

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

of the

**TOWN OF NEWTOWN,
CONNECTICUT**

FOR THE YEAR ENDED

JUNE 30, 2009

**PREPARED BY:
THE FINANCE DEPARTMENT**

ROBERT TAIT, FINANCIAL DIRECTOR

TOWN OF NEWTOWN, CONNECTICUT
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2009

TABLE OF CONTENTS

	<u>PAGE</u>
<u>INTRODUCTORY SECTION</u>	
LIST OF PRINCIPAL OFFICIALS	1
ORGANIZATIONAL CHART	2
LETTER OF TRANSMITTAL	3
CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING FOR THE YEAR ENDED JUNE 30, 2008	9
<u>FINANCIAL SECTION</u>	
INDEPENDENT AUDITORS' REPORT	10
MANAGEMENT DISCUSSION AND ANALYSIS	12
<u>BASIC FINANCIAL STATEMENTS</u>	
<u>GOVERNMENT-WIDE FINANCIAL STATEMENTS:</u>	
<u>EXHIBITS</u>	
A STATEMENT OF NET ASSETS	23
B STATEMENT OF ACTIVITIES	25
<u>FUND FINANCIAL STATEMENTS:</u>	
C BALANCE SHEET AND RECONCILIATION OF FUND BALANCE TO NET ASSETS OF GOVERNMENTAL ACTIVITIES - GOVERNMENTAL FUNDS	26
D STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS	28
E RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES	29
F STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND	31
G STATEMENT OF NET ASSETS - PROPRIETARY FUNDS	32
H STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS - PROPRIETARY FUNDS	33

TOWN OF NEWTOWN, CONNECTICUT
 TABLE OF CONTENTS (CONTINUED)

<u>EXHIBITS</u>	<u>PAGE</u>
<u>FUND FINANCIAL STATEMENTS: (CONTINUED)</u>	
I STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS.....	34
J STATEMENT OF FIDUCIARY NET ASSETS	35
K STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS	36

NOTES TO BASIC FINANCIAL STATEMENTS:

L NOTES TO BASIC FINANCIAL STATEMENTS.....	27
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REQUIRED SUPPLEMENTARY INFORMATION:

SCHEDULE OF FUNDING PROGRESS - NEWTOWN RETIREMENT SYSTEM.....	67
SCHEDULE OF EMPLOYER CONTRIBUTIONS - NEWTOWN RETIREMENT SYSTEM.....	68
SCHEDULE OF FUNDING PROGRESS - NEWTOWN OTHER POSTEMPLOYMENT BENEFIT SYSTEM.....	69
SCHEDULE OF EMPLOYER CONTRIBUTIONS - NEWTOWN OTHER POSTEMPLOYMENT BENEFIT SYSTEM.....	70

SCHEDULES

SUPPLEMENTAL SCHEDULES

GENERAL FUND

1 SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL	71
2 SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL	73
3 REPORT OF TAX COLLECTOR	75

SEWER DEPARTMENT

4 SCHEDULE OF CHANGES IN SEWER ASSESSMENT RECEIVABLE.....	76
--	----

NONMAJOR GOVERNMENTAL FUNDS

5 COMBINING BALANCE SHEET	77
6 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES.....	81

TOWN OF NEWTOWN, CONNECTICUT
 TABLE OF CONTENTS (CONTINUED)

<u>SCHEDULES</u>	<u>PAGE</u>
<u>FIDUCIARY FUNDS</u>	
7	COMBINING STATEMENT OF FIDUCIARY NET ASSETS..... 85
8	AGENCY FUNDS - COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES..... 86

TABLE

<u>STATISTICAL SECTION</u>	
1	NET ASSETS BY COMPONENT..... 87
2	CHANGES IN NET ASSETS 88
3	FUND BALANCES, GOVERNMENTAL FUNDS 90
4	CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS..... 91
5	ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY 92
6	PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS..... 93
7	PRINCIPAL PROPERTY TAXPAYERS 94
8	TAX RATES, LEVIES AND CASH COLLECTIONS..... 95
9	RATIOS OF OUTSTANDING DEBT BY TYPE..... 96
10	RATIOS OF GENERAL DEBT OUTSTANDING..... 97
11	SCHEDULE OF DEBT LIMITATION 98
12	LEGAL DEBT MARGIN INFORMATION..... 99
13	DEMOGRAPHIC SATTISTICS 100
14	PRINCIPAL EMPLOYERS..... 101
15	FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM 102
16	OPERATING INDICATORS BY FUNCTION/PROGRAM..... 103
17	CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM 105

Introductory Section

TOWN OF NEWTOWN, CONNECTICUT

**LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2009**

First Selectman
Joseph E. Borst

Selectmen

Herbert C. Rosenthal

Paul J. Mangiafico

Board of Finance
John W. Kortze
Chairman

James O. Gaston
Martin Gersten
Joseph W. Kearney

Michael E. Portnoy
Harrison A. Waterbury

Legislative Council
William F.L. Rogers
Chairman

John M. Aurelia, Sr.
Daniel J. Amaral
Jan Lee Brooks
A. Jeffrey Capeci
Gary B. Davis
Joseph DiCandido

Joseph M. Hemingway
Patricia E. Llodra
Po Murray
Francis Pennarola
John Torok, Jr.

Financial Director
Robert G. Tait

Select Department Heads

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 A. Aurelia

Board of Education
Elaine McClure
Chairman

Lillian D. Bittman
Kathleen Chrystie
Kathryn L. Fetchick

Richard Gains
David K. Nanavaty
Anna F. Wiedemann

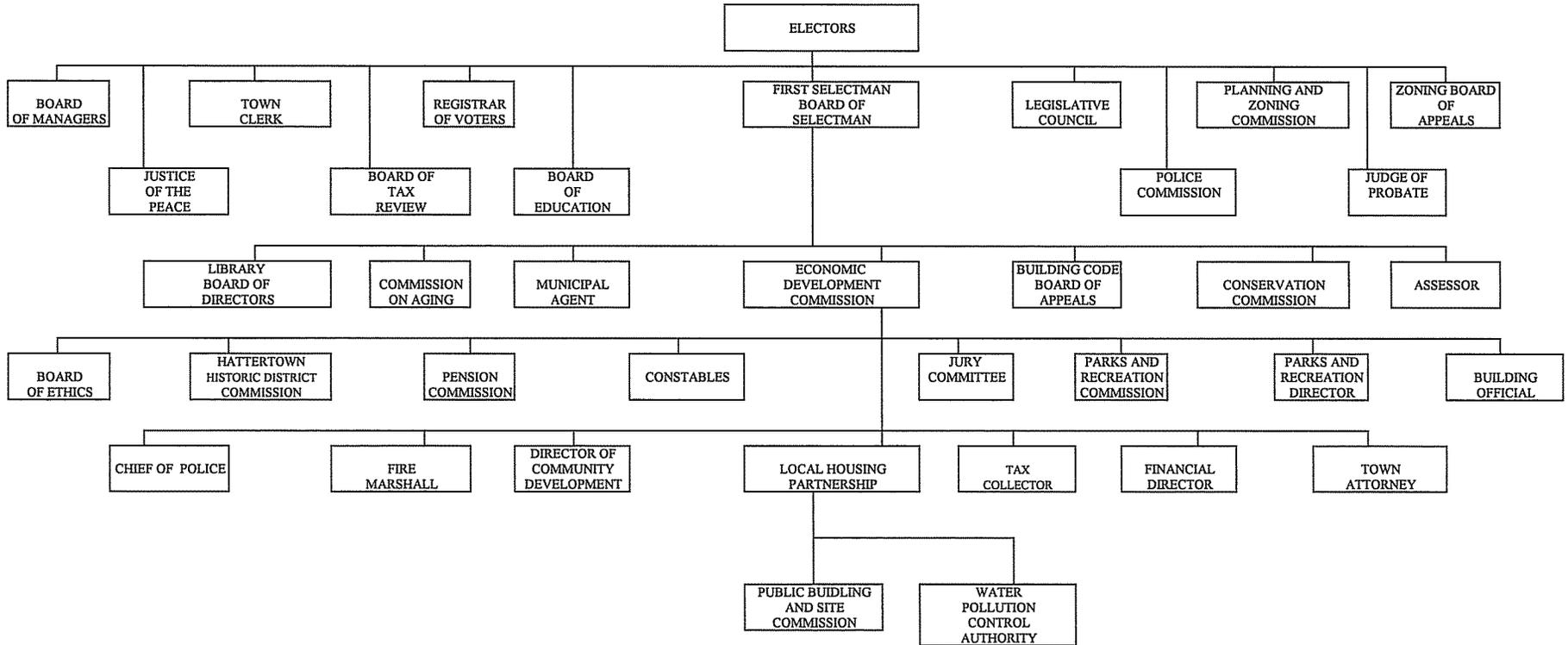
Janet Robinson - Superintendent of Schools
Ronald J. Bienkowski - School Business Manager
Diane Raymo - Interim School Business Manager

Independent Auditors

Kostin, Ruffkess & Company, LLC

TOWN OF NEWTOWN, CONNECTICUT

ORGANIZATIONAL CHART





www.newtown-ct.gov

TOWN OF NEWTOWN OFFICE OF THE FINANCE DIRECTOR

December 18, 2009

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, 2009. The report includes the independent auditors' 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.

Kostin, Ruffkess & Company, LLC, 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, 2009, are free of 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 unqualified opinion that the Town of Newtown's financial statements for the fiscal year ended June 30, 2009, are fairly presented in conformity with GAAP. The independent auditors' 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, federally 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.

Generally accepted accounting principles (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 auditors.

Profile of the Town of Newtown

The Town of Newtown was incorporated in 1711, 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 population of 26,441.

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 the Basic 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.

New housing construction decreased from the previous year. In fiscal year 2009, 15 new housing permits were issued compared to the 23 issued in fiscal year 2008. In fiscal year 2009 5 new building commercial permits were issued compared to 2 issued in fiscal year 2008. Commercial permits were issued at a value of \$3,900,000 for fiscal year 2009 compared to a value of \$4,525,000 for fiscal year 2008.

The local labor force is feeling the impact of the declining economy. The annual average unemployment rate for the labor force was 4.9% in fiscal year 2008. The unemployment rate for the labor force, in fiscal year 2009, has increased to 6.0%.

Factors Affecting Financial Condition (Continued)

Property taxes, which account for approximately 88 percent of the general fund revenue, have provided a reliable revenue source, with collections consistently at or above 98 percent. Current tax collections were 99.1% of the adjusted tax levy.

The Town's per capita income of \$37,786 and median family income of \$114,719 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. As of February 2009, Connecticut's Office of Fiscal Analysis projected state budget deficits of \$1.35 billion in FY09, \$3.97 billion in FY10, and \$4.71 billion in FY11. Newtown's general fund receives over \$7 million dollars from the State of Connecticut, which helps off set local taxes. The state has cut contributions to municipalities in their efforts to balance their budget and further cuts are expected. This will put increased pressure on local municipal budgets.

Long-Term Financial Planning

Newtown High School. In June 2007 the Town of Newtown authorized \$2,750,000 for the design of an addition and minor renovations of the Newtown High School to accommodate increased enrollment. The total project was estimated to cost \$41,576,000 with approximately 30% being reimbursed by the State of Connecticut. The balance of the project cost for \$38,826,000 was authorized and adopted at a referendum vote in April of 2008 and at a Board of Selectmen meeting on May 4, 2009. Onsite mobilization, for the construction project, began on May 11, 2009. The scheduled substantial completion date for the classroom addition is July 2010 with the Gym following in September of 2010.

Fairfield Hills. In July 2004, the Town of Newtown CT purchased the 185 acres including the buildings from the State of Connecticut. The Town's Master Plan is to preserve open space and adapt the property for Town uses. There has been and will be further infrastructure improvements and additions. Roughly 130 acres will remain as open space. A town hall, a senior center and a recreation center are included in the plan. Several buildings are to be used for commercial development such as offices, retail space and a restaurant. There are provisions for playing fields for baseball, softball, multi-use fields and passive recreation areas on the campus. A Fairfield Hills Authority has been appointed to manage the property.

To date soil remediation has been completed; the engineering house has been renovated and is in use for security, property administration and other activities; an overall property manager and construction manager have been hired; a baseball field has been completed; Phase I of the walking trails have been completed; the Newtown Youth Academy opened; Phase I electric, gas and communication infrastructure improvements have been completed; the Newtown Municipal Center office facility is now open in the former Bridgeport Hall; and demolition of non-reuse buildings has begun.

Open Space Acquisition Program. The Town of Newtown has purchased Open Space for public use for decades. In May 2005 the Town was authorized to bond \$10,000,000 for public Open Space. These bonds have been issued in \$2,000,000 amounts annually. The purchases of open space were to address the impacts development had on its natural, historical and agricultural resources. The town also recognized the financial stability which emanates from smart growth and has placed in its Capital Improvement Plan, future annual \$2,000,000 bonding increments through referendum approvals. The town has also applied for over \$1,000,000 in matching grants from state and federal sources. It is anticipated that the open space program will be continued.

Public Works Projects. The Public Works Department has \$26.25 million in planned projects for the next five years, depending on the availability of funding. \$10 million are scheduled for sewer and water system improvements at the main waste water treatment plant and for the overall infrastructure at the Fairfield Hills Campus. \$6.25 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 Town of Newtown experienced healthy growth in commercial development over the years. Several new commercial buildings were constructed and occupied by businesses new to Newtown and several existing commercial buildings have been renovated for new tenants. The main commercial areas in Newtown are concentrated along Church Hill Road (Rt. 6) between the Borough of Newtown and Sandy Hook Center, in Curtis Corporate Park and along South Main Street (Rt. 25) where updated zoning provides new opportunities for commercial development.

Curtis Corporate Park contributed to this growth as the park offered well positioned commercial building lots close to Exit 11 off I-84. Stock Building Supply opened a new lumber and supply facility. Environmental Energy Services, American Stair and Architectural Glass Industries are new to Newtown and are operating in their newly constructed industrial facilities. A new industrial condominium was also built that attracted smaller businesses and TNT Expense Management expanded into a new headquarters building. A few lots remain for additional growth opportunities.

The Borough of Newtown has a plan for turning the commercial center into a vibrant village shopping district. The redevelopment of the Newtown Shopping Center where the Big Y Supermarket and several small tenants are located started the revitalization process which continues today. New sidewalks and decorative streetlamps invite residents and visitors into the historic center. The Shoppes of Newtown, a multi tenanted complex, created new commercial space in the district that was quickly occupied. Additionally, Toro Restaurant opened in a newly constructed building while the finishing touches were made to another new office building across the street. Eton Center was renovated for Caraluzzi's Market and Ace Hardware while Wachovia Bank completed construction on a new branch office. Plans are in the works for the redevelopment of the gas stop and an addition to a professional office building on Church Hill Road.

South Main Street (Rt. 25) saw its share of new development projects including 84 South Main Street where an historic homestead was renovated for commercial offices and a new headquarters for LMT Communications was constructed. Highland Plaza and Plaza South will add significant new retail space to the corridor. These developments and a couple of smaller projects were made possible by the new zoning codes adopted following a year long planning process.

Sandy Hook Center continues to attract new investments. The publically funded sidewalks, curbing, landscaping and decorative street lighting along main roadways were successfully completed and contribute to attracting new businesses and private investment to this quaint district. The renovation of an historic home into a mixed use development is underway and a new multiple family housing development that will add affordable housing has been approved for construction. A future phase of the Sandy Hook Streetscape project will include sidewalks and decorative street lighting along Riverside Road, Glen Road and Washington Avenue. The improvements will tie the commercial district together with the neighborhood and will improve pedestrian and vehicular flow and safety. The project will be funded by a variety of sources including federal transportation enhancement funds, private investment, state and local money.

The Newtown Technology Park is planned for Town owned land located directly off Exit 10 and I-84. An area of approximately 37 acres is being marketed to technology based businesses by the Economic Development Commission. The town is hoping that the land will be developed for a research and development or corporate headquarters site. The infrastructure, the location, adjacent land uses, open space and hiking trails all contribute to the amenities of this site. Planning for the development has been funded by state and local funds. Local land use approvals are necessary to move the project into 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 was presented in the Fairfield Hills Master Plan which calls for reserving a major portion of the 185-acre property for municipal, cultural, passive and active recreation uses. 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. The property redevelopment and commercial uses are expected to generate tax revenue and employment opportunities in the community. To date, the redevelopment project has created hundreds of temporary jobs in the construction and service sectors. Approximately 150 permanent jobs are projected within five years.

The Hawleyville area of Newtown (Exit 9 and Route 6) is expected to be a major player for continued economic growth. A new 17,000 square foot medical office building is under construction on Route 6 near the Bethel Town line. Two office/retail buildings received land use approvals in 2008 and are expected to move forward when the economy improves.

Relevant Financial Policies

The Town's financial policies have been applied consistently with no notable current year effect on the financial statements. During the current year, new debt management and fund balance policies were approved by the Legislative Council

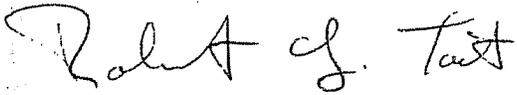
Awards. The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2008. This was the twelfth consecutive year that the Town has achieved 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, and the entire staff of the Finance Department. 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 Kostin, Ruffkess & Company, LLC, 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 cursive script that reads "Robert G. Tait". The signature is written in dark ink and is positioned above the printed name.

Robert G. Tait
Finance Director

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, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

Financial Section



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INDEPENDENT AUDITORS' REPORT

Legislative Council
Town of Newtown, Connecticut

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, 2009, which collectively comprise the Town's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Town's management. 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 basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2009, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the general fund thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated December 18, 2009, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management Discussion and Analysis, Schedule of Funding Progress and Schedule of Employer Contributions - Newtown Retirement System, and Other Postemployment Benefit Plan on pages 12 through 22 and pages 67 through 70, respectively, are not a required part of the basic financial statements but are supplementary information required by Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



Town of Newtown, Connecticut
Page Two

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 and the accompanying financial information listed as supplemental schedules in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining fund financial statements and other schedules as listed in the table of contents have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Kostin, Ruffkess & Company, LLC

Farmington, Connecticut
December 18, 2009



TOWN OF NEWTOWN OFFICE OF THE FINANCE DIRECTOR

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2009

As management of the Town of Newtown, 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, 2009. 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 assets grew by \$3.9 million for the fiscal year, \$4.7 million of which was generated by governmental activities while there was a decrease of \$850,000 due to business-type activities of the Town. The increase was due substantially to capital asset purchases in excess of depreciation expense. The major project was the construction of the new municipal building.
- The Town's combined net assets total \$185.6 million at June 30, 2009. Of this amount the unrestricted components were a deficit of (\$13.1) million in governmental activities and \$10.1 million in business activities.
- At year end the unreserved undesignated fund balance for the general fund was \$7,636,522 or 7.1% of total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of 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 assets* presents information on all of the Town's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 assets changed during the most recent fiscal year. All changes in net assets 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).

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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 28 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 26 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 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 school 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 is considered to be a major fund 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 on Exhibits G, H and I.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial 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 on Exhibits J and K.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found 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 assets 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 \$185.6 million at the close of the fiscal year.

