

**COMPREHENSIVE
ANNUAL FINANCIAL REPORT**

of the

**TOWN OF NEWTOWN,
CONNECTICUT**

YEAR ENDED

JUNE 30, 2015

**PREPARED BY:
THE FINANCE DEPARTMENT**

ROBERT G. TAIT, FINANCE DIRECTOR

TOWN OF NEWTOWN, CONNECTICUT

COMPREHENSIVE ANNUAL FINANCIAL REPORT

YEAR ENDED JUNE 30, 2015

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Introductory Section

TOWN OF NEWTOWN, CONNECTICUT

LIST OF PRINCIPAL OFFICIALS
JUNE 30, 2015

First Selectman

E. Patricia Llodra

Selectmen

William F. L. Rodgers

James O. Gaston Sr.

Board of Finance

John W. Kortze
Chairman

James K. Filan, Jr.
John Godin
Joseph W. Kearney

Michael Portnoy
Harrison A. Waterbury

Legislative Council

Mary Ann Jacob
Chairman

Daniel J. Amaral
Phil Carroll
Neil Chaudhary
George T. Ferguson, III
Anthony Filiato
Joe Girgasky

Daniel T. Honan
Ryan Knapp
Paul Lundquist
Robert Merola
Eva Bermudez
Mary Ann Jacob

Finance Director

Robert G. Tait

Chief of Police - Michael Kehoe
Director of Public Works - Frederick Hurley
Community Development Director - Betsy Paynter

Tax Collector - Carol Mahoney
Tax Assessor - Penny Mudgett
Town Clerk - Debbie Aurelia - Halstead

Board of Education

Keith Alexander
Chairman

Michele Embree Ku
David Freedman
Kathy Hamilton

Debbie M. Leidlein
Laura Roche
John N. Vourus

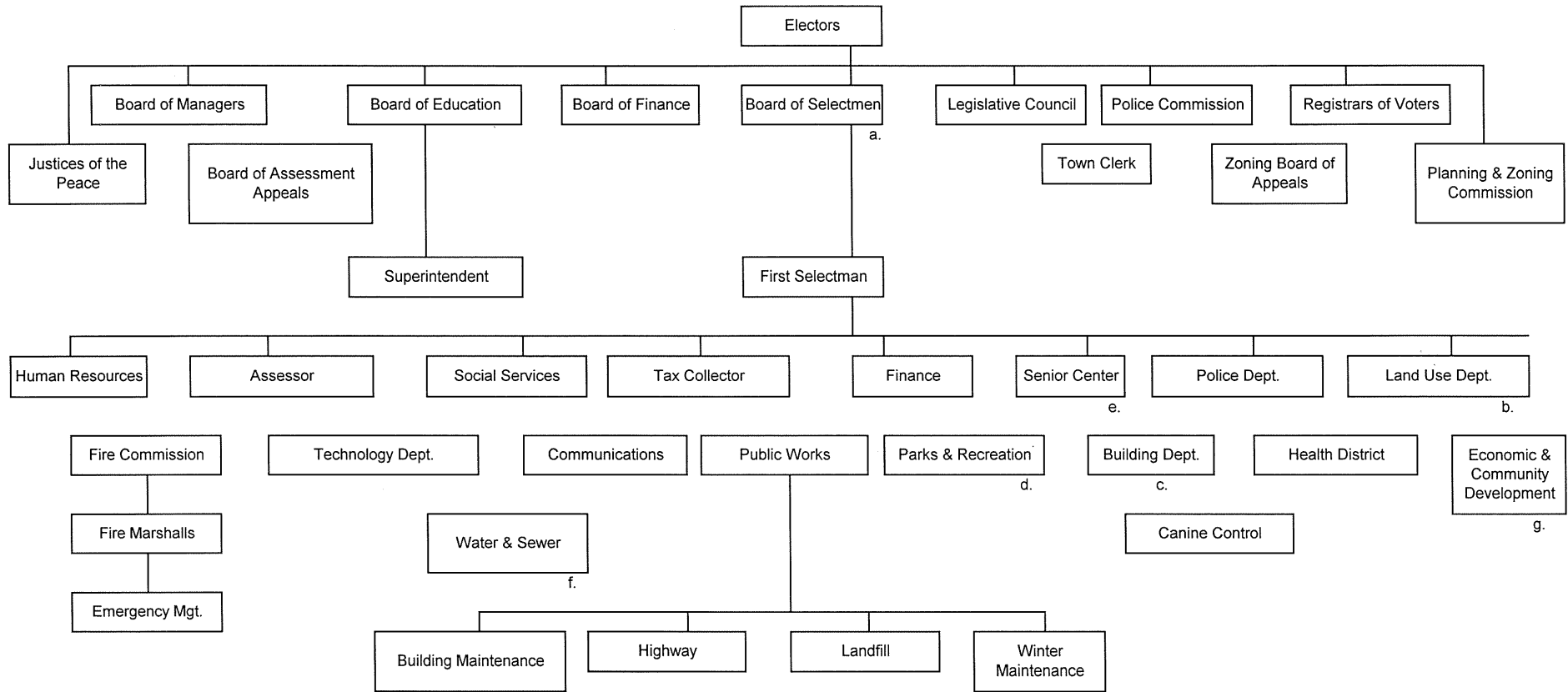
Dr. Joseph V. Erardi, Jr. - Superintendent of Schools
Ronald J. Bienkowski - School Business Manager

Independent Auditors

CohnReznick LLP

TOWN OF NEWTOWN, CONNECTICUT

ORGANIZATIONAL CHART



APPOINTED OFFICIALS, BOARDS, COMMISSIONS, AUTHORITIES:

legend

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

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

OFFICE OF THE FINANCE DIRECTOR

December 9, 2015

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, 2015. The report includes the independent auditor's report as required by Town Charter Chapter 6, Section 6-02 and the Connecticut Statutes. The report is prepared in conformity with generally accepted accounting principles ("GAAP") and standards set forth by the Governmental Accounting Standards Board ("GASB").

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

CohnReznick LLP, a public accounting firm fully licensed and qualified to perform audits of municipalities within the State of Connecticut, have audited the financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Town of Newtown, Connecticut for the fiscal year ended June 30, 2015, 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, 2015, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

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

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

Profile of the Town of Newtown

The Town of Newtown was incorporated in 1711 and has a favorable location in Fairfield County in the southwest part of the State of Connecticut about 60 miles northeast of New York City. The Town has a land area of 60 square miles and a population of 28,113.

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

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

Factors Affecting Financial Condition

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

The Town's economic base is supported by a diverse selection of goods-producing and service industries. Utilities, real estate, assisted living, service groups, financial services, printing and manufacturing continue to be the leading sectors in Newtown.

New housing construction increased from the previous year. In fiscal year 2015, 19 new housing permits were issued compared to 18 issued in fiscal year 2014. In fiscal year 2015, 3 new building commercial permits were issued compared to 3 issued in fiscal year 2014. Commercial permits were issued at a value of \$9,186,459 for fiscal year 2015 compared to a value of \$11,248,312 for fiscal year 2014.

The local labor force is feeling the impact of the economy. The annual average unemployment rate for the labor force was 6.5% in fiscal year 2014. The unemployment rate for the labor force in fiscal year 2015 has decreased to 4.6% (per Connecticut Department of Labor data by Town).

Factors Affecting Financial Condition (Continued)

Property taxes, which account for approximately 90 percent of the general fund revenue, have provided a reliable revenue source, with collections consistently at or around 99 percent. Current tax collections were 99.2% of the adjusted tax levy.

The Town's per capita income of \$48,556 and median household income of \$116,489 (per the U.S. Census Bureau, 2008-12 American Community Survey) are above the state's high averages, while housing prices are competitive relative to Fairfield County norms. Most residents work in regional employment centers in Fairfield County and Westchester County, New York.

The economic crisis has created challenges for the Connecticut state government in trying to meet their budget. Newtown's general fund receives over \$8.0 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

Nine school security officers (SSOs) were added to the general fund budget under the police department to provide additional security to the schools. The cost of this initiative was \$234,000. It will be funded by a federal grant for the first 18 months.

An additional \$250,000 was added to the general fund budget for road improvement under the public works department to help hasten the improvement of local roads.

