Expense	2017-2018 Year-End Expense	2018-2019 Year-End Expense	Object Code	Descriptions	2019-2020 ADOPTED BUDGET	2019-2020 ADJUSTED BUDGET	BUDGET ADJUSTMENT	2019-2020 ENCUMBERED TO DATE	2019-2020 EXPENDED TO DATE	YTD %	ESTIMATED ADJUSTMENTS	PROJECTED TO EOY	BALANCE AVAILABLE	Balance Available %
544,024	799,952	825,625	431	Building Maintenance	420,178	526,130	105,952	154,349	398,917	76%	(27,136)	526,130	-	0.0%
315,436	260,050	226,030	432	Grounds Maintenance	284,887	248,710	(36,177)	66,406	134,771	54%	47,533	248,710	-	0.0%
87,353	99,235	68,637	433	Repair Equip (Instructional)	106,475	107,256	781	25,311	38,680	36%	43,265	107,256	-	0.0%
35,536	69,974	127,507	434	Repair Equip (Non-Instructional)	71,500	60,404	(11,096)	12,760	18,216	30%	29,428	60,404	-	0.0%
314,886	352,420	130,679	435	Building Projects	289,461	310,526	21,065	113,024	119,004	38%	78,498	310,526	-	0.0%
228,432	299,055	6,988	436	Grounds Projects	104,000	81,000	(23,000)	5,330	18,232	23%	57,438	81,000	-	0.0%
626,838	205,670	142,110	437	Restore/Prevent Maintenance	370,000	366,875	(3,125)	101,608	149,307	41%	115,960	366,875	-	0.0%
161,462	171,410	169,701	440	Equip Rentals & Copiers	169,539	169,539	-	91,540	77,864	46%	135	169,539	-	0.0%
44,164	45,684	47,283	441	Building Rental	48,928	48,939	11	24,541	24,398	50%	-	48,939	-	0.0%
6,535	8,238	10,558	450	Gas/Travel Maintenance	9,000	9,000	-	6,430	2,570	29%	-	9,000	-	0.0%
194,453	194,871	149,226	451	Custodial Supplies	260,000	241,864	(18,136)	91,852	146,192	60%	3,820	241,864	-	0.0%
267,611	186,451	252,835	452	Maintenance Supplies	251,823	251,812	(11)	58,983	127,333	51%	65,496	251,812	-	0.0%
102,515	106,362	83,746	490	School Security	152,000	138,624	(13,376)	5,000	68,468	49%	65,156	138,624	-	0.0%
\$ 6,307,594	\$ 6,076,919	\$ 5,574,675		TOTAL PROPERTY SERVICES	\$ 6,043,680	\$ 6,043,680	\$ -	\$ 2,516,503.00	\$ 2,564,046		\$ 1,210,550	\$ 6,291,099	(247,419)	-4.1%
100.0%	-3.7%	-8.3%			8.4%	8.4%		41.6%	42.4%		20.0%	104.1%	-4.1%	
3,584,711	3,837,571	3,651,000	510	Transportation - Regular	3,880,350	3,880,350	-	103,916	3,824,059	99%	-	3,927,975	(47,625)	-1.2%
788,293	924,562	925,593	511	Trans-Spec Ed-Internal	996,783	996,783	-	36,523	962,277	97%	-	998,800	(2,017)	-0.2%
182,149	106,736	69,406	512	Trans-Spec Ed-Public	158,267	158,267	-	15,275	10,426	7%	152,741	178,442	(20,175)	-12.7%
352,591	304,891	405,562	513	Trans-Spec Ed-Private	304,479	304,479	-	358,556	215,124	71%	-	573,680	(269,201)	-88.4%
37,539	39,629	44,512	516	Trans-Field Trips	69,304	69,304	-	5,337	27,591	40%	36,376	69,304	-	0.0%
157,350	220,077	228,674	517	Gasoline-Buses	262,625	262,625	-	42,398	70,585	27%	120,000	232,983	29,642	11.3%
146,958	162,255	171,541	520	Property Insurance	181,322	181,322	-	89,452	73,176	40%	-	162,628	18,694	10.3%
10,489	10,405	9,889	521	Flood Insurance	10,186	10,186	-	-	9,313	91%	-	9,313	873	8.6%
336,798	338,796	333,866	523	Liability Insurance	362,256	362,256	-	161,086	186,621	52%	-	347,707	14,549	4.0%
109,106	145,483	146,121	529	Athletic Insurance	150,505	150,505	-	269	125,731	84%	-	126,000	24,505	16.3%
479,644	367,000	412,424	530	Communication Systems	395,476	395,476	-	69,797	235,111	59%	90,568	395,476	-	0.0%
36,348	34,118	35,581	535	Postage	35,000	35,000	-	22,046	13,454	38%	-	35,500	(500)	-1.4%
21,307	21,497	14,629	540	Advertising	23,000	23,000	-	17,389	10,035	44%	-	27,424	(4,424)	-19.2%
25,867	27,530	22,125	550	Printing	36,540	36,590	50	13,428	10,426	28%	-	23,854	12,736	34.8%
2,003,856	2,218,944	2,385,787	560	Tuition-Public	2,081,000	2,081,000	-	1,855,387	1,637,422	79%	(1,052,840)	2,439,969	(358,969)	-17.2%
39,019	35,714	43,621	563	Tuition-Court & Agency Placed	42,860	42,860	-	-	-	0%	-	-	42,860	100.0%
571,136	633,506	675,415	567	Tuition-Litigation	600,000	600,000	-	525,242	363,554	61%	8,684	897,480	(297,480)	-49.6%
11,555	17,523	22,158	569	Tuition-Summer Programs	23,000	22,950	(50)	-	26,014	113%	-	26,014	(3,064)	-13.4%
36,871	40,323	44,328	580	Staff Travel/Mileage	71,900	71,900	-	17,614	17,101	24%	37,185	71,900	-	0.0%
\$ 8,931,586	\$ 9,486,559	\$ 9,642,231		TOTAL OTHER PURCH SERVICES	\$ 9,684,853	\$ 9,684,853	\$ -	\$ 3,333,715	\$ 7,818,020		\$ (607,286)	\$ 10,544,450	(859,597)	-8.9%
100.0%	6.2%	1.6%			0.4%	0.4%		34.4%	80.7%		-6.3%	108.9%	-8.9%	
926,363	908,826	863,292	611	Supplies-Instructional	914,143	922,888	8,745	189,943	634,737	69%	98,208	922,888	-	0.0%
681,001	867,583	773,338	612	Software	809,672	811,672	2,000	16,503	746,513	92%	48,656	811,672	-	0.0%
156,539	155,616	135,374	613	Tech Supplies	151,925	151,925	-	21,447	79,812	53%	50,666	151,925	-	0.0%

WESTPORT PUBLIC SCHOOLS
Quarterly Financial Report - 2Q
December 31, 2019
Theoretical Expenditure Rate: 50%

2016-2017 Year-End Expense	2017-2018 Year-End Expense	2018-2019 Year-End Expense	Object Code	Descriptions	2019-2020 ADOPTED BUDGET	2019-2020 ADJUSTED BUDGET	BUDGET ADJUSTMENT	2019-2020 ENCUMBERED TO DATE	2019-2020 EXPENDED TO DATE	YTD %	ESTIMATED ADJUSTMENTS	PROJECTED TO EOY	BALANCE AVAILABLE	Balance Available %
37,260	39,616	40,669	615	Graduation Expenses	39,060	39,060	-	3,758	34,699	89%	603	39,060	-	0.0%
673,153	409,360	330,517	641	Textbooks	460,782	442,535	(18,247)	118,179	237,164	54%	87,192	442,535	-	0.0%
115,487	120,037	104,791	642	Library Books & Periodicals	99,627	101,610	1,983	37,883	60,197	59%	3,530	101,610	-	0.0%
15,750	12,559	12,075	643	A/V Materials	15,950	15,699	(251)	6,303	7,918	50%	1,478	15,699	-	0.0%
162,409	165,423	139,377	690	Non Instructional Supplies	183,930	189,700	5,770	63,396	85,254	45%	41,050	189,700	-	0.0%
19,044	19,269	18,831	691	Health Supplies	19,950	19,950	-	4,251	8,978	45%	6,721	19,950	-	0.0%
\$ 2,787,006	\$ 2,698,290	\$ 2,418,264		TOTAL SUPPLIES AND MTLs.	\$ 2,695,039	\$ 2,695,039	\$ -	\$ 461,663	\$ 1,895,272		\$ 338,104	\$ 2,695,039	-	0.0%
100.0%	-3.2%	-10.4%			11.4%	11.4%		17.1%	70.3%		12.5%	100.0%	0.0%	
85,358	40,094	38,674	731	Equip-New Instructional	29,315	26,111	(3,204)	4,910	12,031	46%	9,170	26,111	-	0.0%
9,477	123,442	45,290	732	Equip-New Non Instructional	-	-	-	466	4,785	0%	-	5,251	(5,251)	#DIV/0!
69,530	110,113	42,751	733	Equip-Replace Instructional	93,751	92,562	(1,189)	14,544	74,765	81%	3,253	92,562	-	0.0%
20,540	39,015	2,184	734	Equip-Replace Non Instructional	-	-	-	18,900	(12,850)	#DIV/0!	-	6,050	(6,050)	#DIV/0!
247,426	52,546	75,017	735	Furniture	101,567	105,960	4,393	18,857	55,721	53%	31,382	105,960	-	0.0%
998,464	751,531	692,475	736	Tech Equip-Instructional	704,812	704,812	-	28,647	527,531	75%	148,634	704,812	-	0.0%
40,988	44,871	27,510	737	Tech Equip-Non Instructional	31,872	31,872	-	649	27,880	87%	3,343	31,872	-	0.0%
\$ 1,471,782	\$ 1,161,611	\$ 923,902		TOTAL EQUIPMENT	\$ 961,317	\$ 961,317	\$ -	\$ 86,973	\$ 689,863		\$ 195,782	\$ 972,618	(11,301)	-1.2%
100.0%	-21.1%	-20.5%			4.0%	4.0%		9.0%	71.8%		20.4%	101.2%	-1.2%	
86,472	88,751	86,212	810	Dues & Fees	107,912	107,912	-	7,929	74,677	69%	15,306	97,912	10,000	9.3%
31,743	28,965	29,124	811	Student Act & Awards	31,598	31,598	-	12,479	5,531	18%	13,588	31,598	-	0.0%
412,017	380,622	401,429	812	Student Athletics	488,850	488,850	-	281,839	203,278	42%	3,733	488,850	-	0.0%
\$ 530,233	\$ 498,338	\$ 516,764		TOTAL OTHER	\$ 628,360	\$ 628,360	\$ -	\$ 302,247	\$ 283,486		\$ 32,627	\$ 618,360	10,000	1.6%
100.0%	-6.0%	3.7%			21.6%	21.6%		48.1%	45.1%		5.2%	98.4%	1.6%	
\$ 111,890,812	\$ 113,976,141	\$ 116,103,600		GRAND TOTAL	\$ 118,250,464	\$ 118,250,464	\$ -	\$ 58,109,773	\$ 57,321,747		\$ 3,103,180	\$ 118,534,700	\$ (284,236)	-0.2%
100.0%	1.9%	1.9%			1.8%	1.8%		49.1%	48.5%		2.6%	100.24%	-0.24%	



WESTPORT, CONNECTICUT

OFFICE OF THE TOWN ATTORNEY

MEMORANDUM

Date: February 24, 2020

To: Members of the Board of Finance

CC: James S. Marpe, First Selectman
Gary Conrad, Finance Director
Helen Garten, Chair of First Selectman's Real Property Committee

From: Eileen Lavigne Flug, Assistant Town Attorney

Re: 2020 Lease between the Town of Westport and the Parent Child Center, Inc. ("PCC")
(the "Hillspoint School Lease")

In preparation for your review of the new Hillspoint School Lease, and in compliance with the Policy on the Lease of Town Property, attached are following documents:

- 1) Term Sheet and Lease, including a redline of the Lease back to the 2005 Lease.
- 2) Letters from PCC dated April 10, 2019 requesting renewal of the lease and dated May 28, 2019 regarding use of the space, programming, and financial matters.
(Attachments are excluded as they are replaced with the current financials (item 3 below) and current report of property expenses paid by PCC (item 8 below).)
- 3) Current financial statements of PCC and its subtenants: the Learning Community Day School, Inc., Saugatuck Child Care Services, and The Children's Community Development Center, Inc. (attached separately in the email to you).
- 4) Background Report prepared by Helen Garten, attaching Report of the First Selectman's Real Property Committee dated February 10, 2020.
- 5) Fire Marshall Nathaniel Gibbons' inspection report dated January 31, 2020.
- 6) Superintendent Mike Frawley (DPW)'s Annual Facility Inspection dated February 19, 2020 including list of capital/major maintenance projects anticipated through 2029.
- 7) Report of property expenses paid out of PCC Account for past 3 years.
- 8) Report of property improvements made and paid for by PCC and the 3 schools, for past 3 years.
- 9) Lease revenues for the past 3 years.
- 10) Compliance Statement from Town Attorney's Office.
- 11) Field card showing appraised value.

If you need any further information or have any questions in advance of the meeting, please let me know. Thank you.

90 HILLSPPOINT ROAD

PARENT CHILD CENTER INC. LEASE

LEASE TERM SHEET

1. **LANDLORD:** Town of Westport
2. **TENANT:** Parent Child Center, Inc. (“PCC”)
3. **SUBTENANTS:** Learning Community Day School, Inc., Saugatuck Child Care Services, Inc., and Children’s Community Development Center, Inc.
4. **LEASED PROPERTY:** 90 Hillspoint Road. The property is a 6.9 acre parcel located in a residential district. The building is roughly 39,000 sq. ft. The property has been leased to the PCC and occupied by the three non-profit organizations since 1980. Since that time, the P&Z Commission has consistently issued positive §8-24 reports for the continued leasing of the building. The last positive §8-24 report was issued in 2004 for the current lease. The Board of Finance also recommended the prior Hillspoint School Lease in April 2005 and a five-year renewal in 2015, which expires August 31, 2020.
5. **RENT:** The first year’s rent will be \$64,726.95 with a 2.5% annual increase thereafter. See Schedule A to the Lease for the escalation chart.
6. **TERM:** Ten years commencing September 1, 2020, with one 5-year option to renew.
7. **SECURITY DEPOSIT:** None
8. **TOWN SERVICES REQUIRED:** The Town reserves the right to use the playing fields located in the rear of the building and is responsible for maintaining such fields. The Lessee is responsible for all other maintenance of the building and grounds, except that major repairs and maintenance are paid out of the Parent Child Center Account as described below. The Lessee is also responsible for all operating costs, including utilities.
9. **ESCROW ACCOUNT FOR MAJOR REPAIRS:** Out of each year’s rent, \$15,000 is deposited into the General Fund, and the remaining amount is deposited into an escrow account entitled the “Parent Child Center Account” (“PCC Account”), which is owned and administered by the Town and used to pay for the repair or replacement of structural and/or mechanical components in excess of \$1,500. The \$15,000 General Fund deposit is an increase from the \$10,000 deposit in the 2005 lease, and the \$1,500 threshold repair and maintenance amount is an increase from \$1,000 in the 2005 lease. These amounts were determined based on the current balance of the PCC Account and anticipated major repairs. The current balance of the PCC Account is \$387,370.25 as of January 30, 2020. The two major capital projects anticipated are a new roof (\$250,000 estimated) and repaving the driveway ((\$250,000 estimated). The PCC Account is not available for ordinary repairs or maintenance, which are the responsibility of the

Lessee. To the extent any structural or mechanical repair in excess of \$1,500 is necessary and neither the Town nor the Lessee elects to make or pay for the excess cost of such repair, the lease will terminate.

10. **TOWN'S RIGHT TO RECLAIM THE PROPERTY:** Section 13 of the Lease gives the Town the right to terminate the Lease and reclaim the premises for municipal purposes with notice to the tenant, in which event the tenant must vacate no later than twelve (12) months after the end of the current school year. If the termination is due to the Board of Education's need to use the premises as a school due to an Act of God or other casualty, the notice period is shortened to twelve (12) months after the date of the termination notice.

**TOWN OF WESTPORT, CONNECTICUT
THE PARENT CHILD CENTER, INC. LEASE**

This lease, (hereinafter the "Lease") is made this _____ day of _____ 20__ by and between the Town of Westport, (hereinafter the "TOWN"), a municipal corporation of the State of Connecticut, acting herein by James S. Marpe, its First Selectman, and the PARENT CHILD CENTER, INC., (the "PCC") a non-profit corporation of the State of Connecticut, (hereinafter the "LESSEE") acting herein by its President.

WHEREAS, the TOWN is interested in maintaining an educational use at the Hillspoint Elementary School and in maintaining the character of the community immediately surrounding the School; and

WHEREAS, the LESSEE oversees a preschool/day care center at the Hillspoint Elementary School; and

WHEREAS, the TOWN desires to rent the School and the real property of which the School is a part to the LESSEE subject to the terms and conditions of this Lease;

NOW, THEREFORE, in consideration of the mutual covenants of the parties, it is hereby agreed as follows:

1) Lease

The TOWN hereby demises and leases unto the LESSEE and the LESSEE hereby hires and takes from the TOWN for the term and covenants and upon the rentals hereinafter specified, the premises known as the Hillspoint Elementary School together with the real property of which the School is a part, owned by the TOWN and located at 90 Hillspoint Road, Westport, Connecticut, as shown on Westport Land Records Map Number 7434 (hereinafter, the "Premises").

2) Term; Option to Renew

Unless earlier terminated pursuant to the provisions hereof, the initial term of the Lease shall be for ten (10) years commencing September 1, 2020 and ending August 31, 2030. At the expiration of the initial term, this Lease shall be renewable for one additional five (5) year term as follows: The LESSEE shall notify the TOWN of its intention to renew this Lease no later than May 31, 2029. The TOWN shall, no later than August 31, 2029,

notify the LESSEE of its acceptance or rejection of the renewal. If the TOWN fails to notify the LESSEE by such date, it shall be considered as acceptance of the renewal, and this Lease shall thereby be renewed through August 31, 2035.

3) Rent; Terms of Payment

The annual rents will be those outlined in Schedule A. The annual rent shall be payable in twelve equal monthly payments, due and payable on the first day of each month, commencing on September 1, 2020. Rents received after the 10th day of the month will be considered a late payment and the TOWN may, at its option, assess interest on the late payment at the rate of one and one-half percent (1 ½ %) per month. Failure to pay rent shall be a default as provided in paragraph 23. Any liability for unpaid rent shall survive the termination of this Lease.

Rents shall be paid directly to the Town of Westport and sent to the office of the Finance Director, 110 Myrtle Avenue, Westport, CT. The TOWN will deposit the annual rental amounts outlined in Schedule A as follows:

- (i) \$15,000 of each annual rental amount shall be deposited into the TOWN'S General Fund; and
- (ii) The remaining portion of each annual rental amount shall be deposited into an escrow fund entitled the Parent-Child Center Escrow Fund (hereinafter referred to as, "the PCC Account") which includes all assets and liabilities of the account formerly known as the "Hillspoint Account." Funds in the PCC Account will be the property of the TOWN.

4) Maintenance; Repairs; Option to Terminate

(a) LESSEE shall keep the Premises, including all improvements, furniture and fixtures therein, in good order and repair throughout the term of this Lease. Except as provided in subparagraph (b) hereof, all operating expenses and all maintenance of and repairs to the Premises, (and the personal property installed thereon), shall be the responsibility of the LESSEE, and except as provided in paragraph 5, shall be performed at the expense of the LESSEE.

For purposes of this paragraph 4, the term "operating expenses" shall include all expenses and costs payable in connection with the operation of the Premises including, but not

limited to, the cost of utilities (e.g. water, electricity, fuel, telephone, garbage removal, alarm systems), and all supplies and materials used in the operation of the Premises.

Repairs and maintenance shall include, but not be limited to, all major and minor, capital or ordinary repairs to the Premises, interior alterations, installation and repair of fencing and playscapes, mowing, snow removal and grounds maintenance. The LESSEE shall also keep the sidewalks, driveways and parking areas of the Premises clean and free of obstructions, including snow and ice.

The TOWN reserves the right to make reasonable inspections, upon reasonable notice, of the Premises to ensure that appropriate steps are being taken to maintain the Premises. If it is determined by the TOWN, in its sole discretion, that necessary repairs and/or maintenance are/is not taking place, the TOWN shall direct the LESSEE to undertake such repairs or maintenance. Such repair or maintenance shall be done by appropriately licensed professionals. If the LESSEE fails to comply with any such reasonable directive, the TOWN may, at its option, terminate this Lease immediately or undertake the repairs and/or maintenance, in which case the LESSEE agrees to reimburse the TOWN for any expenses incurred for such repair or maintenance within thirty (30) days of the completion thereof. If the LESSEE fails to reimburse the TOWN for all expenses incurred within the required thirty (30) day limit, the TOWN may, at its option, terminate this Lease immediately and proceed in accordance with the provisions of paragraph 23.

(b) The Town shall be responsible for the grounds keeping of the playing fields as designated on Exhibit A hereto and shall be responsible for the maintenance and repair of the two (2) baseball backstops located on such fields. Any other equipment (for example, playground equipment or fences) installed on such fields by LESSEE or any Agency (as defined herein) or other subtenant shall be maintained by LESSEE or such Agency or subtenant, as the case may be.

5) The PCC Account; Replacement and/or Repair of Major Components

The PCC Account will be administered by the TOWN and will be used to pay for the replacement or repair of major components. For purposes of this paragraph, the term “major components” shall mean all structural and/or mechanical repairs or replacements in excess of one thousand five hundred dollars (\$1,500).

Requests for replacement or repair of major components will be initiated by LESSEE and submitted to the Department of Public Works (DPW) of the Town of Westport. Upon approval of the request, DPW will follow established Town procedures to accomplish the replacement or repair of such major component(s). The Controller of the Town of Westport will also follow established Town procedures to accomplish payments for the replacement or repair of the major component(s) and to charge the PCC Account accordingly.

6) Limit on the Repair or Replacement of Major Components

Notwithstanding anything in this Lease to the contrary, to the extent the TOWN has any obligation to replace or repair major components, such obligation shall be limited to the funds in the PCC Account. If the repair or replacement of a major component is necessary, or if any other repair or replacement of a major component not contemplated as of the date of this Lease is necessary, and the cost of such repair or replacement exceeds the amount in the PCC Account, then the LESSEE shall be responsible for the excess cost and will make such repair or replacement in accordance with the provisions of paragraph 4 hereof. If LESSEE fails to make or pay for the excess cost of a repair or replacement described in the preceding sentence and the TOWN elects not to pay the excess cost, then this Lease shall terminate as follows:

- (i) Twelve months after the conclusion of the school year in which the notice to terminate is delivered by either party in the case of a repair or replacement which does not jeopardize the health or safety of individuals occupying the Premises; or
- (ii) Immediately upon the determination by any state or local authority that the failure to make such repair or replacement could jeopardize the health or safety of individuals occupying the Premises.

The period between the date of delivery of the termination notice and the effective date of termination shall be referred to as the "Notice Period". If the Lease is terminated in accordance with Subparagraph 6(i), then, during the Notice Period: (a) LESSEE shall be relieved of any responsibility for the cost of the repair or replacement of major components; and (b) LESSEE'S obligation to otherwise maintain the Premises in accordance with the terms of this Lease as well as all other obligations of the LESSEE hereunder, including the obligation to pay rent, shall continue in full force and effect.

