

**TOWN OF NEWTOWN,  
CONNECTICUT**



**Comprehensive Annual  
Financial Report**

**For The Year Ended  
June 30, 2019**

# **TOWN OF NEWTOWN, CONNECTICUT**



## **Comprehensive Annual Financial Report**

**For The Year Ended  
June 30, 2019**

**Prepared by:**

**Finance Department**

**Robert G. Tait, Finance Director**

**TOWN OF NEWTOWN, CONNECTICUT**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2019**

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**INTRODUCTORY SECTION**

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## TOWN OF NEWTOWN

### OFFICE OF THE FINANCE DIRECTOR

December 9, 2019

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, 2019. The report includes the independent auditor's report as required by Town Charter Chapter 7, Section 7-05(c) 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.

MahoneySabol, 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, 2019, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Town of Newtown's financial statements for the fiscal year ended June 30, 2019, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

### **Profile of the Town of Newtown**

The Town of Newtown was incorporated in 1711 and has a favorable location in Fairfield County in the southwest part of the State of Connecticut about 60 miles northeast of New York City. The Town has a land area of 60 square miles and a population of 28,030 (2017 Connecticut Economic Resource Center).

The Town operates under a Charter adopted in 1961 and most recently revised in 2016. The First Selectman is the Town's chief executive officer and a twelve-member legislative council is the legislative body. 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.

### **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 offering of services. Medical service providers, retail locations and restaurants, banking, research and development and manufacturing continue to contribute significantly to the tax base and vitality of the Town.

New housing construction remained flat over the prior year with 13 new housing permits issued in fiscal years 2018-19 and 2017-18. In fiscal year 2018-19, 3 new building commercial permits were issued compared to 8 issued in fiscal year 2017-18. Commercial permits were issued at a value of \$7,624,977 for fiscal year 2018-19 compared to a value of \$27,815,459 for fiscal year 2017-18.

Newtown's unemployment rate of 3.5% is below that of Fairfield County (4.0%) and Connecticut (4.1%). The educational attainment level of its residents at a bachelor's degree or higher is 56%, which surpasses that of the State of Connecticut (38%) (2013-17 Connecticut Economic Resource Center).

Property taxes, which account for approximately 92% of General Fund revenues, have provided a reliable revenue source, with collections consistently at or around 99 percent. Current tax collections were 99.3% of the adjusted tax levy.



The Town's per capita income of \$52,754 and median household income of \$115,137 (per the U.S. Census Bureau, 2013-17 American Community Survey) are above the state's high averages. Most residents work in regional employment centers in Fairfield County and Westchester County, New York.

The continuing state economic crisis has created challenges for the Connecticut state government in trying to meet their budget. Newtown's General Fund receives over \$7.1 million dollars from the State of Connecticut, which helps offset local taxes. Any cuts in state aid will put increased pressure on local municipal budgets.

### **Major Initiatives**

\$1,500,000 was approved for bonding for roads in the current capital improvement plan to help hasten the improvement of local roads. This was in addition to the \$1,750,000 budgeted for roads in the General Fund.

### **Long-Term Financial Planning**

#### ***Five-Year Capital Improvement Plan (CIP)***

The Capital Improvement Plan ("CIP") is a five-year plan identifying the Town's capital outlay and improvement needs. As a long-range plan, the CIP reflects the Town's policy regarding future physical and economic development. By providing a planned schedule of public improvements, the CIP outlines present and future public needs and priorities. A capital improvement is defined as any expenditure for equipment, buildings, infrastructure, land acquisition, plan or project in which the cost exceeds 0.25% of the Town budget for the year in which the request is made.

Capital project planning is an ongoing process. Each year the CIP document is updated. The need or idea for capital improvements can originate from the department heads, the First Selectman, the Superintendent of Schools, and boards and commissions. These items are compiled into this document and presented annually to the Board of Finance and Legislative Council. Once approved, the CIP outlines the Town's official commitment to funding these expenditures in the subsequent year's budgets.

Adopting a CIP does not end with the first year. Changing needs and priorities, emergencies, cost changes, mandates and changes in technology all require the CIP to be updated annually. The Town's public facilities, streets, parks, equipment, etc. are constantly in need of repair, replacement or expansion. A growing population will require additional or new facilities. These reasons require that the CIP be updated to maintain the financial solidity of the Town. The CIP achieves the following objectives as a component of the Town's budget and financial planning process:

- Reduces the need for "crash programs" to finance the construction of Town facilities.
- Focuses attention on community goals, needs and capabilities.
- Achieves optimum use of taxpayer dollars.
- Guides future community growth and development.
- Advance planning ensures that projects are well thought out in advance of construction.
- Provides for the orderly replacement of capital expenditures.
- Encourages a more efficient governmental administration as well as maintains a sound and stable financial program.

The following is the CIP for fiscal years 2019-20 to 2023-24 approved by the Legislative Council on January 09, 2019 (adjusted by the April 2019 referendum):

<b>TOWN OF NEWTOWN - CAPITAL IMPROVEMENT PLAN - 2019-20 TO 2023-24</b>				
2019 - 2020 (YEAR ONE)			Proposed Funding	
<u>BOARD OF SELECTMEN</u>	<u>Dept.</u>	<u>Amount</u>	<u>Bonding</u>	<u>Other Financing</u>
Capital Road Program	PW	3,000,000	1,000,000	2,000,000
Bridge Replacement Program	PW	400,000	400,000	
New Police Facility	POLICE	6,800,000	6,800,000	
Replacement of Fire Apparatus	FIRE	575,000	575,000	
Town Match - Grants (contingency)	ECON DEV	100,000		100,000
Tilson Artificial Turf Replacement	P & R	500,000		500,000
<u>BOARD OF EDUCATION</u>				
Hawley Elementary - Boiler & Lighting Replacement	BOE	783,200	744,239	38,961
High School - Main Boiler Replacements/LED lighting	BOE	2,702,000	2,238,565	463,435
<b>TOTALS</b>		<b>14,860,200</b>	<b>11,757,804</b>	<b>3,102,396</b>
2020 - 2021 (YEAR TWO)			Proposed Funding	
<u>BOARD OF SELECTMEN</u>	<u>Dept.</u>	<u>Amount</u>	<u>Bonding</u>	<u>Other Financing</u>
Capital Road Program	PW	3,000,000	750,000	2,250,000
Bridge Replacement Program	PW	400,000	400,000	
New Police Facility	POLICE	4,000,000	4,000,000	
Emergency Radio System Upgrades	ECC	4,300,000	4,300,000	
Sandy Hook Permanent Memorial	SH MEM	2,000,000	2,000,000	
Town Match - Grants (contingency)	ECON DEV	100,000		100,000
Edmond Town Hall Exterior Renovations	ETH	268,000	268,000	
<u>BOARD OF EDUCATION</u>				
Hawley - Ventilation and HVAC Renovations	BOE	5,002,267	5,002,267	
<b>TOTALS</b>		<b>19,070,267</b>	<b>16,720,267</b>	<b>2,350,000</b>
2021 - 2022 (YEAR THREE)			Proposed Funding	
<u>BOARD OF SELECTMEN</u>	<u>Dept.</u>	<u>Amount</u>	<u>Bonding</u>	<u>Other Financing</u>
Capital Road Program	PW	3,000,000	500,000	2,500,000
Emergency Radio System Upgrades	ECC	2,500,000	2,500,000	
Sandy Hook Permanent Memorial	SH MEM	2,000,000	2,000,000	
Town Match - Grants (contingency)	ECON DEV	100,000		100,000
Clean Up of 7 & 28A Glen Road	ECON DEV	200,000	200,000	
Library Renovations / replacements / upgrades	LIB	700,000	700,000	
<u>BOARD OF EDUCATION</u>				
High School - Replace/Restore Stadium Turf Field	BOE	1,123,600	1,123,600	
Middle School - Improvements	BOE	3,278,898	3,278,898	
<b>TOTALS</b>		<b>12,902,498</b>	<b>10,302,498</b>	<b>2,600,000</b>

- CONTINUED -

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2022 - 2023 (YEAR FOUR)			Proposed Funding	
				Other
<u>BOARD OF SELECTMEN</u>	<u>Dept.</u>	<u>Amount</u>	<u>Bonding</u>	<u>Financing</u>
Capital Road Program	PW	3,000,000	250,000	2,750,000
Bridge Replacement Program	PW	400,000	400,000	
Replacement of Fire Apparatus	FIRE	535,000	535,000	
Town Match - Grants (contingency)	ECON DEV	100,000		100,000
Building Remediation & Demo / Infrastructure	FHA	2,000,000	2,000,000	
Edmond Town Hall Upgrades & Renovations - Theatre	ETH	250,000	250,000	
Edmond Town Hall Parking Lot Improvements	ETH	450,000	450,000	
Library Renovations / replacements / upgrades	LIB	700,000	700,000	
<u>BOARD OF EDUCATION</u>				
Reed - Install High Efficiency Gas Boilers & LED Lighting	BOE	1,370,500	1,370,500	
<b>TOTALS</b>		<b>8,805,500</b>	<b>5,955,500</b>	<b>2,850,000</b>
2023 - 2024 (YEAR FIVE)			Proposed Funding	
				Other
<u>BOARD OF SELECTMEN</u>	<u>Dept.</u>	<u>Amount</u>	<u>Bonding</u>	<u>Financing</u>
Capital Road Program	PW	3,000,000		3,000,000
Bridge Replacement Program	PW	400,000	400,000	
Multi-Purpose Building Improvements	PW	413,000	413,000	
Municipal Center - Roof Remediation & Replacement	PW	1,000,000	1,000,000	
Replacement of Fire Apparatus	FIRE	800,000	800,000	
Town Match - Grants (contingency)	ECON DEV	100,000		100,000
Building Remediation & Demo / Infrastructure	FHA	1,500,000	1,500,000	
Lake Lillinonah Park Improvements	P & R	500,000		500,000
<u>BOARD OF EDUCATION</u>				
Head O'Meadow - Boiler Plant & Lighting	BOE	941,200	941,200	
<b>TOTALS</b>		<b>8,654,200</b>	<b>5,054,200</b>	<b>3,600,000</b>
<b>GRAND TOTALS</b>		<b>64,292,665</b>	<b>49,790,269</b>	<b>14,502,396</b>

## **Economic and Community Development**

In addition to working to retain current businesses, the Newtown Economic and Community Development Department actively promotes and supports projects that lead to new business development and jobs. As a result, the Town of Newtown's 2019 Grand List realized growth from the previous year. New commercial buildings continue to be constructed and occupied by businesses new to Newtown. The Town continues to leverage their FAST TRACK permitting process that helps get commercial projects through land use permitting in 45 or fewer days.

**Newtown Borough/Central Business District** continues to increase its contribution to the grand list. A new retail development located directly at Exit 10 of I-84 has begun filling with an AT&T store, wine and spirit shop and Starbucks, complete with a drive-thru. More tenants are lined up to fill the storefronts. The Village at Lexington Gardens has become a hub of commerce with its diverse offerings – from a bakery to spas and medical and professional offices. Church Hill Village, a 72 bed assisted living community is connected to the neighboring stores, schools, restaurants and homes within the Borough through improved and new sidewalks. An estimated 50 jobs will be created in the community when the facility opens in the coming months.

**Hawleyville Business District (Rt. 6)** is located at Exit 9 of I-84 and is home to Newtown's Medical Mile. Two medical buildings, Maplewood Newtown, a luxury senior living community and Toll Brothers' The Woods, a senior active living development are located in this area. DaVita Dialysis and the newly named Nuvance Health are key tenants in the buildings. The sewer line extension makes this area of town attractive to further development. The Covered Bridge Apartment construction is well underway and is filling with tenants as construction progresses. An additional building has been approved for the complex, bringing the total number of apartments to 210. This development will bring density and housing diversity which will be beneficial to the economic vitality of the town. A gas station with food service has also been approved.

**South Main Street (Rt. 25)** continues to attract new businesses. Construction on an 18,000 square foot veterinary hospital and boarding facility is underway in this design district. Many other restaurants, boutiques and wellness focused businesses have also opened along South Main Street. A 20,000 square foot building that contains 20 rental units has made great progress, broadening the area's housing stock offerings. These and other development projects were made possible by the zoning regulations and land use policies that enhance economic development in the corridor.

**Sandy Hook Village** is a vibrant and walkable commercial district located on the banks of the Pootatuck River. This village has a high concentration of restaurants. Private investment into buildings as well as a grant and town funded streetscape continue to attract new businesses, including a landscape design firm. SHOP (Sandy Hook Organization for Prosperity) is an active group of local business owners that continues to contribute to the successful revitalization of the area. An incentive housing development has had amendments approved and will lead to increased population density within the village. Sandy Hook is home to natural, non-replicable attractions such as a river and walking trails.

**Fairfield Hills** continues to establish itself as a vibrant recreational, commercial and municipal center of Newtown. A new community/senior center opened during the summer of 2019. Prime parcels for economic development exist throughout the campus. Commercial interest in the campus remains strong. The renovation of an existing building is nearing completion and a brew pub is expected to open in 2019. Complementing all these improvements is a newly completed streetscape which has added sidewalks, lighting and plantings which welcome thousands of visitors to the campus annually.

### **Relevant Financial Policies**

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

**Awards.** The Government Finance Officers Association ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its Comprehensive Annual Financial Report ("CAFR") for the fiscal year ended June 30, 2018. This was the twenty-first 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, Leslie Muldoon, the entire staff of the Finance Department and Ron Bienkowski, the Education Director of Business, and his entire staff. Each member has my sincere appreciation for their contributions made in the preparation of this report. The cooperation and assistance of the accounting firm of MahoneySabol 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,



Robert G. Tait  
Finance Director



Government Finance Officers Association

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

Presented to

**Town of Newtown  
Connecticut**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

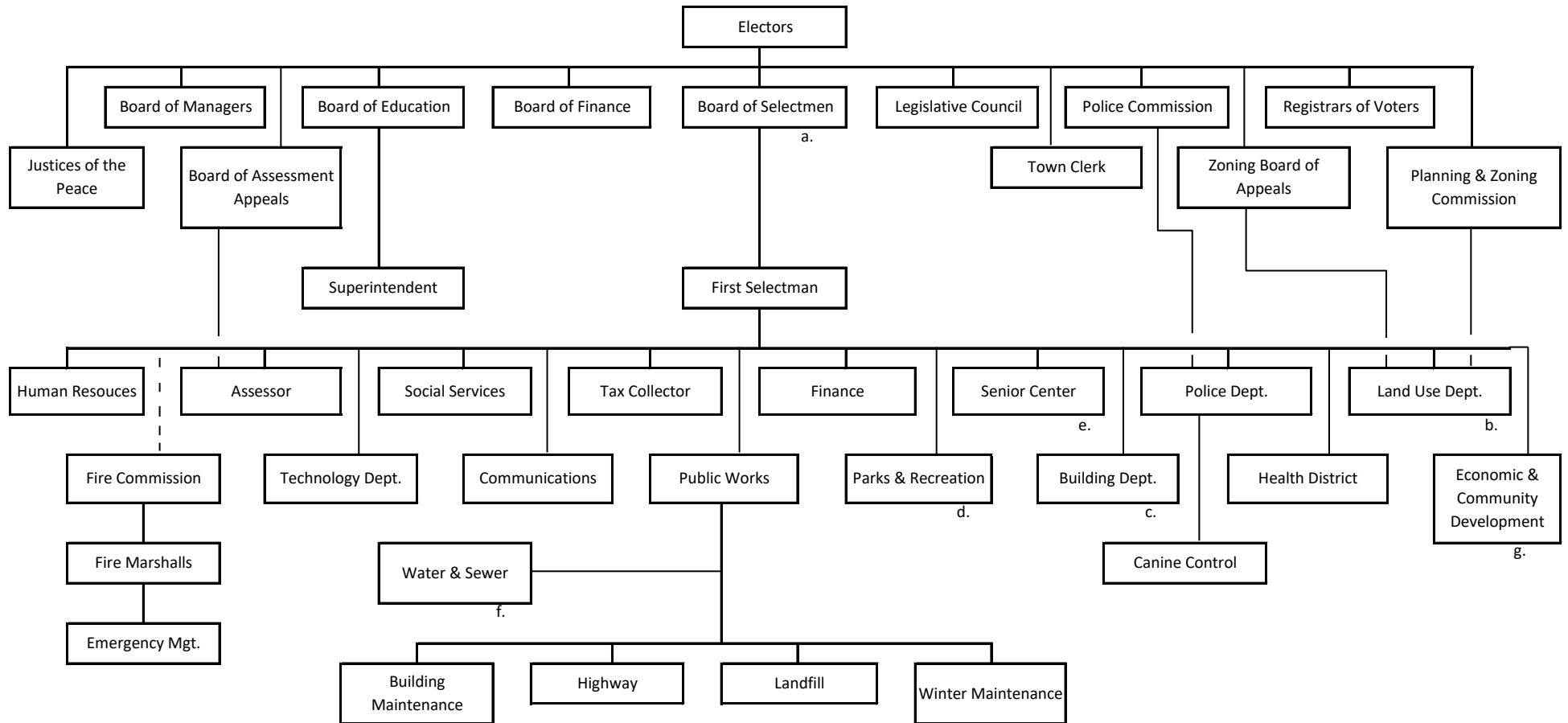
**June 30, 2018**

*Christopher P. Morill*

Executive Director/CEO

# TOWN OF NEWTOWN, CONNECTICUT

## ORGANIZATIONAL CHART



### APPOINTED OFFICIALS, BOARDS, COMMISSIONS, AUTHORITIES:

#### legend

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

#### legend

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

# **TOWN OF NEWTOWN, CONNECTICUT**

## **LIST OF PRINCIPAL OFFICIALS JUNE 30, 2019**

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**First Selectman**  
Daniel C. Rosenthal

<b>Selectmen</b>	
Maureen Crick Owen	Jeff Capeci

<b>Board of Finance</b>	
James O. Gaston Chairman	
Steve Hinden Mark Boland Sr. Keith Alexander	Ned J. Simpson Sandy T. Roussas

<b>Legislative Council</b>	
Paul J. Lundquist Chairman	
Jay Mattegat Phil Carroll Jordana Bloom Judit DeStefano Christopher C. Eide Daniel T. Honan	Kelley Johnson Chris Smith Ryan Knapp Robert Pickard Dan Wiedemann

<b>Financial Director</b>	
Robert G. Tait	
Chief of Police – James Viadero Director of Public Works – Frederick Hurley Community & Economic Dev Deputy Director – Christal Preszler	Tax Collector – Donna Saputo Tax Assessor – Penny Mudgett Town Clerk – Debbie Aurelia Halstead

<b>Board of Education</b>	
Michelle Embree Ku Chairman	
Dan R. Delia Andrew Clure Debbie M. Leidlein	Rebekah Harriman-Stites John N. Vouras Daniel Cruson Jr.

Dr. Lorrie Rodrigue. – Superintendent of Schools  
Ronald J. Bienkowski – School Business Manager

**Independent Auditor**  
MahoneySabol



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## INDEPENDENT AUDITOR'S REPORT

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## INDEPENDENT AUDITOR'S REPORT

To the Legislative Council  
Town of Newtown, Connecticut

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Newtown, Connecticut (the "Town") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

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

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

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Newtown, Connecticut, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Correction of an Error in Previously Issued Financial Statements***

As discussed in Note 1 to the financial statements, the Town restated amounts previously reported in its financial statements as of and for the year ended June 30, 2018 for the correction of an error. Our opinion is not modified with respect to this matter.

### **Other Matters**

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 16 and the information on pages 77 through 89 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section on pages our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section on pages i through x, the combining and individual fund statements and schedules on pages 90 through 112, and the statistical section on pages 113 through 131 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2019, 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, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



Certified Public Accountants  
Glastonbury, Connecticut  
December 9, 2019

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

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**TOWN OF NEWTOWN, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS – UNAUDITED**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2019**

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The management of the Town of Newtown, Connecticut (the "Town"), offers the readers of its financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2019. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - vii of this Comprehensive Annual Financial Report ("Report").

**Financial Highlights**

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$283,970,299 (net position). Of this amount, \$5,129,594 represents the Town's unrestricted net position.
- The Town's total net position increased by \$5,088,641 during the current fiscal year.
- As of the close of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$25,414,025, a current year decrease of \$6,358,174 in comparison with the prior year.
- At the close of the current fiscal year, unassigned fund balance of the General Fund was \$15,652,861 or 13.4% of the Town's fiscal year 2019 adopted General Fund budgetary expenditure appropriations. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover approximately 1.6 months of General Fund operating expenditures.

**Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town'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's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Town's assets, deferred outflows and inflows of resources, and liabilities, with net position as the residual of these other elements. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

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

**TOWN OF NEWTOWN, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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**Overview of the Financial Statements (Continued)**

**Government-wide Financial Statements *(Continued)***

Both of the government-wide financial statements are intended to distinguish functions of the Town 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 activities such as: general government, public safety, health and welfare, land use, public works, parks and recreation and education. The business-type activities of the Town include wastewater and water activities of the Town's Water Pollution Control Authority.

The government-wide financial statements can be found on pages 17 and 18 of this report.

**Fund Financial Statements**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town 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 the Town'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 Town'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 several individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and the Bonded Projects Fund, both of which are considered to be major funds. Data from the other 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 elsewhere in this report.

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 on pages 19 through 23 of this report.

**TOWN OF NEWTOWN, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2019**

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**Overview of the Financial Statements (Continued)**

**Fund Financial Statements (Continued)**

***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 the operations of the Town's wastewater operations and water operations at the Fairfield Hills property. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

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 medical and dental benefits offered to certain employees. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 24 through 26 of this report.

***Fiduciary Funds***

Fiduciary funds are used to account for resources held for the benefit of parties outside the Town government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to 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 pages 27 and 28 of this report.

**Notes to the Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29 through 76 of this report.

**Other Information**

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information, combining and individual fund statements and schedules, and a statistical section that can be found on pages 77 through 131 of this report.

**TOWN OF NEWTOWN, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2019**

**Government-wide Financial Analysis**

**Net Position**

Over time, net position may serve as one measure of a government's financial position. Certain reclassifications have been made to the amounts reported for the year ended June 30, 2018 to conform with the current year presentation. The Town's total net position (governmental and business-type activities combined) totaled \$283,970,299 as of June 30, 2019 and \$278,881,658 as of June 30, 2018, as restated, and are summarized as follows:

**Net Position  
June 30, 2019**

	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 46,724,499	\$ 3,316,184	\$ 50,040,683
Capital assets	322,927,808	29,789,489	352,717,297
Total assets	<u>369,652,307</u>	<u>33,105,673</u>	<u>402,757,980</u>
Deferred outflows of resources	<u>3,662,121</u>	<u>3,279</u>	<u>3,665,400</u>
Other liabilities	13,941,287	91,813	14,033,100
Long-term liabilities	101,596,605	2,162,966	103,759,571
Total liabilities	<u>115,537,892</u>	<u>2,254,779</u>	<u>117,792,671</u>
Deferred inflows of resources	<u>4,660,410</u>	<u>-</u>	<u>4,660,410</u>
Net position:			
Net investment in capital assets	245,998,804	27,626,523	273,625,327
Restricted	5,215,378	-	5,215,378
Unrestricted	1,901,944	3,227,650	5,129,594
Total net position	<u>\$ 253,116,126</u>	<u>\$ 30,854,173</u>	<u>\$ 283,970,299</u>

**Net Position  
June 30, 2018**

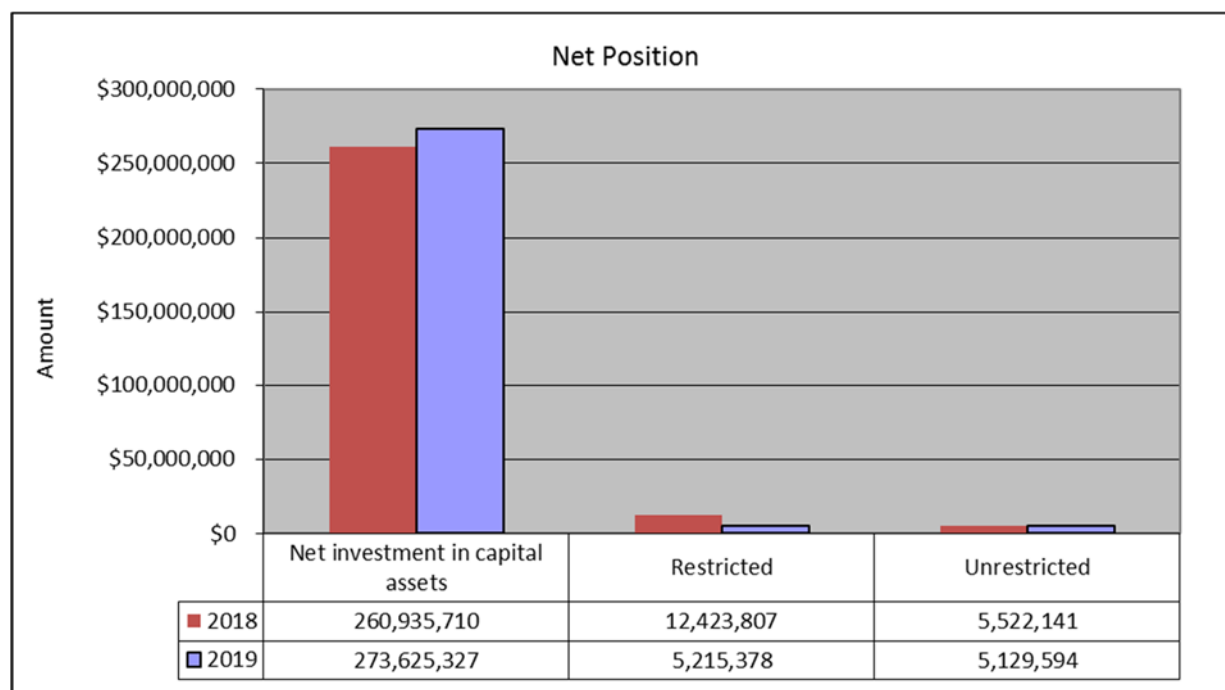
	Governmental Activities	Business-type Activities	Total
Current and other assets	\$ 53,664,708	\$ 3,497,724	\$ 57,162,432
Capital assets	304,949,304	30,508,086	335,457,390
Total assets	<u>358,614,012</u>	<u>34,005,810</u>	<u>392,619,822</u>
Deferred outflows of resources	<u>4,748,774</u>	<u>4,733</u>	<u>4,753,507</u>
Other liabilities	14,226,287	30,764	14,257,051
Long-term liabilities	99,389,175	2,316,020	101,705,195
Total liabilities	<u>113,615,462</u>	<u>2,346,784</u>	<u>115,962,246</u>
Deferred inflows of resources	<u>2,529,425</u>	<u>-</u>	<u>2,529,425</u>
Net position:			
Net investment in capital assets	232,743,644	28,192,066	260,935,710
Restricted	12,423,807	-	12,423,807
Unrestricted	2,050,448	3,471,693	5,522,141
Total net position	<u>\$ 247,217,899</u>	<u>\$ 31,663,759</u>	<u>\$ 278,881,658</u>



**TOWN OF NEWTOWN, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2019**

**Government-wide Financial Analysis (Continued)**

**Net Position (Continued)**



As of June 30, 2019, 96.4% of the Town's net position reflects its investment in capital assets, less any related debt 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.

1.8% of the Town's net position is subject to restrictions on how it may be used and are, therefore, presented as restricted net position.

The remainder of the Town's net position is considered unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.

Overall, net position increased during the current year by \$5,088,641 in comparison with the prior year.

**TOWN OF NEWTOWN, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2019**

**Government-wide Financial Analysis (Continued)**

**Changes in Net Position**

Changes in net position for the years ended June 30, 2019 and 2018 are as follows. Certain reclassifications have been made to the amounts reported for the year ended June 30, 2018 to conform with the current year presentation. The amounts reported for the year ended June 30, 2018 have not been adjusted for the restatement, since the effects of the adjustments on the statements of changes in net position are not readily determinable.

