

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

of the

**TOWN OF NEWTOWN,
CONNECTICUT**

YEAR ENDED

JUNE 30, 2013

**PREPARED BY:
THE FINANCE DEPARTMENT**

ROBERT G. TAIT, FINANCE DIRECTOR

TOWN OF NEWTOWN, CONNECTICUT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2013

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Introductory Section

TOWN OF NEWTOWN, CONNECTICUT

LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2013

First Selectman

E. Patricia Llodra

Selectmen

William F. L. Rodgers

James O. Gaston Sr.

Board of Finance

John W. Kortze
Chairman

James O. Gaston Jr.
Joseph W. Kearney
Richard Oparowski

Carol Walsh
Harrison A. Waterbury

Legislative Council

A. Jeffrey Capeci
Chairman

Daniel J. Amaral
Phil Carroll
Neil Chaundary
George T. Ferguson
Kathy Fetchick
Joe Girgasky

Daniel T. Honan
Mary Ann Jacob
Paul Lundquist
Robert Merola
Dan Wiedermann

Finance Director

Robert G. Tait

Chief of Police - Michael Kehoe
Director of Public Works - Frederick Hurley
Community Development Director - Elizabeth Stocker

Tax Collector - Carol Mahoney
Tax Assessor - Christopher Kelsey
Town Clerk - Debbie Aurelia

Board of Education

Debbie M. Leidlein
Chairman

Keith Alexander
Richard Gaines
William G. Hart Jr.

Cody McCubbin
Laura Roche
John N. Vourus

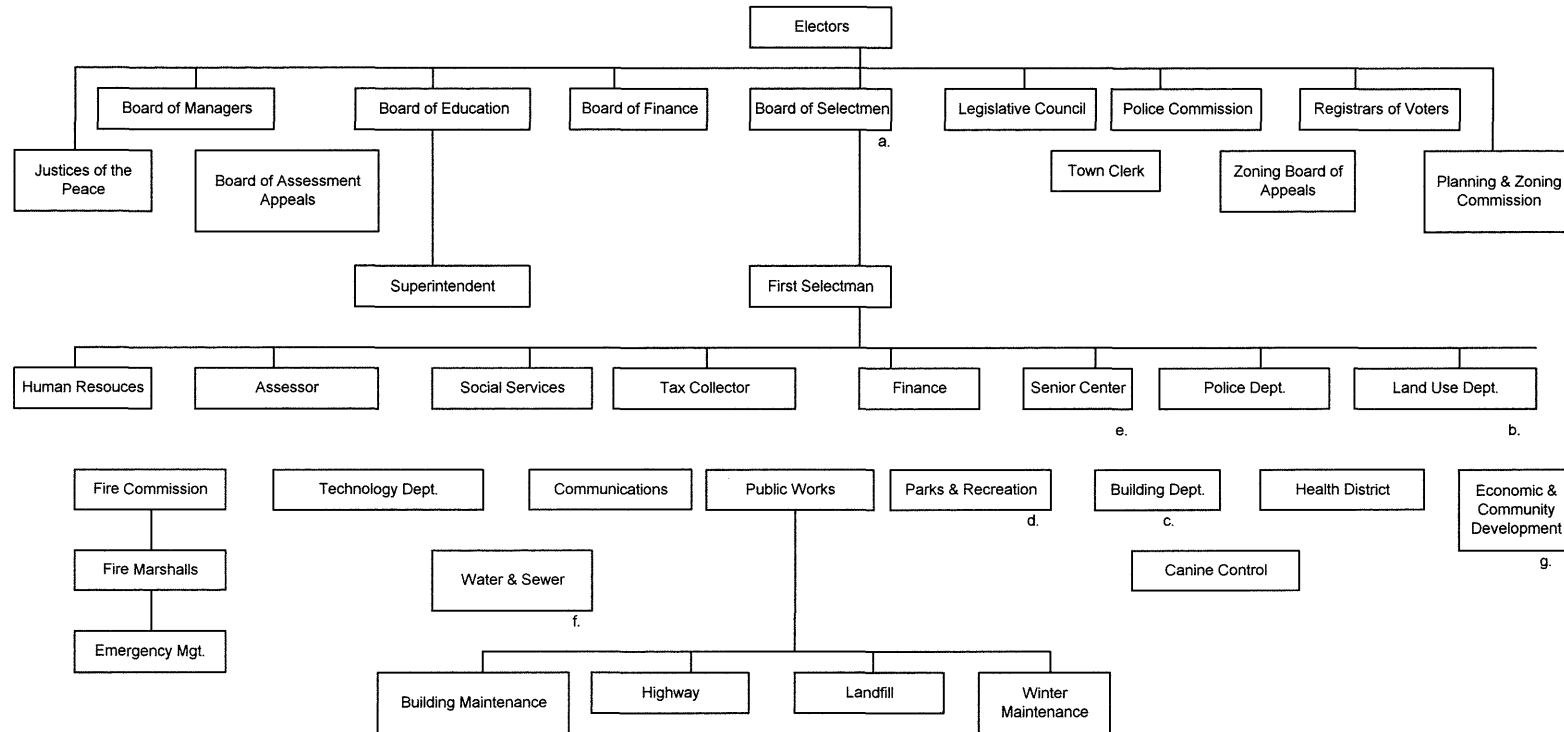
Janet Robinson - Superintendent of Schools
Ronald J. Bienkowski - School Business Manager

Independent Auditors

CohnReznick LLP

TOWN OF NEWTOWN, CONNECTICUT

ORGANIZATIONAL CHART



APPOINTED OFFICIALS, BOARDS, COMMISSIONS, AUTHORITIES:

legend

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

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



TOWN OF NEWTOWN

OFFICE OF THE FINANCE DIRECTOR

December 10, 2013

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

The Finance Department is pleased to present the Comprehensive Annual Financial Report ("CAFR") of the Town of Newtown for the year ended June 30, 2013. The report includes the independent auditor's report as required by Town Charter Chapter 6, Section 6-02 and the Connecticut Statutes. The report is prepared in conformity with generally accepted accounting principles ("GAAP") and standards set forth by the Governmental Accounting Standards Board ("GASB").

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

CohnReznick LLP, a public accounting firm fully licensed and qualified to perform audits of municipalities within the State of Connecticut, have audited the financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Newtown, Connecticut for the fiscal year ended June 30, 2013, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Newtown's financial statements for the fiscal year ended June 30, 2013, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Profile of the Town of Newtown

The Town of Newtown was incorporated in 1711 and has a favorable location in Fairfield County in the southwest part of the State of Connecticut about 60 miles northeast of New York City. The Town has a land area of 60 square miles and a population of 27,560.

The Town operates under a Charter adopted in 1961 and most recently revised in 2008. The charter retains a limited Town Meeting form of government with the First Selectman acting as the Town's chief executive officer and a twelve-member legislative council acting as the legislative body, with the exception of those items specifically enumerated on which the Town Meeting is authorized to act. A three-member Board of Selectmen generally supervises the administration of the Town. Fiscal matters are administered under a six-member Board of Finance and an appointed Finance Director. The Town provides a full range of services including police and volunteer fire protection; the construction and maintenance of highways, streets and other infrastructure; and recreational activities and cultural events.

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

Factors Affecting Financial Condition

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

The Town's economic base is supported by a diverse selection of goods-producing industries and services. Medical products, printing and publishing continue to be the leading manufacturing sectors in Newtown.

Factors Affecting Financial Condition (Continued)

New housing construction decreased from the previous year. In fiscal year 2013, 15 new housing permits were issued compared to 20 issued in fiscal year 2012. In fiscal year 2013, 1 new building commercial permit was issued compared to 2 issued in fiscal year 2012. Commercial permits were issued at a value of \$5,602,706 for fiscal year 2013 compared to a value of \$5,914,774 for fiscal year 2012.

The local labor force is feeling the impact of the adverse economy. The annual average unemployment rate for the labor force was 6.5% in fiscal year 2012. The unemployment rate for the labor force in fiscal year 2013 has increased slightly to 6.6%.

Property taxes, which account for approximately 90 percent of the general fund revenue, have provided a reliable revenue source, with collections consistently at or around 99 percent. Current tax collections were 99.0% of the adjusted tax levy.

The Town's per capita income of \$42,918 and personal income of \$114,695 are above the state's high averages, while housing prices are competitive relative to Fairfield County norms. Most residents work in regional employment centers in Fairfield County and Westchester County, New York.

The economic crisis has created challenges for the Connecticut state government in trying to meet their budget. Newtown's general fund receives over \$7.5 million dollars from the State of Connecticut, which helps offset local taxes. Any cuts in state aid will put increased pressure on local municipal budgets.

Long-Term Financial Planning

Board of Education The Board of Education and Town have embarked on a 100% State funded new Sandy Hook Elementary School to replace the one where the tragedy occurred. The budget has been set at \$50 million and the architectural firm of Svigals & Partners has been hired to design the building and Diversified Project Management has been selected as the Project Manager. Both companies have been actively working on this project for an August 2016 completion and occupancy.

The Board of Education also has planned a number of other building improvements staggered over the next five years. For the 2014-2015 year, proposed is a high school auditorium renovation, which will replace duct work, lighting, seating, and ceilings along with ADA code updates to include a fire sprinkler system, estimated to cost \$2.3 million.

For the 2015-2016 year, Phase II of the Hawley School ventilation improvements is proposed at \$4.5 million. Phase III to remove the steam radiators and boiler, along with ventilation improvements is scheduled for 2016-2017 at \$2.65 million.

For 2017-2018, the Board has proposed replacing inefficient obsolete windows at the Middle Gate School for \$400,000 and new boilers and piping to replace the steam system at the Newtown Middle School for \$2.2 million.

The fifth year of the Capital Improvement Plan, 2018-2019, includes an estimate of \$4.8 million for improvements to the ventilation system at the Newtown Middle School.

All of these planned renovations are essential to keep the school buildings functioning in a safe, efficient and reliable manner.

Parks and Recreation. The Parks and Recreation Department has been working with the Friends of Newtown Park and Bark to raise funds for an off-leash dog park adjacent to the new animal control facility at the end of Trades Lane. Additional funds of \$171,368 have been acquired through an endowment, and the construction of this dog park has begun. A soft opening should happen this fall of 2013, with a grand opening held in the spring of 2014. A Babe Ruth Baseball field at Watertown field was completely renovated due to combined funds from donations and the surcharge fund. Many generous companies donated services and products to help make this project complete. A new basketball court was built at Treadwell Park due to work by the Parks and Recreation Department and donations from NIKE Corporation. Lights were installed at the Newtown High School back field out of the Parks and Recreation Surcharge funds and Treadwell artificial turf field was resurfaced from these funds as well. The pool house at Treadwell was renovated from Capital Improvement funds for the 2013 swim season. A stream at Dickinson Park was day lighted and planted with native plantings from Grant funding. The Community Garden was moved to a new location at the Fairfield Hills Campus, with the addition of 25 semi-dwarf fruit trees donated from the Fruit Tree Planting Foundation. The food grown by volunteers supports the Newtown Food Pantries. A Master Plan for Eichler's Cove has been developed; this was the third year that the Parks and Recreation Department managed this facility. Future improvements to this sight as noted on the plan are improved parking and a bath and concession stand. The Master Plan for Dickinson Park is getting complete phase by phase. The new tennis courts, basketball courts and Skate Park were finished in fall of 2010. A new playground will be built in 2013/14 and \$438,000 has been bonded from the Capital Improvement Plan with over \$400,000 in donations. Construction is in progress for this project. Infrastructure Renovations to Treadwell Park for \$350,000 is planned for improvements for new tennis courts 2013/14.

Public Works Projects. The Public Works Department has \$25 million in planned projects for the next five years, depending on the availability of funding. \$10 million is scheduled for sewer and water system improvements at the main waste water treatment plant and for the overall infrastructure at the Fairfield Hills Campus. \$5 million is planned for bridge improvements and \$10 million for various highway projects. These projects include both solely Town funded and partner projects with the State and Federal governments.

Economic Development.

The Newtown Economic Development Commission actively promotes and supports projects that lead to new business development and jobs. As a result, Newtown continues to experience growth in and interest for commercial development. New commercial buildings are being constructed and occupied by businesses new to Newtown and existing commercial buildings have been renovated for new tenants. An example of the renovation work is underway on a former Pitney Bowes facility, which is being converted for Advanced Fusion Systems.

This new company is involved in the manufacturing of technology for the power electronics market and expects to employ 200 workers by the end of 2014. Another example is the Tier One building on Pecks Lane that was once home to DuPont. There are now about eight businesses operating from this facility. The Commission's latest initiative is the FAST TRACK permitting process that helps get commercial projects through land use permitting in 45 or fewer days.

Curtis Corporate Park contributed to the growth in new businesses as the park offers well-positioned commercial building lots close to I-84. East Haven Lumber, Environmental Energy Services, American Stair, Architectural Glass Industries and Quickcomm occupy both industrial and headquarter facilities in the park. An industrial condominium attracted several smaller businesses to the park. A few lots remain for additional growth opportunities.

South Main Street (Rt. 25) continues to attract new development projects. The final of three phases at Highland Plaza is complete and leasing of the 22,000 square foot building is underway. The Plaza is anchored by the restaurant Fusion 25, a local accounting firm and Butcher's Best Market, a specialty food market. Several small businesses have opened in the plaza as well. Plaza South, a neighborhood shopping center, added significant new retail space to the corridor along with a nice mix of new businesses, while Sand Hill Plaza continues to maintain an attractive mix of retail and service providers. Two new mixed use office buildings were approved for construction in 2013 and new interest in construction of a preapproved 20,000 square foot mixed retail/office complex is under discussion. A redevelopment plan for the former Blue Linx property is also on the drawing board and should take shape in the coming fiscal year. These developments and a couple of smaller projects were made possible by the zoning codes and land use policy that enhance economic development in the corridor.

Sandy Hook Village is a vibrant and walkable commercial district that has unique shops and a variety of service businesses. Revitalization efforts attracted private investment and new business development. The renovation and occupancy of several historic buildings, the river walk and ongoing promotion by the commercial district organization SHOP contribute to the successful and ongoing revitalization. The second phase of the Sandy Hook Streetscape project is complete and involved the realignment of the intersection along with new pedestrian amenities including sidewalks, curbing, landscaping and decorative street lighting. The work ties the commercial district together with surrounding neighborhoods improving pedestrian and vehicular flow and safety. The streetscape project was funded by a variety of sources including state, local and private money. A new marketing plan is sure to provide additional private interest in the district, which has several attractive properties that are available for reuse and redevelopment. The reconstruction and occupancy of the Sandy Hook Elementary School is important to this neighborhood community and will be a key element for continuing the private investment in the district.

The Newtown Technology Park is planned for a 23 acre Town-owned parcel of land located directly off Exit 10 off I-84. The park is being marketed to technology-based businesses by the Economic Development Commission. Planning for the development has been funded by state and local funds. Local land use approvals are in place to help move the project to the development phase.

Fairfield Hills Campus. This former state hospital was purchased by the Town of Newtown in 2004. A comprehensive reuse vision for the property calls for reserving a major portion of the 185 acre property for municipal, cultural, passive and active recreational uses. Roughly 130 acres will remain as open space. The Town was successful in acquiring several state and federal grants to assist with infrastructure improvements, environmental remediation and building renovation work. To date, soil remediation has been completed; the engineering house has been renovated and is in use for security and other activities; a baseball field has been completed and is in use; Phase I of the walking trails has been completed and plans for Phase II are complete; Phase I electric, gas and communication infrastructure improvements has been completed; the Newtown Youth Academy, a privately owned and operated business, opened in 2008 on land leased from the Town and the Newtown Municipal Center opened in 2009 in the former Bridgeport Hall; environmental remediation of six buildings has occurred; Greenwich, Fairfield, Litchfield and Yale buildings have been taken down and nine more buildings will be removed in 2014.

The redevelopment project has already created hundreds of temporary jobs in the construction and service sectors. Approximately 120 permanent jobs are currently on site. A select number of existing buildings and land parcels have been designated for commercial purposes. The Economic Development Commission is assisting the Fairfield Hills Authority with marketing the commercial aspects of the property. A lease for a duplex building will be signed in 2014, and renovation of the building for office and meeting space should begin in the spring of 2014.

Relevant Financial Policies

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

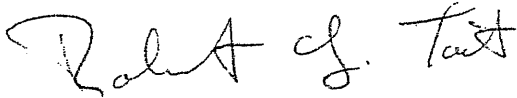
Awards. The Government Finance Officers Association ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its Comprehensive Annual Financial Report ("CAFR") for the fiscal year ended June 30, 2012. This was the fifteenth consecutive year that the Town has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the Town published an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

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

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

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Robert G. Tait". The signature is written in a cursive, flowing style.

Robert G. Tait
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Town of Newtown
Connecticut**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

Financial Section

Independent Auditor's Report

Board of Finance
Town of Newtown, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Newtown, Connecticut, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Newtown, Connecticut, as of June 30, 2013, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of Funding Progress and Employer Contributions - Newtown Retirement System and Newtown Other Post-Employment Benefit Plan on pages 14-24 and pages 73-76, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Newtown, Connecticut's basic financial statements. The introductory section, supplemental schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2013, on our consideration of the Town of Newtown, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance with the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Newtown, Connecticut's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CohnReznick LLP".

Farmington, Connecticut
December 10, 2013



TOWN OF NEWTOWN OFFICE OF THE FINANCE DIRECTOR

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2013

As management of the Town of Newtown, Connecticut, we offer readers of the Town of Newtown's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal in the introductory section of this report.

Financial Highlights

- On a government-wide basis, the Town's net position grew by \$5.2 million for the fiscal year, \$5.5 million of which was generated by governmental activities, while there was a decrease of \$0.3 million due to business-type activities of the Town. The increase was due substantially to significant decrease in debt service payments of approximately \$8.7 million, net with decrease in capital assets of \$3.9 million. The decrease in capital assets is primarily due to the impairment of Sandy Hook Elementary School.
- The Town's combined net position totaled \$216.2 million at June 30, 2013. Of this amount, the unrestricted components were \$16.9 million in governmental activities and \$6.7 million in business-type activities.
- At year end, unassigned fund balance for the general fund was \$9,390,049 or 8.9% of total general fund budgetary expenditures and other financing uses.
- The Bonded Projects fund has a deficit of \$1,036,866 due to the Sandy Hook Streetscape Project and the Hawley Boiler/HVAC project for which bonds have been authorized but unissued as of the end of the fiscal year.

Overview of the Financial Statements

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

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

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

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

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

The government-wide financial statements can be found on Exhibits A and B.

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

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

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

The Town maintains 30 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the two funds considered to be major funds. Data from the other 28 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in Schedules 5 and 6.

The Town adopts an annual budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget. The basic governmental fund financial statements can be found in Exhibits C, D and F.

Proprietary funds. The Town of Newtown maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The Town uses an enterprise fund to account for its wastewater operations and the water operations at the Fairfield Hills property. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses an internal service fund to account for its Town and Board of Education medical benefits and Board of Education personnel dental benefits. Because both of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statement provides information for the water operations and for the wastewater operations, which are considered to be major funds of the Town. The internal service fund financial statement provides information for the school employee and dependent dental plan benefits.

The basic proprietary fund financial statements can be found in Exhibits G, H and I.

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

The basic fiduciary fund financial statements can be found in Exhibits J and K.

Notes to financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found in Exhibit L.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town of Newtown's progress in funding its obligation to provide pension benefits and other post employment benefits to its employees.

The combining statements and supplemental schedules referred to earlier in connection with nonmajor governmental are presented immediately following the required supplementary information on pensions.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Newtown, assets exceeded liabilities by \$216.2 million at the close of the fiscal year.

The largest portion of the Town's net position (87.2%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure), less any related debt and related liabilities used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Town of Newtown, Connecticut Net Position

	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
Current and other assets.....	\$ 32,174,248	\$ 29,108,896	\$ 6,863,293	\$ 7,738,503	\$ 39,037,541	\$ 36,847,399
Capital assets (net).....	243,337,409	246,899,760	28,915,472	29,309,161	272,252,881	276,208,921
Total assets.....	275,511,657	276,008,656	35,778,765	37,047,664	311,290,422	313,056,320
Deferred outflows of resources.....	2,275,484	2,532,576	12,004	7,398	2,287,488	2,539,974
Long-term liabilities outstanding....	75,414,518	83,428,913	3,334,549	4,292,851	78,749,067	87,721,764
Other liabilities.....	17,423,857	15,819,588	1,095,793	1,036,570	18,519,650	16,856,158
Total liabilities.....	92,838,375	99,248,501	4,430,342	5,329,421	97,268,717	104,577,922
Deferred inflows of resources.....	112,611				112,611	-
Net position:						
Net investment in capital assets...	164,022,205	160,006,067	24,629,094	24,084,436	188,651,299	184,090,503
Restricted.....	3,891,876	1,805,744			3,891,876	1,805,744
Unrestricted	16,922,074	17,480,920	6,731,333	7,641,205	23,653,407	25,122,125
TOTAL NET POSITION.....	\$ 184,836,155	\$ 179,292,731	\$ 31,360,427	\$ 31,725,641	\$ 216,196,582	\$ 211,018,372

An additional portion of the Town's net position of \$3.9 million represents resources that are subject to external restrictions on how they may be used. The remaining portion of net position is unrestricted and is \$23.7 million.

The Town's net position increased by \$5.2 million during the current fiscal year. The increase was primarily due to the decrease in debt service payments of approximately \$8.7 million, net with decrease in capital assets of \$3.9 million. The decrease in capital assets is primarily due to the impairment of Sandy Hook Elementary School.

Governmental activities. Already noted was the statement of activities' purpose in presenting information on how the Town's net position changed during the most recent fiscal year. A chart of statement of activities follows. For the fiscal year, net position increased \$5.2 million, with \$5.5 million of the increase coming from governmental activities. The majority of the increase in net position in governmental activities is related to the payment of long-term debt, net with impairment of Sandy Hook Elementary School. The reader should remember that the basis of accounting used in the government-wide statement of activities excludes capital expenses, while its revenues include general taxes whose primary purpose is for the construction of those very assets or their related debt service.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Town of Newtown, Connecticut Statement of Activities

	Governmental Activities		Business-type Activities		Totals	
	2013	2012	2013	2012	2013	2012
REVENUES:						
Program revenues:						
Charges for services.....	\$ 5,627,252	\$ 6,449,235	\$ 1,517,983	\$ 1,509,796	\$ 7,145,235	\$ 7,959,031
Operating grants and contributions.....	18,865,291	16,619,958			18,865,291	16,619,958
Capital grants and contributions.....	1,699,664	3,497,555			1,699,664	3,497,555
General revenues:						
Property taxes.....	96,220,137	95,287,752			96,220,137	95,287,752
Grants and contributions not restricted to specific programs.....	2,602,165	2,576,596			2,602,165	2,576,596
Contributions to permanent funds.....	1,387,342				1,387,342	-
Investment income.....	293,593	224,944	47,125	52,319	340,718	277,263
Miscellaneous.....	161,772	125,100			161,772	125,100
Gain on sale assets.....		90,000			-	90,000
TOTAL REVENUES.....	126,857,216	124,871,140	1,565,108	1,562,115	128,422,324	126,433,255
EXPENSES:						
General government.....	5,525,271	5,572,507			5,525,271	5,572,507
Public safety.....	9,986,240	9,859,389			9,986,240	9,859,389
Health and welfare.....	2,541,813	3,108,569			2,541,813	3,108,569
Land use.....	588,147	557,698			588,147	557,698
Public works.....	9,873,453	11,621,141			9,873,453	11,621,141
Parks and recreation.....	3,251,097	3,400,294			3,251,097	3,400,294
Education.....	83,295,987	82,229,207			83,295,987	82,229,207
Interest expense.....	2,530,417	3,294,660			2,530,417	3,294,660
Sewer Department.....			1,621,751	1,655,992	1,621,751	1,655,992
Water Department.....			308,571	287,707	308,571	287,707
TOTAL EXPENSES.....	117,592,425	119,643,465	1,930,322	1,943,699	119,522,747	121,587,164
INCREASE (DECREASE) IN NET POSITION BEFORE EXTRAORDINARY ITEM.....	9,264,791	5,227,675	(365,214)	(381,584)	8,899,577	4,846,091
EXTRAORDINARY ITEM - ASSET IMPAIRMENT.....	(3,721,367)				(3,721,367)	
INCREASE (DECREASE) IN NET POSITION.....	5,543,424	5,227,675	(365,214)	(381,584)	5,178,210	4,846,091
NET POSITION - JULY 1.....	179,292,731	174,065,056	31,725,641	32,107,225	211,018,372	206,172,281
NET POSITION - JUNE 30.....	\$ 184,836,155	\$ 179,292,731	\$ 31,360,427	\$ 31,725,641	\$ 216,196,582	\$ 211,018,372

Significant changes from the prior year for revenues are as follows:

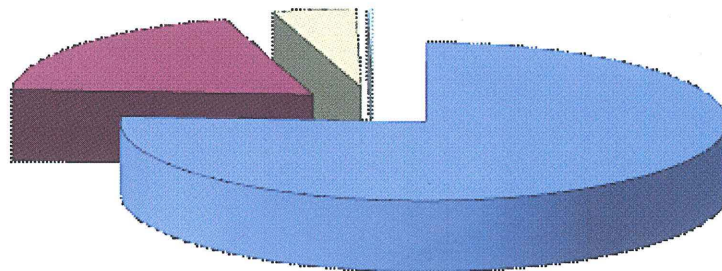
- Property taxes increased by \$932,385 as a result of normal growth in the budget due mostly to contracted salary and benefit increases.
- Operating grants and contributions increased by \$2,245,333. The most significant increase was due to contributions related to the Sandy Hook tragedy of \$575,000, the increase in grants related to education and the storm related FEMA reimbursements.
- Capital grants and contributions decreased by \$1,797,891 as a result of a decrease of \$1,306,000 in donated land and roads as compared to the prior year and the \$526,200 grant received for the Nunnawauk Meadows project in the prior year.