7) Compliance with State Fire Safety Code; Option to Terminate

In addition to the responsibilities of the LESSEE set forth in paragraph 4 and 6 and notwithstanding the provisions of paragraph 5, the LESSEE shall comply with the requirements of the Connecticut Fire Safety Code and shall be responsible for any and all minor and major work including, but not limited to, renovations and structural alterations required at any time during the period of this Lease, to bring the leased Premises into compliance with said Code. The TOWN reserves the right to make reasonable inspections, of the Premises, upon reasonable notice, to ensure that the appropriate steps are being taken by the LESSEE to comply with the aforesaid Code. If it is determined by the TOWN, in its sole discretion, that the necessary work is not done or not being done, the TOWN shall direct the LESSEE to perform such work. All work shall be done by appropriately licensed professionals. If the LESSEE fails to comply with such reasonable directive, the TOWN may, at its option, terminate this Lease immediately or undertake the necessary work to bring the building "up to code," in which case the LESSEE agrees to reimburse the TOWN for any expenses incurred in and as the result of such work within thirty (30) days of the completion of the work. If the LESSEE fails to reimburse the TOWN for all expenses incurred within the required thirty (30) day limit, as the case may be, the TOWN may, at its option, terminate this Lease immediately and proceed in accordance with the provisions of paragraph 23.

LESSEE will not permit the parking of any vehicles in any manner which interferes with the driveways, sidewalks and fire lanes and any other areas desired to be kept clear by the TOWN.

8) No Assignment or Subletting

The TOWN acknowledges that the Premises are currently being sublet to The Learning Community Day School, Inc., Saugatuck Child Care Services, Inc. and the Children's Community Development Center, Inc. (hereinafter "the AGENCIES"). It is anticipated that the LESSEE and the AGENCIES will be able to resolve among themselves which days and hours the gymnasium, playing fields and other facilities will be used by each Agency.

Prior to the effectiveness of this Lease, the LESSEE shall provide to the TOWN originally signed indemnity and hold harmless agreements from each AGENCY in the form attached hereto as Exhibit B hereto, as well as the insurance certificate(s) required thereby. LESSEE shall notify the TOWN immediately if there is any AGENCY no longer sublets space at the Premises.

The LESSEE may neither sublet the Premises, or any portion thereof, to an entity other than specified herein, nor may it assign this Lease without the prior written approval of the TOWN, which approval shall not be unreasonably withheld. A condition precedent to the Town's approving an assignment of the Lease is a review of and adjustment to the annual rent schedule. (See Schedule A).

9) Use of Premises

(a) The Premises shall be used only for child care and educational purposes and fundraising activities in connection therewith. The LESSEE expressly agrees not to use or permit the Premises to be used for any other purpose without the prior written approval of the TOWN. It shall not be deemed unreasonable to withhold approval for uses other than for child care, education and fundraising activities associated therewith.

(b) The LESSEE shall have exclusive use of the Premises, subject to such rights of inspection and use as are reserved to the TOWN in this Lease. The LESSEE shall have the exclusive use of the parking areas between the hours of 7:00 a.m. and 6:00 p.m., Monday through Friday. The outside playing fields described in Exhibit A attached hereto and incorporated herein shall be used in common with the TOWN and others to whom such right may be given, subject to the right of the TOWN to adopt a schedule of

use of the outside play areas by the LESSEE and others. It is understood that, in the event the TOWN and the LESSEE propose events that would conflict with each other, the TOWN event is to be accorded priority. The LESSEE may submit to the TOWN a list of proposed restrictions on use of the play areas by others. Upon approval by the TOWN, the LESSEE may enforce those restrictions against others who use the play areas.

(c) The TOWN reserves the right to utilize the gymnasium and common area for programs sponsored by TOWN departments or agencies at any time after 6:00 p.m., daily, and all day on Saturdays, Sundays and holidays upon reasonable notice to the LESSEE. In addition, the common area shall be made available to the Registrars of Voters for voting purposes for any regular or special election from 6:00 a.m. to 8:00 p.m. on the day of such election, plus reasonable set-up and breakdown time before and after any election day, and for any other occasion when it is needed for voting purposes. The TOWN shall keep a record of expenses attributable to the TOWN'S use of the building and shall be responsible for paying for these expenses directly.

(d) Where outside groups or agencies wish to use the leased Premises, or any portion thereof, for any planned event, permission shall be obtained from the TOWN and the LESSEE and such outside group or agency shall submit evidence of insurance in amounts satisfactory to the TOWN. The LESSEE shall have no liability for any damage or injuries sustained by any person or property during the course of, or as the result of, such use.

(e) Except as provided herein, the LESSEE agrees that its use of the leased Premises shall not interfere with the use of the grounds by the TOWN.

10) Quiet Enjoyment

The LESSEE shall peaceably and quietly have, hold and enjoy the leased Premises for the terms aforesaid in common with others, subject to performance of the covenants of this Lease in all respects on the part of the LESSEE.

11) Condition of Premises; Alterations and Improvements

The Premises are leased from the TOWN "as is" and as they stand at the time of the

commencement of this Lease and without any representations on the part of the TOWN or its agents. Except as provided in paragraphs 4, 6, and 7, no improvements, alterations, additions or changes of a structural nature shall be made to the Premises without the prior written consent of the TOWN, which consent shall not be unreasonably withheld. No playground or playground equipment except for that which exists as of the date of this Lease may be erected without the prior written permission of the TOWN. All improvements, alterations, additions or changes shall be made in accordance with all applicable laws, codes, ordinances and regulations including but not limited to all applicable zoning regulations. Prior to the commencement of any alteration or improvement by any contractor, the TOWN will be provided with a certificate of insurance for such contractor, showing public liability coverage, workers' compensation coverage and any other coverage reasonably required by the TOWN, which certificate names the TOWN as an additional insured and provides that the coverage will not be canceled or not renewed without at least fifteen (15) days advance notice to the TOWN.

12) Compliance with Laws

The LESSEE shall observe and comply with all Federal and State laws, rules and regulations, including licensing laws, which regulate the operation of LESSEE'S and the AGENCIES' activities. LESSEE also agrees to observe and comply with all State and Federal laws and the ordinances, rules and regulations of the TOWN insofar as the Premises, and the LESSEE's use thereof, are concerned. LESSEE shall indemnify and save the TOWN harmless from and against any damage, liability, fines, penalties and costs imposed upon the TOWN for LESSEE'S or any AGENCY'S violation of or non-compliance with same.

13) Right to Reclaim Premises

The TOWN shall have the right to terminate this Lease and reclaim the Premises for any municipal purpose. For purposes of this paragraph, the term "municipal purpose" shall include, but shall not be limited to, reactivation of the Premises as a school within the Westport School system, use of the Premises for Town or Board of Education administrative offices, or the sale of the Premises for any purpose to any party. In the event the TOWN wishes to terminate this Lease and reclaim the Premises, the TOWN will give the LESSEE notice, in writing, of its intention to do so and the LESSEE shall

vacate the Premises no later than twelve (12) months from the conclusion of the school year within which the TOWN notifies LESSEE of its intention to reclaim the Premises. In addition to the foregoing, the TOWN may, at its option, terminate or suspend this Lease upon twelve (12) months written notice in the event that, through an Act of God or other casualty beyond the control of the parties, it becomes necessary for the Board of Education of the Town of Westport to utilize the leased Premises for school purposes.

14) Vacating Premises

The LESSEE will commit no waste, nor suffer the same to be committed on the Premises, nor injure nor misuse the same. The LESSEE will deliver the Premises at the expiration of the Lease term, or sooner termination, free of all personal property, in as good condition as they now are in, or as they may be placed by reason of any improvements, alteration, additions or changes, subject to reasonable use and wear.

15) Option to Purchase

Upon the receipt of a bona fide offer to purchase the Premises which the TOWN is willing to accept, the TOWN will notify LESSEE of such offer in writing and will grant to LESSEE the option to purchase the Premises at the same price and upon the same terms and conditions offered. The option granted to LESSEE by the TOWN hereunder shall be effective provided notice of the exercise of the option by LESSEE is given pursuant to paragraph 16 of this Agreement and a contract to purchase the Premises is delivered in accordance with the provisions of paragraph 16 of this Agreement.

16) Exercise of Option

LESSEE must exercise the option set forth in paragraph 15 by: (1) giving notice in writing of its intention to exercise the option to the TOWN on the date that is fifteen (15) calendar days from the date on which LESSEE received written notice from the TOWN of a bona fide offer to purchase as prescribed in paragraph 15 of this Agreement; and (2) signing a mutually agreeable contract to purchase the Premises and returning such contract to the TOWN on the date that is thirty (30) calendar days from the date on which LESSEE received written notice from the TOWN of a bona fide offer to purchase as prescribed in paragraph 15. Thereafter, LESSEE shall close the sale of the Premises within a reasonable period of time.

17) Time is of the Essence: Termination of Option

Time is of the essence with respect to the option set forth in paragraph 15 and all dates set forth in paragraph 16, and such option shall cease and terminate in the event that it is not exercised as hereinabove stated. In the event LESSEE fails to effectively exercise the option in accordance with the provisions of paragraph 16, the option shall cease, expire, and terminate. In such event, the TOWN shall be free to offer for sale and negotiate with any third party or entity with respect to the sale of the Premises and convey and/or sell the Premises to any other third party.

18) Signage

No sign, advertisement or notice shall be affixed to or placed upon any part of the exterior of the demised Premises by the LESSEE, except in such manner and of such size, design and color as shall be approved in advance by the Planning and Zoning Commission.

19) No Liability for Loss or Damage

Except for those periods of time when the TOWN uses the building or grounds and except for the TOWN's failure to perform any of its obligations set forth herein, the TOWN shall not be responsible for the loss or damage to property, or injury to persons, occurring in or about the demised Premises by reason of any existing or future condition, defect, manner or thing of said Premises or the property of which the Premises are a part, or for the acts, omissions or negligence of other persons or subtenants in and about the Premises. The LESSEE shall indemnify and save the TOWN harmless against and from any final judgments rendered by courts of competent jurisdiction, including attorney's fees, by reason of any injury to a person or persons or damages to the property of the LESSEE or arising out of the use and occupancy of the demised Premises, including playground equipment erected by the LESSEE or any of the AGENCIES, sidewalks connecting the demised Premises with the parking lots, and the parking lot and driveways of the TOWN, provided said injury or damage is not caused by a breach of the TOWN's covenants and agreement hereunder. The LESSEE shall also be responsible for and indemnify the TOWN for any damages resulting from the acts or omissions of its sub-

tenants, if any.

20) Insurance

LESSEE and the AGENCIES shall each secure and keep in force the following insurance coverages during the term of this Lease, ensuring the TOWN, its agents, officers and employees against any and all claims arising from the use of the leased Premises, (including without limitation the sidewalks connecting the Premises with the parking lot, the parking lot, the driveways and the grounds), by the LESSEE, the AGENCIES and/or its or their officers, agents, employees , students, business and/or social guests::

- A. Workers compensation insurance required by law with employers liability limits for at least the amounts of liability for bodily injury by accident of \$ 500,000 each accident and bodily injury by disease of \$500,000 including a waiver of subrogation.
- B. Commercial general liability insurance policy, including abuse and molestation, with an edition date of 1986 or later including products and completed operations. Limits shall be at least: Bodily injury & property damage with an occurrence limit of \$1,000,000; Personal & advertising injury limit of \$1,000,000 per occurrence; General aggregate limit of \$2,000,000 (other than products and completed operations); and Products and completed operations aggregate limit of \$2,000,000. The policy shall name the TOWN as an additional insured and include ISO Form CG 2026 or equivalent.

- Such coverage will be provided on an occurrence basis and will be primary and shall not contribute in any way to any insurance or self-insured retention carried by the TOWN.
- The policy shall contain a waiver of subrogation in favor of the TOWN.

- Such coverage shall contain a broad form contractual liability endorsement or wording within the policy form to comply with the hold harmless and indemnity provision of the contract
 - Deductible and self-insured retentions shall be declared and are subject to the approval of the TOWN.
- C. Umbrella or excess liability policy in the amount of \$5,000,000 each occurrence and \$5,000,000 in the aggregate. Such umbrella or excess liability policies of the LESSEE and each AGENCY shall apply to all of the underlying insurance requirements of this Lease, including but not limited to abuse and molestation coverage.
- D. Professional Liability. Professional liability insurance for errors and omissions arising out of any breach of duty, neglect, error, misstatement, or omission committed in the course of their duties. Such policy shall contain limits of liability in the amount of \$1,000,000 each occurrence and \$3,000,000 in the aggregate.
- E. Abuse and Molestation. Separate abuse and molestation insurance policy if not included in commercial general liability insurance. Such policy shall contain limits of liability in the amount of \$1,000,000 each occurrence and \$2,000,000 in the aggregate.

All liability coverages shall name the TOWN as an additional insured.

Except as provided herein, upon the renewal of this Lease as provided in paragraph 2, the amount of liability insurance may be reviewed and increased or decreased as is deemed necessary by the TOWN. It shall be the responsibility of the LESSEE and each AGENCY to notify each of their carriers of its primary status. Certificates of Insurance indicating that such policies are in full force and effect shall be delivered to and retained by the TOWN upon execution of this LEASE; and, such certificates shall be executed by a licensed representative of the participating insurer(s). Said certificates must name the

TOWN as additional insured, contain the required endorsements, and contain a clause granting at least thirty (30) days written notice to the TOWN of the intent to effect cancellation, non-renewal or other material change which may have an adverse effect on the policies of insurance referred to in the certificate. The premiums shall be paid by the LESSEE and the AGENCIES.

Notwithstanding the foregoing, in the event the TOWN is notified by its insurance carrier, prior to the date of renewal of this Lease, that industry standards require an increase in the liability insurance coverage required pursuant to this paragraph 20, the TOWN shall notify LESSEE, in writing, of such increase and the LESSEE and each AGENCY shall have one (1) year from the date of such notice to deliver to the TOWN a certificate of insurance evidencing such increased liability insurance.

21) Damage to Premises

It is further agreed that, in case the Premises are damaged by fire or other cause to the extent which, in the sole discretion of the TOWN, renders the repair or reconstruction thereof impractical, this Lease shall terminate and LESSEE's obligation to maintain and repair shall terminate. Rent shall be paid up to the time of such destruction. However, the TOWN shall take into consideration the TOWN's fire insurance policy on the Premises and shall consult with the LESSEE in determining the practicality of repairing or reconstructing the Premises, with a view towards effectuating the intent of the Lease. The termination of this Lease under this paragraph shall not constitute breach of contract.

22) Holding Over

In the event that the LESSEE shall remain in the demised Premises after the expiration of the term of this Lease and any renewal period without having executed a new written lease with the TOWN, such holding over shall not constitute a renewal or extension of this Lease. The TOWN may, at its option, elect to treat the LESSEE as one who had not removed at the end of its term, and thereupon be entitled to all the remedies against the LESSEE provided by law in that situation, or the TOWN may elect, at its option, to construe such holding over a tenancy from month-to-month, subject to all the terms and conditions of this Lease, except as to duration thereof.

23) Default; Termination

This Lease shall terminate in accordance with the provisions of paragraphs 4, 6 and 7. Further, if the rent shall remain unpaid thirty (30) days after the same shall become due and payable as required in paragraph 3, or if the LESSEE fails to comply with any other term or condition of this Lease and such failure continues for a period of ninety (90) days after notice thereof has been given to LESSEE, this Lease shall thereupon by virtue of this express stipulation, at the option of the TOWN, expire and terminate, and the TOWN may, at any time thereafter, re-enter the Premises, and recover possession thereof in the manner prescribed by the statute relating to summary process. The foregoing rights and remedies are not intended to be exclusive, but are additional to all rights and remedies the parties would otherwise have by law.

24) No Waiver

No waiver by the TOWN of any violation or breach of condition by the LESSEE shall constitute or be construed as a waiver of any other violation or breach of condition, nor shall acceptance of rent after default or lapse of time after breach of condition by the LESSEE before the TOWN shall exercise its option under paragraph 23 operate to defeat the right of the TOWN to declare this Lease null and void and to re-enter upon the demised Premises after the said breach or violation.

25) Costs of Enforcing Lease

The LESSEE agrees to be responsible for and reimburse the TOWN for reasonable attorney's fees and disbursements which the TOWN may be obligated to expend in connection with any breach by the LESSEE of any of the terms, conditions or provisions of this Lease upon final judgment being rendered by a court of competent jurisdiction.

26) Notices

All notices required under the terms of this Lease must be in writing. Notices from the LESSEE to the TOWN shall be sent by registered or certified mail or delivered to the TOWN at the First Selectman's Office, Town Hall, Westport, Connecticut 06880.

Notices from the TOWN to the LESSEE shall be sent by registered or certified mail to the LESSEE at its corporate office located at 90 Hillspoint Road, Westport, Connecticut 06880.

All notices shall be effective upon receipt. Notice must be given to the other party at the address indicated in this paragraph 26 or to such other address designated by a party by notice. Provided however, the TOWN shall not be required to give notice to more than one address, and if more than one address is specified, TOWN may choose any one address of those designated by LESSEE.

27) Severability

The provisions of this Lease are severable, and if any provision shall be determined to be invalid or unenforceable, the provision shall be enforced to the extent permitted by law and, to the extent any provision or portion thereof remains unenforceable or invalid, it shall be severed from this Lease and the remainder of the Lease shall be valid and enforced to the fullest extent permitted by the law.

Dated and signed this _____ day of _____ 20__.

WITNESS:

TOWN OF WESTPORT:

By: _____
James S. Marpe
First Selectman

WITNESS:

PARENT CHILD CENTER, INC.:

By: _____
Print Name:
Its President, duly authorized

Approved as to form:

**Approved as to compliance with the
Charter of the Town of Westport:**

Eileen Lavigne Flug
Assistant Town Attorney

Gary Conrad
Finance Department

STATE OF CONNECTICUT)
)
COUNTY OF FAIRFIELD)

ss. Westport _____, 20__

Personally appeared before me James S. Marpe, First Selectman, Signer and Sealer of the foregoing instrument, being duly authorized, he acknowledged the same to be his free act and deed, before me.

Notary Public
My Commission Expires: _____

STATE OF CONNECTICUT)
)
COUNTY OF FAIRFIELD)

ss. Westport _____, 20__

Personally appeared before me _____, President, The Parent Child Center, Inc., Signer and Sealer of the foregoing instrument, being duly authorized, she acknowledged the same to be her free act and deed, before me.

Notary Public
My Commission Expires: _____

SCHEDULE A				
Annual Rents				
<u>YEAR</u>	<u>RENT</u>		<u>YEAR</u>	<u>RENT</u>
<u>2020-2021</u>	<u>\$64,726.95</u>		<u>2028-2029</u>	<u>\$78,863.50</u>
<u>2021-2022</u>	<u>\$66,345.12</u>		<u>2029-2030</u>	<u>\$80,835.09</u>
<u>2022-2023</u>	<u>\$68,003.75</u>		<u>2030-2031</u>	<u>\$82,855.96</u>
<u>2023-2024</u>	<u>\$69,703.84</u>		<u>2031-2032</u>	<u>\$84,927.36</u>
<u>2024-2025</u>	<u>\$71,446.44</u>		<u>2032-2033</u>	<u>\$87,050.55</u>
<u>2025-2026</u>	<u>\$73,232.60</u>		<u>2033-2034</u>	<u>\$89,226.81</u>
<u>2026-2027</u>	<u>\$75,063.41</u>		<u>2034-2035</u>	<u>\$91,457.48</u>
<u>2027-2028</u>	<u>\$76,940.00</u>			

2019-2020 rent is \$63,148.24.

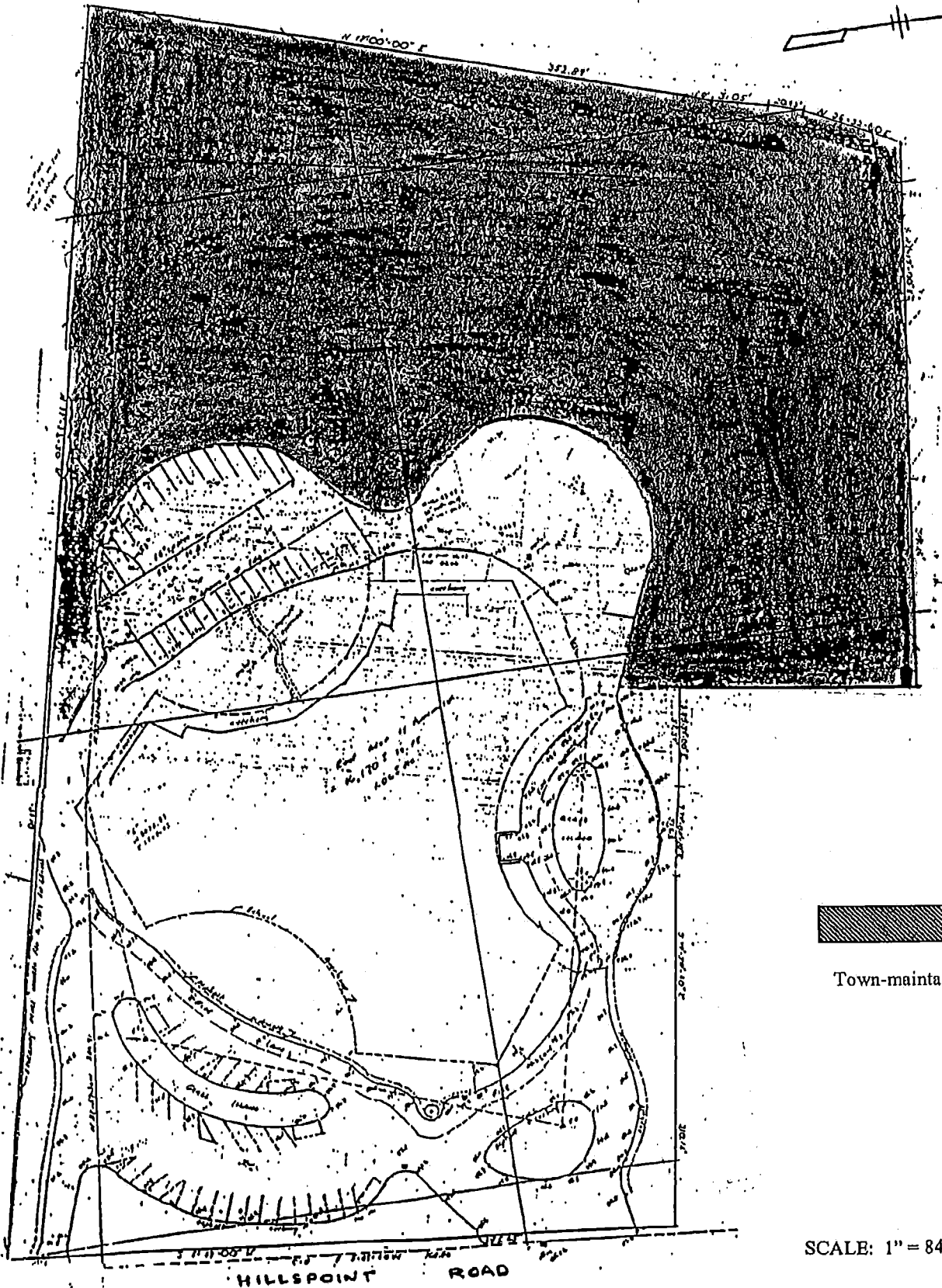
Note: \$15,000 of each annual rental amount shall be deposited into the Town's General Fund.