**Changes in Net Position  
For The Year Ended June 30, 2019**

	Governmental Activities	Business-type Activities	Total
<b>Revenues</b>			
Program revenues:			
Charges for services	\$ 7,472,323	\$ 1,464,944	\$ 8,937,267
Operating grants and contributions	18,685,375	-	18,685,375
Capital grants and contributions	2,621,830	-	2,621,830
General revenues:			
Property taxes, levied for general purposes	107,694,541	-	107,694,541
Grants and contributions not restricted to specific programs	1,574,097	-	1,574,097
Investment earnings	1,391,807	40,496	1,432,303
Total revenues	<u>139,439,973</u>	<u>1,505,440</u>	<u>140,945,413</u>
<b>Expenses</b>			
General government	6,907,954	-	6,907,954
Public safety	12,087,651	-	12,087,651
Health and welfare	3,282,664	-	3,282,664
Land use	703,298	-	703,298
Public works	13,441,190	-	13,441,190
Parks and recreation	4,477,125	-	4,477,125
Education	84,895,073	-	84,895,073
Education - State Teachers' Retirement	5,098,427	-	5,098,427
Interest expense	2,648,364	-	2,648,364
Sewer	-	1,921,345	1,921,345
Water	-	393,681	393,681
Total expenses	<u>133,541,746</u>	<u>2,315,026</u>	<u>135,856,772</u>
Change in net position	5,898,227	(809,586)	5,088,641
Net position - beginning, as originally reported	247,217,899	32,089,059	279,306,958
Adjustments (see Note 1)	-	(425,300)	(425,300)
Net position - beginning, as adjusted	<u>247,217,899</u>	<u>31,663,759</u>	<u>278,881,658</u>
Net position - ending	<u>\$ 253,116,126</u>	<u>\$ 30,854,173</u>	<u>\$ 283,970,299</u>

**TOWN OF NEWTOWN, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2019**

**Government-wide Financial Analysis (Continued)**

**Change in Net Position (Continued)**

**Changes in Net Position  
For The Year Ended June 30, 2018**

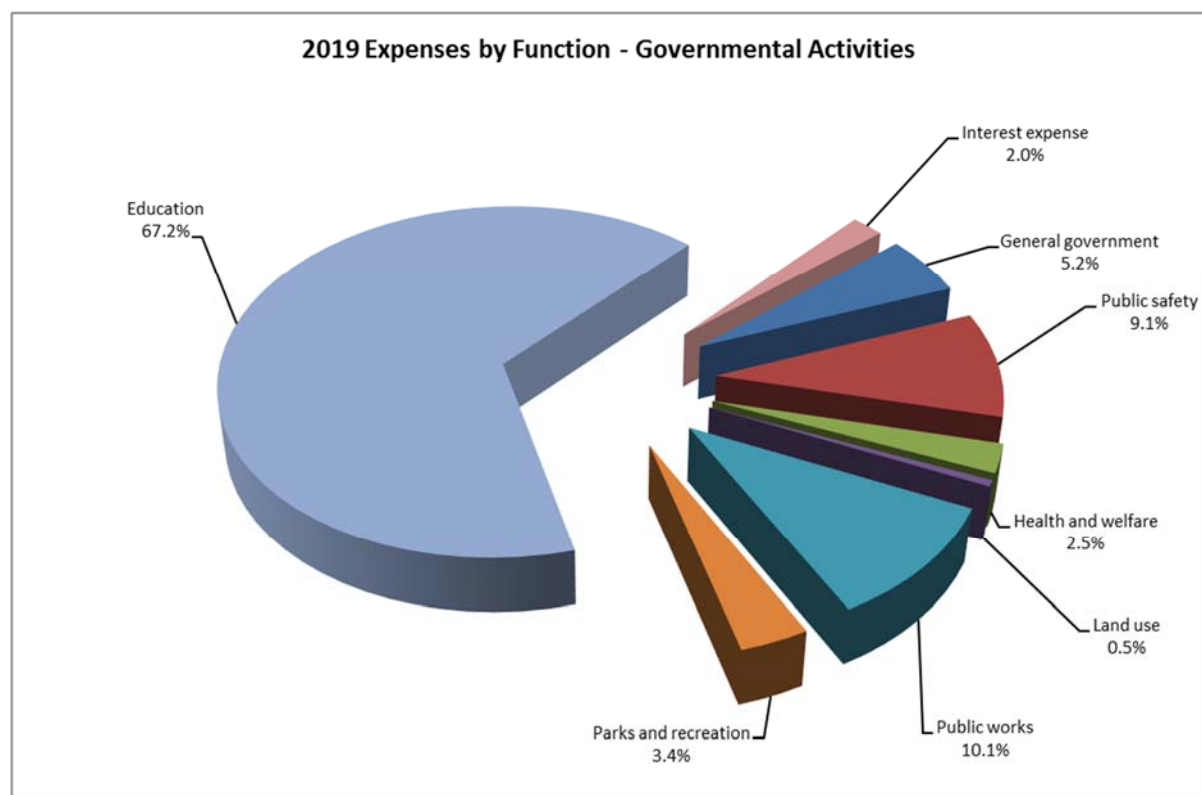
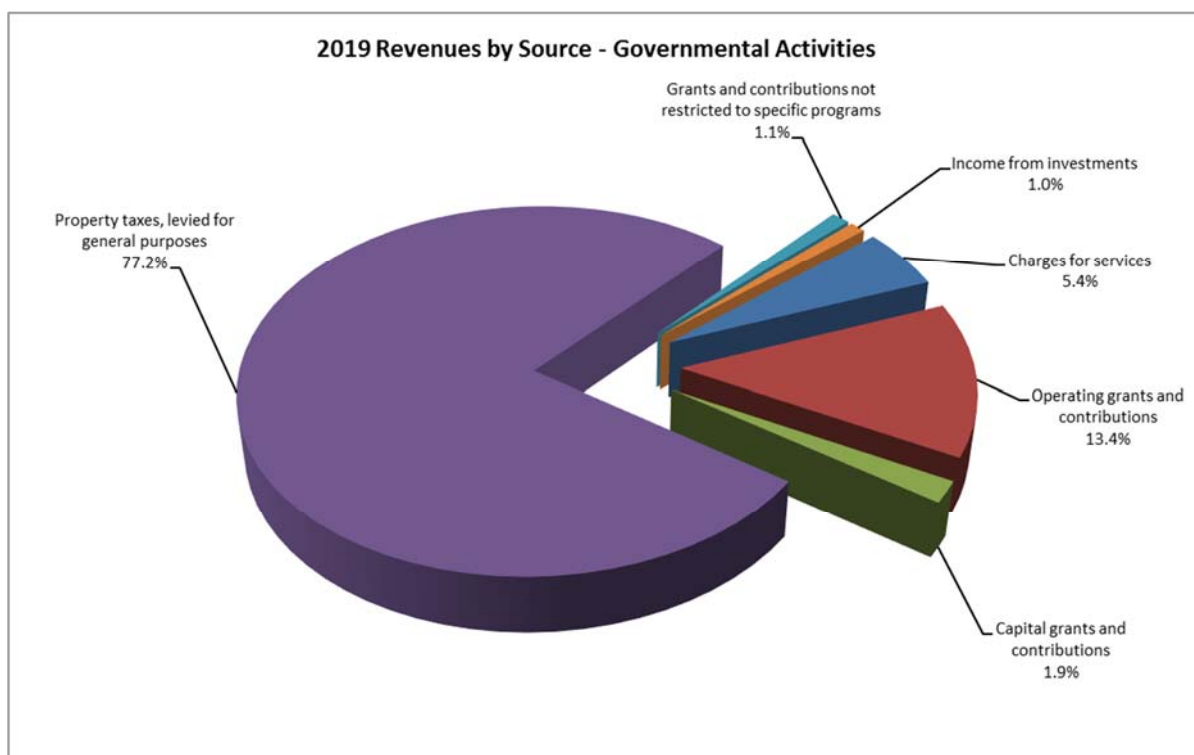
	Governmental Activities	Business-type Activities	Total
<b>Revenues</b>			
Program revenues:			
Charges for services	\$ 7,016,564	\$ 1,345,056	\$ 8,361,620
Operating grants and contributions	25,336,044	-	25,336,044
Capital grants and contributions	1,741,624	-	1,741,624
General revenues:			
Property taxes, levied for general purposes	104,669,353	-	104,669,353
Grants and contributions not restricted to specific programs	1,647,784	-	1,647,784
Investment earnings	628,504	44,547	673,051
Total revenues	<u>141,039,873</u>	<u>1,389,603</u>	<u>142,429,476</u>
<b>Expenses</b>			
General government	6,945,084	-	6,945,084
Public safety	11,775,277	-	11,775,277
Health and welfare	3,244,577	-	3,244,577
Land use	632,820	-	632,820
Public works	11,509,804	-	11,509,804
Parks and recreation	3,932,672	-	3,932,672
Education	82,863,029	-	82,863,029
Education - State Teachers' Retirement	14,842,182	-	14,842,182
Interest expense	2,135,932	-	2,135,932
Sewer	-	1,710,495	1,710,495
Water	-	404,610	404,610
Total expenses	<u>137,881,377</u>	<u>2,115,105</u>	<u>139,996,482</u>
Change in net position	3,158,496	(725,502)	2,432,994
Net position - beginning	<u>244,059,403</u>	<u>32,814,561</u>	<u>276,873,964</u>
Net position - ending	<u>\$ 247,217,899</u>	<u>\$ 32,089,059</u>	<u>\$ 279,306,958</u>

**TOWN OF NEWTOWN, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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**Government-wide Financial Analysis (Continued)**

**Change in Net Position *(Continued)***



**TOWN OF NEWTOWN, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (*Continued*)  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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**Government-wide Financial Analysis (Continued)**

**Change in Net Position (*Continued*)**

***Governmental Activities***

Governmental activities increased the Town's net position by a current year change of \$5,898,227. Revenues decreased by \$1,599,900 or 1.1% over prior year revenues and expenses decreased by \$4,339,631 or 3.1% over prior year expenses.

The decrease in operating grants and contributions in the amount of \$6.7 million includes a reduction of \$9.7 million in the amount of pension and OPEB expense recognized by the State of Connecticut in connection with the Town's participation in the Connecticut Teachers' Retirement System; offset by the recognition of FEMA reimbursements for storm related costs in the amount of \$2,089,437. In addition, property tax revenues increased by \$3,025,188 or 2.9%.

***Business-type Activities***

Business-type activities decreased the Town's net position by a current year change of \$809,586. Revenues increased by \$115,837 or 8.3% over prior year revenues and expenses increased by \$199,921 or 9.5%.

**Financial Analysis of the Town's Funds**

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

**Governmental Funds**

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

As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$25,414,025. Of this amount, \$17,139,731 is available for spending at the discretion of the Town (i.e. committed, assigned and unassigned fund balance).

**General Fund**

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$15,652,861. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 13.4% of the Town's fiscal year 2019 adopted General Fund budgetary expenditure appropriations. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover approximately 1.6 months of General Fund operating expenditures.

The fund balance of the Town's General Fund increased by \$3,264,770 during the current fiscal year, which was primarily due to favorable revenue and expenditure variances within the General Fund budget.

**TOWN OF NEWTOWN, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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**Financial Analysis of the Town's Funds (Continued)**

**Bonded Projects Fund**

The fund balance of the Bonded Projects Fund decreased by \$10,154,973 during the current fiscal year. This decrease was primarily due to the expenditures incurred for various ongoing capital projects, offset by the issuance of general obligation bonds in the amount of \$10,400,000.

**Sewer Fund**

The fund balance of the Sewer Fund decreased by \$830,988 during the current fiscal year. The decrease was primarily attributable to shortfalls in operating revenues to cover depreciation and amortization on capital assets.

**Water Fund**

The fund balance of the Water Fund increased by \$21,402 during the current fiscal year.

**General Fund Budgetary Highlights**

The original budget did not contemplate the use of fund balance. During the year, additional appropriations from fund balance of \$500,000 were authorized. The actual net change in fund balance on a budgetary basis was an increase of \$2,915,524. Expenditures and other financing uses were \$301,544 less than budgeted, which represented 0.26% of the overall final budget. Total budgetary revenues and other financing sources were \$3,113,250 more than expected. This surplus is attributed to unbudgeted FEMA grant reimbursements in the amount of \$1,708,294 for storm related costs and \$746,136 in higher than budgeted interest earnings on General Fund investments.

**Capital Asset and Debt Administration**

**Capital Assets**

The Town's investment in capital assets for its governmental and business type activities as of June 30, 2019 totaled \$352,717,297 (net of accumulated depreciation and amortization). This investment in capital assets includes land and improvements, intangible assets, construction in progress, buildings and improvements, machinery, equipment and vehicles, and infrastructure. The total increase in the Town's investment in capital assets for the current fiscal year totaled \$17,259,907. This increase was primarily comprised of depreciation and amortization on capital assets in the amount of \$6,548,384, offset by current year capital asset additions. Significant capital additions during the current fiscal year included the following:

- Outlays for various road improvement projects of approximately \$1.061 million;
- Outlays pertaining to the Walnut Tree Hill bridge project of approximately \$1.004 million;
- Outlays pertaining to the Senior Center building project of approximately \$2.221 million;
- Outlays pertaining to the Newtown High School boilers and lighting project of approximately \$501 thousand;
- Outlays pertaining to the Hawley School roof project of approximately \$703 thousand;
- Outlays pertaining to the Middle Gate School roof project of approximately \$797 thousand;
- Outlays pertaining to the Newtown Community Center project of approximately \$10.353 million;
- Outlays pertaining to the Toddy Hill bridge project of approximately \$986 thousand;
- Outlays pertaining to the new Police Building project of approximately \$2.254 million.

**TOWN OF NEWTOWN, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2019**

**Capital Asset and Debt Administration (Continued)**

**Capital Assets (Continued)**

The following are tables of the investment in capital assets presented for both governmental and business-type activities:

**Capital Assets, Net  
June 30, 2019**

	Governmental Activities	Business-type Activities	Total
Land	\$ 28,279,016	\$ 1,000	\$ 28,280,016
Intangible assets	3,687,270	361,299	4,048,569
Construction in progress	30,444,406	216,594	30,661,000
Buildings and improvements	179,669,974	-	179,669,974
Land improvements	14,803,476	-	14,803,476
Machinery, equipment and vehicles	12,178,134	630,294	12,808,428
Infrastructure	53,865,532	28,580,302	82,445,834
Totals	<u>\$ 322,927,808</u>	<u>\$ 29,789,489</u>	<u>\$ 352,717,297</u>

**Capital Assets, Net  
June 30, 2018**

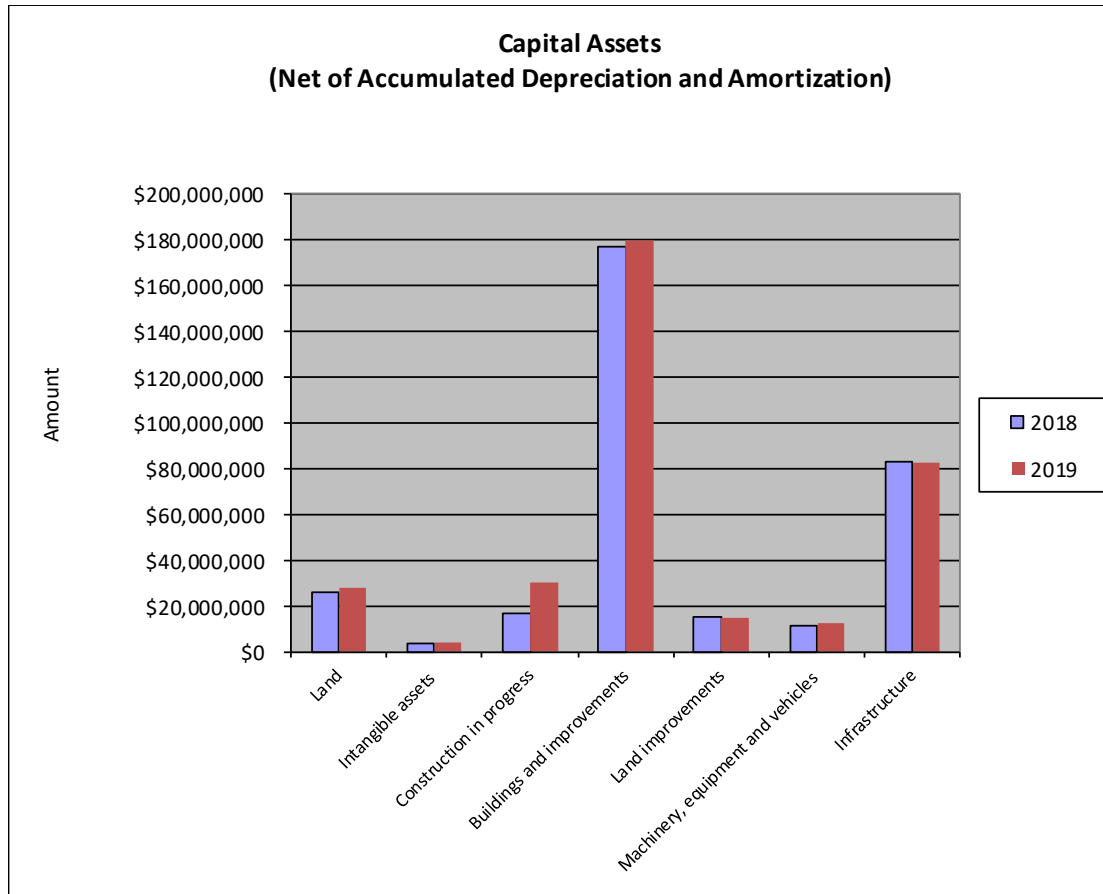
	Governmental Activities	Business-type Activities	Total
Land	\$ 26,449,426	\$ 1,000	\$ 26,450,426
Intangible assets	3,687,270	404,651	4,091,921
Construction in progress	17,080,246	195,020	17,275,266
Buildings and improvements	177,378,517	-	177,378,517
Land improvements	15,476,948	-	15,476,948
Machinery, equipment and vehicles	10,678,058	658,458	11,336,516
Infrastructure	54,198,839	29,248,957	83,447,796
Totals	<u>\$ 304,949,304</u>	<u>\$ 30,508,086</u>	<u>\$ 335,457,390</u>

**TOWN OF NEWTOWN, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (Continued)  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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**Capital Asset and Debt Administration (Continued)**

**Capital Assets (Continued)**



Additional information on the Town's capital assets can be found in Note 4 starting on page 42 of the financial statements.

**Debt Administration**

At the end of the current fiscal year, the Town had total long-term debt outstanding of \$78,009,091. This entire amount is comprised of debt backed by the full faith and credit of the Town. The Town's total debt increased by \$2,567,509 or 3.4% during the current fiscal year due to the issuance of \$10,400,000 in general obligation bonds and \$6,750,000 in general obligation refunding bonds, offset by scheduled debt service payments. The bonds were issued to fund various general purpose and school projects authorized by the Town.

State statutes limit the amount of general obligation debt the Town may issue to seven times its annual receipts from taxation, as defined by the statutes. The current debt limitation for the Town is \$752,134,362, which is significantly in excess of the Town's outstanding general obligation debt.



**TOWN OF NEWTOWN, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2019**

**Capital Asset and Debt Administration (Continued)**

**Debt Administration (Continued)**

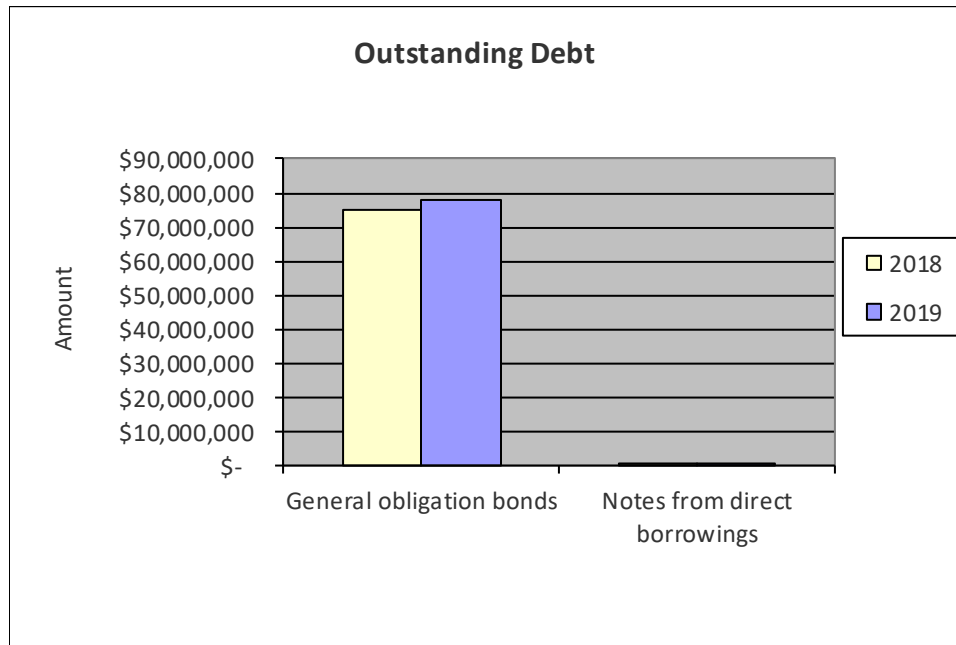
The following are tables of bonded debt as of June 30, 2019 and 2018:

**Bonded Debt  
June 30, 2019**

	Governmental Activities	Business-type Activities	Total
General obligation bonds	\$ 75,694,300	\$ 2,130,700	\$ 77,825,000
Notes from direct borrowings	184,091	-	184,091
Totals	<u>\$ 75,878,391</u>	<u>\$ 2,130,700</u>	<u>\$ 78,009,091</u>

**Bonded Debt  
June 30, 2018**

	Governmental Activities	Business-type Activities	Total
General obligation bonds	\$ 72,938,800	\$ 2,281,200	\$ 75,220,000
Notes from direct borrowings	221,582	-	221,582
Totals	<u>\$ 73,160,382</u>	<u>\$ 2,281,200</u>	<u>\$ 75,441,582</u>



Additional information on the Town's long-term debt can be found in Note 7 starting on page 45 of the financial statements.

**TOWN OF NEWTOWN, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS - UNAUDITED (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2019**

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**Economic Factors and Next Year's Budget and Rates**

During April 2019, the Town adopted a General Fund budget for the fiscal year ending June 30, 2020. The budget reflected an overall increase in expenditures of \$2,662,715 or 2.3% over the final fiscal year 2019 amended budget. The budgeted expenditures of \$120,283,913 resulted in a 0.53 mill increase from 34.24 mills to 34.77 mills and allows the Town to continue to maintain the same level of programs and services to its residents. The Town has not planned for a utilization of fund balance for purposes of balancing the budget.

A summary of key economic factors affecting the Town are as follows:

- For purposes of calculating property tax revenues for fiscal year 2020, the assessor's grand list was used along with an estimated tax rate, and an estimated rate of collection, with deductions for taxes to be paid by the State on-behalf of certain taxpayers. Property tax revenues was planned to have an increasing role in funding the General Fund budget due to expected reductions in intergovernmental and other revenues.
- The Town receives intergovernmental revenues from the State of Connecticut. Connecticut's economy moves in the same general cycle as the national economy, which may affect the amount of intergovernmental revenues the Town will receive in fiscal year 2020 and thereafter.
- The State imposes a cap on municipal spending to limit the budgeted expenditures to 2.5% above the previous year, or the rate of inflation, whichever is greater. The cap includes certain exemptions relating to increases in debt service, special education costs, claims and judgements and costs incurred related to major disaster or emergency declarations. Municipalities that increase their adopted budget expenditures over the previous fiscal year by an amount that exceeds the cap may receive a reduced municipal revenue sharing grant.
- The State has established a minimum budget requirement ("MBR") for budgeted education expenditures. The MBR prohibits towns from budgeting less for education than it did in the previous year unless, and within limits, the Town can demonstrate a decrease in school enrollment or savings through increased efficiencies. Any increases or decreases that the Town receives in its Education Cost Sharing grant will result in a corresponding increase or decrease in the Town's MBR.
- It is was unknown how changes in market interest rates will impact real estate activity and related revenues collected by the Town Clerk and the amount of conveyance taxes and interest income.

All of these factors were considered in preparing the Town's General Fund budget for fiscal year 2020.

**Requests for Information**

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Finance Director, 3 Primrose Street, Town Hall, Newtown, CT 06470.

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## **BASIC FINANCIAL STATEMENTS**

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**TOWN OF NEWTOWN, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2019**

	<b>Primary Government</b>		
	<b>Governmental</b>	<b>Business-type</b>	
	<b>Activities</b>	<b>Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 22,584,365	\$ 675,051	\$ 23,259,416
Investments	16,637,017	-	16,637,017
Receivables:			
Property taxes and interest, net	3,103,909	-	3,103,909
Assessments and interest, net	-	312,024	312,024
User charges and interest, net	-	229,606	229,606
Grants and contracts	2,537,014	-	2,537,014
Other	668,044	-	668,044
Internal balances	931,770	(931,770)	-
Other	19,838	-	19,838
Noncurrent assets:			
Receivables:			
Assessments	-	3,031,273	3,031,273
Loans	242,542	-	242,542
Capital assets:			
Non-depreciable	62,410,692	217,594	62,628,286
Depreciable, net	260,517,116	29,571,895	290,089,011
Total assets	369,652,307	33,105,673	402,757,980
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charges on pension expense	3,566,858	-	3,566,858
Deferred charges on OPEB expense	95,263	-	95,263
Deferred charges on refunding	-	3,279	3,279
Total deferred outflows of resources	3,662,121	3,279	3,665,400
<b>LIABILITIES</b>			
Accounts payable	6,790,118	136,301	6,926,419
Accrued interest payable	1,140,405	-	1,140,405
Other accrued liabilities	4,246,782	20,441	4,267,223
Internal balances	64,929	(64,929)	-
Unearned revenue	1,264,838	-	1,264,838
Other	434,215	-	434,215
Noncurrent liabilities:			
Due in one year	7,135,853	148,200	7,284,053
Due in more than one year	94,460,752	2,014,766	96,475,518
Total liabilities	115,537,892	2,254,779	117,792,671
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred charges on pension expense	2,442,429	-	2,442,429
Deferred charges on OPEB expense	1,986,106	-	1,986,106
Deferred charges on refunding	231,875	-	231,875
Total deferred inflows of resources	4,660,410	-	4,660,410
<b>NET POSITION</b>			
Net investment in capital assets	245,998,804	27,626,523	273,625,327
Restricted for:			
Endowments:			
Nonexpendable	610,000	-	610,000
Expendable	2,032,381	-	2,032,381
Grants and other programs	2,187,256	-	2,187,256
Construction of Community Center	385,741	-	385,741
Unrestricted	1,901,944	3,227,650	5,129,594
Total net position	\$ 253,116,126	\$ 30,854,173	\$ 283,970,299

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

**TOWN OF NEWTOWN, CONNECTICUT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Primary Government:</b>							
Governmental activities:							
General government	\$ 6,907,954	\$ 1,709,232	\$ 317,816	\$ -	\$ (4,880,906)	\$ -	\$ (4,880,906)
Public safety	12,087,651	1,281,153	639,797	-	(10,166,701)	-	(10,166,701)
Health and welfare	3,282,664	9,960	306,921	-	(2,965,783)	-	(2,965,783)
Land use	703,298	64,649	-	-	(638,649)	-	(638,649)
Public works	13,441,190	962,901	2,795,461	2,621,830	(7,060,998)	-	(7,060,998)
Parks and recreation	4,477,125	1,105,370	1,093,529	-	(2,278,226)	-	(2,278,226)
Education	84,895,073	2,339,058	8,433,424	-	(74,122,591)	-	(74,122,591)
Education - State Teachers' Retirement	5,098,427	-	5,098,427	-	-	-	-
Interest expense	2,648,364	-	-	-	(2,648,364)	-	(2,648,364)
Total governmental activities	133,541,746	7,472,323	18,685,375	2,621,830	(104,762,218)	-	(104,762,218)
Business-type activities:							
Sewer	1,921,345	1,049,861	-	-	-	(871,484)	(871,484)
Water	393,681	415,083	-	-	-	21,402	21,402
Total business-type activities	2,315,026	1,464,944	-	-	-	(850,082)	(850,082)
Total primary government	\$ 135,856,772	\$ 8,937,267	\$ 18,685,375	\$ 2,621,830	(104,762,218)	(850,082)	(105,612,300)
General revenues:							
Property taxes, levied for general purposes					107,694,541	-	107,694,541
Grants and contributions not restricted to specific programs					1,574,097	-	1,574,097
Investment earnings					1,391,807	40,496	1,432,303
Total general revenues					110,660,445	40,496	110,700,941
		Change in net position			5,898,227	(809,586)	5,088,641
		Net position - beginning, as originally reported			247,217,899	32,089,059	279,306,958
		Adjustments (see Note 1 )			-	(425,300)	(425,300)
		Net position - beginning, as adjusted			247,217,899	31,663,759	278,881,658
		Net position - ending			\$ 253,116,126	\$ 30,854,173	\$ 283,970,299

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

**TOWN OF NEWTOWN, CONNECTICUT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**AS OF JUNE 30, 2019**

	<b>General Fund</b>	<b>Bonded Projects Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 20,755,383	\$ -	\$ 1,802,456	\$ 22,557,839
Investments	9,879,733	-	2,704,472	12,584,205
Receivables:				
Property taxes and interest, net	3,103,909	-	-	3,103,909
Grants and contracts	1,708,294	-	828,720	2,537,014
Loans	-	-	242,542	242,542
Other	279,801	-	366,112	645,913
Due from other funds	1,903,784	4,675,788	4,184,468	10,764,040
Other	4,738	-	15,100	19,838
Total assets	<u>\$ 37,635,642</u>	<u>\$ 4,675,788</u>	<u>\$ 10,143,870</u>	<u>\$ 52,455,300</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,891,823	\$ 2,764,500	\$ 662,199	\$ 5,318,522
Accrued payroll	4,089,645	-	157,137	4,246,782
Due to other funds	11,458,700	-	972,014	12,430,714
Unearned revenue	-	577,010	687,581	1,264,591
Other	434,215	-	-	434,215
Total liabilities	<u>17,874,383</u>	<u>3,341,510</u>	<u>2,478,931</u>	<u>23,694,824</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenues	<u>3,103,909</u>	<u>-</u>	<u>242,542</u>	<u>3,346,451</u>
<b>FUND BALANCES</b>				
Nonspendable	-	-	625,100	625,100
Restricted	-	3,429,557	4,219,637	7,649,194
Committed	264,924	-	2,617,205	2,882,129
Assigned	739,565	-	-	739,565
Unassigned	15,652,861	(2,095,279)	(39,545)	13,518,037
Total fund balances	<u>16,657,350</u>	<u>1,334,278</u>	<u>7,422,397</u>	<u>25,414,025</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 37,635,642</u>	<u>\$ 4,675,788</u>	<u>\$ 10,143,870</u>	<u>\$ 52,455,300</u>

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

**TOWN OF NEWTOWN, CONNECTICUT**  
**RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS**  
**TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2019**

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Total fund balances for governmental funds	\$	25,414,025
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Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.		322,927,808
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Deferred outflows and inflows of resources resulting from changes in the components of the net pension and net OPEB liabilities are reported in the statement of net position.		(776,088)
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Some of the Town's receivables will be collected after year end, but are not available soon enough to pay for the current period's expenditures and, therefore, are reported as deferred inflows of resources in the funds.		3,346,451
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Long-term liabilities and related amounts applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities and related amounts - both current and long-term - are reported in the statement of net position.

Accrued interest payable	(1,140,405)	
Long-term debt:		
Bonds and notes payable, net	(79,172,776)	
Deferred charges on refunding	(231,875)	
Other long-term liabilities:		
Capital lease obligations	(568,169)	
Compensated absences	(1,009,054)	
Early retirement obligations	(32,000)	
Landfill post-closure care liability	(102,000)	
Net pension liability	(15,578,798)	
Net OPEB liability	(5,133,808)	
Total long-term liabilities	(102,968,885)	

An internal service fund is used by the Town to charge the cost of risk management activities to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities statement of net position.