- Contributions to permanent funds increased by \$1,387,342 substantially due to the contribution made from a bequest for the care and education of animals of \$1,385,000.

Revenues

Governmental activities revenues totaled \$126.9 million for fiscal year 2013. Property taxes are the largest revenue source for the Town and represent 75.9% of governmental revenues. Current tax collections were 99.0% of the adjusted tax levy. Operating grants and contributions' revenues are the Town's second largest revenue. Operating grants and contributions' revenues include grants for school lunch program, education, law enforcement, daycare, public works, contributions to the Sandy Hook fund, Town gift fund and the V.G. Hair and Frances E. Hair fund. Operating grants and contributions' revenues account for 16.0% of governmental revenues for the year. Charges for services, the third largest revenue, amount to 4.4% of governmental revenues and include the school lunch program, adult education, Edmond Town Hall and park and recreation programs. Capital grants and contributions represent 1.3% of revenue and are made up of mostly school building grants and contribution to build the dog park. Grants and contributions not restricted to specific programs account for 2.1% and include elderly tax relief and in lieu of tax contributions. Investment income represents 0.2% of governmental revenue. Miscellaneous revenue accounts for the remaining governmental revenues and amount to 0.1% of governmental revenues.

Revenues-Governmental Activities



- Property Taxes
- Intergovernmental and Contributions
- Charges for Services
- Other

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Expenses

Significant changes from the prior year are as follows:

- Public works expense decreased by \$1,747,688 due mainly to a decrease of approximately \$767,000 in expenses associated with FEMA reimbursement, in addition to a decrease of \$776,000 in noncapitalized expenses in the current year.
- Health and welfare expenses decreased by \$566,756 substantially due to prior year expenses for the Nunnawauk Meadows project of \$526,200.
- Education expenses increased by \$1,066,780. The increase was mainly a result of the increase in the Education budget and increases in education grants related to the Sandy Hook tragedy.
- Interest expense decreased by \$764,243 due to decrease in annual interest payments associated with long-term debt. There was no debt issued and no refunding in the current year.

Governmental expenses totaled \$117.6 million for the fiscal year. Of the expenses, 70.8% or \$83.3 million is related to education. Public works expenses amounted to \$9.9 million, or 8.4%, while public safety amounted to \$10.0 million or 8.5%. Parks and recreation expenses were \$3.3 million or 2.8%. Interest expense was \$2.5 million or 2.2%. General government expenses were \$5.5 million, or 4.7%, health and welfare expenses were \$2.5 million or 2.2%, and land use expenses were \$0.6 million or 0.5%.

The extraordinary item relates to the asset impairment of the Sandy Hook Elementary School building as a result of the Town's decision to demolish the school due to the tragedy that occurred on December 14, 2012. The net book value of the building of \$3,721,367 was written down to \$0 as of June 30, 2013.

Business-Type Activities

Revenues

General revenues do not support the Town's business-type activities; thus, the largest source of revenues comes from charges for services. Of the \$1.6 million in revenue from the sewer department and water department, 97.0% comes from charges for services. Investment income makes up the final 3.0% of revenues for the Town's business activities.

Charges for services increased slightly during the year due a minor increase in customer consumption.

Expenses

Water department operating expenses increased \$20,864 for the fiscal year ended June 30, 2013 due to the increase in contract service related to operating the plant.

Financial Analysis of the Town's Funds

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

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

The combined fund balances of governmental funds for the fiscal year ended June 30, 2013 is \$16.6 million. Unassigned fund balance totals \$8.4 million. The remainder of fund balance is not available for appropriation or spending by the Town and is classified as follows: Nonspendable of \$0.6 million, Restricted of \$3.3 million, Committed of \$2.8 million and Assigned of \$1.6 million.

General Fund

The general fund is the operating fund of the Town. The budgetary fund balance of the general fund increased by \$1.0 million for the fiscal year. Revenues were higher than budgeted by \$0.4 million and expenditures were lower by \$0.5 million than the amount budgeted, led by \$0.2 million from public works. The net impact on fund balance was an increase of \$1.0 million. The property tax rate increased from 24.37 mills to 24.54 mills.

General Fund Budgetary Highlights

A detailed budgetary comparison schedule for the fiscal year ended June 30, 2013 can be found on Exhibit F. A summary of that schedule follows:

	BUDGET			VARIANCE WITH
	ORIGINAL	FINAL	ACTUAL	FINAL BUDGET
<u>REVENUES & OTHER FINANCING SOURCES</u>				
Taxes.....	\$ 96,248,905	\$ 96,248,905	\$ 96,477,212	\$ 228,307
All other revenues.....	9,875,933	9,875,933	10,056,350	180,417
Cancellation of prior encumbrances.....			49,887	49,887
Transfers in.....	122,000	122,000	122,000	-
Total.....	106,246,838	106,246,838	106,705,449	458,611
<u>EXPENDITURES & OTHER FINANCING USES</u>				
Expenditures.....	105,694,387	105,694,387	105,242,865	451,522
Transfer out	452,451	452,451	452,285	166
Total.....	106,146,838	106,146,838	105,695,150	451,688
CHANGE IN FUND BALANCE.....	\$ 100,000	\$ 100,000	\$ 1,010,299	\$ 910,299

General Fund Budgetary Highlights (continued)

During the year, there were no additional appropriations. Overall, revenues were higher than budgetary estimates and expenditures remained below budgeted amounts, with no department exceeding its annual appropriation.

Bonded Projects Fund

The Bonded Project fund revenues and other financing sources were less than its expenditures and other financing uses by \$983,261 for the fiscal year. The capital outlay activity will be financed in a subsequent fiscal year.

Proprietary funds. The Town's proprietary funds provide the same information found in the government-wide financial statements, but in more detail. The Town's enterprise funds posted an overall decrease in net position of \$0.4 million for the fiscal year ended June 30, 2013.

Sewer Fund

Unrestricted net position of the sewer fund at the end of the year amounted to \$7,269,550, a decrease of \$1,006,863 from the prior year.

Water Fund

Unrestricted net position of the water fund at the end of the year amounted to a deficit of \$538,217, an increase of \$96,991 from the prior year.

Self-Insured Medical Benefits Internal Service Fund

Unrestricted net position of the self-insured medical benefits fund at the end of the year amounted to \$2,492,600.

The Town's self-insured medical benefits fund recorded a decrease in net position for the year of \$112,578.

Other factors concerning the finances of these funds have already been addressed in the discussion of the Town's business-type activities.

Capital Assets and Debt Administration

At June 30, 2013, the Town of Newtown's capital assets for both governmental and business-type activities amounted to \$272.3 million, net of depreciation. This includes land, buildings, equipment, and infrastructure (roads and bridges). Capital assets for governmental activities decreased by 1.4% while business-type capital assets decreased 1.3%. These changes included the following:

Land increased by \$263,290 due mainly to donation of land for open space.

Construction in progress decreased by \$944,071 mainly due to the completion of the Middle School roof project and the Treadwell Pool renovation adding \$4,283,967 to building and systems, net with new construction in progress for the dog pound, Sandy Hook Streetscape, and several other smaller projects.

Buildings and systems decreased \$666,464 due to impairment of the Sandy Hook Elementary School of \$3,721,367 and annual depreciation expense net with capital asset additions noted above.

Land improvements and infrastructure decreases were due primarily to annual depreciation.

Town of Newtown, Connecticut**Capital Assets - Net**

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
Land.....	\$ 25,116,346	\$ 24,853,056	\$ 1,000	\$ 1,000	\$ 25,117,346	\$ 24,854,056
Intangible assets.....	3,687,270	3,687,270	621,407	664,758	4,308,677	4,352,028
Construction in progress.....	47,063,796	48,263,286	652,049	396,630	47,715,845	48,659,916
Buildings and systems.....	93,558,988	94,225,452			93,558,988	94,225,452
Land improvements.....	12,536,522	13,146,976			12,536,522	13,146,976
Plant and pumping stations....			9,376,274	9,655,352	9,376,274	9,655,352
Sewer distribution system.....			16,627,390	16,845,381	16,627,390	16,845,381
Water distribution system.....			1,480,264	1,566,579	1,480,264	1,566,579
Machinery and equipment.....	3,004,601	3,515,547	17,177	23,619	3,021,778	3,539,166
Vehicles.....	5,328,615	5,526,181	139,911	155,842	5,468,526	5,682,023
Infrastructure.....	53,041,271	53,681,992			53,041,271	53,681,992
TOTAL.....	\$ 243,337,409	\$ 246,899,760	\$ 28,915,472	\$ 29,309,161	\$ 272,252,881	\$ 276,208,921

Additional information on the Town's capital assets can be found in Exhibit L (III) C.

Long-term debt

For the year ended June 30, 2013, the Town's long-term debt decreased by a net of \$7,387,177, due to the payments for the outstanding issues. At the end of the current fiscal year, the Town had total governmental activities bond and note debt outstanding of \$77,707,317. Of this amount, \$77,707,317, less \$1,864,752 to be funded from state grants, comprises debt backed by the full faith and credit of the Town and \$4,291,513 is wastewater operations debt for which the Town is liable in the event of default by the property owners subject to the sewer assessment.

Long-term debt (continued)

TOWN OF NEWTOWN'S OUTSTANDING DEBT
General Obligation, Sewer Bonds, Clean Water and Water Notes

	Governmental Activities		Business-type Activities		Total	
	2013	2012	2013	2012	2013	2012
General purpose bonds	\$ 32,444,250	\$ 35,612,050	\$ 268,400	\$ 327,700	\$ 32,712,650	\$ 35,939,750
School bonds	43,668,950	47,542,550			43,668,950	47,542,550
Sewer bonds and clean water notes	1,478,911	1,816,834	4,023,113	4,903,085	5,502,024	6,719,919
Water notes	115,206	123,060			115,206	123,060
	<u>\$ 77,707,317</u>	<u>\$ 85,094,494</u>	<u>\$ 4,291,513</u>	<u>\$ 5,230,785</u>	<u>\$ 81,998,830</u>	<u>\$ 90,325,279</u>

The Town maintains an "AA+" rating from Standard & Poor's and an Aa1 rating from Moody's Investors Service for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 2 ¼ to 4 ½ times total tax collections including interest and lien fees. The current debt limitation for the Town is \$674,434,558, which is significantly in excess of the Town's outstanding general obligation debt.

Additional information on the Town's long-term debt can be found in Exhibit L (III) E.

Next Year's Budgets and Rates

The Town elected and appointed officials considered many factors when setting the fiscal year 2014 budget. The Town decided that it was important, because of the economic times, to present a budget with no or little tax increase. In order to meet the objectives of the 2014 budget, the Town recognized the need to continue its pattern of cost containment. However, this effort was offset by additional amounts budgeted for security as a result of the Sandy Hook Elementary School tragedy. The mill rate was set at 33.32, which represents a 35.8% increase. This was mainly due to a scheduled property assessment revaluation, resulting in decreased property values.

The 2014 general fund budget was \$109,949,825, an increase of 3.5% over the prior year adopted budget. Budgeted non-tax revenue was basically unchanged from the prior year.

The Town did not budget the use of any fund balance to balance the 2014 budget.

Requests for Information

This financial report is designed to familiarize our citizens, taxpayers and customers with the Town's finances and to demonstrate the Town's fiscal accountability for its operation. Questions concerning this report, or request for additional financial information, should be directed to Mr. Robert G. Tait, Finance Director, 3 Primrose Street, Town Hall, Newtown, CT 06470, Telephone (203) 270-4226.

Basic Financial Statements

TOWN OF NEWTOWN, CONNECTICUT

STATEMENT OF NET POSITION
JUNE 30, 2013

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Current assets:			
Cash.....	\$ 4,351,635	\$	\$ 4,351,635
Investments.....	17,602,382	1,432,731	19,035,113
Receivables:			
Property taxes.....	1,207,127		1,207,127
Assessment.....		813,786	813,786
Use charges.....		186,202	186,202
Intergovernmental.....	2,694,253		2,694,253
Loans receivable.....	20,626		20,626
Other.....	780,659		780,659
Internal balances.....	(747,599)	747,599	-
Other.....	338,661		338,661
Total current assets.....	26,247,744	3,180,318	29,428,062
Noncurrent assets:			
Restricted assets:			
Temporarily restricted:			
Cash.....	2,026		2,026
Investments.....	2,051,007		2,051,007
Permanently restricted:			
Cash.....	10,000		10,000
Investments.....	600,000		600,000
Total restricted assets.....	2,663,033	-	2,663,033
Receivables (net):			
Property taxes.....	1,293,137		1,293,137
Assessments.....		3,682,975	3,682,975
Intergovernmental.....	1,470,932		1,470,932
Loans receivable.....	206,080		206,080
Total receivables (net).....	2,970,149	3,682,975	6,653,124
Other noncurrent assets:			
Net pension asset.....	293,322		293,322
Capital assets (net of accumulated depreciation):			
Land.....	25,116,346	1,000	25,117,346
Intangible assets.....	3,687,270	621,407	4,308,677
Construction in progress.....	47,063,796	652,049	47,715,845
Buildings and systems.....	93,558,988		93,558,988
Land improvements.....	12,536,522		12,536,522
Plant and pumping stations.....		9,376,274	9,376,274
Sewer distribution system.....		16,627,390	16,627,390
Water distribution system.....		1,480,264	1,480,264
Machinery and equipment.....	3,004,601	17,177	3,021,778
Vehicles.....	5,328,615	139,911	5,468,526
Infrastructure.....	53,041,271		53,041,271
Total net capital assets.....	243,337,409	28,915,472	272,252,881
Total noncurrent assets.....	249,263,913	32,598,447	281,862,360
TOTAL ASSETS.....	275,511,657	35,778,765	311,290,422

(Continued)

TOWN OF NEWTOWN, CONNECTICUT

STATEMENT OF NET POSITION
JUNE 30, 2013

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred charge on refunding.....	\$ 2,275,484	\$ 12,004	\$ 2,287,488
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable.....	4,444,058	111,002	4,555,060
Accrued payroll.....	3,036,891		3,036,891
Accrued interest payable.....	1,230,745		1,230,745
Unearned revenue.....	649,317		649,317
Bonds, notes and related liabilities.....	7,581,211	963,833	8,545,044
Landfill post closure costs.....	17,000		17,000
Capital lease.....	60,915		60,915
Compensated absences.....	187,775		187,775
Termination benefits.....	16,000		16,000
Other liabilities.....	199,945	20,958	220,903
Total Current liabilities.....	17,423,857	1,095,793	18,519,650
Noncurrent liabilities:			
Bonds, notes and related liabilities.....	73,884,479	3,334,549	77,219,028
Landfill post closure costs.....	187,000		187,000
Capital lease.....	64,083		64,083
Compensated absences.....	751,098		751,098
Termination benefits.....	48,000		48,000
Net OPEB obligation.....	479,858		479,858
Total Noncurrent liabilities.....	75,414,518	3,334,549	78,749,067
TOTAL LIABILITIES.....	92,838,375	4,430,342	97,268,717
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenue - advanced property tax collections.....	112,611		112,611
<u>NET POSITION</u>			
Net investment in capital assets.....	164,022,205	24,629,094	188,651,299
Restricted for:			
Endowments:			
Nonexpendable.....	610,000		610,000
Expendable.....	2,149,535		2,149,535
General government.....	338,844		338,844
Public safety.....	76,149		76,149
Health and welfare.....	68,913		68,913
Education.....	648,435		648,435
Unrestricted.....	16,922,074	6,731,333	23,653,407
TOTAL NET POSITION.....	\$ 184,836,155	\$ 31,360,427	\$ 216,196,582

(Concluded)

See Notes to Financial Statements.

TOWN OF NEWTOWN, CONNECTICUT

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2013

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET EXPENSES AND CHANGES IN NET POSITION		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
GOVERNMENTAL ACTIVITIES:							
General government.....	\$ 5,525,271	\$ 657,318	\$ 216,257	\$	\$ (4,651,696)	\$	\$ (4,651,696)
Public safety.....	9,986,240	496,807	128,452		(9,360,981)		(9,360,981)
Health and welfare.....	2,541,813	18,660	24,718		(2,498,435)		(2,498,435)
Land use.....	588,147	67,810			(520,337)		(520,337)
Public works.....	9,873,453	936,145		715,225	(8,222,083)		(8,222,083)
Parks and recreation.....	3,251,097	1,314,279	202	984,439	(952,177)		(952,177)
Education.....	83,295,987	2,136,233	18,495,662		(62,664,092)		(62,664,092)
Interest expense.....	2,530,417				(2,530,417)		(2,530,417)
TOTAL GOVERNMENTAL ACTIVITIES....	117,592,425	5,627,252	18,865,291	1,699,664	(91,400,218)	-	(91,400,218)
BUSINESS-TYPE ACTIVITIES:							
Sewer Department.....	1,621,751	1,182,768				(438,983)	(438,983)
Water Department.....	308,571	335,215				26,644	26,644
TOTAL BUSINESS-TYPE ACTIVITIES.....	1,930,322	1,517,983	-	-	-	(412,339)	(412,339)
TOTAL.....	\$ 119,522,747	\$ 7,145,235	\$ 18,865,291	\$ 1,699,664	\$ (91,400,218)	\$ (412,339)	\$ (91,812,557)
GENERAL REVENUES:							
Property taxes.....					\$ 96,220,137	\$	\$ 96,220,137
Grants and contributions not restricted to specific programs.....					2,602,165		2,602,165
Contributions to permanent funds.....					1,387,342		1,387,342
Investment income.....					293,593	47,125	340,718
Miscellaneous.....					161,772		161,772
TOTAL GENERAL REVENUES.....					100,665,009	47,125	100,712,134
CHANGE IN NET POSITION BEFORE EXTRAORDINARY ITEM.....					9,264,791	(365,214)	8,899,577
EXTRAORDINARY ITEM - ASSET IMPAIRMENT.....					(3,721,367)		(3,721,367)
CHANGE IN NET POSITION.....					5,543,424	(365,214)	5,178,210
NET POSITION - JULY 1, 2012.....					179,292,731	31,725,641	211,018,372
NET POSITION - JUNE 30, 2013.....					\$ 184,836,155	\$ 31,360,427	\$ 216,196,582

See Notes to Financial Statements.

TOWN OF NEWTOWN, CONNECTICUT

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

	GENERAL	BONDED PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>				
Cash.....	\$ 340,590	\$	\$ 1,242,772	\$ 1,583,362
Investments.....	17,301,767		2,951,622	20,253,389
Receivables:				
Property taxes.....	2,064,005			2,064,005
Intergovernmental.....	563,159		1,551,352	2,114,511
Loans receivable.....			231,847	231,847
Other.....	129,039		147,628	276,667
Due from other funds.....	1,454,160		3,199,490	4,653,650
Other.....	293,086		45,575	338,661
TOTAL ASSETS.....	\$22,145,806	\$ -	\$ 9,370,286	\$ 31,516,092
<u>LIABILITIES</u>				
Accounts payable.....	\$ 1,885,913	\$ 499,781	\$ 633,100	\$ 3,018,794
Accrued liabilities.....	2,933,998		102,893	3,036,891
Due to other funds.....	4,580,662	537,085	917,075	6,034,822
Unearned revenue.....			649,317	649,317
Other liabilities.....	199,945			199,945
Total Liabilities.....	9,600,518	1,036,866	2,302,385	12,939,769
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenue - property taxes.....	1,626,445			1,626,445
Unavailable revenue - advanced property tax collections.....	112,611			112,611
Unavailable revenue - loans.....			231,847	231,847
TOTAL DEFERRED INFLOWS OF RESOURCES.....	1,739,056	-	231,847	1,970,903
<u>FUND BALANCES</u>				
Nonspendable.....			610,000	610,000
Restricted.....			3,281,876	3,281,876
Committed.....			2,761,894	2,761,894
Assigned.....	1,416,183		182,284	1,598,467
Unassigned.....	9,390,049	(1,036,866)		8,353,183
Total Fund Balances	10,806,232	(1,036,866)	6,836,054	16,605,420
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$22,145,806	\$ -	\$ 9,370,286	\$ 31,516,092

(Continued)

TOWN OF NEWTOWN, CONNECTICUT
RECONCILIATION OF FUND BALANCE
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2013

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET POSITION (EXHIBIT A) ARE DIFFERENT FROM THE GOVERNMENTAL FUND BALANCE SHEET. THE DETAILS OF THIS DIFFERENCE ARE AS FOLLOWS:

TOTAL FUND BALANCE (EXHIBIT C, PAGE 1).....	\$ 16,605,420
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CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS:

Beginning net capital assets	246,899,760
Capital assets additions (outlay).....	3,844,912
Capital assets additions (donations).....	706,600
Depreciation expense.....	(4,352,942)
Disposal of capital assets.....	(3,760,921)

OTHER LONG-TERM ASSETS ARE NOT AVAILABLE TO PAY FOR CURRENT PERIOD EXPENDITURES AND, THEREFORE, ARE DEFERRED IN THE FUNDS:

Property tax interest and lien accrual.....	1,009,259
Property tax and community development block grant receivable - accrual basis change.....	1,858,292
Allowance for doubtful accounts.....	(578,141)
School building grant receivable.....	2,050,674
Net pension asset.....	293,322

INTERNAL SERVICE FUNDS ARE USED BY MANAGEMENT TO CHARGE THE COST OF MEDICAL INSURANCE TO INDIVIDUAL DEPARTMENTS:

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.....	2,492,600
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SOME LIABILITIES, INCLUDING BONDS PAYABLE, ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS:

Bonds and notes payable.....	(77,707,317)
Premium.....	(3,758,373)
Deferred charges on refunding.....	2,275,484
Landfill post closure costs.....	(204,000)
Capital lease.....	(124,998)
Compensated absences.....	(938,873)
Termination benefits.....	(64,000)
Net OPEB obligation.....	(479,858)
Accrued interest payable.....	(1,230,745)

NET POSITION OF GOVERNMENTAL ACTIVITIES.....	\$ 184,836,155
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(Concluded)

TOWN OF NEWTOWN, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013

	GENERAL	BONDED PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:				
Property taxes.....	\$ 96,477,212	\$	\$	\$ 96,477,212
Intergovernmental.....	14,999,779		6,047,905	21,047,684
Charges for services.....	1,767,680		3,875,057	5,642,737
Investment income.....	108,233		50,855	159,088
Net change in fair value of investments.....			126,266	126,266
Contributions.....		957,516	2,473,350	3,430,866
Other.....	161,772			161,772
TOTAL REVENUES.....	113,514,676	957,516	12,573,433	127,045,625
EXPENDITURES:				
Current:				
General government.....	4,232,279		803,305	5,035,584
Public safety.....	8,367,257		1,251,774	9,619,031
Health and welfare.....	2,420,998		98,090	2,519,088
Land use.....	579,059			579,059
Public works.....	8,901,794		552,196	9,453,990
Parks and recreation.....	2,133,508		939,927	3,073,435
Education.....	74,874,327		7,414,446	82,288,773
Debt service.....	10,059,578			10,059,578
Capital outlay.....		1,940,777	539,829	2,480,606
TOTAL EXPENDITURES.....	111,568,800	1,940,777	11,599,567	125,109,144
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	1,945,876	(983,261)	973,866	1,936,481
OTHER FINANCING SOURCES (USES):				
Transfers in.....	122,000		452,285	574,285
Transfers out.....	(452,285)		(122,000)	(574,285)
Insurance proceeds.....			683,886	683,886
NET OTHER FINANCING SOURCES (USES).....	(330,285)	-	1,014,171	683,886
NET CHANGE IN FUND BALANCES	1,615,591	(983,261)	1,988,037	2,620,367
FUND BALANCES - JULY 1, 2012.....	9,190,641	(53,605)	4,848,017	13,985,053
FUND BALANCES - JUNE 30, 2013.....	\$ 10,806,232	\$ (1,036,866)	\$ 6,836,054	\$ 16,605,420

See Notes to Financial Statements.

TOWN OF NEWTOWN, CONNECTICUT

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2013**

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES
(EXHIBIT B) ARE DUE TO:

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS (EXHIBIT D)..... \$ 2,620,367

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital outlay.....	3,844,912
Depreciation expense.....	(4,352,942)
Total	(508,030)

The net effect of various miscellaneous transactions involving capital assets (i. e., sales, trade-ins and donations) is to increase net position. In the Statement of Activities, only the *loss* on the sale of capital assets is reported. However, in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the cost of the capital assets sold:

Contributed capital assets.....	706,600
Disposal of capital assets.....	(3,760,921)
Total	(3,054,321)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds and revenues recognized in the Fund Financial Statements are not recognized in the Statement of Activities:

School building grant receipts.....	(630,688)
Change in property tax and community development block grant - accrual basis change.....	(211,692)
Change in property tax and community development block grant interest and lien revenue.....	(60,868)
Total	(903,248)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Debt issued or incurred:	
Premium.....	390,500
Deferred charges.....	(257,092)
Principal repayments:	
General obligation debt.....	7,100,700
Notes payable.....	286,477
Total	7,520,585

(Continued)

See Notes to Financial Statements.