EXHIBIT A

OUTSIDE PLAYING FIELDS (TOWN MAINTAINED AREAS)

TOWN OF WESTPORT LEASE WITH PCC
HILLSPOINT SCHOOL PROPERTY

EXHIBIT A
Town-Maintained Areas



SCALE: 1" = 84' ±

EXHIBIT B

INDEMNITY AND HOLD HARMLESS AGREEMENT
TO BE OBTAINED FROM AGENCIES

INDEMNITY AND HOLD HARMLESS AGREEMENT

This Indemnity and Hold Harmless Agreement (“Agreement”) is made this _____ day of _____, 20____, by _____ [PRINT NAME OF AGENCY] (“Indemnitor”) of _____ [PRINT ADDRESS] for the benefit of the Town of Westport, a municipality in the State of Connecticut (“Town”).

WHEREAS, Indemnitor is authorized, pursuant to Section 8 of that certain lease between The Parent Child Center, Inc. and the Town of Westport entitled “The Parent Child Center, Inc. Lease,” dated as of _____, 2020, (the “Lease,” a copy of which is attached hereto as Exhibit A), to sublet a portion of the Town-owned premises at 90 Hillspoint Road, Westport, Connecticut (**the “Premises”**);

NOW THEREFORE, in consideration of Indemnitor’s receipt of said authorization from the Town, Indemnitor agrees as follows:

1. Indemnitor’s authorization by the Town to sublet the Premises is subject to all termination provisions of the Lease. This Agreement shall survive any such termination of the Lease, and Indemnitor shall remain bound by the terms of this Agreement.
2. Indemnitor shall indemnify, defend and hold harmless the Town and its agents, officers and employees, to the fullest extent permitted by law, from and against any and all losses, claims, allegations, actions, awards, costs and expenses (including but not limited to, court costs and attorney’s fees), judgments, subrogations and damages of every kind and character which may arise out of or result from, in whole or in part, Indemnitor’s use of the Premises, or from the negligent or willful acts or omissions of the Indemnitor or any of its employees or agents, subcontractors, third parties invited or authorized by the Indemnitor to enter the Premises, and/or anyone else for whose acts Indemnitor may be liable, in connection with the Indemnitor’s use of the Premises.
3. Indemnitor shall (i) make no improvements or alterations to the Premises that are not permitted by the Lease, (ii) relinquish the Premises upon expiration or termination of the Lease, and (iii) use the Premises in strict compliance with the terms and conditions of the Lease and all policies, procedures and conditions relating to the use of Town-owned properties, and in accordance with all applicable laws, rules, regulations and ordinances of all governmental authorities.
4. Indemnitor shall safeguard all who come upon the Premises and shall protect against any personal injuries and property damage resulting from Indemnitor’s use of the Premises.
5. Indemnitor shall secure and keep in force the following insurance coverages during the term of the Lease, ensuring the Town, its agents, officers, and employees against any and all claims arising from the use of

the Premises (including without limitation the sidewalks connecting the Premises with the parking lot, the parking lot, the driveways and the grounds), by the Indemnitor and/or its officers, agents, employees, students, business and/or social guests:

- a. Workers compensation insurance required by law with employers liability limits for at least the amounts of liability for bodily injury by accident of \$ 500,000 each accident and bodily injury by disease of \$500,000 including a waiver of subrogation.
- b. Commercial general liability insurance policy, including abuse and molestation, with an edition date of 1986 or later including products and completed operations. Limits shall be at least: Bodily injury & property damage with an occurrence limit of \$1,000,000; Personal & advertising injury limit of \$1,000,000 per occurrence; General aggregate limit of \$2,000,000 (other than products and completed operations); and Products and completed operations aggregate limit of \$2,000,000.
 - i. The policy shall name the Town as an additional insured and include ISO Form CG 2026 or equivalent.
 - ii. Such coverage will be provided on an occurrence basis and will be primary and shall not contribute in any way to any insurance or self-insured retention carried by the Town.
 - iii. The policy shall contain a waiver of subrogation in favor of the Town.
 - iv. Such coverage shall contain a broad form contractual liability endorsement or wording within the policy form to comply with the hold harmless and indemnity provision of the contract
 - v. Deductible and self-insured retentions shall be declared and are subject to the approval of the Town.
- c. Umbrella or excess liability policy in the amount of \$5,000,000 each occurrence and \$5,000,000 in the aggregate. Such umbrella or excess liability policies of the Indemnitor shall apply to all of the underlying insurance requirements of this Agreement, including but not limited to abuse and molestation coverage.
- d. Professional Liability. Professional liability insurance for errors and omissions arising out of any breach of duty, neglect, error, misstatement, or omission committed in the course of the duties of the Indemnitor or its agents, officers or employees. Such policy shall contain limits of liability in the amount of \$1,000,000 each occurrence and \$3,000,000 in the aggregate.
- e. Abuse and Molestation. Separate abuse and molestation insurance policy if not included in commercial general liability insurance. Such policy shall contain limits of liability in the amount of \$1,000,000 each occurrence and \$2,000,000 in the aggregate.

All liability coverages shall name the Town as an additional insured.

Except as provided herein, upon the renewal of the Lease as provided in paragraph 2 thereof, the amount of liability insurance may be reviewed and increased or decreased as

is deemed necessary by the Town. It shall be the responsibility of the Indemnitor to notify each of its carriers of its primary status. Certificates of Insurance indicating that such policies are in full force and effect shall be delivered to and retained by the Town upon execution of the Lease; and, such certificates shall be executed by a licensed representative of the participating insurer(s). Said certificates must name the Town as additional insured, contain the required endorsements, and contain a clause granting at least thirty (30) days written notice to the Town of the intent to effect cancellation, non-renewal or other material change which may have an adverse effect on the policies of insurance referred to in the certificate. The premiums shall be paid by the Indemnitor.

Notwithstanding the foregoing, in the event the Town is notified by its insurance carrier, prior to the date of renewal of the Lease, that industry standards require an increase in the liability insurance coverage required pursuant to paragraph 20 of the Lease, the Town shall notify the Parent Child Center, Inc., in writing, of such increase and the Indemnitor shall have one (1) year from the date of such notice to deliver to the Town a certificate of insurance evidencing such increased liability insurance.

6. This Agreement and the Town's authorization of the Indemnitor to use the Premises shall not be assigned by Indemnitor without the prior written approval of the Town.
7. This Agreement supersedes any and all prior agreements and understandings between the Town and the Indemnitor regarding the subject matter of this Agreement. This Agreement shall be governed and interpreted in accordance with the laws of the State of Connecticut. No provision of this Agreement shall be deemed waived by the Town unless the waiver is in a signed writing. Any provision of this Agreement that is deemed unenforceable by a court of competent jurisdiction shall be deemed amended and construed to have a valid meaning that is the most protective to the Town, and if no such validating construction is possible shall be severed from this Agreement, and the enforceability of the remaining provisions shall not be impaired thereby.
8. This Agreement shall be binding on Indemnitor and its heirs, executors, administrators, successors and assigns and shall inure to the benefit of the Town of Westport and its agents, employees, elected and appointed officials, boards, commissions, committees, volunteers, representatives and assigns.

[NAMES APPEAR ON FOLLOWING PAGE]

WITNESS

INDEMNITOR

Print Name:
Print Address:

Print Name of the Corporation, LLC, or other Entity

By _____
Signature of Authorized Signatory
Print Name: _____
Print Title: _____

STATE OF CONNECTICUT)

) ss:

_____, Connecticut, _____ 20__

COUNTY OF _____)

Personally appeared _____ signer(s) and sealer of the foregoing instrument, and acknowledged before me the same to be his/her/their free act and deed, and acknowledged before me that he or she is authorized to execute this agreement on behalf of the Indemnitor and to bind the Indemnitor to its terms and that he or she holds the title with the Indemnitor that is written below his or her name above.

Notary Public

Print Name:

Print Address:

My Commission Expires: _____

Commissioner of the Superior Court

**TOWN OF WESTPORT, CONNECTICUT
THE PARENT CHILD CENTER, INC. LEASE**

This ~~indenture lease~~, (hereinafter the "Lease") is made this _____ day of _____
200520 by and between the Town of Westport, (hereinafter the "TOWN"), a municipal corporation of the State of Connecticut, acting herein by ~~Diane Goss Farrell~~ James S. Marpe, its First ~~Selectwoman~~ Selectman, and the PARENT CHILD CENTER, INC., (the "PCC") a non-profit corporation of the State of Connecticut, (hereinafter the "LESSEE") acting herein by its President.

WHEREAS, the TOWN is interested in maintaining an educational use at the Hillspoint Elementary School and in maintaining the character of the community immediately surrounding the School; and

WHEREAS, the LESSEE oversees a preschool/day care center at the Hillspoint Elementary School; and

WHEREAS, the TOWN desires to rent the School and the real property of which the School is a part to the LESSEE subject to the terms and conditions of this Lease;

NOW, THEREFORE, in consideration of the mutual covenants of the parties, it is hereby agreed as follows:

1) Lease

The TOWN hereby demises and leases unto the LESSEE and the LESSEE hereby hires and takes from the TOWN for the term and covenants and upon the rentals hereinafter specified, the premises known as the Hillspoint Elementary School together with the real property of which the School is a part, owned by the TOWN and located at 90 Hillspoint Road, Westport, Connecticut, as shown on Westport Land Records Map Number 7434 (hereinafter, the "Premises").

2) Term; Option to Renew

Unless earlier terminated pursuant to the provisions hereof, the initial term of the Lease shall be for ten (10) years commencing September 1, ~~2005~~2020 and ending August 31, ~~2015~~2030. At the expiration of the initial term, this Lease shall be renewable for one

additional five (5) year term as follows: The LESSEE shall notify the TOWN of its intention to renew this Lease no later than May 31, ~~2014~~2029. The TOWN shall, no later than August 31, ~~2014~~2029, notify the LESSEE of its acceptance or rejection of the renewal. If the TOWN fails to notify the LESSEE by such date, it shall be considered as acceptance of the renewal, and this Lease shall thereby be renewed through August 31, ~~2020~~2035.

3) Rent; Terms of Payment

The annual rents will be those outlined in Schedule A. The annual rent shall be payable in twelve equal monthly payments, due and payable on the first day of each month, commencing on September 1, ~~2005~~2020. Rents received after the 10th day of the month will be considered a late payment and the TOWN may, at its option, assess interest on the late payment at the rate of one and one-half percent (1 ½ %) per month. Failure to pay rent shall be a default as provided in paragraph 23. Any liability for unpaid rent shall survive the termination of this Lease.

Rents shall be paid directly to the Town of Westport and sent to the office of the Finance Director, 110 Myrtle Avenue, Westport, CT. The TOWN will deposit the annual rental amounts outlined in Schedule A as follows:

- (i) ~~\$40~~15,000 of each annual rental amount shall be deposited into the TOWN'S General Fund; and
- (ii) The remaining portion of each annual rental amount shall be deposited into an escrow fund entitled the Parent-Child Center Escrow Fund (hereinafter referred to as, "the PCC Account") which includes all assets and liabilities of the account formerly known as the "Hillspoint Account." Funds in the PCC Account will be the property of the TOWN.

4) Maintenance; Repairs; Option to Terminate

(a) LESSEE shall keep the Premises, including all improvements, furniture and fixtures therein, in good order and repair throughout the term of this Lease. Except as provided in subparagraph (b) hereof, all operating expenses and all maintenance of and repairs to the Premises, (and the personal property installed thereon), shall be the responsibility of the

LESSEE, and except as provided in paragraph 5, shall be performed at the expense of the LESSEE.

For purposes of this paragraph 4, the term "operating expenses" shall include all expenses and costs payable in connection with the operation of the Premises including, but not limited to, the cost of utilities (e.g. water, electricity, fuel, telephone, garbage removal, alarm systems), and all supplies and materials used in the operation of the Premises. Repairs and maintenance shall include, but not be limited to, all major and minor, capital or ordinary repairs to the Premises, interior alterations, installation and repair of fencing and playscapes, mowing, snow removal and grounds maintenance. The LESSEE shall also keep the sidewalks, driveways and parking areas of the Premises clean and free of obstructions, including snow and ice.

The TOWN reserves the right to make reasonable inspections, upon reasonable notice, of the Premises to ensure that appropriate steps are being taken to maintain the Premises. If it is determined by the TOWN, in its sole discretion, that necessary repairs and/or maintenance are/is not taking place, the TOWN shall direct the LESSEE to undertake such repairs or maintenance. Such repair or maintenance shall be done by appropriately licensed professionals. If the LESSEE fails to comply with any such reasonable directive, the TOWN may, at its option, terminate this Lease immediately or undertake the repairs and/or maintenance, in which case the LESSEE agrees to reimburse the TOWN for any expenses incurred for such repair or maintenance within thirty (30) days of the completion thereof. If the LESSEE fails to reimburse the TOWN for all expenses incurred within the required thirty (30) day limit, the TOWN may, at its option, terminate this Lease immediately and proceed in accordance with the provisions of paragraph 23.

(b) The Town shall be responsible for the grounds keeping of the playing fields as designated on Exhibit A hereto and shall be responsible for the maintenance and repair of the two (2) baseball backstops located on such fields. Any other equipment (for example, playground equipment or fences) installed on such fields by LESSEE or any Agency (as defined herein) or other subtenant shall be maintained by LESSEE or such Agency or subtenant, as the case may be.

5) The PCC Account; Replacement and/or Repair of Major Components

The PCC Account will be administered by the TOWN and will be used to pay for the replacement or repair of major components. For purposes of this paragraph, the term “major components” shall mean all structural and/or mechanical repairs or replacements in excess of one thousand five hundred dollars (\$1,~~000~~500).

Requests for replacement or repair of major components will be initiated by LESSEE and submitted to the Department of Public Works (DPW) of the Town of Westport. Upon approval of the request, DPW will follow established Town procedures to accomplish the replacement or repair of such major component(s). The Controller of the Town of Westport will also follow established Town procedures to accomplish payments for the replacement or repair of the major component(s) and to charge the PCC Account accordingly.

6) Limit on the Repair or Replacement of Major Components

Notwithstanding anything in this Lease to the contrary, to the extent the TOWN has any obligation to replace or repair major components, such obligation shall be limited to the funds in the PCC Account. If the repair or replacement of a major component is necessary, or if any other repair or replacement of a major component not contemplated as of the date of this Lease is necessary, and the cost of such repair or replacement exceeds the amount in the PCC Account, then the LESSEE shall be responsible for the excess cost and will make such repair or replacement in accordance with the provisions of paragraph 4 hereof. If LESSEE fails to make or pay for the excess cost of a repair or replacement described in the preceding sentence and the TOWN elects not to pay the excess cost, then this Lease shall terminate as follows:

- (i) Twelve months after the conclusion of the school year in which the notice to terminate is delivered by either party in the case of a repair or replacement which does not jeopardize the health or safety of individuals occupying the Premises; or

(ii) Immediately upon the determination by any state or local authority that the failure to make such repair or replacement could jeopardize the health or safety of individuals occupying the Premises.

The period between the date of delivery of the termination notice and the effective date of termination shall be referred to as the "Notice Period". If the Lease is terminated in accordance with Subparagraph 6(i), then, during the Notice Period: (a) LESSEE shall be relieved of any responsibility for the cost of the repair or replacement of major components; and (b) LESSEE'S obligation to otherwise maintain the Premises in accordance with the terms of this Lease as well as all other obligations of the LESSEE hereunder, including the obligation to pay rent, shall continue in full force and effect.

7) Compliance with State Fire Safety Code; Option to Terminate

In addition to the responsibilities of the LESSEE set forth in paragraph 4 and 6 and notwithstanding the provisions of paragraph 5, the LESSEE shall comply with the requirements of the Connecticut Fire Safety Code and shall be responsible for any and all minor and major work including, but not limited to, renovations and structural alterations required at any time during the period of this Lease, to bring the leased Premises into compliance with said Code. The TOWN reserves the right to make reasonable inspections, of the Premises, upon reasonable notice, to ensure that the appropriate steps are being taken by the LESSEE to comply with the aforesaid Code. If it is determined by the TOWN, in its sole discretion, that the necessary work is not done or not being done, the TOWN shall direct the LESSEE to perform such work. All work shall be done by appropriately licensed professionals. If the LESSEE fails to comply with such reasonable directive, the TOWN may, at its option, terminate this Lease immediately or undertake the necessary work to bring the building "up to code," in which case the LESSEE agrees to reimburse the TOWN for any expenses incurred in and as the result of such work within thirty (30) days of the completion of the work. If the LESSEE fails to reimburse the TOWN for all expenses incurred within the required thirty (30) day limit, as the case may be, the TOWN may, at its option, terminate this Lease immediately and proceed in accordance with the provisions of paragraph 23.

LESSEE will not permit the parking of any vehicles in any manner which interferes with the driveways, sidewalks and fire lanes and any other areas desired to be kept clear by the TOWN.

8) No Assignment or Subletting

The TOWN acknowledges that the Premises are currently being sublet to The Learning Community Day School, Inc., ~~SCSS~~Saugatuck Child Care Services, Inc. and the Children's Community Development Center, Inc. (hereinafter "the ~~Agencies~~"AGENCIES"). It is anticipated that the LESSEE and the ~~Agencies~~AGENCIES will be able to resolve among themselves which days and hours the gymnasium, playing fields and other facilities will be used by each Agency.

Prior to the effectiveness of this Lease, the LESSEE shall provide to the TOWN originally signed indemnity and hold harmless agreements from each AGENCY in the form attached hereto as Exhibit B hereto, as well as the insurance certificate(s) required thereby. LESSEE shall notify the TOWN immediately if there is any AGENCY no longer sublets space at the Premises.

The LESSEE may neither sublet the Premises, or any portion thereof, to an entity other than specified herein, nor may it assign this Lease without the prior written approval of the TOWN, which approval shall not be unreasonably withheld. A condition precedent to the Town's approving an assignment of the Lease is a review of and adjustment to the annual rent schedule. (See Schedule A).

9) Use of Premises

(a) The Premises shall be used only for child care and educational purposes and fundraising activities in connection therewith. The LESSEE expressly agrees not to use or permit the Premises to be used for any other purpose without the prior written approval of the TOWN. It shall not be deemed unreasonable to withhold approval for uses other than for child care, education and fundraising activities associated therewith.

(b) The LESSEE shall have exclusive use of the Premises, subject to such rights of inspection and use as are reserved to the TOWN in this Lease. The LESSEE shall have the exclusive use of the parking areas between the hours of 7:00 a.m. and 6:00 p.m., Monday through Friday. The outside playing fields described in Exhibit A attached hereto and incorporated herein shall be used in common with the TOWN and others to whom such right may be given, subject to the right of the TOWN to adopt a schedule of use of the outside play areas by the LESSEE and others. It is understood that, in the event the TOWN and the LESSEE propose events that would conflict with each other, the TOWN event is to be accorded priority. The LESSEE may submit to the TOWN a list of proposed restrictions on use of the play areas by others. Upon approval by the TOWN, the LESSEE may enforce those restrictions against others who use the play areas.

(c) The TOWN reserves the right to utilize the gymnasium and common area for programs sponsored by TOWN departments or agencies at any time after 6:00 p.m., daily, and all day on Saturdays, Sundays and holidays upon reasonable notice to the LESSEE. In addition, the common area shall be made available to the Registrars of Voters for voting purposes for any regular or special election from 6:00 a.m. to 8:00 p.m. on the day of such election, plus reasonable set-up and breakdown time before and after any election day, and for any other occasion when it is needed for voting purposes. The TOWN shall keep a record of expenses attributable to the TOWN'S use of the building and shall be responsible for paying for these expenses directly.

(d) Where outside groups or agencies wish to use the leased Premises, or any portion thereof, for any planned event, permission shall be obtained from the TOWN and the LESSEE and such outside group or agency shall submit evidence of insurance in amounts satisfactory to the TOWN. The LESSEE shall have no liability for any damage or injuries sustained by any person or property during the course of, or as the result of, such use.

(e) Except as provided herein, the LESSEE agrees that its use of the leased Premises shall not interfere with the use of the grounds by the TOWN.

10) Quiet Enjoyment

The LESSEE shall peaceably and quietly have, hold and enjoy the leased Premises for the terms aforesaid in common with others, subject to performance of the covenants of this Lease in all respects on the part of the LESSEE.

11) Condition of Premises; Alterations and Improvements

The Premises are leased from the TOWN "as is" and as they stand at the time of the commencement of this Lease and without any representations on the part of the TOWN or its agents. Except as provided in paragraphs 4, 6, and 7, no improvements, alterations, additions or changes of a structural nature shall be made to the Premises without the prior written consent of the TOWN, which consent shall not be unreasonably withheld. No playground or playground equipment except for that which exists as of the date of this Lease may be erected without the prior written permission of the TOWN. All improvements, alterations, additions or changes shall be made in accordance with all applicable laws, codes, ordinances and regulations including but not limited to all applicable zoning regulations. Prior to the commencement of any alteration or improvement by any contractor, the TOWN will be provided with a certificate of insurance for such contractor, showing public liability coverage, workers' compensation coverage and any other coverage reasonably required by the TOWN, which certificate names the TOWN as an additional insured and provides that the coverage will not be canceled or not renewed without at least fifteen (15) days advance notice to the TOWN.

12) Compliance with Laws

The LESSEE shall observe and comply with all Federal and State laws, rules and regulations, including licensing laws, which regulate the operation of LESSEE'S and the ~~Agencies'~~ AGENCIES' activities. LESSEE also agrees to observe and comply with all State and Federal laws and the ordinances, rules and regulations of the TOWN insofar as the Premises, and the LESSEE's use thereof, are concerned. LESSEE shall indemnify and save the TOWN harmless from and against any damage, liability, fines, penalties and costs imposed upon the TOWN for LESSEE'S or any ~~Agency's~~ AGENCY'S violation of or non-compliance with same.

13) Right to Reclaim Premises

The TOWN shall have the right to terminate this Lease and reclaim the Premises for any municipal purpose. For purposes of this paragraph, the term "municipal purpose" shall include, but shall not be limited to, reactivation of the Premises as a school within the Westport School system, use of the Premises for Town or Board of Education administrative offices, or the sale of the Premises for any purpose to any party. In the event the TOWN wishes to terminate this Lease and reclaim the Premises, the TOWN will give the LESSEE notice, in writing, of its intention to do so and the LESSEE shall vacate the Premises no later than twelve (12) months from the conclusion of the school year within which the TOWN notifies LESSEE of its intention to reclaim the Premises. In addition to the foregoing, the TOWN may, at its option, terminate or suspend this Lease upon twelve (12) months written notice in the event that, through an Act of God or other casualty beyond the control of the parties, it becomes necessary for the Board of Education of the Town of Westport to utilize the leased Premises for school purposes.

14) Vacating Premises

The LESSEE will commit no waste, nor suffer the same to be committed on the Premises, nor injure nor misuse the same. The LESSEE will deliver the Premises at the expiration of the Lease term, or sooner termination, free of all personal property, in as good condition as they now are in, or as they may be placed by reason of any improvements, alteration, additions or changes, subject to reasonable use and wear.

15) Option to Purchase

Upon the receipt of a bona fide offer to purchase the Premises which the TOWN is willing to accept, the TOWN will notify LESSEE of such offer in writing and will grant to LESSEE the option to purchase the Premises at the same price and upon the same terms and conditions offered. The option granted to LESSEE by the TOWN hereunder shall be effective provided notice of the exercise of the option by LESSEE is given pursuant to paragraph 16 of this Agreement and a contract to purchase the Premises is delivered in accordance with the provisions of paragraph 16 of this Agreement.