Town of Newtown
Net Assets

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Current and other assets.....	\$ 33,962,167	\$ 41,593,586	\$ 10,225,934	\$ 11,478,954	\$ 44,188,101	\$ 53,072,540
Capital assets (net).....	201,291,958	185,001,760	30,739,839	31,253,393	232,031,797	216,255,153
Total assets.....	235,254,125	226,595,346	40,965,773	42,732,347	276,219,898	269,327,693
Long-term liabilities outstanding...	65,026,474	64,693,451	7,043,381	7,917,595	72,069,855	72,611,046
Other liabilities.....	17,597,411	13,997,739	969,925	1,015,155	18,567,336	15,012,894
Total liabilities.....	82,623,885	78,691,190	8,013,306	8,932,750	90,637,191	87,623,940
Net assets:						
Invested in capital assets, net of related debt.....	128,178,467	122,076,076	22,821,892	22,477,029	151,000,359	144,553,105
Restricted.....	37,623,354	11,170,988			37,623,354	11,170,988
Unrestricted.....	(13,171,581)	14,657,092	10,130,575	11,322,568	(3,041,006)	25,979,660
TOTAL NET ASSETS.....	\$ 152,630,240	\$ 147,904,156	\$ 32,952,467	\$ 33,799,597	\$ 185,582,707	\$ 181,703,753

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The largest portion of the Town's net assets (81.4%) 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 is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the Town's net assets \$37,623,354 represents resources that are subject to external restrictions on how they may be used. The remaining portion of net assets is unrestricted and is a deficit of (\$3.0 million).

At the end of the current fiscal year, the Town is able to report positive balances in all three categories of net assets, both for the Town as a whole, as well as for its separate governmental and business-type activities.

The Town's net assets increased by \$3.9 million during the current fiscal year. The increase was primarily due to the construction of the new municipal building.

Governmental activities. Already noted was the statement of activities purpose in presenting information in how the government's net assets changed during the most recent fiscal year. A chart of changes in net assets follows. For the fiscal year, net assets increased \$3.9 million, with \$4.7 million of the increase coming from governmental activities. The increase in assets in governmental activities is related to the construction of assets. The reader should remember that the basis of accounting used in the government-wide statement of activities excludes capital expenditures 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
Change in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
REVENUES:						
Program revenues:						
Charges for services.....	\$ 5,658,004	\$ 5,890,731	\$ 1,166,399	\$ 1,308,888	\$ 6,824,403	\$ 7,199,619
Operating grants and contributions.	13,470,536	24,721,120			13,470,536	24,721,120
Capital grants and contributions.....	1,731,908	4,072,712			1,731,908	4,072,712
General revenues:						
Property taxes.....	90,243,025	85,534,874			90,243,025	85,534,874
Grants and contributions not restricted to specific programs....	2,756,030	2,616,265			2,756,030	2,616,265
Investment income.....	552,252	1,830,513	20,039	76,746	572,291	1,907,259
Miscellaneous.....	452,570	162,553			452,570	162,553
Transfers.....	83,967		(83,967)		-	-
TOTAL REVENUES.....	114,948,292	124,828,768	1,102,471	1,385,634	116,050,763	126,214,402
EXPENSES:						
General government.....	4,535,058	5,296,173			4,535,058	5,296,173
Public safety.....	9,148,279	8,079,988			9,148,279	8,079,988
Health and welfare.....	3,358,845	2,760,009			3,358,845	2,760,009
Land use.....	703,662	655,200			703,662	655,200
Public works.....	11,867,112	8,814,436			11,867,112	8,814,436
Parks and recreation.....	3,262,414	2,682,141			3,262,414	2,682,141
Education.....	76,184,988	86,738,412			76,184,988	86,738,412
Interest expense.....	1,161,850	2,904,944			1,161,850	2,904,944
Sewer Department.....			1,568,227	1,588,118	1,568,227	1,588,118
Water Department.....			381,374	361,601	381,374	361,601
TOTAL EXPENSES.....	110,222,208	117,931,303	1,949,601	1,949,719	112,171,809	119,881,022
INCREASE IN NET ASSETS.....	4,726,084	6,897,465	(847,130)	(564,085)	3,878,954	6,333,380
NET ASSETS - JULY 1	147,904,156	141,006,691	33,799,597	34,363,682	181,703,753	175,370,373
NET ASSETS - JUNE 30.....	\$ 152,630,240	\$ 147,904,156	\$ 32,952,467	\$ 33,799,597	\$ 185,582,707	\$ 181,703,753

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

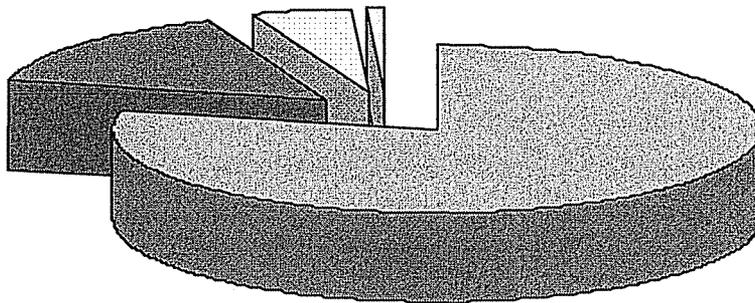
- Property taxes increase by \$4,708,131 as a result of normal growth in the budget.
- Operating grants and contributions decreased by \$11,250,584. The most significant decrease was related to the in-kind contribution from the State of Connecticut for the State Teachers Retirement Board, which decreased \$11.5 million.
- Capital grants and contributions decreased by \$2,340,804 as a result of a decrease in infrastructure contributions activity.
- Investment income decreased by \$1,278,261. The decrease in investment income is substantially as a result of declining interest rates due to the economy.

Governmental activities (Continued)

Revenues

Governmental activities revenues totaled \$114.9 million for fiscal year 2009. Property taxes are the largest revenue source for the Town and represent 78.6% of governmental revenues. Current tax collections were 99.3% of the adjusted tax levy. Operating grants and contributions revenues are the Town's second largest revenue. In operating grants and contributions revenues include grants for school lunch program, education, law enforcement, daycare, public works and contributions to the Town gift funds. Operating grants and contributions revenues account for 11.7% of governmental revenues for the year. Charges for services, the third largest revenue, amount to 4.9% of governmental revenues. Charges for services include the school lunch program, adult education, Edmond Town hall and park and recreation programs. Grants and contributions not restricted to specific programs account for 2.4% and include elderly tax relief and in lieu of tax contributions. Capital grants and contributions amount to 1.5% of revenue and are made up of mostly school building grants and public works grants. Investment income represents 0.5% of governmental revenue. Miscellaneous revenue accounts for the remaining governmental revenues and amount to 0.4% of governmental revenues.

Revenues-Governmental Activities



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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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, unreserved 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, 2009, is \$17.8 million. A deficit of approximately 50.3% of this total amount (\$21.3 million) constitutes unreserved fund balance, which is available for spending at the Town's discretion. The remainder of fund balance is reserved to indicate that it is not available for new spending because it has already been committed 1) for encumbrances (\$1.6 million), 2) for construction commitments (\$35.6 million) or 3) debt service (\$0.7 million) 4) Endowments (\$1.2 million).

General Fund

The general fund is the operating fund of the Town. The fund balance of the general fund decreased by \$1.5 million for the fiscal year. This was due to the budgeted use of fund balance off set by budgetary savings. Revenues decreased by \$8.1 million, led by a decrease in intergovernmental revenues of \$11.2 million. Tax revenue increased by \$4.7 million, while investment income decreased by \$0.8 million, charges for services decreased \$0.7 million and miscellaneous revenue decreased by \$.1 million. Property tax rate decreased from 28.1 mills to 23.2 mills.

General Fund Budgetary Highlights

A detailed budgetary comparison schedule for the fiscal year ended June 30, 2009 can be found on Exhibit F. A summary of that schedule follows:

	BUDGET		ACTUAL	VARIANCE WITH FINAL BUDGET
	ORIGINAL	FINAL		
<u>REVENUES & OTHER FINANCING SOURCES</u>				
Taxes.....	\$ 90,687,856	\$ 90,687,856	\$ 90,141,582	(\$ 546,274)
All Other Revenues.....	14,776,588	14,776,588	11,460,274	(3,316,314)
Cancellation of Prior Encumbrances.....			109,747	109,747
Total.....	105,464,444	105,464,444	101,711,603	(3,752,841)
<u>EXPENDITURES & OTHER FINANCING USES</u>				
Expenditures.....	105,174,444	105,147,444	102,198,585	2,948,859
Transfer out	290,000	317,000	317,000	-
Total.....	105,464,444	105,464,444	102,515,585	2,948,859
CHANGE IN FUND BALANCE.....	\$ -	\$ -	(\$ 803,982)	(\$ 803,982)

During the year there were no additional appropriations. Overall, revenues were less 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 transfers in by \$6.3 million for the fiscal year. This is the net result the issuance of debt of \$6,885,000, net transfers of \$1,333,277, intergovernmental revenues of \$69,785 off set by capital outlays of \$14,574,029.

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 assets of \$0.8 million for the fiscal year ended June 30, 2009.

Sewer Fund

Unrestricted net assets of the sewer fund at the end of the year amounted to \$11,080,276, a decrease of \$1,057,668 from the prior year.

Water Fund

Unrestricted net assets of the water fund at the end of the year amounted to a deficit of \$949,701, a decrease of \$134,325 from the prior year.

Self Insured Medical Benefits Internal Service Fund

Unrestricted net assets of the self-insured medical benefits fund at the end of the year amounted to \$85,458.

The Town's self insured medical benefits fund recorded a decrease in net assets for the year of \$1,988.

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Expenses

Significant changes from the prior year are as follows:

- General government expenditures decreased by \$761,115 due mainly to an open space land purchase in the prior year.
- Public safety expenses increased by \$1,068,291 due to increases in salaries and benefits and the acquisition of police software.
- Public works expenses increased by \$3,052,676 due to encumbrances and re-appropriations from the prior year.
- Education expenses decreased by \$10,553,424. The decrease was a result of decreased in the on behalf amount recorded from the State of Connecticut for the State Teachers Retirement Board of \$11.5 million offset by normal increases for salary and benefits as required by union contracts.

Governmental expenses totaled \$110.2 million for the fiscal year. Of the expenditure, 69.1% or \$76.2 million is related to education. Public works expenses amounted to \$11.9 million, or 10.8%, while public safety amounted to \$9.1 million or 8.3%. Park and recreation expenses were \$3.3 million or 3.0%. Interest expense was \$1.2 million or 1.1%. General government expenses were \$4.5 million, or 4.1%, health and welfare expenses were \$3.3 million or 3.0%, and land use expenses were \$0.7 million or 0.6%.

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 \$1.2 million in revenue from the sewer department and water department, 98.3% comes from charges for services. Investment income makes up the final 1.7% of revenues for the Town's business activities.

Charges for services decreased by \$142,489 substantially due to a decrease in sewer connection fee revenues.

Expenses

Business-type expenses totaled \$1.9 million for the Sewer department's fiscal year ended June 30, 2009, as they did for the prior fiscal year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Capital Assets and Debt Administration

At June 30, 2009, the Town of Newtown's capital assets for both governmental and business-type activities amounted to \$232.0 million, net of depreciation. This includes land, building, equipment, and infrastructure (roads and bridges). Capital assets for governmental activities increased by 8.2% while business-type capital assets decreased 1.6%. These changes included the following:

Land increased by \$1,989,860 due to purchase and donation of open space and roads accepted into system from development.

Construction in progress increased by \$11,240,379 due to construction on new municipal building and the design of the high school addition.

Buildings and systems decreased by \$1,390,558 due to depreciation.

Infrastructure increased by \$3,272,834 due to the addition of a steam pipe at the middle school and a bridge reconstruction.

Town of Newtown
Capital Assets - Net

	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land.....	\$ 22,747,225	\$ 20,757,365	\$ 1,000	\$ 1,000	\$ 22,748,225	\$ 20,758,365
Intangible assets.....	3,687,270	3,687,270	794,811	838,162	4,482,081	4,525,432
Construction in progress.....	26,191,767	11,432,571			26,191,767	11,432,571
Land improvements.....	86,077,293	5,313,993			86,077,293	5,313,993
Buildings and systems.....	5,434,899	87,467,851			5,434,899	87,467,851
Plant and pumping stations....			10,492,586	10,645,455	10,492,586	10,645,455
Sewer distribution system....			17,499,358	17,717,351	17,499,358	17,717,351
Water distribution system....			1,825,528	1,911,844	1,825,528	1,911,844
Machinery and equipment....	4,194,261	4,246,067	42,943	49,385	4,237,204	4,295,452
Vehicles.....	5,849,898	5,561,739	83,613	90,196	5,933,511	5,651,935
Infrastructure.....	47,109,345	46,534,904			47,109,345	46,534,904
TOTAL.....	\$ 201,291,958	\$ 185,001,760	\$ 30,739,839	\$ 31,253,393	\$ 232,031,797	\$ 216,255,153

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, 2009, the Town's long-term debt increased by a net of \$299,985, due to the issuance of debt of \$6,885,000 net of payments for the outstanding issues. At the end of the current fiscal year, the Town had total bonded and note debt outstanding of \$80,841,237. Of this amount, \$80,841,237, less \$4,605,951 to be funded from state grants, comprises debt backed by the full faith and credit of the Town and \$7,921,818 is wastewater operations debt for which the Town is liable in the event of default by the property owners subject to the sewer assessment.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Long-term debt

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

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
General purpose bonds	\$38,824,880	\$ 32,713,820	\$ 482,000	\$ 528,400	\$ 39,306,880	\$ 33,242,220
School bonds	29,668,350	32,698,700			29,668,350	32,698,700
Sewer bonds and clean water notes	3,069,629	3,473,426	7,439,818	8,252,187	10,509,447	11,725,613
Water notes	145,560	152,719			145,560	152,719
Improvement notes	1,211,000	2,722,000			1,211,000	2,722,000
	<u>\$72,919,419</u>	<u>\$ 71,760,665</u>	<u>\$ 7,921,818</u>	<u>\$ 8,780,587</u>	<u>\$ 80,841,237</u>	<u>\$ 80,541,252</u>

The Town maintains an "Aa2" rating from Moody's 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 and the tax relief for the elderly freeze grant. The current debt limitation for the Town is \$631,024,590, 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 2010 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 2010 budget, the Town recognized the need to continue its pattern of cost containment.

The 2010 general fund budget was \$103.7 million: a decrease of 1.69% over the prior year. Non-tax revenue declined \$2.2 million as a result of the economic conditions.

The Town has budgeted the use of \$2.0 million of fund balance to balance the 2010 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 ASSETS
JUNE 30, 2009

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
ASSETS			
Current assets:			
Cash.....	\$ 2,627,446	\$	\$ 2,627,446
Investments.....	20,363,087	1,745,070	22,108,157
Receivables:			
Property taxes.....	1,013,412		1,013,412
Assessment.....		868,619	868,619
Use charges.....		188,245	188,245
Intergovernmental.....	1,536,225		1,536,225
Other.....	101,182		101,182
Internal balances.....	(235,337)	235,337	-
Prepaid expenses.....	980,175		980,175
Other.....	186,974	218	187,192
Total current assets.....	26,573,164	3,037,489	29,610,653
Noncurrent assets:			
Restricted assets:			
Temporarily restricted:			
Cash.....	1,723		1,723
Permanently restricted:			
Cash.....	10,000		10,000
Investments.....	1,177,921		1,177,921
Total restricted assets.....	1,189,644	-	1,189,644
Receivables (net):			
Property taxes.....	633,692		633,692
Assessments.....		7,186,264	7,186,264
Intergovernmental.....	4,364,511		4,364,511
Loans receivable.....	252,134		252,134
Total receivables (net).....	5,250,337	7,186,264	12,436,601
Other noncurrent assets:			
Other.....	614,053	2,181	616,234
Net pension asset.....	334,969		334,969
Total other noncurrent assets.....	949,022	2,181	951,203
Capital assets (net of accumulated depreciation):			
Land.....	22,747,225	1,000	22,748,225
Intangible assets (net of accumulated amortization).....	3,687,270	794,811	4,482,081
Construction in progress.....	26,191,767		26,191,767
Buildings and systems.....	86,077,293		86,077,293
Land improvements.....	5,434,899		5,434,899
Plant and pumping stations.....		10,492,586	10,492,586
Sewer distribution system.....		17,499,358	17,499,358
Water distribution system.....		1,825,528	1,825,528
Machinery and equipment.....	4,194,261	42,943	4,237,204
Vehicles.....	5,849,898	83,613	5,933,511
Infrastructure.....	47,109,345		47,109,345
Total net capital assets.....	201,291,958	30,739,839	232,031,797
Total noncurrent assets.....	208,680,961	37,928,284	246,609,245
TOTAL ASSETS.....	235,254,125	40,965,773	276,219,898

(Continued)

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

TOWN OF NEWTOWN, CONNECTICUT

STATEMENT OF NET ASSETS
JUNE 30, 2009

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<u>LIABILITIES</u>			
LIABILITIES:			
Current liabilities:			
Accounts payable.....	\$ 4,597,092	\$ 75,025	\$ 4,672,117
Accrued payroll.....	2,735,117		2,735,117
Accrued interest payable.....	223,812	944	224,756
Unearned revenue.....	714,090	19,390	733,480
Bonds, notes and related liabilities.....	9,079,355	874,566	9,953,921
Landfill post closure costs.....	17,000		17,000
Capital lease.....	49,735		49,735
Compensated absences.....	157,210		157,210
Termination benefits.....	24,000		24,000
Total Current liabilities.....	17,597,411	969,925	18,567,336
Noncurrent liabilities:			
Bonds, notes and related liabilities.....	63,694,136	7,043,381	70,737,517
Landfill post closure costs.....	255,000		255,000
Capital lease.....	290,265		290,265
Compensated absences.....	628,839		628,839
Termination benefits.....	32,000		32,000
Net OPEB obligation.....	126,234		126,234
Total Noncurrent liabilities.....	65,026,474	7,043,381	72,069,855
TOTAL LIABILITIES.....	82,623,885	8,013,306	90,637,191
<u>NET ASSETS</u>			
Invested in capital assets, net of related debt.....	128,178,467	22,821,892	151,000,359
Restricted for:			
Capital projects.....	35,606,663		35,606,663
Debt service fund.....	722,709		722,709
Endowments:			
Nonexpendable.....	1,187,923		1,187,923
Expendable.....	106,059		106,059
Unrestricted.....	(13,171,581)	10,130,575	(3,041,006)
TOTAL NET ASSETS.....	\$ 152,630,240	\$ 32,952,467	\$ 185,582,707

(Concluded)

TOWN OF NEWTOWN, CONNECTICUT

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET EXPENSES AND CHANGES IN NET ASSETS		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
GOVERNMENTAL ACTIVITIES:							
General government.....	\$ 4,535,058	\$ 681,694	\$ 77,675	\$ 810,395	\$ (2,965,294)	\$	\$ (2,965,294)
Public safety.....	9,148,279	526,245	165,928		(8,456,106)		(8,456,106)
Health and welfare.....	3,358,845	10,200	183,011		(3,165,634)		(3,165,634)
Land use.....	703,662	110,052			(593,610)		(593,610)
Public works.....	11,867,112	840,643		603,029	(10,423,440)		(10,423,440)
Parks and recreation.....	3,262,414	1,561,347		248,699	(1,452,368)		(1,452,368)
Education.....	76,184,988	1,927,823	13,043,922	69,785	(61,143,458)		(61,143,458)
Interest expense.....	1,161,850				(1,161,850)		(1,161,850)
TOTAL GOVERNMENTAL ACTIVITIES.....	110,222,208	5,658,004	13,470,536	1,731,908	(89,361,760)	-	(89,361,760)
BUSINESS-TYPE ACTIVITIES:							
Sewer Department.....	1,568,227	905,105				(663,122)	(663,122)
Water Department.....	381,374	261,294				(120,080)	(120,080)
TOTAL BUSINESS-TYPE ACTIVITIES.....	1,949,601	1,166,399	-	-	-	(783,202)	(783,202)
TOTAL.....	\$ 112,171,809	\$ 6,824,403	\$ 13,470,536	\$ 1,731,908	\$ (89,361,760)	\$ (783,202)	\$ (90,144,962)
GENERAL REVENUES:							
Property taxes.....					\$ 90,243,025	\$	\$ 90,243,025
Grants and contributions not restricted to specific programs.....					2,756,030		2,756,030
Investment income.....					552,252	20,039	572,291
Miscellaneous.....					452,570		452,570
TRANSFERS.....					83,967	(83,967)	-
TOTAL GENERAL REVENUES AND TRANSFERS.....					94,087,844	(63,928)	94,023,916
CHANGE IN NET ASSETS.....					4,726,084	(847,130)	3,878,954
NET ASSETS - JULY 1, 2008.....					147,904,156	33,799,597	181,703,753
NET ASSETS - JUNE 30, 2009.....					\$ 152,630,240	\$ 32,952,467	\$ 185,582,707