TOWN OF NEWTOWN, CONNECTICUT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2013

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Accrued interest payable.....	\$ (49,328)
Net pension asset.....	(8,238)
Landfill post closure.....	17,000
Capital lease.....	57,904
Compensated absences.....	(7,288)
Termination benefits.....	(32,000)
Net OPEB obligation.....	<u>2,599</u>
Total	<u>(19,351)</u>
Internal Service Funds are used by management to charge costs of medical insurance deductibles to individual departments.....	<u>(120,817)</u>
The net revenue of the activities of the Internal Service Fund is reported with governmental activities.....	<u>8,239</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (EXHIBIT B)	<u>\$ 5,543,424</u>

(Concluded)

TOWN OF NEWTOWN, CONNECTICUT

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Property taxes.....	\$ 96,248,905	\$ 96,248,905	\$ 96,477,212	\$ 228,307
Intergovernmental.....	7,572,970	7,572,970	8,018,665	445,695
Charges for services.....	1,948,613	1,948,613	1,767,680	(180,933)
Investment income.....	250,000	250,000	108,233	(141,767)
Other.....	104,350	104,350	161,772	57,422
TOTAL REVENUES.....	106,124,838	106,124,838	106,533,562	408,724
EXPENDITURES:				
Current:				
General government.....	3,987,469	4,191,005	4,145,042	45,963
Public safety.....	8,593,728	8,595,089	8,465,134	129,955
Health and welfare.....	2,434,695	2,436,521	2,420,998	15,523
Land use.....	580,591	583,152	579,059	4,093
Public works.....	9,259,245	9,250,521	9,090,587	159,934
Parks and recreation.....	2,173,076	2,176,316	2,133,508	42,808
Education.....	68,355,794	68,355,794	68,348,959	6,835
Contingency.....	250,000	46,200		46,200
Debt service.....	10,059,789	10,059,789	10,059,578	211
TOTAL EXPENDITURES.....	105,694,387	105,694,387	105,242,865	451,522
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	430,451	430,451	1,290,697	860,246
OTHER FINANCING SOURCES (USES):				
Transfers in.....	122,000	122,000	122,000	-
Cancellation of prior year encumbrances.....			49,887	49,887
Transfers out.....	(452,451)	(452,451)	(452,285)	166
NET OTHER FINANCING SOURCES (USES).....	(330,451)	(330,451)	(280,398)	50,053
NET CHANGE IN FUND BALANCE.....	\$ 100,000	\$ 100,000	1,010,299	\$ 910,299
FUND BALANCE - JULY 1, 2012.....			8,379,750	
FUND BALANCE - JUNE 30, 2013.....			\$ 9,390,049	

See Notes to Financial Statements.

TOWN OF NEWTOWN, CONNECTICUT

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013

	BUSINESS-TYPE ACTIVITIES			GOVERNMENTAL
	MAJOR FUNDS			ACTIVITIES
	SEWER DEPARTMENT	WATER DEPARTMENT	TOTAL	INTERNAL SERVICE FUNDS
<u>ASSETS</u>				
Current assets:				
Cash.....	\$ 1,432,731	\$	\$ 1,432,731	\$ 2,780,299
Investments.....				
Receivables:				
Assessments.....	813,786		813,786	
Use charges (net).....	106,197	80,005	186,202	
Other.....			-	503,992
Due from other funds.....	451,311	388,901	840,212	300,470
Total current assets.....	2,804,025	468,906	3,272,931	3,584,761
Noncurrent assets:				
Assessment receivables (net).....	3,682,975		3,682,975	
Advance to other funds.....	890,473		890,473	
Capital assets (net of accumulated depreciation/amortization):				
Land.....	1,000		1,000	
Construction in progress.....	610,433	41,616	652,049	
Intangible assets.....	463,267	158,140	621,407	
Plant and pumping stations.....	8,774,752	601,522	9,376,274	
Sewer distribution system.....	16,627,390		16,627,390	
Water distribution system.....		1,480,264	1,480,264	
Equipment.....	17,177		17,177	
Vehicles.....	139,911		139,911	
Total capital assets (net of accumulated depreciation/amortization).....	26,633,930	2,281,542	28,915,472	-
Total noncurrent assets.....	31,207,378	2,281,542	33,488,920	
TOTAL ASSETS.....	34,011,403	2,750,448	36,761,851	3,584,761
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred charge on refunding.....	12,004		12,004	
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable.....	86,965	24,037	111,002	
Claims payable.....			-	1,092,161
Due to other funds.....		92,613	92,613	
Bonds and notes payable.....	963,833		963,833	
Other.....	20,958		20,958	
Total current liabilities.....	1,071,756	116,650	1,188,406	1,092,161
Noncurrent liabilities:				
Advance from other funds.....		890,473	890,473	
Bonds and notes payable - net of premium.....	3,334,549		3,334,549	
Total noncurrent liabilities.....	3,334,549	890,473	4,225,022	-
TOTAL LIABILITIES.....	4,406,305	1,007,123	5,413,428	1,092,161
<u>NET POSITION</u>				
Net investment in capital assets.....	22,347,552	2,281,542	24,629,094	
Unrestricted.....	7,269,550	(538,217)	6,731,333	2,492,600
TOTAL NET POSITION.....	\$ 29,617,102	\$ 1,743,325	\$ 31,360,427	\$ 2,492,600

See Notes to Financial Statements.

TOWN OF NEWTOWN, CONNECTICUT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2013

	BUSINESS-TYPE ACTIVITIES			GOVERNMENTAL
	MAJOR FUNDS			ACTIVITIES
	SEWER DEPARTMENT	WATER DEPARTMENT	TOTAL	INTERNAL SERVICE FUNDS
OPERATING REVENUES:				
Charges for services.....	\$ 1,182,768	\$ 335,215	\$ 1,517,983	\$ 12,109,734
OPERATING EXPENSES:				
Professional services.....	526,017	13,136	539,153	
Contracted services.....	142,387	94,354	236,741	
Repairs and maintenance.....	207,802		207,802	
Utilities.....	112,117	48,772	160,889	
Claims incurred.....				11,332,532
Administration.....				898,019
Depreciation and amortization.....	537,145	111,963	649,108	
TOTAL OPERATING EXPENSES.....	1,525,468	268,225	1,793,693	12,230,551
OPERATING INCOME (LOSS).....	(342,700)	66,990	(275,710)	(120,817)
NONOPERATING REVENUES (EXPENSES):				
Investment income.....	47,125		47,125	8,239
Interest expense.....	(96,283)	(40,346)	(136,629)	
NET NONOPERATING REVENUES (EXPENSES).....	(49,158)	(40,346)	(89,504)	8,239
NET CHANGE IN NET POSITION	(391,858)	26,644	(365,214)	(112,578)
TOTAL NET POSITION - JULY 1, 2012.....	30,008,960	1,716,681	31,725,641	2,605,178
TOTAL NET POSITION - JUNE 30, 2013.....	\$ 29,617,102	\$ 1,743,325	\$ 31,360,427	\$ 2,492,600

See Notes to Financial Statements.

TOWN OF NEWTOWN, CONNECTICUTSTATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2013

	BUSINESS-TYPE ACTIVITIES			GOVERNMENTAL
	MAJOR FUNDS			ACTIVITIES
	SEWER DEPARTMENT	WATER DEPARTMENT	TOTAL	INTERNAL SERVICE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from charges for services.....	\$ 2,114,419	\$ 271,374	\$ 2,385,793	\$ 11,393,136
Cash payments to suppliers for goods and services.....	(967,426)	(142,497)	(1,109,923)	(900,060)
Claims paid.....				(11,317,741)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	1,146,993	128,877	1,275,870	(824,665)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchase of capital assets.....	(213,803)	(41,616)	(255,419)	
Payments on advance to other funds.....		(46,915)	(46,915)	
Receipts on advance from other funds.....	46,915		46,915	
Principal payments.....	(939,272)		(939,272)	
Interest payments.....	(96,811)	(40,346)	(137,157)	
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES.....	(1,202,971)	(128,877)	(1,331,848)	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income.....	47,125		47,125	8,239
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	(8,853)	-	(8,853)	(816,426)
CASH AND CASH EQUIVALENTS - JULY 1, 2012.....	1,441,584		1,441,584	3,596,725
CASH AND CASH EQUIVALENTS - JUNE 30, 2013.....	\$ 1,432,731	\$ -	\$ 1,432,731	\$ 2,780,299
RECONCILIATION TO EXHIBIT G - CASH:				
CASH AND CASH EQUIVALENTS PER ABOVE.....	\$ 1,432,731	\$ -	\$ 1,432,731	\$ 2,780,299
CASH AND CASH EQUIVALENTS REPORTED AS INVESTMENTS.....	(1,432,731)		(1,432,731)	
CASH - EXHIBIT G.....	\$ -	\$ -	\$ -	\$ 2,780,299
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss).....	\$ (342,700)	\$ 66,990	\$ (275,710)	\$ (120,817)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization.....	537,145	111,963	649,108	
(Increase) decrease in:				
Receivables.....	956,629	(1,840)	954,789	(537,296)
Due from other funds.....	(26,430)	(62,000)	(88,430)	(181,344)
Increase (decrease) in:				
Accounts payable.....	19,821	13,764	33,585	14,792
Other.....	2,528		2,528	
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	\$ 1,146,993	\$ 128,877	\$ 1,275,870	\$ (824,665)

See Notes to Financial Statements.

TOWN OF NEWTOWN, CONNECTICUTSTATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2013

	PENSION TRUST FUND	OTHER POST- EMPLOYMENT BENEFIT TRUST FUND	PRIVATE- PURPOSE TRUST FUND SANDY HOOK PRIVATE PURPOSE TRUST FUND	AGENCY FUNDS
<u>ASSETS</u>				
Cash.....	\$	\$	\$	\$ 393,735
Investments at Fair Value:				
Certificates of Deposit.....				424,214
Mutual Funds:				
Equity.....	9,896,398	243,900		
International Equity.....	5,208,520	117,193		
Money market mutual funds.....	1,778,511	20,713		
Fixed income mutual funds.....	1,219,612	27,432		
U.S. Government Securities.....	732,961	13,915		
U.S. Government Agency Securities.....	172,569			
Corporate Bonds.....	11,188,901	249,201		
Total Investments.....	30,197,472	672,354	-	424,214
Due from other funds.....		313,920	19,183	
TOTAL ASSETS.....	30,197,472	986,274	19,183	817,949
<u>LIABILITIES</u>				
LIABILITIES:				
Accounts payable.....		4,000		817,949
<u>NET POSITION</u>				
NET POSITION HELD IN TRUST FOR PENSION, OTHER POST-EMPLOYMENT BENEFITS AND OTHER PURPOSES.....	\$ 30,197,472	\$ 982,274	\$ 19,183	\$ -

See Notes to Financial Statements.

TOWN OF NEWTOWN, CONNECTICUTSTATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2013

	PENSION TRUST FUND	OTHER POST- EMPLOYMENT BENEFIT TRUST FUND	PRIVATE- PURPOSE TRUST FUND SANDY HOOK PRIVATE PURPOSE TRUST FUND
ADDITIONS:			
Contributions:			
Employer.....	\$ 1,262,007	\$ 775,470	\$
Plan members.....	453,257	361,794	
Others.....			152,453
Total contributions.....	1,715,264	1,137,264	152,453
Investment income (loss):			
Net change in fair value of investments.....	796,263	12,578	
Interest and dividends.....	1,128,389	26,127	
Total investment income (loss).....	1,924,652	38,705	-
Less investment expenses.....	157,162	8,752	
Net investment income (loss).....	1,767,490	29,953	-
TOTAL ADDITIONS.....	3,482,754	1,167,217	152,453
DEDUCTIONS:			
Benefits.....	1,417,321	795,441	
Assistance payments.....			133,270
TOTAL DEDUCTIONS.....	1,417,321	795,441	133,270
CHANGE IN NET POSITION.....	2,065,433	371,776	19,183
NET POSITION - JULY 1, 2012.....	28,132,039	610,498	
NET POSITION - JUNE 30, 2013.....	\$ 30,197,472	\$ 982,274	\$ 19,183

See Notes to Financial Statements.

TOWN OF NEWTOWN, CONNECTICUT**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2013****HISTORY AND ORGANIZATION**

The Town of Newtown was incorporated on October 11, 1711, and covers an area of 60 square miles. The Town operates under a Selectmen/Board of Finance/Legislative Council/Town Meeting form of government as prescribed by the Connecticut General Statutes and its charter, which was adopted in 1961 and amended in 2001. The Town provides the following services as authorized by its charter: public safety (police and fire), public works (streets and highways), public health and social services, water pollution control and solid waste disposal and education encompassing grades Pre K-12.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**A. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

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

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

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Agency funds do not have a measurement focus but are reported on the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers property taxes to be available if collected within 60 days of the end of the current fiscal period and intergovernmental revenues to be available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

Property taxes, expenditure-type reimbursement grants, certain intergovernmental revenues, transfers and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Bonded Projects Fund* accounts for the financial revenues to be used for major capital asset construction and/or purchases.

The Town reports the following major proprietary funds:

The *Sewer Fund* accounts for the activities of the Town's sewer operations. The types of revenues recorded in this fund are charges for services, connection and other fees.

The *Water Fund* accounts for the activities of the Town's water operations. The types of revenues recorded in this fund are charges for services and other fees.

Additionally, the Town reports the following fund types:

The *Internal Service Fund* accounts for risk financing activities for dental insurance and medical benefits as allowed by GASB Statement No. 10.

The *Pension Trust Fund* accounts for the activity of the Newtown Employees Retirement System, which accumulates resources for pension benefit payments to qualified employees.

The *Other Post Employment Benefit Trust Fund* accounts for the accumulation of resources for other post employment benefits for qualified employees.

The *Sandy Hook Trust Fund*, a private-purpose trust fund, accounts for contributions to benefit the families affected by the Sandy Hook tragedy and scholarships.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The *Agency Funds* are used to account for student activities, performance bonds, employee flex benefit program and the Police Benevolent Fund monies.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are other charges between the Town's sewer and water operations and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise fund and of the Town's internal service fund are charges to customers for sewer use charges and premiums for dental benefits. The enterprise fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating expenses for the enterprise fund and internal service fund include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

1. Deposits and Investments

Deposits - The Town's cash and cash equivalents consist of cash on hand, demand deposits, money market accounts and short-term investments with original maturities of three months or less from the date of acquisition.

Investments - The Town's eligible investments are governed by State of Connecticut Statutes which, in general, allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust (as defined), in obligations of any State or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. For the capital and nonrecurring fund, not more than 31% can be invested in equity security. Investment income is recorded in the fund in which it was earned.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Deposits and Investments (Continued)

Allowable investments under the pension funds' investment policy consist of investment grade corporate bonds as rated by Standard and Poor's, government bonds issued and guaranteed by the U.S. Treasury and U.S. Agencies, Federally insured certificates of deposit and equities consisting of stocks and mutual funds. Funds may also be invested in the high yield sector (bonds below investment grade) provided the investment is made in mutual funds and does not comprise more than 10% of the equity portion of the portfolio. Professional money managers are employed to manage the assets allocated to them. The board of selectmen, as trustee of the pension plans, is responsible for overall investment policy. Any change in investment manager or individual security purchase must have their approval. The pension committee acts as advisor to the board of selectmen.

Investments for the Town are reported at fair value. State Treasurers Investment Fund is an investment pool managed by the State of Connecticut Office of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c - 3-27e. Investment guidelines are adopted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares.

The balance of the pooled fixed income investments were invested in a 2a-7 like pool, which operates within State Statutes. The fair value of the position in the pool is the same as the value of the pool shares.

2. Receivables and Payables

a. Interfunds

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

b. Property Taxes and Other Receivables

In the government-wide financial statements, all property tax, sewer assessment, sewer use, and loan receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 1 to 30 percent of outstanding receivable balances and are calculated based upon prior collections.

Loan receivables consist of Community Development Block Grant loans. The Town provides low interest loans for residential rehabilitation.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2. Receivables and Payables (Continued)

b. Property Taxes and Other Receivables (Continued)

In the fund financial statements, all property taxes receivable at June 30, which have not been collected within sixty days of June 30, have been recorded as deferred inflows of resources, since they are not considered to be available to finance expenditures of the current fiscal year. Taxes collected during the sixty day period have been recorded as revenue.

Property taxes are assessed on property as of October 1. Taxes are billed in the following July for real estate and personal property tax bills of fifty dollars or more, and are due in two installments, July 1 and January 1. Motor vehicle taxes and taxes amounting to less than fifty dollars are due and payable July 1. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date.

3. Restricted Assets

The Hawley School Trust, Edmond Town Hall Endowment and Newtown Flagpole funds are restricted to expenditure of the investment income only for the donor designated purpose. Any appreciation of the Hawley School Trust and Edmond Town Hall Endowment funds is also restricted.

4. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities' columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 for equipment, \$20,000 for improvements and \$100,000 for infrastructure and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Capital Assets (Continued)

Property, plant and equipment of the Town are depreciated using the straight-line method over the following estimated useful lives:

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

Intangible assets for the governmental activities are non-development rights the Town has purchased on land parcels. These rights are in perpetuity; therefore, they are not amortized.

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

For governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. Accordingly, unavailable revenue is reported only in the governmental funds' balance sheet. The governmental funds report unavailable revenues from several sources: property taxes (including advance collections, if any) and loans. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. Net Position Flow Assumption

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

7. Compensated Absences

Employees of the Town and the Board of Education earn sick leave, which can accumulate, and vacation leave based on the provisions of negotiated contracts or other personnel policies. In no case do these sick leave rights vest with the employee. The payment of nonvesting accumulated sick pay benefits depends on the future illness of the employee and, therefore, no liability has been accrued in these financial statements for such payments.

Vacation leave vests with the employee, but is generally required to be taken within the calendar year earned for Town employees and subsequent year for certain Board of Education employees.

8. Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

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

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

9. Fund Equity and Net Position

In the government-wide financial statements, net position is classified into the following categories:

Net Investment in Capital Assets

This category presents the net position that reflect capital assets net of only the debt applicable to the acquisition or construction of these assets. Debt issued for non-capital purposes and unspent bond proceeds are excluded.

Restricted Net Position

This category presents the net position restricted by external parties (creditors, grantors, contributors or laws and regulations).

Unrestricted Net Position

This category presents the net position of the Town which is not restricted.

In the fund financial statements, fund balances are classified into the following categories:

Nonspendable

This category presents amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted

This category presents amounts that can be spent only for specific purposes because of enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed

This category presents amounts that can be used only for specific purposes determined by a formal action of the highest level of decision-making authority for the Town. Commitments may be established, modified, or rescinded through resolutions approved by Board of Finance/Legislative Council.

Assigned

This category presents amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Intent is expressed by the passing of a resolution by the Board of Finance or the Legislative Council or a properly approved purchase order.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

9. Fund Equity and Net Assets (Continued)

Unassigned

This category presents amounts that do not meet the criteria above and are available for any purpose. This category is only reported in the general fund for positive amounts and in any other fund that has a fund balance deficit.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, the Town considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless Board of Finance or Legislative Council has provided otherwise in its commitment or assignment actions.

Town Council has adopted a minimum fund balance policy for the general fund. The policy requires the Board of Finance/Legislative Council to prepare annual budgets that provide for the unassigned fund balance to be between 8 - 12 percent of the total operating general fund expenditures.

10. Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities including disclosures of contingent assets and liabilities and reported revenues, expenses and expenditures during the fiscal year. Accordingly, actual results could differ from those estimates.

11. Comparative Data/Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

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

- | | |
|---------------------------------|--|
| By February 1 | All Town departments, except the School System, submit the budget request to the Board of Selectmen. |
| By February 14 | The Board of Selectmen reviews budgets with department heads and makes revisions and submits Selectmen's budget to the Board of Finance. |
| By the First Wednesday in March | The Board of Finance holds a public hearing on the budget and reviews and makes revisions. |
| By March 14 | The Board of Finance submits the Town of Newtown budget to the Legislative Council. |
| By the Last Wednesday in March | The Legislative Council holds a public hearing on the budget and makes final revisions. |
| On the Fourth Tuesday in April | The Annual Budget Referendum is presented the budget and votes for adoption. |
- Within the first 335 days of the fiscal year, the First Selectman and Financial Director, in accordance with the provisions of the Charter, are authorized to transfer budgeted appropriations within a department up to \$50,000. All transfers within a department that exceed the sum of \$50,000 shall require the approval of the Board of Finance. The Board of Finance may transfer any unencumbered appropriation from one department to another up to \$200,000. All transfers between departments, which exceed the sum of \$200,000 as well as all contingency transfers, shall require the approval of the Legislative Council. After 335 days, the Legislative Council approves all transfers. The Legislative Council may approve special and/or emergency appropriations up to an aggregate of \$500,000 for any one purpose per year. Special and/or emergency appropriations in excess of \$500,000 for any one purpose per year must be approved at a Town Meeting.
 - During the year there were no additional appropriations.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

A. Budgets and Budgetary Accounting (Continued)

- The Board of Education, which is not a separate legal entity but a function of the Town, is authorized under State law to make any transfers required within their budget at their discretion. Any additional appropriations must have Board of Education, Legislative Council and, if necessary, Town Meeting approval.
- Formal budgetary integration is employed as a management control device during the year.
- The legal level of control, the level at which expenditures may not exceed appropriations, is at the department level.
- Generally, all unencumbered appropriations lapse at year end except those for capital projects funds. Appropriations for capital projects are continued until completion of applicable projects even when projects extend more than one fiscal year. Encumbered appropriations in the general fund are not reappropriated in the ensuing year's budget, but are carried forward.
- Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year end are reported in budgetary reports (Exhibit F) as expenditures in the current year. Generally, all unencumbered appropriations lapse at year end, except those for the capital projects funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

B. Budget - GAAP Reconciliation

A reconciliation of revenues, expenditures, and fund balance between the accounting treatment required by GAAP (Exhibit D) and budgetary requirements (Exhibit F) is as follows:

	<u>REVENUES</u>	<u>EXPENDITURES</u>	<u>FUND BALANCE</u>
BALANCE, BUDGETARY BASIS, EXHIBIT F - JUNE 30, 2013	\$ 106,533,562	\$ 105,242,865	\$ 9,390,049
Teachers' Retirement System on-behalf payments	6,981,114	6,981,114	
Continued appropriations and encumbrances outstanding at June 30, 2012 and June 30, 2013			108,761
Encumbrances outstanding at June 30, 2012, liquidated during the year June 30, 2013		652,243	
Encumbrances outstanding at June 30, 2013, charged to budgetary expenditures		(1,307,422)	1,307,422
BALANCE, GAAP BASIS, EXHIBIT D - JUNE 30, 2013	<u>\$ 113,514,676</u>	<u>\$ 111,568,800</u>	<u>\$ 10,806,232</u>

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

C. Donor Restricted Endowments

The Town has received certain endowments for the maintenance of Hawley School, Edmond Town Hall and the Newtown flagpole. The amounts are reflected in net position as restricted for endowments. Investment income is approved for expenditure by the individual boards of the benefiting activities and is included in restricted fund balance. Net appreciation available for appropriation is as follows:

Edmond Town Hall Endowment	\$ 247,128
Hawley School Trust	<u>91,037</u>
Total.....	<u>\$ 338,165</u>

Investment income available for appropriation is as follows:

Newtown Flagpole	<u>\$ 1,797</u>
------------------------	-----------------

D. Capital Projects Authorizations

The following is a summary of certain Capital Projects at June 30, 2013:

<u>CAPITAL PROJECTS FUND</u>	<u>AUTHORIZATION</u>	<u>CUMULATIVE EXPENDITURES</u>	<u>BALANCE JUNE 30, 2013</u>
High School	\$ 41,576,000	\$ 40,189,074	\$ 1,386,926
Treadwell Pool Building Renovation	405,000	405,000	-
Parks and Recreation Maintenance Facility Renovation	1,175,000	1,175,000	-
Dickinson Park Renovations	620,000	558,157	61,843
Parks and Recreation Maintenance Facility Renovation II	350,000	68,719	281,281
Bridge Replacement - Old Mill Dam.....			
Sandy Hook Streetscape.....	1,000,000	577,173	422,827
Middle School Roof Replacement.....	4,257,690	3,740,273	517,417
Boggs Hill Road Culvert	238,000	215,000	23,000
Hawley Boiler/HVAC.....	2,044,000	448,456	1,595,544
Deep Brook Stream Restoration Project.....	336,000	222,670	113,330
Middle Gate School Roof	150,000	139,690	10,310
Animal Control Building/Dog Park.....	<u>957,216</u>	<u>534,919</u>	<u>422,297</u>
TOTALS	<u>\$ 53,108,906</u>	<u>\$ 48,274,131</u>	<u>\$ 4,834,775</u>

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

III. DETAILED NOTES

A. Cash and Investments

Deposits - Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2013, \$14,106,443 of the Town's bank balance of \$24,630,657 (including certificates of deposit and money market accounts classified as investments) was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 12,414,030
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>1,692,413</u>
Total amount subject to custodial credit risk	<u>\$ 14,106,443</u>

Financial instruments that potentially subject the Town to significant concentrations of credit risk consist primarily of cash. From time to time, the Town's cash account balances exceed the Federal Deposit Insurance Corporation limit. The Town reduces its credit risk by maintaining its cash deposits with major financial institutions and monitoring their credit ratings.