16) Exercise of Option

LESSEE must exercise the option set forth in paragraph 15 by: (1) giving notice in writing of its intention to exercise the option to the TOWN on the date that is fifteen (15) calendar days from the date on which LESSEE received written notice from the TOWN of a bona fide offer to purchase as prescribed in paragraph 15 of this Agreement; and (2) signing a mutually agreeable contract to purchase the Premises and returning such contract to the TOWN on the date that is thirty (30) calendar days from the date on which LESSEE received written notice from the TOWN of a bona fide offer to purchase as prescribed in paragraph 15. Thereafter, LESSEE shall close the sale of the Premises within a reasonable period of time.

17) Time is of the Essence: Termination of Option

Time is of the essence with respect to the option set forth in paragraph 15 and all dates set forth in paragraph 16, and such option shall cease and terminate in the event that it is not exercised as hereinabove stated. In the event LESSEE fails to effectively exercise the option in accordance with the provisions of paragraph 16, the option shall cease, expire, and terminate. In such event, the TOWN shall be free to offer for sale and negotiate with any third party or entity with respect to the sale of the Premises and convey and/or sell the Premises to any other third party.

18) Signage

No sign, advertisement or notice shall be affixed to or placed upon any part of the exterior of the demised Premises by the LESSEE, except in such manner and of such size, design and color as shall be approved in advance by the Planning and Zoning Commission.

19) No Liability for Loss or Damage

Except for those periods of time when the TOWN uses the building or grounds and except for the TOWN's failure to perform any of its obligations set forth herein, the TOWN shall not be responsible for the loss or damage to property, or injury to persons, occurring in or about the demised Premises by reason of any existing or future condition, defect, manner or thing of said Premises or the property of which the Premises are a part,

or for the acts, omissions or negligence of other persons or subtenants in and about the Premises. The LESSEE shall indemnify and save the TOWN harmless against and from any final judgments rendered by courts of competent jurisdiction, including attorney's fees, by reason of any injury to a person or persons or damages to the property of the LESSEE or arising out of the use and occupancy of the demised Premises, including playground equipment erected by the LESSEE or any of the AGENCIES, sidewalks connecting the demised Premises with the parking lots, and the parking lot and driveways of the TOWN, provided said injury or damage is not caused by a breach of the TOWN's covenants and agreement hereunder. The LESSEE shall also be responsible for and indemnify the TOWN for any damages resulting from the acts or omissions of its subtenants, if any.

20) Insurance

~~LESSEE, The Children's Community Development Center, Inc., The Learning Community Day School, Inc., and SCCS, Inc., the AGENCIES shall each secure and keep in force a Comprehensive General Liability Insurance policy the following insurance coverages during the term of this Lease, ensuring the TOWN, its agents, officers and employees against any and all claims arising from the use of the leased Premises, (including without limitation the sidewalks connecting the Premises with the parking lot, the parking lot and the driveways and the grounds), by the LESSEE, each Agency the AGENCIES and/or its or their respective officers, agents, employees, students, business and/or social guests, in the amount of ::~~

A. Workers compensation insurance required by law with employers liability limits for at least ONE MILLION (\$1,000,000) DOLLARS per occurrence covering the amounts of liability for bodily injury by accident of \$ 500,000 each accident and property damage with an annual bodily injury by disease of \$500,000 including a waiver of subrogation.

B. Commercial general liability insurance policy, including abuse and molestation, with an edition date of 1986 or later including products and completed operations. Limits shall be at least: Bodily injury & property damage with an occurrence limit of \$1,000,000; Personal & advertising injury limit of \$1,000,000 per occurrence; General aggregate limit of TWO MILLION (\$2,000,000) DOLLARS including contractual liability coverage. Such (other than products and completed operations); and Products and completed operations aggregate limit of \$2,000,000.

The policy shall name the TOWN as an additional insured and include ISO Form CG 2026 or equivalent.

- Such coverage will be provided on an occurrence basis and will be primary and shall not contribute in any way to the any insurance or self-insured retention carried by the Town. Insurance companies shall be licensed to do business in the State of Connecticut and must have a current A.M. Best rating of not less than A-VII. TOWN.
- The policy shall contain a waiver of subrogation in favor of the TOWN.
- Such coverage shall contain a broad form contractual liability endorsement or wording within the policy form to comply with the hold harmless and indemnity provision of the contract
- Deductible and self-insured retentions shall be declared and are subject to the approval of the TOWN.

C. Umbrella or excess liability policy in the amount of \$5,000,000 each occurrence and \$5,000,000 in the aggregate. Such umbrella or excess liability policies of the LESSEE and each Agency shall also secure and keep in force Workers' Compensation insurance in accordance with the laws of the State of Connecticut. AGENCY shall apply to

all of the underlying insurance requirements of this Lease, including but not limited to abuse and molestation coverage.

D. Professional Liability. Professional liability insurance for errors and omissions arising out of any breach of duty, neglect, error, misstatement, or omission committed in the course of their duties. Such policy shall contain limits of liability in the amount of \$1,000,000 each occurrence and \$3,000,000 in the aggregate.

E. Abuse and Molestation. Separate abuse and molestation insurance policy if not included in commercial general liability insurance. Such policy shall contain limits of liability in the amount of \$1,000,000 each occurrence and \$2,000,000 in the aggregate.

All liability coverages shall name the TOWN as an additional insured.

Except as provided herein, upon the renewal of this Lease as provided in paragraph 2, the amount of liability insurance may be reviewed and increased or decreased as is deemed necessary by the TOWN. It shall be the responsibility of the LESSEE and each AGENCY to notify each of their carriers of its primary status. Certificates of Insurance indicating that such policies are in full force and effect shall be delivered to and retained by the TOWN upon execution of this LEASE; and, such certificates shall be executed by a licensed representative of the participating insurer(s). Said certificates must name the TOWN as additional insured, contain the required endorsements, and contain a clause granting at least thirty (30) days written notice to the TOWN of the intent to effect cancellation, non-renewal or other material change which may have an adverse effect on the policies of insurance referred to in the certificate. The premiums shall be paid by the LESSEE and the AGENCIES.

Notwithstanding the foregoing, in the event the TOWN is notified by its insurance carrier, prior to the date of renewal of this Lease, that industry standards require an increase in the liability insurance coverage required pursuant to this paragraph 20, the

TOWN shall notify LESSEE, in writing, of such increase and the LESSEE and each AGENCY shall have one (1) year from the date of such notice to deliver to the TOWN a certificate of insurance evidencing such increased liability insurance.

21) Damage to Premises

It is further agreed that, in case the Premises are damaged by fire or other cause to the extent which, in the sole discretion of the TOWN, renders the repair or reconstruction thereof impractical, this Lease shall terminate and LESSEE's obligation to maintain and repair shall terminate. Rent shall be paid up to the time of such destruction. However, the TOWN shall take into consideration the TOWN's fire insurance policy on the Premises and shall consult with the LESSEE in determining the practicality of repairing or reconstructing the Premises, with a view towards effectuating the intent of the Lease. The termination of this Lease under this paragraph shall not constitute breach of contract.

22) Holding Over

In the event that the LESSEE shall remain in the demised Premises after the expiration of the term of this Lease and any renewal period without having executed a new written lease with the TOWN, such holding over shall not constitute a renewal or extension of this Lease. The TOWN may, at its option, elect to treat the LESSEE as one who had not removed at the end of its term, and thereupon be entitled to all the remedies against the LESSEE provided by law in that situation, or the TOWN may elect, at its option, to construe such holding over a tenancy from month-to-month, subject to all the terms and conditions of this Lease, except as to duration thereof.

23) Default; Termination

This Lease shall terminate in accordance with the provisions of paragraphs 4, 6 and 7. Further, if the rent shall remain unpaid thirty (30) days after the same shall become due and payable as required in paragraph 3, or if the LESSEE fails to comply with any other term or condition of this Lease and such failure continues for a period of ninety (90) days after notice thereof has been given to LESSEE, this Lease shall thereupon by virtue of this express stipulation, at the option of the TOWN, expire and terminate, and the TOWN may, at any time thereafter, re-enter the Premises, and recover possession thereof in the

manner prescribed by the statute relating to summary process. The foregoing rights and remedies are not intended to be exclusive, but are additional to all rights and remedies the parties would otherwise have by law.

24) No Waiver

No waiver by the TOWN of any violation or breach of condition by the LESSEE shall constitute or be construed as a waiver of any other violation or breach of condition, nor shall acceptance of rent after default or lapse of time after breach of condition by the LESSEE before the TOWN shall exercise its option under paragraph 23 operate to defeat the right of the TOWN to declare this Lease null and void and to re-enter upon the demised Premises after the said breach or violation.

25) Costs of Enforcing Lease

The LESSEE agrees to be responsible for and reimburse the TOWN for reasonable attorney's fees and disbursements which the TOWN may be obligated to expend in connection with any breach by the LESSEE of any of the terms, conditions or provisions of this Lease upon final judgment being rendered by a court of competent jurisdiction.

26) Notices

All notices required under the terms of this Lease must be in writing. Notices from the LESSEE to the TOWN shall be sent by registered or certified mail or delivered to the TOWN at the First ~~Selectperson's~~Selectman's Office, Town Hall, Westport, Connecticut 06880. Notices from the TOWN to the LESSEE shall be sent by registered or certified mail to the LESSEE at its corporate office located at 90 Hillspoint Road, Westport, Connecticut 06880.

All notices shall be effective upon receipt. Notice must be given to the other party at the address indicated in this paragraph 26 or to such other address designated by a party by notice. Provided however, the TOWN shall not be required to give notice to more than one address, and if more than one address is specified, TOWN may choose any one address of those designated by LESSEE.

27) Severability

The provisions of this Lease are severable, and if any provision shall be determined to be invalid or unenforceable, the provision shall be enforced to the extent permitted by law and, to the extent any provision or portion thereof remains unenforceable or invalid, it shall be severed from this Lease and the remainder of the Lease shall be valid and enforced to the fullest extent permitted by the law.

Dated and signed this _____ day of _____ 2005-20.

WITNESS:

TOWN OF WESTPORT:

By: _____
~~Diane Goss Farrell~~
James S. Marpe
First Selectwoman Selectman

WITNESS:

PARENT CHILD CENTER, INC.:

By: _____
~~Stacie E. Curran~~
Print Name:
Its President, duly authorized

Approved as to form:

**Approved as to compliance with the
Charter of the Town of Westport:**

Gail Kelly
Eileen Lavigne Flug
Assistant Town Attorney

~~Donald J. Miklus~~ Gary Conrad
Finance Department

SCHEDULE A SCHEDULE A			
Annual Rents			
<u>YEAR</u>	<u>RENT</u>	<u>YEAR</u>	<u>RENT</u>
<u>2020-2021</u>	<u>\$64,726.95</u>	<u>2028-2029</u>	<u>\$78,863.50</u>
<u>2021-2022</u>	<u>\$66,345.12</u>	<u>2029-2030</u>	<u>\$80,835.09</u>
<u>2022-2023</u>	<u>\$68,003.75</u>	<u>2030-2031</u>	<u>\$82,855.96</u>
<u>2023-2024</u>	<u>\$69,703.84</u>	<u>2031-2032</u>	<u>\$84,927.36</u>
<u>2005/062024-2025</u>	<u>\$51,500.0071,446.44</u>	<u>2013/142032-2033</u>	<u>\$87,050.55,832.83</u>
<u>2006/072025-2026</u>	<u>\$51,915.0073,232.60</u>	<u>2014/152033-2034</u>	<u>\$56,749.4989,226.81</u>
<u>2007/082026-2027</u>	<u>\$52,334.1575,063.41</u>	<u>2015/162034-2035</u>	<u>\$57,68491,457.48</u>
<u>2008/092027-2028</u>	<u>\$52,757.4976,940.00</u>	<u>2016/17</u>	<u>\$58,638.17</u>
<u>2009/10</u>	<u>\$53,185.07</u>	<u>2017/18</u>	<u>\$60,097.31</u>
<u>2010/11</u>	<u>\$53,616.92</u>	<u>2018/19</u>	<u>\$61,600.23</u>
<u>2011/12</u>	<u>\$54,053.09</u>	<u>2019/20</u>	<u>2019-2020 rent is \$63,148.24.</u>
<u>2012/13</u>	<u>\$54,934.15</u>		

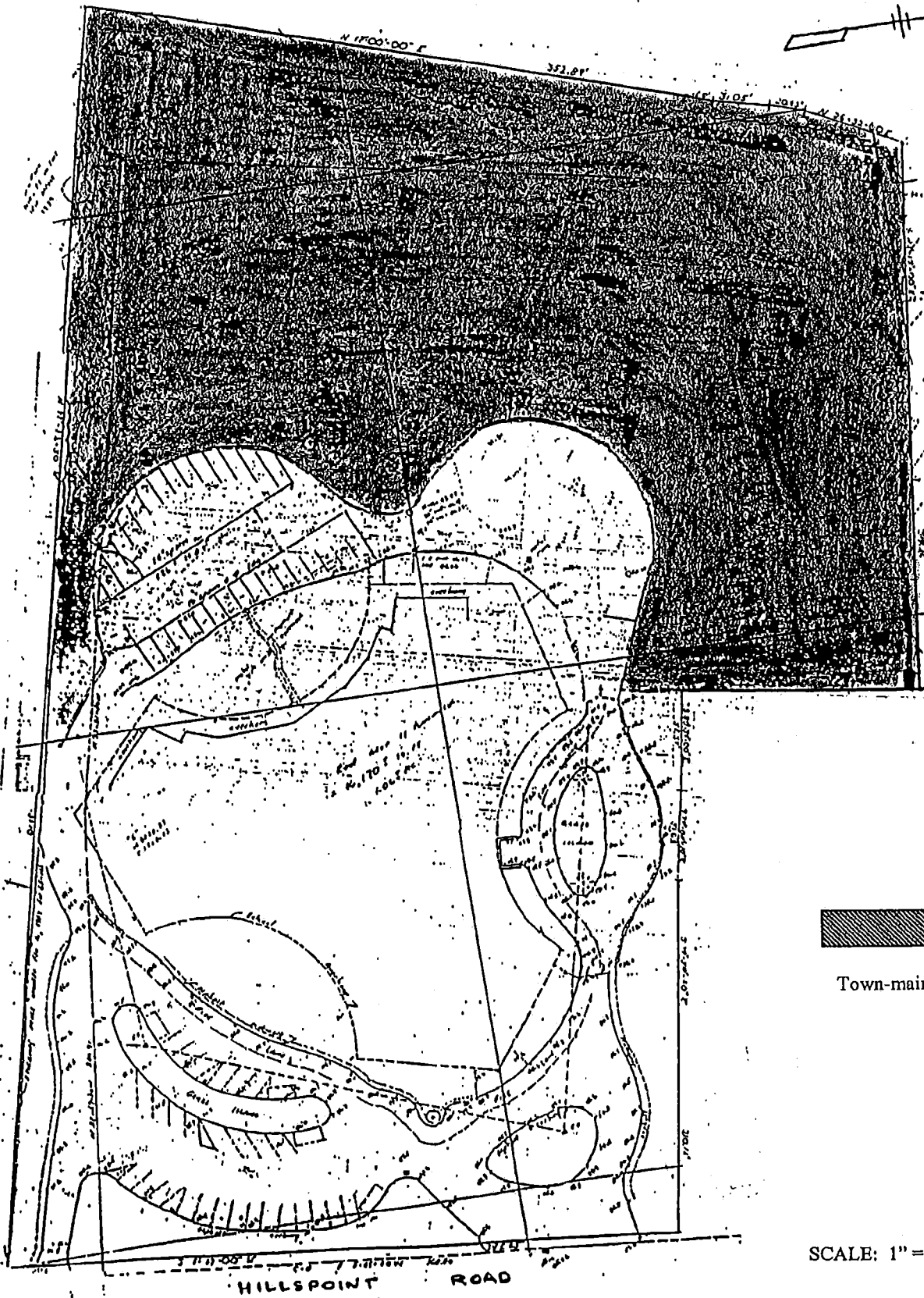
Note: \$1015,000 of each annual rental amount shall be deposited into the Town's General Fund.

EXHIBIT A

OUTSIDE PLAYING FIELDS (TOWN MAINTAINED AREAS)

TOWN OF WESTPORT LEASE WITH PCC
HILLSPPOINT SCHOOL PROPERTY

EXHIBIT A
Town-Maintained Areas



Town-maintained area:

SCALE: 1" = 84' ±

EXHIBIT B

INDEMNITY AND HOLD HARMLESS AGREEMENT
TO BE OBTAINED FROM AGENCIES

INDEMNITY AND HOLD HARMLESS AGREEMENT

This Indemnity and Hold Harmless Agreement (“Agreement”) is made this _____ day of _____, 20____, by _____ [PRINT NAME OF AGENCY] (“Indemnitor”) of _____ [PRINT ADDRESS] for the benefit of the Town of Westport, a municipality in the State of Connecticut (“Town”).

WHEREAS, Indemnitor is authorized, pursuant to Section 8 of that certain lease between The Parent Child Center, Inc. and the Town of Westport entitled “The Parent Child Center, Inc. Lease,” dated as of _____, 2020, (the “Lease,” a copy of which is attached hereto as Exhibit A), to sublet a portion of the Town-owned premises at 90 Hillspoint Road, Westport, Connecticut (**the “Premises”**);

NOW THEREFORE, in consideration of Indemnitor’s receipt of said authorization from the Town, Indemnitor agrees as follows:

1. Indemnitor’s authorization by the Town to sublet the Premises is subject to all termination provisions of the Lease. This Agreement shall survive any such termination of the Lease, and Indemnitor shall remain bound by the terms of this Agreement.
2. Indemnitor shall indemnify, defend and hold harmless the Town and its agents, officers and employees, to the fullest extent permitted by law, from and against any and all losses, claims, allegations, actions, awards, costs and expenses (including but not limited to, court costs and attorney's fees), judgments, subrogations and damages of every kind and character which may arise out of or result from, in whole or in part, Indemnitor’s use of the Premises, or from the negligent or willful acts or omissions of the Indemnitor or any of its employees or agents, subcontractors, third parties invited or authorized by the Indemnitor to enter the Premises, and/or anyone else for whose acts Indemnitor may be liable, in connection with the Indemnitor’s use of the Premises.
3. Indemnitor shall (i) make no improvements or alterations to the Premises that are not permitted by the Lease, (ii) relinquish the Premises upon expiration or termination of the Lease, and (iii) use the Premises in strict compliance with the terms and conditions of the Lease and all policies, procedures and conditions relating to the use of Town-owned properties, and in accordance with all applicable laws, rules, regulations and ordinances of all governmental authorities.
4. Indemnitor shall safeguard all who come upon the Premises and shall protect against any personal injuries and property damage resulting from Indemnitor’s use of the Premises.

5. Indemnitor shall secure and keep in force the following insurance coverages during the term of the Lease, ensuring the Town, its agents, officers, and employees against any and all claims arising from the use of the Premises (including without limitation the sidewalks connecting the Premises with the parking lot, the parking lot, the driveways and the grounds), by the Indemnitor and/or its officers, agents, employees, students, business and/or social guests:
- a. Workers compensation insurance required by law with employers liability limits for at least the amounts of liability for bodily injury by accident of \$ 500,000 each accident and bodily injury by disease of \$500,000 including a waiver of subrogation.
 - b. Commercial general liability insurance policy, including abuse and molestation, with an edition date of 1986 or later including products and completed operations. Limits shall be at least: Bodily injury & property damage with an occurrence limit of \$1,000,000; Personal & advertising injury limit of \$1,000,000 per occurrence; General aggregate limit of \$2,000,000 (other than products and completed operations); and Products and completed operations aggregate limit of \$2,000,000.
 - i. The policy shall name the Town as an additional insured and include ISO Form CG 2026 or equivalent.
 - ii. Such coverage will be provided on an occurrence basis and will be primary and shall not contribute in any way to any insurance or self-insured retention carried by the Town.
 - iii. The policy shall contain a waiver of subrogation in favor of the Town.
 - iv. Such coverage shall contain a broad form contractual liability endorsement or wording within the policy form to comply with the hold harmless and indemnity provision of the contract
 - v. Deductible and self-insured retentions shall be declared and are subject to the approval of the Town.
 - c. Umbrella or excess liability policy in the amount of \$5,000,000 each occurrence and \$5,000,000 in the aggregate. Such umbrella or excess liability policies of the Indemnitor shall apply to all of the underlying insurance requirements of this Agreement, including but not limited to abuse and molestation coverage.
 - d. Professional Liability. Professional liability insurance for errors and omissions arising out of any breach of duty, neglect, error, misstatement, or omission committed in the course of the duties of the Indemnitor or its agents, officers or employees. Such policy shall contain limits of liability in the amount of \$1,000,000 each occurrence and \$3,000,000 in the aggregate.
 - e. Abuse and Molestation. Separate abuse and molestation insurance policy if not included in commercial general liability insurance. Such policy shall contain limits of liability in the amount of \$1,000,000 each occurrence and \$2,000,000 in the aggregate.

All liability coverages shall name the Town as an additional insured.

Except as provided herein, upon the renewal of the Lease as provided in paragraph 2 thereof, the amount of liability insurance may be reviewed and increased or decreased as is deemed necessary by the Town. It shall be the responsibility of the Indemnitor to notify each of its carriers of its primary status. Certificates of Insurance indicating that such policies are in full force and effect shall be delivered to and retained by the Town upon execution of the Lease; and, such certificates shall be executed by a licensed representative of the participating insurer(s). Said certificates must name the Town as additional insured, contain the required endorsements, and contain a clause granting at least thirty (30) days written notice to the Town of the intent to effect cancellation, non-renewal or other material change which may have an adverse effect on the policies of insurance referred to in the certificate. The premiums shall be paid by the Indemnitor.

Notwithstanding the foregoing, in the event the Town is notified by its insurance carrier, prior to the date of renewal of the Lease, that industry standards require an increase in the liability insurance coverage required pursuant to paragraph 20 of the Lease, the Town shall notify the Parent Child Center, Inc., in writing, of such increase and the Indemnitor shall have one (1) year from the date of such notice to deliver to the Town a certificate of insurance evidencing such increased liability insurance.

6. This Agreement and the Town's authorization of the Indemnitor to use the Premises shall not be assigned by Indemnitor without the prior written approval of the Town.

7. This Agreement supersedes any and all prior agreements and understandings between the Town and the Indemnitor regarding the subject matter of this Agreement. This Agreement shall be governed and interpreted in accordance with the laws of the State of Connecticut. No provision of this Agreement shall be deemed waived by the Town unless the waiver is in a signed writing. Any provision of this Agreement that is deemed unenforceable by a court of competent jurisdiction shall be deemed amended and construed to have a valid meaning that is the most protective to the Town, and if no such validating construction is possible shall be severed from this Agreement, and the enforceability of the remaining provisions shall not be impaired thereby.

8. This Agreement shall be binding on Indemnitor and its heirs, executors, administrators, successors and assigns and shall inure to the benefit of the Town of Westport and its agents, employees, elected and appointed officials, boards, commissions, committees, volunteers, representatives and assigns.

[NAMES APPEAR ON FOLLOWING PAGE]

WITNESS _____

INDEMNITOR _____

Print Name: _____

Print Name of the Corporation, LLC, or other Entity

Print Address: _____

By _____

Signature of Authorized Signatory

Print Name: _____

Print Title: _____

STATE OF CONNECTICUT)

) ss:

, Connecticut,

20

COUNTY OF _____)

Personally appeared _____ signer(s) and sealer of the foregoing instrument, and acknowledged before me the same to be his/her/their free act and deed, and acknowledged before me that he or she is authorized to execute this agreement on behalf of the Indemnitor and to bind the Indemnitor to its terms and that he or she holds the title with the Indemnitor that is written below his or her name above.