		5,163,141
Net position of governmental activities	\$	253,106,452

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

**TOWN OF NEWTOWN, CONNECTICUT**  
**STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>General Fund</b>	<b>Bonded Projects Fund</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>				
Property taxes	\$ 107,411,022	\$ -	\$ -	\$ 107,411,022
Intergovernmental	20,168,273	1,248,606	5,613,722	27,030,601
Charges for services	2,195,585	-	5,075,185	7,270,770
Investment income	1,196,136	-	195,671	1,391,807
Contributions and other	373,913	-	1,346,404	1,720,317
Total revenues	<u>131,344,929</u>	<u>1,248,606</u>	<u>12,230,982</u>	<u>144,824,517</u>
<b>EXPENDITURES</b>				
Current:				
General government	4,658,167	-	1,189,903	5,848,070
Public safety	10,086,947	-	1,018,111	11,105,058
Health and welfare	3,139,504	-	86,494	3,225,998
Land use	662,685	-	-	662,685
Public works	9,527,048	-	881,143	10,408,191
Parks and recreation	2,288,508	-	1,025,843	3,314,351
Education	86,319,107	-	6,238,972	92,558,079
Debt service:				
Principal	6,896,695	-	8,000	6,904,695
Interest and fiscal charges	2,365,362	-	425,781	2,791,143
Capital outlays	1,788,693	21,737,464	2,123,226	25,649,383
Total expenditures	<u>127,732,716</u>	<u>21,737,464</u>	<u>12,997,473</u>	<u>162,467,653</u>
Excess (deficiency) of revenues over expenditures	3,612,213	(20,488,858)	(766,491)	(17,643,136)
<b>OTHER FINANCING SOURCES (USES)</b>				
Capital lease financing	624,662	-	-	624,662
Issuance of debt	6,750,000	10,400,000	-	17,150,000
Premium on issuance of debt	1,093,726	-	149,189	1,242,915
Payments to escrow agent	(7,732,615)	-	-	(7,732,615)
Transfers in	400,000	-	1,549,331	1,949,331
Transfers out	(1,483,216)	(66,115)	(400,000)	(1,949,331)
Total other financing sources (uses)	<u>(347,443)</u>	<u>10,333,885</u>	<u>1,298,520</u>	<u>11,284,962</u>
Net change in fund balances	3,264,770	(10,154,973)	532,029	(6,358,174)
Fund balances - beginning	<u>13,392,580</u>	<u>11,489,251</u>	<u>6,890,368</u>	<u>31,772,199</u>
Fund balances - ending	<u>\$ 16,657,350</u>	<u>\$ 1,334,278</u>	<u>\$ 7,422,397</u>	<u>\$ 25,414,025</u>

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



**TOWN OF NEWTOWN, CONNECTICUT**  
**RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

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Net change in fund balances - total governmental funds	\$ (6,358,174)
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Total change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which capital additions exceeded depreciation and amortization in the current period is as follows:

Expenditures for capital assets	\$ 23,985,520	
Depreciation and amortization expense	<u>(5,808,213)</u>	
Net adjustment		18,177,307

In the statement of activities, only the loss on the sale of capital assets is reported whereas the proceeds from the sale increase financial resources in the funds.	(198,803)
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The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of these differences in the treatment of long-term obligations is as follows:

Debt issued or incurred:		
Capital lease financing	(624,662)	
General obligation bonds	(10,400,000)	
Refunding bonds	(6,750,000)	
Premium on bonds	(1,242,915)	
Principal repayments:		
Bonds and notes payable	14,431,991	
Capital lease financing	<u>167,703</u>	
Net adjustment		(4,417,883)

Deferred outflows and inflows of resources resulting from changes in the components of the net pension and OPEB liabilities are amortized as a component of pension and OPEB expense in the statement of activities.	(2,959,883)
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*(Continued)*

**TOWN OF NEWTOWN, CONNECTICUT**  
**RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES *(Concluded)***  
**FOR THE YEAR ENDED JUNE 30, 2019**

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The net effect of such items is as follows:

Accrued interest	\$ (162,902)	
Amortization of bond premiums	601,052	
Amortization of deferred charges on refunding	(257,755)	
Compensated absences	28,969	
Early retirement obligations	32,000	
Landfill post-closure care liability	17,000	
Net pension liability	(64,530)	
Net OPEB liability	<u>1,595,962</u>	
		\$ 1,789,796

Certain revenues reported in the statement of activities do not provide current financial resources and therefore are reported as deferred inflows of resources in the governmental funds. This amount represents the change in unavailable revenues. 283,519

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service fund is reported within the governmental activities. (417,652)

Change in net position of governmental activities \$ 5,898,227  
*Concluded*

**TOWN OF NEWTOWN, CONNECTICUT**  
**STATEMENTS OF NET POSITION**  
**PROPRIETARY FUNDS**  
**AS OF JUNE 30, 2019**

	<b>Business-type Activities</b>			<b>Governmental Activities</b>
	<b>Sewer Fund</b>	<b>Water Fund</b>	<b>Total</b>	<b>Internal Service Fund</b>
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 675,051	\$ -	\$ 675,051	\$ 26,526
Investments	-	-	-	4,052,812
Receivables:				
Assessments and interest, net	312,024	-	312,024	-
User charges and interest, net	229,606	-	229,606	-
Other	-	-	-	22,131
Due from other funds	64,929	-	64,929	2,533,515
Total current assets	<u>1,281,610</u>	<u>-</u>	<u>1,281,610</u>	<u>6,634,984</u>
Noncurrent assets:				
Receivables:				
Assessments	3,031,273	-	3,031,273	-
Advance to other fund	658,617	-	658,617	-
Capital assets:				
Non-depreciable	22,575	195,019	217,594	-
Depreciable, net	<u>27,054,284</u>	<u>2,517,611</u>	<u>29,571,895</u>	<u>-</u>
Total noncurrent assets	<u>30,766,749</u>	<u>2,712,630</u>	<u>33,479,379</u>	<u>-</u>
Total assets	<u>32,048,359</u>	<u>2,712,630</u>	<u>34,760,989</u>	<u>6,634,984</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding	<u>3,279</u>	<u>-</u>	<u>3,279</u>	<u>-</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	120,277	16,024	136,301	444,580
Accrued liabilities:				
Claims	-	-	-	1,027,016
Other	20,441	-	20,441	-
Due to other funds	-	931,770	931,770	-
Bonds and notes payable	148,200	-	148,200	-
Unearned revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>247</u>
Total current liabilities	<u>288,918</u>	<u>947,794</u>	<u>1,236,712</u>	<u>1,471,843</u>
Noncurrent liabilities:				
Advances from other fund	-	658,617	658,617	-
Bonds and notes payable	<u>2,014,766</u>	<u>-</u>	<u>2,014,766</u>	<u>-</u>
Total non-current liabilities	<u>2,014,766</u>	<u>658,617</u>	<u>2,673,383</u>	<u>-</u>
Total liabilities	<u>2,303,684</u>	<u>1,606,411</u>	<u>3,910,095</u>	<u>1,471,843</u>
<b>NET POSITION</b>				
Net investment in capital assets	24,913,893	2,712,630	27,626,523	-
Unrestricted	<u>4,834,061</u>	<u>(1,606,411)</u>	<u>3,227,650</u>	<u>5,163,141</u>
Total net position	<u>\$ 29,747,954</u>	<u>\$ 1,106,219</u>	<u>\$ 30,854,173</u>	<u>\$ 5,163,141</u>

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

**TOWN OF NEWTOWN, CONNECTICUT**  
**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Business-type Activities</b>			<b>Governmental Activities</b>
	<b>Sewer Fund</b>	<b>Water Fund</b>	<b>Total</b>	<b>Internal Service Fund</b>
<b>OPERATING REVENUES</b>				
Charges for services	\$ 1,049,861	\$ 415,083	\$ 1,464,944	\$ 13,345,178
Total operating revenues	<u>1,049,861</u>	<u>415,083</u>	<u>1,464,944</u>	<u>13,345,178</u>
<b>OPERATING EXPENSES</b>				
Premiums and claims	-	-	-	12,690,957
Contracted services	821,715	172,148	993,863	-
Utilities	123,090	30,163	153,253	-
Administrative and other	193,426	12,000	205,426	1,273,336
Depreciation and amortization	588,445	151,726	740,171	-
Other	132,201	-	132,201	-
Total operating expenses	<u>1,858,877</u>	<u>366,037</u>	<u>2,224,914</u>	<u>13,964,293</u>
Operating income (loss)	(809,016)	49,046	(759,970)	(619,115)
<b>NON-OPERATING INCOME (EXPENSE)</b>				
Interest income	40,496	-	40,496	201,463
Interest expense	(62,468)	(27,644)	(90,112)	-
Total non-operating expense, net	<u>(21,972)</u>	<u>(27,644)</u>	<u>(49,616)</u>	<u>201,463</u>
Change in net position	(830,988)	21,402	(809,586)	(417,652)
Net position - beginning, as originally reported	31,004,242	1,084,817	32,089,059	5,580,793
Adjustments (see Note 1)	(425,300)	-	(425,300)	-
Net position - beginning, as adjusted	<u>30,578,942</u>	<u>1,084,817</u>	<u>31,663,759</u>	<u>5,580,793</u>
Net position - ending	<u>\$ 29,747,954</u>	<u>\$ 1,106,219</u>	<u>\$ 30,854,173</u>	<u>\$ 5,163,141</u>

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

**TOWN OF NEWTOWN, CONNECTICUT**  
**STATEMENTS OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Business-type Activities</b>			<b>Governmental Activities</b>
	<b>Sewer Fund</b>	<b>Water Fund</b>	<b>Total</b>	<b>Internal Service Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received for the following:				
Charges for services	\$ 1,225,279	\$ 415,083	\$ 1,640,362	\$ 13,338,073
Cash paid for the following:				
Operating activities	(1,150,019)	(214,596)	(1,364,615)	(1,273,336)
Claims incurred	-	-	-	(12,360,536)
Net cash provided by (used in) operating activities	<u>75,260</u>	<u>200,487</u>	<u>275,747</u>	<u>(295,799)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Interfund activity	<u>132,739</u>	<u>(172,844)</u>	<u>(40,105)</u>	<u>(1,168,349)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchases of capital assets	(21,575)	-	(21,575)	-
Interest paid on capital debt	(62,468)	(27,643)	(90,111)	-
Principal paid on capital debt	(151,600)	-	(151,600)	-
Net cash used in capital and related financial activities	<u>(235,643)</u>	<u>(27,643)</u>	<u>(263,286)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchases of investments	-	-	-	(56,799)
Investment income	<u>40,496</u>	<u>-</u>	<u>40,496</u>	<u>201,463</u>
Net cash provided by investing activities	<u>40,496</u>	<u>-</u>	<u>40,496</u>	<u>144,664</u>
Net increase (decrease) in cash and cash equivalents	12,852	-	12,852	(1,319,484)
Cash and cash equivalents, beginning of year	<u>662,199</u>	<u>-</u>	<u>662,199</u>	<u>1,346,010</u>
Cash and cash equivalents, end of year	<u><u>\$ 675,051</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 675,051</u></u>	<u><u>\$ 26,526</u></u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (809,016)	\$ 49,046	\$ (759,970)	\$ (619,115)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	588,445	151,726	740,171	-
Changes in assets and liabilities:				
Receivables	307,619	-	307,619	(7,105)
Accounts payable	(11,788)	(285)	(12,073)	221,600
Accrued liabilities	-	-	-	109,016
Unearned revenue	-	-	-	(195)
Net cash provided by (used in) operating activities	<u><u>\$ 75,260</u></u>	<u><u>\$ 200,487</u></u>	<u><u>\$ 275,747</u></u>	<u><u>\$ (295,799)</u></u>

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

**TOWN OF NEWTOWN, CONNECTICUT**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**AS OF JUNE 30, 2019**

	<b>Pension and Other Post- Employment Benefits Trust Funds</b>	<b>Private Purpose Trust Fund Sandy Hook Private Purpose Trust Fund</b>	<b>Agency Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 107,627	\$ -	\$ 844,521
Investments:			
Certificates of deposit	-	-	192,731
Bond mutual funds	16,869,532	-	-
Equity mutual funds	31,258,343	-	-
Receivables	1,130	-	-
Total assets	<u>48,236,632</u>	<u>-</u>	<u>\$ 1,037,252</u>
<b>LIABILITIES</b>			
Accounts payable	-	-	\$ -
Due to others	-	-	1,037,252
Total liabilities	<u>-</u>	<u>-</u>	<u>\$ 1,037,252</u>
<b>NET POSITION</b>			
Restricted for:			
OPEB benefits	2,806,303	-	
Pension benefits	45,430,329	-	
Total net position	<u>\$ 48,236,632</u>	<u>\$ -</u>	

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

**TOWN OF NEWTOWN, CONNECTICUT**  
**STATEMENT OF CHANGES**  
**IN FIDUCIARY NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Pension and Other Post- Employment Benefits Trust Funds</b>	<b>Private Purpose Trust Fund Sandy Hook Private Purpose Trust Fund</b>
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 2,953,829	\$ -
Plan members	569,404	-
Total contributions	<u>3,523,233</u>	<u>-</u>
Investment earnings:		
Interest and dividends	1,167,513	-
Net change in the fair value of investments	<u>1,337,515</u>	<u>-</u>
	2,505,028	-
Less investment fees	<u>(44,765)</u>	<u>-</u>
Total investment earnings	<u>2,460,263</u>	<u>-</u>
Total additions	<u>5,983,496</u>	<u>-</u>
<b>DEDUCTIONS</b>		
Benefit payments	2,802,036	-
Awards expense	-	28,657
Administrative expenses	68,430	-
Total deductions	<u>2,870,466</u>	<u>28,657</u>
Change in net position	3,113,030	(28,657)
Net position - beginning	<u>45,123,602</u>	<u>28,657</u>
Net position - ending	<u>\$ 48,236,632</u>	<u>\$ -</u>

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

**TOWN OF NEWTOWN, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2019**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**Financial Reporting Entity**

The Town of Newtown, Connecticut, was incorporated on October 11, 1711, and covers an area of 60 square miles. The Town operates under a Board of Selectmen/Board of Finance/Legislative Council/Town referendum form of government as prescribed by the Connecticut General Statutes and its charter, which was adopted in 1961 and amended in 2016. 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 services and education encompassing grades Pre-K through 12th grade.

The legislative power of the Town is with the Board of Selectmen, Legislative Council and Town referendum. The Legislative Council may enact, amend or repeal ordinances and resolutions. The Board of Finance is responsible for financial and taxation matters as prescribed by Connecticut General Statutes and is responsible for presenting fiscal operating budgets to the Legislative Council for approval at Town referendum.

Accounting principles generally accepted in the United States of America require that the reporting entity include, the primary government, organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The Town has determined that there are no agencies or entities, which should be presented within the Town's financial statements based on these criteria.

**Related Organizations**

The C.H. Booth Library is a 501(c)3 not-for-profit organization that operates within the Town of Newtown. The First Selectman of the Town, with approval of the Board of Selectmen, appoints eight of the sixteen members of the Library's Board of Trustees. The Town owns the building and supports the operations of the Library through annual appropriations from its General Fund. The amount paid to the Library by the Town for the year ended June 30, 2019 totaled \$1,351,873.

**Government-wide and Fund Financial Statements**

**Government-wide Financial Statements**

The statement of net position and the statement of activities display information about the Town and include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Interfund services provided and used are not eliminated in the process of consolidation. The statements are intended to distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.



**TOWN OF NEWTOWN, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)***

**Government-wide and Fund Financial Statements *(Continued)***

**Government-wide Financial Statements *(Continued)***

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

**Fund Financial Statements**

The fund financial statements provide information about the Town's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds and enterprise funds, each displayed in a separate column. All remaining governmental funds and enterprise funds are aggregated and reported as nonmajor funds.

The Town reports the following major governmental funds:

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

**Bonded Projects Fund** - This fund is used to account for the financial activity of capital projects financed with debt proceeds.

The Town reports the following major proprietary funds:

**Sewer Fund** - This fund is used to account for the activities of the Town's sewer operations.

**Water Fund** - This fund is used to account for the activities of the Town's water operations.

In addition, the Town reports the following proprietary and fiduciary fund types:

**Internal Service Fund** - This fund accounts for activities that provide goods or services to other funds, departments, or agencies of the Town on a cost-reimbursement basis. The Town utilizes an internal service fund to account for medical and dental self-insurance activities.

**Pension and Other Post-Employment Benefits Trust Funds** - These funds are used to account for resources held in trust for the members and beneficiaries of the Town's retirement and other post-employment benefit plans.

**Private Purpose Trust Funds** - This fund type is used to account for trust arrangements under which principal and income benefit individuals, private organizations, or other governments. There is no requirement that any portion of the resources be preserved as capital.

**Agency Funds** - These funds are used to account for resources held by the Town in a purely custodial capacity.

**TOWN OF NEWTOWN, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2019**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and 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 revenue as soon as all eligibility requirements imposed by the provider have been met.

The 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. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital lease are reported as other financing sources.

Property taxes and interest have been recognized as revenues in the current fiscal year to the extent amounts have been collected by the end of the fiscal year. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the year or within the availability period for this revenue source (within one year of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received or is available to be received during the period or within the availability period for this revenue source (within one year of end). All other revenue items are considered to be measurable and available only when the cash is received.

The proprietary, pension trust, other post-employment benefits trust, and private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency funds have no measurement focus but utilize the accrual basis of accounting for reporting assets and liabilities.

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 connections with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's enterprise funds consist of sewer and water charges and premiums for medical and dental benefits. Operating expenses of the Town's enterprise fund include the cost of operations and maintenance, administrative expenses, and depreciation of capital assets. The principal operating revenues of the Town's internal service fund consist of charges for premiums. Operating expenses of the Town's internal service fund consist of claims incurred and administrative expenses. Revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**TOWN OF NEWTOWN, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)***

**Implementation of New Accounting Standards**

Effective July 1, 2018, the Town adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt. The adoption of this statement did not have a material effect on the Town's financial statements.

Effective July 1, 2018, the Town adopted the provisions of GASB Statement No. 83, *Certain Asset Retirement Obligations*. GASB Statement No. 83 addresses accounting and financial reporting for certain asset retirement obligations (AROs). The Statement established criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs. The adoption of this statement did not have a material effect on the Town's financial statements.

**Adjustments to Amounts Reported in Previously Issued Financial Statements:**

The Town has reported the following adjustments to the beginning net position as of July 1, 2018:

	<b>Business-Type Activities</b>	<b>Sewer Fund</b>
Net position - beginning, as originally reported	\$ 32,089,059	\$ 31,004,242
Adjustment to properly present sewer assessment receivable	<u>(425,300)</u>	<u>(425,300)</u>
Net position - beginning, as adjusted	<u>\$ 31,663,759</u>	<u>\$ 30,578,942</u>

The effect of the above adjustments on the prior year changes in net position and fund balances are not readily determinable.

**Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance**

**Cash and Cash Equivalents**

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

**Investments**

Investments are measured by the Town at fair value (generally based on quoted market prices), except for investments in certain external investment pools as described below.

**TOWN OF NEWTOWN, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)***

**Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance *(Continued)***

**Investments *(Continued)***

Investments in certain external investment pools consist of money market mutual funds, hedge funds and the Short-Term Investment Fund (STIF), which is managed by the State of Connecticut Treasurer's Office. Investments in these types of funds, which are permitted to measure their investment holdings at amortized costs, are measured by the Town at the net asset value per share as determined by the fund.

**Donor-Restricted Endowments**

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

**Property Taxes**

Property taxes are assessed as of October 1. Real estate and personal property taxes are billed in the following July and are due in two installments, July 1 and January 1. Motor vehicle taxes are billed in July and are due in one installment, July 1, and supplemental motor vehicle taxes are due in full January 1. Taxes become delinquent thirty days after the installment is due. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date. Based on historical collection experience and other factors, the Town has established an allowance for uncollectible taxes and interest as of June 30, 2019 of \$212,000 and \$318,000, respectively.

**Sewer and Water Charges**

The Town operates a centralized wastewater treatment system and a potable water system. Upon completion of projects, assessments are levied and assess to users annually over a twenty year period. Usage charges are billed either annually or semi-annually depending upon the type of customer. Assessments and usage charges are due and payable within thirty days and delinquent amounts are subject to interest at prevailing rates. Liens are filed on all properties until the assessment is paid in full. Based on historical collection experience and other factors, the Town has established an allowance for uncollectible assessment and usage charges of \$79,000 and \$5,000 as of June 30, 2019, respectively.

**Loans**

The Town administers a federally funded residential rehabilitation loan program for low to moderate income families. The loans do not accrue interest and repayment of the loans is deferred. The loans become due and payable upon sale or transfer of the property, the owner's demise, or when the subject property is no longer the applicant's principal place of residence. The loans may be paid in full or in part by the borrower at any time without penalty. As of June 30, 2019, loans receivable totaled \$242,542 under this program.

**TOWN OF NEWTOWN, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)***

**Assets, Liabilities, Deferred Outflows and Inflows of Resources and Net Position/Fund Balance *(Continued)***

**Capital Assets**

Capital assets, which include property, buildings, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and proprietary fund financial statements. Capital assets are defined by the Town 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, when purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of a capital asset or materially extend capital asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred net of interest earned on project specific debt during the construction phase of capital assets of business-type activities and enterprise funds are included as part of the capitalized cost of the assets constructed.

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

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

Capital assets acquired under capital lease are amortized over the life of the lease term or estimated useful life of the asset, as applicable.

**Unearned Revenue**

This liability represents resources that have been received but not yet earned.

**Deferred Outflows and Inflows of Resources**

Deferred outflows and inflows of resources represent either an acquisition or consumption of net position that applies to a future period(s) and so will not be recognized as an outflow or inflow of resources until that time.

Deferred outflows of resources consist of deferred charges on refundings and deferred charges on pension and OPEB expenses reported in the government-wide financial statements. Deferred charges on refundings resulted from the difference in the carrying value of refunded debt and its reacquisition price. This amount has been deferred and is being amortized over the life of the related debt. Deferred charges on pension and OPEB expenses result from certain changes in the Town's net pension and OPEB liabilities and are being amortized as a component of pension and OPEB expense on a systematic and rational basis.

**TOWN OF NEWTOWN, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)***

**Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance *(Continued)***

**Deferred Outflows and Inflows of Resources**

Deferred inflows of resources consist of revenues that are considered unavailable under the modified accrual basis of accounting and deferred charges on pension and OPEB expenses. Unavailable revenue is reported in the governmental funds financial statements. These amounts are deferred and recognized as inflows of resources in the period that the amounts become available. Deferred charges on pension and OPEB expenses are reported in the government-wide financial statements. Deferred charges on pension and OPEB expenses result from certain changes in the Town's net pension and OPEB liabilities and are being amortized as a reduction of pension and OPEB expense on a systematic and rational basis.

**Compensated Absences**

Employees of the Town and Board of Education earn sick leave, which can accumulate, and vacation leave based on the provisions of negotiated contracts or other personnel policies. Accumulated sick leave do not vest and the payment of nonvesting accumulated sick pay depends on the future illness of the employee and, therefore, no liability has been accrued for in the financial statements. Expenditures for compensated absences are recognized in the governmental fund financial statements in the current year to the extent they are paid during the year, or the vested amount is expected to be paid with available resources. All compensated absences are accrued when incurred in the government-wide, proprietary fund and fiduciary fund financial statements. Expenditures for compensated absences are recognized in the governmental fund financial statements in the current year to the extent they have matured (i.e. due to resignation or retirement).

**Long-term Obligations**

In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed when incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts 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.

**Net Position and Fund Balance**

The government-wide statement of net position presents the Town's assets, deferred outflows and inflows of resources and liabilities, with net position as the residual of these other elements. Net position is reported in three categories:

***Net investment in capital assets*** - This component of net position consists of capital assets, net of accumulated depreciation and amortization and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement of capital assets.

**TOWN OF NEWTOWN, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)***

**Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Balance *(Continued)***

**Net Position and Fund Balance *(Continued)***

***Restricted net position*** - This component of net position consists of amounts restricted either through external restrictions imposed by creditors, grantors, contributors, and the like, or through restrictions imposed by law through constitutional provisions or enabling legislation.

***Unrestricted net position*** - This component of net position is the net amount of the assets, liabilities, and deferred outflows/inflows of resources which do not meet the definition of the two preceding categories.

The Town's governmental funds report the following fund balance categories:

***Nonspendable*** - Amounts that cannot be spent because they are not in spendable form or they are legally or contractually required to be maintained intact.

***Restricted*** - Constraints are placed on the use of resources that are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through enabling legislation.

***Committed*** - Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the highest level of decision making authority of the Town and cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same formal action. Commitments may be established, modified, or rescinded through resolutions approved by the Board of Finance/Legislative Council.

***Assigned*** - Amounts are constrained by the government's intent to be used for specific purposes, but are not restricted or committed. Amounts may be constrained to be used for a specific purpose by a governing board or body or official that has been delegated authority to assign amounts. Intent is expressed by the passing of a resolution by the Board of Finance/Legislative Council or from a properly approved purchase order.

***Unassigned*** - Residual classification for the General Fund or amounts necessary in other governmental funds to eliminate otherwise negative fund balance amounts in the other four categories.

***Net Position Flow Assumption***

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

***Fund Balance Flow Assumption***

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy, when committed, assigned and unassigned resources are available for use, that the Town will use committed resources first, then assigned resources and then unassigned resources as they are needed.

**TOWN OF NEWTOWN, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)***

**Interfund Activities**

Interfund activities are reported as follows:

**Interfund Receivables and Payables**

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). All other outstanding balances between funds are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

**Interfund Services Provided and Used**

Sales and purchases of goods and services between funds for a price approximating their external exchange value are reported as revenues and expenditures, or expenses, in the applicable funds.

**Interfund Transfers**

Interfund transfers represent flows of assets without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and other financing sources in the funds receiving transfers. In proprietary funds, transfers are reported after non-operating revenues and expenses.

**Interfund Reimbursements**

Interfund reimbursements represent repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.



**TOWN OF NEWTOWN, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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**NOTE 2 - CASH DEPOSITS AND INVESTMENTS**

**Cash Deposits**

A reconciliation of the Town's cash deposits as of June 30, 2019 is as follows:

Government-wide statement of net position:	
Cash and cash equivalents	\$ 23,259,416
Statement of fiduciary net position:	
Cash and cash equivalents	<u>952,148</u>
	24,211,564
 Add: non-negotiable certificates of deposit presented as investments	 3,597,760
Less: investments presented as cash equivalents	<u>(6,100,208)</u>
	<u><u>\$ 21,709,116</u></u>

**Custodial Credit Risk**

Custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2019, \$21,333,130 of the Town's bank balance of \$22,583,130 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 19,199,817
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	<u>2,133,313</u>
	<u><u>\$ 21,333,130</u></u>

All of the Town's deposits were in qualified public institutions as defined by Connecticut state statute. Under this statute, any bank holding public deposits must at all times maintain, segregated from its other assets, eligible collateral in an amount equal to a certain percentage of its public deposits. The applicable percentage is determined based on the bank's risk-based capital ratio. The amount of public deposits is determined based on either the public deposits reported on the most recent quarterly call report, or the average of the public deposits reported on the four most recent quarterly call reports, whichever is greater. The collateral is kept in the custody of the trust department of either the pledging bank or another bank in the name of the pledging bank.

**Investments**

A reconciliation of the Town's investments as of June 30, 2019 is as follows:

Government-wide statement of net position:	
Investments	\$ 16,637,017
Statement of fiduciary net position:	
Investments	<u>48,320,606</u>
	64,957,623
 Less: non-negotiable certificates of deposit presented as investments	 (3,597,760)
Add: investments presented as cash equivalents	<u>6,100,208</u>
	<u><u>\$ 67,460,071</u></u>

**TOWN OF NEWTOWN, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS (Continued)**

**Investments (Continued)**

As of June 30, 2019, the Town's investments consist of the following:

Investment Type	Valuation Basis	Value	Investment Maturities (In Years)			
			Less Than 1	1 to 5	6 to 10	More Than 10
Debt Securities:						
Governmental Activities:						
Short-Term Investment Fund	Net asset value	\$ 5,981,084	\$ 5,981,084	\$ -	\$ -	\$ -
Money market mutual funds	Net asset value	11,497	11,497	-	-	-
Certificates of deposits	Fair Value	11,775,067	3,231,204	8,543,863	-	-
Fiduciary Funds:						
Money market mutual funds	Net asset value	107,627	107,627	-	-	-
		17,875,275	\$ 9,331,412	\$ 8,543,863	\$ -	\$ -
Other Investments:						
Governmental Activities:						
Mutual funds	Fair Value	1,386,909				
Hedge funds	Net asset value	70,012				
Fiduciary Funds:						
Mutual funds	Fair Value	48,127,875				
		\$ 67,460,071				

**Interest Rate Risk**

The Town does not have a formal investment policy that limits Town investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, its practice is to structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

**Credit Risk**

The Town has no investment policy that would further limit its investment choices beyond those limited by Connecticut state statutes. Connecticut state statutes permit the Town to invest in obligations of the United States, including its instrumentalities and agencies; in obligations of any state or of any political subdivision, authority or agency thereof, provided such obligations are rated within one of the top two rating categories of any recognized rating service; or in obligations of the State of Connecticut or of any political subdivision thereof, provided such obligations are rated within one of the top three rating categories of any recognized rating service.

**TOWN OF NEWTOWN, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS *(Continued)***

**Investments *(Continued)***

The Town's investments in debt securities, whose ratings are required to be disclosed, were rated by Standard & Poor's as follows:

<u>Investment Type</u>	<u>AAA</u>	<u>Unrated</u>
Debt Securities:		
<i>Governmental Activities:</i>		
Short-Term Investment Fund	\$ 5,981,084	\$ -
Money market mutual funds	-	11,497
Certificates of deposits	-	11,775,067
<i>Fiduciary Funds:</i>		
Money market mutual funds	-	107,627

**Custodial Credit Risk**

For an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town's investments in external investment pools and mutual funds are not evidenced by securities and are therefore not exposed to custodial credit risk. The Town's other investments are held in book entry form in the name of the Town and are therefore also not exposed to custodial credit risk.

**Concentrations of Credit Risk**

The Town's policy states credit risk will be minimized by limiting investments to the safest types of securities and pre-qualifying the financial institution with which the Town will do business. The Town is only allowed to invest in those types of investments that are covered by the state of Connecticut Municipal Investment Act. The investment portfolio must be diversified so that potential losses on individual securities will be minimized. As of June 30, 2019, more than 10% of the Town's investments were invested in the following:

<u>Issuer</u>	<u>Investment</u>	<u>Value</u>	<u>% of Investments</u>
<i>Governmental Activities:</i>			
State of CT Treasurer	Short-Term Investment Fund	\$ 5,981,084	31.1%
<i>Fiduciary Funds:</i>			
Vanguard	Developed Markets Index Fund Institutional Shares	14,061,870	29.2%
Vanguard	Extended Market Index Fund Admiral Shares	4,838,243	10.0%
Vanguard	Institutional Index Fund Institutional Shares	12,358,231	25.6%
Vanguard	Total Bond Market Index	16,869,532	35.0%

**TOWN OF NEWTOWN, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 3 - FAIR VALUE MEASUREMENTS**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, as of the measurement date. Authoritative guidance establishes a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (also referred to as observable inputs). The Town classifies its assets and liabilities measured at fair value into Level 1 (securities valued using quoted prices from active markets for identical assets), Level 2 (securities not traded on an active market for which market inputs are observable, either directly or indirectly, and Level 3 (securities valued based on unobservable inputs). Assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

The Town's financial assets that are accounted for at fair value on a recurring basis as of June 30, 2019, by level within the fair value hierarchy are presented in the table below.

<b>Financial Assets Measured at Fair Value</b>	<b>Prices in Active Market (Level 1)</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Significant Unobservable Inputs (Level 3)</b>
<i>Governmental Activities:</i>			
Certificates of deposits	\$ -	\$ 11,775,067	\$ -
Mutual funds	1,386,909	-	-
<i>Fiduciary Funds:</i>			
Mutual funds	48,127,875	-	-
	<u>\$ 49,514,784</u>	<u>\$ 11,775,067</u>	<u>\$ -</u>

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

**TOWN OF NEWTOWN, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity for governmental activities for the year ended June 30, 2019 consisted of the following:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Governmental Activities</b>					
Capital assets, not being depreciated:					
Land	\$ 26,449,426	\$ 1,829,590	\$ -	\$ -	\$ 28,279,016
Intangible assets	3,687,270	-	-	-	3,687,270
Construction in progress	17,080,246	19,641,590	-	(6,277,430)	30,444,406
Total capital assets, not being depreciated	47,216,942	21,471,180	-	(6,277,430)	62,410,692
Capital assets, being depreciated:					
Buildings and systems	210,757,741	796,638	-	4,349,768	215,904,147
Land improvements	23,527,806	224,747	-	-	23,752,553
Machinery and equipment	13,867,877	896,507	(286,878)	-	14,477,506
Vehicles	11,361,138	430,488	(756,709)	1,413,080	12,447,997
Infrastructure	71,018,672	165,960	-	514,582	71,699,214
Total capital assets, being depreciated	330,533,234	2,514,340	(1,043,587)	6,277,430	338,281,417
Less accumulated depreciation and amortization for:					
Buildings and systems	33,379,224	2,854,949	-	(24,117)	36,210,056
Land improvements	8,050,858	898,219	-	-	8,949,077
Machinery and equipment	8,587,952	424,211	(255,703)	24,117	8,780,577
Vehicles	5,963,005	616,985	(589,081)	-	5,990,909
Infrastructure	16,819,833	1,013,849	-	-	17,833,682
Total accumulated depreciation and amortization	72,800,872	5,808,213	(844,784)	-	77,764,301
Total capital assets, being depreciated, net	257,732,362	(3,293,873)	(198,803)	6,277,430	260,517,116
Governmental activities capital assets, net	<u>\$ 304,949,304</u>	<u>\$ 18,177,307</u>	<u>\$ (198,803)</u>	<u>\$ -</u>	<u>\$ 322,927,808</u>

Depreciation and amortization expense was charged to functions of the Town as follows:

<b>Governmental Activities:</b>	
General government	\$ 718,500
Public safety	325,860
Public works	1,255,598
Health and welfare	20,018
Park and recreation	780,723
Education	2,707,514
Total depreciation and amortization expense - governmental activities	<u>\$ 5,808,213</u>

**TOWN OF NEWTOWN, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity for business-type activities for the year ended June 30, 2019 consisted of the following:

	Beginning Balance	Increases	Decreases	Transfers	Ending Balance
<b>Business-type Activities</b>					
Capital assets, not being depreciated:					
Land	\$ 1,000	\$ -	\$ -	\$ -	\$ 1,000
Construction in progress	195,020	21,574	-	-	216,594
Total capital assets, not being depreciated	<u>196,020</u>	<u>21,574</u>	<u>-</u>	<u>-</u>	<u>217,594</u>
Capital assets, being depreciated:					
Intangible assets	1,361,000	-	-	-	1,361,000
Plant and pumping stations	15,418,657	-	-	-	15,418,657
Sewer distribution system	23,232,801	-	-	-	23,232,801
Water distribution system	2,275,502	-	-	-	2,275,502
Equipment	674,848	-	-	-	674,848
Vehicles	173,006	-	-	-	173,006
Total capital assets, being depreciated	<u>43,135,814</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,135,814</u>
Less accumulated depreciation and amortization for:					
Intangible assets	956,349	43,352	-	-	999,701
Plant and pumping stations	5,759,780	334,307	-	-	6,094,087
Sewer distribution system	4,691,405	248,032	-	-	4,939,437
Water distribution system	1,226,818	86,316	-	-	1,313,134
Equipment	76,648	12,233	-	-	88,881
Vehicles	112,748	15,931	-	-	128,679
Total accumulated depreciation and amortization	<u>12,823,748</u>	<u>740,171</u>	<u>-</u>	<u>-</u>	<u>13,563,919</u>
Total capital assets, being depreciated, net	<u>30,312,066</u>	<u>(740,171)</u>	<u>-</u>	<u>-</u>	<u>29,571,895</u>
Business-type activities capital assets, net	<u>\$ 30,508,086</u>	<u>\$ (718,597)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 29,789,489</u>

Depreciation and amortization expense was charged to the enterprise funds of the Town as follows:

Business-Type Activities:	
Sewer	\$ 588,444
Water	<u>151,727</u>
Total depreciation and amortization expense - business-type activities	<u>\$ 740,171</u>

**TOWN OF NEWTOWN, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES**

Interfund receivable and payable balances at June 30, 2019 are as follows:

Receivable Fund	Payable Fund	Amount
<b>Governmental Funds:</b>		
General Fund	Water Fund	\$ 931,770
	Other Governmental Funds	972,014
		<u>1,903,784</u>
Bonded Projects Fund	General Fund	4,675,788
Other Governmental Funds	General Fund	4,184,468
		<u>\$ 10,764,040</u>
<b>Proprietary Funds:</b>		
Internal Service Fund	General Fund	<u>\$ 2,533,515</u>
<b>Business Type Activities Funds:</b>		
Sewer Fund	General Fund	64,929
	Water Fund	658,617
		<u>\$ 723,546</u>

Except as discussed below, the above balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

The Water Pollution Control Authority approved a loan from the Sewer Fund to the Water Fund. Interest is payable on amounts outstanding at an annual rate of 4.0%. It is anticipated that a portion of the balance, in the amount of \$658,617, due to the Sewer Fund from the Water Fund will not be repaid within one year. This amount has been presented as an advance as of June 30, 2019.