25

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

TOWN OF NEWTOWN, CONNECTICUT

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009

	GENERAL	BONDED PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>				
Cash.....	\$ 1,872,326	\$	\$ 638,082	\$ 2,510,408
Investments.....	19,243,699		2,297,309	21,541,008
Receivables:				
Property taxes.....	1,334,576			1,334,576
Intergovernmental.....	4,935		592,843	597,778
Loans receivable.....			257,071	257,071
Other.....	20,383		80,799	101,182
Due from other funds.....	1,145,236	4,944,966	1,429,241	7,519,443
Prepaid amounts.....			980,175	980,175
Other.....	162,907		24,067	186,974
TOTAL ASSETS.....	\$ 23,784,062	\$ 4,944,966	\$ 6,299,587	\$ 35,028,615
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable.....	\$ 1,466,451	\$ 2,429,161	\$ 341,594	\$ 4,237,206
Accrued liabilities.....	2,693,173		41,944	2,735,117
Due to other funds.....	6,916,777	9,350	1,145,236	8,071,363
Deferred and unearned revenue.....	1,437,130		783,656	2,220,786
Total Liabilities.....	12,513,531	2,438,511	2,312,430	17,264,472
Fund balances:				
Reserved:				
Encumbrances.....	1,634,009			1,634,009
Commitments.....		35,606,663		35,606,663
Debt service fund.....			722,709	722,709
Endowments.....			1,187,923	1,187,923
Unreserved, reported in:				
Designated for subsequent year's budget.....	2,000,000			2,000,000
General fund.....	7,636,522			7,636,522
Special revenue funds.....			1,029,196	1,029,196
Capital projects funds.....		(33,100,208)	941,270	(32,158,938)
Permanent funds.....			106,059	106,059
Total Fund Balances.....	11,270,531	2,506,455	3,987,157	17,764,143
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 23,784,062	\$ 4,944,966	\$ 6,299,587	\$ 35,028,615

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

TOWN OF NEWTOWN, CONNECTICUT
RECONCILIATION OF FUND BALANCE
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2009

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET ASSETS (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).....	\$	17,764,143
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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		185,001,760
Capital assets additions.....		20,093,615
Depreciation expense.....		(3,714,845)
Disposal of capital assets.....		(88,572)

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

Property tax and community development block grant interest and lien accrual.....		737,528
Property tax and community development block grant receivable - accrual basis change.....		1,506,696
Allowance for doubtful accounts.....		(429,937)
School building grant receivable.....		5,302,958
Net pension asset.....		334,969
Other.....		614,053

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 assets.....		85,458
--	--	--------

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.....		(72,919,419)
Bond premium.....		(806,259)
Deferred charge for issuance costs.....		952,187
Landfill closure costs.....		(272,000)
Capital lease.....		(340,000)
Compensated absences.....		(786,049)
Termination benefits.....		(56,000)
Net OPEB obligation.....		(126,234)
Accrued interest payable.....		(223,812)

NET ASSETS OF GOVERNMENTAL ACTIVITIES.....	\$	<u>152,630,240</u>
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TOWN OF NEWTOWN, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	GENERAL	BONDED PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:				
Property taxes.....	\$ 90,141,582	\$	\$	\$ 90,141,582
Intergovernmental.....	13,238,745	69,785	5,415,130	18,723,660
Charges for services.....	1,699,908		3,947,896	5,647,804
Investment income.....	751,323		82,537	833,860
Net change in fair value of investments.....			(281,619)	(281,619)
Contributions.....			229,043	229,043
Other.....	94,470		358,100	452,570
TOTAL REVENUES.....	105,926,028	69,785	9,751,087	115,746,900
EXPENDITURES:				
Current:				
General government.....	7,309,913		122,042	7,431,955
Public safety.....	6,305,041		346,063	6,651,104
Health and welfare.....	2,037,295		1,279,307	3,316,602
Land use.....	562,379			562,379
Public works.....	9,200,048		259,521	9,459,569
Parks and recreation.....	1,740,540		820,795	2,561,335
Fairfield Hills.....	531,952			531,952
Education.....	70,846,082		3,621,554	74,467,636
Debt service.....	9,121,007		122,393	9,243,400
Capital outlay.....		14,574,029	5,539,802	20,113,831
TOTAL EXPENDITURES.....	107,654,257	14,574,029	12,111,477	134,339,763
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(1,728,229)	(14,504,244)	(2,360,390)	(18,592,863)
OTHER FINANCING SOURCES (USES):				
Issuance of debt.....		6,885,000	2,000,000	8,885,000
Proceeds of refunding bonds.....			9,285,000	9,285,000
Proceeds from capital lease.....			400,000	400,000
Bond premium.....			306,418	306,418
Payment to refunded bonds escrow agent.....			(9,469,025)	(9,469,025)
Transfers in.....	533,674	1,380,101	400,967	2,314,742
Transfers out.....	(317,000)	(46,824)	(1,866,951)	(2,230,775)
NET OTHER FINANCING SOURCES (USES).....	216,674	8,218,277	1,056,409	9,491,360
NET CHANGE IN FUND BALANCES.....	(1,511,555)	(6,285,967)	(1,303,981)	(9,101,503)
FUND BALANCES - JULY 1, 2008.....	12,782,086	8,792,422	5,291,138	26,865,646
FUND BALANCES - JUNE 30, 2009.....	\$ 11,270,531	\$ 2,506,455	\$ 3,987,157	\$ 17,764,143

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

TOWN OF NEWTOWN, CONNECTICUT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

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)..... \$ (9,101,503)

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.....	20,093,615
Depreciation expense.....	<u>(3,714,845)</u>
 Total	 <u>16,378,770</u>

The net effect of various miscellaneous transactions involving capital assets (i. e., sales, trade-ins and donations) is to increase net assets. 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 assets differs from the change in fund balance by the cost of the capital assets sold:

Disposal of capital assets.....	<u>(88,572)</u>
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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.....	(994,229)
Change in property tax and community development block grant - accrual basis change.....	122,877
Change in property tax and community development block grant interest and lien revenue.....	<u>(11,234)</u>
 Total	 <u>(882,586)</u>

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 assets. Also, governmental funds report the effect of issuance costs, 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:	
Issuance of debt.....	(8,885,000)
Issuance of refunding bonds.....	(9,285,000)
Bond premium.....	(262,618)
Deferred charges.....	365,987
Other.....	85,169
Principal repayments:	
General obligation debt.....	7,022,190
Notes payable.....	520,031
Payment to refunded bonds escrow agent.....	<u>9,469,025</u>
 Total	 <u>(970,216)</u>

(Continued)

TOWN OF NEWTOWN, CONNECTICUT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

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.....	\$	(15,627)
Net pension asset.....		(54,700)
Landfill closure.....		17,000
Capital lease.....		(340,000)
Compensated absences.....		(128,260)
Termination benefits.....		40,000
Net OPEB obligation.....		<u>(126,234)</u>
 Total		 <u>(607,821)</u>
 Internal Service Funds are used by management to charge costs of medical insurance deductibles to individual departments.....		 <u>(1,999)</u>
 The net revenue of the activities of the Internal Service Fund is reported with governmental activities.....		 <u>11</u>
 CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES (EXHIBIT B)	 \$	 <u>4,726,084</u>

(Concluded)

TOWN OF NEWTOWN, CONNECTICUT

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Property taxes.....	\$ 90,687,856	\$ 90,687,856	\$ 90,141,582	\$ (546,274)
Intergovernmental.....	8,181,826	8,181,826	8,380,899	199,073
Charges for services.....	2,378,456	2,378,456	1,699,908	(678,548)
Investment income.....	1,220,000	1,220,000	751,323	(468,677)
Other.....	120,000	120,000	94,470	(25,530)
TOTAL REVENUES.....	102,588,138	102,588,138	101,068,182	(1,519,956)
EXPENDITURES:				
Current:				
General government.....	7,596,916	7,604,339	7,274,801	329,538
Public safety.....	6,612,489	6,659,315	6,217,472	441,843
Health and welfare.....	2,048,223	2,061,217	2,037,295	23,922
Land use.....	559,812	566,478	548,646	17,832
Public works.....	8,659,880	8,860,083	8,675,673	184,410
Parks and recreation.....	2,008,928	2,012,086	1,785,070	227,016
Fairfield Hills.....	515,240	515,240	515,240	-
Education.....	66,031,044	66,031,044	66,023,381	7,663
Contingency.....	369,742	65,472		65,472
Debt service.....	10,772,170	10,772,170	9,121,007	1,651,163
TOTAL EXPENDITURES.....	105,174,444	105,147,444	102,198,585	2,948,859
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(2,586,306)	(2,559,306)	(1,130,403)	1,428,903
OTHER FINANCING SOURCES (USES):				
Appropriation of fund balance.....	2,619,306	2,619,306		(2,619,306)
Transfers in.....	257,000	257,000	533,674	276,674
Cancellation of prior year encumbrances.....			109,747	109,747
Transfers out.....	(290,000)	(317,000)	(317,000)	-
NET OTHER FINANCING SOURCES (USES).....	2,586,306	2,559,306	326,421	(2,232,885)
NET CHANGE IN FUND BALANCE.....	\$ -	\$ -	(803,982)	\$ (803,982)
FUND BALANCE - JULY 1, 2008.....			10,440,504	
FUND BALANCE - JUNE 30, 2009.....			\$ 9,636,522	

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

TOWN OF NEWTOWN, CONNECTICUT

STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2009

	BUSINESS-TYPE ACTIVITIES			GOVERNMENTAL
	MAJOR	NON-MAJOR	TOTAL	ACTIVITIES
	SEWER DEPARTMENT	WATER FUND		INTERNAL SERVICE FUNDS
ASSETS				
Current assets:				
Cash.....	\$	\$	\$ -	\$ 128,761
Investments.....	1,745,070		1,745,070	
Receivables:				
Assessments.....	868,619		868,619	
Use charges.....	117,666	70,579	188,245	
Due from other funds.....	42,566	192,771	235,337	
Advance to other funds.....	1,200,000		1,200,000	
Other.....	218		218	
Total current assets.....	3,974,139	263,350	4,237,489	128,761
Noncurrent assets:				
Assessment receivables.....	7,186,264		7,186,264	
Other.....	2,181		2,181	
Capital assets (net of accumulated depreciation/amortization):				
Land.....	1,000		1,000	
Intangible assets.....	618,067	176,744	794,811	
Plant and pumping stations.....	9,807,076	685,510	10,492,586	
Sewer distribution system.....	17,499,358		17,499,358	
Water distribution system.....		1,825,528	1,825,528	
Equipment.....	42,943		42,943	
Vehicles.....	83,613		83,613	
Total capital assets (net of accumulated depreciation/amortization.).....	28,052,057	2,687,782	30,739,839	-
Total noncurrent assets.....	35,240,502	2,687,782	37,928,284	-
TOTAL ASSETS.....	39,214,641	2,951,132	42,165,773	128,761
LIABILITIES				
Current liabilities:				
Accounts payable.....	61,974	13,051	75,025	
Claims payable.....			-	43,303
Accrued interest payable.....	944		944	
Deferred and unearned revenue.....	19,390		19,390	
Advance from other funds.....		1,200,000	1,200,000	
Bonds and notes payable.....	874,566		874,566	
Total current liabilities.....	956,874	1,213,051	2,169,925	43,303
Noncurrent liability:				
Bonds and notes payable - net of premium and deferred amount on refunding.....	7,043,381		7,043,381	
TOTAL LIABILITIES.....	8,000,255	1,213,051	9,213,306	43,303
NET ASSETS				
Invested in capital assets, net of related debt.....	20,134,110	2,687,782	22,821,892	
Unrestricted.....	11,080,276	(949,701)	10,130,575	85,458
TOTAL NET ASSETS.....	\$ 31,214,386	\$ 1,738,081	\$ 32,952,467	\$ 85,458

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

TOWN OF NEWTOWN, CONNECTICUT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	BUSINESS-TYPE ACTIVITIES			GOVERNMENTAL
	MAJOR	NON-MAJOR	TOTAL	ACTIVITIES
	SEWER DEPARTMENT	WATER DEPARTMENT		INTERNAL SERVICE FUNDS
OPERATING REVENUES:				
Charges for services.....	\$ 905,105	\$ 261,294	\$ 1,166,399	\$ 523,862
OPERATING EXPENSES:				
Professional services.....	481,798	14,302	496,100	
Contracted services.....	97,789	70,187	167,976	
Repairs and maintenance.....	124,437		124,437	
Utilities.....	157,225	51,892	209,117	
Claims incurred.....				503,416
Administration.....				22,445
Depreciation and amortization.....	527,799	110,921	638,720	
Other.....		134,072	134,072	
TOTAL OPERATING EXPENSES.....	1,389,048	381,374	1,770,422	525,861
OPERATING INCOME (LOSS).....	(483,943)	(120,080)	(604,023)	(1,999)
NONOPERATING REVENUES (EXPENSES):				
Investment income.....	20,039		20,039	11
Interest expense.....	(179,179)		(179,179)	
NET NONOPERATING REVENUES (EXPENSES).....	(159,140)	-	(159,140)	11
CHANGE IN NET ASSETS BEFORE TRANSFERS.....	(643,083)	(120,080)	(763,163)	(1,988)
OTHER FINANCING SOURCES (USES):				
Transfer out.....	(83,967)		(83,967)	
NET CHANGE IN NET ASSETS.....	(727,050)	(120,080)	(847,130)	(1,988)
TOTAL NET ASSETS - JULY 1, 2008.....	31,941,436	1,858,161	33,799,597	87,446
TOTAL NET ASSETS - JUNE 30, 2009.....	\$ 31,214,386	\$ 1,738,081	\$ 32,952,467	\$ 85,458

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

TOWN OF NEWTOWN, CONNECTICUT

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	BUSINESS-TYPE ACTIVITIES			GOVERNMENTAL
	MAJOR	NONMAJOR	TOTAL	ACTIVITIES
	SEWER DEPARTMENT	WATER DEPARTMENT		INTERNAL SERVICE FUNDS
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from charges for services.....	\$ 1,964,108	\$ 296,813	\$ 2,260,921	\$ 501,417
Cash payments to suppliers for goods and services.....	(926,428)	(571,647)	(1,498,075)	
Claims paid.....			-	(502,902)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	1,037,680	(274,834)	762,846	(1,485)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchase of capital assets.....		(125,166)	(125,166)	
Advance to other funds.....	(400,000)		(400,000)	
Advance from other funds.....		400,000	400,000	
Principal payments.....	(858,417)		(858,417)	
Interest payments.....	(178,964)		(178,964)	
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES.....	(1,437,381)	274,834	(1,162,547)	-
NET CASH PROVIDED BY (USED IN) NONCAPITAL FINANCING ACTIVITIES:				
Transfer out.....			(83,967)	
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income.....	20,039		20,039	11
NET CHANGE IN CASH AND CASH EQUIVALENTS.....	(463,629)	-	(463,629)	(1,474)
CASH AND CASH EQUIVALENTS - JULY 1, 2008.....	2,208,699		2,208,699	130,235
CASH AND CASH EQUIVALENTS - JUNE 30, 2009.....	\$ 1,745,070	\$ -	\$ 1,745,070	\$ 128,761
RECONCILIATION TO EXHIBIT G - CASH:				
CASH AND CASH EQUIVALENTS PER ABOVE.....	\$ 1,745,070	\$ -	\$ 1,745,070	\$ 128,761
CASH AND CASH EQUIVALENTS REPORTED AS INVESTMENTS.....	(1,745,070)		(1,745,070)	
CASH - EXHIBIT G.....	\$ -	\$ -	\$ -	\$ 128,761
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss).....	\$ (483,943)	\$ (120,080)	\$ (604,023)	\$ (1,999)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization.....	527,799	110,921	638,720	
(Increase) decrease in:				
Assessment & use receivables.....	1,059,250	35,519	1,094,769	
Due from other funds.....	(15,358)	(192,771)	(208,129)	
Increase (decrease) in:				
Accounts and other payables.....	(50,315)	(10,957)	(61,272)	514
Due to other funds.....		(97,466)	(97,466)	
Unearned revenue.....	247		247	
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	\$ 1,037,680	\$ (274,834)	\$ 762,846	\$ (1,485)

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

TOWN OF NEWTOWN, CONNECTICUT

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2009

	PENSION TRUST FUND	AGENCY FUNDS
<u>ASSETS</u>		
Cash.....	\$ 3,567	\$ 212,685
Investments at Fair Value:		
Money Market Funds.....	655,413	
Mutual Funds:		
Fixed income mutual funds.....	649,615	
Equity mutual funds.....	8,897,092	
International equity mutual funds.....	3,252,683	
Certificates of deposit.....		181,958
Pooled Fixed income.....		539,753
U.S. Government securities.....	131,058	
U.S. Government agency securities.....	2,293,165	
Corporate bonds.....	6,769,609	
Total Investments.....	22,648,635	721,711
Due from other funds.....		316,583
TOTAL ASSETS.....	22,652,202	1,250,979
<u>LIABILITY</u>		
LIABILITY:		
Accounts payable.....	-	1,250,979
<u>NET ASSETS</u>		
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS.....	\$ 22,652,202	\$ -

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

EXHIBIT K

TOWN OF NEWTOWN, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	PENSION TRUST FUND
<hr/>	
ADDITIONS:	
Contributions:	
Employer.....	\$ 716,035
Plan members.....	397,626
	<hr/>
Total contributions.....	1,113,661
Investment income (loss):	
Net change in fair value of investments.....	(3,159,361)
Interest and dividends.....	634,643
	<hr/>
Total investment income (loss).....	(2,524,718)
Less investment expenses.....	121,087
	<hr/>
Net investment income (loss).....	(2,645,805)
TOTAL ADDITIONS.....	<hr/> (1,532,144)
DEDUCTIONS:	
Benefits.....	1,209,921
Administration.....	210
	<hr/>
TOTAL DEDUCTIONS.....	1,210,131
CHANGE IN NET ASSETS.....	(2,742,275)
NET ASSETS - JULY 1, 2008.....	<hr/> 25,394,477
NET ASSETS - JUNE 30, 2009.....	<hr/> <u>\$ 22,652,202</u>

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

TOWN OF NEWTOWN, CONNECTICUTNOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009HISTORY 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 POLICIESA. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. *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 fund 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 BASIC FINANCIAL STATEMENTS (CONTINUED)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (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 government considers revenues to be available if they are collected within 60 days 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.

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 *Water Fund* accounts for the activities of the Town's water operations.

Additionally, the Town reports the following fund types:

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

The *Pension Trust Funds* account for the activities of the Newtown Employees Retirement System, which accumulates resources for pension benefit payments to qualified employees.

The *Agency Funds* are used to account for student activities, performance bonds and pass-through grants.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and enterprise fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The Town also has the *option* of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

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 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.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Assets, Liabilities, and Net Assets 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 BASIC FINANCIAL STATEMENTS (CONTINUED)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, and Net Assets or Equity (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 use, and loan receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 2 to 30 percent of outstanding receivable balances at June 30, 2009, 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 BASIC FINANCIAL STATEMENTS (CONTINUED)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, and Net Assets or Equity (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 revenue, 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 BASIC FINANCIAL STATEMENTS (CONTINUED)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, and Net Assets or Equity (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	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. 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.