Notary Public

Print Name:

Print Address:

My Commission Expires: _____

Commissioner of the Superior Court

The Parent – Child Center
90 Hillspoint Rd.
Westport, CT 06880

The Honorable James Marpe
The First Selectman
Town Hall
110 Myrtle Ave.
Westport, CT 06880

April 10, 2019

Dear Mr. James Marpe,

This letter is to notify the Town of Westport that the Parent Child Center (PCC), which consists of A Child's Place (ACP), Children's Community Development Center (CCDC) and The Learning Community Day School (LCDS), is requesting to renew our lease which will expire on August 31st 2020.

Thank you for your kind attention to this request.

Sincerely,



Lauren Karpf
President of the PCC

cc: Eileen Flug
Assistant Town Attorney
cc: Helen Garten
Selectman's Real Property Committee

Parent Child Center
90 Hillspoint Road
Westport, CT 06880

May 28, 2019

Ms. Helen Garten/Ms. Eileen Flug
Westport Town Hall
110 Myrtle Avenue
Westport, CT 06880

Dear Ms. Garten & Ms. Flug:

I write in response to your email dated April 15, 2019. Below is a brief background of the Parent Child Center (PCC) as well as the specific information you requested. I have also enclosed copies of the financial statements for the PCC and the three programs operating in the building.

By way of background, the PCC is the management agency for the child care and early education programs that currently occupy the former Hillspoint Elementary School. The PCC is a private non-profit organization under section 501(c)(3) of the Internal Revenue Code. The three early care and education programs - A Child's Place (ACP), Children's Community Development Center (CCDC), and The Learning Community Day School (LCDS) - are also private nonprofit agencies under section 501(c)(3) of the Internal Revenue Code. The three programs providing the services to children and families have all occupied the Hillspoint facility since September 1980.

Programs Offered

The three schools provide a broad range of full and part time services to families with infants, toddlers, preschool, and Kindergarten aged children. Families may choose a program operating from as early as 7:15 in the morning until as late as 6:00 in the evening for two, three or five days a week. Programs are available ten or twelve months a year. Low-to-moderate income families can attend the schools through financial assistance programs. Priority is given to families who are clients of the Town of Westport, Department of Human Services. The programs are licensed by the State of Connecticut Office of Early Childhood and accredited by the *National Association for the Education of Young Children Academy of Early Childhood Program Accreditation*.

Demographics

Over 260 students currently utilize the programs at Hillspoint. Approximately 84% of these families either reside and/or work in Westport. Those that neither live nor work in Westport often grew up here and/or have family living here. The programs employ over 100 people.

Lease Arrangement

The current lease has been in effect since 2005. The arrangement allows the Town to own the building, keep control of the two ball fields, support essential community services that attract families with young children to Westport, and incur no operating or capital expenses.

Response to Specific Questions:

1. Recent financial statements from PCC and the three childcare organizations:

SEE ENCLOSED EXHIBIT A.

2. Current profit and loss statement from PCC showing your out of pocket expenditures for routine maintenance (under \$1,000), utilities, sewer fees, etc. associated with the premises:

SEE ENCLOSED EXHIBIT B.

3. List of capital projects you've completed over the last 5 years (since the lease renewal) or expect to complete over the next 12 months:

Over the last 5 years, the PCC has upgraded security cameras (\$20,000), added film to windows (\$6,000), created a nature trail outside (\$5,000), paved the parking lot (\$15,000 reimbursed from the Town account), purchased a hot water heater and air handlers (\$8,000 reimbursed from the Town account), updated the kitchen (\$15,000), and beautified the landscaping (\$20,000).

In addition, ACP completed bathroom renovations and new flooring (\$20,000) and upgraded classrooms, including painting and new flooring (\$40,000). CCDC added new closets, updated the playground, installed new flooring, and made improvements to classrooms (\$54,500). LCDS installed LED energy efficient lighting (\$22,000), upgraded classrooms with new counters, cabinets, and paint (\$47,000), and updated its playground (\$5,000).

4. Capital improvements expected in the next 10-15 years:

The schools plan to continue with cosmetic renovations to the classrooms and repairs and upgrades to the playgrounds. The building projects will consist of the replacement of one boiler and two air handlers, a new roof, and overlay of the parking lots. The schools expect to spend approximately \$300,000 each over the next 15 years.

5. What percentage of your current student population are Westport children? Has the percentage changed over the last 5 years?

Overall, approximately 84% of PCC student families reside or work in Westport. Specifically, approximately 79% of ACP families live or work in Westport. Over the past five years, the percentage has remained relatively constant. Approximately 83% of CCDC families live or work in Westport. That number has not changed greatly over the last 5 years. Approximately 85% of the LCDS current student population reside in

Westport/Weston. Next year's student population will consist of approximately 90% Westport/Weston students. The number has not changed significantly over the past 5 years. Each year, LCDS sends about 45 children to Kindergarten in the Westport Public Schools.

6. How do you view the future market for your services, and who are your major competitors likely to be?

The three schools are in extremely high demand. ACP and CCDC are the only non-profit full day programs for infants, toddlers, and preschoolers. The other services in town that serve the same age groups and operate full day programs are Old Hill Children's Day School, Pumpkin Preschool, Earthplace and the Goddard School (opening this Fall).

ACP offers morning and full-day programs, as well as a summer program for 9 weeks. It is fully enrolled in all programs, and the full day program has a wait list in every age group. ACP will also offer a 5s program as of next year, offering both part-time and full-time options. CCDC offers exclusively full-day programs, and is also fully enrolled. LCDS has been fully enrolled in all age groups for the past three years with wait lists, including its Kindergarten program. LCDS is one of the only accredited Kindergarten programs in Westport. There are very few non-denominational preschools in Westport, and even fewer who provide what the PCC schools offer - part-time programs, full-time programs, summer programs, and Kindergarten programs.

Again, please feel free to contact me if we can be of further assistance.

Best regards,



Lauren Karpf
President of the Board of Directors, PCC

cc: Kerry Griffin, LCDS
Sandy Seres, ACP
Eileen Ward, CCDC

**90 HILLSPPOINT ROAD
LEASE OF TOWN OWNED PROPERTY TO PARENT CHILD CENTER, INC.**

History of the Lease

Since 1980, the Town owned property at 90 Hillspoint Road has been leased to Parent Child Center, Inc., a nonprofit corporation that serves as management agency for three separate nonprofit early education and child care programs (A Childs Place, Children's Community Development Center and The Learning Community Day School). The 6.9 acre property contains a former public elementary school building, a playground, two playing fields, access driveways and parking. The one story school building, designed by modernist architect Victor Lundy, was completed in 1961 and contains approximately 39,352 square feet of usable space. The property is located in a residential neighborhood. The eastern (front) portion of the property is zoned Residence AA; the western (back) portion, where the playing fields are located, is zoned Residence A.

When the Westport Public Schools abandoned the Hillspoint School, the Town chose to enter into a rental arrangement that would accomplish two goals: to maintain the property's use as an educational facility, which would be harmonious with the residential character of the surrounding neighborhood, and to provide for future upkeep and maintenance of the town owned building at no taxpayer expense. These goals explain the choice of tenant and the structure of the lease, which have remained consistent over the lifetime of the tenancy and are reflected in the following lease terms:

- The premises shall be used for child care and early childhood education and related fundraising.
- The Town (through the Parks & Recreation Department) has priority use of the playing fields.
- All operating and capital expenses and improvements are the financial responsibility of the Tenant.
- To ensure funding for future capital maintenance and improvements, a portion of the Tenant's yearly rental payments is deposited in an escrow account owned and administered by the Town.

The current lease commenced in September 2005. Its term was ten years, with one 5 year renewal that required the Town's consent, which was granted in 2015. That renewal expires on August 31, 2020. The Town wishes to enter into a new lease with Parent Child Center substantially in the form of the prior lease, with the modifications noted below.

Proposed Lease Terms

Term; Reclamation of the Property for Municipal Use. We are again proposing a 10 year lease commencing on September 1, 2020 and terminating on August 31, 2030, with a 5 year renewal option that will require affirmative approval by the Town.

A 10 year term is not atypical for leases of Town owned property to nonprofits. Unlike most of the Town's leases, this lease also gives the Town the right to terminate the lease at any time and reclaim the property for any municipal purpose, broadly defined to include, without limitation, reactivation of the building as a public school, use of the premises for Town or Board of Education administrative offices, or sale of the premises for any purpose to any party. If the Town exercises its right to reclaim the property, the Tenant must vacate within twelve months of the end of the school year. If the Board of Education needs the premises for school purposes because of a casualty, the Tenant must vacate within twelve months of receiving written notice.

In connection with this proposed lease renewal, we have considered whether there is any need at present or in the near future for these premises for any Town or school purposes. We have determined that, given the location of the premises in a residential neighborhood and the size and design of the building, the premises are not suitable or desirable for municipal office use. We have been informed by Board of Education officials that, although at some point in the future the property could be considered among other available sites for educational use, such as a new home for an expanded Stepping Stones Preschool program, the Board of Education has no firm plan at present that would require leaving the property vacant and foregoing rental income. Further, the termination provision in the lease provides enough flexibility to allow future planning by the Board of Education.

Rent; Escrow Account. The proposed rent over the lease term is specified in Schedule A to the lease. For the first year of the lease (2020-21), rent will be \$64,726.95, a 2.5% increase over the prior year, and rent will increase by 2.5% each year thereafter. This is a more rapid escalation than occurred under the prior lease. \$15,000 of each year's rent will be deposited in the General Fund. The remainder will be deposited in the Parent Child Center Escrow Fund that existed under the prior lease.

As noted above, the lease arrangement with Parent Child Center has been crafted to ensure that all costs associated with the property, whether ordinary maintenance, repairs, replacements or capital improvements, are the sole financial responsibility of the Tenant. The lease accomplishes this in two ways. First, "operating expenses", defined to include utilities, interior alterations, grounds maintenance (except the playing fields), fence and playground installation and repair, are the Tenant's responsibility, to be paid out of its own budget. Second, "major components," defined as structural or mechanical repairs or replacements costing in excess of \$1500, are paid for out of the Parent Child Center Escrow Fund, which is funded by the Tenant through rent payments and is under the ownership and control of the Town.

Recent interior and grounds improvements paid for directly by the Tenant have included security cameras (\$20,000), a kitchen update (\$15,000), energy efficient lighting (\$22,000), classroom upgrades (\$140,000), a nature trail (\$5000) and landscaping (\$20,000). Expenditures classified as “major components” and paid for out of the escrow fund over the last three years have totaled \$30,156, including repaving the parking lot (\$17,150), exterior painting (\$1530) and new heating units (\$4481).

As the Town contemplated renewing the lease, we evaluated the 2005 lease’s allocation of rent payments between the General Fund and the escrow account and the dollar threshold for “major components.” The Town proposed two adjustments to which the Tenant agreed. The proposed lease increases the portion of rent that goes into the General Fund from \$10,000 to \$15,000 and increases the threshold for “major components” that are paid for out of the escrow fund from \$1000 to \$1500.

These changes reflect the fact that the prior lease will end with a substantial positive balance in the escrow fund (\$387,370 as of January 30, 2020). Under the new rent schedule, new deposits into the escrow fund over the next five years will equal \$265,226, which, when added to the current balance, will fund the escrow in excess of \$650,000. The Town estimates that required major component expenditures during this period (roofing and paving) will cost \$500,000.

Playing Fields. Under the lease, the Town retains the right to use the playing fields which are located at the rear of the property. According to the Parks & Recreation Department, these fields are actively used during the school year by Westport Baseball in the evening and weekends and for Parks & Recreation programs on Sunday mornings. The importance of these fields to the Parks & Recreation Department means that, however the rest of the property is used, the Town needs to retain ownership as well as access to the fields from Hillspoint Road.

The lease also gives the Town the right to use the gymnasium and common areas of the building in the evening and weekends as well as on Election Day. To our knowledge, the Town has never exercised this right, but it remains in the proposed lease.

Insurance. The insurance provisions of the lease have been updated to current Town requirements.

Public Benefit and Need

Leasing the Hillspoint property to Parent Child Center has long provided valuable and much needed benefits to the Westport community. The three preschools that use the property currently serve over 260 children, 84% of whose families live or work in Westport. Low to moderate income families receive financial support, many through the Westport Department of Human Services. The preschools provide a broad range of full and part time services to infants, toddlers,

preschool and Kindergarten aged children, including all day and year round programs that are not available at all other local preschools. Moreover, the demand for preschools remains very strong in Westport despite recent new entries.

In addition, the improvements that the Tenant has made to the building and property during its occupancy, at its own expense, benefit the Westport community. The building is old and has an unusual design that makes it costly to maintain. Parent Child Center has made a substantial investment in the premises during the last four decades, a burden that otherwise would have fallen on the Westport taxpayer.

The First Selectman's Real Property Committee, at the direction of the Board of Finance, has evaluated whether there are alternative uses for the property, including possible sale to a third party or rental at a market rate. For the reasons outlined in its attached report, the Committee has concluded that there are no alternative uses for the property that promise greater public benefits than the present lease to Parent Child Center.

Report of the First Selectman's Real Property Committee on 90 Hillspoint

In connection with the proposed renewal of the lease of Town owned property at 90 Hillspoint Road to Parent Child Center, Inc., the Real Property Committee met on February 10, 2020 to evaluate the following questions:

- Is the continued lease of the property to Parent Child Center preferable to alternatives, including sale, demolition or conversion to municipal purposes?
- What is the property's fair market rental value, and why is lower rent proposed?

After considering all relevant factors, the Committee concluded that the lease to Parent Child Center offers greater value to the Westport community than alternative dispositions. In view of the location, size and condition of the building, rental at fair market value is not feasible.

90 Hillspoint is a 6.9 acre property with 385.48 feet of frontage on a town road. It contains a former elementary school built in 1961, two playing fields, driveways and access roads. The most recent tax appraisal valued the property at \$17,692,900, with improvements valued at \$7,756,900 and land valued at \$9,936,000.

The impressive value of the property on paper has caused the Town periodically to assess whether it should be sold for residential development (the property is located in the Residence A and Residence AA zones, so commercial development is not feasible). The Town commissioned a full appraisal in 2000, and an update in 2003. The Committee asked Town Assessor Paul Friia to review both appraisals. He confirmed that he was satisfied that the conclusions reached by both appraisals, including the valuations, remain valid in today's market conditions.

The limiting factor in any sale of the property is the Town's desire to retain title and access to the playing fields at the rear of the site, since these fields are actively used by Westport baseball and the Parks & Recreation Department. This leaves approximately 2 acres, zoned Residence AA, that can be divided from the rest of the property and sold as two lots for single family houses. Assessor Friia estimated the potential value of each lot to be roughly \$650,000. Taking into account demolition costs, the best case scenario would result in the Town potentially realizing \$1,200,000 from the sale of the lots, as well as future property tax revenues.

Nevertheless, there are costs associated with this approach that have dissuaded the Town in the past from considering sale, and these costs continue today. First, although the Board of Education has no immediate use for the property, it is an ideal school location that may be needed in the future, possibly as a place for an expanded Stepping Stones preschool program. Second, Westporters depend on the three preschool programs offered by Parent Child Center; were they forced to move, it is doubtful they could find another home in Westport. Finally, Committee members were skeptical that \$1,200,000 could actually be realized, given the

inventory of residential properties currently on the market and the large number of regulatory approvals that would be required to subdivide and develop two residential lots.

It's worth noting that the lease gives the Tenant an option to match any third party offer to purchase the property. The Town has offered to sell the property to Parent Child Center, but it does not have the funds to purchase at the moment. It remains a possibility for the future, if the schools decide they do not need it.

The Committee also discussed with Assessor Friaa the fair market rental value of the property. Rental options are limited because the property is located in two residence zones, so the potential tenants must be government, educational or religious institutions. Neither the Town nor the Board of Education has any need for the premises as office space. Although there is little data about commercial rentals by educational and religious institutions, Mr. Friaa estimated the fair market rental value at \$12 per square foot. This is obviously in excess of the proposed rent, which is roughly \$2 per square foot over the term of the proposed lease.

Nevertheless, a simple rental comparison ignores the peculiarities of these particular premises. The old Hillspoint School is an unusually costly building to maintain due to its architect designed mid-century detailing. It is also very large (over 39,000 square feet) for the average preschool and is divided into classrooms, making it a difficult space for a religious institution. Under the lease, the Tenant has and will continue to invest large sums of its own money in the upkeep and improvement of the structure, including new flooring, lighting and kitchen upgrades. All improvements are made under the supervision of the Public Works Department, are paid for by the Tenant and ultimately belong to the Town. It is hard to imagine another tenant maintaining the building as well as Parent Child Center has. Likewise, there have never been conflicts between the Tenant's operations and the Town's use of the playing fields.

Finally, it is unclear if there are any educational institutions that would even consider renting Hillspoint and paying full fair market rental. Most local preschools are affiliated with and occupy space provided by a nonprofit (churches, synagogues, Earthplace). Parent Child Center is unique in that it is comprised of three separate preschools with sufficient clients to be able to utilize the building fully on a year round basis.

Given the robust demand for preschool spaces in Westport, and Parent Child Center's exemplary record in maintaining a Town owned building, the tangible benefits to Westport from renewing this lease outweigh any hypothetical alternative dispositions. In the Committee's view, Parent Child Center remains the perfect fit for the Hillspoint School.

Helen Garten, Chair, First Selectman's Real Property Committee

2/10/20



DEPARTMENT OF FIRE SERVICES
Fire Marshals Office (203) 341-5020
Fax (203) 341-5009
Nathaniel Gibbons, Fire Marshal

January 31, 2020

Eileen Flug, Ass't Town Attorney
110 Myrtle Ave.
Westport CT 06880

Subject: 90 Hillspoint Road Fire Inspection

This office fully inspected the premises on January 9, 2020 with the following results:

A Child's Place	Inspected 1/9/2020	No Violations
The Learning Community	Inspected 1/9/2020	No Violations
CDCC	Inspected 1/9/2020	No Violations

Respectfully,

Nathaniel Gibbons
Fire Marshal

ANNUAL FACILITY INSPECTION

Date: February 19, 2020

Employee Name: Superintendent Mike Frawley

Facility Name: Hillspoint School

FACILITY EXTERIOR	Good	Fair	Poor	N/A	COMMENTS:
Visibility of building address?	X				
Condition of exterior lights?	X				
Condition of exits onto public streets?	X				
Condition of access to the building for emergency vehicles?	X				
Condition of the building?	X				
Condition of walls, trim and railings?	X				
Condition of exterior walls (free from cracks, deformation, staining, or other damage?)	X				
Condition of exterior windows (free from cracks or broken panes?)	X				
Condition of woodwork?	X				
Condition of stairs, landings and handrails?	X				
Condition of chimneys?	X				
Condition of entrance doors (do they close slowly to avoid finger hazards)?	X				
VISUAL ROOF INSPECTION	Good	Fair	Poor	N/A	COMMENTS:
Condition of Roof (roof debris, structural deformation, physical damage or evidence of standing water)?		X			Slight standing water. Roof patched throughout years. Scheduled for resurfacing and recoating per manufacture specifications.
Condition of shingles?				X	
Condition of metal pieces (corrosion)?		X			
Condition of the fascia, soffits, flashing, gutters/drains, skylights, chimneys/vents, fall arrest anchors, control zone access or drains/vents?	X				

ANNUAL BUILDING INSPECTION

ELECTRICAL SYSTEMS	Good	Fair	Poor	N/A	COMMENTS:
Condition of transformers?				X	
Condition of switchgears?				X	
Condition of panels?	X				All panels from 1960s and are in good working condition.
Condition of wiring?	X				
Condition of outlets?	X				
LIGHTING	Good	Fair	Poor	N/A	COMMENTS:
Condition of light fixtures?	X				
Condition of lamps?	X				
Condition of emergency lights?	X				
Condition of exit signs?	X				
FIRE AND SAFETY	Good	Fair	Poor	N/A	COMMENTS:
Condition of smoke detectors?	X				
Condition of heat detectors?	X				
Condition of fire extinguishers?	X				
GENERAL HOUSEKEEPING	Good	Fair	Poor	N/A	COMMENTS:
Cleanliness of facility?	X				

Year	Replace	2 Boilers	3 Air Handlers	Hot Water Heater Replaced	Roofing	Ashalt Paving	Exterior Painting	Oil Tank Removed
2016								
2017								
2018							Complete	
2019								
2020					\$250,000.00			
2021								
2022								
2023						\$250,000.00		
2024			\$11,000.00					
2025								
2026								
2027			\$15,000.00					
2028								
2029	\$40,000.00							

PARENT CHILD CENTER ACCOUNT

Property Expenses Paid Out of PCC Account - past 3 years - 2017-2020

YR/PR	EFF DATE	SRC	REF1	REF4	COMMENT	CHECK #	JOURNAL AMOUNT
19/ 2	08/15/18	API	004225	W K1902C	EXTERIOR PAINTING REIMBURSEMEN	519601	5,300.00
19/ 2	08/29/18	API	004225	W K1902E	2018-0208, 2018-0207, PAVEMENT	519957	17,150.00
19/ 4	10/17/18	API	004225	W K1904C	Reimb replace electrical motor	520817	3,225.00
20/ 1	07/31/19	API	004225	W K2001H	REIMBURSEMENT HEAT PUMP #1 HIL	525433	2,505.00
20/ 7	01/22/20	API	004225	W K2007E	REIMBURSE FOR ZONE VALVE REPLA	528445	1,975.59
							<u>30,155.59</u>

PCC Account Balance as of 1/30/20:

387,370.25

**PARENT CHILD CENTER
IMPROVEMENTS MADE LAST THREE YEARS BY
THREE SCHOOLS**

The Learning Community

Room Renovations including new cabinets, painting, new plumbing	\$85,000
Lighting Upgrade	\$22,100
Playground improvements/maintenance	\$20,000
Cleaning Service	\$50,250

Childrens Community Development Center

Room Renovations including new cabinets, flooring, painting, new plumbing	\$75,000
Lighting Upgrade	\$10,000 ??
Playground improvements/maintenance	\$25,000
Cleaning Service	\$48,800

Saugatuck Child Care Services, Inc.