**NOTE 6 - INTERFUND TRANSFERS**

Interfund transfers for the year ended June 30, 2019 consisted of the following:

Transfers In	Transfers Out	Amount
<b>Governmental Funds:</b>		
General Fund	Other Governmental Funds	\$ 400,000
Other Governmental Funds	General Fund	1,483,216
	Bonded Projects Fund	66,115
		<u>1,549,331</u>
		<u>\$ 1,949,331</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**TOWN OF NEWTOWN, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 7 - LONG-TERM DEBT**

The applicable accounting standards define debt as a liability that arises from a contractual obligation to pay cash, or other assets that may be used in lieu of cash, in one or more payments to settle an amount that is fixed at the date the contractual obligation is established. For disclosure purposes, debt does not include accounts payable or leases, except for contracts reported as financed purchase of the underlying asset.

Changes in long-term debt for the year ended June 30, 2019, are as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities</b>					
Bonds payable:					
General obligation bonds	\$ 72,938,800	\$ 17,150,000	\$ (14,394,500)	\$ 75,694,300	\$ 6,806,800
Unamortized premiums	2,652,522	1,242,915	(601,052)	3,294,385	-
Total bonds payable	<u>75,591,322</u>	<u>18,392,915</u>	<u>(14,995,552)</u>	<u>78,988,685</u>	<u>6,806,800</u>
Notes from direct borrowings	221,582	-	(37,491)	184,091	38,307
Capital leases from direct borrowings	111,210	624,662	(167,703)	568,169	147,746
	<u>\$ 75,924,114</u>	<u>\$ 19,017,577</u>	<u>\$ (15,200,746)</u>	<u>\$ 79,740,945</u>	<u>\$ 6,992,853</u>
<b>Business-type Activities</b>					
Bonds payable:					
General obligation bonds	\$ 2,281,200	\$ -	\$ (150,500)	\$ 2,130,700	\$ 148,200
Unamortized premiums	34,820	-	(2,087)	32,733	-
Total bonds payable	<u>\$ 2,316,020</u>	<u>\$ -</u>	<u>\$ (152,587)</u>	<u>\$ 2,163,433</u>	<u>\$ 148,200</u>

Long-term debt above typically has been liquidated by the General Fund for governmental activities and the Sewer and Water Fund for business-type activities.



**TOWN OF NEWTOWN, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

**NOTE 7 - LONG-TERM DEBT *(Continued)***

**General Obligation Bonds and Notes from Direct Borrowings**

A summary of general obligation bonds and notes from direct borrowings outstanding at June 30, 2019 is as follows:

<b>Purpose of Bonds</b>	<b>Fiscal Date of Issue</b>	<b>Original Issue</b>	<b>Interest Rates</b>	<b>Fiscal Maturity Date</b>	<b>Amount Outstanding</b>
<b>Governmental Activities:</b>					
General obligation bonds:					
General Obligation Refunding Bonds	2010	\$ 13,320,000	2.0% - 5.0%	2020	\$ 545,000
General Obligation Refunding Bonds	2011	8,910,000	2.5% - 5.0%	2024	7,240,000
General Obligation Refunding Bonds	2012	15,300,000	1.0% - 4.0%	2027	5,790,300
General Obligation Bonds	2014	4,012,000	2.0% - 3.5%	2034	3,007,000
General Obligation Refunding Bonds	2015	17,620,000	2.375% - 5.0%	2031	14,530,000
General Obligation Bonds	2016	12,000,000	2.0% - 4.0%	2036	9,700,000
General Obligation Refunding Bonds	2016	2,295,000	3.0% - 4.0%	2022	1,370,000
General Obligation Bonds	2017	4,808,000	2.0% - 4.0%	2037	4,012,000
General Obligation Bonds	2018	13,000,000	2.0%-5.0%	2038	12,350,000
General Obligation Refunding Bonds	2019	6,750,000	3.0% - 5.0%	2032	6,750,000
General Obligation Bonds	2019	10,400,000	2.0%-5.0%	2039	10,400,000
					<u>75,694,300</u>
Notes from direct borrowings:					
Clean Water Fund Note	2003	516,000	2.10%	2023	120,033
Drinking Water Fund Note	2006	171,738	2.32%	2026	64,058
					<u>184,091</u>
					<u>\$ 75,878,391</u>
<b>Business-type Activities:</b>					
General obligation bonds:					
General Obligation Refunding Bonds	2012	\$ 75,000	1.0% - 4.0%	2020	\$ 9,700
General Obligation Bonds	2014	2,488,000	2.0% - 3.5%	2034	1,868,000
General Obligation Bonds	2017	282,000	2.0% - 4.0%	2037	253,000
					<u>\$ 2,130,700</u>

**TOWN OF NEWTOWN, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

**NOTE 7 - LONG-TERM DEBT *(Continued)***

**General Obligation Bonds and Notes from Direct Borrowings *(Continued)***

Annual debt service requirements to maturity on general obligation bonds and the notes from direct borrowings are as follows as of June 30, 2019:

Year ending June 30:	Governmental Activities				
	General Obligation Bonds		Notes from direct borrowings		Total
	Principal	Interest	Principal	Interest	
2020	\$ 6,806,800	\$ 2,657,619	\$ 38,307	\$ 3,626	\$ 9,506,352
2021	6,356,500	2,429,489	39,140	2,794	8,827,923
2022	6,542,000	2,164,119	39,991	1,942	8,748,052
2023	5,832,000	1,893,032	40,867	1,072	7,766,971
2024	6,322,000	1,630,768	10,135	491	7,963,394
2025-2029	23,377,000	5,325,847	15,651	289	28,718,787
2030-2034	13,625,000	2,273,493	-	-	15,898,493
2035-2039	6,833,000	556,147	-	-	7,389,147
	<u>\$ 75,694,300</u>	<u>\$ 18,930,514</u>	<u>\$ 184,091</u>	<u>\$ 10,214</u>	<u>\$ 94,819,119</u>

Year ending June 30:	Business-type Activities		
	General Obligation Bonds		
	Principal	Interest	Total
2020	\$ 148,200	\$ 60,263	\$ 208,463
2021	138,500	57,202	195,702
2022	138,000	54,122	192,122
2023	138,000	50,772	188,772
2024	138,000	47,267	185,267
2025-2029	693,000	180,396	873,396
2030-2034	695,000	76,822	771,822
2035-2039	42,000	2,905	44,905
	<u>\$ 2,130,700</u>	<u>\$ 529,749</u>	<u>\$ 2,660,449</u>

**Legal Debt Limit**

Connecticut General Statutes Section 7-374(b) provides that debt of the Town shall not exceed seven times base receipts, as defined in the Statute. Further, the Statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal and pension deficit. The Town did not exceed any of the statutory debt limitations at June 30, 2019.

**TOWN OF NEWTOWN, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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**NOTE 7 - LONG-TERM DEBT *(Continued)***

**General Obligation Bonds and Notes from Direct Borrowings *(Continued)***

**Authorized/Unissued Debt**

At June 30, 2019, the Town had authorized unissued debt as follows:

New Police Facility	\$ 10,706,000
Newtown HS Boilers/Lighting	2,702,000
High School Addition & Renovation	1,524,657
Hawleyville Sewer Extension	1,030,000
Road Improvements	1,000,000
Hawley Boiler/Lighting	783,200
Fairfield Hills Remediation / Demolition	315,000
Library Improvements	300,000
Sandy Hook Permanent Memorial	250,000
Bridge Program	210,000
Hawley School Roof	170,000
Middle Gate Roof	78,000
Treadwell Parking Lot	15,000
	<u>\$ 19,083,857</u>

**Refundings**

On March 26, 2019, the Town issued \$6,750,000 in general obligation refunding bonds with an average interest rate of 4.83% to refund \$7,695,000 of outstanding 2012 general obligation bonds, with an average interest rate of 2.75%. The transaction generated a cash flow savings of \$314,592 and an economic gain (difference between the present values of the debt service payments of the old and the new bonds) of \$228,405.

The Town has also advanced refunded general obligation bonds in prior years. The difference between the reacquisition prices (the amounts placed in escrow) and the net carrying amounts of the refunded bonds have resulted in deferred charges on refundings in the amount of \$929,511, including a deferred charge on refunding recognized in the current year of \$159,999. These amounts, net of accumulated amortization of \$1,161,386 have been presented as deferred outflows of resources in the government-wide financial statements and are being amortized to interest expense using the effective-interest method over the life of the new bonds. Amortization of deferred charges on refundings totaled \$97,757 for the year ended June 30, 2019.

The net proceeds from the issuance of the general obligation bonds were deposited with an escrow agent in an irrevocable escrow fund. The proceeds were used to buy a portfolio of non-callable direct obligations of, or obligations guaranteed by the United States of America, to provide all future debt service payments on the refunded bonds. The refunded bonds are considered defeased and the liability for the bonds has been removed from the government-wide statement of net position.

**TOWN OF NEWTOWN, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

**NOTE 7 - LONG-TERM DEBT *(Continued)***

**Capital Leases from Direct Borrowings**

Capital leases from direct borrowings include non-appropriation clauses and provide the obligor with a security interest in the underlying equipment in the event of default.

A summary of assets acquired through capital leases is as follows as of June 30, 2019:

	<b>Governmental Activities</b>
Equipment	\$ 834,502
Less: accumulated amortization	126,103
	<u>\$ 708,399</u>

Amortization expense relative to leased property under capital leases totaled \$30,328 for the year ended June 30, 2019 and is included in depreciation and amortization expense disclosed in Note 4.

Future minimum lease obligations and the net present value of the minimum lease payments as of June 30, 2019 is as follows:

	<b>Governmental Activities</b>
Year Ending June 30:	
2020	\$ 147,746
2021	147,746
2022	147,745
2023	124,932
Total minimum lease payments	568,169
Less: amount representing interest	-
Present value of minimum lease payments	<u>\$ 568,169</u>

**NOTE 8 - OTHER LONG-TERM LIABILITIES**

Changes in other long-term liabilities for the year ended June 30, 2019 are as follows:

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Increases</b>	<b>Decreases</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Compensated absences	\$ 1,038,023	\$ 1,296,666	\$ (1,325,635)	\$ 1,009,054	\$ 102,000
Termination benefits	64,000	-	(32,000)	32,000	24,000
Landfill post-closure care liability	119,000	-	(17,000)	102,000	17,000
Net pension liability	15,514,268	64,530	-	15,578,798	-
Net OPEB liability	6,729,770	-	(1,595,962)	5,133,808	-
	<u>\$ 23,465,061</u>	<u>\$ 1,361,196</u>	<u>\$ (2,970,597)</u>	<u>\$ 21,855,660</u>	<u>\$ 143,000</u>

**TOWN OF NEWTOWN, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2019**

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**NOTE 8 - OTHER LONG-TERM LIABILITIES (Continued)**

**Landfill Post-Closure Care Liability**

The Town landfill has been closed since 1995. State and federal laws and regulations require landfill closures to meet certain standards. Monitoring costs for the next 6 years are estimated to be \$17,000 per year. This amount is based on estimates, which are subject to change due to inflation, technology or applicable laws and regulations.

**Termination Benefits**

The Town's Board of Education provides special termination benefits to former employees in the form of an early retirement incentive. No new arrangements were entered into during the year. Payments made on existing arrangements totaled \$32,000 for the year ended June 30, 2019. As of June 30, 2019, the Town's liability for early retirement incentives totaled \$32,000.

Future annual payments on early retirement incentives as of June 30, 2019 are as follows:

	<b>Governmental Activities</b>
Year Ending June 30:	
2020	\$ 24,000
2021	8,000
Total payments	<u>\$ 32,000</u>

**NOTE 9 - EMPLOYEE RETIREMENT PLANS**

**Pension Trust Fund**

**Plan Description**

***Plan Administration***

The Town administers two single-employer defined benefit pension plans (the Town of Newtown Employees' Pension Plan and the Town of Newtown Police Officers Pension Plan, collectively referred to as the "Town Plan"), which provides pensions for all permanent full-time employees of the Town and police officers. Both of the pension plans grant the authority to establish and amend benefit terms to the Board of Selectmen. Management of the plan is vested in the Pension Committee, which consists of several employees or individuals appointed by the Board of Selectmen. The Town currently maintains one Pension Trust Fund. All assets accumulated in the Pension Trust Fund for the payment of benefits may legally be used to pay benefits to participants of either plan. As such, the Town reports information about both plans as one defined benefit plan. The Town Plan is considered to be part of the Town's financial reporting entity. The Town Plan does not issue a publicly available financial report and is not included in the financial statements of another entity.

**Summary of Significant Accounting Policies**

The Town Plan is accounted for using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Town Plan are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Town Plan.

**TOWN OF NEWTOWN, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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**NOTE 9 - EMPLOYEE RETIREMENT PLANS *(Continued)***

**Pension Trust Fund *(Continued)***

**Summary of Significant Accounting Policies *(Continued)***

*Investments* - Investments are generally reported at fair value, except for investments in external investment pools. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investment income is recognized when earned and gains and losses on sales or exchanges are recognized on the transaction date. Investments in external investment pools, which are permitted to measure their investment holdings at amortized costs, are measured by the Plan at the net asset value per share as determined by the pools.

*Investment policy* - The Town's policy in regard to the allocation of invested assets is established and may be amended by the Pension Committee. The Town's Pension Committee pursues an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes, discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

*Concentrations* - As of June 30, 2019, more than 10.0% of the Town Plan's investments were invested in the following:

<u>Issuer</u>	<u>Investments</u>	<u>Value</u>	<u>% of Town Plan Investments</u>
Vanguard	Total Bond Market Index Admiral Shares	\$ 15,866,205	35%
Vanguard	Developed Markets Index Fund Institutional Shares	13,241,866	29%
Vanguard	Institutional Index Fund Institutional Shares	11,662,612	26%
Vanguard	Extended Market Index Fund Admiral Shares	4,565,721	10%

Positions in the above mutual funds do not typically result in concentration risks as these types of investments are designed, in part, to provide diversification.

*Rate of return* - For the year ended June 30, 2019, the annual money-weighted rate of return on the Town Plan's investments, net of pension plan investment expense was 5.22%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Plan Membership**

As of June 30, 2019, plan membership consisted of the following:

Retirees and beneficiaries receiving benefits	171
Terminated plan members entitled to but not yet receiving benefits	51
Active plan members	313
	<u>535</u>

**TOWN OF NEWTOWN, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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**NOTE 9 - EMPLOYEE RETIREMENT PLANS *(Continued)***

**Pension Trust Fund *(Continued)***

**Benefit Provisions**

*Town of Newtown Employees' Pension Plan* - The plan provides retirement, disability and death benefits to Board of Selectmen, uncertified Board of Education personnel, civilian police department personnel and certain employees of the Cyrenius H. Booth Library, the Children's Adventure Center, Inc. and the Newtown District Department of Health. Each employee may enter the plan after six months of full service. Retirement benefits for employees are calculated as the greater of a) the difference between 2.0% of the member's average annual salary times the member's years and months of credited service and 50.0% of the member's primary insurance amount or b) 1.15% of the member's average annual compensation times the member's years and months of credited service. Plan members upon completion of 30 years of service are eligible to retire at any age with full benefits, or at age 65 upon completion of 10 years of service.

All plan members are eligible for disability benefits after 10 years of service who are determined to have a total and permanent disability. Disability retirement benefits are determined in the same manner as retirement benefits, but are payable immediately without an actuarial reduction. Death benefits will be paid if a member dies prior to the normal retirement date equal to the member's contributions with credited interest. If a member dies after normal retirement date, the benefit will be determined under the form of payment then in effect.

A plan member who terminates employment with less than 10 years of credited services shall forfeit all rights to benefits under the plan except for the return of member contributions with credited interest, unless there is a separate vesting schedule set by union contract. In addition, department heads and deputy department heads who are not considered highly compensated employees shall be fully vested when they have completed five years of service.

The plan does not have any provisions for cost of living adjustments.

*Town of Newtown Police Officers' Pension Plan* - The plan provides retirement, disability and death benefits to police officers. Sworn police officers may enter the plan after six months of full time service. Retirement benefits for plan members are calculated as the greater of a) the difference between 2.25% of the member's average annual salary times the member's years and months of credit service and 50.0% of the member's primary insurance amount or b) 1.15% of the member's average annual compensation times the member's years and months of credited service. Plan members upon completion of 25 years of service are eligible to retire at any age with full benefits, or at age 60 upon completion of 10 years of service.

All plan members are eligible for disability benefits after 1 year of service who are determined to have a total permanent disability. Disability retirement benefits are determined in the same manner as retirement benefits; however, benefits are subject to a minimum of 25.0% of base salary and one of the following maximums: 1) job related disability paid at 85.0% of annual compensation less any other job related disability paid by the Town or 2) non-job related disability paid at 50.0% of annual compensation less any other job related disability paid by the Town. Death benefits will be paid if a member dies prior to the normal retirement date equal to the member's contributions with credited interest. If death is incurred in the line of duty, the benefit is equal to 50.0% of the member's accrued benefit based on credited service and annual compensation projected to the member's normal retirement date. If a member dies after normal retirement date, the benefit will be determined under the form of payment then in effect.

**TOWN OF NEWTOWN, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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**NOTE 9 - EMPLOYEE RETIREMENT PLANS *(Continued)***

**Pension Trust Fund *(Continued)***

**Benefit Provisions *(Continued)***

A plan member who terminates employment with 10 or more years of credited service prior to his normal, early or disability retirement date and who does not elect a refund of member contributions with credited interest, shall be vested in the accrued benefit payable at the normal retirement date. A member who is vested on his date of determination and elects a refund of member contributions and credited interest shall forfeit the entire accrued benefit. Such an election may be made any time prior to actual retirement.

Benefit terms provide for a grandfathered annual cost-of-living adjustment, which is being provided to three retired police officers/beneficiaries, in an amount equal to the less of 3.0% or 50.0% of the rate of the salary increases for new police officers.

**Contributions**

*Town of Newtown Employees' Pension Plan* - Plan participants are required to contribution 2.0% of their annual compensation to the plan. The Town is required to contribute the amount determined by the actuary, considering the participant's contributions.

*Town of Newtown Police Officers' Pension Plan* - Plan participants are required to contribution 5.0% of their annual compensation to the plan. The Town is required to contribute the amount determined by the actuary, considering the participant's contributions.

The Town's contribution to the Plan totaled \$2,243,901 and represented 12.20% of covered payroll.

**Net Pension Liability**

The components of the Town's net pension liability of the Town Plan at June 30, 2019, were as follows:

Total pension liability	\$ 60,899,586
Plan fiduciary net position	<u>45,320,788</u>
Net pension liability	<u>\$ 15,578,798</u>
Plan fiduciary net position as a percentage of the total pension liability	74.42%



**TOWN OF NEWTOWN, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

**NOTE 9 - EMPLOYEE RETIREMENT PLANS *(Continued)***

**Pension Trust Fund *(Continued)***

**Net Pension Liability *(Continued)***

The components of the change in the net pension liability of the Town Plan for the year ended June 30, 2019, were as follows:

	<b>Increase (Decrease)</b>		
	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a) - (b)</b>
Balance as of June 30, 2018	\$ 58,213,265	\$ 42,698,997	\$ 15,514,268
<b>Changes for the year:</b>			
Service cost	1,757,544	-	1,757,544
Interest	4,116,599	-	4,116,599
Differences between expected and actual experience	(863,332)	-	(863,332)
Contributions - employer	-	2,243,901	(2,243,901)
Contributions - employee	-	457,286	(457,286)
Net investment income	-	2,310,753	(2,310,753)
Benefit payments, including refunds	(2,324,490)	(2,324,490)	-
Administrative expense	-	(65,659)	65,659
<b>Net changes</b>	<u>2,686,321</u>	<u>2,621,791</u>	<u>64,530</u>
Balance as of June 30, 2019	<u>\$ 60,899,586</u>	<u>\$ 45,320,788</u>	<u>\$ 15,578,798</u>

*Actuarial assumptions* - The total pension liability for the Town Plan was determined by an actuarial valuation as of July 1, 2018, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.00%
Salary increases, including inflation	3.00%
Investment rate of return, including inflation, net of pension plan investment expense	7.00%
Discount rate	7.00%

**TOWN OF NEWTOWN, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

**NOTE 9 - EMPLOYEE RETIREMENT PLANS *(Continued)***

**Pension Trust Fund *(Continued)***

**Net Pension Liability *(Continued)***

Mortality rates were based on the SOA RP-2014 Male and Female Pre-and Post Retirement Mortality Tables, projected generationally using the MP-2017 projection scales.

The long-term expected rate of return on the Town Plan's investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Town Plan's target asset allocation as of June 30, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Core Fixed Income	35.00%	1.60%
U.S. Large Cap Equities	27.50%	5.00%
U.S. Small Cap Equities	7.50%	5.55%
Developed International Equities	30.00%	5.35%

*Discount rate* - The discount rate used to measure the total pension liability of the Town Plan was 7.0%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that the Town contributes at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Town Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Sensitivity of the net pension liability to changes in the discount rate* - The following presents the net pension liability of the Town Plan, calculated using the discount rate of 7.0% as well as what the Town Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0%) or 1-percentage-point higher (8.0%) than the current rate:

	<u>Discount Rate</u>		
	<u>1% Decrease</u>	<u>Current</u>	<u>1% Increase</u>
Town Plan's net pension liability as of June 30, 2019	\$ 23,608,884	\$ 15,578,798	\$ 8,917,224

**TOWN OF NEWTOWN, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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**NOTE 9 - EMPLOYEE RETIREMENT PLANS *(Continued)***

**Pension Trust Fund *(Continued)***

**Pension Expense and Deferred Outflows/Inflows of Resources**

For the year ended June 30, 2019, the Town recognized pension expense related to the Town Plan of \$3,727,780. At June 30, 2019, the Town reported deferred outflows and inflows of resources related to the Town Plan from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	<b>Net Deferred Outflows (Inflows) of Resources</b>
Difference between expected and actual experience	\$ 316,651	\$ (2,442,429)	\$ (2,125,778)
Changes of assumptions	2,625,158	-	2,625,158
Difference between projected and actual earnings on plan investments	625,049	-	625,049
Total	<u>\$ 3,566,858</u>	<u>\$ (2,442,429)</u>	<u>\$ 1,124,429</u>

Amounts reported as deferred outflows and inflows of resources related to the Town Plan will be recognized as a component of pension expense in future years as follows:

Year ended June 30,	<b>Amortization of Pension Expense</b>
2020	\$ 922,651
2021	229,421
2022	466,571
2023	(118,709)
2024	(319,243)
Thereafter	(56,262)
	<u>\$ 1,124,429</u>

**TOWN OF NEWTOWN, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

**NOTE 9 - EMPLOYEE RETIREMENT PLANS *(Continued)***

**Pension Trust Fund *(Continued)***

**Plan Financial Statements**

The following presents the statement of fiduciary net position and the statement of changes in fiduciary net position for the Town Plan as of and for the year ended June, 30 2019:

	<u>Town Plan</u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 92,795
Investments:	
Bond mutual funds	15,866,205
Equity mutual funds	29,470,199
Receivables	<u>1,130</u>
Total assets	<u>45,430,329</u>
<b>NET POSITION</b>	
Restricted for:	
Town Plan pension benefits	45,309,223
Other retirement benefits	<u>121,106</u>
	<u>\$ 45,430,329</u>
	<u>Town Plan</u>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 2,254,873
Plan members	<u>447,671</u>
Total contributions	<u>2,702,544</u>
Investment earnings:	
Interest and dividends	1,100,888
Net change in the fair value of investments	<u>1,260,798</u>
	2,361,686
Less investments fees	<u>(44,765)</u>
Total investment earnings	<u>2,316,921</u>
Total additions	<u>5,019,465</u>
<b>DEDUCTIONS</b>	
Benefit payments	2,325,891
Administrative expenses	<u>65,784</u>
Total deductions	<u>2,391,675</u>
Change in net position	2,627,790
Net position - beginning	<u>42,802,539</u>
Net position - ending	<u>\$ 45,430,329</u>

**TOWN OF NEWTOWN, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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**NOTE 9 - EMPLOYEE RETIREMENT PLANS *(Continued)***

**Connecticut State Teachers' Retirement System**

**Plan Description**

The faculty and professional personnel of the Town's Board of Education participates in the State of Connecticut's Teachers' Retirement System ("TRS"), which is a cost sharing multiple-employer defined benefit pension plan that provides retirement, disability, survivorship and health insurance benefits to plan members and their beneficiaries. The TRS is governed by Connecticut General Statute ("CGS") *Title 10, Chapter 167a* and is administered by the Connecticut State Teachers' Retirement Board (the "Board"). The TRS is included as a fiduciary pension trust fund in the State of Connecticut's Comprehensive Annual Financial Report and the Board issues publicly available financial reports. These reports can be obtained from the Connecticut Office of the State Comptroller.

**Benefit Provisions**

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

*Normal Retirement:* Retirement benefits for the employees are calculated as 2.0% of the average annual salary times the years of credited service (maximum benefit is 75.0% of average annual salary during the 3 years of highest salary). In addition, amounts derived from the accumulation of the 6.0% contributions made prior to July 1, 1989 and voluntary contributions are payable.

*Early Retirement:* Employees are eligible after 25 years of credited service with a minimum of 20 years of Connecticut service, or age 55 with 20 years of credited service with a minimum of 15 years of Connecticut service. Benefit amounts are reduced by 6.0% per year for the first five years preceding normal retirement age and 4.0% per year for the next five years preceding normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3.0% per year by which retirement precedes normal retirement date.

*Minimum Benefit:* Effective January 1, 1999, Public Act 98-251 provides a minimum monthly benefit of \$1,200 to teachers who retire under the normal retirement provisions and who have completed at least 25 years of full time Connecticut service at retirement.

*Disability Retirement:* There is no service requirement if incurred in the performance of duty. Employees are eligible for five years of credited service if not incurred in the performance of duty. Disability benefits are calculated as 2% of average annual salary times credited service to date of disability, but not less than 15% of average annual salary, nor more than 50% of average annual salary. In addition, disability benefits under this plan (without regard to cost-of-living adjustments) plus any initial award of Social Security benefits and workers' compensation cannot exceed 75% of average annual salary.

A plan member who leaves service and has attained 10 years of service will be entitled to 100% of the accrued benefit as of the date of termination of covered employment. Benefits are payable at age 60, and early retirement reductions are based on the number of years of service the member would have had if they had continued work until age 60.

*Pre-Retirement Death Benefit:* The plan also offers a lump-sum return of contributions with interest or surviving spouse benefit depending on length of service.

**TOWN OF NEWTOWN, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2019**

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**NOTE 9 - EMPLOYEE RETIREMENT PLANS (Continued)**

**Connecticut State Teachers' Retirement System (Continued)**

**Contributions**

Per CGS 10-183z, contribution requirements of active employees and the State are amended and certified by the Board and appropriated by the General Assembly. The contributions are actuarially determined as an amount that, when combined with employee contributions and investment earnings, is expected to finance the costs of the benefits earned by employees during the year, with any additional amounts to finance any unfunded accrued liability.

In accordance with CGS Section 10-183z, the Town does not and is not legally responsible to contribute to the plan as a special funding situation exists that requires the State to contribute 100% of an employer's contributions on-behalf of its participating municipalities at an actuarially determined rate. Effective January, 1, 2018, active employees are required to contribute 7.0%, previously 6.0%, of their annual earnings to the plan.

**Administrative Expenses**

Administrative costs of the plan are funded by the State.

**Basis of Presentation**

The collective net pension liability, deferred outflows and inflows of resources, and pension expense for the TRS has been measured as of June 30, 2018 based on an actuarial valuation performed as of June 30, 2018. Since the Town does not contribute directly to the TRS, the Town does not recognize its proportionate share of these amounts in its financial statements. The information determined as of the June 30, 2018 measurement date for the TRS has been utilized by the Town for reporting on-behalf revenues, expenditures and expenses for the year ended June 30, 2019 and for reporting the proportionate share of the collective net pension liability that is attributed to the Town as of June 30, 2019.

**Allocation Methodology**

The schedule of employer allocations for the TRS was calculated based upon the fiscal year 2018 expected contribution effort for each participating employer. The employer allocations were then applied to the net pension liability and pension expense to determine the amount applicable to each employer. For fiscal year 2018, the Town's expected contribution effort for allocation purposes totaled \$10,753,263 or 0.845% of the total expected contribution effort. The Town has recognized this amount as an on-behalf payment into the TRS as intergovernmental revenues and related education expenditures of the General Fund for the year ended June 30, 2019.

The components associated with the collective pension expense and deferred inflows and outflows of resources for the TRS have been determined based on the fiduciary net position as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut's Comprehensive Annual Financial Report as of and for the year ended June 30, 2018. The portion of the collective pension expense allocated to the Town totaled \$12,487,238.

The total collective net pension liability of participating employers for the TRS was approximately \$13.164 billion as of the June 30, 2018 measurement date. The portion attributed to the Town totaled \$111,262,401 or approximately 0.845% of the total collective net pension liability.

**TOWN OF NEWTOWN, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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**NOTE 9 - EMPLOYEE RETIREMENT PLANS *(Continued)***

**Connecticut State Teachers' Retirement System *(Continued)***

**Actuarial Assumptions**

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

Inflation	2.75%
Salary increases	3.25%-6.50%, including inflation
Investment rate of return	8.00%, net of pension plan investment expense, including inflation
Administrative expenses	\$0 assumption as expenses are paid for by the General Assembly

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

Future cost-of-living increases for teachers who retired prior to September 1, 1992, are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% per annum. For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%. For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

**Discount Rate**

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the State contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Long-Term Rate of Return**

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

**TOWN OF NEWTOWN, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

**NOTE 9 - EMPLOYEE RETIREMENT PLANS *(Continued)***

**Connecticut State Teachers' Retirement System *(Continued)***

**Long-Term Rate of Return *(Continued)***

Best estimates of arithmetic real rates of return for each major asset class included in the plan's target asset allocation are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Large Cap U.S. Equities	21.0%	5.8%
Developed Non-U.S. Equities	18.0%	6.6%
Emerging Markets (Non-U.S.)	9.0%	8.3%
Real Estate	7.0%	5.1%
Private Equity	11.0%	7.6%
Alternative investments	8.0%	4.1%
Core fixed income	7.0%	1.3%
High yield bonds	5.0%	3.9%
Emerging market bond	5.0%	3.7%
Inflation linked bond fund	3.0%	1.0%
Cash	6.0%	0.4%
	<u>100%</u>	

**Proportionate Share of the Collective Net Pension Liability**

The following presents the proportionate share of the collective net pension liability attributed to the Town as of the June 30, 2018 measurement date, calculated using a discount rate of 8.00%, as well as what the proportionate share of the net pension liability attributed to the Town would be if it were calculated using a discount rate that is 1-percentage point lower (7.00%) or 1-percentage-point higher (9.00%) than the current rate:

	<u>1% Decrease (7.00%)</u>	<u>Current Discount (8.00%)</u>	<u>1% Increase (9.00%)</u>
Proportionate share of the net pension liability attributed to the Town	\$ 140,615,436	\$ 111,262,401	\$ 86,439,418



**TOWN OF NEWTOWN, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2019**

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**NOTE 9 - EMPLOYEE RETIREMENT PLANS (Continued)**

**Defined Contribution Plans**

The Town administers two single employer defined contribution plans.