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 Capital Improvement Plan for fiscal years 2015-16 to 2019-20 approved by the Legislative Council on March 4, 2015:

TOWN OF NEWTOWN - CAPITAL IMPROVEMENT PLAN - 2015 / 2016 TO 2019 / 2020				
2015 - 2016 (YEAR ONE)				
<u>BOARD OF SELECTMEN:</u>	<u>Dept.</u>	<u>Amount</u>	<u>To Be Bonded</u>	<u>Other Financing</u>
Capital Road Program	PW	2,500,000	1,000,000	1,500,000
Bridge Replacement Program	PW	315,000	315,000	-
Newtown H & L Fire House Construction (3 of 3)	FIRE	500,000	500,000	-
Addition To S.H. Fire House Sub-Station	FIRE	375,000	375,000	-
Fire Apparatus Replacement	FIRE	975,000	975,000	-
Dickinson Parking Lots	P & R	500,000	500,000	-
Eichlers Cove Improvements Phase (1 of 2)	P & R	325,000	325,000	-
Community Center Construction Phase (1 of 3)	P & R	9,550,000		9,550,000
Town Sidewalk/Streetscape Plan	ECON DEV	350,000	100,000	250,000
Open Space Acquisition Program	LAND USE	250,000	250,000	-
FFH Building Demolition	FFH	2,500,000	2,500,000	-
Edmond Town Hall Renovations	ETH	300,000	300,000	-
Library Renovations	LIB	300,000	300,000	-
<u>BOARD OF EDUCATION:</u>				
High School Auditorium	BOE	3,600,000	3,066,000	534,000
TOTALS		22,340,000	10,506,000	11,834,000
2016 - 2017 (YEAR TWO)				
<u>BOARD OF SELECTMEN:</u>	<u>Dept.</u>	<u>Amount</u>	<u>To Be Bonded</u>	<u>Other Financing</u>
Capital Road Program	PW	2,750,000	1,000,000	1,750,000
Bridge Replacement Program	PW	300,000	300,000	-
Fire Apparatus Replacement	FIRE	975,000	575,000	400,000
Community Center Construction Phase (2 of 3)	P & R	10,000,000	10,000,000	-
Town Sidewalk/Streetscape Plan	ECON DEV	350,000	350,000	-
Treadwell Park Parking	P & R	550,000	550,000	-
Senior Center Design Phase	SR CTR	500,000	500,000	-
Open Space Acquisition Program	LAND USE	250,000	250,000	-
FFH Building Demolition	FFH	2,500,000	2,500,000	-
<u>BOARD OF EDUCATION:</u>				
High School Roof - Restoration & Replacement	BOE	1,040,000	1,040,000	-
TOTALS		19,215,000	17,065,000	2,150,000

- CONTINUED -

TOWN OF NEWTOWN - CAPITAL IMPROVEMENT PLAN - 2015 / 2016 TO 2019 / 2020

2017 - 2018 (YEAR THREE)

<u>BOARD OF SELECTMEN:</u>	<u>Dept.</u>	<u>Amount</u>	<u>To Be Bonded</u>	<u>Other Financing</u>
Capital Road Program	PW	3,000,000	1,000,000	2,000,000
Bridge Replacement Program	PW	414,000	414,000	-
Community Center Construction Phase (3 of 3)	P & R	5,000,000	5,000,000	-
Eichlers Cove Improvements Phase (2 of 2)	P & R	500,000	500,000	-
Edmond Town Hall Renovations	ETH	250,000	250,000	-
Library Renovations	LIB	250,000	250,000	-
FFH Building Demolition / Infrastructure	FFH	2,500,000	2,500,000	-
Police Facility Design	POLICE	500,000	500,000	-
Town Sidewalk/Streetscape Plan	ECON DEV	350,000	350,000	-
Open Space Acquisition Program	LAND USE	250,000	250,000	-
<u>BOARD OF EDUCATION:</u>				
Hawley School - Roof Replacement	BOE	800,000	528,000	272,000
Middle School Renovation - Phase 0	BOE	100,000	100,000	-
Middle School Renovation - Phase 1	BOE	2,100,000	2,100,000	-
Middle Gate - Boiler Replacement	BOE	650,000	650,000	-
TOTALS		16,664,000	14,392,000	2,272,000

2018 - 2019 (YEAR FOUR)

<u>BOARD OF SELECTMEN:</u>	<u>Dept.</u>	<u>Amount</u>	<u>To Be Bonded</u>	<u>Other Financing</u>
Capital Road Program	PW	2,000,000		2,000,000
Bridge Replacement Program	PW	350,000	350,000	-
FFH Walking Trails Phase III	FFH	500,000	500,000	-
Dickinson Park Phase III	P & R	1,300,000	1,300,000	-
Municipal Facility - Construction Phase (1 OF 2)	-	5,000,000	5,000,000	-
Town Sidewalk/Streetscape Plan	ECON DEV	350,000	350,000	-
Open Space Acquisition Program	LAND USE	250,000	250,000	-
<u>BOARD OF EDUCATION:</u>				
Middle School Renovation - Phase 2	BOE	4,805,000	4,805,000	-
TOTALS		14,555,000	12,555,000	2,000,000

2019 - 2020 (YEAR FIVE)

<u>BOARD OF SELECTMEN:</u>	<u>Dept.</u>	<u>Amount</u>	<u>To Be Bonded</u>	<u>Other Financing</u>
Capital Road Program	PW	2,000,000		2,000,000
Bridge Replacement Program	PW	400,000	400,000	-
Municipal Facility - Construction Phase (2 OF 2)	-	5,000,000	5,000,000	-
Town Sidewalk/Streetscape Plan	ECON DEV	350,000	350,000	-
Open Space Acquisition Program	LAND USE	250,000	250,000	-
FFH Building Demolition / Infrastructure	FFH	1,000,000	1,000,000	-
<u>BOARD OF EDUCATION:</u>				
Middle Gate - Roof Replacement	BOE	1,500,000	990,000	510,000
TOTALS		10,500,000	7,990,000	2,510,000
GRAND TOTALS		83,274,000	62,508,000	20,766,000

Economic Development

The Newtown Economic Development Commission actively promotes and supports projects that lead to new business development and jobs. As a result, Newtown continues to experience growth in and interest for commercial development. New commercial buildings are being constructed and occupied by businesses new to Newtown and existing commercial buildings have been renovated for new tenants. An example of the renovation work is the recent approval of Rand Whitney Container's building expansion located at 1 Edmond Road. The company has plans to expand their current manufacturing facility of 132,000 square feet to approximately 310,000. This expansion will support the space needed for new equipment, making their advanced manufacturing processes more current and competitive. An increase in workforce by approximately 50 employees will support this new development. The Commission 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 is poised to contribute to the grand list this past year. A new gas and convenience store along Newtown's gateway has taken a blighted site and converted it into a tax generating, attractive service to the community. The Villages at Lexington Garden is under development, Newtown's newest shopping destination. The five buildings are beginning to secure tenants within the 72,000 total square foot shopping location. Dental Associates and Newtown Savings Bank are current key anchors to the retail and professional use neighbors. The development includes sidewalks throughout the shopping campus, connecting to neighboring grocery, restaurants, etc. within the Borough.

Haweyville Business District (Rt. 6) is the home of Newtown's recently marketed, "Medical Mile". Two large medical buildings act as book ends to the entrance of Toll Brothers' "The Woods", a senior active living development. DaVita Dialysis and Western Connecticut Heath Network are key tenants in each of the 30,000 square foot medical buildings. This location continues to attract medical services and professionals to Newtown's "Medical Mile" corridor off exit 9 off Interstate 84. The approved sewer line extension through this area is beneficial to marketing vacant and under developed commercial and industrial land, creating additional economic opportunity. There's an active proposal for a 180 unit incentive housing rental development, plus commercial real estate, immediately off exit 9 as well. This development would bring density and housing diversity to the Town in efforts to attract the millennial workforce to Newtown.

South Main Street (Rt. 25) continues to attract new development projects. Highland Plaza is complete and anchored by the restaurant Fusion 25, a local accounting firm, Medispa, offering dermatology services, Butcher's Best Market, a specialty food market, and SOHO Pizza of Newtown. Several small businesses have opened along the South Main Street business district such as Pink Soda Blow Dry Bar, Divine Dogs, Time Out Sports Bar and Restaurant, The Sheep Shoppe and Fine Floors By Mathisons to name a few. Plaza South, a neighborhood shopping center, continues to bring retail and professional space to the corridor, including an Urgent Care Center, Diamond Dental, a family-owned bakery, Club 24, Sweet Mango Restaurant and more. Sand Hill Plaza continues to maintain an attractive mix of retail and service providers such as Verizon, Panera and TJ Maxx. A new 20,000 square foot mixed use office building is under construction along the retail corridor. This will bring 10 rental units and additional retail and professional space opportunities. A redevelopment plan for the former Blue Linx property is also on the drawing board and should take shape in the coming fiscal year. These developments and a couple of smaller projects were made possible by the zoning codes and land use policy that enhance economic development in the corridor.