Room Renovations including new cabinets, flooring, painting, new plumbing, front entrance	\$108,000
Playground improvements/Maintenance	\$23,000
Cleaning Service	\$60,000

Parent Child Center, Inc

New Kitchen	\$20,000
Door	\$5,000
New Fence	\$8,200
Landscape Upgrade	\$6,000

LEASE REVENUES FOR PAST 3 YEARS -- 90 HILLSPPOINT -- SEPT 2016 TO FEB 2020

ORG	YR/PR	JNL	EFF DATE	SRC	REF1	COMMENT	JOURNAL AMOUNT
40370151	17/ 3	102	09/08/16	GCR	PARENT	PARENTCHILD RECPT 9/8/16	4,886.51
40370151	17/ 4	62	10/05/16	GCR	105REN	10/5/16 OCT RENT	4,886.51
40370151	17/ 5	60	11/03/16	GCR	PARENT	PARENTCHILD RENT NOV 2016	4,886.51
40370151	17/ 6	17	12/01/16	GCR	PCHILD	PARENTCHILD DEC2016 RENT	4,886.51
40370151	17/ 7	17	01/03/17	GCR	PARENT	PARENT CHILD CENTER JAN 2017	4,886.51
40370151	17/ 8	180	02/13/17	GCR	PARENT	PARENTCHILD CENTER FEB 2017	4,886.51
40370151	17/ 9	24	03/02/17	GCR	PCHILD	PARENT CHILD MARCH 2017	4,886.51
40370151	17/10	50	04/05/17	GCR	PARENT	RENT APRIL 2017	4,886.51
40370151	17/11	108	05/05/17	GCR	PCHILD	MAY 2017	4,886.51
40370151	17/12	11	06/01/17	GCR	PCHILD	JUNE 2017 RENT	4,886.51
40370151	18/ 1	311	07/20/17	GCR	RENT	RECLASS JULY2017 RENTCK JE #4	4,886.51
40370151	18/ 2	21	08/01/17	GCR	RENT	AUG 2017 RENT	4,886.51
September 2016 August 2017							58,638.12
40370151	18/ 3	44	09/05/17	GCR	PARENT	PARENT CHILD SEPT 2017	5,008.11
40370151	18/ 4	56	10/04/17	GCR	PCHILD	RENT RECPTS OCT 2017	5,008.11
40370151	18/ 5	99	11/06/17	GCR	PCHILD	NOV 2017 RECPT	5,008.11
40370151	18/ 6	140	12/11/17	GCR	PCHILD	PARENT CHILD RENT DEC 2017	5,008.11
40370151	18/ 7	120	01/11/18	GCR	PCHILD	JAN 2018 RENT	5,008.11
40370151	18/ 8	48	02/02/18	GCR	PCHILD	PARENT CHILD RENT FEB 2018	5,008.11
40370151	18/ 9	39	03/02/18	GCR	PCHILD	PARENT CHILD MARCH 2018 RENT	5,008.11
40370151	18/10	54	04/04/18	GCR	PCHILD	APRIL 2018 RENT	5,008.11
40370151	18/11	283	05/17/18	GCR	PCHILD	MAY 2018 RENT RECPT	5,008.11
40370151	18/12	37	06/04/18	GCR	PCHILD	JUNE 2018 RENT	5,008.11
40370151	19/ 1	138	07/09/18	GCR	PCHILD	JULY 2018 RENT RECPT	5,008.11
40370151	19/ 2	95	08/06/18	GCR	PCHILD	PCHILD CENTER AUG 2018 RECPT	5,008.11
September 2017 August 2018							60,097.32
40370151	19/ 3	153	09/11/18	GCR	PCHILD	SEPT 2018 RECPT	5,133.35
40370151	19/ 4	76	10/04/18	GCR	PCHILD	RECPTS OCT 2018	5,133.35
40370151	19/ 5	66	11/05/18	GCR	PCHILD	NOV 2018 RECPT	5,133.35
40370151	19/ 6	68	12/06/18	GCR	PCHILD	DEC 2018 RENT RECPT	5,133.35
40370151	19/ 7	25	01/02/19	GCR	CHILD	JAN 2019 RECPT	5,133.35
40370151	19/ 8	51	02/04/19	GCR	PCHILD	FEB 2019 RENT RECPT	5,133.35
40370151	19/ 9	83	03/07/19	GCR	PCHILD	RENT RECPT MARCH 2019	5,133.35
40370151	19/10	41	04/02/19	GCR	PCHILD	APRIL 2019 RECPT	5,133.35
40370151	19/11	66	05/03/19	GCR	PCHILD	RECPTS APRIL 2019	5,133.35
40370151	19/12	235	06/14/19	GCR	PCHILD	JUNE 2019 RENT RECPT	5,133.35
40370151	20/ 1	171	07/09/19	GCR	CHILD	RENT JULY 2019 RECPT	5,133.35
40370151	20/ 1	619	07/29/19	GCR	CHILD	AUG 2019 RECPT	5,133.35
September 2018 August 2019							61,600.20
40370151	20/ 3	85	09/06/19	GCR	CHILD	SEPT 2019 RECPT	5262.35
40370151	20/ 4	43	10/02/19	GCR	CHILD	OCT 2019 RECPT	5262.35
40370151	20/ 5	81	11/06/19	GCR	PCHILD	PARENT CHILD CENTER RENT	5262.35
40370151	20/ 6	49	12/04/19	GCR	CHILD	DEC 2019 RECPT CK	5262.35
40370151	20/ 7	19	01/02/20	GCR	CHILD	JAN 2020 RENT RECPT CK	5262.35
40370151	20/ 8	21	02/03/20	GCR	CHILD	FEB 2020 RENT RECPT	5262.35
September 2019 February 2020							31,574.10

MEMORANDUM

Date: February 13, 2020

To: Members of the Board of Finance

CC: James S. Marpe, First Selectman

From: Eileen Lavigne Flug, Assistant Town Attorney

Re: Compliance Statement: Lease between the Town of Westport and the Parent Child Center, Inc.
(the "Lease")

I have reviewed the terms of the above-referenced Lease and its requirements regarding rent payments, use, maintenance and repairs, signage, and insurance obligations. I have confirmed with the Finance Department that they have had no trouble collecting the rent for the premises. I have confirmed with the Public Works Department that to the best of their knowledge the tenant is in compliance with the use, repair and maintenance, and signage obligations of the Lease. My office has received insurance certificates from the tenant and each subtenant that meet the requirements of the Lease.

CURRENT OWNER		UTILITIES		STRT / ROAD		LOCATION		CURRENT ASSESSMENT	
WESTPORT TOWN OF HILLSPOINT SCHOOL 110 MYRTLE AVE		1 Public				EX COM LN EX COM BL		Code 21 9,936,000 22 7,756,900	
WESTPORT CT 06880		SUPPLEMENTAL DATA		Assoc Pld#				Assessed 6,955,200 5,429,800	
Alt Pct ID 531713 Historic ID Census 505 WestportC H20 Survey Ma Survey Ma		Lift Hse						6158 WESTPORT, CT	
GIS ID E07007000								VISION	

RECORD OF OWNERSHIP		BK-VOL/PAGE		SALE DATE		Q/U		VI		SALE PRICE		VC	
WESTPORT TOWN OF		0000 0000		10-24-1946		U		I		0		29	
Total		0.00											

EXEMPTIONS		OTHER ASSESSMENTS	
Year	Description	Amount	Comm Int
Total		0.00	

ASSESSING NEIGHBORHOOD	
Nbhd	Nbhd Name
0001	B
Tracing	
Batch	

NOTES
 PARENT CHILD CENTER
 LEASED BY TOWN TO 3 TENANTS = EXEMPT
 CHILDREN'S COMMUNITY DEVELOPMENT CENTER
 LEARNING COMMUNITY DAY SCHOOL
 A CHILD'S PLACE

BUILDING PERMIT RECORD		LAND LINE VALUATION SECTION	
Permit Id	Issue Date	Type	Description
84230	07-12-2018	AL	Alterations
82867	07-12-2017	AL	Alterations
81757	08-09-2016	AL	Alterations
78775	07-28-2014	AL	Alterations
77085	08-05-2013	AL	Alterations
74712	05-28-2012	AL	Alterations
68864	08-09-2007	AL	ALTERATIONS
Total		100	05-28-2009, MODIEY, 2 BATHROOMS, RO

APPROXIMATED VALUE SUMMARY		APPROXIMATED VALUE SUMMARY	
Appraised Bldg. Value (Card)	7,756,900	Appraised Bldg. Value (Card)	7,756,900
Appraised Xf (B) Value (Bldg)	0	Appraised Xf (B) Value (Bldg)	0
Appraised Ob (B) Value (Bldg)	0	Appraised Ob (B) Value (Bldg)	0
Appraised Land Value (Bldg)	9,936,000	Appraised Land Value (Bldg)	9,936,000
Special Land Value	0	Special Land Value	0
Total Appraised Parcel Value	17,692,900	Total Appraised Parcel Value	17,692,900
VALUATION METHOD		VALUATION METHOD	
C		C	

PREVIOUS ASSESSMENTS (HISTORY)		PREVIOUS ASSESSMENTS (HISTORY)	
Year	Code	Year	Code
2019	21	2018	21
2018	22	2017	22
Total		Total	
12385000		12385000	
Total		Total	
12385000		12385000	

VISIT / CHANGE HISTORY		VISIT / CHANGE HISTORY	
Permit Id	Issue Date	Type	Description
01-09-2019	01-09-2019	TM	SOUND PROOFING EXISTIN
02-07-2018	02-07-2018	TM	RELOCATE DOOR IN CCDC
04-17-2017	04-17-2017	TM	ENLARGE EXISTING BATHR
09-24-2014	09-24-2014	TM	ENLARGE 3 EXISTING TOILE
05-17-2010	05-17-2010	J	SAUGATUCK CHILD CARE -
08-04-2008	08-04-2008	TM	CONSTRUCT DIVIDER FOR
10-01-1006	10-01-1006	WG	MODIEY, 2 BATHROOMS, RO

LAND VALUATION SECTION		LAND VALUATION SECTION	
B Use Code	Description	Zone	Land Type
1 933	Pub School	AA_	
Total Card Land Units		Total Card Land Units	
6.900 AC		6.900 AC	
Parcel Total Land Area: 6.9000		Parcel Total Land Area: 6.9000	
Total Land Value		Total Land Value	
9,936,000		9,936,000	

FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION
THE PARENT CHILD CENTER, INC.
WESTPORT, CONNECTICUT
AUGUST 31, 2019

THE PARENT CHILD CENTER, INC.

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APICELLA, TESTA & COMPANY, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
& BUSINESS ADVISORS

Achille A. Apicella, CPA ■ John J. Zaprzalka, CPA ■ James E. Traester, CPA

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Directors
The Parent Child Center, Inc.
Westport, Connecticut

We have reviewed the accompanying financial statements of The Parent Child Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of August 31, 2019, and the related statement of activities and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Board of Directors
The Parent Child Center, Inc.
Westport, Connecticut

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Supplementary Information

The supplementary information included in Schedules I is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the information and, accordingly, do not express an opinion on such information.

Apicella, Testa & Company, P.C.

APICELLA, TESTA & COMPANY, P.C.
Certified Public Accountants

November 22, 2019

THE PARENT CHILD CENTER, INC.
STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2019

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 15,341
Prepaid expenses	<u>5,850</u>

CURRENT ASSETS 21,191

PROPERTY AND EQUIPMENT

Furniture and fixtures	68,851
Leasehold improvements	<u>252,554</u>
	321,405
Less: accumulated depreciation	<u>295,314</u>
	<u>26,091</u>

\$ 47,282

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES

Accounts payable	\$ <u>2,083</u>
------------------	-----------------

CURRENT LIABILITIES 2,083

NET ASSETS

Without donor restrictions	<u>45,199</u>
Total net assets	<u>45,199</u>

\$ 47,282

See independent accountant's review report and accompanying notes to financial statements.

THE PARENT CHILD CENTER, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2019

CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS

Revenue		
Rental income		\$ 230,801
Fundraising events		<u>4,765</u>
		235,566
Expenses:		
Program		220,646
General and administrative		6,072
Fundraising		<u>600</u>
	Total Expenses	<u>227,318</u>
	CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	8,248
Net assets at beginning of year		<u>36,951</u>
	NET ASSETS AT END OF YEAR	<u>\$ 45,199</u>

See independent accountant's review report and accompanying notes to financial statements.

THE PARENT CHILD CENTER, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets without donor restrictions	\$	8,248
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation		6,008
(Increase) decrease in assets:		
Accounts receivable		17,150
Prepaid expenses		(5,850)
Increase (decrease) in liabilities:		
Accounts payable		2,083
Bank overdraft		<u>(1,057)</u>
Net Cash Provided By Operating Activities		<u>26,582</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of property and equipment		<u>(11,241)</u>
Net Cash Used In Investing Activities		<u>(11,241)</u>

NET INCREASE IN CASH 15,341

Cash and cash equivalents at beginning of year		<u>-</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$	<u>15,341</u>

See independent accountant's review report and accompanying notes to financial statements.

THE PARENT CHILD CENTER, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019

NOTE 1 - NATURE OF ACTIVITIES

The Parent Child Center, Inc. (the "Organization") is a non-profit entity, which provides and maintains facilities for a cooperative day care, preschool, and primary education center for children, regardless of race, creed, color, or sex.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Accounting Period

The financial statements cover the fiscal year of the Organization for federal income tax purposes, which runs from September 1 through August 31.

Expense Allocations

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification of detail of expenses by function. While directly identifiable expenses are charged to the specific programs and supporting services for which they incurred, certain costs have been allocated among the programs and supporting services benefited. Management and general expenses include those expenses that are not directly identifiable with any specific function, but provide for the overall support and direction of the organization.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Property and Equipment

Acquisitions of property and equipment are recorded on the Statement of Financial Position at cost less accumulated depreciation to reflect the Organization's net investment in property and equipment. Depreciation on furniture and equipment is provided for over an estimated useful life of five to ten years on a straight-line basis. Depreciation on leasehold improvements is provided for over an estimated useful life of 5 to 39 years on a straight-line basis. Maintenance and repairs are charged to operations as incurred.

See independent accountant's review report.

THE PARENT CHILD CENTER, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
AUGUST 31, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Net Asset Classes

The Organization prepares its financial statements using guidelines established under FASB Accounting Standards Codification 958 (2016-14); the accounting standard requires that a non-profit organization provide information regarding the net assets of the organization based on the existence or absence of donor imposed restrictions. The types of restrictions are described as follows:

Net Assets Without Donor Restrictions

Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets with Donor Restrictions

Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. The organization does not have any net assets with donor restrictions.

Income Taxes

The Organization is a non-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision for income taxes has been made in the accompanying financial statements. The Organization recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management believes that the Organization has no tax positions that would require financial statement recognition or disclosure. The Organization's informational tax returns for fiscal years ending August 31, 2016 and after are subject to examination by the Internal Revenue Service and the State of Connecticut, generally for three years from the date they were filed.

See independent accountant's review report.

THE PARENT CHILD CENTER, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
AUGUST 31, 2019

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Donated Services

No amounts have been reflected in the statements for donated services in as much as no objective basis is available to measure the value of such services; however, a number of members have donated their time in the Organization's program services.

Estimates and Assumptions

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

Subsequent Events

Management has evaluated subsequent events through November 22, 2019, the date the financial statements were available to be issued.

NOTE 3 - LEASED FACILITY

The Organization conducts its operations from a leased facility. The lease was entered into with the Town of Westport on September 1, 2015 and will terminate on August 31, 2020. Rent expense for the year ended August 31, 2019 amounted to \$61,600.

NOTE 4 - RELATED PARTY TRANSACTIONS

The three nonprofit companies with which the Organization receives their revenue from are related parties. This Organization shares certain members of its board of directors with those from the related companies.

See independent accountant's review report.

THE PARENT CHILD CENTER, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
AUGUST 31, 2019

NOTE 5 - CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash accounts in commercial banks. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000 per bank. As of August 31, 2019, the Organization's balances are below the FDIC limit.

The Organization leases its facilities to three nonprofit organizations, their only customers. These customers make up all of the Organization's revenue.

NOTE 6 - LIQUIDITY

The Organization has \$15,341 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure. Financial assets comprise of cash, cash equivalents and accounts receivable.

See independent accountant's review report.

SUPPLEMENTARY INFORMATION

THE PARENT CHILD CENTER, INC.
SCHEDULE I - DETAILS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2019

	Program Services	Fundraising	General and Administrative	Total
Utilities	\$ 65,182	\$ -	\$ -	\$ 65,182
Rent	61,600	-	-	61,600
Maintenance - grounds	36,075	-	-	36,075
Maintenance - other	13,763	-	-	13,763
Trash removal	12,888	-	-	12,888
Repairs	10,239	-	-	10,239
Snow removal	8,813	-	-	8,813
Depreciation	6,008	-	-	6,008
Bookkeeping	-	-	4,800	4,800
Sewer assessment	4,197	-	-	4,197
Insurance	1,531	-	-	1,531
Office expense	-	600	492	1,092
Professional fees	-	-	780	780
Outside services	350	-	-	350
	<u>\$ 220,646</u>	<u>\$ 600</u>	<u>\$ 6,072</u>	<u>\$ 227,318</u>

See independent accountant's review report.

SAUGATUCK CHILD CARE SERVICES, INC.

FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2019

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HAIMS, BUZZEO & COMPANY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS
STAMFORD, CONNECTICUT

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Saugatuck Child Care Services, Inc.
90 Hillspoint Road
Westport, CT 06880

Report on the Financial Statements

We have audited the accompanying financial statements of Saugatuck Child Care Services, Inc., (a nonprofit organization) which comprise the statement of financial position as of August 31, 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

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 an opinion 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 opinion.

To the Board of Directors
Saugatuck Child Care Services, Inc.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Saugatuck Child Care Services, Inc., as of August 31, 2019, and the changes in its net assets, functional expenses and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated November 22, 2019, on our consideration of Saugatuck Child Care Services, Inc., 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 Saugatuck Child Care Services, Inc., internal control over financial reporting and compliance.

Haims, Buzzco + company, P.C.

Certified Public Accountants

Stamford, CT
November 22, 2019

SAUGATUCK CHILD CARE SERVICES, INC.STATEMENT OF FINANCIAL POSITION

AUGUST 31, 2019

CURRENT ASSETS:

Cash and Cash Equivalents	\$ 155,034	
Investments – Note 2	513,157	
Accounts Receivable	116,665	
Grants Receivable	183,466	
Prepaid Expenses	<u>17,221</u>	
<u>Total Current Assets</u>		\$ 985,543

FIXED ASSETS:

Furniture, Fixtures and Equipment	\$ 892,545	
Less Accumulated Depreciation	<u>611,170</u>	
<u>Total Fixed Assets</u>		<u>281,375</u>

TOTAL ASSETS\$ 1,266,918LIABILITIES AND NET ASSETS:CURRENT LIABILITIES:

Accounts Payable	\$ 11,418	
Accrued Expenses	11,000	
Security Deposit Payable	71,813	
Providers Payable	180,279	
Unearned Revenues - Note 3	<u>621,905</u>	
<u>Total Current Liabilities</u>		\$ 896,415

NET ASSETS:

Without Donor Restriction		<u>370,503</u>
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TOTAL LIABILITIES AND NET ASSETS\$ 1,266,918

See accompanying notes and
independent auditors' report.

SAUGATUCK CHILD CARE SERVICES, INC.STATEMENT OF ACTIVITIESYEAR ENDED AUGUST 31, 2019SUPPORT AND REVENUE:

Tuition and Fees	\$ 1,745,910	
SON - State of Connecticut - Food Reimbursement	1,031,589	
SON - State of Connecticut - Administration	229,510	
Other Income	1,410	
Investment Gains (Losses)	8,300	
Special Events - Net of \$26,015 Direct Costs	<u>54,987</u>	
<u>Total Support and Revenue</u>		\$ 3,071,706

EXPENSES:Program Services:

Center Based Child Care	\$ 1,656,126	
Saugatuck Outreach Nutrition Program	<u>1,261,099</u>	
<u>Total Program Services</u>	\$ 2,917,225	

Supporting Services:

Management and General	<u>198,879</u>	
------------------------	----------------	--

Total Expenses3,116,104Change in Net Assets

(44,398)

NET ASSETS - BEGINNING414,901NET ASSETS - ENDING\$ 370,503

See accompanying notes and
independent auditors' report.

SAUGATUCK CHILD CARE SERVICES, INC.

STATEMENT OF FUNCTIONAL EXPENSES

YEAR ENDED AUGUST 31, 2019

	Center Based Child Care	Saugatuck Outreach Nutrition Program	Total Program Services	Management and Administrative	Total Supporting Services
Salaries	\$ 1,234,938	\$ 175,155	\$ 1,410,093	\$ 179,917	\$ 1,590,010
Payroll Taxes	102,773	13,698	116,471	13,915	130,386
Employee Benefits	43,113	5,692	48,805	5,047	53,852
Parent Events	3,120	-	3,120	-	3,120
Staff Training	2,139	1,519	3,658	-	3,658
Advertising	1,125	-	1,125	-	1,125
Travel	-	2,152	2,152	-	2,152
Rent	99,510	4,042	103,552	-	103,552
Insurance	22,119	2,328	24,447	-	24,447
Repairs and Maintenance	9,990	738	10,728	-	10,728
Equipment Rental	9,472	691	10,163	-	10,163
Computer Expense	3,696	-	3,696	-	3,696
Printing	-	8,669	8,669	-	8,669
Office Supplies	3,903	4,951	8,854	-	8,854
Program Supplies	48,314	-	48,314	-	48,314
Telephone	4,372	2,586	6,958	-	6,958
Yearbook	2,360	-	2,360	-	2,360
Postage	810	2,280	3,090	-	3,090
Dues and Subscriptions	1,494	45	1,539	-	1,539
Professional Fees	22,442	4,964	27,406	-	27,406
Depreciation	19,665	-	19,665	-	19,665
Miscellaneous	6,567	-	6,567	-	6,567
Reimbursed Expense	-	1,031,589	1,031,589	-	1,031,589
Scholarship Awards	8,400	-	8,400	-	8,400
Bad Debt Expense	5,804	-	5,804	-	5,804
<u>Total</u>	<u>\$ 1,656,126</u>	<u>\$ 1,261,099</u>	<u>\$ 2,917,225</u>	<u>\$ 198,879</u>	<u>\$ 3,116,104</u>

See accompanying notes and independent auditors' report.

SAUGATUCK CHILD CARE SERVICES, INC.

STATEMENT OF CASH FLOWS

YEAR ENDED AUGUST 31, 2019

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in Net Assets (\$ 44,398)

Adjustments to Reconcile Change In Net Assets
to Net Cash Provided By Operating Activities:

Unrealized Less on Investments	13,515	
Depreciation	19,665	
Changes in Assets and Liabilities:		
Accounts Receivable	(39,674)	
Grants Receivable	1,855	
Prepaid Expense	(3,444)	
Accounts Payable and Accrued Expenses	6,815	
Security Deposits Payable	22,619	
Providers Payable	(5,043)	
Unearned Revenue	39,807	
<u>Total Adjustments</u>		<u>56,115</u>

<u>Net Change In Cash Provided By Activities</u>		<u>11,717</u>
--	--	---------------

CASH FLOWS FROM INVESTING ACTIVITIES:

Capital Expenditures	(43,630)	
Purchase of Securities	(106,242)	
Sale of Securities	106,678	
Investment Activities – Net	<u>6,422</u>	
<u>Net Change In Cash Used In Investing Activities</u>		<u>(36,772)</u>

Net Increase in Cash and Cash Equivalents		(25,055)
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Cash and Cash Equivalents- Beginning		<u>180,089</u>
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<u>CASH AND CASH EQUIVALENTS - ENDING</u>		<u>\$ 155,034</u>
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SUPPLEMENTAL DISCLOSURES OF CASH FLOWS:

Cash Paid During the Year for:

Interest

Taxes

See accompanying notes and
independent auditors' report.

SAUGATUCK CHILD CARE SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2019

NOTE 1 – NATURE OF ACTIVITIES AND ACCOUNTING POLICIES

Nature of Activities

Saugatuck Child Care Services, Inc. operates "A Child's Place", a center-based nursery school and day care program, including summer programs, providing full-time and part-time services for children ranging in age from six weeks through pre-school. The Organization was formed in 1972 and is located in Westport, CT.

In addition to the above, the Organization administers the Sauguatuck Outreach Nutrition (SON) Program, a USDA nutrition program funded through the State of Connecticut, Department of Education. Through this program, Saugatuck submits claims to the Government for funding for meals, which are distributed to individual day-care providers primarily in Fairfield and New Haven counties. Funding is also allowed for administration costs.