One plan covers certain elected officials and “at will” employees of the Town. This plan is included in the Town’s financial statements in the Pension Trust Fund. As of June 30, 2019, the net position available for benefits include \$121,106 of assets restricted for this plan. The Board of Selectmen approved and adopted this plan on July 7, 1986, and the Board has the authority to make changes to 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 January 1<sup>st</sup> following or coincident with their commencement of employment with the Town. A participant’s employer contribution account fully vests at age 50 or upon 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 6.0% of each participant’s compensation for the year and each participant is required to contribute 2.0% of their compensation. For the year ended June 30, 2019, employer contributions were \$10,972 and employee contributions totaled \$3,685.

The second plan is a 401(a) money purchase plan that was established in January 2014. This plan applies to the following groups:

- non-union employees hired on or after December 31, 2013
- park and recreation employees hired on or after June 30, 2014
- police officers hired on or after May 5, 2015
- emergency telecommunicators and police clerical staff hired on or after July 1, 2016
- education paraeducators hired on or after July 1, 2015
- education custodial and maintenance staff hired on or after December 15, 2015
- education secretaries hired on or after November 17, 2015
- education nurses hired on or after July 1, 2017

Police, non-union and park and recreation employees are required to contribute 5.0% of their compensation. The Town contributes 15.0% of each participant’s compensation for the year for police and 5.0% of each participant’s compensation for the year for all other employees. Participants are 100% vested after one year of service and entitled to benefits at age 59½ and are no longer employed by the Town. For the year ended June 30, 2019, employer contributions were \$235,398 and employee contributions totaled \$227,841.

**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS**

**Town and Board of Education Plan**

**Plan Description**

*Plan Administration* - The Town administers an Other Post-Employment Benefits Plan (the “OPEB Plan”), which is a single-employer defined benefit healthcare plan. The OPEB Plan provides medical and dental insurance benefits for eligible retirees and their spouses through the Town’s group insurance plans, which covers both active and retired members. The OPEB Plan is considered to be part of the Town’s financial reporting entity. The OPEB Plan does not issue a publicly available financial report and is not included in the financial statements of another entity.

**TOWN OF NEWTOWN, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

**Town and Board of Education Plan *(Continued)***

*Plan Membership* - As of July 1, 2018, the date of the most recent actuarial valuation, membership data was as follows:

Current retirees, beneficiaries, and dependents	24
Current active participants	450
	<u>474</u>

*Benefits Provided* - The plan provides for medical and dental insurance benefits for eligible retirees and their spouses. Benefit provisions are established by State Statutes or through negotiations between the Town and the unions representing Town employees, which are renegotiated each bargaining period. Currently, teachers retiring under the Connecticut State Teachers Retirement System are eligible to receive benefits. Normal retirement for teachers is the earlier of age 60 with 20 years of services, or completion of 35 years of service regardless of age.

*Contributions* - Contribution requirements of the plan members and the Town are established in the provisions of the program and in accordance with State Statutes. The Town funds these benefits through contributions to an Other Post-Employment Benefits Trust Fund. Town contributions are based on an actuarially determined amount. Active employees are not required to contribute to the plan, however, retirees are required to contribute 100% of their premium costs to the Town. For the year ended June 30, 2019, the Town's contribution totaled \$633,528, which represented 1.74% of covered-employee payroll.

**Summary of Significant Accounting Policies**

The OPEB Plan is accounted for using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the OPEB Plan are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the OPEB Plan.

**TOWN OF NEWTOWN, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

**Town and Board of Education Plan *(Continued)***

**Summary of Significant Accounting Policies *(Continued)***

*Investments* - Investments are generally reported at fair value, except for investments in external investment pools. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investment income is recognized when earned and gains and losses on sales or exchanges are recognized on the transaction date. Investments in external investment pools, which are permitted to measure their investment holdings at amortized costs, are measured by the OPEB Plan at the net asset value per share as determined by the pools.

*Investment policy* - The Town's policy in regard to the allocation of invested assets is established and may be amended by the Pension Committee. The Town's Pension Committee pursues an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes, discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans.

*Concentrations* - The OPEB Plan's investments consist solely of investments in various mutual funds and are therefore not exposed to concentrations of credit risk, as these investments are considered to be diversified by nature.

*Rate of return* - For the year ended June 30, 2019, the annual money-weighted rate of return on the OPEB Plan's investments, net of pension plan investment expense was 5.31%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Net OPEB Liability**

The Town's net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2018. The components of the net OPEB liability of the OPEB Plan as of June 30, 2019, were as follows:

Total OPEB liability	\$ 7,940,110
Plan fiduciary net position	<u>2,806,303</u>
Net OPEB liability	<u>\$ 5,133,807</u>
Plan fiduciary net position as a percentage of the total pension liability	35.34%

**TOWN OF NEWTOWN, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

**Town and Board of Education Plan *(Continued)***

**Net OPEB Liability *(Continued)***

The components of the change in the net OPEB liability of the Town's OPEB Plan for the year ended June 30, 2019, were as follows:

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balance as of June 30, 2018	\$ 9,195,376	\$ 2,465,606	\$ 6,729,770
<b>Changes for the year:</b>			
Service cost	310,817	-	310,817
Interest	625,860	-	625,860
Changes of benefit terms	-	-	-
Changes of assumptions and differences between expected and actual experience	(1,715,798)	-	(1,715,798)
Contributions - employer	-	633,528	(633,528)
Contributions - retirees' subsidies	-	42,617	(42,617)
Net investment income	-	140,697	(140,697)
Benefit payments	(476,145)	(476,145)	-
Other	-	-	-
<b>Net changes</b>	<u>(1,255,266)</u>	<u>340,697</u>	<u>(1,595,963)</u>
Balance as of June 30, 2019	<u>\$ 7,940,110</u>	<u>\$ 2,806,303</u>	<u>\$ 5,133,807</u>

*Actuarial Assumptions* – The Total OPEB liability in the July 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Investment rate of return	6.75%
Discount rate	6.75%
Inflation	2.60%
Healthcare cost trend rate:	
Initial	7.00%
Ultimate	4.60%

Mortality rates were based on the Pub-2010 Public Retirement Plans (with separate tables for Public Safety employees and Teachers) and for non-annuitants and annuitants, projected to the valuation date with Scale MP-2018.

Projections of benefits are based on the substantive plan (the plan as understood by the Town and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the Town and the 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 Town and plan members in the future. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

**TOWN OF NEWTOWN, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

**Town and Board of Education Plan *(Continued)***

**Net OPEB Liability *(Continued)***

The long-term expected rate of returns on OPEB Plan investments were determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB Plan's target asset allocation as of June 30, 2019 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return *</b>	<b>Weighting</b>
Core Fixed Income	35.00%	1.65%	0.58%
U.S. Large Cap Equities	27.50%	5.55%	1.53%
U.S. Small Cap Equities	7.50%	6.00%	0.45%
Developed Foreign Equities	30.00%	5.55%	1.67%

\* Long-term returns are provided by Fiduciary Investment Advisors. The returns are geometric means.

*Discount rate* - The discount rate used to measure the total OPEB liability was 6.75%. The projection of cash flows used to determine the discount rates assumed that plan member contributions will be made at the current contribution rates and that the Town's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the OPEB Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rates of return on the OPEB Plan's investments were applied to all periods of projected benefit payments to determine the OPEB Plan's total OPEB liability.

*Sensitivity of the net OPEB asset to changes in the discount rate* - The following presents the Town's net OPEB asset for the OPEB Plan, calculated using the discount rate disclosed above, as well as what the Town's net OPEB liability would be for the OPEB Plan if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<b>Discount Rates</b>		
	<b>1% Decrease (5.75%)</b>	<b>Current (6.75%)</b>	<b>1% Increase (7.75%)</b>
Net OPEB liability as of June 30, 2019	\$ 5,919,617	\$ 5,133,807	\$ 4,434,485

**TOWN OF NEWTOWN, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

**Town and Board of Education Plan *(Continued)***

**Actuarial Methods and Assumptions *(Continued)***

*Sensitivity of the net OPEB asset to changes in the healthcare cost trend rates* - The following presents the Town's net OPEB asset for the OPEB Plan, calculated using the discount rate disclosed above, as well as what the Town's net OPEB liability would be for the OPEB Plan if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	<b>Healthcare Cost Trend Rates</b>		
	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
Net OPEB liability as of June 30, 2019	\$ 4,224,906	\$ 5,133,807	\$ 6,205,283

**OPEB Plan Financial Statements**

The following presents the statements of fiduciary net position and the statement of changes in fiduciary net position for the Town's OPEB plan as of and for the year ended June 30, 2019.

	<b>Other Post-Employment Benefit Trust Fund</b>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 14,832
Investments:	
Bond mutual funds	1,003,327
Equity mutual funds	1,788,144
Total assets	<u>2,806,303</u>
<b>NET POSITION</b>	
Held in trust for other post-employment benefits	<u>2,806,303</u>
	<u><u>\$ 2,806,303</u></u>

**TOWN OF NEWTOWN, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

**Town and Board of Education Plan *(Continued)***

**OPEB Plan Financial Statements *(Continued)***

	<b>Post-Employment Benefit Trust Fund</b>
<b>ADDITIONS</b>	
Contributions:	
Employer	\$ 698,956
Employee	121,733
Total contributions	<u>820,689</u>
Investment earnings:	
Interest and dividends	66,625
Net change in the fair value of investments	<u>76,717</u>
	143,342
Less investments fees	<u>-</u>
Total investment earnings	<u>143,342</u>
Total additions	<u>964,031</u>
<b>DEDUCTIONS</b>	
Benefit payments	476,145
Administrative expenses	<u>2,646</u>
Total deductions	<u>478,791</u>
Change in net position	485,240
Net position - beginning	<u>2,321,063</u>
Net position - ending	<u><u>\$ 2,806,303</u></u>

**OPEB Expense and Deferred Outflows and Inflows of Resources**

For the year ended June 30, 2019, the Town recognized OPEB expense of \$578,100. As of June 30, 2019, the Town reported deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred (Inflows) of Resources</b>	<b>Net Deferred Outflows/ (Inflows) of Resources</b>
Difference between expected and actual experience	\$ -	\$ (1,986,106)	\$ (1,986,106)
Changes of assumptions	79,041	-	79,041
Difference between projected and actual earnings on OPEB plan investments	<u>16,222</u>	<u>-</u>	<u>16,222</u>
Total	<u><u>\$ 95,263</u></u>	<u><u>\$ (1,986,106)</u></u>	<u><u>\$ (1,890,843)</u></u>

**TOWN OF NEWTOWN, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

**OPEB Expense and Deferred Outflows and Inflows of Resources *(Continued)***

Year ended June 30,		
2020	\$	(142,893)
2021		(142,893)
2022		(142,893)
2023		(139,668)
2024		(146,142)
Thereafter		(1,176,354)
	\$	<u><u>(1,890,843)</u></u>

**Connecticut State Teachers' Retirement System**

**Plan Description**

The faculty and professional personnel of the Town's Board of Education participates in the State of Connecticut's Teachers' Retirement System ("TRS"), which is a cost sharing multiple-employer defined benefit pension plan that provides retirement, disability, survivorship and health insurance benefits to plan members and their beneficiaries. The TRS is governed by Connecticut General Statute ("CGS") *Title 10, Chapter 167a* and is administered by the Connecticut State Teachers' Retirement Board (the "Board"). The OPEB trust fund is included in the TRS, and the TRS is included in the State of Connecticut audit as a pension trust fund. These reports can be obtained from the Connecticut Office of the State Comptroller.

**Benefit Provisions**

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

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

Any member that is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.



**TOWN OF NEWTOWN, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

**Connecticut State Teachers' Retirement System *(Continued)***

**Benefit Provisions *(Continued)***

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits).

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

**Contributions**

Per CGS 10-183z, (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are amended and certified by the TRB and appropriated by the General Assembly. The State pays for one third of plan costs through annual appropriation in the General Fund. School district employers are not required to make contributions to the Plan.

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

Contributions remitted by the State are recognized when legally due, based upon statutory requirements.

**Administrative Expenses**

Administrative costs of the Plan are to be paid by the General Assembly per Section 10-183r of the Connecticut General Statutes.

**Basis of Presentation**

The collective net OPEB liability, deferred outflows and inflows of resources, and OPEB expense for the TRS has been measured as of June 30, 2018 based on an actuarial valuation performed as of June 30, 2018. Since the Town does not contribute directly to the TRS, the Town does not recognize its proportionate share of these amounts in its financial statements. The information determined as of the June 30, 2018 measurement date for the TRS has been utilized by the Town for reporting on-behalf revenues, expenditures and expenses for the year ended June 30, 2019 and for reporting the proportionate share of the collective net OPEB liability that is attributed to the Town as of June 30, 2019.

The components associated with the OPEB expense and deferred inflows and outflows of resources have been determined using the unrecognized portions of each year's experience and assumption changes for the year ended June 30, 2018.

**TOWN OF NEWTOWN, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

**Connecticut State Teachers' Retirement System *(Continued)***

**Allocation Methodology**

The schedule of allocations have been prepared to provide the total amount of employer contributions from the State and the proportionate share percentages that have been determined based on these contributions. Based on these percentages the proportionate share amounts of the net OPEB liability associated with each participating employer and the employer OPEB expense and revenue for State support for each participating employer for the year ending June 30, 2018.

For fiscal year 2018, the Town's expected contribution effort for allocation purposes totaled \$298,347 or 0.845% of the total expected contribution effort. The Town has recognized this amount as an on-behalf payment into the TRS as intergovernmental revenues and related education expenditures of the General Fund for the year ended June 30, 2019.

The components associated with the collective OPEB expense and deferred inflows and outflows of resources for the TRS have been determined based on the fiduciary net position as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut's Comprehensive Annual Financial Report as of and for the year ended June 30, 2018. The portion of the collective OPEB expense allocated to the Town totaled a negative \$(7,388,811).

The total collective net OPEB liability of participating employers for the TRS was approximately \$2.632 billion as of the June 30, 2018 measurement date. The portion attributed to the Town totaled \$22,242,095 or approximately 0.845% of the total collective net OPEB liability.

**Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of June 30, 2018 using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%
Real Wage Growth	0.50%
Wage Inflation	3.25%
Salary increases	3.25%-6.50%, including inflation
Long-term investment rate of return	3.00%, net of OPEB plan investment expense, including inflation

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

**Long-Term Rate of Return**

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

**TOWN OF NEWTOWN, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

**Connecticut State Teachers' Retirement System *(Continued)***

**Long-Term Rate of Return *(Continued)***

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
U.S. Treasuries (Cash Equivalents)	100.0%	0.27%

**Discount Rate**

The discount rate used to measure the total OPEB liability was 3.87%. The projection of cash flows used to determine the discount rate was performed in accordance with the applicable standards. The projection's basis was an actuarial valuation performed as of June 30, 2018.

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

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

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

**Proportionate Share of the Collective Net Pension Liability**

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate* - The following presents the proportionate share of the collective net OPEB liability attributed to the Town as of the June 30, 2018 measurement date, calculated using a discount rate of 3.87%, as well as what the proportionate share of the net OPEB liability attributed to the Town would be if it were calculated using a discount rate that is 1-percentage point lower (2.87%) or 1-percentage-point higher (4.87%) than the current rate:

	<u>1% Decrease (2.87%)</u>	<u>Current Rate (3.87%)</u>	<u>1% Increase (4.87%)</u>
Proportionate share of the net OPEB liability attributed to the Town	\$ 26,410,839	\$ 22,242,095	\$ 18,915,077

**TOWN OF NEWTOWN, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2019**

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**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)**

**Connecticut State Teachers' Retirement System (Continued)**

*Sensitivity of the Net OPEB liability to Changes in the Healthcare Cost Trend Rates* - The following presents the proportionate share of the collective net OPEB liability attributed to the Town as of the June 30, 2018 measurement date, calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<u>1% Decrease in Trend Rates</u>	<u>Current Trend Rates</u>	<u>1% Increase in Trend Rates</u>
Proportionate share of the net			
OPEB liability attributed to the Town	\$ 18,639,559	\$ 22,242,095	\$ 27,024,192

**NOTE 11 - RISK MANAGEMENT**

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God for which the Town carries commercial insurance, except as disclosed below. During fiscal year 2019 deductibles paid by the Town were insignificant. Neither the Town nor its insurers have settled any claims which exceeded the Town's insurance coverage during the past three years. There have been no significant reductions in any insurance coverage from amounts in the prior year.

The Town provides medical and dental coverage to eligible employees through a self-insured plan. The Town retains the risk of loss under the plan and claims are processed by a third party administrator. The Town utilizes an internal service fund to report the activities of the plan. The Town contributes based on estimates made using historical data. The Town covers all claims up to \$175,000 per employee per year with a stop-loss policy covering amounts exceeding this limit. The Town has also purchased an aggregate stop-loss policy that would cover claims exceeding 125% of the total estimated claims for the plan year. The Town establishes claims liabilities based on estimates of claims that have been incurred but not reported as of year end. This estimate is based on the ultimate costs of settling the claims, which include past experience data, inflation and other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries.

A summary of claims activity for the years ended June 30, 2019 and 2018 are as follows:

<u>Year Ended June 30</u>	<u>Claims Payable, Beginning of Year</u>	<u>Claims and Changes in Estimates</u>	<u>Claims Paid</u>	<u>Claims Payable, End of Year</u>
2019	\$ 918,000	\$ 12,360,536	\$ 12,251,520	\$ 1,027,016
2018	1,201,973	12,187,249	12,471,222	918,000

**TOWN OF NEWTOWN, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 12 - FUND BALANCE**

As of June 30, 2019, fund balances have been classified based on the following purposes:

	General Fund	Bonded Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable:				
Edmond Town Hall Trust	\$ -	\$ -	\$ 250,000	\$ 250,000
Hawley School Trust	-	-	350,000	350,000
Newtown Flagpole Trust	-	-	10,000	10,000
Inventories	-	-	15,100	15,100
	<u>-</u>	<u>-</u>	<u>625,100</u>	<u>625,100</u>
Restricted for:				
General government:				
Edmond Town Hall	-	-	822,951	822,951
Historic documents	-	-	38,078	38,078
Flag pole	-	-	6,046	6,046
Public safety:				
Law enforcement programs			219,307	219,307
Health and welfare:				
Education and care of animals	-	-	1,135,224	1,135,224
Rehabilitation programs	-	-	16,299	16,299
Park and recreation:				
Recreation programs	-	-	270,900	270,900
Newtown Community Center	-	-	913,521	913,521
Cultural arts programs	-	-	185,301	185,301
Education:				
Sandy Hook School	-	-	111,659	111,659
School lunch program	-	-	172,905	172,905
Education programs	-	-	259,286	259,286
Hawley School	-	-	68,160	68,160
Capital projects	-	3,429,557	-	3,429,557
	<u>-</u>	<u>3,429,557</u>	<u>4,219,637</u>	<u>7,649,194</u>
Committed to:				
General government:				
Fairfield Hills Campus	-	-	71,956	71,956
Blight	-	-	35,218	35,218
Public safety:				
Animal control	-	-	12,491	12,491
Police private duty	-	-	64,036	64,036
Public works:				
Septage management	-	-	122,476	122,476
Park and recreation:				
Edmond Town Hall Theater	-	-	161,802	161,802
Marina operations	-	-	292,365	292,365
Education:				
Adult education programs	-	-	64,423	64,423
Other programs	-	-	82,934	82,934
Capital purposes	-	-	1,256,719	1,256,719
Debt service	-	-	452,785	452,785
Senior tax credit program	264,924	-	-	264,924
	<u>264,924</u>	<u>-</u>	<u>2,617,205</u>	<u>2,882,129</u>
				<i>Continued</i>

**TOWN OF NEWTOWN, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2019**

**NOTE 12 - FUND BALANCE (Continued)**

	<b>General Fund</b>	<b>Bonded Projects Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
Assigned to:				
General government	\$ 32,913	\$ -	\$ -	\$ 32,913
Public safety	37,559	-	-	37,559
Health and welfare	125	-	-	125
Public works	70,139	-	-	70,139
Parks and recreation	6,796	-	-	6,796
Education	592,033	-	-	592,033
	<u>739,565</u>	<u>-</u>	<u>-</u>	<u>739,565</u>
Unassigned	15,652,861	(2,095,279)	(39,545)	13,518,037
	<u>\$ 16,657,350</u>	<u>\$ 1,334,278</u>	<u>\$ 7,422,397</u>	<u>\$ 25,414,025</u>
				<i>Concluded</i>

**Deficit Fund Balances**

The Town Recreation Fund had a deficit fund balance as of June 30, 2019 of \$39,545. The deficit does not constitute a violation of statutory provisions. The deficit is expected to be eliminated through future revenue sources.

**NOTE 13 - COMMITMENTS AND CONTINGENCIES**

There are several lawsuits pending against the Town. The outcome and eventual liability to the Town, if any, in these cases is not known by management. The Town's management believes it has meritorious defenses against these lawsuits and estimates that potential claims against the Town, not covered by insurance, resulting from such litigation would not have a material adverse effect on the financial condition of the Town.

The Town has received state and federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditure disallowed under terms of the grant. Based on prior experience, Town management believes such disallowances, if any, would not have a material adverse effect on the financial condition of the Town.

The Town received a \$15,000,000 pledge from a donor in a prior year for the design, construction and operation of a Community Center. The Town has recognized a cumulative amount of \$11,000,000 as contribution revenue in its government-wide financial statements. The remaining portion of the pledge to be used for operations of \$4,000,000 will be recorded by the Town as contribution revenue over the next four fiscal years.

**NOTE 14 - IMPACT OF NEW ACCOUNTING STANDARDS NOT YET EFFECTIVE**

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2019. The Town is currently evaluating the potential impact of adopting this Statement on its financial statements.

**TOWN OF NEWTOWN, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2019**

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**NOTE 14 - IMPACT OF NEW ACCOUNTING STANDARDS NOT YET EFFECTIVE (Continued)**

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2020. The Town is currently evaluating the potential impact of adopting this Statement on its financial statements.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objective of this Statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (b) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement should be applied prospectively and are effective for the Town's reporting period beginning July 1, 2020. The Town does not expect this statement to have a material effect on its financial statements.

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests - An Amendment of GASB Statements No. 14 and No. 61*. The objectives of this statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2019. The Town does not expect this statement to have a material effect on its financial statements.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The objectives of this statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2021. The Town does not expect this statement to have a material effect on its financial statements.

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## REQUIRED SUPPLEMENTARY INFORMATION

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**TOWN OF NEWTOWN, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -**  
**BUDGETARY BASIS - GENERAL FUND (UNAUDITED)**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Budgeted Amounts</b>			<b>Variance With</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	<b>Final Budget</b>
				<b>Over (Under)</b>
<b>REVENUES</b>				
Property taxes	\$ 107,559,739	\$ 107,559,739	\$ 107,411,022	\$ (148,717)
Intergovernmental	6,587,409	6,587,409	8,836,269	2,248,860
Charges for goods and services	2,089,050	2,089,050	2,195,585	106,535
Investment income	450,000	450,000	1,196,136	746,136
Other	235,000	235,000	172,358	(62,642)
Total revenues	<u>116,921,198</u>	<u>116,921,198</u>	<u>119,811,370</u>	<u>2,890,172</u>
<b>EXPENDITURES</b>				
Current:				
General government	4,779,599	4,796,623	4,676,980	(119,643)
Public safety	10,388,213	10,241,149	10,192,510	(48,639)
Health and welfare	2,905,748	2,882,492	2,859,235	(23,257)
Land use	683,294	682,812	662,685	(20,127)
Public works	10,378,691	10,618,250	10,545,798	(72,452)
Parks and recreation	2,452,159	2,421,750	2,410,223	(11,527)
Education	76,054,231	75,725,459	75,725,459	-
Contingency	120,000	6,264	-	(6,264)
Debt service:				
Principal	6,736,992	6,728,992	6,728,992	-
Interest and fiscal charges	2,253,376	2,253,376	2,253,376	-
Total expenditures	<u>116,752,303</u>	<u>116,357,167</u>	<u>116,055,258</u>	<u>(301,909)</u>
Excess of revenues over expenditures	168,895	564,031	3,756,112	3,192,081
<b>OTHER FINANCING SOURCES (USES)</b>				
Appropriation of fund balance	-	500,000	-	(500,000)
Cancellation of prior year encumbrances	-	-	23,078	23,078
Transfers in	200,000	200,000	400,000	200,000
Transfers out	(368,895)	(1,264,031)	(1,263,666)	365
Total other financing sources (uses)	<u>(168,895)</u>	<u>(564,031)</u>	<u>(840,588)</u>	<u>(276,557)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,915,524</u>	<u>\$ 2,915,524</u>

*See accompanying notes to required supplementary information.*

**TOWN OF NEWTOWN, CONNECTICUT**  
**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY**  
**TOWN OF NEWTOWN RETIREMENT SYSTEM (UNAUDITED)**  
**LAST SIX FISCAL YEARS**

	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
<b>Total pension liability</b>						
Service cost	\$ 1,757,544	\$ 1,682,271	\$ 1,470,642	\$ 1,458,028	\$ 1,369,633	\$ 1,376,812
Interest	4,116,599	3,964,240	3,642,643	3,476,233	3,153,241	2,973,226
Differences between expected and actual experience	(863,332)	(1,369,101)	623,086	(690,374)	(1,273,135)	-
Changes of assumptions	-	-	4,095,514	-	1,589,661	-
Benefit payments, including refunds	(2,324,490)	(2,027,723)	(1,932,479)	(1,834,724)	(1,717,013)	(1,513,354)
Net change in total pension liability	2,686,321	2,249,687	7,899,406	2,409,163	3,122,387	2,836,684
Total pension liability - beginning	58,213,265	55,963,578	48,064,172	45,655,009	42,532,622	39,695,938
Total pension liability - ending	60,899,586	58,213,265	55,963,578	48,064,172	45,655,009	42,532,622
<b>Plan fiduciary net position</b>						
Contributions - employer	2,243,901	1,885,303	1,687,814	1,422,737	1,375,889	1,189,938
Contributions - members	457,286	475,316	488,239	474,546	458,556	461,526
Transfer from defined contribution plan	-	-	-	-	26,724	-
Net investment income	2,310,752	2,957,771	4,641,117	(991,005)	941,047	4,302,666
Benefit payments, including refunds	(2,324,490)	(2,027,723)	(1,932,479)	(1,834,724)	(1,717,013)	(1,356,367)
Administrative expense	(65,658)	(36,574)	(27,086)	(17,500)	(74,654)	(170,876)
Net change in plan fiduciary net position	2,621,791	3,254,093	4,857,605	(945,946)	1,010,549	4,426,887
Plan fiduciary net position - beginning	42,698,997	39,444,904	34,587,299	35,533,245	34,522,696	30,095,809
Plan fiduciary net position - ending	45,320,788	42,698,997	39,444,904	34,587,299	35,533,245	34,522,696
<b>Town's net pension liability</b>	<b>\$ 15,578,798</b>	<b>\$ 15,514,268</b>	<b>\$ 16,518,674</b>	<b>\$ 13,476,873</b>	<b>\$ 10,121,764</b>	<b>\$ 8,009,926</b>
Plan fiduciary net position as a percentage of total pension liability	74.42%	73.35%	70.48%	71.96%	77.83%	81.17%
Covered payroll	\$ 18,396,670	\$ 18,869,931	\$ 18,199,947	\$ 18,441,265	\$ 17,725,368	\$ 17,608,101
Town's net pension liability as a percentage of covered payroll	84.68%	82.22%	90.76%	73.08%	57.10%	45.49%

*See accompanying notes to required supplementary information.*

**TOWN OF NEWTOWN, CONNECTICUT**  
**SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS**  
**TOWN OF NEWTOWN RETIREMENT SYSTEM (UNAUDITED)**  
**LAST SIX FISCAL YEARS**

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Actuarially determined contribution	\$ 2,243,901	\$ 1,885,303	\$ 1,687,815	\$ 1,422,737	\$ 1,373,207	\$ 1,186,605
Contributions in relation to the actuarially determined contribution	<u>2,243,901</u>	<u>1,885,303</u>	<u>1,687,814</u>	<u>1,422,737</u>	<u>1,375,889</u>	<u>1,189,938</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ (2,682)</u>	<u>\$ (3,333)</u>
Covered employee payroll	\$ 18,396,670	\$ 18,869,931	\$ 18,199,947	\$ 18,441,265	\$ 17,725,368	\$ 17,608,101
Contributions as a percentage of covered employee payroll	12.20%	9.99%	9.27%	7.71%	7.76%	6.76%
Annual money-weighted rate of return, net of investment expense	5.22%	7.30%	13.30%	-2.83%	2.49%	14.35%

*See accompanying notes to required supplementary information.*

**TOWN OF NEWTOWN, CONNECTICUT**  
**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM (UNAUDITED)**  
**LAST FIVE FISCAL YEARS**  
(Rounded to the Nearest Thousand)

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability attributed to the Town	0.85%	0.86%	0.86%	0.91%	0.91%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability attributed to the Town	111,262,000	116,319,000	122,717,000	99,707,000	92,159,000
Total	<u>\$ 111,262,000</u>	<u>\$ 116,319,000</u>	<u>\$ 122,717,000</u>	<u>\$ 99,707,000</u>	<u>\$ 92,159,000</u>
Town's covered employee payroll	\$ 36,397,000	\$ 34,494,000 (1)	N/A (1)	N/A (1)	N/A
Town's proportionate share of the net pension liability as a percentage of its covered employee payroll	0.0%	0.0%	0.0%	0.0%	0.0%
Plan fiduciary net position as a percentage of the total pension liability	57.69%	55.93%	52.26%	59.50%	61.51%

(1) Information was not readily available.

*See accompanying notes to required supplementary information.*

**TOWN OF NEWTOWN, CONNECTICUT**  
**SCHEDULE OF CHANGES IN NET OPEB LIABILITY**  
**OTHER POST-EMPLOYMENT BENEFITS PLAN (UNAUDITED)**  
**LAST THREE FISCAL YEARS**

	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Total OPEB liability</b>			
Service cost	\$ 310,817	\$ 301,764	\$ 292,975
Interest	625,860	607,177	568,628
Changes in benefit terms	-	-	-
Differences between expected and actual experience	(1,800,782)	(363,565)	(397,054)
Changes of assumptions	84,984	-	-
Benefit payments, including refunds	(476,145)	(85,531)	(109,120)
Net change in total OPEB liability	(1,255,266)	459,845	355,429
Total OPEB liability - beginning	9,195,376	8,735,531	8,380,102
Total OPEB liability - ending	7,940,110	9,195,376	8,735,531
<b>Plan fiduciary net position</b>			
Contributions - employer	698,956	285,531	255,287
Contributions - retirees	79,115	-	-
Contributions - retirees' subsidies	42,617	-	53,833
Net investment income	140,697	164,582	241,743
Benefit payments, including refunds	(476,145)	(230,074)	(109,120)
Net change in plan fiduciary net position	485,240	220,039	441,743
Plan fiduciary net position - beginning	2,321,063	2,101,024	1,659,281
Plan fiduciary net position - ending	2,806,303	2,321,063	2,101,024
<b>Town's net OPEB liability</b>	<b>\$ 5,133,807</b>	<b>\$ 6,874,313</b>	<b>\$ 6,634,507</b>
Plan fiduciary net position as a percentage of total OPEB liability	35.34%	25.24%	24.05%
Covered employee payroll	\$ 36,468,847	\$ 38,408,893	\$ 37,290,187
Town's net OPEB liability as a percentage of covered employee payroll	14.08%	17.90%	17.79%

*See accompanying notes to required supplementary information.*

**TOWN OF NEWTOWN, CONNECTICUT**  
**SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS**  
**OTHER POST-EMPLOYMENT BENEFITS PLAN (UNAUDITED)**  
**LAST THREE FISCAL YEARS**

	<u><b>2019</b></u>	<u><b>2018</b></u>	<u><b>2017</b></u>
Actuarially determined contribution	\$ 874,889	\$ 865,530	\$ 814,292
Contributions in relation to the actuarially determined contribution	<u>633,528</u>	<u>285,531</u>	<u>255,287</u>
Contribution deficiency (excess)	<u>\$ 241,361</u>	<u>\$ 579,999</u>	<u>\$ 559,005</u>
Covered employee payroll	\$ 36,468,847	\$ 38,408,893	\$ 37,290,187
Contributions as a percentage of covered employee payroll	1.74%	0.74%	0.68%
Annual money-weighted rate of return, net of investment expense	5.31%	7.21%	13.64%

*See accompanying notes to required supplementary information.*

**TOWN OF NEWTOWN, CONNECTICUT**  
**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**  
**CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM (UNAUDITED)**  
**LAST TWO FISCAL YEARS**  
(Rounded to the Nearest Thousand)

	<u><b>2019</b></u>	<u><b>2018</b></u>
Proportion of the net OPEB liability attributed to the Town	0.85%	0.86%
Town's proportionate share of the net OPEB liability	\$ -	\$ -
State's proportionate share of the net OPEB liability attributed to the Town	<u>22,242,000</u>	<u>29,939,000</u>
Total	<u><u>\$ 22,242,000</u></u>	<u><u>\$ 29,939,000</u></u>
Town's covered employee payroll	\$ 34,494,000	\$ 34,494,000
Town's proportionate share of the net OPEB liability as a percentage of its covered employee payroll	0.0%	0.0%
Plan fiduciary net position as a percentage of the total OPEB liability	1.49%	1.79%

*See accompanying notes to required supplementary information.*

**TOWN OF NEWTOWN, CONNECTICUT**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2019**

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**NOTE 1 - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND**

**Budgetary Information**

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 1st	All Town departments, except the School System, submit the budget requests to the Board of Selectmen.
By February 14th	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 14th	The Board of Finance submits the Town of Newton 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 vote for adoption.