6. 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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, and Net Assets or Equity (Continued)

6. Long-Term Obligations (Continued)

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.

7. Fund Equity and Net Assets

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

In the government-wide financial statements, net assets are classified into the following categories:

Invested in Capital Assets, Net of Related Debt

This category presents the net assets 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 Assets

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

Unrestricted Net Assets

This category presents the net assets of the Town which are not restricted.

8. 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.

9. 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 BASIC 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 BASIC 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, 2009.....	\$ 101,068,182	\$ 102,198,585	\$ 9,636,522
Teachers' Retirement System on-behalf payments.....	4,857,846	4,857,846	
Continued appropriations and encumbrances outstanding at June 30, 2008 and June 30, 2009			172,475
Encumbrances outstanding at June 30, 2008, liquidated during the year June 30, 2009		2,059,360	
Encumbrances outstanding at June 30, 2009, charged to budgetary expenditures.....		(1,461,534)	1,461,534
BALANCE, GAAP BASIS, EXHIBIT D - JUNE 30, 2009 ...	<u>\$ 105,926,028</u>	<u>\$ 107,654,257</u>	<u>\$ 11,270,531</u>

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO BASIC 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 assets as restricted for other purposes. Investment income is approved for expenditure by the individual boards of the benefiting activities and is included in unreserved fund balance. Net appreciation is permanently restricted. Investment income available for appropriation is as follows:

Newtown Flagpole	\$ 1,723
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D. Capital Projects Authorizations

The following is a summary of certain Capital Projects at June 30, 2009:

<u>CAPITAL PROJECTS FUND</u>	<u>AUTHORIZATION</u>	<u>CUMULATIVE EXPENDITURES</u>	<u>BALANCE JUNE 30, 2009</u>
Fairfield Hills/Town Hall Renovation	\$ 24,707,959	\$ 21,314,143	\$ 3,393,816
High School	41,576,000	3,804,915	37,771,085
Community/Senior Center	1,000,000	21,633	978,367
Capital Projects:			
Various	<u>21,047,286</u>	<u>16,865,361</u>	<u>4,181,925</u>
TOTALS	<u>\$ 88,331,245</u>	<u>\$ 42,006,052</u>	<u>\$ 46,325,193</u>

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, 2009, \$6,582,100 of the Town's bank balance of \$21,427,273 (including certificates of deposit and money market accounts classified as investments) was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 5,873,890
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name.....	<u>708,210</u>
Total amount subject to custodial credit risk	<u>\$ 6,582,100</u>

On October 3, 2008, the Emergency Economic Stabilization Act of 2008 increased the insurance coverage offered by the Federal Deposit Insurance Corporation (FDIC) from \$100,000 to \$250,000 per depositor. This limit is anticipated to return to \$100,000 after December 31, 2013. Additionally, under the FDIC's Temporary Liquidity Guarantee Program, amounts held in non-interest bearing transaction accounts at participating institutions are fully guaranteed by the FDIC through December 31, 2009. This guarantee is anticipated to be reduced to the \$250,000 limit on January 1, 2010, and the \$100,000 limit on January 1, 2014.

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

III. DETAILED NOTES (CONTINUED)

A. Cash and Investments (Continued)

At June 30, 2009, 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:						
Domestic Equity	\$ 9,097,915	\$ 9,097,915	\$	\$	\$	\$
International Equity	3,295,956	3,295,956				
Government Bonds	877,814			877,814		
Corporate Bond Funds	266,750		266,750			
Money Market Mutual Funds .	649,615		649,615			
Certificates of Deposit	15,542,479		15,542,479			
Pooled Fixed Income	7,287,387		7,287,387			
U.S. Government Securities	131,058			131,058		
U.S. Government Agency Securities	2,142,565			946,338	656,397	539,830
Common Stock	324,628	324,628				
International Common Stock	120,055	120,055				
Corporate Bonds	6,920,202		2,042,054	3,049,227	1,155,336	673,585
TOTAL	\$46,656,424	\$12,838,554	\$25,788,285	\$ 5,004,437	\$1,811,733	\$1,213,415

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

Credit risk - The Town has no investment policy that would limit its investment choices due to credit risk other than State Statues governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision.

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

AVERAGE RATING	POOLED FIXED INCOME	CORPORATE BONDS	U.S. GOVERNMENT SECURITIES	U.S. GOVERNMENT AGENCY SECURITIES	MONEY MARKET MUTUAL FUNDS	CORPORATE BOND MUTUAL FUNDS	U.S. GOVERNMENT BOND MUTUAL FUNDS
AAA	\$ 7,287,387	\$ 606,307	\$	\$ 1,473,951	\$	\$	\$ 53,547
AA		1,091,696					
A		2,715,684					
BBB		1,950,239					
BB		299,583					
Unrated/government...		256,693	131,058	668,614	649,615	266,750	824,267
TOTAL	\$ 7,287,387	\$ 6,920,202	\$ 131,058	\$ 2,142,565	\$ 649,615	\$ 266,750	\$ 877,814

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.

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

III. DETAILED NOTES (CONTINUED)

A. Cash and Investments (Continued)

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	\$ 131,058	\$	\$ 131,058
U.S. Government Agency Securities.....	2,142,565	500,000	1,642,565
Common stock.....	324,628	324,628	
International common stock	120,055	120,055	
Corporate Bonds.....	6,920,202		6,920,202
TOTAL	<u>\$ 9,638,508</u>	<u>\$ 944,683</u>	<u>\$ 8,693,825</u>

B. Receivables

Receivables as of year end for the Town's government-wide financial statements by type, including the applicable allowances for uncollectibles, are as follows:

	<u>PROPERTY TAXES</u>			
	<u>TAXES</u>	<u>INTEREST AND LIEN FEES</u>	<u>TOTAL</u>	<u>CDBG LOANS</u>
Current portion.....	<u>\$ 714,445</u>	<u>\$ 298,967</u>	<u>\$1,013,412</u>	<u>\$</u>
Long-term portion.....	\$ 620,131	\$ 438,561	\$1,058,692	\$ 257,071
Less allowance for uncollectibles	<u>(200,000)</u>	<u>(225,000)</u>	<u>(425,000)</u>	<u>(4,937)</u>
Net long-term portion	<u>\$ 420,131</u>	<u>\$ 213,561</u>	<u>\$ 633,692</u>	<u>\$ 252,134</u>
	<u>SEWER AND WATER USE CHARGES</u>			
	<u>SEWER USE CHARGES</u>	<u>INTEREST AND LIEN FEES</u>	<u>WATER USE CHARGES</u>	<u>TOTAL</u>
Receivable amount.....	\$ 118,624	\$ 1,699	\$ 70,579	\$ 190,902
Less allowance for uncollectibles	<u>(2,279)</u>	<u>(378)</u>	<u></u>	<u>(2,657)</u>
Net receivable	<u>\$ 116,345</u>	<u>\$ 1,321</u>	<u>\$ 70,579</u>	<u>\$ 188,245</u>

There was no allowance applied to the sewer assessment receivable since the amounts are liened and the lien stays with the property and not the owner.

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

III. DETAILED NOTES (CONTINUED)

B. Receivables (Continued)

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

DEFERRED REVENUE:

Delinquent property taxes receivable (general fund).....	\$ 1,249,625
Loan receivable not yet earned (special revenue fund).....	257,071

UNEARNED REVENUE:

Advance tax collections (general fund).....	187,505
Unearned revenue on park and recreation fees and school lunch (special revenue fund).....	176,429
Grant drawdowns prior to meeting all eligibility requirements (special revenue fund).....	<u>350,156</u>

TOTAL UNEARNED REVENUE FOR GOVERNMENTAL FUNDS..... \$ 2,220,786

C. Capital Assets

Capital asset activity for the year ended June 30, 2009 was as follows:

	BALANCE JULY 1, 2008	INCREASES	DECREASES	BALANCE JUNE 30, 2009
<u>Governmental Activities:</u>				
<u>Capital Assets, not being Depreciated:</u>				
Land.....	\$ 20,757,365	\$ 1,989,860	\$	\$ 22,747,225
Intangible assets.....	3,687,270			3,687,270
Construction in progress.....	<u>11,432,571</u>	14,890,696	131,500	<u>26,191,767</u>
Total Capital Assets, not being Depreciated.....	<u>35,877,206</u>	16,880,556	131,500	<u>52,626,262</u>
<u>Capital Assets, being Depreciated:</u>				
Buildings and systems.....	103,218,018	131,500		103,349,518
Land improvements.....	6,849,799	419,948		7,269,747
Machinery and equipment.....	7,903,017	744,090		8,647,107
Vehicles.....	9,032,371	723,061	515,183	9,240,249
Infrastructure.....	<u>54,887,141</u>	1,325,960	14,964	<u>56,198,137</u>
Total Capital Assets, being Depreciated.....	<u>181,890,346</u>	3,344,559	530,147	<u>184,704,758</u>
Total Capital Assets.....	<u>217,767,552</u>	20,225,115	661,647	<u>237,331,020</u>
<u>Less Accumulated Depreciation for:</u>				
Buildings and systems.....	15,750,167	1,522,058		17,272,225
Land improvements.....	1,535,806	299,042		1,834,848
Machinery and equipment.....	3,894,825	558,021		4,452,846
Vehicles.....	3,232,757	594,931	437,337	3,390,351
Infrastructure.....	<u>8,352,237</u>	740,793	4,238	<u>9,088,792</u>
Total Accumulated Depreciation.....	<u>32,765,792</u>	3,714,845	441,575	<u>36,039,062</u>
Total Capital Assets, being Depreciated, net.....	<u>149,124,554</u>	(370,286)	88,572	<u>148,665,696</u>
Governmental Activities Capital Assets, net.....	<u>\$185,001,760</u>	\$16,510,270	\$ 220,072	<u>\$ 201,291,958</u>

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

III. DETAILED NOTES (CONTINUED)

C. Capital Assets (Continued)

	BALANCE JULY 1, 2008	INCREASES	DECREASES	BALANCE JUNE 30, 2009
<u>Business-Type Activities:</u>				
<u>Capital Assets, not being Depreciated:</u>				
Land	\$ 1,000	\$	\$	\$ 1,000
<u>Capital Assets, being Depreciated:</u>				
Intangible assets.....	1,361,000			1,361,000
Plant and pumping stations	13,518,916	125,166		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	112,253			112,253
Total Capital Assets, being Depreciated	37,560,918	125,166	-	37,686,084
Total Capital Assets	37,561,918	125,166	-	37,687,084
<u>Less Accumulated Depreciation for:</u>				
Intangible assets.....	522,838	43,351		566,189
Plant and pumping stations	2,873,461	278,035		3,151,496
Sewer distribution system	2,511,481	217,993		2,729,474
Water distribution system.....	363,658	86,316		449,974
Equipment	15,030	6,442		21,472
Vehicles	22,057	6,583		28,640
Total Accumulated Depreciation.....	6,308,525	638,720	-	6,947,245
Total Capital Assets, being Depreciated, net.....	31,252,393	(513,554)	-	30,738,839
Business-Type Activities Capital Assets, net.....	\$ 31,253,393	\$(513,554)	\$ -	\$ 30,739,839

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

<u>Governmental Activities:</u>	
General government.....	\$ 153,202
Public safety	553,392
Land use	1,149
Public works.....	1,066,380
Health and welfare	20,017
Recreation	338,158
Education	1,582,547
Total Depreciation Expense - Governmental Activities	\$ 3,714,845
<u>Business-type Activities:</u>	
Sewer	\$ 527,799
Water	110,921
Total	\$ 638,720

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

III. DETAILED NOTES (CONTINUED)

C. Capital Assets (Continued)

Construction Commitments

At June 30, 2009, the Town had the following construction commitments:

Town Hall.....	\$ 3,105,527
High School.....	<u>32,501,136</u>
Total.....	<u>\$35,606,663</u>

D. Interfund Accounts

1. Interfund Payables and Receivables

A summary of interfund balances as of June 30, 2009 is as follows:

	<u>CORRESPONDING FUND</u>	<u>DUE FROM</u>	<u>DUE TO</u>
<u>MAJOR FUNDS:</u>			
GENERAL FUND:			
Bonded projects.....	N/A	\$	\$ 4,944,966
Sewer fund.....	N/A		33,216
Water fund.....	N/A		192,771
Dog fund.....	N/A		20,694
Police private duty.....	N/A	69,343	
Town gifts fund.....	N/A		70,494
Law enforcement fund.....	N/A		8,014
Septage management ordinance.....	N/A		21,505
Town recreation fund.....	N/A		233,610
Town aid road.....	N/A		3,849
Eichlers Cove marina.....	N/A		124,292
Historic documents.....	N/A		135,665
Debt service.....	N/A		625,209
Capital and nonrecurring.....	N/A	1,011,567	
Hawley School trust.....	N/A		104,335
Driveway bonds.....	N/A		<u>316,583</u>
TOTAL GENERAL FUND.....		<u>1,145,236</u>	<u>6,916,777</u>

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

III. DETAILED NOTES (CONTINUED)

D. Interfund Accounts (Continued)

1. Interfund Payables and Receivables (Continued)

	<u>CORRESPONDING FUND</u>	<u>DUE FROM</u>	<u>DUE TO</u>
BONDED PROJECTS:			
Bonded projects.....	General Fund	\$ 4,944,966	\$
Bonded projects.....	Sewer Fund		9,350
TOTAL BONDED PROJECTS		<u>4,944,966</u>	<u>9,350</u>
PROPRIETARY FUNDS:			
Sewer Department.....	General Fund	33,216	
Sewer Department.....	Bonded Projects	9,350	
Water fund.....	General Fund	<u>192,771</u>	
TOTAL PROPRIETARY FUNDS.....		<u>235,337</u>	-
NONMAJOR FUNDS:			
SPECIAL REVENUE FUNDS:			
Dog fund.....	General Fund	20,694	
Police private duty.....	General Fund		69,343
Town gifts fund	General Fund	70,494	
Law enforcement fund	General Fund	8,014	
Septage management ordinance.....	General Fund	21,505	
Fairfield Hills special revenue	General Fund	68,938	
Town recreation fund	General Fund	233,610	
Town aid road	General Fund	3,849	
Eichlers Cove marina	General Fund	124,292	
Historic documents	General Fund	135,665	
Debt service.....	General Fund	625,209	
Capital and nonrecurring.....	General Fund		1,075,236
Hawley School trust.....	General Fund	<u>104,336</u>	
TOTAL SPECIAL REVENUE FUNDS.....		<u>1,429,241</u>	<u>1,145,236</u>
FIDUCIARY FUNDS:			
Driveway bonds	General Fund	<u>316,583</u>	
GRAND TOTAL		<u>\$ 8,071,363</u>	<u>\$ 8,071,363</u>

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

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

III. DETAILED NOTES (CONTINUED)

D. Interfund Accounts (Continued)

2. Interfund Transfers

A summary of interfund transfers as of June 30, 2009 is as follows:

	CORRESPONDING FUND	TRANSFERS IN	TRANSFERS OUT
MAJOR FUNDS:			
GENERAL FUND:			
Edmond Town Hall	N/A	\$	\$ 217,000
Debt service	N/A		100,000
Police private duty	N/A	228,849	
Social services.....	N/A	1,001	
Capital projects	N/A	46,824	
Capital and nonrecurring		257,000	
TOTAL GENERAL FUND		533,674	317,000
CAPITAL PROJECTS:			
Capital projects	Capital and Nonrecurring	1,380,101	
Capital projects	General Fund		46,824
TOTAL CAPITAL PROJECTS.....		1,380,101	46,824
PROPRIETARY FUND:			
Sewer fund	Debt Service Fund		83,967
NONMAJOR FUNDS:			
SPECIAL REVENUE FUNDS:			
Edmond Town Hall	General Fund	217,000	
Police private duty	General Fund		228,849
Social services.....	General Fund		1,001
Capital and nonrecurring	General Fund		257,000
Capital and nonrecurring	Capital Projects		1,380,101
Debt service	General Fund	100,000	
Debt service	Sewer Fund	83,967	
TOTAL SPECIAL REVENUE FUNDS		400,967	1,866,951
GRAND TOTAL		\$ 2,314,742	\$ 2,314,742

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

3. Advances

A summary of interfund advances as of June 30, 2009 is as follows:

	CORRESPONDING FUND	ADVANCES IN	ADVANCES OUT
MAJOR FUNDS:			
Water fund	Sewer Fund	\$ 1,200,000	\$
Sewer department	Water Fund		1,200,000
GRAND TOTAL		\$ 1,200,000	\$ 1,200,000

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

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

III. DETAILED NOTES (CONTINUED)

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, 2008	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2009	CURRENT PORTION
<u>BONDS/NOTES</u>									
<u>General Purpose:</u>									
Improvement bond	\$ 1,310,000	1991	2011	6.1%-6.7%	\$ 259,120	\$	\$ 65,680	\$ 193,440	\$ 65,680
Improvement bond	2,570,000	10/15/00	2010	4.55%-4.75%	330,000		220,000	110,000	110,000
Improvement bond	4,380,800	12/15/04	2020	3.25%-4.00%	3,066,700		368,300	2,698,400	362,900
Improvement bond	7,325,000	12/15/04	2020	3.25%-4.00%	5,848,000		365,500	5,482,500	365,500
Improvement bond	8,340,000	12/15/05	2025	3.5%-4.0%	7,080,000		420,000	6,660,000	420,000
Improvement note	1,044,000	06/28/06	2010	2.5%	522,000		261,000	261,000	261,000
Improvement bond	9,460,000	01/15/07	2026	3.75%-4.5%	8,510,000		475,000	8,035,000	475,000
Improvement bond	8,020,000	11/27/07	2027	3.5%-5.5%	7,620,000		400,000	7,220,000	400,000
Improvement note	1,000,000	11/01/07	2010	3%	1,000,000		500,000	500,000	500,000
Improvement note	500,000	01/24/08	2010	3%	500,000		250,000	250,000	250,000
Improvement note	350,000	12/18/07	2010	3%	350,000		250,000	100,000	100,000
Improvement note	100,000	12/18/07	2010	3%	100,000			100,000	100,000
Improvement note	250,000	12/18/07	2010	3%	250,000		250,000	-	
Improvement bond	4,535,000	02/01/09	2019	0.6%-3.0%		4,535,000		4,535,000	1,415,000
Improvement bond	472,900	05/12/09	2021	0.65%-3.52%		472,900		472,900	
Improvement note	3,500,000	08/24/08	2029	6%		3,500,000	82,360	3,417,640	44,488
Total General Purpose					35,435,820	8,507,900	3,907,840	40,035,880	4,869,568
<u>Schools:</u>									
School bond	7,760,000	1991	2011	6.1%-6.7%	1,535,200		389,050	1,146,150	389,050
School bond	720,000	10/15/00	2010	4.55%-4.75%	105,000		75,000	30,000	30,000
School bond	10,000,000	08/01/01	2016	4%-4.7%	5,275,000		5,275,000		
School bond	8,950,000	06/15/02	2022	3%-5%	6,250,000		4,900,000	1,350,000	450,000
School bond	18,967,400	12/15/04	2020	3%-4%	12,851,500		1,658,900	11,192,600	1,635,500
School bond	5,085,000	12/15/04	2020	3.25%-4.00%	4,072,000		254,500	3,817,500	254,500
School bond	2,750,000	11/27/07	2027	3.5%-5.5%	2,610,000		140,000	2,470,000	140,000
School bond	850,000	02/01/09	2019	0.6%-3.0%		850,000		850,000	85,000
School bond	8,812,100	05/12/09	2021	0.65%-3.52%		8,812,100		8,812,100	810,000
Total School Bonds					32,698,700	9,662,100	12,692,450	29,668,350	3,794,050
<u>Sewer:</u>									
Sewer bond	2,000,000	1991	2011	6.1%-6.7%	395,680		100,270	295,410	100,270
Sewer bond	698,400	12/15/04	2020	3%-4%	528,400		46,400	482,000	45,800
Clean water	4,570,000	06/30/97	2017	2%	2,146,758		234,049	1,912,709	238,773
Clean water	516,000	06/30/03	2023	2.1%	402,588		23,078	379,510	23,567
Total Sewer Bonds					3,473,426	-	403,797	3,069,629	408,410
<u>Water:</u>									
Drinking water	171,738	06/29/2006	2026	2.32%	152,719		7,159	145,560	7,327