At June 30, 2013, the Town's investments (including restricted investments) consisted of the following types and maturities. Specific identification was used to determine the maturities.

TYPE OF INVESTMENT	FAIR VALUE	INVESTMENT MATURITIES (IN YEARS)				
		N/A	LESS THAN 1	1-5 YEARS	5-10 YEARS	OVER 10
Mutual Funds:						
Equity.....	\$ 10,931,699	\$10,931,699	\$	\$	\$	\$
International Equity	5,653,354	5,653,354				
Money Market Mutual Funds	2,019,457		2,019,457			
Fixed Income Mutual Funds.	1,247,044		1,247,044			
Certificates of Deposit.....	16,672,137		13,052,851	3,619,286		
Pooled Fixed Income	4,098,922		4,098,922			
U.S. Government Securities	746,876			46,043	16,056	684,777
U.S. Government Agency Securities	172,569				124,779	47,790
Corporate Bonds.....	11,438,102		134,061	3,764,702	4,743,551	2,795,788
TOTAL	<u>\$ 52,980,160</u>	<u>\$16,585,053</u>	<u>\$ 20,552,335</u>	<u>\$ 7,430,031</u>	<u>\$ 4,884,386</u>	<u>\$3,528,355</u>

Interest rate risk - To minimize interest rate risk, the Town's policy requires the structuring of the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity. Operating funds should primarily be invested in shorter-term securities, money market mutual funds or similar investment pools.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

III. DETAILED NOTES (CONTINUED)

A. Cash and Investments (Continued)

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

The Town's investments subject to credit risk had average ratings by Standard & Poor's as follows:

AVERAGE RATING	POOLED FIXED INCOME	CORPORATE BONDS	U.S. GOVERN- MENT SECURITIES	U.S. GOVERN- MENT AGENCY SECURITIES	MONEY MARKET MUTUAL FUNDS	FIXED INCOME MUTUAL FUNDS
AAA	\$ 4,098,922	\$ 209,260	\$ 225,938	\$	\$	\$
AA		726,160	518,797	172,569		
A		7,246,281	2,141			
BBB		2,524,965				
BB		83,424				
B		2,958				
Unrated...		645,054			2,019,457	1,247,044
TOTAL	<u>\$ 4,098,922</u>	<u>\$ 11,438,102</u>	<u>\$ 746,876</u>	<u>\$ 172,569</u>	<u>\$ 2,019,457</u>	<u>\$ 1,247,044</u>

Custodial credit risk - The Town does not have a formal policy with respect to custodial credit risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. The following Town investments are held by the counterparty's trust department or agent but not in the Town's name and, therefore, are subject to custodial credit risk.

Certain investments are covered by the Securities Investor Protection Corporation ("SIPC") up to \$500,000, including \$100,000 of cash from sale or for purchase of investments, but not cash held solely for the purpose of earning interest. SIPC protects securities such as notes, stocks, bonds, debentures, certificates of deposit and money funds.

	TOTAL	LESS INSURED AMOUNTS	AMOUNT SUBJECT TO CUSTODIAL CREDIT RISK
U.S. Government Securities.....	\$ 746,876	\$	\$ 746,876
U.S. Government Agency Securities.....	172,569		172,569
Corporate Bonds.....	11,438,102	500,000	10,938,102
TOTAL	<u>\$ 12,357,547</u>	<u>\$ 500,000</u>	<u>\$ 11,857,547</u>

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

III. **DETAILED NOTES (CONTINUED)**

B. **Receivables**

Receivable balances have been disaggregated by type and presented separately in the financial statements. Only receivables for the Town's government-wide financial statements with allowances for uncollectible accounts are presented below.

	PROPERTY TAXES INTEREST AND TAXES LIEN FEES TOTAL			
Current portion	\$ 784,322	\$ 422,805	\$ 1,207,127	
Long-term portion.....	\$ 1,279,683	\$ 586,454	\$ 1,866,137	
Less allowance for uncollectibles ...	(274,000)	(299,000)	(573,000)	
Net long-term portion	\$ 1,005,683	\$ 287,454	\$ 1,293,137	
	CDBG LOANS		SEWER ASSESSMENTS	
Current portion	\$ 20,626		\$ 813,786	
Long-term portion.....	\$ 211,221		\$ 3,704,975	
Less allowance for uncollectibles ...	(5,141)		(22,000)	
Net long-term portion	\$ 206,080		\$ 3,682,975	
	SEWER USE CHARGES	INTEREST AND LIENS	TOTAL SEWER USE CHARGES	WATER USE CHARGES
Receivable amount.....	\$ 75,834	\$ 33,021	\$ 108,855	\$ 80,005
Less allowance for uncollectibles ...	(2,279)	(379)	(2,658)	-
Net receivable	\$ 73,555	\$ 32,642	\$ 106,197	\$ 80,005

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

III. **DETAILED NOTES (CONTINUED)**

C. **Capital Assets**

Capital asset activity for the year ended June 30, 2013 was as follows:

	BALANCE JULY 1, 2012	INCREASES	DECREASES	BALANCE JUNE 30, 2013
<u>Governmental Activities:</u>				
<u>Capital Assets, not being Depreciated:</u>				
Land	\$ 24,853,056	\$ 263,290	\$	\$ 25,116,346
Intangible assets.....	3,687,270			3,687,270
Construction in progress.....	48,263,286	3,084,477	4,283,967	47,063,796
Total Capital Assets, not being Depreciated	76,803,612	3,347,767	4,283,967	75,867,412
<u>Capital Assets, being Depreciated:</u>				
Buildings and systems.....	115,978,007	4,742,427	5,317,248	115,403,186
Land improvements	16,673,886	28,682		16,702,568
Machinery and equipment.....	9,637,910	72,158		9,710,068
Vehicles	9,872,689	374,445	168,118	10,079,016
Infrastructure.....	65,026,504	270,000		65,296,504
Total Capital Assets, being Depreciated	217,188,996	5,487,712	5,485,366	217,191,342
Total Capital Assets	293,992,608	8,835,479	(9,769,333)	293,058,754
<u>Less Accumulated Depreciation for:</u>				
Buildings and systems.....	21,752,555	1,687,524	1,595,881	21,844,198
Land improvements	3,526,910	639,136		4,166,046
Machinery and equipment.....	6,122,363	583,104		6,705,467
Vehicles	4,346,508	532,457	128,564	4,750,401
Infrastructure.....	11,344,512	910,721		12,255,233
Total Accumulated Depreciation.....	47,092,848	4,352,942	1,724,445	49,721,345
Total Capital Assets, being Depreciated, net	170,096,148	1,134,770	3,760,921	167,469,997
Governmental Activities Capital Assets, net.....	\$ 246,899,760	\$ 4,482,537	\$ 8,044,888	\$ 243,337,409
<u>Business-Type Activities:</u>				
<u>Capital Assets, not being Depreciated:</u>				
Land	\$ 1,000	\$	\$	\$ 1,000
Construction in progress.....	396,630	255,419		652,049
Total Capital Assets, not being Depreciated	397,630	255,419	-	653,049
<u>Capital Assets, being Depreciated:</u>				
Intangible assets.....	1,361,000			1,361,000
Plant and pumping stations.....	13,644,082			13,644,082
Sewer distribution system.....	20,228,832			20,228,832
Water distribution system.....	2,275,502			2,275,502
Equipment.....	64,415			64,415
Vehicles	173,006			173,006
Total Capital Assets, being Depreciated	37,746,837	-	-	37,746,837
Total Capital Assets	38,144,467	255,419	-	38,399,886

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

III. DETAILED NOTES (CONTINUED)

C. Capital Assets (Continued)

	BALANCE JULY 1, 2012	INCREASES	DECREASES	BALANCE JUNE 30, 2013
<u>Less Accumulated Depreciation for:</u>				
Intangible assets.....	\$ 696,242	\$ 43,351	\$	\$ 739,593
Plant and pumping stations.....	3,988,730	279,078		4,267,808
Sewer distribution system.....	3,383,451	217,991		3,601,442
Water distribution system.....	708,923	86,315		795,238
Equipment.....	40,796	6,442		47,238
Vehicles	17,164	15,931		33,095
Total Accumulated Depreciation.....	8,835,306	649,108	-	9,484,414
Total Capital Assets, being Depreciated, net	28,911,531	(649,108)	-	28,262,423
Business-Type Activities Capital Assets, net.....	\$ 29,309,161	\$ (393,689)	\$ -	\$ 28,915,472

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

Governmental Activities:

General government	\$ 525,775
Public safety	568,938
Land use.....	2,298
Public works.....	1,099,201
Health and welfare	20,017
Recreation	520,266
Education	1,616,447

Total Depreciation Expense - Governmental Activities..... \$ 4,352,942

Business-type Activities:

Sewer	\$ 537,145
Water.....	111,963

Total Depreciation Expense - Business-type Activities..... \$ 649,108

Impairment of Capital Assets

During the year, the Town determined that there was sufficient evidence of impairment to write down the reported value of the Sandy Hook Elementary School. The recorded value was written down from a net book value of \$3,721,367 to \$0 and the charge was recognized in the current year statements as an "extraordinary item - asset impairment" expense. Subsequent to year end, demolition of the Sandy Hook Elementary School began (see subsequent event footnote).

Commitment

At June 30, 2013, the Town had the following commitment:

Hawley Boiler Replacement.	<u>\$ 1,114,000</u>
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TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

III. **DETAILED NOTES (CONTINUED)**

D. **Interfund Accounts**

1. **Interfund Payables and Receivables**

A summary of interfund balances as of June 30, 2013 is as follows:

	CORRESPONDING FUND	DUE FROM	DUE TO
MAJOR FUNDS:			
GENERAL FUND:			
Bonded projects	N/A	\$ 537,085	\$
Capital and nonrecurring.....	N/A		1,377,397
Sewer department.....	N/A		358,698
Water department.....	N/A		388,901
Town gifts fund.....	N/A		317,034
Law enforcement fund	N/A		60,267
Septage management ordinance	N/A		29,310
Town recreation fund	N/A	6,528	
Police private duty.....	N/A	38,383	
Miscellaneous grants	N/A	635,022	
Eichler's cove marina.....	N/A		302,605
Hawley school trust.....	N/A		47,703
Dog license.....	N/A		31,906
Fairfield hills authority	N/A		161,945
Historic documents.....	N/A		39,452
Debt service	N/A		182,284
Newtown flagpole fund.....	N/A		4,017
Cultural arts	N/A		27,279
Sandy Hook fund.....	N/A		435,723
Bouchard animal fund	N/A		78,347
Sandy Hook Operation Recovery	N/A		25,032
Education grants	N/A	237,142	
Cemetery fund.....	N/A		31,652
OPEB trust	N/A		313,920
Internal service fund.....	N/A		300,470
Private purpose trust.....	N/A		19,183
Permanent fund.....	N/A		47,537
TOTAL GENERAL FUND		1,454,160	4,580,662
BONDED PROJECTS:			
Bonded projects	General Fund		537,085
ENTERPRISE FUNDS:			
Sewer department.....	General Fund	358,698	
Sewer department.....	Water Department	92,613	
Water department.....	General Fund	388,901	
Water department.....	Sewer Department		92,613
TOTAL ENTERPRISE FUNDS		840,212	92,613
NONMAJOR FUNDS:			
SPECIAL REVENUE FUNDS:			
Town gifts fund	General Fund	317,034	
Law enforcement fund	General Fund	60,267	
Septage management ordinance	General Fund	29,310	
Town recreation fund	General Fund		6,528
Police private duty.....	General Fund		38,383
Miscellaneous grants	General Fund		635,022
Eichler's cove marina.....	General Fund	302,605	

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

III. DETAILED NOTES (CONTINUED)

D. Interfund Accounts (Continued)

	CORRESPONDING FUND	DUE FROM	DUE TO
NONMAJOR FUNDS: (CONTINUED)			
SPECIAL REVENUE FUNDS: (CONTINUED)			
Dog license.....	General Fund	\$ 31,906	\$
Fairfield hills authority	General Fund	161,945	
Historic documents.....	General Fund	39,452	
Cultural arts	General Fund	27,279	
Cemetery fund.....	General Fund	31,652	
Sandy Hook fund.....	General Fund	435,723	
Bouchard animal fund	General Fund	78,347	
Sandy Hook Operation Recovery	General Fund	25,032	
Education grants	General Fund		237,142
TOTAL SPECIAL REVENUE FUNDS		1,540,552	917,075
DEBT SERVICE FUND.....	General Fund	182,284	
CAPITAL AND NONRECURRING	General Fund	1,377,397	
PERMANENT FUNDS	General Fund	99,257	
INTERNAL SERVICE FUNDS	General Fund	300,470	
TOTAL NONMAJOR FUNDS		3,499,960	917,075
FIDUCIARY FUNDS:			
OPEB trust	General Fund	313,920	
Sandy Hook trust.....	General fund	19,183	
TOTAL FIDUCIARY FUNDS.....		333,103	-
GRAND TOTAL.....		\$ 6,127,435	\$ 6,127,435

All interfund balances resulted from the time lag between the dates payments occurred between funds for short-term internal financing.

2. Interfund Transfers

A summary of interfund transfers for the year ended June 30, 2013 is as follows:

	CORRESPONDING FUND	TRANSFERS IN	TRANSFERS OUT
MAJOR FUNDS:			
GENERAL FUND:			
Edmond Town hall	N/A	\$ 122,000	\$ 202,285
Police Private Duty.....	N/A		
Capital and Nonrecurring.....	N/A		250,000
TOTAL GENERAL FUND		122,000	452,285
NONMAJOR FUNDS:			
Capital and Nonrecurring.....	General Fund	250,000	
Edmund Town Hall.....	General Fund	202,285	
Police Private Duty.....	General Fund		122,000
TOTAL NONMAJOR FUNDS		452,285	122,000
GRAND TOTAL.....		\$ 574,285	\$ 574,285

Transfers are used to account for the financing by the general fund of various program and activities in other funds.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

III. DETAILED NOTES (CONTINUED)

D. Interfund Accounts (Continued)

3. Advances

A summary of interfund advances as of June 30, 2013 is as follows:

MAJOR FUNDS:	CORRESPONDING FUND	ADVANCES FROM	ADVANCES TO
Water department	Sewer department	\$ 890,473	\$
Sewer department	Water department		890,473
GRAND TOTAL		<u>\$ 890,473</u>	<u>\$ 890,473</u>

The Water Pollution Control Authority approved a loan for water fund expenses. Interest accrues at 4%.

E. Changes in Long-Term Obligations

1. Summary of Changes

The following is a summary of changes in long-term obligations during the fiscal year:

General Long-term Obligations:

DESCRIPTION	ORIGINAL AMOUNT	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE JULY 1, 2012	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2013	CURRENT PORTION
<u>BONDS/NOTES</u>									
<u>General Purpose:</u>									
Improvement bonds	\$ 8,020,000	11/27/07	2027	3.5-5.5%	\$ 800,000	\$	\$ 400,000	\$ 400,000	\$ 400,000
Improvement bonds	4,535,000	02/01/09	2019	0.60-3.0%	1,036,100		350,000	686,100	343,050
Refund issue-2009	472,900	05/12/09	2021	0.65-3.52%	448,650		49,500	399,150	48,700
Refund issue-2009 Series B	10,819,400	08/25/09	2019	2.0-5.0%	10,738,100		722,900	10,015,200	1,218,400
Improvement bonds	7,332,714	02/15/10	2028	2.0-4.0%	5,832,900		468,800	5,364,100	442,400
Refund issue-2010	6,590,500	09/28/10	2023	2.5-5.0%	6,470,900		306,900	6,164,000	
Improvement bonds	2,445,000	02/15/11	2031	2.0-4.5%	2,312,000		133,000	2,179,000	133,000
Improvement bonds	415,000	02/14/12	2032	2.0-4.0%	415,000		30,000	385,000	30,000
Refund issue-2012	<u>7,558,400</u>	<u>02/15/12</u>	<u>2026</u>	<u>1.0-4.0%</u>	<u>7,558,400</u>		<u>706,700</u>	<u>6,851,700</u>	<u>785,800</u>
Total General Purpose	<u>48,188,914</u>				<u>35,612,050</u>	<u>-</u>	<u>3,167,800</u>	<u>32,444,250</u>	<u>3,401,350</u>
<u>Schools:</u>									
School bond	2,750,000	11/27/07	2027	3.5%-5.5%	280,000		140,000	140,000	140,000
School bond	850,000	02/01/09	2019	0.60%-3.0%	258,900		85,000	173,900	86,950
Refund issue-2009 School bond	8,812,100	05/12/09	2021	0.65%-3.52%	7,021,350		1,155,500	5,865,850	1,136,300
Series B	2,500,000	08/24/09	2019	2.0-5.0%	2,481,900		167,100	2,314,800	281,600
School bond	6,897,286	02/15/10	2028	2.0-4.0%	5,557,100		421,200	5,135,900	397,600
Refund issue-2010	2,319,500	09/28/10	2023	2.5-5.1%	2,209,100		278,100	1,931,000	
School bond	11,575,000	02/15/11	2031	2.0-4.0%	11,188,000		467,000	10,721,000	517,000
School bond	11,385,000	02/14/12	2032	2.0-4.0%	11,385,000		495,000	10,890,000	520,000
Refund issue-2012	<u>7,161,200</u>	<u>02/15/12</u>	<u>2026</u>	<u>1.0-4.0%</u>	<u>7,161,200</u>		<u>664,700</u>	<u>6,496,500</u>	<u>742,000</u>
Total School Bonds	<u>54,250,086</u>				<u>47,542,550</u>	<u>-</u>	<u>3,873,600</u>	<u>43,668,950</u>	<u>3,821,450</u>

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

III. DETAILED NOTES (CONTINUED)

E. Changes in Long-Term Obligations (Continued)

DESCRIPTION	ORIGINAL AMOUNT	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE JULY 1, 2012	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2013	CURRENT PORTION
<u>Sewer:</u>									
Refund issue-2012	\$ 327,700	02/15/12	2026	1.0-4.0%	\$ 327,700	\$	\$ 59,300	\$ 268,400	\$ 66,100
Clean water.....	4,570,000	06/30/97	2017	2.0%	1,181,835		253,525	928,310	258,642
Clean water.....	516,000	06/30/03	2023	2.1%	307,299		25,098	282,201	25,630
Total Sewer Bonds.	5,413,700				1,816,834	-	337,923	1,478,911	350,372
<u>Water:</u>									
Drinking water.....	171,738	06/29/06	2026	2.32%	123,060		7,854	115,206	8,039
TOTAL BONDS AND NOTES.....					85,094,494	-	7,387,177	77,707,317	7,581,211
PREMIUM.....					4,148,873		390,500	3,758,373	
TOTAL BONDS/NOTES AND RELATED LIABILITIES.....					89,243,367	-	7,777,677	81,465,690	7,581,211
LANDFILL POST CLOSURE COSTS.....					221,000		17,000	204,000	17,000
CAPITAL LEASES.....					182,902		57,904	124,998	60,915
COMPENSATED ABSENCES.....					931,585	1,133,188	1,125,900	938,873	187,775
EARLY RETIREMENT INCENTIVE.....					32,000	48,000	16,000	64,000	16,000
OTHER POST EMPLOYMENT BENEFIT OBLIGATION.....					482,457	772,871	775,470	479,858	
TOTAL LONG-TERM OBLIGATIONS.....					\$91,093,311	\$1,954,059	\$ 9,769,951	\$83,277,419	\$ 7,862,901

All long-term liabilities are generally liquidated by the General Fund.

Enterprise Fund:

The following are the changes in long-term obligations, which will be funded from enterprise fund operations:

SEWER NOTES	ORIGINAL AMOUNT	YEAR OF MATURITY	INTEREST RATE	BALANCE JULY 1, 2012	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2013	CURRENT PORTION
Refunding Bonds.....	\$ 327,700	2026	1.0-4.0%	\$ 327,700	\$	\$ 59,300	\$ 268,400	\$ 66,100
Clean Water Fund Notes...	16,128,596	2018	2.00%	4,903,085		879,972	4,023,113	897,733
TOTAL BONDS/NOTES.....				5,230,785	-	939,272	4,291,513	963,833
PREMIUM.....				7,398		529	6,869	
TOTAL BONDS/NOTES AND RELATED LIABILITIES.....				\$ 5,238,183	\$ -	\$ 939,801	\$ 4,298,382	\$ 963,833

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

III. DETAILED NOTES (CONTINUED)

E. Changes in Long-Term Obligations (Continued)

The following is a summary of amounts to be provided by the State of Connecticut for the retirement of school bonds and of debt maturities:

YEAR ENDING JUNE 30,	TO BE PROVIDED BY STATE		LONG-TERM DEBT BOND/NOTE MATURITIES				ENTERPRISE FUNDS BOND/NOTE MATURITIES				TEACHERS' EARLY RETIREMENT CONTRACTS	
			PRINCIPAL		INTEREST		PRINCIPAL		INTEREST			
	PRINCIPAL	INTEREST	BOND	NOTE	BOND	NOTE	BOND	NOTE	BOND	NOTE		
2014	\$ 511,378	\$ 68,364	\$ 7,288,900	\$ 292,311	\$ 2,553,241	\$ 24,472	\$ 66,100	\$ 897,733	\$ 5,781	\$ 78,045	\$ 16,000	
2015	506,173	49,764	7,661,601	298,263	2,364,413	18,520	78,400	915,853	4,501	58,645	16,000	
2016	502,270	31,335	7,626,800	304,337	2,113,815	12,446	78,200	934,339	2,544	38,202	8,000	
2017	79,391	13,030	5,413,000	172,538	1,894,443	6,822	12,000	953,198	1,191	17,990	8,000	
2018	79,391	10,083	5,488,000	36,694	1,707,490	5,243	12,000	321,990	831	2,173	8,000	
2019	78,090	7,135	5,473,000	37,492	1,519,638	4,445	12,000		471	471	8,000	
2020	76,789	4,217	5,045,300	38,307	1,316,538	3,630	9,700		146	146		
2021	15,635	1,329	4,600,000	39,140	1,140,384	2,797						
2022	15,635	665	4,565,000	39,991	969,990	1,946						
2023			4,114,999	40,861	808,478	1,076						
2024			4,120,000	10,135	660,394	491						
2025			3,485,000	10,373	527,313	253						
2026			3,065,000	5,275	411,325	36						
2027			2,585,000		305,788							
2028			1,850,000		219,875							
2029			1,175,000		148,000							
2030			1,175,000		102,250							
2031			1,175,000		56,500							
2032			475,000		14,250							
TOTALS	\$1,864,752	\$ 185,922	\$ 76,381,600	\$1,325,717	\$ 18,834,125	\$ 82,177	\$ 268,400	\$4,023,113	\$ 15,465	\$ 195,672	\$ 64,000	

2. Landfill Closure and Post Closure Care Costs

The Town closed its landfill in 1995. State and Federal laws and regulations require landfill closures to meet certain standards. Monitoring costs for the next 12 years at \$17,000 per year are \$204,000. These amounts are based on estimates, which are subject to change due to inflation, technology or applicable laws and regulations.

3. Capital Lease

The Town has entered into a lease agreement for the purchase of police equipment. The annual payments for the agreement are provided for by annual general fund appropriations.

The assets acquired through capital leases are as follows:

Asset:	
Equipment	\$ 400,000
Less accumulated depreciation	<u>257,143</u>
Total	<u>\$ 142,857</u>

This year, \$57,143 was included in depreciation expense.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

III. DETAILED NOTES (CONTINUED)

E. Changes in Long-Term Obligations (Continued)

3. Capital Lease (Continued)

The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the date of inception. The following is a schedule of the minimum lease payments under the lease and the present value of the future minimum lease payments at June 30, 2013.

YEAR ENDING <u>JUNE 30,</u>	
2014	\$ 67,415
2015	67,415
Less amount representing interest	<u>(9,832)</u>
Present value of minimum lease payments	<u>\$ 124,998</u>

4. Termination Benefits

The Board of Education provides early retirement incentive benefits to 3 former employees. Benefits are paid annually based on the retirement agreement for each employee from the Board of Education budget. Benefits are payable through 2019. During the fiscal year ended June 30, 2013, \$16,000 was paid for their benefits.

5. Statutory Debt Limitations

The Town's indebtedness does not exceed the legal debt limitations as required by Connecticut General Statutes as reflected in the following schedule:

<u>CATEGORY</u>	<u>DEBT LIMIT</u>	<u>NET INDEBTEDNESS</u>	<u>BALANCE</u>
General purpose.....	\$ 216,782,537	\$ 32,444,250	\$ 184,338,287
Schools.....	433,565,073	41,804,198	391,760,875
Sewers.....	361,304,228	268,400	361,035,828
Urban renewal.....	313,130,331		313,130,331
Pension deficit.....	289,043,382		289,043,382

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$674,434,558.