Sandy Hook Village is a vibrant and walkable commercial district that has unique shops and a variety of service businesses and a restaurant cluster forming within the village. Revitalization efforts attracted private investment and new business development. The renovation and occupancy of several historic buildings, the river walk and ongoing promotion by the commercial district organization SHOP contribute to the successful and ongoing revitalization. An Incentive housing development was approved for 65 units within the village. This will help needed population within the village, creating a "neighborhood" within the commercial district. A preservation grant from CT Main Street funded a Signage & Wayfinding plan for Sandy Hook, highlighting the historical building, natural resources of the Pootatuck River running through the village and the various hiking trails which loop through as complimentary attractions to the commercial area. A new marketing plan is sure to provide additional private interest in the district, which has several attractive properties that are available for reuse and redevelopment. The reconstruction and occupancy of the Sandy Hook Elementary School is planned for fall 2016. This is important to this neighborhood community and will be a key element for continuing the private investment in the district.

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.

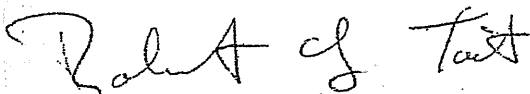
Awards. The Government Finance Officers Association ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town for its Comprehensive Annual Financial Report ("CAFR") for the fiscal year ended June 30, 2014. This was the seventeenth consecutive year that the Town has 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 CohnReznick LLP also contributed significantly to its production.

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

Respectfully submitted,



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, 2014

Executive Director/CEO

Financial Section

Independent Auditor's Report

Board of Finance
Town of Newtown, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Town of Newtown, Connecticut, as of and for the year ended June 30, 2015, 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, 2015, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the pension and other post-employment benefit schedules on pages 14 to 24 and pages 81 to 90, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2015, on our consideration of the Town of Newtown, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Newtown, Connecticut's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CohnReznick LLP". The signature is written in a cursive, flowing style.

Hartford, Connecticut
December 9, 2015



TOWN OF NEWTOWN

OFFICE OF THE FINANCE DIRECTOR

MANAGEMENT'S DISCUSSION AND ANALYSIS YEAR ENDED JUNE 30, 2015

As management of the Town of Newtown, Connecticut, we offer readers of the Town of Newtown's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2015. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal in the introductory section of this report.

Financial Highlights

- During the fiscal year, the Town implemented GASB 68 related to pensions. GASB 68 required that the net pension liability be recorded on the government-wide financial statements. The result of implementing GASB 68 was a prior period adjustment as of July 1, 2014 to record the net pension liability and related adjustments of \$8,295,350. The current year pension expense was \$1,922,971, and the net pension liability at June 30, 2015 was \$10,121,764.
- On a government-wide basis, the Town's net position grew by \$23.4 million for the fiscal year, \$24.3 million of which was generated by governmental activities, while there was a decrease of \$0.9 million from the business-type activities of the Town. The increase was due substantially to significant increase in capital assets of \$10.8 million, as well as a decrease in long-term debt of \$10.3 million. The increase in capital assets is primarily due to new construction in progress related to the Sandy Hook School and the Memorial Playground.
- The Town's combined net position totaled \$241.7 million. Of this amount, the unrestricted components were \$15.9 million in governmental activities and \$5.3 million in business-type activities.
- At year end, unassigned fund balance for the general fund was \$10,608,535 or 9.6% of total general fund budgetary expenditures and other financing uses.
- The Bonded Projects fund ended the fiscal year with a deficit fund balance of \$526,469 due there being more expenditures incurred on projects than current year grants and financing.

Overview of the Financial Statements

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

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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

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

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

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

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

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

The Town maintains 31 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the two funds considered to be major funds. Data from the other 29 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements in Schedules 5 and 6.

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

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

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

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

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

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

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

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

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

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Newtown, assets exceeded liabilities by \$241.7 million at the close of the fiscal year.

The largest portion of the Town's net position (89.2%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, infrastructure), less any related debt and related liabilities used to acquire those assets that are still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Summary Statement of Net Position

	Governmental Activities		Business-type Activities		Totals	
	2015	2014 (as restated)	2015	2014	2015	2014 (as restated)
Current and other assets	\$ 48,978,848	\$ 34,961,002	\$ 5,505,687	\$ 7,842,867	\$ 54,484,535	\$ 42,803,869
Capital assets (net)	258,614,595	247,799,321	29,231,158	28,880,829	287,845,753	276,680,150
Total assets	307,593,443	282,760,323	34,736,845	36,723,696	342,330,288	319,484,019
Deferred outflows of resources	3,435,422	2,018,392	9,096	10,550	3,444,518	2,028,942
Long-term liabilities outstanding	73,041,910	79,367,597	3,602,835	4,741,594	76,644,745	84,109,191
Other liabilities	24,663,191	17,775,211	1,303,237	1,227,924	25,966,428	19,003,135
Total liabilities	97,705,101	97,142,808	4,906,072	5,969,518	102,611,173	103,112,326
Deferred inflows of resources	1,453,729	113,081	11,310		1,465,039	113,081
Net position:						
Net investment in capital assets	191,092,069	172,186,652	24,500,880	23,031,532	215,592,949	195,218,184
Restricted	4,920,388	5,421,702			4,920,388	5,421,702
Unrestricted	15,857,578	9,914,472	5,327,679	7,733,196	21,185,257	17,647,668
TOTAL NET POSITION	\$ 211,870,035	\$ 187,522,826	\$ 29,828,559	\$ 30,764,728	\$ 241,698,594	\$ 218,287,554

An additional portion of the Town's net position of \$4.9 million represents resources that are subject to external restrictions on how they may be used. The remaining portion of net position is unrestricted and is \$21.2 million.

Governmental activities. Already noted was the statement of activities' purpose in presenting information on how the Town's net position changed during the most recent fiscal year. A statement of changes in net position follows. For the fiscal year, The Town's net position increased by \$23.4 million during the current fiscal year. The increase was due substantially to significant increase in capital assets of \$10.8 million, a decrease in long-term debt of \$10.3 million, and contributions received related to Newtown Community Center. The increase in capital assets is primarily due to new construction in progress related to the Sandy Hook School and the Memorial Playground. The reader should remember that the basis of accounting used in the government-wide statement of activities excludes capital expenses, while its revenues include general taxes whose primary purpose is for the construction of those very assets or their related debt service.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Statement of Changes in Net Position

	Governmental Activities		Business-type Activities		Totals	
	2015	2014	2015	2014	2015	2014
REVENUES:						
Program revenues:						
Charges for services	\$ 6,298,317	\$ 6,155,873	\$ 1,198,487	\$ 1,295,726	\$ 7,496,804	\$ 7,451,599
Operating grants and contributions	19,919,812	22,660,148			19,919,812	22,660,148
Capital grants and contributions	21,188,401	4,827,049			21,188,401	4,827,049
General revenues:						
Property taxes	100,926,929	100,629,359			100,926,929	100,629,359
Grants and contributions not restricted to specific programs	2,962,325	2,685,543			2,962,325	2,685,543
Investment income	210,013	370,978	41,486	43,458	251,499	414,436
Miscellaneous	50,014	136,925			50,014	136,925
TOTAL REVENUES	151,555,811	137,465,875	1,239,973	1,339,184	152,795,784	138,805,059
EXPENSES:						
General government	6,487,392	6,002,205			6,487,392	6,002,205
Public safety	11,028,701	10,603,300			11,028,701	10,603,300
Health and welfare	3,197,189	2,789,566			3,197,189	2,789,566
Land use	666,559	723,512			666,559	723,512
Public works	9,630,398	10,416,008			9,630,398	10,416,008
Parks and recreation	3,625,294	3,122,807			3,625,294	3,122,807
Education	90,038,453	90,475,882			90,038,453	90,475,882
Interest expense	2,534,616	2,350,574			2,534,616	2,350,574
Sewer Department			1,696,442	1,575,726	1,696,442	1,575,726
Water Department			479,700	359,157	479,700	359,157
TOTAL EXPENSES	127,208,602	126,483,854	2,176,142	1,934,883	129,384,744	128,418,737
CHANGES IN NET POSITION	24,347,209	10,982,021	(936,169)	(595,699)	23,411,040	10,386,322
NET POSITION - JULY 1 (AS RESTATED)	187,522,826	184,836,155	30,764,728	31,360,427	218,287,554	216,196,582
RESTATEMENT FOR NET PENSION LIABILITY		(8,295,350)				(8,295,350)
NET POSITION - JUNE 30	\$ 211,870,035	\$ 187,522,826	\$ 29,828,559	\$ 30,764,728	\$ 241,698,594	\$ 218,287,554