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

III. DETAILED NOTES (CONTINUED)

E. Changes in Long-Term Obligations (Continued)

1. Summary of Changes (Continued)

General Long-term Obligations: (Continued)

DESCRIPTION	ORIGINAL AMOUNT	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE JULY 1, 2008	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2009	CURRENT PORTION
TOTAL BONDS/NOTES.....					\$ 71,760,665	\$ 18,170,000	\$ 17,011,246	\$ 72,919,419	\$ 9,079,355
PREMIUM.....					543,641	306,418	43,800	806,259	
DEFERRED CHARGES.....					(586,200)	(420,224)	54,237	(952,187)	
TOTAL BONDS/NOTES AND RELATED LIABILITIES.....					71,718,106	18,056,194	17,000,809	72,773,491	9,079,355
LANDFILL CLOSURE COSTS					289,000		17,000	272,000	17,000
CAPITAL LEASES						400,000	60,000	340,000	49,735
COMPENSATED ABSENCES.....					657,789	992,744	864,484	786,049	157,210
TERMINATION BENEFITS					96,000		40,000	56,000	24,000
OTHER POST EMPLOYMENT BENEFIT OBLIGATION.....						126,234		126,234	
TOTAL GENERAL LONG-TERM OBLIGATIONS					<u>\$ 72,760,895</u>	<u>\$ 19,575,172</u>	<u>\$ 17,982,293</u>	<u>\$ 74,353,774</u>	<u>\$ 9,327,300</u>

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	YEAR OF MATURITY	INTEREST RATE	BALANCE JULY 1, 2008	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 2009	CURRENT PORTION
Improvement Bonds.....	2020	3%-4%	\$ 528,400	\$	\$ 46,400	\$ 482,000	\$ 45,800
Clean Water Fund Notes.....	2018	2.00%	8,252,187		812,369	7,439,818	828,766
TOTAL BONDS/NOTES.....			8,780,587	-	858,769	7,921,818	874,566
PREMIUM.....			9,577		798	8,779	
DEFERRED CHARGES			(13,800)		(1,150)	(12,650)	
TOTAL BONDS AND RELATED LIABILITIES			<u>\$ 8,776,364</u>	<u>\$ -</u>	<u>\$ 858,417</u>	<u>\$ 7,917,947</u>	<u>\$ 874,566</u>

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

III. DETAILED NOTES (CONTINUED)

E. Changes in Long-Term Obligations (Continued)

1. Summary of Changes (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		GENERAL LONG-TERM DEBT BOND/NOTE MATURITIES				ENTERPRISE FUNDS BOND/NOTE MATURITIES				TEACHERS' EARLY RETIREMENT CONTRACTS
	PRINCIPAL	INTEREST	PRINCIPAL BOND	INTEREST NOTE	PRINCIPAL BOND	INTEREST NOTE	PRINCIPAL BOND	INTEREST NOTE	PRINCIPAL BOND	INTEREST NOTE	
2010	\$ 768,239	\$ 170,209	\$ 7,554,200	\$ 1,525,156	\$ 2,925,104	\$ 251,466	\$ 45,800	\$ 828,766	\$ 18,769	\$ 141,229	\$ 24,000
2011	721,640	141,873	6,034,800	380,979	2,731,977	268,851	45,200	845,494	17,223	124,501	16,000
2012	708,715	110,921	5,955,000	392,660	2,463,873	243,925	45,000	862,561	15,415	107,434	8,000
2013	542,606	88,082	5,675,600	405,917	2,209,826	232,240	44,400	879,970	13,840	90,025	8,000
2014	511,378	68,364	5,526,000	419,223	1,774,181	218,983	44,000	897,734	12,064	72,263	
2015	506,173	49,764	5,486,500	433,115	1,558,717	205,677	43,500	915,852	10,304	54,144	
2016	502,270	31,335	5,456,800	447,171	1,349,770	191,784	43,200	934,339	8,564	35,657	
2017	79,391	13,030	3,151,600	324,753	1,139,770	177,728	43,400	953,199	6,836	16,757	
2018	79,391	10,083	3,146,600	198,439	942,068	162,716	43,400	321,903	5,100	1,342	
2019	78,090	7,135	3,132,500	209,356	824,438	151,615	42,500		3,364		
2020	76,789	4,217	2,698,400	220,581	702,439	140,697	41,600		1,664		
2021	15,635	1,329	2,500,000	233,159	587,716	129,472					
2022	15,634	665	2,495,000	246,149	486,886	116,894					
2023			2,040,000	259,921	373,773	103,906					
2024			2,040,000	242,691	280,364	90,135					
2025			1,420,000	257,679	196,904	76,052					
2026			1,005,000	268,054	112,775	61,064					
2027			535,000	279,215	63,606	45,375					
2028				296,661	22,738	28,901					
2029				25,540	22,737	11,456					
2030					22,737	128					
2031					22,737						
TOTALS	\$4,605,951	\$ 697,007	\$ 65,853,000	\$7,066,419	\$ 20,815,136	\$2,909,065	\$ 482,000	\$7,439,818	\$ 113,143	\$ 643,352	\$ 56,000

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 16 years at \$17,000 per year are \$272,000. 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>28,571</u>
Total.....	<u>\$ 371,429</u>

TOWN OF NEWTOWN, CONNECTICUT
 NOTES TO BASIC 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, 2009.

YEAR ENDING JUNE 30,	
2010	\$ 67,415
2011	67,415
2012	67,415
2013	67,415
2014	67,415
2015	67,415
Less: amount representing interest	(64,490)
Present value of minimum lease payments	<u>\$ 340,000</u>

4. Termination Benefits

The Board of Education provides early retirement incentive benefits to 5 former employees. Benefits are paid annually based on the retirement agreement for each employee from the Board of Education budget. Benefits are payable through 2011. During the fiscal year ended June 30, 2009, \$40,000 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.....	\$ 202,829,333	\$ 38,824,880	\$ 164,004,453
Schools.....	405,658,665	25,062,399	380,596,266
Sewers.....	338,048,888	777,410	337,271,478
Urban renewal.....	292,975,703		292,975,703
Pension deficit.....	270,439,110		270,439,110

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$631,024,590.

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 \$4,605,951 for bond principal is reflected as deductions in the computation of net indebtedness.

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

III. DETAILED NOTES (CONTINUED)

E. Changes in Long-Term Obligations (Continued)

6. Authorized/Unissued Debt

At June 30, 2009, the Town had authorized unissued debt as follows:

	<u>AUTHORIZED UNISSUED DEBT</u>
Open space	\$ 2,000,000
High School.....	38,826,000
Refunding	715,000
Various improvements	<u>2,162,286</u>
TOTAL.....	<u>\$ 43,703,286</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, 2009, the amount of defeased debt outstanding but removed from the Town's financial statements amounted to \$7,090,000.

8. Current Year Advance Refunding

On May 12, 2009, the Town issued \$9,285,000 of general obligation refunding bonds with interest rates of 2.25% to 4.75%. These refunding bonds were issued to advance refund and defease bonds issued in August 2001 and June 2002. The refunding resulted in an economic gain of \$484,497 with a total savings of \$710,284.

9. Subsequent Event

In July 2009, the Town issued \$12,000,000 of bond anticipation notes maturing in February 2010. The notes accrue interest at 1%. The proceeds will be used for high school additions and renovations, open space and modular classrooms.

In August 2009, the Town issued \$13,320,000 of refunding bonds at an interest rate ranging from 3% - 5%, maturing in July 2015. These bonds refunded bonds issued in December 2004, December 2005, January 2007 and November 2007.

TOWN OF NEWTOWN, CONNECTICUT
 NOTES TO BASIC 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. The Town generally obtains commercial insurance for these risks. The Board of Education has chosen to retain the risks for dental claims. Settled claims have not exceeded commercial coverage in any of the past three years. 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 dental claims, for which they receive an administrative fee. Administrative fees are paid directly from annual appropriations for the Board of Education self-funded dental reserve.

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

	CLAIMS PAYABLE <u>JULY 1</u>	CURRENT YEAR CLAIMS AND CHANGES IN <u>ESTIMATES</u>	CLAIMS <u>PAID</u>	CLAIMS PAYABLE <u>JUNE 30</u>
2007-2008.....	\$ 61,823	\$ 435,010	\$ 454,044	\$ 42,789
2008-2009.....	42,789	503,416	502,902	43,303

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

Construction (if any) and other commitments have been reported as a reserve for commitments in the fund equity section of the balance sheet.

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 BASIC FINANCIAL STATEMENTS (CONTINUED)

IV. OTHER INFORMATION (CONTINUED)

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 Selectman 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, 2008, membership consisted of:

	SELECTMEN AND BOARD OF EDUCATION <u>PERSONNEL</u>	POLICE <u>PERSONNEL</u>
Retirees and beneficiaries currently receiving benefits and terminated employees entitled to benefits but not yet receiving them	108	25
Active employees	<u>317</u>	<u>42</u>
TOTAL.....	<u>425</u>	<u>67</u>

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO BASIC 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 Personnel

Employees are required to contribute 2% of their base earnings to the plan.

Police Personnel

Employees are required to contribute 5% of compensation. The maximum contribution period is 30 years.

TOWN OF NEWTOWN, CONNECTICUT
 NOTES TO BASIC 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, 2009 was as follows:

ACTUARIAL VALUATION DATE	(A) ACTUARIAL VALUE OF ASSETS	(B) ACTUARIALLY 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, 2009	\$10,932,466	\$12,128,768	\$(1,196,302)	90.1%	\$ 3,415,591	35.0%
<u>SELECTMAN AND BOARD OF EDUCATION PERSONNEL PLAN</u>						
July 1, 2009	\$16,351,188	\$16,463,315	\$ 112,127	99.3%	\$12,834,058	0.9%

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, immediately following the notes to the financial statements (RSI), 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 (RSI) and schedules of employer contributions (Note IV.C.5) 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, 2009
ACTUARIAL COST METHOD.....	PROJECTED UNIT CREDIT
AMORTIZATION METHOD	LEVEL DOLLAR-CLOSED
REMAINING AMORTIZATION PERIOD	15 YEARS
ASSET VALUATION METHOD	5 YEAR SMOOTHING
ACTUARIAL ASSUMPTIONS:	
Investment rate of return	8%
Projected salary increases:	
Inflation.....	2.5%
Merit	2.5%

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO BASIC 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.....	\$ 374,614	\$ 325,909
Interest on net pension obligation.....	(22,525)	(5,304)
Adjustment to annual required contribution	32,895	7,746
Annual pension cost.....	384,984	328,351
Contributions made.....	374,595	325,844
Increase (decrease) in net pension asset.....	(10,389)	(2,507)
Net pension asset - July 1, 2008	(281,564)	(66,301)
Net pension asset - June 30, 2009.....	\$(271,175)	\$(63,794)

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>			
2009	\$ 384,984	97.3%	\$ 271,175
2008	385,398	113.5%	344,812
2007	425,095	98.8%	292,801
<u>POLICE</u>			
2009	\$ 328,351	99.2%	\$ 63,794
2008	289,717	93.1%	44,857
2007	279,505	98.9%	64,858

TOWN OF NEWTOWN, CONNECTICUT
NOTES TO BASIC 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, 2009, the net assets available for benefits include \$69,892 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, 2009, 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, 2009, employer contributions were \$15,596 and employee contributions totaled \$5,199.

D. Other Post-Employment Benefits Plan

1. Plan Description

The Town administers one single-employer, post retirement healthcare plan for the Town of Newtown Other Post Employment Benefits (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 \$278,828.

c. Employee Contributions

There are no employee contributions to the plan.

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

IV. OTHER INFORMATION (CONTINUED)

D. Other Post-Employment Benefits Plan (Continued)

3. Funded Status and Funding Progress

The funded status of the plan as of July 1, 2008 was as follows:

ACTUARIAL VALUATION DATE	(A) ACTUARIAL VALUE OF ASSETS	(B) ACTUARIALLY 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, 2008	\$ -	\$ 3,761,700	\$(3,761,700)	0.0%	\$34,779,302	(10.8)%

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, immediately following the notes to the financial statements (RSI) 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 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, 2008
ACTUARIAL COST METHOD	Projected Unit Credit
AMORTIZATION METHOD	Level Dollar
REMAINING AMORTIZATION PERIOD:	
Town	20.5 years closed
Police and Fire	30 years closed
Board of Education	30 years closed
ASSET VALUATION METHOD	Fair Value

ACTUARIAL ASSUMPTIONS:

Investment rate of return – Town and Police and Fire	7.5%
Investment rate of return – Board of Education	4.5%
Healthcare inflation rate:	
Initial	10%
Ultimate	5%

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

IV. OTHER INFORMATION (CONTINUED)

D. Other Post-Employment Benefits Plan (Continued)

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

The changes in the NOO were as follows:

Annual required contribution.....	\$ 405,062
Adjustment to annual required contribution.....	<u> -</u>
Annual OPEB cost	405,062
Contributions made	<u>278,828</u>
Change in net OPEB obligation.....	126,234
Net OPEB obligation - July 1, 2008	<u> -</u>
Net OPEB obligation - June 30, 2009	<u>\$ 126,234</u>

6. One Year Trend Information

YEAR ENDING JUNE 30	ANNUAL OPEB COST (AOC)	PERCENTAGE OF AOC CONTRIBUTED	NET OPEB OBLIGATION
2008	\$ 405,062	68.8%	\$ 126,234

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 \$4,857,846.

**Required
Supplementary
Information**

TOWN OF NEWTOWN, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION

NEWTOWN RETIREMENT SYSTEM
SCHEDULE OF FUNDING PROGRESS

POLICE PERSONNEL PLAN						
	A	B	(A-B)	(A/B)	C	[(A-B)/C]
ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ACTUARIALLY 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,						
2004	\$ 8,797,025	\$ 8,745,173	\$ 51,852	100.6%	\$ 2,464,143	2.1%
2005	9,264,779	9,515,132	(250,353)	97.4%	2,637,458	-(9.5)%
2006	9,783,886	10,090,519	(306,633)	97.0%	2,643,190	-(11.6)%
2007	10,169,180	10,555,713	(386,533)	96.3%	2,812,921	-(13.7)%
2008	10,736,256	10,983,585	(247,329)	97.7%	2,973,016	-(8.3)%
2009	10,932,466	12,128,768	(1,196,302)	90.1%	3,415,591	-(35.0)%

SELECTMEN AND BOARD OF EDUCATION PERSONNEL PLAN						
	A	B	(A-B)	(A/B)	C	[(A-B)/C]
ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF ASSETS	ACTUARIALLY 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,						
2004	\$11,381,364	\$ 10,721,030	\$ 660,334	106.2%	\$ 8,849,043	7.5%
2005	12,395,925	11,520,625	875,300	107.6%	9,809,015	8.9%
2006	13,426,175	12,382,206	1,043,969	108.4%	9,995,785	10.4%
2007	14,861,680	13,662,528	1,199,152	108.8%	11,031,168	10.9%
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%

TOWN OF NEWTOWN, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION

NEWTOWN RETIREMENT SYSTEM
SCHEDULE OF EMPLOYER CONTRIBUTIONS

POLICE PERSONNEL PLAN

YEAR ENDED JUNE 30,	ANNUAL REQUIRED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENTAGE CONTRIBUTED
2004	\$ 137,000	\$ 137,096	100.1%
2005	193,000	193,303	100.2%
2006	214,000	213,647	99.8%
2007	277,000	276,339	99.8%
2008	287,328	291,160	101.3%
2009	325,909	325,844	100.0%

SELECTMEN AND BOARD OF EDUCATION PERSONNEL PLAN

YEAR ENDED JUNE 30,	ANNUAL REQUIRED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENTAGE CONTRIBUTED
2004	\$ 359,063	\$ 597,903	166.5%
2005	402,684	402,966	100.1%
2006	420,207	420,381	100.0%
2007	414,121	419,919	101.4%
2008	374,614	437,409	116.8%
2009	374,614	374,595	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	ACTUARIALLY 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)%

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%

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
FOR THE YEAR ENDED JUNE 30, 2009

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
PROPERTY TAXES:				
Collections - current year.....	\$ 88,918,856	\$ 88,918,856	\$ 88,262,932	\$ (655,924)
Collections - prior years.....	625,000	625,000	558,513	(66,487)
Interest and lien fees.....	400,000	400,000	436,777	36,777
Motor vehicle supplement list.....	600,000	600,000	739,384	139,384
Telecommunications Property Tax Grant.....	144,000	144,000	143,976	(24)
TOTAL PROPERTY TAXES.....	90,687,856	90,687,856	90,141,582	(546,274)
INTERGOVERNMENTAL:				
Veterans additional exemptions.....			10,162	10,162
Elderly tax relief - circuit breaker.....	120,000	120,000	118,019	(1,981)
In lieu of taxes.....	1,084,279	1,084,279	1,087,935	3,656
Totally disabled.....	1,500	1,500	1,369	(131)
In lieu of boat tax.....	8,000	8,000	8,988	988
Manufacturers' machinery and equipment.....	180,000	180,000	277,239	97,239
Mashantucket Pequot fund grant.....	1,218,146	1,218,146	1,252,314	34,168
Connecticut school building grants.....	994,228	994,228	994,229	1
Equalized cost-sharing grant.....	4,309,646	4,309,646	4,387,367	77,721
Public school transportation aid.....	160,124	160,124	155,521	(4,603)
Non-public school transportation aid.....	15,620	15,620	16,983	1,363
Health services - St. Rose.....	12,783	12,783	11,839	(944)
Miscellaneous grants.....			15,464	15,464
Police - holiday DUI program.....	55,000	55,000	39,974	(15,026)
Services for the blind.....	22,500	22,500	3,496	(19,004)
TOTAL INTERGOVERNMENTAL.....	8,181,826	8,181,826	8,380,899	199,073
CHARGES FOR SERVICES:				
Town clerk - conveyance tax.....	625,000	625,000	345,845	(279,155)
Town clerk - other.....	250,000	250,000	219,367	(30,633)
Police - private duty.....	150,000	150,000	150,000	(150,000)
Police recruitment.....	3,000	3,000	3,000	(3,000)
Parks and recreation.....	250,000	250,000	178,646	(71,354)
Tuition.....	17,000	17,000	15,977	(1,023)
School generated fees.....	126,456	126,456	98,101	(28,355)
Building.....	400,000	400,000	340,612	(59,388)
Permit fees.....	7,000	7,000	1,675	(5,325)
Landfill permits.....	400,000	400,000	385,949	(14,051)
Senior center membership fees.....			3,684	3,684
Land use.....	150,000	150,000	110,052	(39,948)
TOTAL CHARGES FOR SERVICES.....	2,378,456	2,378,456	1,699,908	(678,548)
INVESTMENT INCOME.....	1,220,000	1,220,000	751,323	(468,677)
OTHER REVENUES:				
Miscellaneous revenue - police.....	17,000	17,000	2,960	(14,040)
Miscellaneous revenue - board of education.....	3,000	3,000	28,063	25,063
Miscellaneous revenue - selectmen.....	100,000	100,000	63,447	(36,553)
TOTAL OTHER REVENUES.....	120,000	120,000	94,470	(25,530)
TOTAL REVENUES.....	102,588,138	102,588,138	101,068,182	(1,519,956)

(Continued)