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued against which bond anticipation notes are issued and outstanding. School building grants receivable of \$1,864,752 for bond principal is reflected as deductions in the computation of net indebtedness.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

III. DETAILED NOTES (CONTINUED)

E. Changes in Long-Term Obligations (Continued)

6. Authorized/Unissued Debt

At June 30, 2013, the Town had authorized unissued debt as follows:

	<u>AUTHORIZED UNISSUED DEBT</u>
Sandy Hook Streetscape.....	\$ 600,000
High School.....	2,486,820
Middle School Roof	829,335
Boggs Hill Road Culvert	23,000
Hawley Boiler/HVAC.....	<u>1,859,000</u>
 TOTAL.....	 <u>\$ 5,798,155</u>

7. Prior Years Advance Refundings

In prior years, the Town has defeased a bond issue by creating a separate irrevocable trust fund. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust fund. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and, therefore, removed as a liability from the Town's financial statements. As of June 30, 2013, the amount of defeased debt outstanding but removed from the Town's financial statements amounted to \$32,035,000.

F. Restricted Net Assets

The amount of restricted net assets, which were restricted by enabling legislation, totaled \$171,236 at June 30, 2013.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

III. DETAILED NOTES (CONTINUED)

G. Fund Balance Classification

As of June 30, 2013, fund balances are composed of the following:

FUND BALANCE COMPONENT	GENERAL FUND	BONDED PROJECTS	NONMAJOR FUNDS	TOTAL
NONSPENDABLE:				
Edmond Town Hall.....	\$	\$	\$ 250,000	\$ 250,000
Hawley School Trust.....			350,000	350,000
Newtown Flagpole.....			10,000	10,000
TOTAL NONSPENDABLE.....	-	-	610,000	610,000
RESTRICTED:				
General Government				
Care and Maintenance of			707,476	707,476
Edmond Town Hall.....				
Historic Documents.....			35,713	35,713
Public Safety				
Care of Animals.....			76,149	76,149
Health and Welfare				
Education and Care of Animals.....			1,356,514	1,356,514
Care and Maintenance of Cemeteries.....			31,652	31,652
Rehabilitation Programs.....			37,261	37,261
Parks and Recreation Programs.....			309,174	309,174
Education				
Sandy Hook.....			396,904	396,904
School Lunch Program.....			135,523	135,523
Various Education Programs.....			116,008	116,008
Care and Maintenance of Hawley School.....			79,502	79,502
TOTAL RESTRICTED.....	-	-	3,281,876	3,281,876
COMMITTED:				
General Government - Fairfield Hills Campus			170,695	170,695
Public Safety				
Police Private Duty.....			62,624	62,624
Animal Shelter.....			21,133	21,133
Public Works - Septage Management.....			100,189	100,189
Parks and Recreation				
Edmond Town Hall Theater.....			331,645	331,645
Marina operations.....			290,904	290,904
Cultural Arts Programs.....			40,273	40,273
Teen Center Programs.....			26,407	26,407
Education				
Adult Education Programs.....			95,047	95,047
Other.....			68,427	68,427
Approved CNR Projects.....			1,554,550	1,554,550
TOTAL COMMITTED.....	-	-	2,761,894	2,761,894
ASSIGNED:				
General Government.....	26,171			26,171
Public Safety.....	144,500			144,500
Public Works.....	423,159			423,159
Education.....	822,353			822,353
Debt Service.....			182,284	182,284
TOTAL ASSIGNED.....	1,416,183	-	182,284	1,598,467
UNASSIGNED.....	9,390,049	(1,036,866)		8,353,183
TOTAL.....	\$ 10,806,232	\$ (1,036,866)	\$ 6,836,054	\$ 16,605,420

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

IV. OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss including torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; natural disaster; public official liability; and police professional liability and employee group medical claims in excess of \$175,000. The Town generally obtains commercial insurance for these risks. The Town and Board of Education are self-insuring for medical and dental claims. The Town has an aggregate stop loss of 125% of expected claims for each fiscal year. Settled claims have not exceeded commercial coverage in any of the past three years with a \$13,579,222 aggregate maximum per year. There were no significant reductions in insurance coverage from coverage in the prior year. The administrators are responsible for the approval, processing and payment of claims, for which they receive an administrative fee. Administrative fees are paid directly from annual appropriations for the Board of Education self-funded dental fund and from the medical insurance fund.

The following is a summary of changes in the claims liabilities:

	CLAIMS PAYABLE <u>JULY 1</u>	CURRENT YEAR CLAIMS AND CHANGES IN ESTIMATES	CLAIMS <u>PAID</u>	CLAIMS PAYABLE <u>JUNE 30</u>
2011-2012.....	\$ 852,674	\$ 11,065,624	\$ 10,840,928	\$ 1,077,370
2012-2013.....	1,077,370	11,332,532	11,317,741	1,092,161

The claims liability reported in the internal service fund is based on the requirements of GASB Statements No. 10 and 30, which require that a liability for estimated claims incurred but not reported be recorded. The amount of claim accrual is based on the ultimate costs of settling the claim, which include past experience data, inflation and other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries. The claim accrual does not include other allocated or unallocated claims adjustment expenses.

B. Commitments and Litigation

Amounts received or receivable from Federal and state grantor agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Town expects such amounts, if any, to be immaterial.

The Town is a defendant in various lawsuits and the outcome of these lawsuits is not presently determinable. In the opinion of the Town attorney, the resolution of these matters will not have a material adverse effect on the financial condition of the Town.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

IV. OTHER INFORMATION

C. Pension Plans

1. Plan Description

Summary

The Town contributes to three pension plans (Selectmen and Board of Education Personnel, Police Personnel and Elected Officials). Two of the plans, the Selectmen and Board of Education Personnel and the Police Personnel, are single employer, contributory, defined benefit pension plans. The Elected Officials plan is a single employer defined contribution pension plan (see Note IV.C.9). All three pension plans are included in the financial statements as one pension trust fund. The fund's pooled investments may be used to pay benefits to members or beneficiaries of any of the three plans. The plans do not issue separate, stand alone financial reports.

Plan benefit and contribution requirements are established by plans amended and restated on January 1, 2003 for the Selectmen and Board of Education Personnel plan and January 1, 1986 for the Police Personnel and Elected Officials plans. The plan benefits and amendments are approved by Town Council.

2. Summary of Significant Accounting Policies and Plan Asset Matters

a. Basis of Accounting

The pension trust fund financial statements are prepared on the accrual basis of accounting. Contributions are recognized when due, pursuant to formal commitments and contractual requirements, investment income is recognized when it is earned and expenses (benefits, administration and refunds) are recognized when they are due and payable in accordance with terms of the plan.

b. Valuation of Investments

Investments are valued at fair value. Securities traded on national exchanges are valued at the last reported sales price. There are no investments of 5% or greater in any one organization.

3. Classes of Employees Covered

Based on the actuarial valuation report dated July 1, 2013, membership consisted of:

	SELECTMEN AND BOARD <u>OF EDUCATION</u>	<u>POLICE</u>
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them.....	118	24
Active employees.....	<u>328</u>	<u>45</u>
TOTAL	<u>446</u>	<u>69</u>

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plans (Continued)

4. Benefit Provisions

a. Benefit Provisions

Selectmen and Board of Education Personnel

This plan covers Board of Selectmen, uncertified Board of Education and Civilian Police Department personnel. Employees of other organizations including the Cyrenius H. Booth Library, the Children's Adventure Center, Inc. and the Newtown District Department of Health are also covered under the plan. Each employee may enter the plan after six months of full time service. Vesting of benefits occurs after ten years of service (five years for non-highly compensated department heads). The plan also provides disability benefits after ten years of completed service and a death benefit equal to the return of employee contributions with interest. Administrative costs are financed from investment earnings.

Police Personnel

This plan covers sworn police personnel. These employees may enter the plan after six months of full time service. Normal retirement is after 25 years of credited service or at age 60 with at least ten years of continuous credited service. There are three retired members of the plan who are eligible for cost of living adjustments. There is no cost of living adjustment for any other currently active or retired member. Early retirement may be taken after completing 20 years of service. The plan also provides disability benefits after one year of service and a death benefit equal to the return of employee contributions with interest. Administrative costs are financed from investment earnings.

b. Employer Contributions

The Town's contributions are actuarially determined on an annual basis using the projected unit credit method. Administrative costs are generally financed through investment earnings.

c. Employee Contributions

Selectmen and Board of Education	2% of their base earnings to the plan
Police	5% of total compensation up to a maximum of 125% of basic compensation.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plans (Continued)

5. Funded Status and Funding Progress

The funded status of the plan as of July 1, 2013 was as follows:

ACTUARIAL VALUATION DATE	(A) ACTUARIAL VALUE OF ASSETS	(B) ACTUARIAL ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	(A-B) OVER (UNDER) FUNDED AAL	(A/B) FUNDED AAL RATIO	(C) COVERED PAYROLL	[(A-B)/C] OVER (UNDER) FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
<u>POLICE PERSONNEL PLAN</u>						
July 1, 2013	\$ 13,517,603	\$ 15,470,719	\$ (1,953,116)	87.4%	\$ 3,827,046	(51.0)%
<u>SELECTMAN AND BOARD OF EDUCATION PERSONNEL PLAN</u>						
July 1, 2013	\$ 20,623,538	\$ 20,767,801	\$ (144,263)	99.3%	\$ 13,781,055	(1.0)%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress ("RSI-1") immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time, relative to the actuarial accrued liability for benefits.

6. Actuarial Assumptions

The data presented in the schedules of funding progress and schedules of employer contributions ("RSI-1" and "RSI-2") were determined as part of the actuarial valuation at the date indicated. Additional information for both plans as of the latest valuation is as follows:

Valuation Date.....	July 1, 2013
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Dollar-Closed
Remaining Amortization Period.....	15 Years
Asset Valuation Method	5 year Smoothing
<u>Actuarial Assumptions:</u>	
Investment rate of return	7.50%
Projected salary increases:	
Inflation.....	1.5%
Merit	1.5%

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plans (Continued)

7. Annual Pension Cost and Net Pension Asset ("NPA")

The changes in the NPA were as follows:

	SELECTMEN AND BOARD OF EDUCATION PERSONNEL	POLICE
Annual required contribution	\$ 728,272	\$ 517,812
Interest on net pension obligation	(18,226)	(4,391)
Adjustment to annual required contribution	27,530	6,633
Annual pension cost	737,576	520,054
Contributions made	731,580	517,812
Increase (decrease) in net pension asset ...	5,996	2,242
Net pension asset - July 1, 2012	(243,010)	(58,550)
Net pension asset - June 30, 2013.....	<u>\$ (237,014)</u>	<u>\$ (56,308)</u>

The net pension asset was determined in accordance with GASB Statement No. 27.

8. Three Year Trend Information

YEAR ENDING JUNE 30	ANNUAL PENSION COST (APC)	PERCENTAGE OF APC CONTRIBUTED	NET PENSION ASSET
<u>SELECTMEN AND BOARD OF EDUCATION PERSONNEL</u>			
2013	\$ 737,576	99.2%	\$ 237,014
2012	708,749	98.7%	243,010
2011	673,462	98.6%	252,545
<u>POLICE</u>			
2013	\$ 520,054	99.6%	\$ 56,308
2012	504,802	99.5%	58,550
2011	462,869	99.5%	60,921

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plans (Continued)

9. Elected Officials

The Town administers a single employer defined contribution plan, which covers certain elected officials and "at will" employees of the Town. The plan is included in the Town's financial statements in the pension trust fund. At June 30, 2013, the net assets available for benefits include \$87,481 of assets designated for this plan. Significant accounting policies are the same as those discussed under defined benefit plans (Note IV.C.2). The Board of Selectmen approved and adopted this plan on July 7, 1986, and they have the authority to make any subsequent amendments.

At June 30, 2013, there were two elected officials and two "at will" employees covered under the plan. All salaried, full time elected officials and such other salaried, full time appointed officials as designated by the Board of Selectmen can participate in the plan on the January 1 following or coincident with their commencement of employment with the Town. A participant's employer contribution account fully vests at age 50 or on termination of employment with the Town. At age 65, participants are entitled to a lump-sum payment as a retirement benefit. The Town is required to contribute 6% of each participant's compensation for the year, and each participant must contribute 2% of their compensation to the plan. For the year ended June 30, 2013, employer contributions were \$12,615 and employee contributions totaled \$4,205.

D. Other Post Employment Benefit Plan

1. Plan Description

The Town administers one single-employer, post retirement healthcare plan for the Town of Newtown Other Post Employment Benefit ("OPEB"). The plan provides medical and dental benefits for eligible retirees and their spouses. The plan does not issue stand alone financial reports.

2. Benefit Provisions

a. Benefit Provisions

The plan provides for medical and dental benefits for all eligible retirees and their spouses. Benefits and contributions are established by contract and may be amended by union negotiations.

b. Employer Contributions

The Town's contributions are actuarially determined on an annual basis using the projected unit credit method. The Town's total plan contribution was \$775,470.

c. Employee Contributions

There are no employee contributions to the plan for current employees. Teachers who no longer work for the Board of Education are allowed by State Statute to participate in the Town's group medical insurance plan until they formally begin receiving benefits from the State Teachers' Retirement plan. These teachers are required to contribute the cost of the insurance to the Town.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

IV. OTHER INFORMATION (CONTINUED)

D. Other Post Employment Benefit Plan (Continued)

3. Funded Status and Funding Progress

The funded status of the plan as of July 1, 2012 was as follows:

ACTUARIAL VALUATION DATE	(A) ACTUARIAL VALUE OF ASSETS	(B) ACTUARIAL ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	(A-B) OVER (UNDER) FUNDED AAL	(A/B) FUNDED AAL RATIO	(C) COVERED PAYROLL	[(A-B)/C] OVER (UNDER) FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
July 1, 2012	\$ 610,498	\$ 6,264,781	\$ (5,654,283)	9.7%	\$ 36,634,200	(15.4%)

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress ("RSI-3") immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time, relative to the actuarial accrued liability for benefits.

4. Actuarial Methods and Assumptions

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

The data presented in the schedules of funding progress and schedules of contributions (RSI-3 and RSI-4) were determined as part of the actuarial valuation at the date indicated. Additional information for all plans as of the latest valuation date is as follows:

Valuation Date	July 1, 2012
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	30 Years Closed
Asset Valuation Method	Fair Value
Actuarial Assumptions:	
Investment rate of return	7.5%
Healthcare inflation rate:	
Initial	9%
Ultimate	5%
Projected salary increases	N/A

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

IV. OTHER INFORMATION (CONTINUED)

D. Other Post Employment Benefit Plan (Continued)

5. Annual OPEB Cost and Net OPEB Obligation ("NOO")

The changes in the NOO were as follows:

Annual required contribution	\$ 775,470
Interest on net OPEB obligation	36,184
Adjustment to annual required contribution	<u>(38,783)</u>
Annual OPEB cost	772,871
Contributions made	<u>775,470</u>
Change in net OPEB obligation	(2,599)
Net OPEB obligation - July 1, 2012	<u>482,457</u>
Net OPEB obligation - June 30, 2013	<u>\$ 479,858</u>

6. Three Year Trend Information

YEAR ENDING JUNE 30	ANNUAL OPEB COST (AOC)	PERCENTAGE OF AOC CONTRIBUTED	NET OPEB OBLIGATION
2013	\$ 772,871	100.0%	\$ 479,858
2012	754,494	107.0%	482,457
2011	739,448	37.0%	539,727

E. On-Behalf Payments

The amount recognized in the general fund intergovernmental revenues and education expenditures for contributions made by the State to the State Teachers' Retirement Plan was \$6,981,114.

F. Insurance Recovery

The Town's insurance company has indicated that 100% of the loss resulting from business interruption due to the Sandy Hook tragedy is covered by insurance. As a result, the Town has recognized \$683,886 in insurance proceeds resulting from that tragedy in the Sandy Hook Operation Recovery Fund.

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

IV. OTHER INFORMATION (CONTINUED)

G. Subsequent Events

Subsequent to June 30, 2013, the Town of Newtown has voted to demolish the Sandy Hook Elementary School and accepted a \$50,000,000 grant from the State of Connecticut to rebuild the Sandy Hook Elementary School. In October 2013, demolition of the Sandy Hook Elementary School began.

Required Supplementary Information

TOWN OF NEWTOWN, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION

NEWTOWN RETIREMENT SYSTEM
SCHEDULE OF FUNDING PROGRESS

SELECTMEN AND BOARD OF EDUCATION PERSONNEL PLAN						
	A	B	(A-B)	(A/B)	C	[(A-B)/C]
ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ACTUARIAL ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	OVER (UNDER) FUNDED AAL	FUNDED AAL RATIO	COVERED PAYROLL	OVER/(UNDER) FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
JULY 1,						
2008	\$ 15,984,917	\$ 14,891,817	\$ 1,093,100	107.3%	\$ 11,878,385	9.2%
2009	16,351,188	16,463,315	(112,127)	99.3%	12,834,058	-(0.9)%
2010	17,146,590	17,709,414	(562,824)	96.8%	13,109,110	-(4.3)%
2011	18,432,090	18,952,786	(520,696)	97.3%	13,371,509	-(3.9)%
2012	19,488,743	19,087,165	401,578	102.1%	13,222,292	3.0%
2013	20,623,538	20,767,801	(144,263)	99.3%	13,781,055	-1.0%
POLICE PERSONNEL PLAN						
	A	B	(A-B)	(A/B)	C	[(A-B)/C]
ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ACTUARIAL ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	OVER (UNDER) FUNDED AAL	FUNDED AAL RATIO	COVERED PAYROLL	OVER/(UNDER) FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
JULY 1,						
2008	\$ 10,736,256	\$ 10,983,585	\$ (247,329)	97.7%	\$ 2,973,016	-(8.3)%
2009	10,932,466	12,011,192	(1,078,726)	91.0%	3,415,591	-(31.6)%
2010	11,419,366	12,755,035	(1,335,669)	89.5%	3,579,566	-(37.3)%
2011	12,153,619	13,655,333	(1,501,714)	89.0%	3,448,073	-(43.6)%
2012	12,789,964	14,542,202	(1,752,238)	88.0%	3,631,329	-(48.3)%
2013	13,517,603	15,470,719	(1,953,116)	87.4%	3,827,046	-(51.0)%

TOWN OF NEWTOWN, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION

NEWTOWN RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER CONTRIBUTIONS**SELECTMEN AND BOARD OF EDUCATION PERSONNEL PLAN**

YEAR ENDED JUNE 30,	ANNUAL REQUIRED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENTAGE CONTRIBUTED
2008	\$ 374,614	\$ 437,409	116.8%
2009	374,614	374,595	100.0%
2010	492,222	493,236	100.2%
2011	663,805	663,805	100.0%
2012	699,265	699,214	100.0%
2013	728,272	731,580	100.5%

POLICE PERSONNEL PLAN

YEAR ENDED JUNE 30,	ANNUAL REQUIRED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENTAGE CONTRIBUTED
2008	\$ 287,328	\$ 291,160	101.3%
2009	325,909	325,844	100.0%
2010	342,670	344,475	100.5%
2011	460,540	460,540	100.0%
2012	502,513	502,431	100.0%
2013	517,812	517,812	100.0%

TOWN OF NEWTOWN, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION

NEWTOWN OTHER POST EMPLOYMENT BENEFIT PLAN
SCHEDULE OF FUNDING PROGRESS

	A	B	(A-B)	(A/B)	C	[(A-B)/C]
ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ACTUARIAL ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	OVER (UNDER) FUNDED AAL	FUNDED AAL RATIO	COVERED PAYROLL	OVER/(UNDER) FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
JULY 1, 2008	\$ -	\$ 3,761,700	\$ (3,761,700)	0.0%	\$ 34,779,302	-(10.8)%
2009	N/A	N/A	N/A	N/A	N/A	N/A
2010	156,261	6,397,819	(6,241,558)	2.4%	35,055,000	-(17.8)%
2011	N/A	N/A	N/A	N/A	N/A	N/A
2012	610,498	6,264,781	(5,654,283)	9.7%	36,634,200	-(15.4)%

N/A - No valuation performed.

TOWN OF NEWTOWN, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION

NEWTOWN OTHER POST EMPLOYMENT BENEFIT PLAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS

YEAR ENDED JUNE 30,	ANNUAL REQUIRED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENTAGE CONTRIBUTED
2009	\$ 405,062	\$ 278,828	68.8%
2010	430,949	485,960	112.8%
2011	739,726	273,794	37.0%
2012	756,952	811,764	107.2%
2013	775,470	775,470	100.0%

Supplemental Schedules

General Fund

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

TOWN OF NEWTOWN, CONNECTICUT

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
PROPERTY TAXES:				
Collections - current year.....	\$ 94,738,559	\$ 94,738,559	\$ 94,738,578	\$ 19
Collections - prior years.....	400,000	400,000	577,999	177,999
Interest and lien fees.....	425,000	425,000	466,383	41,383
Motor vehicle supplement list.....	600,000	600,000	622,898	22,898
Telecommunications property tax.....	85,346	85,346	71,354	(13,992)
TOTAL PROPERTY TAXES.....	96,248,905	96,248,905	96,477,212	228,307
INTERGOVERNMENTAL:				
Veterans additional exemptions.....	12,832	12,832	14,025	1,193
Elderly tax relief - circuit breaker.....	140,245	140,245	143,019	2,774
In lieu of taxes.....	886,692	886,692	862,308	(24,384)
Totally disabled.....	1,790	1,790	1,701	(89)
Town aid for roads.....	234,239	234,239	234,747	508
Manufacturing transition grant.....	192,643	192,643	186,791	(5,852)
Mashantucket Pequot fund grant.....	688,160	688,160	814,097	125,937
Connecticut school building grants.....	630,688	630,688	630,688	-
Equalized cost-sharing grant.....	4,338,374	4,338,374	4,326,611	(11,763)
Public school transportation aid.....	87,634	87,634	165,944	78,310
Non-public school transportation aid.....	19,986	19,986	22,246	2,260
Health services - St. Rose.....	10,066	10,066	18,614	8,548
Miscellaneous grants.....			254,997	254,997
LOCIP grant.....	204,621	204,621	205,697	1,076
State revenue sharing.....	125,000	125,000	137,180	12,180
TOTAL INTERGOVERNMENTAL.....	7,572,970	7,572,970	8,018,665	445,695
CHARGES FOR SERVICES:				
Town clerk - conveyance tax.....	400,000	400,000	328,295	(71,705)
Town clerk - other.....	275,000	275,000	256,448	(18,552)
Parks and recreation.....	190,000	190,000	206,041	16,041
Tuition.....	9,600	9,600	9,110	(490)
School generated fees.....	113,763	113,763	113,987	224
Building.....	485,000	485,000	382,785	(102,215)
Permit fees.....	1,250	1,250	1,675	425
Landfill permits.....	425,000	425,000	398,625	(26,375)
Senior center membership fees.....	4,000	4,000	2,904	(1,096)
Land use.....	45,000	45,000	67,810	22,810
TOTAL CHARGES FOR SERVICES.....	1,948,613	1,948,613	1,767,680	(180,933)
INVESTMENT INCOME.....	250,000	250,000	108,233	(141,767)
OTHER REVENUES:				
Miscellaneous revenue - police.....	3,000	3,000	8,575	5,575
Miscellaneous revenue - board of education.....	1,350	1,350	3,174	1,824
Miscellaneous revenue - selectmen.....	100,000	100,000	150,023	50,023
TOTAL OTHER REVENUES.....	104,350	104,350	161,772	57,422
TOTAL REVENUES.....	106,124,838	106,124,838	106,533,562	408,724

(Continued)

SCHEDULE 1
(2 of 2)

TOWN OF NEWTOWN, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL (CONCLUDED)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
OTHER FINANCING SOURCES:				
Transfers in.....	\$ 122,000	\$ 122,000	\$ 122,000	\$ -
Cancellation of prior year encumbrances.....			49,887	49,887
TOTAL OTHER FINANCING SOURCES.....	122,000	122,000	171,887	49,887
TOTAL REVENUES AND OTHER FINANCING SOURCES.....	\$ 106,246,838	\$ 106,246,838	\$ 106,705,449	\$ 458,611

(Concluded)