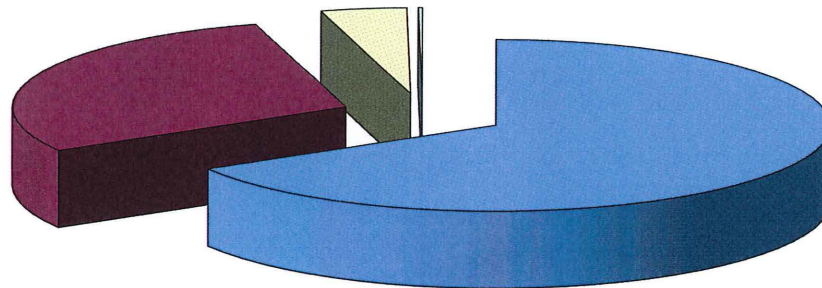
Significant changes from the prior year for revenues are as follows:

- Operating grants and contributions decreased by \$2,740,336. The most significant decrease was due to the decrease in on-behalf amounts of \$1.6 million related to the Town's allocable share of the pension expense for the State of CT contribution to the State Teachers' Retirement Plan and a decrease in the grants related to the Sandy Hook tragedy of \$740,719.
- Capital grants and contributions increased by \$16,361,352 as a result of an increase of \$6,965,186 of grants to fund construction of the new Sandy Hook School and a \$10,000,000 contribution to fund construction of the Newtown Community Center.

Revenues

Governmental activities revenues totaled \$151.6 million for fiscal year 2015. Property taxes are the largest revenue source for the Town and represent 66.5% of governmental revenues. Current tax collections were 99.2% of the adjusted tax levy. Capital grants and contributions' revenues are the Town's second largest source of revenue. Capital grants and contributions' revenues include school building grants, contributions for construction of Newtown Community Center, and grants related to the building of the new Sandy Hook School. Capital grants and contributions' revenues account for 14.0% of governmental revenues for the year. Operating grants and contributions, the third largest revenue, amount to 13.1% of governmental revenues and include grants for school lunch program, education, law enforcement, daycare, public works, grants related to Sandy Hook, contributions to the Sandy Hook fund, and the Town gift fund. Charges for services represent 4.2% of governmental revenues and include the school lunch program, adult education, Edmond Town Hall and park and recreation programs. Grants and contributions not restricted to specific programs account for 2.0% and include elderly tax relief and in lieu of tax contributions. Investment income represents 0.1% of governmental revenue. Miscellaneous revenue accounts for the remaining governmental revenues and amount to 0.1% of governmental revenues.

Revenues-Governmental Activities



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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Expenses

Significant changes from the prior year are as follows:

- General government expense increased by \$485,187 due to increase in expenditures related to grants received for general government purposes.
- Public safety expenses increased by \$425,401 due mainly to building inspector expenditures being moved from public works department to public safety department on budget.
- Public works expenses decreased by \$785,610 due mainly to building inspector expenditures being included in public safety department and capital assets that were disposed in the prior year.
- Education expenses decreased by \$437,429. The decrease is mostly due to decrease in on-behalf amounts of \$1.6 million related to the Town's allocable share of the pension expense for the State of CT contribution to the State Teachers' Retirement Plan, offset by an increase in the education budget of approximately \$330,000.

Governmental activity expenses totaled \$127.2 million for the fiscal year. Of the expenses, 70.8% or \$90.0 million is for to education. Public works expenses amounted to \$9.6 million, or 7.6%, while public safety amounted to \$11.0 million or 8.7%. Parks and recreation expenses were \$3.6 million or 2.8%. Interest expense was \$2.5 million or 2.0%. General government expenses were \$6.5 million, or 5.1%, health and welfare expenses were \$3.2 million or 2.5%, and land use expenses were \$0.7 million or 0.5%.

Business-Type Activities

Revenues

General revenues do not support the Town's business-type activities; thus, the largest source of revenues comes from charges for services. Of the \$1.2 million in revenue from the sewer department and water department, 96.7% comes from charges for services. Investment income makes up the final 3.3% of revenues for the Town's business activities.

Charges for services decreased slightly by \$0.1 million during the year due a minor decrease in customer consumption.

Expenses

Sewer department and water department operating expenses increased \$120,716 and \$120,543, respectively, for the fiscal year ended June 30, 2015 due to the increase in contracted services for the operating of the plant.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Financial Analysis of the Town's Funds

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

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

The combined fund balances of governmental funds for the fiscal year ended June 30, 2015 is \$17.5 million. Unassigned fund balance totals \$10.1 million. The remainder of fund balance is not available for appropriation or spending by the Town and is classified as follows: Nonspendable of \$0.6 million, Restricted of \$4.3 million, Committed of \$1.7 million and Assigned of \$0.8 million.

General Fund

The general fund is the operating fund of the Town. The budgetary fund balance of the general fund increased by \$0.6 million for the fiscal year. Revenues and transfers in were higher than budgeted by \$0.5 million and expenditures were lower by \$0.1 million than the amount budgeted, led by \$35,795 from public safety. The net impact on fund balance was an increase of \$0.6 million. The property tax rate decreased from 33.32 mills to 33.07 mills.

General Fund Budgetary Highlights

A detailed budgetary comparison schedule for the fiscal year ended June 30, 2015 can be found on Exhibit F. A summary of that schedule follows:

	BUDGET		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
<u>REVENUES & OTHER FINANCING SOURCES</u>				
Taxes	\$ 100,592,522	\$ 100,592,522	\$ 101,013,572	\$ 421,050
All other revenues	10,351,682	10,649,713	10,655,947	6,234
Cancellation of prior encumbrances			16,345	16,345
Transfers in	122,000	122,000	225,228	103,228
Total	111,066,204	111,364,235	111,911,092	546,857
<u>EXPENDITURES & OTHER FINANCING USES</u>				
Expenditures	110,816,485	111,101,607	111,006,031	95,576
Transfer out	249,719	262,628	262,476	152
Total	111,066,204	111,364,235	111,268,507	95,728
CHANGE IN FUND BALANCE	\$ -	\$ -	\$ 642,585	\$ 642,585

General Fund Budgetary Highlights (continued)

Additional appropriations for the year amounted to \$298,031, which were funded by revised revenue estimates. Overall, revenues were higher than budgetary estimates and expenditures remained below budgeted amounts, with no department exceeding its annual appropriation. Transfers from contingency of \$248,053 were made to help defray year end overruns.

The following summarizes the year end overruns and the budgets that were used to defray those overages:

<u>Overrun:</u>			<u>Funded by:</u>	
Board of Selectmen	\$ 133,000		Unemployment	\$ 13,000
Selectmen – other	6,234		Insurance	44,050
Human Resources	6,080		Economic Development Comm	34,848
Tax Collector	200		Building Inspector	21,650
Probate Court	1,376		Police	3,526
Town Clerk	160		Fire department	197
Registrars	5,781		Transfer Station	145,300
Assessor	200		Public building maintenance	41,000
Finance	550		Contingency	248,053
Technology	11,550		Debt service	36,275
Salaries	55,000		Revised revenue estimates	298,031
Fairfield Hills	5,775			
Communication	33,520			
Canine control	50			
Lake authorities	1,272			
N.W. safety communication	1,013			
Senior service	270			
Youth & Family services	160			
Booth library	1,300			
Newtown Health District	200			
Land Use	61,982			
Highway	255,553			
Winter maintenance	280,331			
Parks and recreation	24,373			
Total	\$ 885,930		Total	\$885,930

Bonded Projects Fund

The Bonded Projects fund revenues and other financing sources were less than its expenditures and other financing uses by \$1,515,787 for the fiscal year. The capital outlay activity from current and prior years was financed with a bond issuance in the current year and intergovernmental revenues.

Proprietary funds. The Town's proprietary funds provide the same information found in the government-wide financial statements, but in more detail. The Town's enterprise funds posted an overall decrease in net position of \$0.9 million for the fiscal year ended June 30, 2015.

Sewer Fund

Unrestricted net position of the sewer fund at the end of the year amounted to \$6,566,056, a decrease of \$1,716,493 from the prior year.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Water Fund

Unrestricted net position of the water fund at the end of the year amounted to a deficit of \$1,238,377, an increase to the deficit of \$689,024 from the prior year.