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

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE
OTHER FINANCING SOURCES:				
Appropriation of fund balance.....	\$ 2,619,306	\$ 2,619,306	\$	\$ (2,619,306)
Transfers in.....	257,000	257,000	533,674	276,674
Cancellation of prior year encumbrances.....			109,747	109,747
TOTAL OTHER FINANCING SOURCES.....	2,876,306	2,876,306	643,421	(2,232,885)
TOTAL REVENUES AND OTHER FINANCING SOURCES.....	\$ 105,464,444	\$ 105,464,444	\$ 101,711,603	\$ (3,752,841)

(Concluded)

TOWN OF NEWTOWN, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
GENERAL GOVERNMENT:				
Selectmen.....	\$ 471,990	\$ 426,742	\$ 379,319	\$ 47,423
Selectmen - other.....	540,141	540,141	440,123	100,018
Tax Collector.....	190,354	193,475	187,299	6,176
Probate Court.....	4,050	4,050	3,582	468
Town Clerk.....	253,995	253,995	243,384	10,611
Registrars.....	128,096	144,916	138,391	6,525
Assessor.....	226,773	226,773	195,297	31,476
Finance.....	332,603	335,803	327,599	8,204
Technology.....	216,740	221,270	218,108	3,162
Social security.....	824,931	849,931	837,075	12,856
Pension fund.....	461,195	461,195	461,195	-
Employee Benefits.....	2,875,000	2,875,000	2,858,864	16,136
Professional organizations.....	36,300	36,300	35,240	1,060
Insurance.....	954,330	954,330	870,788	83,542
Legislative Council.....	44,818	44,818	43,437	1,381
Hattertown Historic District.....	500	500	-	500
Economic Development Commission.....	35,000	35,000	35,000	-
Local Housing Partnership.....	100	100	100	-
TOTAL GENERAL GOVERNMENT.....	7,596,916	7,604,339	7,274,801	329,538
PUBLIC SAFETY:				
Communications.....	809,322	809,322	755,580	53,742
Police department.....	3,941,117	3,947,948	3,889,757	58,191
Police department - other.....	150,000	150,000	-	150,000
Fire department.....	1,210,640	1,213,905	1,063,978	149,927
Emergency Management/N.U.S.....	44,110	44,110	31,509	12,601
Canine control.....	151,555	152,835	136,173	16,662
Lake authorities.....	74,495	74,495	73,775	720
N.W. safety communication.....	10,500	10,950	10,950	-
Paramedic.....	220,500	255,500	255,500	-
Northwest CT Emergency Medical Service.....	250	250	250	-
TOTAL PUBLIC SAFETY.....	6,612,489	6,659,315	6,217,472	441,843
HEALTH AND WELFARE:				
Social services.....	85,032	86,529	85,292	1,237
Commission on aging.....	287,768	289,265	266,752	22,513
V.N.A. of Newtown.....	500	500	500	-
Kevin's Community Center.....	50,000	50,000	50,000	-
Children's adventure center.....	30,000	30,000	30,000	-
Regional hospice.....	5,500	5,500	5,500	-
Veterans' guidance.....	250	250	120	130
N.W. Regional Mental Board.....	2,974	2,974	2,974	-
Youth & Family Services.....	270,000	270,000	270,000	-
Danbury Regional Commission on Children.....	2,750	2,750	2,750	-
Women's Center of Danbury.....	10,000	10,000	10,000	-
Ability Beyond Disability.....	4,500	4,500	4,500	-
Newtown Cultural Arts Commission.....	2,000	12,000	12,000	-
Amos House.....	3,300	3,300	3,300	-
Literacy Volunteers.....	1,500	1,500	1,500	-
Shelter of the Cross.....	2,500	2,500	2,500	-
WeCAHR.....	1,000	1,000	1,000	-
The Volunteer Center.....	1,000	1,000	1,000	-
Newtown Parade Committee.....	1,500	1,500	1,458	42
Parent Connection.....	15,000	15,000	15,000	-
NW Conservation District.....	500	500	500	-
Booth library.....	1,007,953	1,007,953	1,007,953	-
Newtown Health District.....	262,696	262,696	262,696	-
TOTAL HEALTH AND WELFARE.....	2,048,223	2,061,217	2,037,295	23,922
LAND USE.....	559,812	566,478	548,646	17,832

(Continued)

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
PUBLIC WORKS:				
Building inspector.....	\$ 320,009	\$ 321,959	\$ 289,159	\$ 32,800
Highway.....	5,725,763	5,715,221	5,639,117	76,104
Winter maintenance.....	485,000	693,795	693,795	-
Landfill.....	1,423,830	1,423,830	1,389,687	34,143
Public building maintenance.....	700,278	700,278	658,915	41,363
Car pool.....	5,000	5,000	5,000	-
TOTAL PUBLIC WORKS.....	8,659,880	8,860,083	8,675,673	184,410
PARKS AND RECREATION.....	2,008,928	2,012,086	1,785,070	227,016
FAIRFIELD HILLS.....	515,240	515,240	515,240	-
BOARD OF EDUCATION.....	66,031,044	66,031,044	66,023,381	7,663
CONTINGENCY.....	369,742	65,472	65,472	65,472
DEBT SERVICE.....	10,772,170	10,772,170	9,121,007	1,651,163
TOTAL EXPENDITURES.....	105,174,444	105,147,444	102,198,585	2,948,859
OTHER FINANCING USES:				
Transfers out:				
OPEB.....	100,000	100,000	100,000	-
Town Hall Board of Managers.....	190,000	217,000	217,000	-
TOTAL OTHER FINANCING USES.....	290,000	317,000	317,000	-
TOTAL EXPENDITURES AND OTHER FINANCING USES.....	\$ 105,464,444	\$ 105,464,444	\$ 102,515,585	\$ 2,948,859

(Concluded)

TOWN OF NEWTOWN, CONNECTICUT

REPORT OF TAX COLLECTOR
FOR THE YEAR ENDED JUNE 30, 2009

GRAND LIST YEAR	UNCOLLECTED TAXES JULY 1, 2008	CURRENT YEAR LEVY	LAWFUL CORRECTIONS		TRANSFERS TO SUSPENSE	ADJUSTED TAXES COLLECTIBLE	COLLECTIONS			UNCOLLECTED TAXES JUNE 30, 2009
			ADDITIONS	DEDUCTIONS			NET TAXES COLLECTED	INTEREST AND LIEN FEES	TOTAL	
1992	\$ 15,589	\$	\$	\$ 15,398	\$	\$ 191	\$ 191	\$ 641	\$ 832	\$ -
1993	17,240			1,749		15,491	191	505	696	15,300
1994	18,157			1,805		16,352	197	485	682	16,155
1995	24,385			2,041		22,344	267	601	868	22,077
1996	25,886		397	2,115		24,168	674	572	1,246	23,494
1997	27,973		393	2,196		26,170	680	541	1,221	25,490
1998	31,211			2,278		28,933	298	531	829	28,635
1999	36,838			2,409		34,429			-	34,429
2000	40,136			2,596		37,540	197	28	225	37,343
2001	44,095			2,760		41,335	685	725	1,410	40,650
2002	37,102			3,502		33,600	2,024	1,759	3,783	31,576
2003	40,249			4,080	327	35,842	2,484	2,477	4,961	33,358
2004	50,029		885	5,319	684	44,911	6,586	2,333	8,919	38,325
2005	90,817		641	9,853	7,026	74,579	26,157	9,372	35,529	48,422
2006	807,568		31,739	44,504	112,577	682,226	569,486	110,886	680,372	112,740
TOTAL PRIOR YEARS	1,307,275	-	34,055	102,605	120,614	1,118,111	610,117	131,456	741,573	507,994
2007		90,562,556	176,201	887,842	89,908	89,761,007	88,934,425	305,320	89,239,745	826,582
TOTAL	\$ 1,307,275	\$ 90,562,556	\$ 210,256	\$ 990,447	\$ 210,522	\$ 90,879,118	\$ 89,544,542	\$ 436,776	\$ 89,981,318	\$ 1,334,576

Sewer Department

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

TOWN OF NEWTOWN, CONNECTICUT

SCHEDULE OF CHANGES IN SEWER ASSESSMENT RECEIVABLE
FOR THE YEAR ENDED JUNE 30, 2009

	UNCOLLECTED ASSESSMENTS JULY 1, 2008	CURRENT YEAR BILLINGS	ADJUSTED TAXES COLLECTIBLE	COLLECTIONS	UNCOLLECTED ASSESSMENTS JUNE 30, 2009
Sewer assessments receivable.....	\$ 7,830,241	\$	\$ 7,830,241	\$ 755,400	\$ 7,074,841
Homestead accounts receivable.....	180,490		180,490	37,480	143,010
Bungalow Terrace.....	41,873		41,873	3,310	38,563
Elderly.....	38,349		38,349	1,213	37,136
76 Reed Intermediate School /Grace Church receivable.....	406,118		406,118	33,420	372,698
Walnut Tree.....	21,783		21,783		21,783
Newtown Congregational, Colony Diner & Sundaram.....	33,463		33,463	3,129	30,334
Rose & Church Hill.....		51,000	51,000	8,083	42,917
TOTAL.....	<u>\$ 8,552,317</u>	<u>\$ 51,000</u>	<u>\$ 8,603,317</u>	<u>\$ 842,035</u>	<u>7,761,282</u>
				Bonded interest	67,290
				Pentalty interest and	95,535
				Septic loans	<u>130,776</u>
				Total	<u>\$ 8,054,883</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.

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 for education grants.

Law Enforcement Fund

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

Septage Management Ordinance

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.

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

Special Revenue Funds (Continued)

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.

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.

Social Services

To account for the expenditures to provide general assistance to needy Newtown households. Financing is provided by the Town and State of Connecticut.

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.

Town Aid Road

To account for funds received from the State for improvements to Town roads.

Miscellaneous Grants

To account for various reimbursement grants.

Small Cities Program

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

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

Special Revenue Funds (Continued)

Cemetery Fund

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

Taylor Field

To account for the care and maintenance of Taylor Field.

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).

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.

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.

TOWN OF NEWTOWN, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009

	SPECIAL REVENUE FUNDS						
	DOG LICENSE	POLICE PRIVATE DUTY	TOWN GIFTS FUND	SCHOOL LUNCH PROGRAM	EDUCATION GRANTS	LAW ENFORCEMENT FUND	SEPTAGE MANAGEMENT ORDINANCE
<u>ASSETS</u>							
Cash.....	\$	\$	\$ 10,493	\$ 236,844	\$ 17,281	\$	\$
Investments.....			34,475			490	70,115
Receivables:							
Intergovernmental.....				31,981	151,636		
Other.....		69,343		1,656			
Due from other funds.....	20,694		70,494			8,014	21,505
Other.....				24,067			
TOTAL ASSETS.....	\$ 20,694	\$ 69,343	\$ 115,462	\$ 294,548	\$ 168,917	\$ 8,504	\$ 91,620
<u>LIABILITIES AND FUND BALANCES</u>							
LIABILITIES:							
Accounts payable.....	\$ 10,820	\$	\$ 582	\$ 161,283	\$ 60,654	\$	\$
Accrued liabilities.....					41,944		
Due to other funds.....		69,343					
Deferred and unearned revenue.....				23,908	9,004	5,268	
TOTAL LIABILITIES.....	10,820	69,343	582	185,191	111,602	5,268	-
FUND BALANCES:							
Unreserved and undesignated.....	9,874		114,880	109,357	57,315	3,236	91,620
TOTAL LIABILITIES AND FUND BALANCES	\$ 20,694	\$ 69,343	\$ 115,462	\$ 294,548	\$ 168,917	\$ 8,504	\$ 91,620

(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	TOWN RECREATION FUND	TOWN AID ROAD
<u>ASSETS</u>						
Cash.....	\$	\$ 90,650	\$ 88,492	\$ 97,290	\$ 65,071	\$
Investments.....				3,786		
Receivables:						
Intergovernmental.....						
Other.....		9,800				
Due from other funds.....	68,938				233,610	3,849
Other.....						
TOTAL ASSETS.....	\$ 68,938	\$ 100,450	\$ 88,492	\$ 101,076	\$ 298,681	\$ 3,849
<u>LIABILITIES AND FUND BALANCES</u>						
LIABILITIES:						
Accounts payable.....	\$	\$ 470	\$	\$ 15,719	\$ 18,530	\$ 3,835
Deferred and unearned revenue.....					176,429	14
TOTAL LIABILITIES.....	-	470	-	15,719	194,959	3,849
FUND BALANCES:						
Unreserved and undesignated.....	68,938	99,980	88,492	85,357	103,722	
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 68,938	\$ 100,450	\$ 88,492	\$ 101,076	\$ 298,681	\$ 3,849

(Continued)

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

	SPECIAL REVENUE FUNDS					TOTAL SPECIAL REVENUE FUNDS
	MISCELLANEOUS GRANTS	SMALL CITIES PROGRAM	CEMETERY FUND	EICHLER'S COVE MARINA	HISTORIC DOCUMENTS	
<u>ASSETS</u>						
Cash.....	\$	\$ 20,238	\$	\$	\$	\$ 626,359
Investments.....			31,224			140,090
Receivables:						
Intergovernmental.....	338,050					521,667
Loans receivable.....		257,071				257,071
Other.....						80,799
Due from other funds.....	12,635			124,292	35,665	599,696
Other.....						24,067
TOTAL ASSETS.....	\$ 350,685	\$ 277,309	\$ 31,224	\$ 124,292	\$ 35,665	\$ 2,249,749
<u>LIABILITIES AND FUND BALANCES</u>						
LIABILITIES:						
Accounts payable.....	\$ 44,973	\$	\$	\$ 14,994	\$	\$ 331,860
Accrued liabilities.....						41,944
Due to other funds.....						69,343
Deferred and unearned revenue.....	305,712	257,071				777,406
TOTAL LIABILITIES.....	350,685	257,071	-	14,994	-	1,220,553
FUND BALANCES:						
Unreserved and undesignated.....		20,238	31,224	109,298	35,665	1,029,196
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 350,685	\$ 277,309	\$ 31,224	\$ 124,292	\$ 35,665	\$ 2,249,749

(Continued)

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

	DEBT SERVICE		CAPITAL PROJECTS		PERMANENT FUNDS			TOTAL NONMAJOR GOVERNMENTAL FUNDS
	DEBT SERVICE	CAPITAL & NONRECURRING	HAWLEY SCHOOL TRUST	EDMOND TOWN HALL ENDOWMENT	NEWTOWN FLAGPOLE FUND	TOTAL PERMANENT FUNDS		
ASSETS								
Cash.....	\$	\$	\$	\$	\$	\$	\$	\$
Investments.....		979,296	364,780	813,143	11,723	1,177,923	638,082	2,297,309
Receivables:								
Intergovernmental.....		71,176				-		592,843
Loans receivable.....						-		257,071
Other.....						-		80,799
Due from other funds.....	725,209		104,336			104,336	1,429,241	
Prepaid.....		980,175				-	980,175	
Other.....						-	24,067	
TOTAL ASSETS.....	\$ 725,209	\$ 2,030,647	\$ 469,116	\$ 813,143	\$ 11,723	\$ 1,293,982	\$ 6,299,587	
LIABILITIES AND FUND BALANCES								
LIABILITIES:								
Accounts payable.....	\$ 2,500	\$ 7,234	\$	\$	\$	\$ -	\$ 341,594	
Accrued liabilities.....						-	41,944	
Due to other funds.....		1,075,893				-	1,145,236	
Deferred and unearned revenue.....		6,250				-	783,656	
TOTAL LIABILITIES.....	2,500	1,089,377	-	-	-	-	2,312,430	
FUND BALANCES:								
Reserved for debt service.....	722,709							722,709
Reserved for endowments.....			364,780	813,143	10,000	1,187,923	1,187,923	
Unreserved and undesignated.....		941,270	104,336		1,723	106,059	2,076,525	
TOTAL FUND BALANCES.....	722,709	941,270	469,116	813,143	11,723	1,293,982	3,987,157	
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 725,209	\$ 2,030,647	\$ 469,116	\$ 813,143	\$ 11,723	\$ 1,293,982	\$ 6,299,587	

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(Concluded)

TOWN OF NEWTOWN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	SPECIAL REVENUE FUNDS						
	DOG LICENSE	POLICE PRIVATE DUTY	TOWN GIFTS FUND	SCHOOL LUNCH PROGRAM	EDUCATION GRANTS	LAW ENFORCEMENT FUND	SEPTAGE MANAGEMENT ORDINANCE
REVENUES:							
Intergovernmental.....	\$	\$	\$	\$ 240,624	\$ 3,065,254	\$	\$
Charges for services.....	29,330	496,915		1,629,215	7,100		1,950
Investment income.....			159				674
Contributions.....	3,666		65,675			23	
TOTAL REVENUES.....	32,996	496,915	65,834	1,869,839	3,072,354	23	2,624
EXPENDITURES:							
Current:							
Public safety.....	31,524	268,066	7,551			2,657	
Health and welfare.....			5,532				
Parks and recreation.....			15,877				
Education.....			15,359		3,066,778		
Capital outlay.....				1,894,805			
TOTAL EXPENDITURES.....	31,524	268,066	44,319	1,894,805	3,066,778	2,657	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	1,472	228,849	21,515	(24,966)	5,576	(2,634)	2,624
OTHER FINANCING SOURCES (USES):							
Transfer out.....		(228,849)					
NET CHANGE IN FUND BALANCES.....	1,472	-	21,515	(24,966)	5,576	(2,634)	2,624
FUND BALANCES, JULY 1, 2008	8,402	-	93,365	134,323	51,739	5,870	88,996
FUND BALANCES, JUNE 30, 2009.....	\$ 9,874	\$ -	\$ 114,880	\$ 109,357	\$ 57,315	\$ 3,236	\$ 91,620

(Continued)

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

	SPECIAL REVENUE FUNDS						
	FAIRFIELD HILLS AUTHORITY	SCHOOL CUSTODIAL	ADULT EDUCATION	EDMOND TOWN HALL	SOCIAL SERVICES	TOWN RECREATION FUND	DAYCARE PROGRAM
REVENUES:							
Intergovernmental.....	\$	\$	\$	\$	\$	\$	\$ 237,778
Charges for services.....	68,938	9,784	151,385	467,150		814,167	
Investment income.....				17,302			
Contributions.....				38,149			
TOTAL REVENUES.....	68,938	9,784	151,385	522,601	-	814,167	237,778
EXPENDITURES:							
Current:							
Public safety.....							
Health and welfare.....				693,372		46,303	
Parks and recreation.....						672,849	
Education.....		11,283	197,773				237,778
Capital outlay.....				62,501			
TOTAL EXPENDITURES.....	-	11,283	197,773	755,873	-	719,152	237,778
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	68,938	(1,499)	(46,388)	(233,272)	-	95,015	-
OTHER FINANCING SOURCES (USES):							
Transfers in.....				217,000			
Transfers out.....					(1,001)		
NET OTHER FINANCING SOURCES (USES).....	-	-	-	217,000	(1,001)	-	-
NET CHANGE IN FUND BALANCES.....	68,938	(1,499)	(46,388)	(16,272)	(1,001)	95,015	-
FUND BALANCES, JULY 1, 2008.....		101,479	134,880	101,629	1,001	8,707	
FUND BALANCES, JUNE 30, 2009.....	\$ 68,938	\$ 99,980	\$ 88,492	\$ 85,357	\$ -	\$ 103,722	\$ -