- Within the first 335 days of the fiscal year, the First Selectman and Financial Director, in accordance with the provisions of the Town's 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 \$1,500,000 for any one purpose per year. Special and/or emergency appropriations in excess of an amount equal to one mil on the most recently completed grand list shall be recommended by the Legislative Council to the Town referendum. Additional appropriations of \$500,000 were authorized during the year ended June 30, 2019. Additional appropriations were authorized to fund storm clean-up costs.
- 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.



**TOWN OF NEWTOWN, CONNECTICUT**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Unaudited) (*Continued*)  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

**NOTE 1 - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (*Continued*)**

**Budgetary Information (*Continued*)**

- 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 as expenditures in the current year. Generally, all unencumbered appropriations lapse at year end, except those for the capital projects fund. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

As described above, accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP basis"). A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented on the GAAP basis is as follows for the year ended June 30, 2019:

	Total Revenues	Total Expenditures	Other Financing Sources (Uses), Net	Net Change in Fund Balance
Budgetary basis	\$ 119,811,370	\$ 116,055,258	\$ (840,588)	\$ 2,915,524
"On-behalf" payments - State Teachers Retirement Fund	11,051,610	11,051,610	-	-
Encumbrances:				
June 30, 2019	-	(739,565)	-	739,565
June 30, 2018	-	367,241	-	(367,241)
Cancellation of prior year encumbrances	-	-	(23,078)	(23,078)
Reimbursement for certain costs recorded as a reduction to expenditures for budgetary purposes	280,394	280,394	-	-
Certain items recorded as transfers for budgetary purposes	-	(219,550)	(219,550)	-
Insurance proceeds recorded net	201,555	201,555	-	-
Bond refunding	-	111,111	111,111	-
Noncash capital lease financing activity	-	624,662	624,662	-
GAAP basis	<u>\$ 131,344,929</u>	<u>\$ 127,732,716</u>	<u>\$ (347,443)</u>	<u>\$ 3,264,770</u>

**TOWN OF NEWTOWN, CONNECTICUT**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Unaudited) (Continued)  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

**NOTE 1 - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Continued)**

**Capital Project Authorizations**

The following is a summary of authorized capital projects:

	<u>Authorization</u>	<u>Cumulative Expenditures</u>	<u>Balance</u>
High School	\$ 41,576,000	\$ 40,838,557	\$ 737,443
High School Roof	1,402,500	1,402,000	500
Middle Gate School Boiler	475,000	450,000	25,000
Middle School Improvements	2,011,476	2,011,476	-
Dickinson Park Renovations	620,000	620,000	-
Treadwell Parking Lot	550,000	535,000	15,000
Fairfield Hills Demolition/Abatement	5,000,000	4,962,813	37,187
New Sandy Hook Elementary School	50,000,000	48,484,687	1,515,313
Treadwell Park Renovations	498,000	498,000	-
Newtown Community Center	17,500,000	14,614,259	2,885,741
Library Improvements	273,000	107,431	165,569
Edmond Town Hall Improvements	571,000	476,941	94,059
Bridge program	1,050,000	660,556	389,444
Newtown High School Auditorium	4,415,521	4,415,521	-
Town Roads	3,500,000	1,835,216	1,664,784
Sandy Hook Fire Sub-Station	375,000	375,000	-
Newtown Hook & Ladder	1,500,000	1,500,000	-
Fire Apparatus	1,950,000	1,950,000	-
Dickinson Park Parking Lot	500,000	494,241	5,759
Eichler's Cove Improvements	325,000	325,000	-
Hawley Boiler/HVAC	1,685,000	1,685,000	-
South Main/Mile Hill Sidewalk	904,000	193,139	710,861
Toddy Hill Road	2,596,000	1,670,037	925,963
Police Facility Design	15,100,000	2,346,010	12,753,990
Hawley School Roof	850,000	703,113	146,887
Senior Center	3,000,000	2,981,053	18,947
Sandy Hook Permanent Memorial	250,000	-	250,000
Newtown High School Boiler and Lighting	2,702,000	501,298	2,200,702
Middle Gate School Roof	875,000	797,000	78,000
Hawley School Boiler	783,200	196,700	586,500
Treadwell Park Pool Area	400,000	-	400,000
Library Improvements Phase II	300,000	-	300,000
	<u>\$ 163,537,697</u>	<u>\$ 137,630,048</u>	<u>\$ 25,907,649</u>

**NOTE 2 - SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY - TOWN OF NEWTOWN RETIREMENT SYSTEM**

The Town began to report this schedule when it implemented GASB Statement No. 67, *Financial Reporting for Pension Plans - an amendment of GASB Statement No. 25*, in fiscal year 2014. GASB Statement No. 67 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial valuations are prepared every year with the most recent available actuarial valuation performed as of July 1, 2018. The total pension liability was determined by a projected actuarial valuation as of June 30, 2019.

*Benefit Changes* – Effective July 1, 2018, the Police Union Plan was amended to add a deferred retirement option or “DROP” provision.

*Assumption Changes* - The mortality table scale was updated from the MP-2016 generational projections as of the June 30, 2018 measurement date to MP-2017 generational projections as of the June 30, 2019 measurement date.

**TOWN OF NEWTOWN, CONNECTICUT**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Unaudited) (*Continued*)  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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**NOTE 3 - SCHEDULE OF CONTRIBUTIONS AND INVESTMENTS RETURNS - TOWN OF NEWTOWN RETIREMENT SYSTEM**

The Town began to report this schedule when it implemented GASB Statement No. 67, *Financial Reporting for Pension Plan - An amendment of GASB Statement No. 25*, in fiscal year 2014. GASB Statement No. 67 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarially determined contributions rates are calculated as of July 1, two years prior to the end of the fiscal year in which contributions are reported.

The following methods and assumptions were utilized to determine the contribution rates for the year ended June 30, 2019:

Actuarial cost method:	Entry Age Normal
Amortization method:	Closed level dollar method; 20 Year amortization of initial base, future gains and losses over 10 years
Remaining amortization period:	20 years (as of July 1, 2017)
Asset valuation method:	5-year smoothed market
Inflation:	2.00%
Investment rate of return, including inflation:	Blended 7.00%/7.50%, net of pension plan investment expenses
Salary increases, including inflation:	3.00%
Retirement age:	Normal Retirement Date or on Valuation Date if past normal retirement date

**NOTE 4 - SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY – CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM**

The Town began to report this schedule when it implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - An Amendment of GASB Statement No. 27*, in fiscal year 2015. GASB Statement No. 68 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of June 30, 2018. This information is utilized by the Town for reporting as of June 30, 2019.

*Benefit Changes* - There have been no changes in benefit terms that have had a significant effect on the measurement of the total pension liability.

*Assumption Changes* - The following assumption changes had a significant effect on the measurement of the total pension liability reported as of June 30, 2019:

- the inflation assumption was reduced from 2.75% to 2.50%;
- the real rate of return assumption was reduced from 5.25% to 4.40%, which when combined with the inflation assumption change, resulted in a decrease in the investment rate of return assumption from 8.00% to 6.90%; and
- the annual rate of wage increase assumption was increased from 0.50% to 0.75%.

**TOWN OF NEWTOWN, CONNECTICUT**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Unaudited) (*Continued*)  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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**NOTE 5 - SCHEDULE OF CHANGES IN NET OPEB LIABILITY - OTHER-POST EMPLOYMENT BENEFITS PLAN**

The Town began to report this schedule when it implemented GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, in fiscal year 2017. GASB Statement No. 74 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of July 1, 2018. The July 1, 2018 total OPEB liability was increased by service cost and interest and decreased by benefit payments to calculate the total OPEB liability as of June 30, 2019.

*Benefit Changes* - There have been no benefit term changes that have had a significant effect on the measurement of the Town's total OPEB liability.

*Assumption Changes* - The following assumption changes had a significant effect on the measurement of the net OPEB liability reported as of June 30, 2019:

- the inflation assumption was reduced from 2.75% to 2.60%;
- the current Mortality Table is Pub-2010 Public Retirement Plans Mortality Tables (with separate tables for Public Safety employees and Teachers) and for non-annuitants and annuitants, projected to the valuation date with Scale MP-2018, previously RP-2014 Mortality Table with no collar adjustment projected to valuation date with Scale MP-2017;
- Mortality Improvement is projected to the date of decrement using Scale MP-2018, prior Scale MP2017; and
- Healthcare Cost Trend Rates are as follows: 7.00% in 2018, reducing by 0.5% each year to an ultimate rate of 4.60% per year rate for 2023 and later, previously 6.75% in 2018, reducing by 0.5% each year to an ultimate rate of 4.75 per year rate for 2022 and later.

**NOTE 6 - SCHEDULE OF CONTRIBUTIONS AND INVESTMENT RETURNS - OTHER-POST EMPLOYMENT BENEFITS PLAN**

The Town began to report this schedule when it implemented GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, in fiscal year 2017. GASB Statement No. 74 requires the information within this schedule to be presented for the ten most recent fiscal years.

The July 1, 2018 Actuarial Valuation directly calculated the July 1, 2018 Total OPEB Liability (TOL). The July 1, 2018 TOL was increased by service cost and interest and decreased by benefit payments to estimate the TOL as of June 30, 2019.

The following methods and assumptions were utilized to determine the contribution rates for the year ended June 30, 2019:

Actuarial cost method:	Entry Age Normal
Amortization method:	Level percentage of salary, closed
Remaining amortization period:	22 years (as of July 1, 2018)
Asset valuation method:	Market Value
Inflation:	2.60%
Investment rate of return:	6.75%
Healthcare cost trend rates:	7.00%, current 4.60%, final
Mortality:	
Certified employees	Pub-2010 Public Retirement Plans Mortality Tables (with separate tables for Public Safety employees and and Teachers) and non-annuitants and annuitants, projected to valuation date with Scale MP-2018.

**TOWN OF NEWTOWN, CONNECTICUT**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Unaudited) (*Continued*)  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2019

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**NOTE 7 - SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OTHER POST-EMPLOYMENT BENEFITS LIABILITY - CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM**

The Town began to report this schedule when it implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, in fiscal year 2018. GASB Statement No. 75 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of June 30, 2018. This information is utilized by the Town for reporting as of June 30, 2019.

*Benefit Changes* - Effective July 1, 2018, the Plan changed the "base plan" to the Medicare Advantage Plan for the purposes of determining retiree health care plan subsidies and/or cost sharing amount(s), and introduced a two year waiting period for re-enrollment in a system-sponsored health care plan for those who cancel their coverage or choose not to enroll in a health care coverage option on or after the effective date.

*Assumption Changes* - The following assumption changes collectively had a significant effect on the measurement of the net OPEB liability reported as of June 30, 2018:

- the expected rate of return on Plan assets was changed from 4.25% to 3.00% to better reflect the anticipated returns on cash and other high quality short-term fixed income investments;
- the discount rate used to measure Plan obligations and amortize supplemental costs was updated to match the expected rate of return on assets selected as of June 30, 2018;
- long-term health care cost trend rates were updated to better reflect the anticipated impact of changes in medical inflation, utilization, leverage in the plan design, improvements in technology, and fees and charges on expected claims and retiree contributions in future periods; and
- the percentage of retired members who are not currently participating in the Plan, but are expected to elect coverage for themselves and their spouses under a system-sponsored health care plan option in the future, was updated to better reflect anticipated plan experience.

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**COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES**

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## **GENERAL FUND**

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

**TOWN OF NEWTOWN, CONNECTICUT**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Budgeted Amounts</b>			<b>Variance With Final Budget Over (Under)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>Property Taxes:</b>				
Collections - current year	\$ 105,499,739	\$ 105,499,739	\$ 105,338,703	\$ (161,036)
Collections - prior years	475,000	475,000	567,966	92,966
Interest and lien fees	425,000	425,000	370,732	(54,268)
Motor vehicle supplement list	1,100,000	1,100,000	1,086,323	(13,677)
Telecommunications property tax	60,000	60,000	47,298	(12,702)
Total property taxes	<u>107,559,739</u>	<u>107,559,739</u>	<u>107,411,022</u>	<u>(148,717)</u>
<b>Intergovernmental:</b>				
Veterans additional exemptions	20,163	20,163	19,033	(1,130)
In lieu of taxes	417,704	417,704	456,363	38,659
Totally disabled	1,753	1,753	1,643	(110)
Town aid for roads	470,865	470,865	470,587	(278)
Grants for municipal projects	235,371	235,371	235,371	-
Mashantucket Pequot fund grant	829,098	829,098	829,098	-
Connecticut school building grants	85,225	85,225	-	(85,225)
Equalized cost-sharing grant	3,956,332	3,956,332	4,557,326	600,994
Health services - St. Rose	22,170	22,170	22,777	607
Miscellaneous grants	50,000	50,000	26,639	(23,361)
LOCIP grant	240,865	240,865	241,178	313
State revenue sharing	257,863	257,863	267,960	10,097
FEMA grant reimbursement	-	-	1,708,294	1,708,294
Total intergovernmental revenue	<u>6,587,409</u>	<u>6,587,409</u>	<u>8,836,269</u>	<u>2,248,860</u>
<b>Charges for Services:</b>				
Town clerk - conveyance tax	500,000	500,000	488,906	(11,094)
Town clerk - other	225,000	225,000	196,648	(28,352)
Parks and recreation	225,000	225,000	225,000	-
Tuition	30,800	30,800	38,096	7,296
School generated fees	24,000	24,000	20,000	(4,000)
Building	450,000	450,000	556,847	106,847
Permit fees	1,250	1,250	5,375	4,125
Transfer Station permits	450,000	450,000	465,104	15,104
WPCA	125,000	125,000	125,000	-
Senior center membership fees	8,000	8,000	9,960	1,960
Land use	50,000	50,000	64,649	14,649
Total charges for services	<u>2,089,050</u>	<u>2,089,050</u>	<u>2,195,585</u>	<u>106,535</u>
<b>Investment Income</b>	<u>450,000</u>	<u>450,000</u>	<u>1,196,136</u>	<u>746,136</u>
<b>Other Revenues:</b>				
Miscellaneous - Police	30,000	30,000	32,139	2,139
Miscellaneous - Board of Education	5,000	5,000	6,571	1,571
Miscellaneous - Selectmen	200,000	200,000	133,648	(66,352)
Total other revenues	<u>235,000</u>	<u>235,000</u>	<u>172,358</u>	<u>(62,642)</u>
<b>Total revenues</b>	<u>116,921,198</u>	<u>116,921,198</u>	<u>119,811,370</u>	<u>2,890,172</u>

*Continued*



**TOWN OF NEWTOWN, CONNECTICUT**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Concluded)**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Budgeted Amounts</b>			<b>Variance With Final Budget Over (Under)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
Other Financing Sources:				
Appropriation of fund balance	\$ -	\$ 500,000	\$ -	\$ (500,000)
Cancellation of prior year encumbrances	-	-	23,078	23,078
Transfers in	200,000	200,000	400,000	200,000
Total other financing sources	200,000	700,000	423,078	(276,922)
Total revenues and other financing sources	<u>\$ 117,121,198</u>	<u>\$ 117,621,198</u>	<u>\$ 120,234,448</u>	<u>\$ 2,613,250</u> <i>Concluded</i>

**TOWN OF NEWTOWN, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Budgeted Amounts			Variance With Final Budget Over (Under)
	Original	Final	Actual	
General Government:				
Selectmen	\$ 433,684	\$ 448,689	\$ 441,922	\$ (6,767)
Selectmen - other	168,500	168,500	165,017	(3,483)
Human Resources	117,330	117,220	114,839	(2,381)
Tax Collector	373,989	351,645	347,864	(3,781)
Purchasing	50,000	32,500	29,564	(2,936)
Probate Court	7,543	7,543	5,652	(1,891)
Town Clerk	315,753	310,470	302,303	(8,167)
Registrars	160,034	157,034	146,873	(10,161)
Assessor	315,690	311,333	304,468	(6,865)
Finance	528,081	527,807	525,807	(2,000)
Technology	727,262	786,999	738,573	(48,426)
Unemployment	10,000	10,000	8,703	(1,297)
OPEB contribution	179,116	179,116	179,116	-
Professional organizations	40,658	40,658	40,658	-
Insurance	1,110,500	1,110,500	1,102,818	(7,682)
Legislative Council	45,000	45,000	44,000	(1,000)
Districts	10,000	10,000	2,524	(7,476)
Economic Development Commission	117,742	112,892	109,191	(3,701)
Grants administration	23,717	23,717	22,798	(919)
Sustainable Energy Commission	1,000	1,000.00	291.00	(709)
Fairfield Hills	44,000	44,000	43,999	(1)
Total General Government	4,779,599	4,796,623	4,676,980	(119,643)
Public Safety:				
Building inspector	446,069	435,575	431,085	(4,490)
Communications	1,116,098	1,073,098	1,066,451	(6,647)
Police Department	6,897,668	6,835,668	6,819,767	(15,901)
Fire Department	1,358,752	1,343,678	1,337,834	(5,844)
Emergency Management / N.U.S.	70,834	64,440	54,083	(10,357)
Animal Control	172,732	162,630	157,480	(5,150)
Lake authorities	44,670	44,670	44,670	-
N.W. safety communications	11,140	11,140	11,140	-
Emergency Medical Services	270,000	270,000	270,000	-
Northwest CT Emergency Medical Services	250	250	-	(250)
Total Public Safety	10,388,213	10,241,149	10,192,510	(48,639)
Health and Welfare:				
Social services	308,685	283,588	273,123	(10,465)
Senior services	350,566	350,477	339,274	(11,203)
Outside agencies	189,651	189,781	189,490	(291)
Youth & Family services	301,473	301,473	301,209	(264)
Newtown Cultural Arts Commission	2,500	2,500	2,500	-
Newtown Parade Committee	1,400	1,400	1,090	(310)
N.W. Conservation District	1,100	1,100	1,040	(60)
Booth Library	1,352,249	1,352,249	1,351,873	(376)
Newtown Health District	398,124	399,924	399,636	(288)
Total Health and Welfare	2,905,748	2,882,492	2,859,235	(23,257)

*Continued*

**TOWN OF NEWTOWN, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Concluded)**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Budgeted Amounts</b>			<b>Variance With Final Budget Over (Under)</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
Land Use	\$ 683,294	\$ 682,812	\$ 662,685	\$ (20,127)
Public Works:				
Highway	7,381,585	7,567,384	7,519,333	(48,051)
Winter maintenance	819,535	734,935	724,999	(9,936)
Transfer station	1,455,466	1,500,466	1,497,425	(3,041)
Public building maintenance	722,105	815,465	804,041	(11,424)
Total Public Works	10,378,691	10,618,250	10,545,798	(72,452)
Parks and Recreation	2,452,159	2,421,750	2,410,223	(11,527)
Education	76,054,231	75,725,459	75,725,459	-
Contingency	120,000	6,264	-	(6,264)
Debt Service:				
Principal	6,736,992	6,728,992	6,728,992	-
Interest and fiscal charges	2,253,376	2,253,376	2,253,376	-
	8,990,368	8,982,368	8,982,368	-
Other Financing Uses:				
Transfers out:				
Edmond Town Hall Fund	151,895	151,895	151,530	(365)
Capital and Nonrecurring Fund - Town	217,000	783,364	783,364	-
Capital and Nonrecurring Fund - Non-lapsing	-	328,772	328,772	-
Total Other Financing Uses	368,895	1,264,031	1,263,666	(365)
Total Expenditures and Other Financing Uses	\$ 117,121,198	\$ 117,621,198	\$ 117,318,924	\$ (302,274)
				<i>Concluded</i>

**TOWN OF NEWTOWN, CONNECTICUT**  
**SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING**  
**FOR THE YEAR ENDED JUNE 30, 2019**

Grand List Year	Balance Uncollected June 30, 2018	Current Levy	Lawful Corrections		Transfers To Suspense	Balance To Be Collected	Collections			Balance Uncollected June 30, 2019
			Additions	Deductions			Taxes	Interest Liens and Fees	Total	
2017	\$ -	\$ 107,573,636	\$ 364,347	\$ 649,355	\$ 135,868	\$ 107,152,760	\$ 106,425,026	\$ 276,744	\$ 106,701,770	\$ 727,734
2016	674,363	-	11,849	26,190	65,822	594,200	367,186	71,931	439,117	227,014
2015	200,334	-	2,295	3,675	8,650	190,304	26,090	10,561	36,651	164,214
2014	152,772	-	-	414	3,990	148,368	6,800	6,705	13,505	141,568
2013	133,198	-	-	417	3,712	129,069	2,783	1,321	4,104	126,286
2012	99,934	-	-	417	1,838	97,679	1,482	457	1,939	96,197
2011	134,231	-	-	384	1,943	131,904	-	935	935	131,904
2010	123,501	-	-	22	1,930	121,549	1,180	1,477	2,657	120,369
2009	114,451	-	-	-	1,900	112,551	-	-	-	112,551
2008	104,440	-	-	-	1,855	102,585	-	-	-	102,585
2007	98,274	-	-	-	2,006	96,268	-	600	600	96,268
2006	15,163	-	-	-	203	14,960	-	-	-	14,960
2005	12,633	-	-	-	-	12,633	-	-	-	12,633
2004	9,302	-	-	-	-	9,302	-	-	-	9,302
2003 and prior	17,146	-	-	8,373	-	8,773	-	-	-	8,773
	<u>\$ 1,889,742</u>	<u>\$ 107,573,636</u>	<u>\$ 378,491</u>	<u>\$ 689,247</u>	<u>\$ 229,717</u>	<u>\$ 108,922,905</u>	<u>\$ 106,830,547</u>	<u>\$ 370,731</u>	<u>\$ 107,201,278</u>	<u>\$ 2,092,358</u>

**TOWN OF NEWTOWN, CONNECTICUT**  
**SCHEDULE OF DEBT LIMITATION**  
**CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)**  
**FOR THE YEAR ENDED JUNE 30, 2019**

Total cash collections for the year ended  
June 30, 2019:

Town:	
Taxes	\$ 106,830,547
Interest and lien fees	370,731
Subtotal	<u>107,201,278</u>
Newtown Borough:	
Taxes	224,902
Interest and lien fees	910
Subtotal	<u>225,812</u>
Reimbursement for revenue loss:	
Tax relief (CGS 12-129d)	20,676
Base	<u><u>\$ 107,447,766</u></u>

	<b>General Purposes</b>	<b>Schools</b>	<b>Sewers</b>	<b>Urban Renewal</b>	<b>Pension Deficit</b>
Debt limitation:					
2-1/4 times base	\$ 241,757,474	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	483,514,947	-	-	-
3-3/4 times base	-	-	402,929,123	-	-
3-1/4 times base	-	-	-	349,205,240	-
3 times base	-	-	-	-	322,343,298
Total debt limitation	<u>241,757,474</u>	<u>483,514,947</u>	<u>402,929,123</u>	<u>349,205,240</u>	<u>322,343,298</u>
Indebtedness:					
Bonds payable	43,527,000	32,167,300	2,130,700	-	-
Notes payable	184,091	-	-	-	-
Authorized and unissued debt	<u>12,874,000</u>	<u>5,179,857</u>	<u>1,030,000</u>	<u>-</u>	<u>-</u>
Total and net indebtedness	<u>56,585,091</u>	<u>37,347,157</u>	<u>3,160,700</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u><u>\$ 185,172,383</u></u>	<u><u>\$ 446,167,790</u></u>	<u><u>\$ 399,768,423</u></u>	<u><u>\$ 349,205,240</u></u>	<u><u>\$ 322,343,298</u></u>
Total capacity of borrowing (7 times base)	\$ 752,134,362				
Total present indebtedness	<u>97,092,948</u>				
Margin for additional borrowing	<u><u>\$ 655,041,414</u></u>				

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## **SEWER FUND**

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The Sewer Fund accounts for the operations of the sewer department.

**TOWN OF NEWTOWN, CONNECTICUT**  
**SCHEDULE OF CHANGES IN SEWER ASSESSMENT RECEIVABLES**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Uncollected Assessments July 1, 2018 (As Restated)</b>	<b>Additions</b>	<b>Deductions</b>	<b>Adjusted Assessments Collectible</b>	<b>Collections</b>	<b>Uncollected Assessments June 30, 2019</b>
Sewer assessments receivables	\$ 219,591	\$ -	\$ 59,720	\$ 159,871	\$ 68,880	\$ 90,991
Hawleyville receivables	2,859,750	25,253	-	2,885,003	83,662	2,801,341
164 Mt. Pleasant Road	144,931	-	-	144,931	5,170	139,761
170 Mt. Pleasant Road	172,296	-	-	172,296	8,409	163,887
30-32 Church Hill Road	47,000	-	-	47,000	7,500	39,500
	<u>\$ 3,443,568</u>	<u>\$ 25,253</u>	<u>\$ 59,720</u>	<u>\$ 3,409,101</u>	<u>\$ 173,621</u>	<u>3,235,480</u>
					Penalty, interest and liens	<u>186,817</u>
					Gross receivable	<u>3,422,297</u>
					Less: allowance for uncollectible accounts	<u>79,000</u>
					Net receivable	<u>\$ 3,343,297</u>

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## NONMAJOR GOVERNMENTAL FUNDS

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### SPECIAL REVENUE FUNDS

Special revenue funds are used to account for the proceeds of specific revenue sources that are designated or legally restricted to expenditures for specific purposes. The nature and purpose of each special revenue fund is as follows:

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

**Blight Fund** – A fund created pursuant to Town Ordinance to account for properties in disrepair. The Blight fund is a function of the Land Use department.

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

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

**School Lunch Program Fund** – To account for the operation of the public school lunch program. Funding is provided from the sale of food, Federal and State grant and USDA donated commodities.

**Education Grants Fund** – To account for funds received from the state and Federal governments, private grants and other contributions for education grants.

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

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

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

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

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

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



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## NONMAJOR GOVERNMENTAL FUNDS *(Continued)*

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### SPECIAL REVENUE FUNDS *(Continued)*

**Newtown Community Center Fund** – To account for the operations of the new community center.

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

**Miscellaneous Grants Fund** – To account for various reimbursement grants.

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

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

**Eichler's Cove Marina Fund** – To account for the operations of Eichler's Cove Marina on Lake Zoar.

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

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

**Sandy Hook Special Revenue Fund** – To account for contributions received as a result of the Sandy Hook tragedy to be used for designed public purposes.

### DEBT SERVICE FUND

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

### CAPITAL PROJECTS FUND

**Capital and Nonrecurring Fund** – To account for funds set aside for future capital purchases and improvements.

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**NONMAJOR GOVERNMENTAL FUNDS *(Continued)***

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**PERMANENT FUNDS**

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

**Hawley School Trust Fund** – To account for the investment of funds left in trusts by Mary E. Hawley for the care and maintenance of Hawley School.

**Edmond Town Hall Endowment Fund** – To account of the investment of funds left in trust by Mary E. Hawley for the care and maintenance of the Edmond Town Hall.

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

**The V.G. Hair and Frances E. Hair Fund** – To account for investment of funds left in trust by Frances E. Hair for the care and education relating to animals.