Self-Insured Medical Benefits Internal Service Fund

Unrestricted net position of the self-insured medical benefits fund at the end of the year amounted to \$3,143,967.

The Town's self-insured medical benefits fund recorded an increase in net position for the year of \$697,852.

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

Capital Assets and Debt Administration

At June 30, 2015, the Town of Newtown's capital assets for both governmental and business-type activities amounted to \$287.8 million, net of depreciation. This includes land, buildings, equipment, and infrastructure (roads and bridges). Capital assets for governmental activities increased by 4.4%, while business-type capital assets increased 1.2%. These changes included the following:

Land increased by \$517,040 mainly due to purchase of land for open space.

Construction in progress increased by \$11,462,852 mainly due to the removal of the additions noted below net with new construction in progress for the Sandy Hook school of \$11,173,401.

Buildings and systems decreased a net of \$751,884 due to depreciation expense offset by the addition of the completed Parks and Recreation Maintenance Building project adding \$1,539,780. Machinery and equipment increased a net of \$626,056 due to annual depreciation expense and the completion of Sandy Hook Memorial Playground project for \$878,180.

Infrastructure decreases were due primarily to annual depreciation.

Capital Assets - Net						
	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land	\$ 26,013,496	\$ 25,496,456	\$ 1,000	\$ 1,000	\$ 26,014,496	\$ 25,497,456
Intangible assets	3,687,270	3,687,270	534,704	578,055	4,221,974	4,265,325
Construction in progress	18,883,205	8,419,791	2,265,954	1,266,516	21,149,159	9,686,307
Buildings and systems	132,635,141	133,387,025			132,635,141	133,387,025
Land improvements	14,406,171	14,461,335			14,406,171	14,461,335
Plant and pumping stations			8,818,119	9,097,197	8,818,119	9,097,197
Sewer distribution system			16,191,404	16,409,396	16,191,404	16,409,396
Water distribution system			1,307,632	1,393,948	1,307,632	1,393,948
Machinery and equipment	5,252,711	4,620,214	4,295	10,736	5,257,006	4,630,950
Vehicles	5,189,432	5,309,436	108,050	123,981	5,297,482	5,433,417
Infrastructure	52,547,169	52,417,794			52,547,169	52,417,794
TOTAL	\$ 258,614,595	\$ 247,799,321	\$ 29,231,158	\$ 28,880,829	\$ 287,845,753	\$ 276,680,150

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

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Long-term debt

For the year ended June 30, 2015, the Town's long-term debt decreased by a net of \$10,299,117, due to the payments for the outstanding issues and issuance of new refunding debt in current year. At the end of the current fiscal year, the Town had total governmental activities bond and note debt outstanding of \$64,957,042. Of this amount, \$847,201 will be funded from state grants. In addition, at the end of the current fiscal year, the Town had debt outstanding of \$4,697,627, which is wastewater operations debt for which the Town is liable in the event of default by the property owners subject to the sewer assessment.

OUTSTANDING DEBT LEVERAGE General Obligation, Sewer Bonds, Clean Water and Water Notes

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	2015	2014	2015	2014	2015	2014
General purpose bonds	\$ 26,977,620	\$ 31,008,900	\$ 2,488,100	\$ 2,690,300	\$ 29,465,720	\$ 33,699,200
School bonds	37,120,380	41,893,500			37,120,380	41,893,500
Sewer bonds and clean water notes	760,102	1,128,539	2,209,527	3,125,380	2,969,629	4,253,919
Water notes	98,940	107,167			98,940	107,167
	<u>\$ 64,957,042</u>	<u>\$ 74,138,106</u>	<u>\$ 4,697,627</u>	<u>\$ 5,815,680</u>	<u>\$ 69,654,669</u>	<u>\$ 79,953,786</u>

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

State statutes limit the amount of general obligation debt a governmental entity may issue to seven times total tax collections including interest and lien fees. The current debt limitation for the Town is \$706,964,622, which is significantly in excess of the Town's outstanding general obligation debt.

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

Next Year's Budgets and Rates

The Town elected and appointed officials considered many factors when setting the fiscal year 2016 budget. The Town decided that it was important, because of the economic times, to present a budget with no or little tax increase. In order to meet the objectives of the 2015 budget, the Town recognized the need to continue its pattern of cost containment. The mill rate was set at 33.07, which represents a 0.7% decrease.

The 2016 general fund budget was \$111,730,513, an increase of 0.6% over the prior year adopted budget. Budgeted non-tax revenue was basically unchanged from the prior year.

The Town did not budget the use of any fund balance to balance the 2016 budget.

Requests for Information

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

Basic Financial Statements

TOWN OF NEWTOWN, CONNECTICUT

STATEMENT OF NET POSITION
JUNE 30, 2015

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<u>ASSETS</u>			
Current assets:			
Cash.....	\$ 4,796,684	\$	\$ 4,796,684
Investments.....	27,794,031	1,442,796	29,236,827
Receivables:			
Property taxes.....	762,310		762,310
Assessments.....		854,878	854,878
Use charges.....		184,323	184,323
Intergovernmental.....	1,641,976		1,641,976
Loans receivable.....	20,000		20,000
Other.....	443,284		443,284
Internal balances.....	(1,224,073)	1,224,073	-
Other.....	32,256		32,256
Total current assets.....	34,266,468	3,706,070	37,972,538
Noncurrent assets:			
Restricted assets:			
Temporarily restricted:			
Cash.....	320,393		320,393
Investments.....	2,059,983		2,059,983
Permanently restricted:			
Cash.....	10,000		10,000
Investments.....	600,000		600,000
Total restricted assets.....	2,990,376	-	2,990,376
Receivables (net):			
Property taxes.....	1,572,836		1,572,836
Assessments.....		1,799,617	1,799,617
Intergovernmental.....	381,390		381,390
Loans receivable.....	217,778		217,778
Contributions receivable.....	9,550,000		9,550,000
Total receivables (net).....	11,722,004	1,799,617	13,521,621
Capital assets (net of accumulated depreciation):			
Land.....	26,013,496	1,000	26,014,496
Intangible assets.....	3,687,270	534,704	4,221,974
Construction in progress.....	18,883,205	2,265,954	21,149,159
Buildings and systems.....	132,635,141		132,635,141
Land improvements.....	14,406,171		14,406,171
Plant and pumping stations.....		8,818,119	8,818,119
Sewer distribution system.....		16,191,404	16,191,404
Water distribution system.....		1,307,632	1,307,632
Machinery and equipment.....	5,252,711	4,295	5,257,006
Vehicles.....	5,189,432	108,050	5,297,482
Infrastructure.....	52,547,169		52,547,169
Total net capital assets.....	258,614,595	29,231,158	287,845,753
Total noncurrent assets.....	273,326,975	31,030,775	304,357,750
TOTAL ASSETS.....	307,593,443	34,736,845	342,330,288
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred charge on refunding.....	765,207	9,096	774,303
Deferred outflow related to pensions.....	2,670,215		2,670,215
TOTAL DEFERRED OUTFLOWS OF RESOURCES.....	3,435,422	9,096	3,444,518

(Continued)

TOWN OF NEWTOWN, CONNECTICUT

STATEMENT OF NET POSITION
JUNE 30, 2015

	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable.....	\$ 8,531,546	\$ 147,482	\$ 8,679,028
Accrued payroll.....	3,263,159		3,263,159
Accrued interest payable.....	1,354,651		1,354,651
Unearned revenue.....	2,997,416		2,997,416
Bonds, notes and related liabilities.....	7,847,137	1,136,539	8,983,676
Landfill post closure costs.....	17,000		17,000
Capital lease.....	49,933		49,933
Compensated absences.....	191,599		191,599
Termination benefits.....	92,500		92,500
Other liabilities.....	318,250	19,216	337,466
Total current liabilities.....	24,663,191	1,303,237	25,966,428
Noncurrent liabilities:			
Bonds, notes and related liabilities.....	60,340,730	3,602,835	63,943,565
Landfill post closure costs.....	153,000		153,000
Capital lease.....	49,933		49,933
Compensated absences.....	766,394		766,394
Termination benefits.....	180,500		180,500
Net pension liability.....	10,121,764		10,121,764
Net OPEB obligation.....	1,429,589		1,429,589
Total noncurrent liabilities.....	73,041,910	3,602,835	76,644,745
TOTAL LIABILITIES.....	97,705,101	4,906,072	102,611,173
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Advanced property tax collections.....	348,112	11,310	359,422
Deferred inflow related to pensions.....	1,105,617		1,105,617
TOTAL DEFERRED INFLOWS OF RESOURCES.....	1,453,729	11,310	1,465,039
<u>NET POSITION</u>			
Net investment in capital assets.....	191,092,069	24,500,880	215,592,949
Restricted for:			
Endowments:			
Nonexpendable.....	610,000		610,000
Expendable.....	2,173,946		2,173,946
General government.....	406,688		406,688
Public safety.....	99,861		99,861
Health and welfare.....	31,750		31,750
Education.....	1,598,143		1,598,143
Unrestricted.....	15,857,578	5,327,679	21,185,257
TOTAL NET POSITION.....	\$ 211,870,035	\$ 29,828,559	\$ 241,698,594