TOWN OF NEWTOWN, CONNECTICUT

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2013

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
GENERAL GOVERNMENT:				
Selectmen.....	\$ 327,879	\$ 397,547	\$ 397,048	\$ 499
Selectmen - other.....	237,975	237,975	218,986	18,989
Human Resources.....	110,739	111,745	111,094	651
Tax Collector.....	303,164	304,458	300,072	4,386
Probate Court.....	6,860	6,860	5,816	1,044
Town Clerk.....	285,034	286,201	285,543	658
Registrars.....	125,285	157,134	154,286	2,848
Assessor.....	233,105	234,304	229,852	4,452
Finance.....	467,249	476,938	476,187	751
Technology.....	452,123	517,046	515,136	1,910
Unemployment.....	15,000	17,500	15,286	2,214
OPEB fund.....	157,581	157,581	157,581	-
Professional organizations.....	36,454	36,454	36,454	-
Insurance.....	974,911	990,466	988,129	2,337
Legislative Council.....	44,500	47,682	46,257	1,425
Historic District.....	4,500	4,500	4,500	-
Economic Development Commission.....	141,103	142,607	142,604	3
Sustainable Energy Commission.....	5,000	5,000	5,000	-
Fairfield Hills.....	59,007	59,007	55,211	3,796
TOTAL GENERAL GOVERNMENT.....	3,987,469	4,191,005	4,145,042	45,963
PUBLIC SAFETY:				
Communications.....	1,049,250	1,050,405	983,276	67,129
Police department.....	5,798,222	5,803,389	5,780,797	22,592
Fire department.....	1,213,024	1,215,037	1,189,264	25,773
Emergency management/N.U.S.....	51,267	51,267	43,328	7,939
Canine control.....	152,224	153,005	146,483	6,522
Lake authorities.....	49,708	41,953	41,953	-
N.W. safety communication.....	9,783	9,783	9,783	-
Emergency Medical Services.....	270,000	270,000	270,000	-
Northwest CT Emergency Medical Service.....	250	250	250	-
TOTAL PUBLIC SAFETY.....	8,593,728	8,595,089	8,465,134	129,955
HEALTH AND WELFARE:				
Social services.....	135,100	136,013	133,999	2,014
Senior service.....	328,889	329,802	320,186	9,616
Outside agencies.....	234,514	234,514	231,633	2,881
Youth & Family Services.....	294,771	294,771	294,771	-
Newtown Cultural Arts Commission.....	2,000	2,000	2,000	-
Newtown Parade Committee.....	1,500	1,500	932	568
NW Conservation District.....	1,040	1,040	1,040	-
Booth library.....	1,057,858	1,057,858	1,057,668	190
Newtown Health District.....	379,023	379,023	378,769	254
TOTAL HEALTH AND WELFARE.....	2,434,695	2,436,521	2,420,998	15,523

(Continued)

SCHEDULE 2
(2 of 2)

TOWN OF NEWTOWN, CONNECTICUT
GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL (CONCLUDED)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
LAND USE.....	\$ 580,591	\$ 583,152	\$ 579,059	\$ 4,093
PUBLIC WORKS:				
Building inspector.....	390,056	391,299	387,526	3,773
Highway.....	5,984,371	5,986,091	5,853,241	132,850
Winter maintenance.....	707,637	644,337	639,945	4,392
Landfill.....	1,492,962	1,443,916	1,440,266	3,650
Public building maintenance.....	684,219	784,878	769,609	15,269
TOTAL PUBLIC WORKS.....	9,259,245	9,250,521	9,090,587	159,934
PARKS AND RECREATION.....	2,173,076	2,176,316	2,133,508	42,808
EDUCATION.....	68,355,794	68,355,794	68,348,959	6,835
CONTINGENCY.....	250,000	46,200	-	46,200
DEBT SERVICE.....	10,059,789	10,059,789	10,059,578	211
TOTAL EXPENDITURES.....	105,694,387	105,694,387	105,242,865	451,522
OTHER FINANCING USES:				
Transfers out:				
Edmond Town Hall	202,451	202,451	202,285	166
Capital and nonrecurring.....	250,000	250,000	250,000	-
TOTAL OTHER FINANCING USES.....	452,451	452,451	452,285	166
TOTAL EXPENDITURES AND OTHER FINANCING USES.....	\$ 106,146,838	\$ 106,146,838	\$ 105,695,150	\$ 451,688

(Concluded)

TOWN OF NEWTOWN, CONNECTICUT

REPORT OF TAX COLLECTOR
YEAR ENDED JUNE 30, 2013

GRAND LIST YEAR	UNCOLLECTED TAXES JULY 1, 2012	CURRENT YEAR LEVY	LAWFUL CORRECTIONS		TRANSFERS TO SUSPENSE	ADJUSTED TAXES COLLECTIBLE	COLLECTIONS			UNCOLLECTED TAXES JUNE 30, 2013
			ADDITIONS	DEDUCTIONS			NET TAXES COLLECTED	INTEREST AND LIEN FEES	TOTAL	
1996	\$ 22,335	\$	\$	\$ 22,131	\$	\$ 204	\$ 204	\$ 596	\$ 800	\$ -
1997	24,287			7,739		16,548	212	580	792	16,336
1998	27,387			8,026		19,361	220	561	781	19,141
1999	32,624			6,836		25,788		548	548	25,788
2000	35,258			9,148		26,110	243	546	789	25,867
2001	38,168			9,725		28,443	251	531	782	28,192
2002	26,370			5,908		20,462		882	882	20,462
2003	27,435			7,339		20,096	40	191	231	20,056
2004	28,851			7,736		21,115		108	108	21,115
2005	37,238			9,369		27,869	44	102	146	27,825
2006	42,977		84	8,899		34,162	2,608	3,063	5,671	31,554
2007	142,571		70	12,214	112	130,315	10,249	7,438	17,687	120,066
2008	231,528		170	12,336	18,533	200,829	39,606	16,320	55,926	161,223
2009	391,528		38,489	52,807	34,355	342,855	95,109	31,796	126,905	247,746
2010	948,219		36,306	83,808	59,843	840,874	488,243	104,517	592,760	352,631
TOTAL PRIOR YEARS	2,056,776	-	75,119	264,021	112,843	1,755,031	637,029	167,779	804,808	1,118,002
2011		96,248,894	150,130	302,454	76,860	96,019,710	95,073,707	298,605	95,372,312	946,003
TOTAL	\$ 2,056,776	\$ 96,248,894	\$ 225,249	\$ 566,475	\$ 189,703	\$ 97,774,741	\$ 95,710,736	\$ 466,384	\$ 96,177,120	\$ 2,064,005

Sewer Department

The Sewer Department fund accounts for the operations of the sewer department.

SCHEDULE 4TOWN OF NEWTOWN, CONNECTICUTSCHEDULE OF CHANGES IN SEWER ASSESSMENT RECEIVABLE
YEAR ENDED JUNE 30, 2013

	UNCOLLECTED ASSESSMENTS JULY 1, 2012	CURRENT YEAR BILLINGS	ADJUSTED ASSESSMENTS COLLECTIBLE	COLLECTIONS	UNCOLLECTED ASSESSMENTS JUNE 30, 2013
Sewer assessments receivable.....	\$ 4,708,631	\$	\$ 4,708,631	\$ 813,436	\$ 3,895,195
Homestead accounts receivable.....	98,100		98,100	16,600	81,500
Bungalow Terrace.....	28,991		28,991	3,656	25,335
Elderly.....	33,486		33,486	1,265	32,221
Reed Intermediate School /Grace Church receivable.....	263,650		263,650	39,489	224,161
Walnut Tree.....	21,783		21,783		21,783
Newtown Congregational, Colony Diner & Sundaram.....	20,126		20,126	12,126	8,000
Rose & Church Hill.....	44,763	16,000	60,763	32,856	27,907
TOTAL.....	<u>\$ 5,219,530</u>	<u>\$ 16,000</u>	<u>\$ 5,235,530</u>	<u>\$ 919,428</u>	4,316,102
				Bonded interest	44,845
				Penalty interest and liens	95,535
				Septic loans	62,279
				Allowance for uncollectibles	<u>(22,000)</u>
				Net (current and long-term) receivable	<u>\$ 4,496,761</u>

Nonmajor Governmental Funds

Special Revenue Funds

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

Dog License

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

Bouchard Animal Fund

To account for contributions received for the purpose of helping animals.

Police Private Duty

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

Town Gifts Fund

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

School Lunch Program

To account for the operation of the public school lunch program. Funding is provided from the sale of food, Federal and state grants and USDA donated commodities.

Education Grants

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

Law Enforcement Fund

To account for funds received from the state and Federal governments for prison emergency notification, drug control and awareness program and from the police assets forfeiture process.

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

Special Revenue Funds (Continued)

Septage Management Ordinance

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

Fairfield Hills Authority

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

School Custodial

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

Adult Education

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

Edmond Town Hall

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

Sandy Hook Operation Recovery Fund

To account for business interruption insurance proceeds and costs associated with the Sandy Hook tragedy.

Town Recreation Fund

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

Daycare Program

To account for funds received from the Federal government to provide a subrecipient grant to the Children's Adventure Center and food for the Daycare program.

Miscellaneous Grants

To account for various reimbursement grants.

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

Special Revenue Funds (Continued)

Small Cities Program

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

Cemetery Fund

To account for donations which are used for the perpetual care of Taunton, Sandy Hook and Botsford cemeteries.

Eichler's Cove Marina

To account for operations of Eichler's Cove Marina on Lake Zoar.

Historic Documents

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

Cultural Arts

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

Sandy Hook Special Revenue Fund

To account for contributions received as a result of the Sandy Hook tragedy to be used for designated public purposes.

Debt Service

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

Capital Projects

Capital and Nonrecurring Fund

To account for funds set aside for future capital purchases and improvements.

Permanent Funds

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

Hawley School Trust

To account for the investment of funds left in trust by Mary E. Hawley for the care and maintenance of Hawley School.

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

Special Revenue Funds (Continued)

Edmond Town Hall Endowment

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

Newtown Flagpole Fund

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

The V.G. Hair and Frances E. Hair Fund

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

TOWN OF NEWTOWN, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

	SPECIAL REVENUE FUNDS							
	DOG LICENSE	BOUCHARD ANIMAL FUND	POLICE PRIVATE DUTY	TOWN GIFTS FUND	SCHOOL LUNCH PROGRAM	EDUCATION GRANTS	LAW ENFORCEMENT FUND	SEPTAGE MANAGEMENT ORDINANCE
<u>ASSETS</u>								
Cash.....	\$	\$	\$	\$	\$ 185,353	\$ 171,524	\$	\$
Investments.....								70,879
Receivables:								
Intergovernmental.....					39,387	455,476	3,323	
Other.....			101,271		6,859	2,000		
Due from other funds.....	31,906	78,347		317,034			60,267	29,310
Other.....					26,723		2,152	
TOTAL ASSETS.....	\$ 31,906	\$ 78,347	\$ 101,271	\$ 317,034	\$ 258,322	\$ 629,000	\$ 65,742	\$ 100,189
<u>LIABILITIES</u>								
Accounts payable.....	\$ 10,773	\$ 2,718	\$ 264	\$ 13,903	\$ 87,185	\$ 165,869	\$	\$
Accrued liabilities.....						102,893		
Due to other funds.....			38,383			237,142		
Unearned revenue.....					35,614	7,088	65,222	
TOTAL LIABILITIES.....	10,773	2,718	38,647	13,903	122,799	512,992	65,222	-
<u>DEFERRED INFLOWS OF RESOURCES</u>								
Unavailable revenue - loans.....								
<u>FUND BALANCES</u>								
Nonspendable.....								
Restricted.....		75,629		303,131	135,523	116,008	520	
Committed.....	21,133		62,624					100,189
Assigned.....								
TOTAL FUND BALANCES.....	21,133	75,629	62,624	303,131	135,523	116,008	520	100,189
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 31,906	\$ 78,347	\$ 101,271	\$ 317,034	\$ 258,322	\$ 629,000	\$ 65,742	\$ 100,189

(Continued)

SCHEDULE 5
(2 of 4)

TOWN OF NEWTOWN, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS

	SPECIAL REVENUE FUNDS					
	FAIRFIELD HILLS AUTHORITY	SCHOOL CUSTODIAL	ADULT EDUCATION	EDMOND TOWN HALL	SANDY HOOK OPERATION RECOVERY FUND	TOWN RECREATION FUND
<u>ASSETS</u>						
Cash.....	\$	\$ 64,740	\$ 95,047	\$ 365,898	\$	\$ 297,929
Investments.....				3,968		
Receivables:						
Intergovernmental.....						
Other.....	8,750	8,550				19,956
Due from other funds.....	161,945				25,032	
Other.....						
TOTAL ASSETS.....	\$ 170,695	\$ 73,290	\$ 95,047	\$ 369,866	\$ 25,032	\$ 317,885
<u>LIABILITIES</u>						
Accounts payable.....	\$	\$ 4,863	\$	\$ 38,221	\$	\$ 71,525
Accrued liabilities.....						
Due to other funds.....						6,528
Unearned revenue.....						213,425
TOTAL LIABILITIES.....	-	4,863	-	38,221	-	291,478
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Unavailable revenue - loans.....						
<u>FUND BALANCES</u>						
Nonspendable.....						
Restricted.....					25,032	
Committed.....	170,695	68,427	95,047	331,645		26,407
Assigned.....						
TOTAL FUND BALANCES.....	170,695	68,427	95,047	331,645	25,032	26,407
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 170,695	\$ 73,290	\$ 95,047	\$ 369,866	\$ 25,032	\$ 317,885

(Continued)

TOWN OF NEWTOWN, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS

	SPECIAL REVENUE FUNDS							TOTAL
	MISCELLANEOUS GRANTS	SMALL CITIES PROGRAM	CEMETERY FUND	EICHLER'S COVE MARINA	HISTORIC DOCUMENTS	CULTURAL ARTS	SANDY HOOK SPECIAL REVENUE FUND	SPECIAL REVENUE FUNDS
ASSETS								
Cash.....	\$	\$ 37,261	\$	\$	\$	\$ 12,994	\$	\$ 1,230,746
Investments.....								74,847
Receivables:								
Intergovernmental.....	1,053,166							1,551,352
Loans receivable.....		231,847			242			231,847
Other.....					39,452	27,279		147,628
Due from other funds.....			31,652	302,605			435,723	1,540,552
Other.....							16,700	45,575
TOTAL ASSETS.....	\$ 1,053,166	\$ 269,108	\$ 31,652	\$ 302,605	\$ 39,694	\$ 40,273	\$ 452,423	\$ 4,822,547
LIABILITIES								
Accounts payable.....	\$ 90,176	\$	\$	\$ 11,701	\$ 3,981	\$	\$ 80,551	\$ 581,730
Accrued liabilities.....								102,893
Due to other funds.....	635,022							917,075
Unearned revenue.....	327,968							649,317
TOTAL LIABILITIES.....	1,053,166	-	-	11,701	3,981	-	80,551	2,251,015
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - loans.....		231,847						231,847
FUND BALANCES								
Nonspendable.....								-
Restricted.....		37,261	31,652		35,713		371,872	1,132,341
Committed.....				290,904		40,273		1,207,344
Assigned.....								-
TOTAL FUND BALANCES.....	-	37,261	31,652	290,904	35,713	40,273	371,872	2,339,685
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 1,053,166	\$ 269,108	\$ 31,652	\$ 302,605	\$ 39,694	\$ 40,273	\$ 452,423	\$ 4,822,547

(Continued)

SCHEDULE 5
(4 of 4)

TOWN OF NEWTOWN, CONNECTICUT
COMBINING BALANCE SHEET (CONCLUDED)
NONMAJOR GOVERNMENTAL FUNDS

	DEBT SERVICE	CAPITAL PROJECTS	PERMANENT FUNDS				TOTAL PERMANENT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	DEBT SERVICE	CAPITAL AND NONRECURRING	HAWLEY SCHOOL TRUST	EDMOND TOWN HALL ENDOWMENT	NEWTOWN FLAGPOLE FUND	THE V.G. HAIR AND FRANCES E. HAIR FUND		
ASSETS								
Cash.....	\$	\$	\$	\$	\$ 12,026	\$	\$ 12,026	\$ 1,242,772
Investments.....		225,768	381,799	957,476		1,311,732	2,651,007	2,951,622
Receivables:								
Intergovernmental.....							-	1,551,352
Loans receivable.....							-	231,847
Other.....							-	147,628
Due from other funds.....	182,284	1,377,397	47,703		4,017	47,537	99,257	3,199,490
Other.....							-	45,575
TOTAL ASSETS.....	\$ 182,284	\$ 1,603,165	\$ 429,502	\$ 957,476	\$ 16,043	\$ 1,359,269	\$ 2,762,290	\$ 9,370,286
LIABILITIES								
Accounts payable.....	\$	\$ 48,615	\$	\$	\$	\$ 2,755	\$ 2,755	\$ 633,100
Accrued liabilities.....							-	102,893
Due to other funds.....							-	917,075
Unearned revenue.....							-	649,317
TOTAL LIABILITIES.....	-	48,615	-	-	-	2,755	2,755	2,302,385
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - loans.....								231,847
FUND BALANCES								
Nonspendable.....			350,000	250,000	10,000		610,000	610,000
Restricted.....			79,502	707,476	6,043	1,356,514	2,149,535	3,281,876
Committed.....		1,554,550					-	2,761,894
Assigned.....	182,284						-	182,284
TOTAL FUND BALANCES.....	182,284	1,554,550	429,502	957,476	16,043	1,356,514	2,759,535	6,836,054
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 182,284	\$ 1,603,165	\$ 429,502	\$ 957,476	\$ 16,043	\$ 1,359,269	\$ 2,762,290	\$ 9,370,286

(Concluded)

TOWN OF NEWTOWN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2013

	SPECIAL REVENUE FUNDS							
	DOG LICENSE	BOUCHARD ANIMAL FUND	POLICE PRIVATE DUTY	TOWN GIFTS FUND	SCHOOL LUNCH PROGRAM	EDUCATION GRANTS	LAW ENFORCEMENT FUND	SEPTAGE MANAGEMENT ORDINANCE
REVENUES:								
Intergovernmental.....	\$	\$	\$	\$	\$ 244,102	\$ 3,276,817	\$ 42,963	\$
Charges for services.....	19,443		461,786		1,710,735	112,712	15,578	2,665
Investment income.....								
Contributions.....	7,142	78,347		209,757		198,749		
TOTAL REVENUES.....	26,585	78,347	461,786	209,757	1,954,837	3,588,278	58,541	2,665
EXPENDITURES:								
Current:								
General government.....								
Public safety.....	17,625	2,718	348,413	4,062			66,973	
Health and welfare.....				8,635				
Public works.....								
Parks and recreation.....				42,511				
Education.....					1,954,239	3,545,530		
Capital outlay.....								
TOTAL EXPENDITURES.....	17,625	2,718	348,413	55,208	1,954,239	3,545,530	66,973	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	8,960	75,629	113,373	154,549	598	42,748	(8,432)	2,665
OTHER FINANCING SOURCES (USES):								
Transfers out.....			(122,000)					
NET CHANGE IN FUND BALANCES.....	8,960	75,629	(8,627)	154,549	598	42,748	(8,432)	2,665
FUND BALANCES, JULY 1, 2012	12,173	-	71,251	148,582	134,925	73,260	8,952	97,524
FUND BALANCES, JUNE 30, 2013.....	\$ 21,133	\$ 75,629	\$ 62,624	\$ 303,131	\$ 135,523	\$ 116,008	\$ 520	\$ 100,189

(Continued)

TOWN OF NEWTOWN, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS

2012-13

	SPECIAL REVENUE FUNDS						
	FAIRFIELD HILLS AUTHORITY	SCHOOL CUSTODIAL	ADULT EDUCATION	EDMOND TOWN HALL	SANDY HOOK OPERATION RECOVERY FUND	TOWN RECREATION FUND	DAYCARE PROGRAM
REVENUES:							
Intergovernmental.....	\$	\$	\$	\$	\$	\$	\$
Charges for services.....	35,000	2,364	187,325	398,482		586,891	247,642
Investment income.....				12,657			
Contributions.....				202			
TOTAL REVENUES.....	35,000	2,364	187,325	411,341	-	586,891	247,642
EXPENDITURES:							
Current:							
General government.....	19,902			646,730			
Public safety							
Health and welfare.....							
Public works.....							
Parks and recreation.....						603,768	
Education.....			193,121		658,854		247,642
Capital outlay.....							
TOTAL EXPENDITURES.....	19,902	-	193,121	646,730	658,854	603,768	247,642
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	15,098	2,364	(5,796)	(235,389)	(658,854)	(16,877)	-
OTHER FINANCING SOURCES (USES):							
Transfers in.....				202,285			
Transfers out.....							
Insurance proceeds.....					683,886		
NET OTHER FINANCING SOURCES (USES).....	-	-	-	202,285	683,886	-	-
NET CHANGE IN FUND BALANCES.....	15,098	2,364	(5,796)	(33,104)	25,032	(16,877)	-
FUND BALANCES, JULY 1, 2012.....	155,597	66,063	100,843	364,749	-	43,284	-
FUND BALANCES, JUNE 30, 2013.....	\$ 170,695	\$ 68,427	\$ 95,047	\$ 331,645	\$ 25,032	\$ 26,407	\$ -

(Continued)

TOWN OF NEWTOWN, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS

	SPECIAL REVENUE FUNDS							TOTAL SPECIAL REVENUE FUNDS
	MISCELLANEOUS GRANTS	SMALL CITIES PROGRAM	CEMETERY FUND	EICHLER'S COVE MARINA	HISTORIC DOCUMENTS	CULTURAL ARTS	SANDY HOOK SPECIAL REVENUE FUND	
REVENUES:								
Intergovernmental.....	\$ 2,202,958	\$	\$	\$	\$ 6,500	\$	\$	\$ 6,020,982
Charges for services.....		25,985		119,961	11,590	34,145		3,724,662
Investment income.....			122			5		12,784
Contributions.....						6,104	574,482	1,074,783
TOTAL REVENUES.....	2,202,958	25,985	122	119,961	18,090	40,254	574,482	10,833,211
EXPENDITURES:								
Current:								
General government.....	307				21,558		1,531	690,028
Public safety.....	770,505						1,260	1,211,556
Health and welfare.....	14,317	12,181				16,352	46,605	98,090
Public works.....	552,196							552,196
Parks and recreation.....	222,670			55,310			15,668	939,927
Education.....	642,963						137,546	7,379,895
Capital outlay.....								-
TOTAL EXPENDITURES.....	2,202,958	12,181	-	55,310	21,558	16,352	202,610	10,871,692
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	-	13,804	122	64,651	(3,468)	23,902	371,872	(38,481)
OTHER FINANCING SOURCES (USES):								
Transfers in.....								202,285
Transfers out.....								(122,000)
Insurance proceeds.....								683,886
NET OTHER FINANCING SOURCES (USES).....	-	-	-	-	-	-	-	764,171
NET CHANGE IN FUND BALANCES.....	-	13,804	122	64,651	(3,468)	23,902	371,872	725,690
FUND BALANCES, JULY 1, 2012.....	-	23,457	31,530	226,253	39,181	16,371	-	1,613,995
FUND BALANCES, JUNE 30, 2013.....	\$ -	\$ 37,261	\$ 31,652	\$ 290,904	\$ 35,713	\$ 40,273	\$ 371,872	\$ 2,339,685

(Continued)

TOWN OF NEWTOWN, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONCLUDED)
NONMAJOR GOVERNMENTAL FUNDS

	DEBT SERVICE	CAPITAL PROJECTS	PERMANENT FUNDS					TOTAL NONMAJOR GOVERNMENTAL FUNDS
	DEBT SERVICE	CAPITAL AND NONRECURRING	HAWLEY SCHOOL TRUST	EDMOND TOWN HALL ENDOWMENT	NEWTOWN FLAGPOLE FUND	THE V.G. HAIR AND FRANCES E. HAIR FUND	TOTAL PERMANENT FUNDS	
REVENUES:								
Intergovernmental.....	\$ 26,923	\$	\$	\$	\$	\$	\$ -	\$ 6,047,905
Charges for services.....		150,395					-	3,875,057
Investment income.....		1,063	7,348	17,699	229	11,732	37,008	50,855
Net change in fair value of investments.....			27,636	98,630			126,266	126,266
Contributions.....	2,600	8,625			2,342	1,385,000	1,387,342	2,473,350
TOTAL REVENUES.....	29,523	160,083	34,984	116,329	2,571	1,396,732	1,550,616	12,573,433
EXPENDITURES:								
Current:								
General government.....		51,108		59,610	2,559		62,169	803,305
Public safety.....						40,218	40,218	1,251,774
Health and welfare.....							-	98,090
Public works.....							-	552,196
Parks and recreation.....							-	939,927
Education.....			34,551				34,551	7,414,446
Capital outlay.....		539,829					-	539,829
TOTAL EXPENDITURES.....	-	590,937	34,551	59,610	2,559	40,218	136,938	11,599,567
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	29,523	(430,854)	433	56,719	12	1,356,514	1,413,678	973,866
OTHER FINANCING SOURCES (USES):								
Transfers in.....		250,000					-	452,285
Transfers out.....							-	(122,000)
Insurance proceeds.....							-	683,886
NET OTHER FINANCING SOURCES (USES).....	-	250,000	-	-	-	-	-	1,014,171
NET CHANGE IN FUND BALANCES.....	29,523	(180,854)	433	56,719	12	1,356,514	1,413,678	1,988,037
FUND BALANCES, JULY 1, 2012.....	152,761	1,735,404	429,069	900,757	16,031	-	1,345,857	4,848,017
FUND BALANCES, JUNE 30, 2013.....	\$ 182,284	\$ 1,554,550	\$ 429,502	\$ 957,476	\$ 16,043	\$ 1,356,514	\$ 2,759,535	\$ 6,836,054

(Concluded)

Internal Service Funds

Internal Service funds are used to account for the providing of goods or services provided by one department to other departments of the Town on a cost reimbursement basis or accounting for risk retention as allowed by GASB Statement No. 10.

Board of Education Dental Fund

To account for self-insured dental benefits for Board of Education employees.