**TOWN OF NEWTOWN, CONNECTICUT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE**  
**AS OF JUNE 30, 2019**

	Special Revenue Funds	Capital Projects Fund Capital and Nonrecurring Fund	Debt Service Fund	Permanent Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,512,791	\$ 262,375	\$ -	\$ 27,290	\$ 1,802,456
Investments	195,482	-	-	2,508,990	2,704,472
Receivables:					
Grants and contracts	828,720	-	-	-	828,720
Loans	242,542	-	-	-	242,542
Other	366,112	-	-	-	366,112
Due from other funds	1,975,480	1,650,102	452,785	106,101	4,184,468
Other	15,100	-	-	-	15,100
Total assets	<u>\$ 5,136,227</u>	<u>\$ 1,912,477</u>	<u>\$ 452,785</u>	<u>\$ 2,642,381</u>	<u>\$ 10,143,870</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 296,478	\$ 365,721	\$ -	\$ -	\$ 662,199
Accrued payroll	157,137	-	-	-	157,137
Due to other funds	681,977	290,037	-	-	972,014
Unearned revenue	687,581	-	-	-	687,581
Total liabilities	<u>1,823,173</u>	<u>655,758</u>	<u>-</u>	<u>-</u>	<u>2,478,931</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	<u>242,542</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>242,542</u>
<b>FUND BALANCES</b>					
Nonspendable	15,100	-	-	610,000	625,100
Restricted	2,187,256	-	-	2,032,381	4,219,637
Committed	907,701	1,256,719	452,785	-	2,617,205
Unassigned	(39,545)	-	-	-	(39,545)
Total fund balances	<u>3,070,512</u>	<u>1,256,719</u>	<u>452,785</u>	<u>2,642,381</u>	<u>7,422,397</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 5,136,227</u>	<u>\$ 1,912,477</u>	<u>\$ 452,785</u>	<u>\$ 2,642,381</u>	<u>\$ 10,143,870</u>

**TOWN OF NEWTOWN, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS - BY FUND TYPE**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	Special Revenue Funds	Capital Projects Fund Capital and Nonrecurring Fund	Debt Service Fund	Permanent Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>					
Intergovernmental	\$ 5,613,722	\$ -	\$ -	\$ -	\$ 5,613,722
Charges for services	4,908,693	166,492	-	-	5,075,185
Investment income	66,157	4,492	-	125,022	195,671
Other	1,256,819	-	89,559	26	1,346,404
Total revenues	<u>11,845,391</u>	<u>170,984</u>	<u>89,559</u>	<u>125,048</u>	<u>12,230,982</u>
<b>EXPENDITURES</b>					
Current:					
General government	1,126,111	-	-	63,792	1,189,903
Public safety	969,588	-	-	48,523	1,018,111
Health and welfare	86,494	-	-	-	86,494
Public works	381,143	500,000	-	-	881,143
Parks and recreation	1,025,843	-	-	-	1,025,843
Education	6,207,376	-	-	31,596	6,238,972
Debt service:					
Principal	-	-	8,000	-	8,000
Interest and fiscal charges	-	-	425,781	-	425,781
Capital outlays	1,059,268	1,063,958	-	-	2,123,226
Total expenditures	<u>10,855,823</u>	<u>1,563,958</u>	<u>433,781</u>	<u>143,911</u>	<u>12,997,473</u>
Excess (deficiency) of revenues over expenditures	989,568	(1,392,974)	(344,222)	(18,863)	(766,491)
<b>OTHER FINANCING SOURCES (USES)</b>					
Premium on issuance of debt	-	-	149,189	-	149,189
Transfers in	151,530	1,331,686	66,115	-	1,549,331
Transfers out	(400,000)	-	-	-	(400,000)
Total other financing sources (uses)	<u>(248,470)</u>	<u>1,331,686</u>	<u>215,304</u>	<u>-</u>	<u>1,298,520</u>
Net change in fund balances	741,098	(61,288)	(128,918)	(18,863)	532,029
Fund balances - beginning	<u>2,329,414</u>	<u>1,318,007</u>	<u>581,703</u>	<u>2,661,244</u>	<u>6,890,368</u>
Fund balances - ending	<u>\$ 3,070,512</u>	<u>\$ 1,256,719</u>	<u>\$ 452,785</u>	<u>\$ 2,642,381</u>	<u>\$ 7,422,397</u>

**TOWN OF NEWTOWN, CONNECTICUT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**AS OF JUNE 30, 2019**

	<b>Dog License Fund</b>	<b>Blight Fund</b>	<b>Police Private Duty Fund</b>	<b>Town Gifts Fund</b>	<b>School Lunch Program Fund</b>	<b>Education Grants Fund</b>
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 4,248	\$ 235,486	\$ 530,164
Investments	-	-	-	-	-	-
Receivables:						
Grants and contracts	-	-	-	-	31,595	63,159
Loans	-	-	-	-	-	-
Other	3,384	-	308,799	354	908	35,154
Due from other funds	9,107	35,218	-	271,728	-	27,616
Other	-	-	-	-	15,100	-
Total assets	<u>\$ 12,491</u>	<u>\$ 35,218</u>	<u>\$ 308,799</u>	<u>\$ 276,330</u>	<u>\$ 283,089</u>	<u>\$ 656,093</u>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ -	\$ 248	\$ 5,430	\$ 30,573	\$ 2,274
Accrued payroll	-	-	-	-	1,699	155,438
Due to other funds	-	-	244,515	-	-	-
Unearned revenue	-	-	-	-	62,812	239,095
Total liabilities	<u>-</u>	<u>-</u>	<u>244,763</u>	<u>5,430</u>	<u>95,084</u>	<u>396,807</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	-	15,100	-
Restricted	-	-	-	270,900	172,905	259,286
Committed	12,491	35,218	64,036	-	-	-
Unassigned	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances	<u>12,491</u>	<u>35,218</u>	<u>64,036</u>	<u>270,900</u>	<u>188,005</u>	<u>259,286</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 12,491</u>	<u>\$ 35,218</u>	<u>\$ 308,799</u>	<u>\$ 276,330</u>	<u>\$ 283,089</u>	<u>\$ 656,093</u>

*Continued*

**TOWN OF NEWTOWN, CONNECTICUT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS (Continued)**  
**AS OF JUNE 30, 2019**

	<b>Law Enforcement Fund</b>	<b>Septage Management Ordinance Fund</b>	<b>Fairfield Hills Authority Fund</b>	<b>School Custodial Fund</b>	<b>Adult Education Fund</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 82,584	\$ 66,209
Investments	-	73,996	-	-	-
Receivables:					
Grants and contracts	-	-	-	-	-
Loans	-	-	-	-	-
Other	2,000	-	8,750	350	-
Due from other funds	217,998	48,480	63,762	-	-
Other	-	-	-	-	-
Total assets	<u>\$ 219,998</u>	<u>\$ 122,476</u>	<u>\$ 72,512</u>	<u>\$ 82,934</u>	<u>\$ 66,209</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 691	\$ -	\$ 556	\$ -	\$ -
Accrued payroll	-	-	-	-	-
Due to other funds	-	-	-	-	1,786
Unearned revenue	-	-	-	-	-
Total liabilities	<u>691</u>	<u>-</u>	<u>556</u>	<u>-</u>	<u>1,786</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	-	-	-	-	-
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted	219,307	-	-	-	-
Committed	-	122,476	71,956	82,934	64,423
Unassigned	-	-	-	-	-
Total fund balances	<u>219,307</u>	<u>122,476</u>	<u>71,956</u>	<u>82,934</u>	<u>64,423</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 219,998</u>	<u>\$ 122,476</u>	<u>\$ 72,512</u>	<u>\$ 82,934</u>	<u>\$ 66,209</u>

*Continued*

**TOWN OF NEWTOWN, CONNECTICUT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS (Continued)**  
**AS OF JUNE 30, 2019**

	<b>Edmond Town Hall Fund</b>	<b>Newtown Community Center Fund</b>	<b>Town Recreation Fund</b>	<b>Miscellaneous Grants Fund</b>	<b>Small Cities Program Fund</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 180,399	\$ 42,211	\$ 274,441	\$ -	\$ 16,621
Investments	-	-	-	-	-
Receivables:					
Grants and contracts	-	-	-	733,966	-
Loans	-	-	-	-	242,542
Other	6,161	-	-	-	-
Due from other funds	-	873,515	-	-	-
Other	-	-	-	-	-
Total assets	<u>\$ 186,560</u>	<u>\$ 915,726</u>	<u>\$ 274,441</u>	<u>\$ 733,966</u>	<u>\$ 259,163</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 17,564	\$ 2,205	\$ 70,911	\$ 163,207	\$ -
Accrued payroll	-	-	-	-	-
Due to other funds	-	-	2,663	432,691	322
Unearned revenue	7,194	-	240,412	138,068	-
Total liabilities	<u>24,758</u>	<u>2,205</u>	<u>313,986</u>	<u>733,966</u>	<u>322</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue	-	-	-	-	242,542
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted	-	913,521	-	-	16,299
Committed	161,802	-	-	-	-
Unassigned	-	-	(39,545)	-	-
Total fund balances	<u>161,802</u>	<u>913,521</u>	<u>(39,545)</u>	<u>-</u>	<u>16,299</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 186,560</u>	<u>\$ 915,726</u>	<u>\$ 274,441</u>	<u>\$ 733,966</u>	<u>\$ 259,163</u>

*Continued*

**TOWN OF NEWTOWN, CONNECTICUT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS (Concluded)**  
**AS OF JUNE 30, 2019**

	<b>Cemetery Fund</b>	<b>Eichler's Cove Marina Fund</b>	<b>Historic Documents Fund</b>	<b>Cultural Arts Fund</b>	<b>Sandy Hook Special Revenue Fund</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>ASSETS</b>						
Cash and cash equivalents	\$ -	\$ 23,339	\$ -	\$ 57,089	\$ -	\$ 1,512,791
Investments	-	-	-	121,486	-	195,482
Receivables:						
Grants and contracts	-	-	-	-	-	828,720
Loans	-	-	-	-	-	242,542
Other	-	-	252	-	-	366,112
Due from other funds	-	271,087	38,335	6,975	111,659	1,975,480
Other	-	-	-	-	-	15,100
Total assets	<u>\$ -</u>	<u>\$ 294,426</u>	<u>\$ 38,587</u>	<u>\$ 185,550</u>	<u>\$ 111,659</u>	<u>\$ 5,136,227</u>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ 2,061	\$ 509	\$ 249	\$ -	\$ 296,478
Accrued payroll	-	-	-	-	-	157,137
Due to other funds	-	-	-	-	-	681,977
Unearned revenue	-	-	-	-	-	687,581
Total liabilities	<u>-</u>	<u>2,061</u>	<u>509</u>	<u>249</u>	<u>-</u>	<u>1,823,173</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue	-	-	-	-	-	242,542
<b>FUND BALANCES</b>						
Nonspendable	-	-	-	-	-	15,100
Restricted	-	-	38,078	185,301	111,659	2,187,256
Committed	-	292,365	-	-	-	907,701
Unassigned	-	-	-	-	-	(39,545)
Total fund balances	<u>-</u>	<u>292,365</u>	<u>38,078</u>	<u>185,301</u>	<u>111,659</u>	<u>3,070,512</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ -</u>	<u>\$ 294,426</u>	<u>\$ 38,587</u>	<u>\$ 185,550</u>	<u>\$ 111,659</u>	<u>\$ 5,136,227</u>
						<i>Concluded</i>



**TOWN OF NEWTOWN, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Dog License Fund</b>	<b>Blight Fund</b>	<b>Police Private Duty Fund</b>	<b>Town Gifts Fund</b>	<b>School Lunch Program Fund</b>	<b>Education Grants Fund</b>
<b>REVENUES</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 245,757	\$ 3,558,187
Charges for services	18,416	-	1,262,737	-	1,566,762	533,415
Investment income	-	-	-	-	-	-
Other	7,614	-	-	82,803	-	68,177
Total revenues	<u>26,030</u>	<u>-</u>	<u>1,262,737</u>	<u>82,803</u>	<u>1,812,519</u>	<u>4,159,779</u>
<b>EXPENDITURES</b>						
Current:						
General government	-	-	-	23,998	-	-
Public safety	29,904	-	842,238	5,276	-	-
Health and welfare	-	1,650	-	2,535	-	-
Public works	-	-	-	-	-	-
Parks and recreation	-	-	-	38,343	-	-
Education	-	-	-	-	1,837,906	4,191,774
Capital outlays	-	-	-	-	-	-
Total expenditures	<u>29,904</u>	<u>1,650</u>	<u>842,238</u>	<u>70,152</u>	<u>1,837,906</u>	<u>4,191,774</u>
Excess (deficiency) of revenues over expenditures	(3,874)	(1,650)	420,499	12,651	(25,387)	(31,995)
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(400,000)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(400,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(3,874)	(1,650)	20,499	12,651	(25,387)	(31,995)
Fund balances - beginning	<u>16,365</u>	<u>36,868</u>	<u>43,537</u>	<u>258,249</u>	<u>213,392</u>	<u>291,281</u>
Fund balances - ending	<u>\$ 12,491</u>	<u>\$ 35,218</u>	<u>\$ 64,036</u>	<u>\$ 270,900</u>	<u>\$ 188,005</u>	<u>\$ 259,286</u>

*Continued*

**TOWN OF NEWTOWN, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Law Enforcement Fund</b>	<b>Septage Management Ordinance Fund</b>	<b>Fairfield Hills Authority Fund</b>	<b>School Custodial Fund</b>	<b>Adult Education Fund</b>
<b>REVENUES</b>					
Intergovernmental	\$ 132,001	\$ -	\$ -	\$ -	\$ -
Charges for services	-	4,750	38,428	6,640	174,145
Investment income	-	1,446	-	-	-
Other	2,000	-	400	-	-
Total revenues	<u>134,001</u>	<u>6,196</u>	<u>38,828</u>	<u>6,640</u>	<u>174,145</u>
<b>EXPENDITURES</b>					
Current:					
General government	-	-	58,994	-	-
Public safety	26,923	-	-	-	-
Health and welfare	-	659	-	-	-
Public works	-	-	-	-	-
Parks and recreation	-	-	-	-	-
Education	-	-	-	9,277	168,419
Capital outlays	-	-	-	-	-
Total expenditures	<u>26,923</u>	<u>659</u>	<u>58,994</u>	<u>9,277</u>	<u>168,419</u>
Excess (deficiency) of revenues over expenditures	107,078	5,537	(20,166)	(2,637)	5,726
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	107,078	5,537	(20,166)	(2,637)	5,726
Fund balances - beginning	<u>112,229</u>	<u>116,939</u>	<u>92,122</u>	<u>85,571</u>	<u>58,697</u>
Fund balances - ending	<u>\$ 219,307</u>	<u>\$ 122,476</u>	<u>\$ 71,956</u>	<u>\$ 82,934</u>	<u>\$ 64,423</u>

*Continued*

**TOWN OF NEWTOWN, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Edmond Town Hall Fund</b>	<b>Newtown Community Center Fund</b>	<b>Town Recreation Fund</b>	<b>Miscellaneous Grants Fund</b>	<b>Small Cities Program Fund</b>
<b>REVENUES</b>					
Intergovernmental	\$ -	\$ -	\$ -	\$ 1,667,527	\$ -
Charges for services	445,434	22,881	655,359	-	2,890
Investment income	46,995	11,150	-	-	-
Other	2,196	1,055,220	-	-	-
Total revenues	<u>494,625</u>	<u>1,089,251</u>	<u>655,359</u>	<u>1,667,527</u>	<u>2,890</u>
<b>EXPENDITURES</b>					
Current:					
General government	635,355	-	-	370,952	8,864
Public safety	-	-	-	65,247	-
Health and welfare	-	-	22,517	-	-
Public works	-	-	-	381,143	-
Parks and recreation	-	168,744	687,885	-	-
Education	-	-	-	-	-
Capital outlays	-	-	-	850,194	-
Total expenditures	<u>635,355</u>	<u>168,744</u>	<u>710,402</u>	<u>1,667,536</u>	<u>8,864</u>
Excess (deficiency) of revenues over expenditures	(140,730)	920,507	(55,043)	(9)	(5,974)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	151,530	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>151,530</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	10,800	920,507	(55,043)	(9)	(5,974)
Fund balances - beginning	<u>151,002</u>	<u>(6,986)</u>	<u>15,498</u>	<u>9</u>	<u>22,273</u>
Fund balances - ending	<u>\$ 161,802</u>	<u>\$ 913,521</u>	<u>\$ (39,545)</u>	<u>\$ -</u>	<u>\$ 16,299</u>

*Continued*

**TOWN OF NEWTOWN, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS (Concluded)**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Cemetery Fund</b>	<b>Eichler's Cove Marina Fund</b>	<b>Historic Documents Fund</b>	<b>Cultural Arts Fund</b>	<b>Sandy Hook Special Revenue Fund</b>	<b>Total Nonmajor Special Revenue Funds</b>
<b>REVENUES</b>						
Intergovernmental	\$ -	\$ -	\$ 6,500	\$ 3,750	\$ -	\$ 5,613,722
Charges for services	-	154,384	13,132	9,320	-	4,908,693
Investment income	-	-	-	6,566	-	66,157
Other	-	568	-	37,341	500	1,256,819
Total revenues	-	154,952	19,632	56,977	500	11,845,391
<b>EXPENDITURES</b>						
Current:						
General government	333	-	12,531	-	15,084	1,126,111
Public safety	-	-	-	-	-	969,588
Health and welfare	-	-	-	59,133	-	86,494
Public works	-	-	-	-	-	381,143
Parks and recreation	-	130,871	-	-	-	1,025,843
Education	-	-	-	-	-	6,207,376
Capital outlays	-	209,074	-	-	-	1,059,268
Total expenditures	333	339,945	12,531	59,133	15,084	10,855,823
Excess (deficiency) of revenues over expenditures	(333)	(184,993)	7,101	(2,156)	(14,584)	989,568
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	-	-	-	-	-	151,530
Transfers out	-	-	-	-	-	(400,000)
Total other financing sources (uses)	-	-	-	-	-	(248,470)
Net change in fund balances	(333)	(184,993)	7,101	(2,156)	(14,584)	741,098
Fund balances - beginning	333	477,358	30,977	187,457	126,243	2,329,414
Fund balances - ending	\$ -	\$ 292,365	\$ 38,078	\$ 185,301	\$ 111,659	\$ 3,070,512
						<i>Concluded</i>

**TOWN OF NEWTOWN, CONNECTICUT**  
**COMBINING BALANCE SHEET**  
**NONMAJOR PERMANENT FUNDS**  
**AS OF JUNE 30, 2019**

	<b>Hawley School Trust Fund</b>	<b>Edmond Town Hall Endowment Fund</b>	<b>Newtown Flagpole Fund</b>	<b>The V.G. Hair and Frances E. Hair Fund</b>	<b>Total Nonmajor Permanent Funds</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 2,970	\$ 8,527	\$ -	\$ 15,793	\$ 27,290
Investments	392,497	1,064,424	12,409	1,039,660	2,508,990
Due from other funds	22,693	-	3,637	79,771	106,101
Total assets	<u>\$ 418,160</u>	<u>\$ 1,072,951</u>	<u>\$ 16,046</u>	<u>\$ 1,135,224</u>	<u>\$ 2,642,381</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>					
Nonspendable	350,000	250,000	10,000	-	610,000
Restricted	68,160	822,951	6,046	1,135,224	2,032,381
Total fund balances	<u>418,160</u>	<u>1,072,951</u>	<u>16,046</u>	<u>1,135,224</u>	<u>2,642,381</u>
Total liabilities and fund balances	<u>\$ 418,160</u>	<u>\$ 1,072,951</u>	<u>\$ 16,046</u>	<u>\$ 1,135,224</u>	<u>\$ 2,642,381</u>

**TOWN OF NEWTOWN, CONNECTICUT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR PERMANENT FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Hawley School Trust Fund</b>	<b>Edmond Town Hall Endowment Fund</b>	<b>Newtown Flagpole Fund</b>	<b>The V.G. Hair and Frances E. Hair Fund</b>	<b>Total Nonmajor Permanent Funds</b>
<b>REVENUES</b>					
Investment income	\$ 23,929	\$ 57,665	\$ 82	\$ 43,346	\$ 125,022
Contributions	-	-	26	-	26
Total revenues	<u>23,929</u>	<u>57,665</u>	<u>108</u>	<u>43,346</u>	<u>125,048</u>
<b>EXPENDITURES</b>					
Current:					
General government	-	63,492	300	-	63,792
Public safety	-	-	-	48,523	48,523
Education	<u>31,596</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,596</u>
Total expenditures	<u>31,596</u>	<u>63,492</u>	<u>300</u>	<u>48,523</u>	<u>143,911</u>
Net change in fund balances	(7,667)	(5,827)	(192)	(5,177)	(18,863)
Fund balances - beginning	<u>425,827</u>	<u>1,078,778</u>	<u>16,238</u>	<u>1,140,401</u>	<u>2,661,244</u>
Fund balances - ending	<u>\$ 418,160</u>	<u>\$ 1,072,951</u>	<u>\$ 16,046</u>	<u>\$ 1,135,224</u>	<u>\$ 2,642,381</u>

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## FIDUCIARY FUNDS

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

### **PENSION TRUST FUNDS**

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

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

### **OPEB TRUST FUNDS**

To account for the Town's other post-employment benefit plan, which provides medical and life insurance to retirees.

### **PRIVATE-PURPOSE TRUST FUNDS**

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

### **AGENCY FUNDS**

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

**Board of Education Flex Plan Fund** – To account for employee medical savings account.

**Student Activities Fund** – To account for expenditures for educational extracurricular activities at the various schools. Financing is provided by individual fundraising projects.

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

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

**TOWN OF NEWTOWN, CONNECTICUT**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**PENSION AND OTHER POST-EMPLOYMENT BENEFITS TRUST FUNDS**  
**AS OF JUNE 30, 2019**

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	<b>Town Pension Trust Fund</b>	<b>OPEB Trust Fund</b>	<b>Total Pension Trust Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 92,795	\$ 14,832	\$ 107,627
Investments:			
Bond mutual funds	15,866,205	1,003,327	16,869,532
Equity mutual funds	29,470,199	1,788,144	31,258,343
Contributions receivable	1,130	-	1,130
Total assets	<u>\$ 45,430,329</u>	<u>\$ 2,806,303</u>	<u>\$ 48,236,632</u>
<b>NET POSITION</b>			
Held in trust for pension benefits	<u>\$ 45,430,329</u>	<u>\$ 2,806,303</u>	<u>\$ 48,236,632</u>



**TOWN OF NEWTOWN, CONNECTICUT**  
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
PENSION AND OTHER POST-EMPLOYMENT BENEFITS TRUST FUNDS  
FOR THE YEAR ENDED JUNE 30, 2019

	<b>Town</b>		
	<b>Pension Trust</b>	<b>OPEB Trust</b>	<b>Total Pension</b>
	<b>Fund</b>	<b>Fund</b>	<b>Trust Funds</b>
<b>ADDITIONS</b>			
Contributions:			
Employer	\$ 2,254,873	\$ 698,956	\$ 2,953,829
Plan members	447,671	121,733	569,404
Total contributions	<u>2,702,544</u>	<u>820,689</u>	<u>3,523,233</u>
Investment earnings:			
Interest and dividends	1,100,888	66,625	1,167,513
Net change in the fair			
value of investments	<u>1,260,798</u>	<u>76,717</u>	<u>1,337,515</u>
Total investment earnings	2,361,686	143,342	2,505,028
Less: investment fee expense	<u>(44,765)</u>	<u>-</u>	<u>(44,765)</u>
Total investment earnings, net	<u>2,316,921</u>	<u>143,342</u>	<u>2,460,263</u>
Total additions	5,019,465	964,031	5,983,496
<b>DEDUCTIONS</b>			
Benefit payments	2,325,891	476,145	2,802,036
Administrative expenses	<u>65,784</u>	<u>2,646</u>	<u>68,430</u>
Total deductions	<u>2,391,675</u>	<u>478,791</u>	<u>2,870,466</u>
Change in net position	2,627,790	485,240	3,113,030
Net position - beginning	<u>42,802,539</u>	<u>2,321,063</u>	<u>45,123,602</u>
Net position - ending	<u><u>\$ 45,430,329</u></u>	<u><u>\$ 2,806,303</u></u>	<u><u>\$ 48,236,632</u></u>

**TOWN OF NEWTOWN, CONNECTICUT**  
**COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
**AGENCY FUNDS**  
**AS OF JUNE 30, 2019**

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	<b>Flexible Spending Fund</b>	<b>Student Activities Fund</b>	<b>Police Benevolent Fund</b>	<b>Performance Bonds Fund</b>	<b>Total</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 23,732	\$ 544,691	\$ 1,367	\$ 274,731	\$ 844,521
Investments	-	192,731	-	-	192,731
Total assets	<u>\$ 23,732</u>	<u>\$ 737,422</u>	<u>\$ 1,367</u>	<u>\$ 274,731</u>	<u>\$ 1,037,252</u>
<b>LIABILITIES</b>					
Due to others	<u>\$ 23,732</u>	<u>\$ 737,422</u>	<u>\$ 1,367</u>	<u>\$ 274,731</u>	<u>\$ 1,037,252</u>

**TOWN OF NEWTOWN, CONNECTICUT**  
**COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES**  
**AGENCY FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Balance, July 1, 2018</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance, June 30, 2019</b>
<b>ASSETS</b>				
Cash and cash equivalents:				
Flexible Spending Fund	\$ 11,502	\$ 118,729	\$ 106,499	\$ 23,732
Student Activities Fund	498,601	1,470,105	1,424,015	544,691
Police Benevolent Fund	309	1,058	-	1,367
Performance Bonds Fund	452,365	366	178,000	274,731
Total cash and cash equivalents	962,777	1,590,258	1,708,514	844,521
Investments:				
Student Activities Fund	192,731	-	-	192,731
Total assets	<u>\$ 1,155,508</u>	<u>\$ 1,590,258</u>	<u>\$ 1,708,514</u>	<u>\$ 1,037,252</u>
<b>LIABILITIES</b>				
Due to others:				
Flexible Spending Fund	\$ 11,502	\$ 118,729	\$ 106,499	\$ 23,732
Student Activities Fund	691,332	1,470,105	1,424,015	737,422
Police Benevolent Fund	309	1,058	-	1,367
Performance Bonds Fund	452,365	366	178,000	274,731
Total liabilities	<u>\$ 1,155,508</u>	<u>\$ 1,590,258</u>	<u>\$ 1,708,514</u>	<u>\$ 1,037,252</u>

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## STATISTICAL SECTION

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

### 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):**

These schedules contain 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 presented in these schedules is derived from the comprehensive annual financial reports for the relevant year.

Table 1

**TOWN OF NEWTOWN, CONNECTICUT**  
**NET POSITION BY COMPONENT**  
**LAST TEN FISCAL YEARS**  
*(Accrual Basis of Accounting - Unaudited)*

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Governmental activities</b>										
Net investment in capital assets	\$ 131,727,748	\$ 149,602,482	\$ 160,006,067	\$ 164,022,205	\$ 172,186,652	\$ 191,092,069	\$ 219,568,514	\$ 229,166,050	\$ 232,743,644	\$ 245,998,804
Restricted for grants and other purposes	1,879,936	1,998,685	1,805,744	3,891,876	5,421,702	4,920,388	4,291,228	13,348,919	12,423,807	5,215,378
Unrestricted	25,713,592	22,463,889	17,480,920	16,922,074	9,914,472	15,857,578	21,104,881	1,544,434	2,050,448	1,901,944
Total governmental activities net position	<u>\$ 159,321,276</u>	<u>\$ 174,065,056</u>	<u>\$ 179,292,731</u>	<u>\$ 184,836,155</u>	<u>\$ 187,522,826</u>	<u>\$ 211,870,035</u>	<u>\$ 244,964,623</u>	<u>\$ 244,059,403</u>	<u>\$ 247,217,899</u>	<u>\$ 253,116,126</u>
			z							
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 23,064,329	\$ 23,323,592	\$ 24,084,436	\$ 24,629,094	\$ 23,031,532	\$ 24,500,880	\$ 26,005,257	\$ 28,379,407	\$ 28,192,066	\$ 27,626,523
Unrestricted	9,332,516	8,783,633	7,641,205	6,731,333	7,733,196	5,327,679	3,028,503	4,435,154	3,896,993	3,227,650
Total business-type activities net assets	<u>\$ 32,396,845</u>	<u>\$ 32,107,225</u>	<u>\$ 31,725,641</u>	<u>\$ 31,360,427</u>	<u>\$ 30,764,728</u>	<u>\$ 29,828,559</u>	<u>\$ 29,033,760</u>	<u>\$ 32,814,561</u>	<u>\$ 32,089,059</u>	<u>\$ 30,854,173</u>
<b>Primary government</b>										
Net investment in capital assets	\$ 154,792,077	\$ 172,926,074	\$ 184,090,503	\$ 188,651,299	\$ 195,218,184	\$ 215,592,949	\$ 245,573,771	\$ 257,545,457	\$ 260,935,710	\$ 273,625,327
Restricted	1,879,936	1,998,685	1,805,744	3,891,876	5,421,702	4,920,388	4,291,228	13,348,919	12,423,807	5,215,378
Unrestricted	35,046,108	31,247,522	25,122,125	23,653,407	17,647,668	21,185,257	24,133,384	5,979,588	5,947,441	5,129,594
Total primary government net position	<u>\$ 191,718,121</u>	<u>\$ 206,172,281</u>	<u>\$ 211,018,372</u>	<u>\$ 216,196,582</u>	<u>\$ 218,287,554</u>	<u>\$ 241,698,594</u>	<u>\$ 273,998,383</u>	<u>\$ 276,873,964</u>	<u>\$ 279,306,958</u>	<u>\$ 283,970,299</u>

Table 2-1

**TOWN OF NEWTOWN, CONNECTICUT**  
**CHANGES NET POSITION**  
**LAST TEN FISCAL YEARS**  
*(Accrual Basis of Accounting - Unaudited)*

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Expenses</b>										
Governmental activities:										
General government	\$ 8,759,441	\$ 4,521,804	\$ 5,572,507	\$ 5,525,271	\$ 6,002,205	\$ 6,487,392	\$ 6,748,506	\$ 7,385,317	\$ 6,945,084	\$ 6,907,954
Public safety	6,867,872	9,253,214	9,859,389	9,986,240	10,603,300	11,028,701	11,763,967	13,341,455	11,775,277	12,087,651
Health and welfare	2,938,714	2,156,351	3,108,569	2,541,813	2,789,566	3,197,189	3,141,088	2,938,553	3,244,577	3,282,664
Land use	541,473	569,264	557,698	588,147	723,512	666,559	753,241	631,791	632,820	703,298
Public works	8,173,705	9,793,777	11,621,141	9,873,453	10,416,008	9,630,398	10,403,732	11,321,488	11,509,804	13,441,190
Parks and recreation	2,639,930	3,819,873	3,400,294	3,251,097	3,122,807	3,625,294	3,748,633	3,807,405	3,932,672	4,477,125
Education	76,662,504	78,287,539	82,229,207	83,295,987	90,475,882	90,038,453	89,774,822	90,644,415	97,705,211	89,993,500
Interest expense	14,752,827	2,781,527	3,294,660	2,530,417	2,350,574	2,534,616	2,226,691	1,606,362	2,135,932	2,648,364
Total governmental activities expenses	121,336,466	111,183,349	119,643,465	117,592,425	126,483,854	127,208,602	128,560,680	131,676,786	137,881,377	133,541,746
Business-type activities:										
Sewer	1,592,894	1,558,578	1,655,992	1,621,751	1,575,726	1,696,442	1,696,780	1,643,747	1,710,495	1,921,345
Water	407,914	334,988	287,707	308,571	359,157	479,700	511,594	524,881	404,610	393,681
Total Business-type activities expenses	2,000,808	1,893,566	1,943,699	1,930,322	1,934,883	2,176,142	2,208,374	2,168,628	2,115,105	2,315,026
Total Expenses	123,337,274	113,076,915	121,587,164	119,522,747	128,418,737	129,384,744	130,769,054	133,845,414	139,996,482	135,856,772
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	620,329	694,793	681,250	657,318	661,787	764,436	811,598	2,087,378	1,781,957	1,709,232
Public safety	403,673	382,426	1,014,724	496,807	398,294	607,587	843,555	919,069	978,197	1,281,153
Health and welfare	36,056	46,909	26,004	18,660	55,400	2,515	10,404	8,230	6,335	9,960
Land use	68,850	50,654	55,489	67,810	42,717	81,168	56,628	49,737	72,995	64,649
Public works	795,857	1,020,424	1,072,364	936,145	1,184,725	1,079,601	1,151,513	703,365	834,793	962,901
Parks and recreation	1,496,451	1,436,769	1,418,411	1,314,279	1,627,318	1,489,006	1,450,819	1,128,552	1,003,064	1,105,370
Education	1,979,875	2,249,986	2,180,993	2,136,233	2,185,632	2,274,004	2,369,659	2,384,561	2,339,223	2,339,058
Operating grants and contributions	15,620,226	15,216,921	16,619,958	18,865,291	22,660,148	19,919,812	19,384,116	18,758,945	25,336,044	18,685,375
Capital grants and contributions	4,738,631	8,706,301	3,497,555	1,699,664	4,827,049	21,188,401	30,852,252	2,664,970	1,741,624	2,621,830
Total governmental activities program revenues	25,759,948	29,805,183	26,566,748	26,192,207	33,643,070	47,406,530	56,930,544	28,704,807	34,094,232	28,779,528
Business-type activities:										
Sewer	1,021,112	1,206,743	1,158,657	1,182,768	976,159	875,006	1,027,189	5,650,537	975,190	1,049,861
Water	324,178	332,772	351,139	335,215	319,567	323,481	346,945	261,575	369,866	415,083
Total business-type activities program revenues	1,345,290	1,539,515	1,509,796	1,517,983	1,295,726	1,198,487	1,374,134	5,912,112	1,345,056	1,464,944
Total Program Revenues	27,105,238	31,344,698	28,076,544	27,710,190	34,938,796	48,605,017	58,304,678	34,616,919	35,439,288	30,244,472
<b>Net Expenses</b>										
Governmental activities	(95,576,518)	(81,378,166)	(93,076,717)	(91,400,218)	(92,840,784)	(79,802,072)	(71,630,136)	(102,971,979)	(103,787,145)	(104,762,218)
Business-type activities	(655,518)	(354,051)	(433,903)	(412,339)	(639,157)	(977,655)	(834,240)	3,743,484	(770,049)	(850,082)
Total net expenses	(96,232,036)	(81,732,217)	(93,510,620)	(91,812,557)	(93,479,941)	(80,779,727)	(72,464,376)	(99,228,495)	(104,557,194)	(105,612,300)

**TOWN OF NEWTOWN, CONNECTICUT**  
**CHANGES NET POSITION**  
**LAST TEN FISCAL YEARS**  
*(Accrual Basis of Accounting - Unaudited)*