(Concluded)

TOWN OF NEWTOWN, CONNECTICUT

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES			NET EXPENSES AND CHANGES IN NET POSITION		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL
GOVERNMENTAL ACTIVITIES:							
General government.....	\$ 6,487,392	\$ 764,436	\$ 64,609	\$	\$ (5,658,347)	\$	\$ (5,658,347)
Public safety.....	11,028,701	607,587	158,785		(10,262,329)		(10,262,329)
Health and welfare.....	3,197,189	2,515	79,409		(3,115,265)		(3,115,265)
Land use.....	666,559	81,168			(585,391)		(585,391)
Public works.....	9,630,398	1,079,601			(8,550,797)		(8,550,797)
Parks and recreation.....	3,625,294	1,489,006	16,043	10,015,000	7,894,755		7,894,755
Education.....	90,038,453	2,274,004	19,600,966	11,173,401	(56,990,082)		(56,990,082)
Interest expense.....	2,534,616				(2,534,616)		(2,534,616)
TOTAL GOVERNMENTAL ACTIVITIES.....	127,208,602	6,298,317	19,919,812	21,188,401	(79,802,072)	-	(79,802,072)
BUSINESS-TYPE ACTIVITIES:							
Sewer Department.....	1,696,442	875,006				(821,436)	(821,436)
Water Department.....	479,700	323,481				(156,219)	(156,219)
TOTAL BUSINESS-TYPE ACTIVITIES.....	2,176,142	1,198,487	-	-	-	(977,655)	(977,655)
TOTAL.....	\$ 129,384,744	\$ 7,496,804	\$ 19,919,812	\$ 21,188,401	\$ (79,802,072)	\$ (977,655)	\$ (80,779,727)
GENERAL REVENUES:							
Property taxes.....					\$ 100,926,929	\$	\$ 100,926,929
Grants and contributions not restricted to specific programs.....					2,962,325		2,962,325
Investment income.....					210,013	41,486	251,499
Miscellaneous.....					50,014		50,014
TOTAL GENERAL REVENUES.....					104,149,281	41,486	104,190,767
CHANGE IN NET POSITION					24,347,209	(936,169)	23,411,040
NET POSITION - JULY 1, 2014 (AS RESTATED).....					187,522,826	30,764,728	218,287,554
NET POSITION - JUNE 30, 2015.....					\$ 211,870,035	\$ 29,828,559	\$ 241,698,594

TOWN OF NEWTOWN, CONNECTICUT

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

	GENERAL	BONDED PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>				
Cash.....	\$ 1,077,485	\$	\$ 989,729	\$ 2,067,214
Restricted cash.....	318,250			318,250
Investments.....	27,371,473		3,082,541	30,454,014
Receivables:				
Property taxes.....	1,870,076			1,870,076
Intergovernmental.....	211,174		897,197	1,108,371
Loans receivable.....			242,919	242,919
Other.....	147,992		272,963	420,955
Due from other funds.....	647,203	7,618,681	2,626,433	10,892,317
Other.....	3,464		28,792	32,256
TOTAL ASSETS.....	\$ 31,647,117	\$ 7,618,681	\$ 8,140,574	\$ 47,406,372
<u>LIABILITIES</u>				
Accounts payable.....	\$ 1,199,171	\$ 5,503,515	\$ 481,074	\$ 7,183,760
Accrued payroll.....	3,115,324		147,835	3,263,159
Due to other funds.....	13,646,504		197,697	13,844,201
Unearned revenue.....		2,641,635	355,781	2,997,416
Performance bonds.....	318,250			318,250
TOTAL LIABILITIES.....	18,279,249	8,145,150	1,182,387	27,606,786
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenue - property taxes.....	1,712,833			1,712,833
Unavailable revenue - advanced property tax collections.....	348,112			348,112
Unavailable revenue - loans.....			242,919	242,919
TOTAL DEFERRED INFLOWS OF RESOURCES.....	2,060,945	-	242,919	2,303,864
<u>FUND BALANCES</u>				
Nonspendable.....			610,000	610,000
Restricted.....			4,310,388	4,310,388
Committed.....			1,728,989	1,728,989
Assigned.....	698,388		65,891	764,279
Unassigned.....	10,608,535	(526,469)		10,082,066
TOTAL FUND BALANCES	11,306,923	(526,469)	6,715,268	17,495,722
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 31,647,117	\$ 7,618,681	\$ 8,140,574	\$ 47,406,372

(Continued)

TOWN OF NEWTOWN, CONNECTICUT

RECONCILIATION OF FUND BALANCE
TO NET POSITION OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2015

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

TOTAL FUND BALANCE (EXHIBIT C, PAGE 1).....	\$ 17,495,722
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CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS:

Beginning net capital assets	247,799,321
Capital assets additions (net of construction in progress).....	16,112,568
Depreciation expense.....	(5,104,054)
Disposal of capital assets.....	(193,240)

OTHER LONG-TERM ASSETS AND DEFERRED OUTFLOWS ARE NOT AVAILABLE RESOURCES AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS:

Property tax interest and lien accrual.....	1,038,070
Allowance for doubtful accounts.....	(578,141)
School building grant receivable.....	914,995
Contributions receivable.....	9,550,000
Deferred outflow related to pensions.....	2,670,215
Deferred charge on refunding.....	765,207

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

Property tax and community development block grant receivable - accrual basis change.....	1,955,752
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INTERNAL SERVICE FUNDS ARE USED BY MANAGEMENT TO CHARGE THE COST OF MEDICAL INSURANCE TO INDIVIDUAL DEPARTMENTS:

The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.....	3,143,967
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SOME LIABILITIES AND DEFERRED INFLOWS, INCLUDING BONDS PAYABLE, ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS:

Bonds and notes payable.....	(64,957,042)
Premium.....	(3,230,825)
Landfill post closure costs.....	(170,000)
Capital leases.....	(99,866)
Compensated absences.....	(957,993)
Termination benefits.....	(273,000)
Net pension liability.....	(10,121,764)
Net OPEB obligation.....	(1,429,589)
Accrued interest payable.....	(1,354,651)
Deferred inflow related to pensions.....	(1,105,617)

NET POSITION OF GOVERNMENTAL ACTIVITIES.....	<u>\$ 211,870,035</u>
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(Concluded)

TOWN OF NEWTOWN, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	GENERAL	BONDED PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:				
Property taxes.....	\$ 101,013,572	\$	\$	\$ 101,013,572
Intergovernmental.....	15,304,723	11,173,401	7,814,720	34,292,844
Charges for services.....	2,050,991		4,251,154	6,302,145
Investment income.....	164,812		54,790	219,602
Net change in fair value of investments.....			(16,824)	(16,824)
Contributions.....		450,000	333,631	783,631
Other.....	50,014			50,014
TOTAL REVENUES.....	118,584,112	11,623,401	12,437,471	142,644,984
EXPENDITURES:				
Current:				
General government.....	4,435,497		1,900,418	6,335,915
Public safety.....	9,554,205		849,002	10,403,207
Health and welfare.....	2,528,257		654,376	3,182,633
Land use.....	673,894			673,894
Public works.....	10,075,427		835	10,076,262
Parks and recreation.....	2,259,540		738,051	2,997,591
Education.....	78,608,340		8,648,934	87,257,274
Debt service.....	10,306,272	200,191	341,625	10,848,088
Capital outlay.....		13,329,277	724,094	14,053,371
TOTAL EXPENDITURES.....	118,441,432	13,529,468	13,857,335	145,828,235
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	142,680	(1,906,067)	(1,419,864)	(3,183,251)
OTHER FINANCING SOURCES (USES):				
Issuance of refunding bonds.....		17,620,000		17,620,000
Capital lease.....		179,866		179,866
Premium.....		2,592,690		2,592,690
Payment to refunded bonds escrow agent.....		(20,012,499)		(20,012,499)
Transfers in.....	225,228	30,398	793,667	1,049,293
Transfers out.....	(262,476)	(20,175)	(766,642)	(1,049,293)
NET OTHER FINANCING SOURCES (USES).....	(37,248)	390,280	27,025	380,057
NET CHANGE IN FUND BALANCES	105,432	(1,515,787)	(1,392,839)	(2,803,194)
FUND BALANCES - JULY 1, 2014.....	11,201,491	989,318	8,108,107	20,298,916
FUND BALANCES - JUNE 30, 2015.....	\$ 11,306,923	\$ (526,469)	\$ 6,715,268	\$ 17,495,722