Basis of Presentation

The financial statements of Saugatuck Child Care Services, Inc. comply with the Financial Statements of Not-for-Profit Organizations topic of the FASB Codification. Under this topic, Saugatuck Child Care Services, Inc. reports information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization. These net assets may be used at the discretion of Saugatuck Child Care Services, Inc.'s management and the Board of Directors.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Saugatuck Child Care Services, Inc. or by the passage of time. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Advertising Costs

The Organization expenses advertising costs as they are incurred.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all temporary cash investments with a maturity of three months or less to be cash equivalents.

SAUGATUCK CHILD CARE SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Organization maintains its cash in bank deposit accounts, which, at times, may exceed federally insured limits. The Organization has not experienced any losses in such accounts. The Organization believes it is not exposed to any significant credit risk on cash and cash equivalents.

Investments

Investments in marketable securities are reported at their fair values in the statement of financial position. Investment income, including both realized and unrealized gains and losses, is reflected as changes in unrestricted net assets unless there is a specific donor stipulation to the contrary.

Accounts Receivables

Accounts receivables are stated at net of allowance for uncollectible accounts based upon the Organization's estimates of the collectability of the accounts. As of August 31, 2019, the Organization estimated that all receivables will be collectable. Accordingly, no provision for doubtful accounts has been set up at this time.

Fixed Assets

The Organization follows the practice of capitalizing all expenditures for fixed assets, consisting primarily of furniture and equipment. Fixed assets are recorded at cost. Donated assets are recorded at fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the asset, which range from 5 to 39 years.

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income for the period. The cost of maintenance and repairs is charged to income as incurred; significant renewals and betterments are capitalized. Deduction is made for retirements resulting from renewals or betterments.

Grants and Contracts

Governmental grants and contracts are generally considered to be exchange transactions rather than contributions. Revenue from cost reimbursement grants and contracts is recognized to the extent of costs incurred. Grant and contract receipts in excess of revenue recognized are presented as refundable advances.

Contributions

Contributions and gifts, including unconditional promises to give, are recognized as revenues in the period made. Promises to give that are restricted by the donor to a specific purpose that has not been met as of the statement of financial position date are shown as increases in net assets with donor restrictions. When a donor restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

SAUGATUCK CHILD CARE SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Child day care fees are recognized as earned in the period services are provided. Payments for services not yet provided are recorded as deferred income.

New Accounting Pronouncement

For the year ended August 31, 2019, Saugatuck Child Care Services, Inc. adopted the Financial Accounting Standard Board's Accounting Standards Update ("ASU") No. 2016-14 – Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities. This update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return among not-for-profit entities. The changes required by the update have been applied retrospectively to all periods presented. Key changes required by ASU 2016-14 are the net asset classes used in these financial statements and recognition of capital gifts for construction as a net asset without donor restrictions when the associated long-lived asset is placed in service.

NOTE 2 – INVESTMENTS

Investments at August 31, consisted of the following:

Stocks, Options and ETF's	\$ 93,511
Fixed Income Securities	147,586
Mutual Funds	<u>272,060</u>
Total Investments	<u>\$ 513,157</u>

Investment return, including interest on cash accounts, for the years ended August 31, consisted of the following:

Dividends and Interest	\$ 21,381
Realized & Unrealized Gains (Losses) on Investments	<u>(13,081)</u>
Total Investments Returns	<u>\$ 8,300</u>

NOTE 3 – UNEARNED REVENUES

Unearned tuition and fees represent amounts collected in advance for programs to be conducted in the next fiscal year.

NOTE 4 – RELATED PARTY TRANSACTIONS

The three tenants of Hillspoint School, Saugatuck Child Care Services, Inc. (SCCS), Children's Community Day Care (CCDC) and Learning Community (LC), have formed an "Association" known as Parent Child Center, Inc. (PCC), which was incorporated in August 1989. Representatives from each of the agencies make up the "PCC".

SAUGATUCK CHILD CARE SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2019

NOTE 4 – RELATED PARTY TRANSACTIONS (Continued)

“PCC” has rented Hillspoint School from the Town of Westport under a fifteen year lease expiring August 31, 2020 for an annual rent of \$51,500, for the first year of the lease with annual increases in the final nine years.

The “PCC” serves as a forum to resolve common problems, to establish annual rent, and to determine an annual budget. Rent is paid each month by each Agency into a fund from which all bills associated with building repairs and maintenance, rent to the Town of Westport, capital improvements and salaries of the building manger and janitor are paid. Any reserve is maintained in the fund for future repairs, maintenance and capital improvements.

Amounts due by “SCCS” to the “PCC” per its budget are charged to rent expense. This amount totaled \$76,859 for the year ended August 31, 2019.

The by-laws of Parent Child Care Center, Inc. provide that upon dissolution, assets remaining, if any, after adequate provision for all of the corporation’s liabilities, will be distributed to the three organizations mentioned above based on the square footage of occupancy by each organization of the building, provided that organization is a qualified 501(c)(3) organization pursuant to the Internal Revenue Code of 1986 at the time of the distribution.

NOTE 5 – FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing the various program and supporting services has been summarized on a functional basis in the statement of activities and change in net assets. Accordingly, certain costs have been allocated among the program and supporting services benefited. Overhead expenses including occupancy, telephone and insurance are allocated to functional areas based upon space used or actual usage if specifically identifiable. The allocations of salary and related expenses for management and supervision of program service functions are made by management based on the estimated time spent on the various program service functions.

NOTE 6 – INCOME TAX STATUS

The Internal Revenue Service has determined that Saugatuck Child Care Services, Inc. is exempt from federal and state income taxes as a public charity under Section 501(c)(3) of the Internal Revenue Code. Consequently, Saugatuck Child Care Services, Inc. is exempt from federal and state income taxes and no provision for income taxes has been made in the accompanying financial statements.

NOTE 7 – RETIREMENT PLAN

The Organization maintains a 403(B) Thrift Plan covering all eligible employees. The Organization’s defined contribution is calculated at a 4 % contribution rate plus an amount equal to the employee contribution up to 2% of compensation during the plan year. There was no employer contribution for the year ended August 31, 2019.

SAUGATUCK CHILD CARE SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2019

NOTE 8 – FAIR VALUE MEASUREMENTS

FASB ASC 820, Fair Value Measurements and Disclosures, defines fair value as the price that would be received upon sale of an asset or paid upon transfer of a liability in an orderly transaction between market participants at the measurement date and in the principal or most advantageous market for that asset or liability. The fair value should be calculated based on assumptions that market participants would use in pricing the asset or liability, not on assumptions specific to the entity.

FASB ASC 820 specifies a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (observable inputs). In accordance with FASB ASC 820, the following summarizes the fair value hierarchy.

Level 1 Inputs – Unadjusted quoted market prices for identical assets and liabilities in an active market that the Company has the ability to access.

Level 2 Inputs – Inputs other than the quoted prices in active markets that are observable either directly or indirectly.

Level 3 Inputs – Inputs based on prices or valuation techniques that are both unobservable and significant to the overall fair value measurements.

FASB ASC 820 requires the use of observable market data, when available, in making fair value measurements. When inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurements.

As of August 31, 2019, none of the assets and liabilities was required to be reported at fair value on a recurring basis. Carrying values of non-derivative financial instruments, including cash and cash equivalents, accounts receivable, accounts payable, and accrued expenses, approximate fair values due to the short term nature of these financial instruments. There are no changes in methods or assumptions during the year ended August 31, 2019.

NOTE 9 – LEASE COMMITMENTS

Saugatuck Child Services, Inc. leases office and classroom space under a long-term operating lease expiring in August 2020.

Future Minimum rental payments are as follows:

2020	80,195
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NOTE 10 – LINE OF CREDIT

On June 13, 2016 Saugatuck Child Care Services, Inc. entered into Priority Credit Line ("PCL") with Wells Fargo Services. The balance due was \$0 at August 31, 2019.

SAUGATUCK CHILD CARE SERVICES, INC.

NOTES TO FINANCIAL STATEMENTS

AUGUST 31, 2019

NOTE 11 – SUBSEQUENT EVENTS

The Organization's management evaluated subsequent events through report letter date.

HAIMS, BUZZEO & COMPANY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS
STAMFORD, CONNECTICUT

Report on Internal Control Over Financial Reporting
and on Compliance and Other Matters
Based on An Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards*

Independent Auditor's Report

To the Board of Directors
Saugatuck Child Care Services, Inc.
90 Hillspoint Road
Westport, CT 06880

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of Saugatuck Child Care Services, Inc., which comprise the statement of financial position as of August 31, 2019 and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated November 21, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Saugatuck Child Care Services, Inc., internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Saugatuck Child Care Services, Inc., internal control. Accordingly, we do not express an opinion on the effectiveness of Saugatuck Child Care Services, Inc., internal control.

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

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

To the Board of Directors
Saugatuck Child Care Services, Inc.,

Compliance and Other Matters

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

Purpose of this Report

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

Haims, Buzzco + Company, P.C.

Certified Public Accountants

Stamford, CT
November 22, 2019

HAIMS, BUZZEO & COMPANY, P.C.

CERTIFIED PUBLIC ACCOUNTANTS
STAMFORD, CONNECTICUT

Report on Compliance for Each Major Federal Program and on Internal Control over Compliance Required by the Uniform Guidance

Independent Auditor's Report

To the Board of Directors
Saugatuck Child Care Services, Inc.
90 Hillspoint Road
Westport, CT 06880

Report on Compliance for Each Major Federal Program

We have audited Saugatuck Child Care Services, Inc.'s compliance with the types of compliance requirements described in the OMB Compliance Supplement that could have a direct and material effect on each of Saugatuck Child Care Services, Inc.'s major federal programs for the year ended August 31, 2019. Saugatuck Child Care Services, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on Each Major Federal Program

In our opinion, Saugatuck Child Care Services, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2019.

To the Board of Directors
Saugatuck Child Care Services, Inc.

Report On Internal Control over Compliance

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

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

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

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

We have audited the financial statements of Saugatuck Child Care Services, Inc. as of and for the year ended August 31, 2019 and have issued our report thereon dated November 22, 2019, which contained an unmodified opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by the Uniform Guidance and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly state in all material respects in relation the financial statements as a whole.

Haims, Buzzeeo Company, P.C.

Certified Public Accountants

Stamford, CT
November 22, 2019

SAUGATUCK CHILD CARE SERVICES, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED AUGUST 31, 2019

<u>FEDERAL GRANTOR/PROGRAM TITLE</u>	<u>CFDA NUMBER</u>	<u>AGENCY PASS-THROUGH NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
Department of Agriculture			
Passed Through from State of Connecticut State Board of Education Child and Adult Care Food Program	10.558		\$ <u>1,261,099</u>

SAUGATUCK CHILD CARE SERVICES, INC.

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

FOR THE YEAR ENDED AUGUST 31, 2019

NOTE 1 – BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of Saugatuck Child Care Services, Inc. under programs of the federal government for the year ended August 31, 2019. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of Saugatuck Child Care Services, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Saugatuck Child Care Services, Inc.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowable or are limited as to reimbursement.

NOTE 3 – INDIRECT COST RATE

Saugatuck Child Care Services, Inc. has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

SAUGATUCK CHILD CARE SERVICES, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED AUGUST 31, 2019

I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency (ies) identified? _____ Yes X None Reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal Control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency (ies) identified? _____ Yes X None Reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) of the Uniform Guidance? _____ Yes X No

Identification of Major Programs:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor Number</u>	<u>Expenditures</u>
Department of Agriculture			
Passed Through from State of Connecticut			
State Board of Education			
Child and Adult Care Food Program	10.558		\$ 1,261,099

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

Auditor Qualified as Low - Risk Auditee _____ X Yes _____ No

SAUGATUCK CHILD CARE SERVICES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2019

I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency (ies) identified? _____ Yes X None Reported

Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

Internal Control over major programs:

- Material weakness(es) identified? _____ Yes X No
- Significant deficiency (ies) identified? _____ Yes X None Reported

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

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a) of the Uniform Guidance? _____ Yes X No

Identification of Major Programs:

<u>Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Grantor Number</u>	<u>Expenditures</u>
Department of Agriculture			
Passed Through from State of Connecticut			
State Board of Education			
Child and Adult Care Food Program	10.558		\$ 1,261,099

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

Auditor Qualified as Low - Risk Auditee _____ X Yes _____ No

SAUGATUCK CHILD CARE SERVICES, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED AUGUST 31, 2019

SECTION II – FINANCIAL STATEMENT FINDING

- No matters were reported.

SECTION III – FEDERAL AWARD FINDINGS AND QUESTIONS COSTS

- No matters were reported.

Children's Community Development Center, Inc.

Financial Statements

August 31, 2019



Children's Community Development Center, Inc.

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Statement of Activities	4
Statement of Cash Flows	5
Statement of Functional Expenses	6
Notes to Financial Statements	7

Independent Accountant's Review Report

To the Board of Directors of
Children's Community Development Center, Inc.
Westport, Connecticut

We have reviewed the accompanying financial statements of Children's Community Development Center, Inc. (a nonprofit organization), which comprise the statement of financial position as of August 31, 2019, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Summarized Comparative Information

We previously reviewed Children's Community Development Center, Inc.'s August 31, 2018 financial statements and in our report dated November 1, 2018, stated that based on our procedures, we were not aware of any material modifications that should be made to the August 31, 2018 financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America. We are not aware of any material modifications that should be made to the summarized comparative information presented herein as of and for the year ended August 31, 2018, for it to be consistent with the reviewed financial statements which it has been derived.

Knight Rolleri Sheppard CPAS, LLP

Knight Rolleri Sheppard CPAS, LLP
Fairfield, Connecticut
October 31, 2019

Children's Community Development Center, Inc.
Statement of Financial Position
August 31, 2019
(With comparative totals for 2018)

	Without Donor Restrictions	With Donor Restrictions	August 31, 2019	August 31, 2018
ASSETS:				
Current assets:				
Cash and cash equivalents	\$ 270,633	\$ -	\$ 270,633	\$ 235,246
Tuition and miscellaneous receivables	6,855	-	6,855	6,834
Prepaid assets	15,589	-	15,589	13,113
Total current assets	293,077	-	293,077	255,193
Noncurrent assets:				
Restricted cash	-	31,820	31,820	27,600
Property and equipment, net	101,772	-	101,772	113,488
Total noncurrent assets	101,772	31,820	133,592	141,088
Total assets	\$ 394,849	\$ 31,820	\$ 426,669	\$ 396,281
LIABILITIES AND NET ASSETS:				
Current liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 5,720
Installment loan payable	18,769	-	18,769	11,604
Deferred tuition and fees revenue	146,608	-	146,608	124,435
Other accrued liabilities	145	-	145	1,805
Total current liabilities	165,522	-	165,522	143,564
Net assets:				
Without donor restrictions:				
Designated - endowment scholarships	30,072	-	30,072	39,295
Designated - teacher education	-	-	-	4,000
Designated - direct aid emerg fund	24,947	-	24,947	8,916
Designated - program improvements	18,120	-	18,120	-
Undesignated	156,188	-	156,188	172,906
With donor restrictions:				
Purpose Restriction	-	7,120	7,120	2,900
Perpetual in nature	-	24,700	24,700	24,700
Total net assets	229,327	31,820	261,147	252,717
Total liabilities and net assets	\$ 394,849	\$ 31,820	\$ 426,669	\$ 396,281

See independent accountant's review report and notes to financial statements.

Children's Community Development Center, Inc.
Statement of Activities
For the Year Ended August 31, 2019
(With comparative totals for 2018)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>August 31, 2019</u>	<u>August 31, 2018</u>
Revenues, gains and other support:				
Tuition and fees	\$ 1,539,777	\$ -	\$ 1,539,777	\$ 1,519,625
United Way support	2,297	10,000	12,297	11,060
Contributions	16,478	4,220	20,698	22,080
Interest income	918	-	918	670
Special events	51,312	16,520	67,832	65,697
Miscellaneous	2,102	-	2,102	2,679
Net asset released from restriction:			-	
Satisfaction of program restriction	26,520	(26,520)	-	-
Total revenues, gains and other support	<u>1,639,404</u>	<u>4,220</u>	<u>1,643,624</u>	<u>1,621,811</u>
Expenses and losses:				
Program services	1,494,731	-	1,494,731	1,451,248
Management and general	107,017	-	107,017	96,581
Fundraising	33,446	-	33,446	40,794
Total expenses and losses	<u>1,635,194</u>	<u>-</u>	<u>1,635,194</u>	<u>1,588,623</u>
Change in net assets from operations	<u>4,210</u>	<u>4,220</u>	<u>8,430</u>	<u>33,188</u>
Net assets at beginning of year	225,117	27,600	252,717	219,529
Net assets at end of year	<u>\$ 229,327</u>	<u>\$ 31,820</u>	<u>\$ 261,147</u>	<u>\$ 252,717</u>

See independent accountant's review report and notes to financial statements.

Children's Community Development Center, Inc.
Statement of Cash Flows
For the Year Ended August 31, 2019
(With comparative totals for 2018)

	<u>August 31,</u> <u>2019</u>	<u>August 31,</u> <u>2018</u>
Cash flows from operating activities:		
Change in net assets	\$ 8,430	\$ 33,188
Adjustments to reconcile change in net assets to cash provided by operating activities:		
Depreciation and amortization	30,541	34,334
(Increase) decrease in tuition and miscellaneous receivables	(21)	8,957
Increase in restricted cash	(4,220)	(2,900)
(Increase) decrease in prepaid assets	(2,476)	(2,429)
Increase in accounts payable	(5,720)	5,101
Increase in deferred tuition and fees	22,173	(18,222)
Increase (decrease) in other accrued liabilities	(1,660)	(5,703)
Total adjustments	<u>38,617</u>	<u>19,138</u>
Net cash provided by operating activities	<u>47,047</u>	<u>52,326</u>
Cash flows from investing activities:		
Purchase of property and equipment	(18,825)	(22,457)
Net cash used by investing activities	<u>(18,825)</u>	<u>(22,457)</u>
Cash flows from financing activities:		
Net principal payments on installment note payable	7,165	(9,719)
Net cash provided (used) by financing activities	<u>7,165</u>	<u>(9,719)</u>
Net increase in cash and cash equivalents	<u>35,387</u>	<u>20,150</u>
Cash and cash equivalents, September 1	<u>235,246</u>	<u>215,096</u>
Cash and cash equivalents, August 31	<u>\$ 270,633</u>	<u>\$ 235,246</u>

See independent accountant's review report and notes to financial statements.

Children's Community Development Center, Inc.
Statement of Functional Expenses
For the Year Ended August 31, 2019
(With comparative totals for 2018)

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>August 31, 2019</u>	<u>August 31, 2018</u>
Salary	\$ 997,316	\$ 50,270	\$ 4,878	\$1,052,464	\$ 1,047,802
Employee benefits	151,169	7,620	739	159,528	137,057
Payroll taxes	84,640	4,266	414	89,320	88,742
Occupancy	82,325	2,552	-	84,877	82,802
Supplies and office	70,917	3,575	347	74,839	65,882
Professional and nurse fees	-	36,656	-	36,656	27,595
Scholarships	35,743	-	-	35,743	32,830
Fundraising	-	-	27,004	27,004	34,495
Insurance	16,180	502	-	16,682	17,953
Meetings and conferences	13,774	-	-	13,774	5,403
Telephone	5,646	285	28	5,959	6,078
Miscellaneous	5,376	271	26	5,673	4,336
Advertising	2,022	102	10	2,134	3,314
Total expenses before depreciation and amortization	<u>1,465,108</u>	<u>106,099</u>	<u>33,446</u>	<u>1,604,653</u>	<u>1,554,289</u>
Depreciation and amortization	29,623	918	-	30,541	34,334
Total expenses	<u><u>\$ 1,494,731</u></u>	<u><u>\$ 107,017</u></u>	<u><u>\$ 33,446</u></u>	<u><u>\$1,635,194</u></u>	<u><u>\$ 1,588,623</u></u>

See independent accountant's review report and notes to financial statements.

Children's Community Development Center, Inc.
Notes to Financial Statements
August 31, 2019
(See Independent Accountant's Review Report)

NOTE 1 - NATURE OF ACTIVITIES

The Children's Community Development Center, Inc. (CCDC) is a non-profit, educational childcare center located in Westport, Connecticut. It serves families with children ages 6 weeks through 5 years old. Professionals in early childhood care and education established it in 1979. The programs offer enrichment and support to parents and their children.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Prior Year Summarized Financial Information

The accompanying financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America (GAAP). Accordingly, such information should be read in conjunction with our reviewed financial statements for the year ended August 31, 2019, from which the summarized information was derived.

Basis of Accounting and Presentation

The financial statements of CCDC have been prepared in accordance with GAAP. Accordingly, the accounts of CCDC are reported by net asset category. Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and cash equivalents - For purposes of the statement of cash flows, the CCDC considers all highly liquid debt instruments purchased with maturity of three months or less to be cash equivalents. CCDC maintains its cash accounts at various financial institutions across the State of Connecticut. Accounts are guaranteed by the FDIC up to \$250,000 per financial institution. As of August 31, 2019, CCDC had no uninsured cash balances. CCDC has not experienced any losses in such accounts and believes it is not exposed to any significant risk in maintaining accounts with the financial institutions.

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures i.e. functional expense allocations, depreciable lives, etc... Accordingly, actual results could differ from those estimates.

Children's Community Development Center, Inc.
Notes to Financial Statements
August 31, 2019
(See Independent Accountant's Review Report)

Tuition and miscellaneous receivables – Accounts receivables arising from tuition program revenues are recorded at cost. Allowances for uncollectable accounts are reserved based upon historical write-offs. Accounts receivables are ultimately written off once management has exhausted all means of collection. As of August 31, 2019 CCDC management does not believe a reserve against uncollectable accounts is warranted.

Contributions policy - CCDC reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated asset. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, restricted net assets are reclassified to net assets without restrictions and reported in the statement of activities as net assets released from restrictions.

Property and equipment - Property and equipment are recorded at cost at date of acquisition or at estimated fair market value at date of donation. Expenditures for property and equipment in excess of \$500 are capitalized.

Depreciation is provided on a straight-line basis over the estimated useful lives of 5 to 10 years for program equipment and 5 years for computers. Leasehold improvements are being amortized over the remaining term of the related lease or its useful life (Note 4).

Contributed services - During the year ended August 31, 2019, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, many individuals volunteer their time and perform a variety of tasks that assist CCDC with their programs. CCDC receives more than 1,200 volunteer hours per year.

Income taxes - CCDC is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. CCDC's information returns from August 31, 2016 through 2018 are subject to examination by the appropriate taxing jurisdictions.

Deferred tuition and fees - Tuition and fees are recognized as revenue within the fiscal year in which the programs are conducted. Amounts received in advance of the program year are deferred until the next fiscal year.

Functional expenses - Functional expenses have been allocated between program services and supporting services based upon an analysis of personnel time and space utilized for the related activities.

Concentrations – The majority of families utilizing the services of CCDC live within Westport, Connecticut and the immediate surrounding communities.

Children's Community Development Center, Inc.
Notes to Financial Statements
August 31, 2019
(See Independent Accountant's Review Report)

NOTE 3 – LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and cash equivalents	\$ 270,633
Tuition receivable	<u>6,855</u>
	<u>\$ 277,488</u>

The endowment fund consists of donor restricted endowment and funds designated for scholarships, teacher education and staff child care discount. The income earned from this endowment is available for these purposes.

CCDC maintains liquidity through monthly cash flow from tuition billings, as well as donor contributions, special event revenues and United Way support.