(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
	TOWN AID ROAD	MISCELLANEOUS GRANTS	SMALL CITIES PROGRAM	CEMETERY FUND	TAYLOR FIELD	EICHLER'S COVE MARINA	HISTORIC DOCUMENTS	
REVENUES:								
Intergovernmental.....	\$ 241,492	\$ 805,142	\$ 415,333	\$	\$	\$	\$ 12,000	\$ 5,017,623
Charges for services.....						97,700	47,544	3,821,178
Investment income.....			55	298	13			18,501
Contributions.....								107,513
TOTAL REVENUES.....	241,492	805,142	415,388	298	13	97,700	59,544	8,964,815
EXPENDITURES:								
Current:								
General government.....		3,302					49,898	53,200
Public safety.....		36,265						346,063
Health and welfare.....		107,813	426,287					1,279,307
Public works.....	241,492	18,029						259,521
Parks and recreation.....					1,382	83,526		773,634
Education.....		67,214						3,596,185
Capital outlay.....		572,519						2,529,825
TOTAL EXPENDITURES.....	241,492	805,142	426,287	-	1,382	83,526	49,898	8,837,735
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	-	-	(10,899)	298	(1,369)	14,174	9,646	127,080
OTHER FINANCING SOURCES (USES):								
Transfers in.....								217,000
Transfers out.....								(229,850)
NET OTHER FINANCING SOURCES (USES).....	-	-	-	-	-	-	-	(12,850)
NET CHANGE IN FUND BALANCES.....	-	-	(10,899)	298	(1,369)	14,174	9,646	114,230
FUND BALANCES, JULY 1, 2008.....			31,137	30,926	1,369	95,124	26,019	914,966
FUND BALANCES, JUNE 30, 2009.....	\$ -	\$ -	\$ 20,238	\$ 31,224	\$ -	\$ 109,298	\$ 35,665	\$ 1,029,196

(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 PERMANENT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	DEBT SERVICE	CAPITAL & NONRECURRING	HAWLEY SCHOOL TRUST	EDMOND TOWN HALL ENDOWMENT	NEWTOWN FLAGPOLE FUND		
REVENUES:							
Intergovernmental.....	\$ 157,500	\$ 240,007	\$	\$	\$	\$ -	\$ 5,415,130
Charges for services.....		110,457	16,261			16,261	3,947,896
Investment income.....		24,235	10,727	29,029	45	39,801	82,537
Net change in fair value of investments.....			(85,633)	(195,986)		(281,619)	(281,619)
Contributions.....		121,530				-	229,043
Other.....	358,100					-	358,100
TOTAL REVENUES.....	515,600	496,229	(58,645)	(166,957)	45	(225,557)	9,751,087
EXPENDITURES:							
Current:							
General government.....	60,773	8,069				-	122,042
Public safety.....						-	346,063
Health and welfare.....						-	1,279,307
Public works.....						-	259,521
Parks and recreation.....				47,161		47,161	820,795
Education.....			25,369			25,369	3,621,554
Debt service.....	122,393					-	122,393
Capital outlay.....		3,009,977				-	5,539,802
TOTAL EXPENDITURES.....	183,166	3,018,046	25,369	47,161	-	72,530	12,111,477
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	332,434	(2,521,817)	(84,014)	(214,118)	45	(298,087)	(2,360,390)
OTHER FINANCING SOURCES (USES):							
Issuance of debt.....		2,000,000				-	2,000,000
Proceeds of refunding bonds.....	9,285,000					-	9,285,000
Capital lease proceeds.....		400,000				-	400,000
Bond premium.....	306,418					-	306,418
Payment to refunded bonds escrow agent.....	(9,469,025)					-	(9,469,025)
Transfers in.....	183,967					-	400,967
Transfers out.....		(1,637,101)				-	(1,866,951)
NET OTHER FINANCING SOURCES (USES).....	306,360	762,899	-	-	-	-	1,056,409
NET CHANGE IN FUND BALANCES.....	638,794	(1,758,918)	(84,014)	(214,118)	45	(298,087)	(1,303,981)
FUND BALANCES, JULY 1, 2008.....	83,915	2,700,188	553,130	1,027,261	11,678	1,592,069	5,291,138
FUND BALANCES, JUNE 30, 2009.....	\$ 722,709	\$ 941,270	\$ 469,116	\$ 813,143	\$ 11,723	\$ 1,293,982	\$ 3,987,157

(Concluded)

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.

Agency Funds

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

Tax Sale Escrow

To account for proceeds received by the Tax Collector when real property is sold for the purpose of collecting delinquent taxes.

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.

Conservation/Driveway Bonds

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

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 ASSETS
 AGENCY FUNDS
 JUNE 30, 2009

	BOE FLEX PLAN	STUDENT ACTIVITIES	CONSERVATION/ DRIVEWAY BONDS	PERFORMANCE BONDS	TOTAL
<u>ASSETS</u>					
Cash.....	\$ 23,326	\$ 189,359	\$	\$	\$ 212,685
Investments.....		181,958		539,753	721,711
Due from other funds.....			316,583		316,583
TOTAL ASSETS.....	\$ 23,326	\$ 371,317	\$ 316,583	\$ 539,753	\$ 1,250,979
<u>LIABILITY</u>					
Accounts payable.....	\$ 23,326	\$ 371,317	\$ 316,583	\$ 539,753	\$ 1,250,979

TOWN OF NEWTOWN, CONNECTICUT

AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 FOR THE YEAR ENDED JUNE 30, 2009

	BALANCE JULY 1, 2008	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2009
<u>ASSETS</u>				
CASH:				
Tax sale escrow.....	\$ 13,879	\$	\$ 13,879	\$
BOE Flex Plan account.....	21,351	153,885	151,910	23,326
Student activities.....	198,001	1,327,131	1,335,773	189,359
TOTAL CASH.....	233,231	1,481,016	1,501,562	212,685
INVESTMENTS:				
Student activities.....	176,848	5,110		181,958
Performance bonds.....	666,685	6,528	133,460	539,753
TOTAL INVESTMENTS.....	843,533	11,638	133,460	721,711
DUE FROM OTHER FUNDS:				
Driveway bonds.....	456,660	90,173	230,250	316,583
TOTAL ASSETS.....	\$ 1,533,424	\$ 1,582,827	\$ 1,865,272	\$ 1,250,979
<u>LIABILITIES</u>				
ACCOUNTS PAYABLE:				
Tax sale escrow.....	\$ 13,879	\$	\$ 13,879	\$
BOE Flex Plan account.....	21,351	153,885	151,910	23,326
Student activities.....	374,849	1,332,241	1,335,773	371,317
Driveway bonds.....	456,660	90,173	230,250	316,583
Performance bonds.....	666,685	6,528	133,460	539,753
TOTAL LIABILITIES.....	\$ 1,533,424	\$ 1,582,827	\$ 1,865,272	\$ 1,250,979

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 ASSETS BY COMPONENT
LAST SEVEN YEARS (1)
(UNAUDITED)

	FISCAL YEAR ENDED						
	2009	2008	2007	2006	2005	2004	2003
GOVERNMENTAL ACTIVITIES:							
Invested in capital assets, net of related debt.....	\$128,178,467	\$122,076,076	\$114,736,321	\$107,382,867	\$ 95,381,052	\$ 94,136,547	\$ 87,818,811
Restricted for:							
Capital projects.....	35,606,663	9,495,004	2,387,002	4,250	5,742,081		137,440
Debt service.....	722,709	83,915					
Endowments:							
Nonexpendable.....	1,187,923	1,502,317	1,675,067	1,017,769	1,474,082	1,469,499	1,383,522
Expendable.....	106,059	89,752	73,233	11,504	39,235	20,761	13,455
Unrestricted.....	(13,171,581)	14,657,092	22,135,068	23,012,689	21,211,479	23,898,534	27,113,157
TOTAL NET ASSETS.....	152,630,240	147,904,156	141,006,691	131,429,079	123,847,929	119,525,341	116,466,385
BUSINESS-TYPE ACTIVITIES:							
Invested in capital assets, net of related debt.....	22,821,892	22,477,029	22,270,321	21,776,567	20,908,675	17,802,250	16,666,698
Unrestricted.....	10,130,575	11,322,568	12,093,361	13,355,741	13,952,656	13,747,540	15,036,328
TOTAL NET ASSETS.....	32,952,467	33,799,597	34,363,682	35,132,308	34,861,331	31,549,790	31,703,026
TOTAL - TOWN:							
Invested in capital assets, net of related debt.....	151,000,359	144,553,105	137,006,642	129,159,434	116,289,727	111,938,797	104,485,509
Restricted for:							
Capital projects.....	35,606,663	9,495,004	2,387,002	4,250	5,742,081		137,440
Debt service.....	722,709	83,915					
Endowments:							
Nonexpendable.....	1,187,923	1,502,317	1,675,067	1,017,769	1,474,082	1,469,499	1,383,522
Expendable.....	106,059	89,752	73,233	11,504	39,235	20,761	13,455
Unrestricted.....	(3,041,006)	25,979,660	34,228,429	36,368,430	35,164,135	37,646,074	42,149,485
TOTAL TOWN NET ASSETS.....	\$185,582,707	\$181,703,753	\$175,370,373	\$166,561,387	\$158,709,260	\$151,075,131	\$148,169,411

(1) Less than ten years of data due to the implementaton date of GASB 34.

TABLE 2
(1 of 2)

TOWN OF NEWTOWN, CONNECTICUT

CHANGES IN NET ASSETS
LAST SEVEN YEARS
(UNAUDITED)

	FISCAL YEAR ENDED						
	2009	2008	2007	2006	2005	2004	2003
EXPENSES:							
Governmental activities:							
General government.....	\$ 4,535,058	\$ 5,296,173	\$ 3,824,508	\$ 2,960,996	\$ 4,558,079	\$ 3,109,042	\$ 2,551,911
Public safety.....	9,148,279	8,079,988	6,790,431	7,246,450	6,935,684	6,008,315	5,812,265
Health and welfare.....	3,358,845	2,760,009	2,537,270	2,511,862	2,154,667	2,190,003	2,460,663
Land use.....	703,662	655,200	669,305	618,048	600,501	561,633	542,454
Public works.....	11,867,112	8,814,436	9,286,973	9,285,859	10,248,121	8,240,704	6,780,273
Parks and recreation.....	3,262,414	2,682,141	2,775,522	2,643,651	3,079,913	2,785,162	2,723,993
Education.....	76,184,988	86,738,412	69,132,117	65,157,121	59,748,497	55,129,870	49,597,760
Interest expense.....	1,161,850	2,904,944	2,614,757	2,438,463	2,795,232	2,571,633	2,738,384
Total Governmental Expenses.....	110,222,208	117,931,303	97,630,883	92,862,450	90,120,694	80,596,362	73,207,703
Business-Type activities:							
Sewer Department.....	1,568,227	1,588,118	1,689,500	1,697,945	1,463,892	1,873,766	1,763,557
Water Department.....	381,374	361,601	281,389	297,808	325,066		
Total Business-Type activities.....	1,949,601	1,949,719	1,970,889	1,995,753	1,788,958	1,873,766	1,763,557
TOTAL EXPENSES.....	112,171,809	119,881,022	99,601,772	94,858,203	91,909,652	82,470,128	74,971,260
PROGRAM REVENUES:							
Governmental activities:							
Charges for services:							
General government.....	681,694	1,026,564	909,972	1,206,891	1,333,546	1,374,653	964,528
Public safety.....	526,245	291,420	216,418	292,787	162,565	203,310	116,477
Health and welfare.....	10,200	77,387	2,229	57,861	58,155	28,780	43,949
Land use.....	110,052	130,955	114,726	159,769	183,895	183,069	195,982
Public works.....	840,643	906,124	1,093,674	1,132,422	1,265,260	1,129,658	1,136,689
Parks and recreation.....	1,561,347	1,473,699	1,418,574	1,561,711	1,353,225	1,289,741	1,301,177
Education.....	1,927,823	1,984,582	2,211,948	2,138,475	2,227,808	1,966,553	1,589,834
Operating grants and contributions.....	13,470,536	24,721,120	9,786,293	9,439,346	7,038,683	7,618,203	7,591,233
Capital grants and contributions.....	1,731,908	4,072,712	2,177,250	5,191,966	6,198,333	2,248,272	3,452,503
Total Governmental Program Revenues.....	20,860,448	34,684,563	17,931,084	21,181,228	19,821,470	16,042,239	16,392,372

(Continued)

TABLE 2
(2 of 2)

TOWN OF NEWTOWN, CONNECTICUT

CHANGES IN NET ASSETS
LAST SEVEN YEARS (1)
(UNAUDITED)

	FISCAL YEAR ENDED						
	2009	2008	2007	2006	2005	2004	2003
Business-Type activities:							
Sewer Department.....	\$ 905,105	\$ 1,125,055	\$ 825,987	\$ 2,000,659	\$ 2,478,261	\$ 1,702,603	\$ 2,260,148
Water Department.....	261,294	183,833	183,061	170,883	2,586,248		
Total Business-Type activities.....	1,166,399	1,308,888	1,009,048	2,171,542	5,064,509	1,702,603	2,260,148
TOTAL PROGRAM REVENUES.....	22,026,847	35,993,451	18,940,132	23,352,770	24,885,979	17,744,842	18,652,520
NET EXPENSES:							
Governmental activities.....	(89,361,760)	(83,246,740)	(79,699,799)	(71,681,222)	(70,299,224)	(64,554,123)	(56,815,331)
Business-type activities.....	(783,202)	(640,831)	(961,841)	175,789	3,275,551	(171,163)	496,591
TOTAL NET EXPENSES.....	(90,144,962)	(83,887,571)	(80,661,640)	(71,505,433)	(67,023,673)	(64,725,286)	(56,318,740)
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS:							
Governmental activities:							
Property taxes.....	90,243,025	85,534,874	82,212,483	76,923,921	70,981,527	65,571,289	62,947,414
Grants and contributions not restricted to specific programs.....	2,756,030	2,616,265	2,482,103	2,648,507	2,291,241	2,505,220	2,855,781
Investment income.....	552,252	1,830,513	2,354,318	1,640,673	1,072,396	595,006	601,189
Gain on sale of asset.....					145,674		
Miscellaneous.....	452,570	162,553	165,081	112,610	130,974	148,062	123,761
Total Governmental Activities.....	94,003,877	90,144,205	87,213,985	81,325,711	74,621,812	68,819,577	66,528,145
Business-Type activities:							
Sewer Department.....	20,039	76,746	193,215	95,188	35,990	17,927	12,949
TOTAL GENERAL REVENUES.....	94,023,916	90,220,951	87,407,200	81,420,899	74,657,802	68,837,504	66,541,094
CHANGE IN NET ASSETS:							
Governmental activities.....	4,642,117	6,897,465	7,514,186	9,644,489	4,322,588	4,265,454	9,712,814
Business-type activities.....	(763,163)	(564,085)	(768,626)	270,977	3,311,541	(153,236)	509,540
TOTAL CHANGE IN NET ASSETS.....	\$ 3,878,954	\$ 6,333,380	\$ 6,745,560	\$ 9,915,466	\$ 7,634,129	\$ 4,112,218	\$ 10,222,354

(1) Less than ten years of data due to the implementaton date of GASB 34.

(Concluded)

TABLE 3

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

	FISCAL YEAR ENDED									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
GENERAL FUND:										
Reserved.....	\$ 1,634,009	\$ 2,341,582	\$ 2,125,554	\$ 1,966,115	\$ 2,395,103	\$ 2,822,685	\$ 3,264,515	\$ 2,271,600	\$ 1,763,649	\$ 469,000
Unreserved:										
Designated.....	2,000,000	2,619,306	3,363,961	2,312,535	2,467,236	2,326,992	2,703,634	2,374,340	2,774,862	2,503,051
Undesignated.....	7,636,522	7,821,198	2,619,306	3,363,961	2,312,535	2,467,236	2,326,992	2,703,634	2,358,955	2,774,862
Total Unreserved.....	9,636,522	10,440,504	5,983,267	5,676,496	4,779,771	4,794,228	5,030,626	5,077,974	5,133,817	5,277,913
TOTAL GENERAL FUND.....	11,270,531	12,782,086	8,108,821	7,642,611	7,174,874	7,616,913	8,295,141	7,349,574	6,897,466	5,746,913
ALL OTHER GOVERNMENTAL FUNDS:										
Reserved:										
Commitments.....	35,606,663	9,495,004	2,387,002	4,250	5,742,081		137,440	5,573,771	883,500	1,984,984
Debt service fund.....	722,709	83,915								
Endowments.....	1,187,923	1,502,317	1,675,067	1,513,358	1,474,082	1,469,499	1,383,522	1,413,462	1,664,661	1,928,767
Unreserved reported in:										
Special revenue funds.....	1,029,196	914,966	939,402	925,526	1,032,148	839,971	795,382	734,569	849,473	590,779
Capital projects funds.....	(32,158,938)	1,997,606	11,168,590	7,008,124	3,256,448	3,377,749	5,301,184	6,736,775	2,517,764	3,538,645
Permanent funds.....	106,059	89,752	73,233	55,848	39,235	20,761	13,455	1,232	1,013	715
TOTAL ALL OTHER GOVERNMENTAL FUNDS...	6,493,612	14,083,560	16,243,294	9,507,106	11,543,994	5,707,980	7,630,983	14,459,809	5,916,411	8,043,890
GRAND TOTAL.....	\$ 17,764,143	\$ 26,865,646	\$ 24,352,115	\$ 17,149,717	\$ 18,718,868	\$ 13,324,893	\$ 15,926,124	\$ 21,809,383	\$ 12,813,877	\$ 13,790,803

06

TABLE 4

TOWN OF NEWTOWN, CONNECTICUT

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

	FISCAL YEAR ENDED									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
REVENUES:										
Property taxes.....	\$ 90,141,582	\$ 85,409,590	\$ 82,160,198	\$ 76,815,298	\$ 71,319,635	\$ 65,870,365	\$ 63,278,954	\$ 57,588,470	\$ 51,395,561	\$ 47,078,282
Intergovernmental.....	18,723,660	29,595,041	13,671,350	13,838,466	11,704,233	11,898,364	15,231,344	19,731,729	13,005,629	12,792,018
Charges for services.....	5,647,804	5,815,344	5,967,312	6,561,934	6,586,409	6,227,671	5,369,706	5,319,576	4,144,353	4,268,894
Investment income.....	833,860	1,977,164	2,173,848	1,587,327	1,026,530	465,803	596,820	968,551	1,625,543	1,393,623
Net change in fair value of investments.....	(281,619)	(149,911)	173,533	47,419	42,795	128,273	3,336	(224,939)	(255,598)	
Contributions.....	229,043	138,571	93,484	83,925	130,114	64,283	185,535	83,173	86,742	38,550
Other.....	452,570	162,553	165,081	112,610	130,974	148,062	130,478	720,610	689,007	671,572
TOTAL REVENUES.....	115,746,900	122,948,352	104,404,806	99,046,979	90,940,690	84,802,821	84,796,173	84,187,170	70,691,237	66,242,939
EXPENDITURES:										
Current:										
General government.....	7,431,955	7,829,719	6,678,593	6,564,560	5,944,787	5,317,277	4,860,343	4,609,498	3,922,246	4,645,148
Public safety.....	6,651,104	6,284,149	5,680,053	5,533,828	5,242,215	4,784,512	4,888,476	4,312,121	4,205,661	4,409,944
Health and welfare.....	3,316,602	2,692,470	2,417,531	2,419,787	2,065,537	2,009,780	1,682,818	1,515,726	1,530,427	1,545,157
Land use.....	562,379	528,719	508,087	462,525	460,307	450,442	428,682	427,265	411,272	352,922
Public works.....	9,459,569	7,459,859	9,232,185	8,456,460	8,021,234	8,223,842	7,298,007	7,958,155	7,083,115	7,090,319
Parks and recreation.....	2,561,335	2,608,137	2,229,034	2,549,416	2,488,566	2,516,128	2,556,234	2,501,999	1,857,522	1,367,931
Fairfield Hills.....	531,952	587,100	508,502	748,235	1,260,689	445,820	279,023	190,882	98,080	
Education.....	74,467,636	84,625,841	67,407,332	63,381,441	58,123,068	54,743,588	50,788,018	47,295,547	43,684,386	38,901,477
Debt service:										
Principal.....	6,367,885	6,707,913	5,884,431	4,936,079	4,970,818	4,445,094	5,165,103	4,661,023	4,550,000	3,660,000
Interest.....	2,875,515	2,905,792	2,688,665	2,523,344	3,053,223	2,588,758	2,757,721	2,580,672	2,034,287	2,690,815
Capital outlay.....	20,113,831	11,244,600	3,493,062	12,654,801	8,230,673	1,922,011	11,681,007	18,088,776	2,354,347	3,697,448
TOTAL EXPENDITURES.....	134,339,763	133,474,299	106,727,475	110,230,476	99,861,117	87,447,252	92,385,432	94,141,664	71,731,343	68,361,161
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(18,592,863)	(10,525,947)	(2,322,669)	(11,183,497)	(8,920,427)	(2,644,431)	(7,589,259)	(9,954,494)	(1,040,106)	(2,118,222)
OTHER FINANCING SOURCES (USES):										
Issuance of debt.....	8,885,000	12,970,000	9,460,000	12,410,000	12,410,000		516,000	18,950,000		3,125,000
Issuance of refunding bonds.....	9,285,000			24,046,600	24,046,600				3,290,000	
Capital lease proceeds.....	400,000									
Sale of assets.....		69,478		1,656,333	1,656,333	43,200	1,190,000			
Bond premium.....	306,418		65,067	570,014	570,014				12,880	
Payment to refunded bonds escrow agent.....	(9,469,025)			(24,368,545)	(24,368,545)				(3,239,700)	
Transfers in.....	2,314,742	4,948,915	464,241	700,000	700,000	574,696	950,715	1,303,061	1,244,342	1,305,701
Transfers out.....	(2,230,775)	(4,948,915)	(464,241)	(700,000)	(700,000)	(574,696)	(950,715)	(1,303,061)	(1,244,342)	(1,305,701)
NET OTHER FINANCING SOURCES (USES).....	9,491,360	13,039,478	9,525,067	14,314,402	14,314,402	43,200	1,706,000	18,950,000	63,180	3,125,000
NET CHANGE IN FUND BALANCES.....	\$ (9,101,503)	\$ 2,513,531	\$ 7,202,398	\$ 3,130,905	\$ 5,393,975	\$ (2,601,231)	\$ (5,883,259)	\$ 8,995,506	\$ (976,926)	\$ 1,006,778
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES.....	8%	8%	8%	8%	9%	8%	10%	10%	9%	10%