TOWN OF NEWTOWN, CONNECTICUT

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015**

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

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS (EXHIBIT D)..... \$ (2,803,194)

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

Capital outlay.....	16,112,568
Depreciation expense.....	(5,104,054)
Total	11,008,514

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

Disposal of capital assets.....	(193,240)
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Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds and revenues recognized in the Fund Financial Statements are not recognized in the Statement of Activities:

School building grant receipts.....	(555,937)
Change in property tax and community development block grant - accrual basis change.....	(38,263)
Change in property tax and community development block grant interest and lien revenue.....	(52,208)
Contribution receivable.....	9,550,000
Total	8,903,592

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

Debt issued or incurred:	
Issuance of refunding bonds.....	(17,620,000)
Premium.....	(200,191)
Deferred charge on refunding.....	(1,020,000)
Capital leases.....	(179,866)
Principal repayments:	
General obligation debt.....	7,862,800
Notes payable.....	298,264
Refunded bonds.....	18,640,000
Total	7,781,007

(Continued)

TOWN OF NEWTOWN, CONNECTICUT

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2015**

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

Accrued interest payable.....	\$ (156,728)
Amortization of bond premium.....	398,238
Amortization of deferred charges on refunding.....	(233,185)
Landfill post closure.....	17,000
Capital lease.....	144,083
Compensated absences.....	(71,318)
Termination benefits.....	(121,000)
Pension expense.....	(547,240)
Net OPEB obligation.....	<u>(477,172)</u>
Total	<u>(1,047,322)</u>

Internal Service Funds are used by management to charge costs of medical insurance deductibles to individual departments:

The net revenue of the activities of the Internal Service Fund is reported with governmental activities.....	<u>697,852</u>
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CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (EXHIBIT B)	<u>\$ 24,347,209</u>
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(Concluded)

TOWN OF NEWTOWN, CONNECTICUT

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Property taxes.....	\$ 100,592,522	\$ 100,592,522	\$ 101,013,572	\$ 421,050
Intergovernmental.....	8,136,394	8,434,425	8,390,130	(44,295)
Charges for services.....	1,985,938	1,985,938	2,050,991	65,053
Investment income.....	125,000	125,000	164,812	39,812
Other revenues.....	104,350	104,350	50,014	(54,336)
TOTAL REVENUES.....	110,944,204	111,242,235	111,669,519	427,284
EXPENDITURES:				
Current:				
General government.....	4,277,820	4,411,828	4,395,515	16,313
Public safety.....	9,565,064	9,575,546	9,539,751	35,795
Health and welfare.....	2,531,470	2,533,400	2,528,257	5,143
Land use.....	617,036	679,018	673,894	5,124
Public works.....	9,642,729	9,992,313	9,966,929	25,384
Parks and recreation.....	2,244,068	2,268,441	2,263,018	5,423
Education.....	71,345,304	71,332,395	71,332,395	-
Contingency.....	250,000	1,947		1,947
Debt service.....	10,342,994	10,306,719	10,306,272	447
TOTAL EXPENDITURES.....	110,816,485	111,101,607	111,006,031	95,576
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	127,719	140,628	663,488	522,860
OTHER FINANCING SOURCES (USES):				
Cancellation of prior year encumbrances.....			16,345	16,345
Transfers in.....	122,000	122,000	225,228	103,228
Transfers out.....	(249,719)	(262,628)	(262,476)	152
NET OTHER FINANCING SOURCES (USES).....	(127,719)	(140,628)	(20,903)	119,725
NET CHANGE IN FUND BALANCE.....	\$ -	\$ -	642,585	\$ 642,585
FUND BALANCE - JULY 1, 2014.....			10,242,495	
FUND BALANCE - JUNE 30, 2015.....			\$ 10,885,080	

See Notes to Financial Statements.

TOWN OF NEWTOWN, CONNECTICUT

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	BUSINESS-TYPE ACTIVITIES			GOVERNMENTAL ACTIVITIES
	MAJOR FUNDS			
	SEWER DEPARTMENT	WATER DEPARTMENT	TOTAL	INTERNAL SERVICE FUNDS
<u>ASSETS</u>				
Current assets:				
Cash.....	\$	\$	\$ -	\$ 2,741,613
Investments.....	1,442,796		1,442,796	
Receivables:				
Assessments.....	854,878		854,878	
Use charges (net).....	117,285	67,038	184,323	
Other.....			-	22,329
Due from other funds.....	1,661,228		1,661,228	1,792,738
Total current assets.....	4,076,187	67,038	4,143,225	4,556,680
Noncurrent assets:				
Assessment receivables (net).....	1,799,617		1,799,617	
Advance to other funds.....	830,558		830,558	
Capital assets (net of accumulated depreciation/amortization):				
Land.....	1,000		1,000	
Intangible assets.....	385,867	148,837	534,704	
Construction in progress.....	1,496,059	769,895	2,265,954	
Plant and pumping stations.....	8,258,590	559,529	8,818,119	
Sewer distribution system.....	16,191,404		16,191,404	
Water distribution system.....		1,307,632	1,307,632	
Equipment.....	4,295		4,295	
Vehicles.....	108,050		108,050	
Total capital assets (net of accumulated depreciation/amortization).....	26,445,265	2,785,893	29,231,158	-
Total noncurrent assets.....	29,075,440	2,785,893	31,861,333	-
TOTAL ASSETS.....	33,151,627	2,852,931	36,004,558	4,556,680
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Deferred charge on refunding.....	9,096		9,096	

(Continued)

TOWN OF NEWTOWN, CONNECTICUT

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	<u>BUSINESS-TYPE ACTIVITIES</u>			<u>GOVERNMENTAL ACTIVITIES</u>
	<u>MAJOR FUNDS</u>			
	<u>SEWER DEPARTMENT</u>	<u>WATER DEPARTMENT</u>	<u>TOTAL</u>	<u>INTERNAL SERVICE FUNDS</u>
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable.....	\$ 109,780	\$ 37,702	\$ 147,482	\$ 226,197
Claims payable.....			-	1,186,516
Due to other funds.....		437,155	437,155	
Bonds and notes payable.....	1,136,539		1,136,539	
Other.....	19,216		19,216	
Total current liabilities.....	1,265,535	474,857	1,740,392	1,412,713
Noncurrent liabilities:				
Advance from other funds.....		830,558	830,558	
Bonds and notes payable - net of premium.....	3,602,835		3,602,835	
Total noncurrent liabilities.....	3,602,835	830,558	4,433,393	-
TOTAL LIABILITIES.....	4,868,370	1,305,415	6,173,785	1,412,713
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Advanced collections.....	11,310		11,310	
<u>NET POSITION</u>				
Net investment in capital assets.....	21,714,987	2,785,893	24,500,880	
Unrestricted.....	6,566,056	(1,238,377)	5,327,679	3,143,967
TOTAL NET POSITION.....	\$ 28,281,043	\$ 1,547,516	\$ 29,828,559	\$ 3,143,967

(Concluded)

TOWN OF NEWTOWN, CONNECTICUT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
 PROPRIETARY FUNDS
 YEAR ENDED JUNE 30, 2015