NOTE 4 - PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

Program equipment	\$ 110,039
Computer and office equipment	23,635
Leasehold improvements	<u>473,414</u>
	607,088
Accumulated depreciation	<u>(505,316)</u>
	<u>\$ 101,772</u>

NOTE 5 – BOARD DESIGNATED NET ASSETS

Net assets available for a specific purpose for the year ended August 31, 2019 and were in held in cash accounts are as follows:

	Beginning Balance	Board Restricted	Used	Ending Balance
Endowment - scholarships	\$ 39,295		\$ (9,223)	\$ 30,072
Teacher education	4,000	4,000	(8,000)	-
Direct aid emergency fund	-	24,947	-	24,947
Program improvements	<u>8,916</u>	<u>19,875</u>	<u>(10,671)</u>	<u>18,120</u>
	<u>\$ 52,211</u>	<u>\$ 48,822</u>	<u>\$ (27,894)</u>	<u>\$ 73,139</u>

Children's Community Development Center, Inc.
Notes to Financial Statements
August 31, 2019
(See Independent Accountant's Review Report)

NOTE 6 – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes:

Subject to expenditure for specified purpose:	
Emergency fund	\$ 6,150
Art program	970
Endowments subject to appropriation:	
Endowment for scholarships	14,000
Endowment for child care teacher discounts	5,700
Endowment for teacher education	5,000
	\$ 31,820

No assets were release from restriction during 2018.

NOTE 7 - LEASE COMMITMENT AND RELATED PARTY

CCDC leases space from The Parent Child Center, Inc. (PCC) through an informal lease arrangement. The intention of the parties is to continue this lease arrangement into the foreseeable future. CCDC is represented on PCC's board of directors. Rent expense for 2019 was \$61,600.

Effective September 1, 2005, PCC executed a lease agreement with the Town of Westport for the facility, which CCDC occupies. The lease agreement between PCC and the Town of Westport is through August 2015 with a renewal option for an additional five years. The payment schedule to PCC under their informal lease arrangement, which includes utility reimbursement, is as follows:

For the year ending August 31,	
2020	\$ 63,148
2021	-
2022	-
2023	-
2024	-
Thereafter	-
Total	\$ 63,148

NOTE 8 – INSTALLMENT LOAN PAYABLE

CCDC maintains a credit card facility to purchase items from programs used on a regular basis. The balance in the account is paid in full each month and CCDC does not carry a balance on the credit card.

Children's Community Development Center, Inc.
Notes to Financial Statements
August 31, 2019
(See Independent Accountant's Review Report)

NOTE 9 - PENSION PLAN

Effective January 1, 1995, CCDC adopted a self directed 403(b) salary reduction plan. All employees are eligible to participate, and their contributions are immediately vested. CCDC contributes to the plan at various rates based upon length of employment. CCDC contributed \$41,080 to the plan for the year ended August 31, 2019.

NOTE 10 – SUBSEQUENT EVENTS

In accordance with FASB Accounting Standards Codification 855, Subsequent Events, CCDC has evaluated subsequent events to the Statement of Financial Position date of August 31, 2019 through October 31, 2019, which is the date the financial statements were issued. Management has determined that there are no subsequent events that require disclosure.

FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION

LEARNING COMMUNITY, INC.

WESTPORT, CONNECTICUT

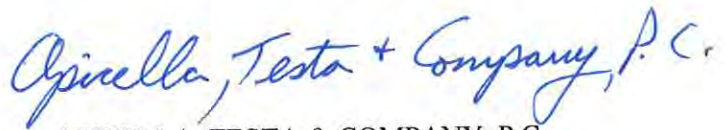
AUGUST 31, 2019 AND 2018

Board of Directors
Learning Community, Inc.
Westport, Connecticut

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Supplementary Information

The supplementary information included in Schedules I and II is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to the underlying accounting and other records used to prepare the financial statements. The supplementary information has been subjected to the review procedures applied in our review of the basic financial statements. We are not aware of any material modifications that should be made to the supplementary information. We have not audited the information and, accordingly, do not express an opinion on such information.



APICELLA, TESTA & COMPANY, P.C.
Certified Public Accountants

November 22, 2019

LEARNING COMMUNITY, INC.
STATEMENTS OF FINANCIAL POSITION

ASSETS		August 31,	
		<u>2019</u>	<u>2018</u>
CURRENT ASSETS			
Cash and cash equivalents, interest bearing of \$358,902 and \$105,095 as of August 31, 2019 and 2018, respectively	\$	675,611	\$ 566,281
Prepaid expenses		<u>55,822</u>	<u>52,554</u>
CURRENT ASSETS		731,433	618,835
INVESTMENTS		738,896	683,737
PROPERTY AND EQUIPMENT			
Furniture and equipment		104,982	96,928
Leasehold improvements		<u>502,123</u>	<u>469,639</u>
		607,105	566,567
Less accumulated depreciation		<u>336,234</u>	<u>302,570</u>
		<u>270,871</u>	<u>263,997</u>
		<u>\$ 1,741,200</u>	<u>\$ 1,566,569</u>
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Accounts payable	\$	5,200	\$ 11,381
Deferred revenue		934,386	817,815
Current Portion of long term debt		<u>6,034</u>	<u>6,034</u>
CURRENT LIABILITIES		945,620	835,230
LONG-TERM DEBT, less current portion		4,525	10,559
NET ASSETS			
Without donor restrictions		<u>791,055</u>	<u>720,780</u>
Total net assets		<u>791,055</u>	<u>720,780</u>
		<u>\$ 1,741,200</u>	<u>\$ 1,566,569</u>

See independent accountant's review report and accompanying notes to financial statements.

LEARNING COMMUNITY, INC.
STATEMENTS OF ACTIVITIES

	Years Ended August 31,	
	<u>2019</u>	<u>2018</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenue		
Tuition	\$ 1,149,211	\$ 1,094,514
Fundraising events	99,869	74,555
Summer program	58,105	50,720
Extended day	46,508	49,196
Supply fees	24,760	25,750
Application fees	20,250	20,900
Activity Fee	7,600	7,725
Contributions and grants	1,420	500
Miscellaneous income	<u>176</u>	<u>1,099</u>
Total Revenue and Support	1,407,899	1,324,959
Expenses:		
Program	1,141,712	1,069,108
General and administrative	171,527	165,874
Fundraising	<u>41,500</u>	<u>35,470</u>
Total Expenses	1,354,739	1,270,452
Income From Operations	53,160	54,507
Other income (loss):		
Unrealized investment gain (loss)	(5,703)	22,866
Investment income	22,818	19,186
Realized gain on sale of investments	<u>-</u>	<u>993</u>
Total Other Income	17,115	43,045
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	70,275	97,552
Net assets at beginning of year	<u>720,780</u>	<u>623,228</u>
NET ASSETS AT END OF YEAR	<u>\$ 791,055</u>	<u>\$ 720,780</u>

See independent accountant's review report and accompanying notes to financial statements.

LEARNING COMMUNITY, INC.
STATEMENTS OF CASH FLOWS

	Years Ended August 31,	
	<u>2019</u>	<u>2018</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets without donor restrictions	\$ 70,275	\$ 97,552
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	35,028	31,399
Unrealized investment (gain) loss	5,703	(22,866)
Realized (gain) loss on sale of investments	-	(993)
(Increase) decrease in assets:		
Prepaid expenses	(3,268)	(10,603)
Increase (decrease) in liabilities:		
Accounts payable	(6,181)	3,601
Deferred revenue	<u>116,571</u>	<u>(19,570)</u>
Net Cash Provided By Operating Activities	218,128	78,520
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(41,903)	(64,469)
Proceeds from sale of investments	-	123,690
Purchases of investments	<u>(60,861)</u>	<u>(183,983)</u>
Net Cash Used In Investing Activities	<u>(102,764)</u>	<u>(124,762)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from long-term debt	-	22,124
Payments on long-term debt	<u>(6,034)</u>	<u>(5,531)</u>
Net Cash Provided By (Used In) Financing Activities	<u>(6,034)</u>	<u>16,593</u>
NET INCREASE (DECREASE) IN CASH	109,330	(29,649)
Cash and cash equivalents at beginning of year	<u>566,281</u>	<u>595,930</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 675,611</u>	<u>\$ 566,281</u>

See independent accountant's review report and accompanying notes to financial statements.

LEARNING COMMUNITY, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019 AND 2018

NOTE 1 - NATURE OF ACTIVITIES

Learning Community, Inc. (the "Organization") is a non-profit, non-denominational school, which provides an alternative educational opportunity for children throughout Fairfield County. The school covers pre-school to kindergarten.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Accounting Period

The financial statements cover the fiscal year of the Organization for federal income tax purposes, which runs from September 1 through August 31.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly-liquid debt instruments purchased with a maturity of six months or less to be cash equivalents.

Investments

Investment purchases are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Investment return (loss) is reported in the statements of activities based on the existence or absence of donor imposed restrictions and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses. See Note 4 for additional details.

Property and Equipment

Acquisitions of property and equipment are recorded on the Statement of Financial Position at cost less accumulated depreciation to reflect the Organization's net investment in property and equipment. Depreciation on furniture and equipment is provided for over an estimated useful life of five to ten years on a straight-line basis. Depreciation on leasehold improvements is provided for over an estimated useful life of 5 to 39 years on a straight-line basis. Maintenance and repairs are charged to operations as incurred.

See independent accountant's review report.

LEARNING COMMUNITY, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
AUGUST 31, 2019 AND 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Deferred Revenue

The amount reported as deferred revenue represents tuition payments and fees received in advance of the school year.

Net Asset Classes

The Organization prepares its financial statements using guidelines established under FASB Accounting Standards Codification 958 (2016-14); the accounting standard requires that a non-profit organization provide information regarding the net assets of the organization based on the existence or absence of donor imposed restrictions. The types of restrictions are described as follows:

Net Assets Without Donor Restrictions

Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets with Donor Restrictions

Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. The organization does not have any net assets with donor restrictions.

Advertising

The Organization expenses advertising costs as they are incurred. Advertising costs for the years ended August 31, 2019 and 2018 totaled \$252 and \$698, respectively.

Donated Services

No amounts have been reflected in in statements for donated services in as much as no objective basis is available to measure the value of such services; however, a number of members have donated their time in the Organization's program services.

See independent accountant's review report.

LEARNING COMMUNITY, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
AUGUST 31, 2019 AND 2018

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Income Taxes

The Organization is a non-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision for income taxes has been made in the accompanying financial statements. The Organization recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management believes that the Organization has no tax positions that would require financial statement recognition or disclosure. The Organization's informational tax returns for fiscal years ending August 31, 2016 and after are subject to examination by the Internal Revenue Service, generally for three years from the date they were filed.

Expense Allocations

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification of detail of expenses by function. While directly identifiable expenses are charged to the specific programs and supporting services for which they incurred, certain costs have been allocated among the programs and supporting services benefited. Management and general expenses include those expenses that are not directly identifiable with any specific function, but provide for the overall support and direction of the organization.

Estimates and Assumptions

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

Reclassifications

Certain reclassifications have been made to the 2018 balances to conform to the 2019 presentation.

Subsequent Events

Management has evaluated subsequent events through November 22, 2019, the date the financial statements were available to be issued.

See independent accountant's review report.

LEARNING COMMUNITY, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
AUGUST 31, 2019 AND 2018

NOTE 3 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of the following:

	August 31,	
	<u>2019</u>	<u>2018</u>
Checking	\$ 316,709	\$ 461,186
Savings	<u>358,902</u>	<u>105,095</u>
	<u>\$ 675,611</u>	<u>\$ 566,281</u>

NOTE 4 - INVESTMENTS

Investments are stated at fair value and consist of various mutual funds as follows:

	August 31,			
	<u>2019</u>		<u>2018</u>	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
American Euro Pacific	\$ 11,597	\$ 10,407	\$ 11,319	\$ 10,546
BlackRock Global Dividend Portfolio	17,090	16,455	16,102	16,080
BlackRock Multi Asset	33,899	33,231	32,251	31,374
BlackRock Global Allocation Fund	18,872	18,565	18,872	19,512
Fidelity Advisor Floating Fund	37,235	36,455	35,437	35,328
Fidelity Advisor Strategic Fund	34,905	35,261	34,518	33,912
Goldman Sachs ETF Trust	26,359	29,535	8,461	10,281
IShares Core S&P Mid-Cap	25,806	63,037	25,806	68,457
IShares TR Russell 2000 Index FD	22,166	47,629	22,165	55,366
IShares TR Core MSCI EAF	9,096	8,900	9,096	9,557
Ishares Edge MSCI	12,849	13,662	-	-
John Hancock Strategic Income Fund	53,585	52,617	52,944	50,440
JP Morgan Strategic Income Fund	32,839	32,653	32,596	32,750
JP Morgan Diversified	19,670	22,299	19,670	22,464
Loomis Sayles SR Float	31,938	30,172	30,199	29,836
Loomis Sayles Investment Grade Bond Fd	57,241	55,536	57,241	52,975
Lord Abbett Short Duration Income Fund	62,505	58,300	60,289	55,395
PIMCO Income Fund CL I2	20,178	19,943	-	-
PIMCO Total Return Income Fund	76,825	75,277	77,007	71,080
SPDR S&P 500 EFT Trust	<u>32,398</u>	<u>78,962</u>	<u>32,398</u>	<u>78,384</u>
TOTAL	<u>\$ 637,053</u>	<u>\$ 738,896</u>	<u>\$ 576,371</u>	<u>\$ 683,737</u>

Investment advisory fees totaled \$6,901 and \$6,354 for August 31, 2019 and 2018, respectively.

See independent accountant's review report.

LEARNING COMMUNITY, INC.
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 AUGUST 31, 2019 AND 2018

NOTE 5 - FAIR VALUE MEASUREMENTS

The Organization's investments are reported at fair value in the accompanying statements of financial position.

Fair Value Measurements Using:

	<u>Fair Value</u>	Quoted Prices In Active Markets For Identical Assets (Level 1)
<u>August 31, 2019</u>		
Investments (Note 4)	\$ 738,896	\$ 738,896
<u>August 31, 2018</u>		
Investments (Note 4)	\$ 683,737	\$ 683,737

Generally accepted accounting principles provides a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair values for Level I are determined by reference to unadjusted quoted prices in active markets for identical assets. The Organization uses appropriate valuation techniques based on the available inputs to measure the fair value of investments. When available, the Organization measures fair value using Level I inputs because they generally provide the most reliable evidence of fair value. No Level 2 or Level 3 inputs were available to the Organization.

Level 1 Fair Value Measurements

The fair value of shares of registered investment companies is based on quoted net asset values of the shares held by the Organization at year end.

NOTE 6 - NET ASSETS

The Organization's Finance Committee and Board has decided that they will not designate any portion of the net assets without donor restriction for fiscal years 2019 and 2018.

See independent accountant's review report.

LEARNING COMMUNITY, INC.
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 AUGUST 31, 2019 AND 2018

NOTE 7 - LONG-TERM DEBT

Long-term debt consists of the following:

	August 31,	
	2019	2018
\$22,124 note payable to Eversource Energy in monthly installments of \$503, non-interest bearing, maturing May 2021. Secured by equipment.	\$ 10,559	\$ 16,593

Principal is scheduled to be repaid as follows:

Year Ending August 31,		
2020	\$	6,034
2021		4,525
2022		-
2023		-
2024		-
Thereafter		-
		\$ 10,559

NOTE 8 - LEASED FACILITIES

The Organization conducts its operations from shared facilities that are rented. The annual rent is determined as a percentage of the total operating expenses of the shared facility used by the Organization. The Organization's share is 35.04% and the monthly rent payments were determined to be \$6,480.46 per month for the year. The prior lease expired on August 31, 2014 and was renewed for an additional five-year term until August 31, 2019. The organization is in the process of renegotiating terms with the Town of Westport. In addition, the Town of Westport (Lessor) may reacquire the use of the premises if it deems the additional space is required for the use of its public school system. This will require that the lessee be given no less than twenty-four month's notice of the Town's intentions. Rent expense for the years ended August 31, 2019 and 2018 amounted to \$75,307 and \$77,141 respectively.

See independent accountant's review report.

LEARNING COMMUNITY, INC.
NOTES TO FINANCIAL STATEMENTS - CONTINUED
AUGUST 31, 2019 AND 2018

NOTE 9 - RETIREMENT PLAN

Effective March 2000, the Organization adopted a defined contribution retirement plan, which covers substantially all salaried employees. The Organization's contributions to the plan are at the discretion of the Board of Directors. Employees may make contributions to the plan subject to the limitations regulating deductions for federal income tax purposes.

The Organization's contribution for the years ended August 31, 2019 and 2018 totaled \$23,876 and \$20,958, respectively.

NOTE 10 - FUNDRAISING ACTIVITIES

Total fundraising costs were \$41,500 and \$35,470 for the years ended August 31, 2019 and 2018, respectively.

NOTE 11 - CONCENTRATIONS OF CREDIT RISK

The Organization maintains its cash accounts in commercial banks. The balances are insured by the Federal Deposit Insurance Corporation for up to \$250,000 per bank. As of August 31, 2019 and 2018, the Organization's balances exceeded this limit by \$429,025 and \$316,281, respectively.

NOTE 12 - LIQUIDITY

The organization has \$675,611 of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure. Financial assets comprise of cash, cash equivalents and accounts receivable.

See independent accountant's review report.

SUPPLEMENTARY INFORMATION

LEARNING COMMUNITY, INC.
SCHEDULE I - DETAILS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2019

	Program Services	Fundraising	General and Administrative	Total
Wages - teachers	\$ 654,140	\$ -	\$ -	\$ 654,140
Wages - administrative	-	10,000	140,826	150,826
Rent	75,307	-	-	75,307
Payroll taxes	58,995	770	10,844	70,609
Employee benefits	48,805	728	9,762	59,295
Staff bonuses	46,733	-	3,518	50,251
Depreciation	35,028	-	-	35,028
Fundraising events	-	30,002	-	30,002
Wages - summer	26,660	-	-	26,660
Pension	23,876	-	-	23,876
Office supplies and expense	21,660	-	-	21,660
All school expense	21,285	-	-	21,285
Classroom expenses	19,197	-	-	19,197
Insurance	15,830	-	1,377	17,207
Building cleaning	16,740	-	-	16,740
Educational Consultant	16,361	-	-	16,361
Music/drama expense	11,865	-	-	11,865
Staff development	6,953	-	-	6,953
Coach John	6,850	-	-	6,850
Contracted labor	6,127	-	-	6,127
Activity Costs	5,551	-	-	5,551
Professional fees	-	-	5,200	5,200
Repairs and maintenance	4,005	-	-	4,005
Miscellaneous	4,327	-	-	4,327
Equipment rental	3,491	-	-	3,491
Telephone	3,272	-	-	3,272
Licensing costs	1,873	-	-	1,873
Summer expenses	1,868	-	-	1,868
Art program expense	1,344	-	-	1,344
Postage	1,111	-	-	1,111
Nurse	1,050	-	-	1,050
Dues and subscriptions	490	-	-	490
Director's expense	441	-	-	441
Advertising	252	-	-	252
Website maintenance	225	-	-	225
	<u>\$ 1,141,712</u>	<u>\$ 41,500</u>	<u>\$ 171,527</u>	<u>\$ 1,354,739</u>

See independent accountant's review report.

LEARNING COMMUNITY, INC.
 SCHEDULE II - DETAILS OF FUNCTIONAL EXPENSES
 FOR THE YEAR ENDED AUGUST 31, 2018

	Program Services	Fundraising	General and Administrative	Total
Wages - teachers	\$ 622,537	\$ -	\$ -	\$ 622,537
Wages - administrative	-	10,000	136,687	146,687
Rent	77,141	-	-	77,141
Payroll taxes	56,000	770	10,525	67,295
Employee benefits	46,663	692	9,006	56,361
Staff bonuses	42,746	-	3,217	45,963
Depreciation	31,399	-	-	31,399
Fundraising events	-	24,008	-	24,008
Office supplies and expense	23,233	-	-	23,233
Wages - summer	22,734	-	-	22,734
Pension	20,958	-	-	20,958
Classroom expenses	18,353	-	-	18,353
All school expense	17,246	-	-	17,246
Insurance	14,251	-	1,239	15,490
Building cleaning	15,345	-	-	15,345
Music/drama expense	12,005	-	-	12,005
Repairs and maintenance	9,216	-	-	9,216
Contracted labor	5,627	-	-	5,627
Coach John	5,490	-	-	5,490
Miscellaneous	5,258	-	-	5,258
Professional fees	-	-	5,200	5,200
Activity Costs	4,557	-	-	4,557
Equipment rental	3,912	-	-	3,912
Staff development	2,861	-	-	2,861
Telephone	2,810	-	-	2,810
Licensing costs	1,616	-	-	1,616
Nurse	1,575	-	-	1,575
Art program expense	1,222	-	-	1,222
Postage	1,008	-	-	1,008
Summer expenses	848	-	-	848
Equipment maintenance	822	-	-	822
Advertising	698	-	-	698
Directors Expense	377	-	-	377
Dues and subscriptions	375	-	-	375
Website maintenance	225	-	-	225
	<u>\$ 1,069,108</u>	<u>\$ 35,470</u>	<u>\$ 165,874</u>	<u>\$ 1,270,452</u>

See independent accountant's review report.



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BERCHEM MOSES.COM

PLEASE REPLY TO
WESTPORT OFFICE

Robert L. Berchem
Marsha Belman Moses
Stephen W. Studer ▶
Richard J. Buturla
Floyd J. Dugas
Rolán Joni Young
Ira W. Bloom
Jonathan D. Berchem ◊
Michelle C. Laubin ◆
Gregory S. Kimmel
Christopher M. Hodgson
Christine Owens Morgan
Mario F. Coppola

January 29, 2020

Board of Finance
Town of Westport
Town Hall
110 Myrtle Avenue
Westport, CT 06880

Re: Town Attorney Budget

Dear Board Members:

As a result of numerous unanticipated matters and ongoing affordable housing matters, I am seeking additional funds for the contract services line of the Town Attorney Budget.

By way of background, this budget line was approved at \$510,000. Through five months, we have expended \$289,726.68, of which \$138,000 was spent on four affordable housing-related matters alone. Other matters before the Freedom of Information Commission and the Public Utility Regulatory Authority have taken considerable time. In addition, we have our typical assortment of administrative appeals, tax appeals, and miscellaneous litigation that occurs during most years.

Allowing for a possible transfer of \$30,000 from the Negotiation Services line of the Town Attorney budget, we are requesting an additional \$170,000 for the balance of the 2019-2020 fiscal year.

This is my twenty-third year as Town Attorney. In approximately six of those years, I have similarly sought additional funds from the Board of Finance and RTM. During the remainder of these years, I have worked completely within this budget or returned funds to the Town. The contract service line in the budget encompasses litigation, administrative hearings, and other types of ongoing extended projects. It is an estimate only but based on extensive past practice. This fiscal year has clearly been the heaviest docket of cases and expenditure of time in my experience as Town Attorney. Most of the above matters will extend well beyond June 30, 2020.

Approved for submission
To Board of Finance (2/19/20)

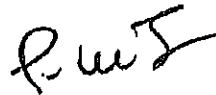
James S. Marpe
First Selectman

- * - Also Admitted in CA
- ◊ - Also Admitted in IL
- ▶ - Also Admitted in MA
- - Also Admitted in NJ
- ◆ - Also Admitted in NY
- ◊ - Also Admitted in PA

Board of Finance
January 29, 2020
Page 2 of 2

Your favorable action on this request would be appreciated.

Sincerely,

A handwritten signature in black ink, appearing to read "Ira W. Bloom". The signature is written in a cursive style with a large initial "I" and "B".

Ira W. Bloom

IWB.yc