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Revenues and Other Changes In Net Position</b>										
Governmental activities:										
Property taxes	\$ 90,659,137	\$ 93,206,605	\$ 95,287,752	\$ 96,220,137	\$ 100,629,359	\$ 100,926,929	\$ 101,373,044	\$ 103,477,136	\$ 104,669,353	\$ 107,694,541
Grants and contributions not restricted	2,045,042	2,168,350	2,576,596	2,602,165	2,685,543	2,962,325	2,770,496	2,382,347	1,647,784	1,574,097
Contributions to permanent funds	-	-	-	1,387,342	-	-	-	-	-	-
Investment income	574,735	592,766	224,944	293,593	370,978	210,013	360,637	480,819	628,504	1,391,807
Gain on sale of assets	-	-	90,000	-	-	-	-	-	-	-
Other	105,381	154,225	125,100	161,772	136,925	50,014	220,547	-	-	-
Total governmental activities	93,384,295	96,121,946	98,304,392	100,665,009	103,822,805	104,149,281	104,724,724	106,340,302	106,945,641	110,660,445
Business-type activities:										
Sewer	99,896	64,431	52,319	47,125	43,458	41,486	39,441	37,317	44,547	40,496
Total Business-type activities	99,896	64,431	52,319	47,125	43,458	41,486	39,441	37,317	44,547	40,496
Total general revenues	93,484,191	96,186,377	98,356,711	100,712,134	103,866,263	104,190,767	104,764,165	106,377,619	106,990,188	110,700,941
<b>Change in Net Position Before Extraordinary Item</b>										
Governmental activities	(2,192,223)	14,743,780	5,227,675	9,264,791	10,982,021	10,982,021	33,094,588	3,368,323	3,158,496	5,898,227
Business-type activities	(555,622)	(289,620)	(381,584)	(365,214)	(595,699)	(595,699)	(794,799)	3,780,801	(725,502)	(809,586)
	(2,747,845)	14,454,160	4,846,091	8,899,577	10,386,322	10,386,322	32,299,789	7,149,124	2,432,994	5,088,641
Extraordinary Item - Asset Impairment	-	-	-	-	(3,721,367)	-	-	-	-	-
<b>Change in Net Position</b>										
Governmental activities	(2,192,223)	14,743,780	5,227,675	9,264,791	7,260,654	10,982,021	33,094,588	3,368,323	3,158,496	5,898,227
Business-type activities	(555,622)	(289,620)	(381,584)	(365,214)	(595,699)	(595,699)	(794,799)	3,780,801	(725,502)	(809,586)
Total change in net position	<u>\$ (2,747,845)</u>	<u>\$ 14,454,160</u>	<u>\$ 4,846,091</u>	<u>\$ 8,899,577</u>	<u>\$ 6,664,955</u>	<u>\$ 10,386,322</u>	<u>\$ 32,299,789</u>	<u>\$ 7,149,124</u>	<u>\$ 2,432,994</u>	<u>\$ 5,088,641</u>

**TOWN OF NEWTOWN, CONNECTICUT**  
**FUND BALANCES, GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
*(Modified Accrual Basis of Accounting - Unaudited)*

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Fund:</b>										
Committed	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 175,484	\$ 264,924
Assigned	2,354,552	760,701	810,891	1,416,183	958,996	698,388	868,010	963,885	390,306	739,565
Unassigned	6,903,051	7,408,816	8,379,750	9,390,049	10,242,495	10,608,535	11,444,280	12,301,299	12,826,790	15,652,861
Total General Fund	9,257,603	8,169,517	9,190,641	10,806,232	11,201,491	11,306,923	12,312,290	13,265,184	13,392,580	16,657,350
<b>All Other Governmental Funds:</b>										
Nonspendable	650,602	650,602	610,000	610,000	610,000	610,000	610,000	650,896	632,917	625,100
Restricted	1,229,334	1,348,083	1,195,744	3,281,876	4,811,702	4,310,388	3,681,228	10,422,614	15,506,381	7,649,194
Committed	1,253,867	2,518,747	2,889,512	2,761,894	3,293,443	1,728,989	8,075,178	2,535,021	3,393,676	2,617,205
Assigned	301,517	51,350	152,761	182,284	382,280	65,891	85,213	-	-	-
Unassigned	(10,737,527)	(5,236,911)	(53,605)	(1,036,866)	-	(526,469)	-	(1,714,482)	(1,153,355)	(2,134,824)
Total All Other Governmental Funds	(7,302,207)	(668,129)	4,794,412	5,799,188	9,097,425	6,188,799	12,451,619	11,894,049	18,379,619	8,756,675
Total All Governmental Funds	<u>\$ 1,955,396</u>	<u>\$ 7,501,388</u>	<u>\$ 13,985,053</u>	<u>\$ 16,605,420</u>	<u>\$ 20,298,916</u>	<u>\$ 17,495,722</u>	<u>\$ 24,763,909</u>	<u>\$ 25,159,233</u>	<u>\$ 31,772,199</u>	<u>\$ 25,414,025</u>



Table 4

**TOWN OF NEWTOWN, CONNECTICUT**  
**CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
*(Modified Accrual Basis of Accounting - Unaudited)*

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Property taxes	\$ 90,659,137	\$ 92,855,249	\$ 94,848,822	\$ 96,477,212	\$ 100,427,517	\$ 101,013,572	\$ 101,236,267	\$ 103,098,824	\$ 104,543,685	\$ 107,411,022
Intergovernmental	21,368,025	26,729,907	20,996,562	21,047,684	29,675,603	34,292,844	53,276,588	23,123,936	22,377,709	27,030,601
Charges for services	5,401,091	5,864,154	6,476,781	5,642,737	6,140,973	6,302,145	6,687,682	6,958,039	7,016,564	7,270,770
Investment income	574,735	588,831	219,078	285,354	365,616	202,778	352,580	480,819	628,504	1,391,807
Contributions	158,204	225,177	504,502	3,430,866	1,076,879	783,631	263,880	6,097,601	5,235,630	1,720,317
Other	105,381	154,225	125,100	161,772	136,925	50,014	220,547	-	-	-
Total revenues	118,266,573	126,417,543	123,170,845	127,045,625	137,823,513	142,644,984	162,037,544	139,759,219	139,802,092	144,824,517
<b>Expenditures</b>										
General government	8,384,510	8,467,595	4,924,957	4,980,373	5,471,010	6,308,275	6,137,799	5,794,214	6,339,352	5,804,071
Fairfield Hills	374,931	305,477	149,582	55,211	56,888	27,640	27,785	-	44,000	43,999
Public safety	6,867,872	6,804,072	9,313,761	9,619,031	9,878,324	10,403,207	10,411,943	10,640,650	10,808,734	11,105,058
Health and welfare	2,938,714	2,133,572	3,094,137	2,519,088	2,765,177	3,182,633	3,090,033	2,898,511	3,262,305	3,225,998
Land use	541,473	465,629	570,199	579,059	720,127	673,894	674,599	680,106	666,024	662,685
Public works	8,173,705	8,676,968	10,433,422	9,453,990	10,060,991	10,076,262	9,733,804	9,667,449	11,463,088	10,408,191
Parks and recreation	2,639,930	3,105,935	2,949,884	3,073,435	2,897,444	2,997,591	2,893,326	3,183,257	3,145,252	3,314,351
Education	76,662,504	78,889,774	80,220,967	82,288,773	88,921,365	87,257,274	86,970,790	88,091,733	89,102,583	92,558,079
Debt service:										
Principal	6,367,885	7,119,958	6,745,760	7,387,177	7,581,211	7,581,211	7,846,937	6,974,847	6,808,127	6,904,695
Interest	8,384,942	2,731,592	2,863,256	2,672,401	2,577,717	3,266,877	2,490,558	2,453,419	2,376,153	2,791,143
Capital outlays	27,410,677	16,043,474	7,842,117	2,480,606	7,756,118	14,053,371	37,091,149	13,941,677	12,534,327	25,649,383
Total expenditures	148,747,143	134,744,046	129,108,042	125,109,144	138,686,372	145,828,235	167,368,723	144,325,863	146,549,945	162,467,653
Excess of revenues over (under) expenditures	(30,480,570)	(8,326,503)	(5,937,197)	1,936,481	(862,859)	(3,183,251)	(5,331,179)	(4,566,644)	(6,747,853)	(17,643,136)
<b>Other Financing Sources (Uses)</b>										
Issuance of debt	14,230,000	14,020,000	11,800,000	-	4,012,000	-	12,000,000	4,808,000	13,000,000	17,150,000
Issuance of refunding bonds	13,320,000	8,910,000	15,047,300	-	-	17,620,000	2,295,000	-	-	-
Capital lease financing	-	-	-	-	-	179,866	-	-	114,065	624,662
Premiums on debt	1,611,914	1,048,566	1,655,587	-	60,997	2,592,690	731,617	152,968	247,754	1,242,915
Payment to refunded escrow	(14,490,091)	(10,106,071)	(16,172,025)	-	-	(20,012,499)	(2,427,251)	-	-	(7,732,615)
Sale of assets	-	-	90,000	-	-	-	-	-	-	-
Transfers in	575,633	663,737	787,684	574,285	969,830	1,049,293	861,427	1,130,009	2,915,068	1,949,331
Transfers out	(575,633)	(666,737)	(787,684)	(574,285)	(969,830)	(1,049,293)	(861,427)	(1,130,009)	(2,915,068)	(1,949,331)
Insurance proceeds	-	-	-	683,886	483,358	-	-	-	-	-
Total other financing sources (uses)	14,671,823	13,869,495	12,420,862	683,886	4,556,355	380,057	12,599,366	4,960,968	13,361,819	11,284,962
Net change in fund balances	\$ (15,808,747)	\$ 5,542,992	\$ 6,483,665	\$ 2,620,367	\$ 3,693,496	\$ (2,803,194)	\$ 7,268,187	\$ 394,324	\$ 6,613,966	\$ (6,358,174)
Total debt service	\$ 14,752,827	\$ 9,851,550	\$ 9,609,016	\$ 10,059,578	\$ 10,158,928	\$ 10,848,088	\$ 10,337,495	\$ 9,428,266	\$ 9,184,280	\$ 9,695,838
Noncapital expenditures	93,925,789	102,657,098	113,423,808	120,147,932	123,174,136	117,721,493	93,186,425	116,442,509	121,481,291	138,482,133
Debt service as a percentage of noncapital expenditures	16%	10%	8%	8%	8%	9%	11%	8%	7%	7%

Table 5

**TOWN OF NEWTOWN, CONNECTICUT**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**  
*(Unaudited)*

Fiscal Year Ended June 30,	Real Estate		Personal Property		Totals		(3) Total Direct Tax Rate	Assessed Value as a Percentage of Actual Value
	(1) Assessed Value	(1) Motor Vehicle Assessed Value	(1) Personal Property Assessed Value	Assessed Value	(2) Estimated Value			
2010	\$ 3,626,812,720	\$ 217,368,592	\$ 106,011,275	\$ 3,950,192,587	\$ 5,643,132,267	24.01	70.00%	
2011	3,624,426,799	207,771,612	110,561,554	3,942,759,965	5,632,514,236	24.61	70.00%	
2012	3,633,553,446	215,781,712	108,306,358	3,957,641,516	5,653,773,594	24.98	70.00%	
2013	3,648,196,507	227,546,256	108,087,739	3,983,830,502	5,691,186,431	25.15	70.00%	
2014	2,707,112,590	225,073,540	105,001,262	3,037,187,392	4,338,839,131	34.21	70.00%	
2015	2,717,924,953	229,453,000	105,519,888	3,052,897,841	4,361,282,630	34.16	70.00%	
2016	2,743,010,486	236,403,001	134,621,196	3,114,034,683	4,448,620,976	33.93	70.00%	
2017	2,748,022,668	234,824,465	100,984,365	3,083,831,498	4,405,473,569	34.46	70.00%	
2018	2,800,272,164	241,202,332	116,504,468	3,157,978,964	4,511,398,520	35.09	70.00%	
2019	2,811,683,222	244,809,635	132,072,361	3,188,565,218	4,555,093,169	34.91	70.00%	

- (1) Assessed value taken from the Board of Assessment Appeals corrected abstracts for the respective year.  
(2) By State law, property is assessed at 70% of actual value with periodic revaluation of real property.  
(3) From Table 6.

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 Mill Rate	Borough Mill Rate	Total Mill Rate
2010	2008	23.43	0.58	24.01
2011	2009	24.00	0.61	24.61
2012	2010	24.37	0.61	24.98
2013	2011	24.54	0.61	25.15
2014	2012	33.32	0.89	34.21
2015	2013	33.31	0.85	34.16
2016	2014	33.07	0.86	33.93
2017	2015	33.60	0.86	34.46
2018	2016	34.24	0.85	35.09
2019	2017	34.24	0.67	34.91

**Source:** Data provided by Town of Newton and Borough Tax Collectors

Table 7

**TOWN OF NEWTOWN, CONNECTICUT**  
**PRINCIPAL PROPERTY TAX PAYERS**  
**CURRENT YEAR AND NINE YEARS AGO**  
*(Unaudited)*

	2019			2010		
			(1) Percentage of Total Town Taxable Assessed Grand List			(2) Percentage of Total Town Taxable Assessed Grand List
<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>Rank</u>		<u>Taxable Assessed Value</u>	<u>Rank</u>	
EverSource	\$ 48,252,420	1	1.51%	\$ 20,254,810	1	0.52%
E&A/I&G Sandhill Plaza LTD Partnership	15,732,280	2	0.49%	18,944,980	2	0.48%
Iroquois Gas Transmission System	13,800,960	3	0.43%	9,789,790	6	0.25%
Newtown Landlord CT LLC	12,995,098	4	0.41%			
Advanced Fusion Systems LLC	12,291,380	5	0.39%			
Newtown Shopping Village	10,397,800	6	0.33%	11,651,660	4	0.30%
Newtown ALF Property LLC	7,862,280	7	0.25%			
Curtis Packaging Corp	7,569,790	8	0.24%	14,342,030	3	0.37%
Newtown Savings Bank	6,994,230	9	0.22%	7,047,410	9	0.18%
M Newtown Assoc LTD Prtnr	6,739,290	10	0.21%			
	<u>\$ 142,635,528</u>		<u>4.47%</u>	<u>\$ 82,030,680</u>		<u>2.09%</u>

(1) Based on October 1, 2018 net taxable Grand List of \$3,188,565,218

(2) Based on October 1, 2009 net taxable Grand List of \$3,918,669,368

**Source:** Town Assessor Department

Table 8

**TOWN OF NEWTOWN, CONNECTICUT**  
**PROPERTY TAX LEVIES AND COLLECTIONS**  
**LAST TEN FISCAL YEARS**  
*(Unaudited)*

Fiscal Year Ended June 30,	(1) Mill Rate	Total Adjusted Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date		Current Delinquent Balance
			Amount	Percentage of Levy		Amount	Percentage of Levy	
2010	23.43	\$ 90,216,520	\$ 89,465,838	99.2%	\$ 639,198	\$ 90,105,036	99.9%	\$ 102,585
2011	24.00	92,798,590	91,928,638	99.1%	690,255	92,618,893	99.8%	112,551
2012	24.37	94,762,206	93,813,987	99.0%	813,826	94,627,813	99.9%	120,369
2013	24.54	96,019,710	95,073,707	99.0%	796,061	95,869,768	99.8%	131,904
2014	33.32	99,925,361	99,196,280	99.3%	616,765	99,813,045	99.9%	96,197
2015	33.31	100,736,217	99,928,950	99.2%	634,722	100,563,672	99.8%	126,286
2016	33.07	100,822,157	100,147,614	99.3%	401,408	100,549,022	99.7%	141,568
2017	33.60	102,847,280	102,196,864	99.4%	388,737	102,585,601	99.7%	164,214
2018	34.24	104,201,004	103,526,641	99.4%	367,186	103,893,827	99.7%	227,014
2019	34.24	107,152,760	106,425,026	99.3%	-	106,425,026	99.3%	727,734

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

**Source:** Town financial statements.

Table 9

**TOWN OF NEWTOWN, CONNECTICUT**  
**RATIOS OF OUTSTANDING DEBT BY TYPE**  
**LAST TEN FISCAL YEARS**  
*(Unaudited)*

Fiscal Year	Governmental Activities						Business-Type Activities			Total Primary Government	Percentage of Personal Income (1)	Debt Per Capita (2)
	General Obligation Bonds	Unamortized Premium	Clean Water Notes	Drinking Water Note	Improvement Note	Capital Leases	General Obligation Bonds	Unamortized Premium	Clean Water Notes			
2010	\$ 72,068,800	\$ 1,989,589	\$ 2,029,879	\$ 138,233	\$ -	\$ 290,265	\$ 436,200	\$ -	\$ 6,611,048	\$ 83,564,014	8.27%	\$ 3,125
2011	78,664,000	2,764,148	1,762,220	130,734	-	237,944	391,000	-	5,765,553	89,715,599	8.60%	3,250
2012	83,482,300	4,148,873	1,489,134	123,060	-	182,902	327,700	7,398	4,903,085	94,664,452	8.72%	3,387
2013	76,381,600	3,758,373	1,210,511	115,206	-	124,998	268,400	6,869	4,023,113	85,889,070	7.26%	3,116
2014	73,104,700	3,428,872	926,239	107,167	-	64,083	2,690,300	44,167	3,125,380	83,490,908	6.42%	3,029
2015	64,221,900	3,230,825	636,202	98,940	-	99,866	2,488,100	41,747	2,209,527	73,027,107	5.35%	2,598
2016	68,594,300	3,414,557	340,285	90,520	-	49,933	2,285,900	39,327	1,275,188	76,090,010	5.57%	2,715
2017	66,668,300	2,801,131	176,372	81,903	-	39,078	2,431,700	36,907	321,895	72,557,286	5.31%	2,590
2018	72,938,800	2,652,522	148,498	73,084	-	111,210	2,281,200	34,820	-	78,240,134	5.64%	2,795
2019	75,694,300	3,294,385	120,033	64,058	-	568,169	2,130,700	32,067	-	81,903,712	5.54%	2,922

(1) See Table 5 for taxable property value data.

(2) See Table 13 for population data.

**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 FISCAL YEARS**  
*(Unaudited)*

Fiscal Year	GENERAL DEBT OUTSTANDING					Notes	Total Primary Government	Percentage of Personal Income (1)	Debt Per Capita (2)
	Governmental Activities		Business-Type Activities						
	General	Unamortized	General	Unamortized					
	Obligation Bonds	Premium	Obligation Bonds	Premium					
2010	\$ 72,068,800	\$ 1,989,589	\$ 436,200	\$ -	\$ 2,320,144	\$ 76,814,733	7.60%	\$ 2,873	
2011	78,664,000	2,764,148	391,000	-	1,762,220	83,581,368	8.01%	3,028	
2012	83,482,300	4,148,873	327,700	7,398	1,612,194	89,578,465	8.25%	3,205	
2013	76,381,600	3,758,373	268,400	6,869	1,325,717	81,740,959	6.91%	2,966	
2014	73,104,700	3,428,872	2,690,300	44,167	1,033,406	80,301,445	6.17%	2,914	
2015	64,221,900	3,230,825	2,488,100	41,747	735,142	70,717,714	5.18%	2,515	
2016	68,594,300	3,414,557	2,285,900	39,327	430,805	74,764,889	5.47%	2,668	
2017	66,668,300	2,801,131	2,431,700	36,907	258,275	72,196,313	5.29%	2,577	
2018	72,938,800	2,652,522	2,281,200	34,820	221,582	78,128,924	5.63%	2,791	
2019	75,694,300	3,294,385	2,130,700	32,067	184,091	81,335,543	5.50%	2,902	

(1) See Table 5 for taxable property value data.

(2) See Table 13 for population data.

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

Table 11

**TOWN OF NEWTOWN, CONNECTICUT**  
**SCHEDULE OF DEBT LIMITATION**  
**CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)**  
**FOR THE YEAR ENDED JUNE 30, 2019**  
*(Unaudited)*

Total cash collections for the year ended  
June 30, 2019:

Town:

Taxes	\$ 106,830,547
Interest and lien fees	370,731
Subtotal	<u>107,201,278</u>

Newtown Borough:

Taxes	224,902
Interest and lien fees	910
Subtotal	<u>225,812</u>

Reimbursement for revenue loss:

Tax relief for elderly (CGS 12-129d)	20,676
--------------------------------------	--------

Base

\$ 107,447,766

	<b>General Purposes</b>	<b>Schools</b>	<b>Sewers</b>	<b>Urban Renewal</b>	<b>Pension Deficit</b>
Debt limitation:					
2-1/4 times base	\$ 241,757,474	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	483,514,947	-	-	-
3-3/4 times base	-	-	402,929,123	-	-
3-1/4 times base	-	-	-	349,205,240	-
3 times base	-	-	-	-	322,343,298
Total debt limitation	<u>241,757,474</u>	<u>483,514,947</u>	<u>402,929,123</u>	<u>349,205,240</u>	<u>322,343,298</u>
Indebtedness:					
Bonds payable	43,527,000	32,167,300	2,130,700	-	-
Notes payable	184,091	-	-	-	-
Authorized but unissued bonds	12,874,000	5,179,857	1,030,000	-	-
Total indebtedness	<u>56,585,091</u>	<u>37,347,157</u>	<u>3,160,700</u>	<u>-</u>	<u>-</u>
Less: School construction grants receivable	-	-	-	-	-
Net indebtedness	<u>56,585,091</u>	<u>37,347,157</u>	<u>3,160,700</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u><u>\$ 185,172,383</u></u>	<u><u>\$ 446,167,790</u></u>	<u><u>\$ 399,768,423</u></u>	<u><u>\$ 349,205,240</u></u>	<u><u>\$ 322,343,298</u></u>
Total capacity of borrowing (7 times base)	\$ 752,134,362				
Total present indebtedness	97,092,948				
Margin for additional borrowing	<u><u>\$ 655,041,414</u></u>				



Table 12

**TOWN OF NEWTOWN, CONNECTICUT**  
**LEGAL DEBT MARGIN INFORMATION**  
**LAST TEN FISCAL YEARS**  
*(Unaudited)*

	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Debt limit	\$ 1,515,556,298	\$ 650,703,801	\$ 663,291,993	\$ 674,434,558	\$ 706,209,245
Total net debt applicable to limit	88,231,088	86,047,927	81,074,943	74,516,848	71,751,326
Legal Debt Margin	\$ 1,427,325,210	\$ 564,655,874	\$ 582,217,050	\$ 599,917,710	\$ 634,457,919
Total net debt applicable to the limit as a percentage of debt limit	5.82%	13.22%	12.22%	11.05%	10.16%
	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
Debt limit	\$ 706,964,622	\$ 710,145,842	\$ 723,086,609	\$ 731,965,500	\$ 752,134,362
Total net debt applicable to limit	63,374,699	68,249,369	81,131,541	83,074,239	97,092,948
Legal Debt Margin	\$ 643,589,923	\$ 641,896,473	\$ 641,955,068	\$ 648,891,261	\$ 655,041,414
Total net debt applicable to the limit as a percentage of debt limit	8.96%	9.61%	11.22%	11.35%	12.91%

**Note:** There is no overlapping debt for the Town of Newtown.

Table 13

**TOWN OF NEWTOWN, CONNECTICUT**  
**DEMOGRAPHIC STATISTICS**  
**LAST TEN FISCAL YEARS**  
*(Unaudited)*

<b>Fiscal Year</b>	<b>(1) Population</b>	<b>Personal Income</b>	<b>(2) Per Capita Personal Income</b>	<b>(2) Median Age</b>	<b>(4) Education Level in Years of Schooling</b>	<b>(3) School Enrollment</b>	<b>(2) Unemployment Rate</b>
2010	26,737	\$ 1,010,284,282	\$ 37,786	38	n/a	5,490	6.6%
2011	27,605	1,042,999,715	37,783	40	n/a	5,451	6.9%
2012	27,953	1,086,113,815	38,855	39	n/a	5,298	6.5%
2013	27,560	1,182,820,080	42,918	39	n/a	5,126	6.6%
2014	27,560	1,301,410,760	47,221	39	94.3%	4,880	6.5%
2015	28,113	1,365,054,828	48,556	44	95.4%	4,747	4.6%
2016	28,022	1,365,792,280	48,740	44	94.0%	4,564	4.8%
2017	28,012	1,365,416,928	48,744	44	95.4%	4,470	4.4%
2018	27,990	1,388,387,970	49,603	45	94.6%	4,407	4.3%
2019	28,030	1,478,694,620	52,754	45	94.6%	4,218	2.9%

- (1) State of Connecticut Department of Public Health  
(2) State of Connecticut, Labor Department, Office of Research and Statistics  
(3) State of Connecticut Department of Education  
(4) Percentage based on receipt of High School diploma

Table 14

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

<b><u>Employer</u></b>	<b>2019</b>			<b>2010</b>		
	<b><u>Employees</u></b>	<b><u>Rank</u></b>	<b><u>Percentage of Total Town Employment</u></b>	<b><u>Employees</u></b>	<b><u>Rank</u></b>	<b><u>Percentage of Total Town Employment</u></b>
Town of Newtown BOE	960	1	6.8%	797	1	6.0%
State of CT Dept. of Corrections	333	2	2.4%	305	2	2.3%
Town of Newtown	181	3	1.3%	173	6	1.3%
Newtown Savings Bank	171	4	1.2%	126	9	0.9%
Spectrum(Formerly Charter)	165	5	1.2%	222	5	1.7%
Eversource	160	6	1.1%	-		0.00%
Curtis Packaging Corp	134	7	1.0%	145	7	1.1%
Taunton Press	101	8	0.7%	250	4	2.90%
Caraluzzi's Newtown Market	98	9	0.7%	-		0.00%
Maplewood of Newtown	87	10	0.6%	-		0.00%
Total	<u>2,390</u>		<u>17.0%</u>	<u>2,018</u>		<u>16.2%</u>
Total Employees	<u>14,071</u>			<u>8,619</u>		

Table 15

**TOWN OF NEWTOWN, CONNECTICUT**  
**FULL-TIME EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
*(Unaudited)*

<b>FUNCTION / PROGRAM</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<u>General Government:</u>										
Selectmen	3	3	3	3	3	3	3	3	3	3
Finance	5	5	5	5	5	5	5	4	4	4
Parks and recreation	16	16	17	17	17	17	17	16	17	17
Town clerk	4	4	4	4	4	4	4	4	4	3
Senior center	3	3	3	3	3	2	2	2	2	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	3	4	4	3	3	4	4	4
Technology								4	4	4
Social services	2	2	2	2	2	2	2	4	4	4
Community Center										3
<u>Police:</u>										
Officers	47	47	46	45	45	45	45	45	45	45
Civilians	5	5	4	4	4	4	4	4	3	3
Canine control	2	2	2	2	2	2	3	3	3	2
<u>Fire:</u>										
Fire Marshall	3	3	3	3	3	3	3	3	3	3
<u>Public Works:</u>										
Engineering	2	2	2	2	2	2	2	2	2	2
Highway	39	40	37	37	38	37	38	40	38	36
Landfill	3	3	3	3	3	3	3	3	3	3
Building	6	6	5	5	5	5	5	5	5	4
Building (Maintenance)									2	1
<u>Land Use</u>	5	6	6	6	6	6	8	9	8	8
<u>Emergency Communications</u>	11	11	10	10	10	10	10	9	10	9
<u>Education</u>	737	730	717	751	759	786	779	793	803	815
<b>Total</b>	<b>904</b>	<b>899</b>	<b>879</b>	<b>912</b>	<b>921</b>	<b>945</b>	<b>942</b>	<b>963</b>	<b>973</b>	<b>980</b>

**Sources:** Town Budget

Table 16-1

**TOWN OF NEWTOWN, CONNECTICUT**  
**OPERATING INDICATORS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
*(Unaudited)*

<b>FUNCTION / PROGRAM</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Governmental Activities:</b>										
<u>Public Safety:</u>										
Volunteer Fire:										
No. of incidents	1,245	1,353	1,757	1,271	1,073	1,718	1,629	1,696	4,987	2,004
No. of rescue/medical calls	184	164	54	33	98	33	147	141	119	186
Police:										
No. of calls	21,208	19,848	25,515	22,540	24,701	26,796	17,082	24,561	27,160	31,509
No. of 911 calls	6,704	7,417	8,080	6,983	7,078	7,098	7,587	6,399	8,302	6,548
No. of formal investigations	3,119	2,873	2,536	2,259	2,202	2,077	1,678	1,630	1,625	1,674
<u>Town Clerk:</u>										
No. of documents recorded	5,056	6,328	6,732	6,521	5,562	6,276	5,015	5,193	5,140	4,417
<u>Health and Welfare:</u>										
No. of food service facilities inspections	121	115	129	129	114	108	127	125	129	126
No. of new homes built	n/a	n/a	n/a	n/a	18	19	18	23	13	13
No. of soil tests	113	91	123	94	164	111	121	126	146	117
No. of new septic permits	16	14	31	17	12	19	25	26	30	23
No. of septic repairs	84	58	79	74	83	83	97	98	98	86
No. of well permits	33	48	49	48	49	53	60	81	74	43
<u>Land Use:</u>										
No. of subdivisions approved	-	2	1	3	3	2	-	1	2	2
No. of commercial applications approved	7	4	1	4	4	5	4	2	5	9
<u>Building:</u>										
No. of residential permits issued	1,286	1,316	1,832	1,698	1,816	1,744	1,836	1,203	1,540	1,943
No. of commercial permits issued	221	194	202	215	215	275	136	196	236	247
<u>Public Works:</u>										
Streets:										
Accepted Town roads (miles)	238	245	256	256	256	256	256	256	256	256
Private roads	16	18	19	19	19	19	19	19	19	19
Roads under construction	n/a	n/a	1	1	1	1	1	1	1	1
Sidewalks	3	3	3	3	3	3	3	3	4	4

n/a - information is not available

**Sources:** Various Town Departments

Table 16-2

**TOWN OF NEWTOWN, CONNECTICUT**  
 OPERATING INDICATORS BY FUNCTION/PROGRAM (CONTINUED)  
 LAST TEN FISCAL YEARS  
 (Unaudited)

<b>FUNCTION / PROGRAM</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Governmental Activities:</b>										
<u>Education:</u>										
Enrollment:										
High School Grades 9-12	1,730	1,729	1,744	1,764	1,716	1,738	1,681	1,684	1,624	1,559
Middle School Grades 7-8	896	897	871	893	857	833	812	750	712	683
Intermediate School Grades 5-6	861	983	878	819	788	731	701	659	648	626
Elementary School Grades Pre-K-4	1,915	1,840	1,805	1,650	1,519	1,445	1,370	1,354	1,384	1,421
Newtown Community Partnership									17	16
<b>Business-type Activities:</b>										
<u>Water Fund:</u>										
Water mains (miles)	6	6	6	6	6	6	6	6	6	6
Fire hydrants	47	47	47	47	47	47	47	47	47	47
Storage capacity (thousand of gallons)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
<u>Sewer Fund:</u>										
Sewer mains (miles)	24	24	24	24	24	24	24	24	25	25
Treatment capacity (thousands of gallons)	932	932	932	932	932	932	932	932	932	932

n/a - information is not available

**Sources:** Various Town Departments

Table 17

**TOWN OF NEWTOWN, CONNECTICUT**  
**CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
*(Unaudited)*

<b>FUNCTION / PROGRAM</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Governmental Activities:</b>										
<u>Parks and Recreation:</u>										
Acreage (includes all open space)	2,100	2,100	2,100	2,100	2,102	2,103	2,103	2,108	2,113	2,113
Playgrounds	11	11	10	10	10	10	10	10	10	10
Baseball fields	14	14	14	13	13	13	13	13	13	14
Softball fields	9	9	9	9	9	9	9	10	10	10
Multi-purpose fields	20	20	20	20	20	20	20	20	20	20
Senior center	1	1	1	1	1	1	1	1	1	1
Skate park	-	-	1	1	1	1	1	1	1	1
Dog park	-	-	-	-	1	1	1	1	1	1
Community Center	-	-	-	-	-	-	-	-	-	1
<u>Public Safety:</u>										
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
Patrol officers	32	32	31	30	31	30	30	30	30	30
<u>Public Works:</u>										
Highway Department:										
Streets (miles)	256	263	276	276	276	276	276	276	276	276
Sidewalks (miles)	3	3	3	3	3	3	3	3	3	3
<u>Transfer Station:</u>										
Stations	1	1	1	1	1	1	1	1	1	1
<u>Education:</u>										
High Schools	1	1	1	1	1	1	1	1	1	1
Middle Schools	1	1	1	1	1	1	1	1	1	1
Intermediate Schools	1	1	1	1	1	1	1	1	1	1
Elementary Schools	4	4	4	4	4	4	4	4	4	4
<b>Business-type Activities:</b>										
<u>Water Fund:</u>										
Water mains (miles)	6	6	6	6	6	6	6	6	6	6
Fire hydrants	47	47	47	47	47	47	47	47	47	47
Storage capacity (thousand of gallons)	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
<u>Sewer Fund:</u>										
Sewer mains (miles)	24	24	24	24	24	24	24	24	25	25
Treatment capacity (thousands of gallons)	932	932	932	932	932	932	932	932	932	932

**Sources:** Various Town Departments