Medical Insurance Fund

To account for self-insured medical benefits for Town employees.

TOWN OF NEWTOWN, CONNECTICUT

COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
JUNE 30, 2013

	BOARD OF EDUCATION DENTAL	MEDICAL INSURANCE	TOTALS
<u>ASSETS</u>			
Current assets:			
Cash.....	\$ 225,001	\$ 2,555,298	\$ 2,780,299
Accounts receivable.....		503,992	503,992
Due from other funds	51,049	249,421	300,470
TOTAL ASSETS.....	276,050	3,308,711	3,584,761
LIABILITIES:			
Current liabilities:			
Claims payable.....	49,889	1,042,272	1,092,161
<u>NET POSITION</u>			
Unrestricted.....	\$ 226,161	\$ 2,266,439	\$ 2,492,600

SCHEDULE 8**TOWN OF NEWTOWN, CONNECTICUT**

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2013

	BOARD OF EDUCATION DENTAL	MEDICAL INSURANCE	TOTALS
OPERATING REVENUES:			
Charges for services.....	\$ 402,534	\$ 11,707,200	\$ 12,109,734
OPERATING EXPENSES:			
Claims incurred.....	440,491	10,892,041	11,332,532
Administration.....	1,438	896,581	898,019
TOTAL OPERATING EXPENSES.....	441,929	11,788,622	12,230,551
OPERATING INCOME (LOSS).....	(39,395)	(81,422)	(120,817)
NONOPERATING REVENUES (EXPENSES):			
Investment income.....		8,239	8,239
NET CHANGE IN NET POSITION	(39,395)	(73,183)	(112,578)
TOTAL NET POSITION - JULY 1, 2012.....	265,556	2,339,622	2,605,178
TOTAL NET POSITION - JUNE 30, 2013.....	\$ 226,161	\$ 2,266,439	\$ 2,492,600

TOWN OF NEWTOWN, CONNECTICUTCOMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED JUNE 30, 2013

	BOARD OF EDUCATION DENTAL	MEDICAL INSURANCE	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash received from charges for services.....	\$ 369,230	\$ 11,023,906	\$ 11,393,136
Cash payments to suppliers for goods and services.....	(3,479)	(896,581)	(900,060)
Claims paid.....	(440,491)	(10,877,250)	(11,317,741)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	(74,740)	(749,925)	(824,665)
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment income.....		8,239	8,239
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	(74,740)	(741,686)	(816,426)
CASH AND CASH EQUIVALENTS - JULY 1, 2012.....	299,741	3,296,984	3,596,725
CASH AND CASH EQUIVALENTS - JUNE 30, 2013.....	\$ 225,001	\$ 2,555,298	\$ 2,780,299
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating income (loss).....	\$ (39,395)	\$ (81,422)	\$ (120,817)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
(Increase) decrease in:			
Receivables.....	(33,304)	(503,992)	(537,296)
Due from other funds.....		(181,344)	(181,344)
Increase (decrease) in:			
Accounts and other payables.....	(2,041)	16,833	14,792
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	\$ (74,740)	\$ (749,925)	\$ (824,665)

Fiduciary Funds

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

Pension Trust Funds

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

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

Private-Purpose Trust Fund

Sandy Hook Private-Purpose Trust Fund is a fund to account for donations for the families/victims as a result of the tragedy on December 14, 2012. In addition, it is also to account for donations for scholarships.

Agency Funds

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

Board of Education Flex Plan

To account for employee medical savings account.

Student Activities

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

Police Benevolent

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

Performance Bonds

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

TOWN OF NEWTOWN, CONNECTICUT

COMBINING STATEMENT OF FIDUCIARY NET POSITION
AGENCY FUNDS
JUNE 30, 2013

	BOARD OF EDUCATION FLEX PLAN	STUDENT ACTIVITIES	POLICE BENEVOLENT	PERFORMANCE BONDS	TOTAL
<u>ASSETS</u>					
Cash.....	\$ 19,348	\$ 372,187	\$ 2,200	\$	\$ 393,735
Investments.....		189,754		234,460	424,214
TOTAL ASSETS.....	<u>\$ 19,348</u>	<u>\$ 561,941</u>	<u>\$ 2,200</u>	<u>\$ 234,460</u>	<u>\$ 817,949</u>
<u>LIABILITY</u>					
Accounts payable.....	<u>\$ 19,348</u>	<u>\$ 561,941</u>	<u>\$ 2,200</u>	<u>\$ 234,460</u>	<u>\$ 817,949</u>

TOWN OF NEWTOWN, CONNECTICUT

AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 YEAR ENDED JUNE 30, 2013

	BALANCE JULY 1, 2012	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2013
<u>ASSETS</u>				
CASH:				
Flex Plan.....	\$ 30,905	\$ 150,997	\$ 162,554	\$ 19,348
Student activities.....	284,923	1,752,315	1,665,051	372,187
Police Benevolent.....		5,200	3,000	2,200
TOTAL CASH.....	315,828	1,908,512	1,830,605	393,735
INVESTMENTS:				
Student activities.....	188,352	1,402		189,754
Performance bonds.....	253,549	529	19,618	234,460
TOTAL INVESTMENTS.....	441,901	1,931	19,618	424,214
TOTAL ASSETS.....	\$ 757,729	\$ 1,910,443	\$ 1,850,223	\$ 817,949
<u>LIABILITIES</u>				
ACCOUNTS PAYABLE:				
Flex Plan.....	\$ 30,905	\$ 150,997	\$ 162,554	\$ 19,348
Student activities.....	473,275	1,753,717	1,665,051	561,941
Police Benevolent.....		5,200	3,000	2,200
Performance bonds.....	253,549	529	19,618	234,460
TOTAL LIABILITIES.....	\$ 757,729	\$ 1,910,443	\$ 1,850,223	\$ 817,949

Statistical Section

This part of the Town's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

CONTENTS

FINANCIAL TRENDS (TABLES 1 - 4)

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

REVENUE CAPACITY (TABLES 5 - 8)

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

DEBT CAPACITY (TABLES 9 - 12)

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

DEMOGRAPHIC AND ECONOMIC INFORMATION (TABLES 13 - 14)

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

OPERATING INFORMATION (TABLE 15 - 17)

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

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

TABLE 1

TOWN OF NEWTOWN, CONNECTICUT

NET POSITION BY COMPONENT
LAST TEN YEARS
(UNAUDITED)

	FISCAL YEAR ENDED									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
GOVERNMENTAL ACTIVITIES:										
Net investment in capital assets.....	\$ 164,022,205	\$ 160,006,067	\$ 149,602,482	\$ 131,727,748	\$ 128,178,467	\$ 122,076,076	\$ 114,736,321	\$ 107,382,867	\$ 95,381,052	\$ 94,136,547
Restricted for:										
Endowments:										
Nonexpendable.....	610,000	610,000	650,602	650,602	650,602	650,602	650,602	650,602	650,602	650,602
Expendable.....	2,149,535	735,857	808,311	686,396	643,380	941,467	1,097,698	378,671	862,715	839,658
General government.....	338,844	187,763								
Public safety.....	76,149	8,952								
Health and welfare.....	68,913	54,987								
Parks and recreation.....			171,099	178,155						
Education.....	648,435	208,185	271,166	270,350						
Other.....			97,507	94,433						
Unrestricted.....	16,922,074	17,480,920	22,463,889	25,713,592	23,157,791	24,236,011	24,522,070	23,016,939	26,953,560	23,898,534
TOTAL NET POSITION.....	184,836,155	179,292,731	174,065,056	159,321,276	152,630,240	147,904,156	141,006,691	131,429,079	123,847,929	119,525,341
BUSINESS-TYPE ACTIVITIES:										
Net investment in capital assets.....	24,629,094	24,084,436	23,323,592	23,064,329	22,821,892	22,477,029	22,270,321	21,776,567	20,908,675	17,802,250
Unrestricted.....	6,731,333	7,641,205	8,783,633	9,332,516	10,130,575	11,322,568	12,093,361	13,355,741	13,952,656	13,747,540
TOTAL NET POSITION.....	31,360,427	31,725,641	32,107,225	32,396,845	32,952,467	33,799,597	34,363,682	35,132,308	34,861,331	31,549,790
GRAND TOTAL:										
Net investment in capital assets.....	188,651,299	184,090,503	172,926,074	154,792,077	151,000,359	144,553,105	137,006,642	129,159,434	116,289,727	111,938,797
Restricted for:										
Endowments:										
Nonexpendable.....	610,000	610,000	650,602	650,602	650,602	650,602	650,602	650,602	650,602	650,602
Expendable.....	2,149,535	735,857	808,311	686,396	643,380	941,467	1,097,698	378,671	862,715	839,658
General government.....	338,844	187,763								
Public safety.....	76,149	8,952								
Health and welfare.....	68,913	54,987								
Parks and recreation.....			171,099	178,155						
Education.....	648,435	208,185	271,166	270,350						
Other.....			97,507	94,433						
Unrestricted.....	23,653,407	25,122,125	31,247,522	35,046,108	33,288,366	35,558,579	36,615,431	36,372,680	40,906,216	37,646,074
GRAND TOTAL NET POSITION.....	\$ 216,196,582	\$ 211,018,372	\$ 206,172,281	\$ 191,718,121	\$ 185,582,707	\$ 181,703,753	\$ 175,370,373	\$ 166,561,387	\$ 158,709,260	\$ 151,075,131

TABLE 2
(1 of 2)

TOWN OF NEWTOWN, CONNECTICUT

CHANGES IN NET POSITION
LAST TEN YEARS
(UNAUDITED)

	FISCAL YEAR ENDED									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
EXPENSES:										
Governmental activities:										
General government.....	\$ 5,525,271	\$ 5,572,507	\$ 4,521,804	\$ 8,759,441	\$ 4,535,058	\$ 5,296,173	\$ 3,824,508	\$ 2,960,996	\$ 4,558,079	\$ 3,109,042
Public safety.....	9,986,240	9,859,389	9,253,214	6,867,872	9,148,279	8,079,988	6,790,431	7,246,450	6,935,684	6,008,315
Health and welfare.....	2,541,813	3,108,569	2,156,351	2,938,714	3,358,845	2,760,009	2,537,270	2,511,862	2,154,667	2,190,003
Land use.....	588,147	557,698	569,264	541,473	703,662	655,200	669,305	618,048	600,501	561,633
Public works.....	9,873,453	11,621,141	9,793,777	8,173,705	11,867,112	8,814,436	9,286,973	9,285,859	10,248,121	8,240,704
Parks and recreation.....	3,251,097	3,400,294	3,819,873	2,639,930	3,262,414	2,682,141	2,775,522	2,643,651	3,079,913	2,785,162
Education.....	83,295,987	82,229,207	78,287,539	76,662,504	76,184,988	86,738,412	69,132,117	65,157,121	59,748,497	55,129,870
Interest expense.....	2,530,417	3,294,660	2,781,527	14,752,827	1,161,850	2,904,944	2,614,757	2,438,463	2,795,232	2,571,633
Total Governmental Activities Expenses.....	117,592,425	119,643,465	111,183,349	121,336,466	110,222,208	117,931,303	97,630,883	92,862,450	90,120,694	80,596,362
Business-Type activities:										
Sewer Department.....	1,621,751	1,655,992	1,558,578	1,592,894	1,568,227	1,588,118	1,689,500	1,697,945	1,463,892	1,873,766
Water Department.....	308,571	287,707	334,988	407,914	381,374	361,601	281,389	297,808	325,066	
Total Business-Type activities.....	1,930,322	1,943,699	1,893,566	2,000,808	1,949,601	1,949,719	1,970,889	1,995,753	1,788,958	1,873,766
TOTAL EXPENSES.....	119,522,747	121,587,164	113,076,915	123,337,274	112,171,809	119,881,022	99,601,772	94,858,203	91,909,652	82,470,128
PROGRAM REVENUES:										
Governmental activities:										
Charges for services:										
General government.....	657,318	681,250	694,793	620,329	681,694	1,026,564	909,972	1,206,891	1,333,546	1,374,653
Public safety.....	496,807	1,014,724	382,426	403,673	526,245	291,420	216,418	292,787	162,565	203,310
Health and welfare.....	18,660	26,004	46,909	36,056	10,200	77,387	2,229	57,861	58,155	28,780
Land use.....	67,810	55,489	50,654	68,850	110,052	130,955	114,726	159,769	183,895	183,069
Public works.....	936,145	1,072,364	1,020,424	795,857	840,643	906,124	1,093,674	1,132,422	1,265,260	1,129,658
Parks and recreation.....	1,314,279	1,418,411	1,436,769	1,496,451	1,561,347	1,473,699	1,418,574	1,561,711	1,353,225	1,289,741
Education.....	2,136,233	2,180,993	2,249,986	1,979,875	1,927,823	1,984,582	2,211,948	2,138,475	2,227,808	1,966,553
Operating grants and contributions.....	18,865,291	16,619,958	15,216,921	15,620,226	13,470,536	24,721,120	9,786,293	9,439,346	7,038,683	7,618,203
Capital grants and contributions.....	1,699,664	3,497,555	8,706,301	4,738,631	1,731,908	4,072,712	2,177,250	5,191,966	6,198,333	2,248,272
Total Governmental Activities Program Revenues.....	26,192,207	26,566,748	29,805,183	25,759,948	20,860,448	34,684,563	17,931,084	21,181,228	19,821,470	16,042,239

(Continued)

TABLE 2
(2 of 2)

TOWN OF NEWTOWN, CONNECTICUT

CHANGES IN NET POSITION
LAST TEN YEARS
(UNAUDITED)

	FISCAL YEAR ENDED									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Business-Type activities:										
Sewer Department.....	\$ 1,182,768	\$ 1,158,657	\$ 1,206,743	\$ 1,021,112	\$ 905,105	\$ 1,125,055	\$ 825,987	\$ 2,000,659	\$ 2,478,261	\$ 1,702,603
Water Department.....	335,215	351,139	332,772	324,178	261,294	183,833	183,061	170,883	2,586,248	
Total Business-Type activities.....	1,517,983	1,509,796	1,539,515	1,345,290	1,166,399	1,308,888	1,009,048	2,171,542	5,064,509	1,702,603
TOTAL PROGRAM REVENUES.....	27,710,190	28,076,544	31,344,698	27,105,238	22,026,847	35,993,451	18,940,132	23,352,770	24,885,979	17,744,842
NET EXPENSES:										
Governmental activities.....	(91,400,218)	(93,076,717)	(81,378,166)	(95,576,518)	(89,361,760)	(83,246,740)	(79,699,799)	(71,681,222)	(70,299,224)	(64,554,123)
Business-type activities.....	(412,339)	(433,903)	(354,051)	(655,518)	(783,202)	(640,831)	(961,841)	175,789	3,275,551	(171,163)
TOTAL NET EXPENSES.....	(91,812,557)	(93,510,620)	(81,732,217)	(96,232,036)	(90,144,962)	(83,887,571)	(80,661,640)	(71,505,433)	(67,023,673)	(64,725,286)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:										
Governmental activities:										
Property taxes.....	96,220,137	95,287,752	93,206,605	90,659,137	90,243,025	85,534,874	82,212,483	76,923,921	70,981,527	65,571,289
Grants and contributions not restricted to specific programs.....	2,602,165	2,576,596	2,168,350	2,045,042	2,756,030	2,616,265	2,482,103	2,648,507	2,291,241	2,505,220
Contributions to permanent funds.....	1,387,342									
Investment income.....	293,593	224,944	592,766	574,735	552,252	1,830,513	2,354,318	1,640,673	1,072,396	595,006
Gain on sale of assets.....		90,000						-	145,674	
Miscellaneous.....	161,772	125,100	154,225	105,381	452,570	162,553	165,081	112,610	130,974	148,062
Total Governmental Activities.....	100,665,009	98,304,392	96,121,946	93,384,295	94,003,877	90,144,205	87,213,985	81,325,711	74,621,812	68,819,577
Business-Type activities:										
Sewer Department.....	47,125	52,319	64,431	99,896	20,039	76,746	193,215	95,188	35,990	17,927
TOTAL GENERAL REVENUES.....	100,712,134	98,356,711	96,186,377	93,484,191	94,023,916	90,220,951	87,407,200	81,420,899	74,657,802	68,837,504
CHANGE IN NET POSITION BEFORE EXTRAORDINARY ITEM:										
Governmental activities.....	9,264,791	5,227,675	14,743,780	(2,192,223)	4,642,117	6,897,465	7,514,186	9,644,489	4,322,588	4,265,454
Business-type activities.....	(365,214)	(381,584)	(289,620)	(555,622)	(763,163)	(564,085)	(768,626)	270,977	3,311,541	(153,236)
TOTAL CHANGE IN NET POSITION BEFORE EXTRAORDINARY ITEM.....	8,899,577	4,846,091	14,454,160	(2,747,845)	3,878,954	6,333,380	6,745,560	9,915,466	7,634,129	4,112,218
EXTRAORDINARY ITEM - ASSET IMPAIRMENT.....	(3,721,367)									
CHANGE IN NET POSITION:										
Governmental activities.....	5,543,424	5,227,675	14,743,780	(2,192,223)	4,642,117	6,897,465	7,514,186	9,644,489	4,322,588	4,265,454
Business-type activities.....	(365,214)	(381,584)	(289,620)	(555,622)	(763,163)	(564,085)	(768,626)	270,977	3,311,541	(153,236)
TOTAL CHANGE IN NET POSITION.....	\$ 5,178,210	\$ 4,846,091	\$ 14,454,160	\$ (2,747,845)	\$ 3,878,954	\$ 6,333,380	\$ 6,745,560	\$ 9,915,466	\$ 7,634,129	\$ 4,112,218

(Concluded)

TABLE 3

TOWN OF NEWTOWN, CONNECTICUT

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(UNAUDITED)

	FISCAL YEAR ENDED									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
GENERAL FUND:										
Assigned.....	\$ 1,416,183	\$ 810,891	\$ 760,701	\$ 2,354,552	\$ 3,634,009	\$ 4,960,888	\$ 5,489,515	\$ 4,278,650	\$ 4,862,339	\$ 5,149,677
Unassigned.....	9,390,049	8,379,750	7,408,816	6,903,051	7,636,522	7,821,198	2,619,306	3,363,961	2,312,535	2,467,236
TOTAL GENERAL FUND.....	10,806,232	9,190,641	8,169,517	9,257,603	11,270,531	12,782,086	8,108,821	7,642,611	7,174,874	7,616,913
ALL OTHER GOVERNMENTAL FUNDS:										
Nonspendable.....	610,000	610,000	650,602	650,602	650,602	650,602	650,602	650,602	650,602	650,602
Restricted.....	3,281,876	1,195,744	1,348,083	1,229,334	643,380	941,467	1,097,698	918,604	862,715	839,658
Committed.....	2,761,894	2,889,512	2,518,747	1,253,867	1,029,196	914,966	939,402	925,526	1,032,148	839,971
Assigned.....	182,284	152,761	51,350	301,517	722,709	83,915				
Unassigned.....	(1,036,866)	(53,605)	(5,236,911)	(10,737,527)	3,447,725	11,492,610	13,555,592	7,012,374	8,998,529	3,377,749
TOTAL ALL OTHER GOVERNMENTAL FUNDS	5,799,188	4,794,412	(668,129)	(7,302,207)	6,493,612	14,083,560	16,243,294	9,507,106	11,543,994	5,707,980
GRAND TOTAL.....	\$ 16,605,420	\$ 13,985,053	\$ 7,501,388	\$ 1,955,396	\$ 17,764,143	\$ 26,865,646	\$ 24,352,115	\$ 17,149,717	\$ 18,718,868	\$ 13,324,893

TABLE 4

TOWN OF NEWTOWN, CONNECTICUT

CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN YEARS
(UNAUDITED)

	FISCAL YEAR ENDED									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
REVENUES:										
Property taxes.....	\$ 96,477,212	\$ 94,848,822	\$ 92,855,249	\$ 90,659,137	\$ 90,141,582	\$ 85,409,590	\$ 82,160,198	\$ 76,815,298	\$ 71,319,635	\$ 65,870,365
Intergovernmental.....	21,047,684	20,996,562	26,729,907	21,368,025	18,723,660	29,595,041	13,671,350	13,838,466	11,704,233	11,898,364
Charges for services.....	5,642,737	6,476,781	5,864,154	5,401,091	5,647,804	5,815,344	5,967,312	6,561,934	6,586,409	6,227,671
Investment income.....	159,088	311,244	385,276	513,052	833,860	1,977,164	2,173,848	1,587,327	1,026,530	465,803
Net change in fair value of investments.....	126,266	(92,166)	203,555	61,683	(281,619)	(149,911)	173,533	47,419	42,795	128,273
Contributions.....	3,430,866	504,502	225,177	158,204	229,043	138,571	93,484	83,925	130,114	64,283
Other.....	161,772	125,100	154,225	105,381	452,570	162,553	165,081	112,610	130,974	148,062
TOTAL REVENUES.....	127,045,625	123,170,845	126,417,543	118,266,573	115,746,900	122,948,352	104,404,806	99,046,979	90,940,690	84,802,821
EXPENDITURES:										
Current:										
General government.....	4,980,373	4,924,957	8,467,595	8,384,510	7,431,955	7,829,719	6,678,593	6,564,560	5,944,787	5,317,277
Fairfield Hills.....	55,211	149,582	305,477	374,931	531,952	587,100	508,502	748,235	1,260,689	445,820
Public safety.....	9,619,031	9,313,761	6,804,072	6,867,872	6,651,104	6,284,149	5,680,053	5,533,828	5,242,215	4,784,512
Health and welfare.....	2,519,088	3,094,137	2,133,572	2,938,714	3,316,602	2,692,470	2,417,531	2,419,787	2,065,537	2,009,780
Land use.....	579,059	570,199	465,629	541,473	562,379	528,719	508,087	462,525	460,307	450,442
Public works.....	9,453,990	10,433,422	8,676,968	8,173,705	9,459,569	7,459,859	9,232,185	8,456,460	8,021,234	8,223,842
Parks and recreation.....	3,073,435	2,949,884	3,105,935	2,639,930	2,561,335	2,608,137	2,229,034	2,549,416	2,488,566	2,516,128
Education.....	82,288,773	80,220,967	78,889,774	76,662,504	74,467,636	84,625,841	67,407,332	63,381,441	58,123,068	54,743,588
Debt service:										
Principal.....	7,387,177	6,745,760	7,119,958	6,367,885	6,367,885	6,707,913	5,884,431	4,936,079	4,970,818	4,445,094
Interest.....	2,672,401	2,863,256	2,731,592	8,384,942	2,875,515	2,905,792	2,688,665	2,523,344	3,053,223	2,588,758
Capital outlay.....	2,480,606	7,842,117	16,043,474	27,410,677	20,113,831	11,244,600	3,493,062	12,654,801	8,230,673	1,922,011
TOTAL EXPENDITURES.....	125,109,144	129,108,042	134,744,046	148,747,143	134,339,763	133,474,299	106,727,475	110,230,476	99,861,117	87,447,252
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	1,936,481	(5,937,197)	(8,326,503)	(30,480,570)	(18,592,863)	(10,525,947)	(2,322,669)	(11,183,497)	(8,920,427)	(2,644,431)
OTHER FINANCING SOURCES (USES):										
Issuance of debt.....		11,800,000	14,020,000	14,230,000	8,885,000	12,970,000	9,460,000	12,410,000	12,410,000	
Issuance of refunding bonds.....		15,047,300	8,910,000	13,320,000	9,285,000			24,046,600	24,046,600	
Capital lease.....					400,000					
Premium.....		1,655,587	1,048,586	1,611,914	306,418		65,067	570,014	570,014	
Payment to refunded bonds escrow agent.....		(16,172,025)	(10,106,071)	(14,490,091)	(9,469,025)			(24,368,545)	(24,368,545)	
Sale of assets.....		90,000				69,478		1,656,333	1,656,333	43,200
Transfers in.....	574,285	787,684	663,737	575,633	2,314,742	4,948,915	464,241	700,000	700,000	574,696
Transfers out.....	(574,285)	(787,684)	(663,737)	(575,633)	(2,230,775)	(4,948,915)	(464,241)	(700,000)	(700,000)	(574,696)
Insurance proceeds.....	683,886									
NET OTHER FINANCING SOURCES (USES).....	683,886	12,420,862	13,872,495	14,671,823	9,491,360	13,039,478	9,525,067	14,314,402	14,314,402	43,200
NET CHANGE IN FUND BALANCES.....	\$ 2,620,367	\$ 6,483,665	\$ 5,545,992	\$ (15,808,747)	\$ (9,101,503)	\$ 2,513,531	\$ 7,202,398	\$ 3,130,905	\$ 5,393,975	\$ (2,601,231)
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES.....	8%	8%	9%	10%	8%	8%	8%	8%	9%	8%

TABLE 5

TOWN OF NEWTOWN, CONNECTICUT

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
(UNAUDITED)

YEAR ENDED JUNE 30	REAL ESTATE		PERSONAL PROPERTY			TOTALS				
	(1) ASSESSED VALUE	(2) ESTIMATED VALUE	(1) MOTOR VEHICLE ASSESSED VALUE	(1) PERSONAL PROPERTY ASSESSED VALUE	TOTAL MOTOR VEHICLE AND PERSONAL PROPERTY ASSESSED VALUE	TOTAL MOTOR VEHICLE AND PERSONAL PROPERTY ESTIMATED ACTUAL VALUE	(1) TOTAL ASSESSED VALUE	TOTAL ESTIMATED ACTUAL VALUE	(2) PERCENTAGE OF TOTAL ASSESSED VALUE TO TOTAL ESTIMATED ACTUAL VALUE	(3) TOTAL DIRECT TAX RATE
2004	\$ 2,537,471,740 *	\$ 3,694,799,594	\$ 188,771,718	\$ 91,761,200	\$ 280,532,918	\$ 400,761,311	\$ 2,818,004,658	\$ 4,095,560,905	68.81%	24.08
2005	2,592,860,580	4,250,591,115	188,738,928	84,756,943	273,495,871	390,708,387	2,866,356,451	4,641,299,502	61.76%	25.90
2006	2,653,069,110	4,823,762,018	203,174,719	85,545,258	288,719,977	412,457,110	2,941,789,087	5,236,219,128	56.18%	26.95
2007	2,708,061,890	4,909,091,946	210,749,643	92,656,529	303,406,172	452,824,344	3,011,468,062	5,361,916,290	56.16%	28.15
2008	2,749,091,490	5,188,923,159	218,235,621	98,741,420	316,977,041	452,824,344	3,066,068,531	5,641,747,503	54.35%	28.95
2009	3,629,805,735 *	5,185,436,764	220,978,180	98,735,860	319,714,040	456,734,343	3,949,519,775	5,642,171,107	70.00%	23.81
2010	3,626,812,720	4,597,303,486	217,368,592	106,011,275	323,379,867	461,971,239	3,950,192,587	5,059,274,725	78.08%	24.01
2011	3,624,426,799	4,439,726,674	207,771,612	110,561,554	318,333,166	454,761,666	3,942,759,965	4,894,488,340	80.56%	24.61
2012	3,633,553,446	4,223,985,170	215,781,712	108,306,358	324,088,070	462,982,957	3,957,641,516	4,686,968,127	84.44%	24.98
2013	3,648,196,507	3,960,265,422	227,546,256	108,087,739	335,633,995	479,477,136	3,983,830,502	4,439,742,558	89.73%	25.15

(1) Assessed values taken from the Board of Assessment Appeals corrected abstracts for the respective year.