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) (4) 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
2000	\$ 1,443,381,170	\$ 2,405,635,283	\$ 140,159,240	\$ 76,663,160	\$ 216,822,400	\$ 309,746,286	\$ 1,660,203,570	\$ 2,715,381,569	61.14%	27.9
2001	1,504,352,580	2,785,838,111	158,641,368	84,829,586	243,470,954	347,815,649	1,747,823,534	3,133,653,760	55.78%	29.5
2002	1,549,280,460	3,098,560,920	173,077,306	97,047,845	270,125,151	385,893,073	1,819,405,611	3,484,453,993	52.21%	31.8
2003	1,588,970,730	3,611,297,114	177,536,858	92,850,675	270,387,533	386,267,904	1,859,358,263	3,997,565,018	46.51%	33.8
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%	23.4
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%	24.9
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%	26.1
2007	2,708,061,890	4,909,091,946	218,235,621	98,741,420	316,977,041	452,824,344	3,066,068,531	5,361,916,290	57.18%	27.3
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%	28.1
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%	23.2

(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.

(4) Revaluation Grand List of October 1, 2008.

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
2000	1998	27.9	1.00	28.90
2001	1999	29.5	1.03	30.53
2002	2000	31.8	1.03	32.83
2003	2001	33.8	1.03	34.83
2004	2002	23.4	0.68	24.08
2005	2003	24.9	1.00	25.90
2006	2004	26.1	0.85	26.95
2007	2005	27.3	0.85	28.15
2008	2006	28.1	0.85	28.95
2009	2007	23.2	0.61	23.81

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

TABLE 7

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

NAME	NATURE OF BUSINESS	2009			2000		
		ASSESSED VALUE	RANK	PERCENTAGE NET TAXABLE GRAND LIST (1)	ASSESSED VALUE	RANK	PERCENTAGE NET TAXABLE GRAND LIST (2)
CONNECTICUT LIGHT & POWER	UTILITY	\$ 18,996,160	1	0.62%	\$ 20,932,130	1	1.34%
E & A.I & G SANDHILL PLAZA LTD PARTNERSHIP	SHOPPING	18,944,980	2	0.62%			
NEWTOWN SHOPPING VILLAGE	SHOPPING CENTER	11,516,370	3	0.38%	5,425,910	8	0.35%
NEWTOWN SENIOR LIVING LLC	ASSISTED LIVING	10,687,780	4	0.35%			
S P X CORP	REAL ESTATE	8,959,780	5	0.29%			
TAUNTON PRESS	PRINTING	8,645,370	6	0.28%	8,574,340	4	0.55%
BARNABAS REALTY GROUP GEN PTRSHP	REAL ESTATE HOLDINGS	7,508,790	7	0.25%	6,591,980	6	0.42%
NEWTOWN SAVINGS BANK	FINANCIAL SERVICES	7,009,700	8	0.23%			
ROCK RIDGE COUNTRY CLUB INC	LEISURE	6,567,390	9	0.22%			
ARBAR PROPERTIES	REAL ESTATE	6,393,060	10	0.21%	5,260,420	9	0.34%
DUPONT DENEMOURS & COMPANY	MANUFACTURING				13,938,710	2	0.89%
SORVALL PRODUCTS LTD PARTNERSHIP	MANUFACTURING				11,394,740	3	0.73%
IROQUOIS GAS TRANSMISSION SYSTEM	UTILITY				7,092,380	5	0.45%
HARVEY HUBBELL INC	MANUFACTURING				6,307,140	7	0.40%
PITNEY BOWES/PATELEY ASSOC & HIREY REALTY	MANUFACTURING				4,040,230	10	0.26%
TOTAL		<u>\$ 105,229,380</u>		<u>3.45%</u>	<u>\$ 89,557,980</u>		<u>5.73%</u>

Source: Town Assessor Department.

(1) Based on October 1, 2007 net taxable Grand List of \$3,919,349,096

(2) Based on October 1, 1996 net taxable Grand List of \$1,566,434,819

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 IN SUBSEQUENT YEARS	TOTAL COLLECTIONS	PERCENT OF LEVY COLLECTED	CURRENT DELINQUENT BALANCE
2000	27.9	1998	\$ 46,749,714	\$ 45,904,348	98.2%	\$ 816,731	\$ 46,721,079	99.9%	\$ 28,635
2001	29.5	1999	51,246,103	50,283,281	98.1%	928,393	51,211,674	99.9%	34,429
2002	31.8	2000	57,024,838	56,004,134	98.2%	983,361	56,987,495	99.9%	37,343
2003	33.8	2001	62,421,021	61,405,444	98.4%	974,927	62,380,371	99.9%	40,650
2004	23.4	2002	65,292,492	64,404,389	98.6%	856,527	65,260,916	100.0%	31,576
2005	24.9	2003	70,745,739	69,896,883	98.8%	815,498	70,712,381	100.0%	33,358
2006	26.1	2004	76,226,450	75,533,854	99.1%	654,271	76,188,125	99.9%	38,325
2007	27.3	2005	81,644,015	80,907,427	99.1%	688,166	81,595,593	99.9%	48,422
2008	28.1	2006	84,992,465	84,184,987	99.0%	694,738	84,879,725	99.9%	112,740
2009	23.2	2007	89,761,007	88,934,425	99.1%	-	88,934,425	99.1%	826,582

Source: Town audit reports.

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

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		TOTAL	PERCENTAGE OF PERSONAL INCOME	DEBT PER CAPITA
	GENERAL OBLIGATION BONDS	CLEAN WATER NOTES	DRINKING WATER NOTE	IMPROVEMENT NOTE	CAPITAL LEASES	GENERAL OBLIGATION BONDS	CLEAN WATER NOTES	TOTAL		
2000	\$ 44,285,000	\$ 3,859,921	\$	\$	\$ 615,000	\$ 850,000	\$14,198,558	\$ 63,808,479	N/A	\$ 2,640
2001	40,492,500	3,660,452			420,000	807,500	13,506,115	58,886,567	N/A	2,353
2002	54,985,000	3,456,929			215,000	765,000	12,799,792	72,221,721	N/A	2,848
2003	50,027,500	3,765,326				722,500	12,079,212	66,594,538	N/A	2,575
2004	45,820,000	3,527,732				680,000	11,344,088	61,371,820	N/A	2,334
2005	54,012,900	3,290,450				652,100	10,594,126	68,549,576	N/A	2,561
2006	57,658,900	3,048,371	171,738	1,044,000		616,100	9,829,026	72,368,135	0.14%	2,681
2007	61,754,500	2,801,364	159,714	783,000		575,500	9,048,484	75,122,562	0.15%	2,779
2008	66,336,600	2,549,346	152,719	2,722,000		528,400	8,252,187	80,541,252	0.14%	3,006
2009	65,770,640	2,292,219	145,560	4,711,000	340,000	482,000	7,439,818	81,181,237	0.14%	3,089

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

TABLE 10

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

YEAR ENDED JUNE 30	GENERAL DEBT OUTSTANDING			PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	DEBT PER CAPITA
	GENERAL OBLIGATION BONDS	NOTES	TOTAL		
2000	\$ 44,285,000	\$ 3,859,921	\$ 48,144,921	1.77%	\$ 1,992
2001	40,492,500	3,660,452	44,152,952	1.41%	1,764
2002	54,985,000	3,456,929	58,441,929	1.68%	2,305
2003	50,027,500	3,765,326	53,792,826	1.35%	2,080
2004	45,820,000	3,527,732	49,347,732	1.20%	1,876
2005	54,012,900	3,290,450	57,303,350	1.23%	2,141
2006	57,658,900	4,264,109	61,923,009	1.18%	2,294
2007	61,754,500	3,744,078	65,498,578	1.22%	2,423
2008	66,336,600	5,424,065	71,760,665	1.34%	2,654
2009	65,770,640	7,148,779	72,919,419	1.29%	2,758

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

TOWN OF NEWTOWN, CONNECTICUT
 SCHEDULE OF DEBT LIMITATION
 CONNECTICUT STATUTES, SECTION 7-374(b)
 FOR THE YEAR ENDED JUNE 30, 2009
 (UNAUDITED)

TAX BASE:

Total tax collections (including interest and lien fees).....	\$ 89,981,318
Newtown Borough Tax.....	<u>165,052</u>
TOTAL BASE.....	\$ <u>90,146,370</u>

	GENERAL PURPOSE	SCHOOLS	SEWER	URBAN RENEWAL	PENSION DEFICIT
<u>DEBT LIMITATION:</u>					
2 1/4 times base.....	\$ 202,829,333	\$ 405,658,665	\$	\$	\$
4 1/2 times base.....					
3 3/4 times base.....			338,048,888		
3 1/4 times base.....				292,975,703	
3 times base.....					<u>270,439,110</u>
TOTAL LIMITATIONS.....	<u>202,829,333</u>	<u>405,658,665</u>	<u>338,048,888</u>	<u>292,975,703</u>	<u>270,439,110</u>
<u>INDEBTEDNESS:</u>					
Bonds payable.....	38,824,880	29,668,350	777,410		
Less school building grants.....		(4,605,951)			
TOTAL INDEBTEDNESS.....	<u>38,824,880</u>	<u>25,062,399</u>	<u>777,410</u>	-	-
DEBT LIMITATION IN EXCESS OF OUTSTANDING DEBT.....	\$ <u>164,004,453</u>	\$ <u>380,596,266</u>	\$ <u>337,271,478</u>	\$ <u>292,975,703</u>	\$ <u>270,439,110</u>

The total net indebtedness above amounts to: \$ 64,664,689

In no event shall total indebtedness exceed seven times the base for debt limitation computation: \$ 631,024,590

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
2000	\$ 649,429,289	\$ 44,285,000	\$ 605,144,289	7%
2001	859,734,738	29,539,156	830,195,582	3%
2002	968,808,811	45,042,545	923,766,266	5%
2003	1,056,295,535	41,084,784	1,015,210,751	4%
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%

TABLE 13

TOWN OF NEWTOWN, CONNECTICUT

DEMOGRAPHIC 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
2000	24,168	N/A	N/A	N/A	49.8% at least 4 years of college	4,716	1.9%
2001	25,031	N/A	N/A	N/A	N/A	4,941	1.5%
2002	25,355	N/A	N/A	N/A	N/A	5,018	2.4%
2003	25,866	N/A	N/A	N/A	N/A	5,201	3.1%
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	6.0%

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

(2) PER CAPITA 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)

EMPLOYER	2009			2000		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL TOWN EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL CITY EMPLOYMENT
TOWN OF NEWTOWN.....	920	1	6.7%	720	1	11.3%
STATE OF CT - DEPT OF CORRECTIONS.....	410	2	3.0%	348	2	5.4%
TAUNTON PRESS.....	285	3	2.1%	251	4	3.9%
HUBBELL, INC.....	281	4	2.0%	250	5	
ASHLAR OF NEWTOWN.....	253	5	1.8%	148	9	3.9%
PITNEY BOWES.....	239	6	1.7%			2.3%
CURTIS PACKAGING.....	177	7	1.3%	170	7	2.7%
CHARTER COMMUNICATIONS.....	160	8	1.2%	155	8	2.4%
BIG Y SUPERMARKET.....	160	9	1.2%			0.0%
STOP AND SHOP.....	132	10	1.0%	189	6	3.0%
CL&P	120	11	0.9%			0.0%
TOTAL.....	<u>3,137</u>		<u>22.9%</u>	<u>2,231</u>		<u>34.9%</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									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
GENERAL GOVERNMENT:										
Selectmen.....	3	4	4	4	4	4	4	4	4	4
Finance.....	5	5	5	5	5	5	5	5	5	5
Parks and recreation.....	16	16	17	15	16	16	13	11	12	11
Town Clerk.....	4	4	4	4	4	4	4	4	4	4
Senior Center.....	3	3	2	1	1	1	2	2	1	1
Registrars.....	2	2	2	2	2	2	2	2	2	2
Tax Collector.....	5	5	5	4	4	4	4	4	4	4
Tax Assessor.....	4	4	4	4	4	4	4	3	3	4
Social Services.....	2	2	2	1	1	1	3	2	2	2
POLICE:										
Officers.....	47	46	41	42	42	41	42	43	42	36
Civilians.....	5	5	5	4	4	5	5	4	4	4
Canine Control.....	2	2	2	2	2	2	2	2	2	2
FIRE:										
Fire Marshall.....	3	3	2	2	2	2	2	2	2	2
PUBLIC WORKS:										
Engineering.....	2	2	2	2	2	2	2	2	2	2
Highway.....	44	40	42	40	40	41	41	40	41	41
Landfill.....	3	3	3	3	3	3	3	3	3	3
Building.....	7	6	6	6	7	6	6	6		
LAND USE.....	6	5	7	7	7	7	7	7	7	6
EMERGENCY COMMUNICATIONS.....	11	11	11	11	11	10	10	10	7	5
EDUCATION.....	747	734	722	699	689	658	654	602	594	578
TOTAL.....	921	902	888	858	850	818	815	758	741	716

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									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
GOVERNMENTAL ACTIVITIES										
PUBLIC SAFETY:										
Fire: All volunteer										
Total incidents.....	1,258	1,313	1,444	1,227	1,216	1,114	1,159	1,107	1,166	1,220
Rescue/medical calls.....	235	216	175	134	169	124	128	111	89	172
Police:										
Number of calls.....	20,285	19,177	18,374	16,743	14,938	14,709	13,983	11,988	11,349	12,463
Total 911 calls received.....	6,413	7,084	7,261	n/a	7,723	7,243	7,014	6,346	5,991	7,152
Formal investigations.....	3,080	3,187	3,158	3,443	3,174	3,728	3,333	2,872	2,774	2,584
TOWN CLERK:										
Number of documents recorded.....	5,507	6,041	7,767	8,623	9,920	12,730	13,742	10,288	7,726	7,905
HEALTH AND WELFARE:										
Number of food service facilities inspections....	103	99	98	95	70	70	68	68	138	68
New homes built.....	9	23	53	70	69	140	189	167	137	126
LAND USE:										
Total subdivisions approved.....	3	10	5	13	13	6	8	14	20	9
Total commercial applications approved.....	10	12	13	11	6	5	16	N/A	N/A	N/A
BUILDING:										
Residential permits issued.....	1,277	1,510	1,803	1,692	1,693	2,043	1,803	1,805	1,812	1,965
Commercial permits issued.....	194	214	170	197	273	232	181	150	153	160
PUBLIC WORKS:										
Streets (miles)	256.03	255.05	250.41	250.41	249.14	246.62	246.36	N/A	N/A	N/A
Accepted Town roads.....	237.54	236.56	234.90	234.90	233.63	231.11	230.85	N/A	N/A	N/A
Private roads.....	15.51	15.51	15.51	15.51	15.51	15.51	15.51	N/A	N/A	N/A
Sidewalks (miles)	2.98	2.98	2.98	2.98	2.98	2.98	2.98	2.98	2.17	2.17

(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									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
Enrollment:										
High School Grades 9-12.....	1,704	1,719	1,714	1,688	1,622	1,559	1,427	1,364	1,332	1,244
Middle School Grades 6-8.....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	1,220	1,186	1,116
Middle School Grades 7-8.....	929	930	890	896	864	854	848	(1)	(1)	(1)
Intermediate School Grades 5-6.....	964	948	971	913	874	875	842	(1)	(1)	(1)
Elementary Schools Grades K-5.....	(1)	(1)	(1)	(1)	(1)	(1)	(1)	2,434	2,423	2,356
Elementary Schools Grades K-4.....	1,983	2,031	2,093	2,151	2,135	2,111	2,084	N/A	(1)	(1)
BUSINESS-TYPE ACTIVITIES										
WATER FUND:										
Water mains (miles).....	6	6	9	9	9	(2)	(2)	(2)	(2)	(2)
Fire hydrants.....	47	47	47	47	47	(2)	(2)	(2)	(2)	(2)
Storage capacity (thousands of gallons).....	1,000	1,000	1,000	1,000	1,000	(2)	(2)	(2)	(2)	(2)
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) Information not available due to the construction and consolidation of schools and related grade levels.

(2) 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									
	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000
<u>GOVERNMENTAL ACTIVITIES</u>										
PARKS AND RECREATION:										
Acreage (includes all open space).....	2,100	1,866	1,866	1,866	1,809	1,783	1,783	1,756	1,756	1,756
Playgrounds.....	11	13	13	13	13	13	12	12	11	10
Baseball fields.....	14	15	14	14	14	14	14	14	14	12
Softball fields.....	9	8	8	8	7	7	7	7	7	6
Multi-purpose fields.....	20	20	18	18	17	17	17	17	14	14
Senior Center.....	1	1	1	1	1	1	1	1	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.....	32	33	29	28	25	24	24	25	26	24
PUBLIC WORKS:										
Highway department:										
Streets (miles).....	256.03	255.05	250.41	250.41	249.14	246.62	246.36	N/A	N/A	N/A
Sidewalks (miles).....	2.98	2.98	2.98	2.98	2.98	2.98	2.98	2.98	2.17	2.17
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
<u>BUSINESS-TYPE ACTIVITIES</u>										
WATER FUND:										
Water mains (miles).....	6	6	6	9	9	(1)	(1)	(1)	(1)	(1)
Fire hydrants.....	47	47	47	47	47	(1)	(1)	(1)	(1)	(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

SOURCES: Various Town Departments.

(1) Water System established in 2005.