(2) Personal property value based on a 70% assessment ratio.

(3) From Table 6.

* Revaluation year.

TABLE 6**TOWN OF NEWTOWN, CONNECTICUT**

PROPERTY TAX RATES
 DIRECT AND OVERLAPPING GOVERNMENTS
 LAST TEN YEARS
 (UNAUDITED)

Year Ended June 30	Grand List of October 1	Tax Rate - Mills		
		TOWN MILLAGE	BOROUGH MILLAGE	TOTAL MILLAGE
2004	2002	23.40	0.68	24.08
2005	2003	24.90	1.00	25.90
2006	2004	26.10	0.85	26.95
2007	2005	27.30	0.85	28.15
2008	2006	28.10	0.85	28.95
2009	2007	23.20	0.61	23.81
2010	2008	23.43	0.58	24.01
2011	2009	24.00	0.61	24.61
2012	2010	24.37	0.61	24.98
2013	2011	24.54	0.61	25.15

Source: Data supplied by Town of Newtown and Borough Tax Collectors

TOWN OF NEWTOWN, CONNECTICUT

TABLE 7

PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

NAME	NATURE OF BUSINESS	GRAND LIST YEAR 2011			GRAND LIST YEAR 2002		
		ASSESSED VALUE	RANK	PERCENTAGE NET TAXABLE GRAND LIST (1)	ASSESSED VALUE	RANK	PERCENTAGE NET TAXABLE GRAND LIST (2)
CONNECTICUT LIGHT & POWER	UTILITY	\$ 23,451,050	1	0.59%	\$ 18,007,210	1	0.65%
E & A.I & G SANDHILL PLAZA LTD PARTNERSHIP	SHOPPING	18,550,000	2	0.47%	13,938,710	2	0.50%
IROQUOIS GAS TRANSMISSION SYSTEM	UTILITY	15,914,910	3	0.40%			
CURTIS PACKAGING CORP	MANUFACTURING	12,542,764	4	0.32%	7,382,200	7	0.27%
NEWTOWN SHOPPING VILLAGE	SHOPPING CENTER	11,651,662	5	0.29%	5,852,980	10	0.21%
NEWTOWN ALF PROPERTY LLC	ASSISTED LIVING	10,325,000	6	0.26%	10,708,630	3	0.39%
NEWTOWN SAVINGS BANK	FINANCIAL SERVICES	9,882,262	7	0.25%			
TAUNTON PRESS	PRINTING	8,662,084	8	0.22%	7,866,030	6	0.28%
BARNABAS REALTY GROUP GEN PTRSHP	REAL ESTATE HOLDINGS	7,508,781	9	0.19%	6,027,500	9	0.22%
ROCK RIDGE COUNTRY CLUB INC	LEISURE	7,094,260	10	0.18%			
FIRSTLIGHT HYDRO GENERATING CO	UTILITY	6,364,335	11	0.16%			
ETHAN ALLEN INC	MANUFACTURING	6,135,293	12	0.16%			
ETON CENTERS CO	REAL ESTATE	6,066,802	13	0.15%			
ADVANCED FUSION SYSTEMS LLC	MANUFACTURING/R&D	5,924,128	14	0.15%			
CHARTER COMMUNICATION ENTERTAINMENT	ENTERTAINMENT/COMM	5,793,590	15	0.15%			
HARVEY HUBBELL INC	MANUFACTURING				8,565,990	5	0.31%
RAND WHITNEY CONTAINER LLC	MANUFACTURING				6,050,290	8	0.22%
SORVALL PRODUCTS LIMITED PARTNERSHIP					10,051,150	4	0.36%
TOTAL		<u>\$ 155,866,921</u>		<u>3.94%</u>	<u>\$ 94,450,690</u>		<u>3.41%</u>

Source: Town Assessor Department.

(1) Based on October 1, 2011 net taxable Grand List of \$3,950,559,286

(2) Based on October 1, 2002 net taxable Grand List of \$2,781,527,477

TABLE 8

TOWN OF NEWTOWN, CONNECTICUT

TAX RATES, LEVIES AND CASH COLLECTIONS
LAST TEN YEARS
(UNAUDITED)

YEAR ENDED JUNE 30	(1) MILL RATE	GRAND LIST OF OCTOBER 1	TOTAL ADJUSTED TAX LEVY	NET CURRENT LEVY TAX COLLECTIONS	PERCENTAGE OF CURRENT TAXES COLLECTED	COLLECTIONS/ ADJUSTMENTS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS	PERCENT OF LEVY COLLECTED	CURRENT DELINQUENT BALANCE
2004	23.40	2002	\$ 65,292,492	\$ 64,404,389	98.6%	\$ 867,641	\$ 65,272,030	100.0%	\$ 20,462
2005	24.90	2003	70,745,739	69,896,883	98.8%	828,800	70,725,683	100.0%	20,056
2006	26.10	2004	76,226,450	75,533,854	99.1%	671,481	76,205,335	100.0%	21,115
2007	27.30	2005	81,644,015	80,907,427	99.1%	708,763	81,616,190	100.0%	27,825
2008	28.10	2006	84,992,465	84,184,987	99.0%	775,924	84,960,911	100.0%	31,554
2009	23.20	2007	89,761,007	88,934,425	99.1%	706,516	89,640,941	99.9%	120,066
2010	23.43	2008	90,216,520	89,465,838	99.2%	589,459	90,055,297	99.8%	161,223
2011	24.00	2009	92,798,590	91,982,638	99.1%	568,206	92,550,844	99.7%	247,746
2012	24.37	2010	94,762,206	93,813,987	99.0%	595,588	93,813,987	99.0%	352,631
2013	24.54	2011	96,019,710	95,073,707	99.0%	-	95,073,707	99.0%	946,003

Source: Town audit reports.

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

TABLE 9

TOWN OF NEWTOWN, CONNECTICUT

RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN YEARS
(UNAUDITED)

YEAR ENDED JUNE 30	GOVERNMENTAL ACTIVITIES						BUSINESS-TYPE ACTIVITIES			PERCENTAGE OF PERSONAL INCOME	DEBT PER CAPITA
	GENERAL OBLIGATION BONDS	BOND PREMIUM	CLEAN WATER NOTES	DRINKING WATER NOTE	IMPROVEMENT NOTE	CAPITAL LEASES	GENERAL OBLIGATION BONDS	CLEAN WATER NOTES	TOTAL		
2004	\$ 45,820,000	\$ 463,900	\$ 3,527,732	\$	\$	\$	\$ 680,000	\$ 11,344,088	\$ 61,835,720	N/A	\$ 2,351
2005	54,012,900	503,771	3,290,450				652,100	10,594,126	69,053,347	N/A	2,580
2006	57,658,900	543,642	3,048,371	171,738	1,044,000		616,100	9,829,026	72,911,777	0.14%	2,701
2007	61,754,500	583,513	2,801,364	159,714	783,000		575,500	9,048,484	75,706,075	0.15%	2,779
2008	66,336,600	543,641	2,549,346	152,719	2,722,000		528,400	8,252,187	81,084,893	0.14%	3,027
2009	65,770,640	806,259	2,292,219	145,560	4,711,000	340,000	482,000	7,439,818	81,987,496	0.14%	3,089
2010	72,068,800	1,989,589	2,029,879	138,233		290,265	436,200	6,611,048	83,564,014	0.11%	3,799
2011	78,664,000	2,764,148	1,762,220	130,734		237,944	391,000	5,765,553	89,715,599	0.13%	3,250
2012	83,482,300	4,148,873	1,489,134	123,060		182,902	327,700	4,903,085	90,508,181	0.12%	3,238
2013	76,381,600	3,758,373	1,210,511	115,206		124,998	268,400	4,023,113	85,882,201	0.13%	3,116

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

TABLE 10

TOWN OF NEWTOWN, CONNECTICUTRATIOS OF GENERAL DEBT OUTSTANDING
LAST TEN YEARS
(UNAUDITED)

YEAR ENDED JUNE 30	GENERAL DEBT OUTSTANDING				PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	DEBT PER CAPITA
	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	NOTES	TOTAL		
2004	\$ 45,820,000	\$ 680,000	\$ 3,527,732	\$ 50,027,732	1.22%	\$ 1,902
2005	54,012,900	652,100	3,290,450	57,955,450	1.25%	2,166
2006	57,658,900	616,100	4,092,371	62,367,371	1.19%	2,310
2007	61,754,500	575,500	3,744,078	66,074,078	1.22%	2,423
2008	66,336,600	528,400	5,271,346	72,136,346	1.35%	2,668
2009	65,770,640	482,000	7,343,219	73,595,859	1.30%	2,783
2010	72,068,800	436,200	2,320,144	74,825,144	1.48%	2,799
2011	78,664,000	391,000	1,762,220	80,817,220	1.65%	2,928
2012	83,482,300	327,700	1,612,194	85,422,194	1.81%	3,044
2013	76,381,600	268,400	1,325,717	77,975,717	1.76%	2,829

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

TABLE 11

TOWN OF NEWTOWN, CONNECTICUT

SCHEDULE OF DEBT LIMITATION
CONNECTICUT STATUTES, SECTION 7-374(b)
JUNE 30, 2013
(UNAUDITED)

TAX BASE:

Total tax collections (including interest and lien fees).....	\$ 96,177,120
Newtown Borough Tax.....	170,674
TOTAL BASE.....	\$ 96,347,794

	GENERAL PURPOSE	SCHOOLS	SEWER	URBAN RENEWAL	PENSION DEFICIT
<u>DEBT LIMITATION:</u>					
2 1/4 times base.....	\$ 216,782,537	\$	\$	\$	\$
4 1/2 times base.....		433,565,073			
3 3/4 times base.....			361,304,228		
3 1/4 times base.....				313,130,331	
3 times base.....					289,043,382
TOTAL LIMITATIONS.....	216,782,537	433,565,073	361,304,228	313,130,331	289,043,382
<u>INDEBTEDNESS:</u>					
Bonds payable.....	32,444,250	43,668,950	268,400		
Less school building grants.....		(1,864,752)			
TOTAL INDEBTEDNESS.....	32,444,250	41,804,198	268,400	-	-
DEBT LIMITATION IN EXCESS OF OUTSTANDING DEBT.....	\$ 184,338,287	\$ 391,760,875	\$ 361,035,828	\$ 313,130,331	\$ 289,043,382

The total net indebtedness above amounts to: \$ 74,516,848

In no event shall total indebtedness exceed seven times the base for debt limitation computation: \$ 674,434,558

There is no overlapping debt for the Town of Newtown.

TABLE 12**TOWN OF NEWTOWN, CONNECTICUT**LEGAL DEBT MARGIN INFORMATION
LAST TEN YEARS
(UNAUDITED)

YEAR ENDED JUNE 30	DEBT LIMIT	NET DEBT APPLICABLE TO LIMIT	LEGAL DEBT MARGIN	TOTAL NET DEBT APPLICABLE
2004	\$ 1,101,828,869	\$ 45,288,226	\$ 1,056,540,643	4%
2005	1,193,608,669	46,790,675	1,146,817,994	4%
2006	1,287,562,986	51,762,146	1,235,800,840	4%
2007	1,374,049,585	56,328,321	1,317,721,264	4%
2008	1,430,495,510	60,935,764	1,369,559,746	4%
2009	1,509,951,699	64,664,689	1,445,287,010	4%
2010	1,515,556,298	88,231,088	1,427,325,210	6%
2011	650,703,801	86,047,927	564,655,874	13%
2012	663,291,993	81,074,943	582,217,050	12%
2013	674,434,558	74,516,848	599,917,710	11%

TABLE 13

TOWN OF NEWTOWN, CONNECTICUTDEMOGRAPHIC STATISTICS
LAST TEN YEARS
(UNAUDITED)

YEAR ENDED JUNE 30	(1) POPULATION	(5) PERSONAL INCOME	(2) PER CAPITA INCOME	(5) MEDIAN AGE	EDUCATION LEVEL IN YEARS OF SCHOOLING	(3) SCHOOL ENROLLMENT	(4) UNEMPLOYMENT PERCENTAGE
2004	26,299	N/A	N/A	N/A	N/A	5,399	3.5%
2005	26,762	N/A	N/A	N/A	N/A	5,496	3.8%
2006	26,996	\$ 99,192	\$ 37,786	N/A	N/A	5,648	2.6%
2007	27,034	110,346	37,786	N/A	N/A	5,668	2.9%
2008	26,790	110,346	37,786	40	N/A	5,628	4.9%
2009	26,441	114,719	37,786	37.5	49.8% at least 4 yrs of college	5,580	5.4%
2010	26,737	114,673	37,786	37.5	49.8% at least 4 yrs of college	5,490	6.6%
2011	27,605	114,673	37,783	40.3	53% bachelor's degree or more	5,451	6.9%
2012	27,953	113,067	38,855	39	53% bachelor's degree or more	5,298	6.5%
2013	27,560	114,695	42,918	39	59.33% bachelor's degree or more	5,126	6.6%

(1) Source: State of Connecticut, Department of Health, 1990 Population - U.S. Bureau of Census.

(2) Per Capital Income and Median Age - Figures obtained from the State of Connecticut Census Data Center, U.S. Census Bureau and the Housatonic Council of Elected Officials.

(3) Connecticut Department of Education.

(4) Connecticut Labor Department - Research and Statistics.

(5) Connecticut Economic Resource Center 2008 Town Profile.

N/A - Information not available.

TABLE 14

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

2013				2004		
EMPLOYER	EMPLOYEES	RANK	PERCENTAGE OF TOTAL TOWN EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL TOWN EMPLOYMENT
TOWN OF NEWTOWN BOARD OF EDUCATION	767	1	5.5%	689	1	5.6%
STATE OF CT - DEPT OF CORRECTIONS.....	294	2	2.1%	375	3	3.1%
MASONICARE OF NEWTOWN.....	291	3	2.1%			
TAUNTON PRESS.....	240	4	1.7%	298	5	2.4%
CHARTER COMMUNICATIONS.....	175	5	1.3%	213	7	1.7%
STOP AND SHOP.....	174	6	1.2%	155	9	1.3%
TOWN OF NEWTOWN.....	166	7	1.2%	157	8	1.3%
BIG Y SUPERMARKET.....	165	8	1.2%	157	8	1.3%
CURTIS PACKAGING.....	148	9	1.1%	150	10	1.2%
HUBBELL WIRING DEVICES-KELLEMS.....	131	10	0.9%	307	4	2.5%
CARALUZZI'S NEWTOWN MARKET.....	130	11	0.9%			
NEWTOWN SAVINGS BANK.....	127	12	0.9%			
QUICKCOMM, INC	115	13	0.8%			
UCONN HEALTH CENTER AT GARNER	81	14	0.6%			
PITNEY BOWES				400	2	3.3%
CL&P				74	11	0.6%
ASHLAR OF NEWTOWN				260	6	2.1%
TOTAL.....	<u>3,004</u>		<u>21.5%</u>	<u>3,235</u>		<u>26.4%</u>

SOURCE: State Department of Labor.

TABLE 15

TOWN OF NEWTOWN, CONNECTICUT

FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN YEARS
(UNAUDITED)

FUNCTION / PROGRAM	FULL -TIME EQUIVALENT EMPLOYEES AS OF JUNE 30									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
GENERAL GOVERNMENT:										
Selectmen.....	3	3	3	3	3	4	4	4	4	4
Finance.....	5	5	5	5	5	5	5	5	5	5
Parks and recreation.....	17	17	16	16	16	16	17	15	16	16
Town Clerk.....	4	4	4	4	4	4	4	4	4	4
Senior Center.....	3	3	3	3	3	3	2	1	1	1
Registrars.....	2	2	2	2	2	2	2	2	2	2
Tax Collector.....	4	5	5	5	5	5	5	4	4	4
Tax Assessor.....	4	3	4	4	4	4	4	4	4	4
Social Services.....	2	2	2	2	2	2	2	1	1	1
POLICE:										
Officers.....	45	46	47	47	47	46	41	42	42	41
Civilians.....	4	4	5	5	5	5	5	4	4	5
Canine Control.....	2	2	2	2	2	2	2	2	2	2
FIRE:										
Fire Marshall.....	3	3	3	3	3	3	2	2	2	2
PUBLIC WORKS:										
Engineering.....	2	2	2	2	2	2	2	2	2	2
Highway.....	37	37	40	39	44	40	42	40	40	41
Landfill.....	3	3	3	3	3	3	3	3	3	3
Building.....	5	5	6	6	7	6	6	6	7	6
LAND USE.....	6	6	6	5	6	5	7	7	7	7
EMERGENCY COMMUNICATIONS.....	10	10	11	11	11	11	11	11	11	10
EDUCATION.....	767	778	779	797	747	734	722	699	689	658
TOTAL.....	928	940	948	964	921	902	888	858	850	818

SOURCE: Town Budget.

TABLE 16
(1 of 2)

TOWN OF NEWTOWN, CONNECTICUT

**OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS
(UNAUDITED)**

FUNCTION / PROGRAM	FISCAL YEAR ENDED JUNE 30									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
<u>GOVERNMENTAL ACTIVITIES</u>										
PUBLIC SAFETY:										
Fire: All volunteer										
Total incidents.....	1,271	1,757	1,353	1,245	1,258	1,313	1,444	1,227	1,216	1,114
Rescue/medical calls.....	33	54	164	184	235	216	175	134	169	124
Police:										
Number of calls.....	22,540	25,515	19,848	21,208	20,285	19,177	18,374	16,743	14,938	14,709
Total 911 calls received.....		8,080	7,417	6,704	6,413	7,084	7,261	n/a	7,723	7,243
Formal investigations.....	2,259	2,536	2,873	3,119	3,080	3,187	3,158	3,443	3,174	3,728
TOWN CLERK:										
Number of documents recorded.....	6,521	6,732	6,328	5,056	5,507	6,041	7,767	8,623	9,920	12,730
HEALTH AND WELFARE:										
Number of food service facilities inspector	129	129	115	121	103	99	98	95	70	70
New homes built.....					9	23	53	70	69	140
Number of soil tests.....	94	123	91	113						
Number of new septic permits.....	17	31	14	16						
Number of septic repairs.....	74	79	58	84						
Number of well permits.....	48	49	48	33						
LAND USE:										
Total subdivisions approved.....	3	1	2	0	3	10	5	13	13	6
Total commercial applications approved..	4	1	4	7	10	12	13	11	6	5
BUILDING:										
Residential permits issued.....	1,698	1,832	1,316	1,286	1,277	1,510	1,803	1,692	1,693	2,043
Commercial permits issued.....	215	202	194	221	194	214	170	197	273	232
PUBLIC WORKS:										
Streets (miles)	275.83	275.66	263.07	256.03	256.03	255.05	250.41	250.41	249.14	246.62
Accepted Town roads.....	255.88	255.71	245.39	237.54	237.54	236.56	234.90	234.90	233.63	231.11
Private roads.....	18.88	18.88	17.68	15.51	15.51	15.51	15.51	15.51	15.51	15.51
Roads under construction (maintained)										
by Town	1.07	1.07	N/A	N/A	N/A	N/A	N/A	4.99	N/A	N/A
Sidewalks (miles)	2.98	2.98	2.98	2.98	2.98	2.98	2.98	2.98	2.98	2.98

(Continued)

TABLE 16
(2 of 2)

TOWN OF NEWTOWN, CONNECTICUT

OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN YEARS
(UNAUDITED)

FUNCTION / PROGRAM	FISCAL YEAR ENDED JUNE 30									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
EDUCATION:										
Enrollment:										
High School Grades 9-12.....	1764	1744	1729	1,730	1,704	1,719	1,714	1,688	1,622	1,559
Middle School Grades 7-8.....	893	871	897	896	929	930	890	896	864	854
Intermediate School Grades 5-6.....	819	878	983	861	964	948	971	913	874	875
Elementary Schools Grades Pre K-4...	1650	1805	1840	1,915	1,983	2,031	2,093	2,151	2,135	2,111
<u>BUSINESS-TYPE ACTIVITIES</u>										
WATER FUND:										
Water mains (miles).....	6	6	6	6	6	6	9	9	9	(1)
Fire hydrants.....	53	53	53	53	47	47	47	47	47	(1)
Storage capacity (thousands of gallons).....	1000	1000	1000	1,000	1,000	1,000	1,000	1,000	1,000	(1)
SEWER FUND:										
Sewer mains (miles).....	24.22	24.22	24.22	24.22	24.22	24.22	24.22	24.22	24.22	24.22
Treatment capacity (thousands of gallons)	932	932	932	932	932	932	932	932	932	932

(Concluded)

SOURCES: Various Town Departments

(1) Water System established in 2005.

N/A - Information not available.

TABLE 17

TOWN OF NEWTOWN, CONNECTICUT

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN YEARS
(UNAUDITED)

FUNCTION / PROGRAM	FISCAL YEAR ENDED JUNE 30									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
GOVERNMENTAL ACTIVITIES										
PARKS AND RECREATION:										
Acreage (includes all open space).....	2,100	2,100	2,100	2,100	2,100	1,866	1,866	1,866	1,809	1,783
Playgrounds.....	10	10	11	11	11	13	13	13	13	13
Baseball fields.....	13	14	14	14	14	15	14	14	14	14
Softball fields.....	9	9	9	9	9	8	8	8	7	7
Multi-purpose fields.....	20	20	20	20	20	20	18	18	17	17
Senior Center.....	1	1	1	1	1	1	1	1	1	1
Skate Park.....	1	1								
PUBLIC SAFETY:										
Fire Stations.....	5	5	5	5	5	5	5	5	5	5
Police department:										
Stations.....	1	1	1	1	1	1	1	1	1	1
Number of patrol officers.....	30	31	32	32	32	33	29	28	25	24
PUBLIC WORKS:										
Highway department:										
Streets (miles).....	275.83	275.66	263.07	256.03	256.03	255.05	250.41	250.41	249.14	246.62
Sidewalks (miles).....	2.98	2.98	2.98	2.98	2.98	2.98	2.98	2.98	2.98	2.98
TRANSFER STATION:										
Number of transfer stations.....	1	1	1	1	1	1	1	1	1	1
EDUCATION:										
Number of High Schools.....	1	1	1	1	1	1	1	1	1	1
Number of Middle Schools.....	1	1	1	1	1	1	1	1	1	1
Intermediate School.....	1	1	1	1	1	1	1	1	1	1
Number of Elementary Schools.....	4	4	4	4	4	4	4	4	4	4
BUSINESS-TYPE ACTIVITIES										
WATER FUND:										
Water mains (miles).....	6	6	6	6	6	6	6	9	9	(1)
Fire hydrants.....	47	47	47	47	47	47	47	47	47	(1)
Storage capacity (thousands of gallons).....	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	(1)
SEWER FUND:										
Sewer mains (miles).....	24.22	24.22	24.22	24.22	24.22	24.22	24.22	24.22	24.22	24.22
Treatment capacity (thousands of gallons)....	932.00	932.00	932.00	932.00	932.00	932.00	932.00	932.00	932.00	932.00

SOURCES: Various Town Departments.

(1) Water System established in 2005.