	BUSINESS-TYPE ACTIVITIES			GOVERNMENTAL
	MAJOR FUNDS			ACTIVITIES
	SEWER DEPARTMENT	WATER DEPARTMENT	TOTAL	INTERNAL SERVICE FUNDS
OPERATING REVENUES:				
Charges for services.....	\$ 875,006	\$ 323,481	\$ 1,198,487	\$ 14,447,849
OPERATING EXPENSES:				
Professional services.....	145,463	17,533	162,996	
Contracted services.....	738,654	269,736	1,008,390	
Repairs and maintenance.....	34,702	44,022	78,724	
Utilities.....	119,794		119,794	
Claims incurred.....				12,581,524
Administration.....	151		151	1,175,708
Depreciation and amortization.....	537,145	111,964	649,109	
TOTAL OPERATING EXPENSES.....	1,575,909	443,255	2,019,164	13,757,232
OPERATING INCOME (LOSS).....	(700,903)	(119,774)	(820,677)	690,617
NONOPERATING REVENUES (EXPENSES):				
Investment income.....	41,486		41,486	7,235
Interest expense.....	(120,533)	(36,445)	(156,978)	
NET NONOPERATING REVENUES (EXPENSES).....	(79,047)	(36,445)	(115,492)	7,235
NET CHANGE IN NET POSITION	(779,950)	(156,219)	(936,169)	697,852
TOTAL NET POSITION - JULY 1, 2014.....	29,060,993	1,703,735	30,764,728	2,446,115
TOTAL NET POSITION - JUNE 30, 2015.....	\$ 28,281,043	\$ 1,547,516	\$ 29,828,559	\$ 3,143,967

TOWN OF NEWTOWN, CONNECTICUT

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED JUNE 30, 2015

	BUSINESS-TYPE ACTIVITIES			GOVERNMENTAL ACTIVITIES
	MAJOR FUNDS			INTERNAL SERVICE FUNDS
	SEWER DEPARTMENT	WATER DEPARTMENT	TOTAL	
CASH FLOWS FROM OPERATING ACTIVITIES:				
Cash received from charges for services.....	\$ 2,556,590	\$ 995,428	\$ 3,552,018	\$ 12,884,182
Cash payments to suppliers for goods and services.....	(998,814)	(314,214)	(1,313,028)	(949,512)
Claims paid.....			-	(12,467,564)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	1,557,776	681,214	2,238,990	(532,894)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Purchase of capital assets.....	(354,669)	(644,769)	(999,438)	
Principal payments.....	(1,120,473)		(1,120,473)	
Interest payments.....	(119,079)	(36,445)	(155,524)	
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES.....	(1,594,221)	(681,214)	(2,275,435)	-
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income.....	41,486		41,486	7,235
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES.....	41,486	-	41,486	7,235
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS.....	5,041	-	5,041	(525,659)
CASH AND CASH EQUIVALENTS - JULY 1, 2014.....	1,437,755	-	1,437,755	3,267,272
CASH AND CASH EQUIVALENTS - JUNE 30, 2015.....	\$ 1,442,796	\$ -	\$ 1,442,796	\$ 2,741,613
RECONCILIATION TO EXHIBIT G - CASH:				
CASH AND CASH EQUIVALENTS PER ABOVE.....	\$ 1,442,796	\$ -	\$ 1,442,796	\$ 2,741,613
CASH AND CASH EQUIVALENTS REPORTED AS INVESTMENTS.....	(1,442,796)		(1,442,796)	
CASH - EXHIBIT G.....	\$ -	\$ -	\$ -	\$ 2,741,613
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income (loss).....	\$ (700,903)	\$ (119,774)	\$ (820,677)	\$ 690,617
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization.....	537,145	111,964	649,109	
(Increase) decrease in:				
Receivables.....	953,766	(3,857)	949,909	5,405
Due from other funds.....	727,818	342,351	1,070,169	(1,569,072)
Increase (decrease) in:				
Accounts payable.....	39,603	17,077	56,680	340,156
Due to other funds.....		333,453	333,453	
Other.....	347		347	
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES.....	\$ 1,557,776	\$ 681,214	\$ 2,238,990	\$ (532,894)

TOWN OF NEWTOWN, CONNECTICUTSTATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2015

	PENSION TRUST FUND	OTHER POST- EMPLOYMENT BENEFIT TRUST FUND	PRIVATE- PURPOSE TRUST FUND SANDY HOOK PRIVATE-PURPOSE TRUST FUND	AGENCY FUNDS
<u>ASSETS</u>				
Cash.....	\$	\$	\$	\$ 453,758
Investments at Fair Value:				
Certificates of Deposit.....				684,936
Mutual Funds:				
Equity.....	12,958,745	695,562		
International equity.....	7,336,637	278,760		
Money market mutual funds.....	1,169,139	43,327		
U.S. Government Securities.....	447,903	13,900		
U.S. Government Agency Securities.....	220,220			
Common stock.....	1,998,920	15,256		
Corporate Bonds.....	11,510,432	452,158		
Total Investments.....	35,641,996	1,498,963	-	684,936
Due from other funds.....			310	
TOTAL ASSETS.....	35,641,996	1,498,963	310	1,138,694
<u>LIABILITIES</u>				
LIABILITIES:				
Accounts payable.....				1,138,694
Due to other funds.....		65,237		
TOTAL LIABILITIES.....	-	65,237	-	1,138,694
<u>NET POSITION</u>				
Restricted for defined contribution benefits.....	108,751			
Net position held in trust for defined benefit pension, other post-employment benefits and other purposes.....	35,533,245	1,433,726	310	-
TOTAL NET POSITION.....	\$ 35,641,996	\$ 1,433,726	\$ 310	\$ -

TOWN OF NEWTOWN, CONNECTICUTSTATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2015

	PENSION TRUST FUND	OTHER POST- EMPLOYMENT BENEFIT TRUST FUND	PRIVATE- PURPOSE TRUST FUND SANDY HOOK PRIVATE-PURPOSE TRUST FUND
ADDITIONS:			
Contributions:			
Employer - defined benefit plan.....	\$ 1,375,889	\$ 257,405	\$
Employer - defined contribution plan.....	10,481		
Plan members - defined benefit plan.....	458,556	340,261	
Plan members - defined contribution plan.....	3,494		
Other.....			20
Total contributions.....	1,848,420	597,666	20
Investment income (loss):			
Net change in fair value of investments.....	91,645	(3,695)	
Interest and dividends.....	962,696	35,119	
Total investment income (loss).....	1,054,341	31,424	-
Less investment expenses.....	110,752	6,263	
Net investment income (loss).....	943,589	25,161	-
TOTAL ADDITIONS.....	2,792,009	622,827	20
DEDUCTIONS:			
Benefits.....	1,717,013	460,105	
Administration.....	74,654	11,200	
TOTAL DEDUCTIONS.....	1,791,667	471,305	-
CHANGE IN NET POSITION.....	1,000,342	151,522	20
NET POSITION - JULY 1, 2014.....	34,641,654	1,282,204	290
NET POSITION - JUNE 30, 2015.....	\$ 35,641,996	\$ 1,433,726	\$ 310

TOWN OF NEWTOWN, CONNECTICUT**NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2015****HISTORY AND ORGANIZATION**

The Town of Newtown was incorporated on October 11, 1711, and covers an area of 60 square miles. The Town operates under a Selectmen/Board of Finance/Legislative Council/Town Meeting form of government as prescribed by the Connecticut General Statutes and its charter, which was adopted in 1961 and amended in 2008. The Town provides the following services as authorized by its charter: public safety (police and fire), public works (streets and highways), public health and social services, water pollution control and solid waste disposal and education encompassing grades Pre K-12.

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

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

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

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

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

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers property taxes to be available if collected within 30 days of the end of the current fiscal period and reimbursement grants to be available if they are collected within one year of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

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

The Town reports the following major governmental funds:

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

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

The Town reports the following major proprietary funds:

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

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

Additionally, the Town reports the following fund types:

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

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

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position and additions to/deductions from fiduciary net position of the Town of Newtown pension plan and the Connecticut State Teachers' Retirement System (CSTRS) have been determined on the same basis as they are reported by the Town of Newtown pension plan and CSTRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms.

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

1. Deposits and Investments

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

1. Deposits and Investments (Continued)

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

Allowable investments under the pension funds' investment policy consist of investment grade corporate bonds as rated by Standard and Poor's, government bonds issued and guaranteed by the U.S. Treasury and U.S. Agencies, Federally insured certificates of deposit and equities consisting of stocks and mutual funds. Funds may also be invested in the high yield sector (bonds below investment grade) provided the investment is made in mutual funds and does not comprise more than 10% of the equity portion of the portfolio. Professional money managers are employed to manage the assets allocated to them. The Town's pension policy target investment class allocation is 60% domestic equity and 40% domestic fixed income. The Board of Selectmen, as trustee of the pension plans, is responsible for overall investment policy. Any change in investment manager or individual security purchase must have their approval. The pension committee acts as advisor to the Board of Selectmen.

Methods used to value investments - Investments for the Town are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. State Treasurers Investment Fund is an investment pool managed by the State of Connecticut Office of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c - 3-27e. Investment guidelines are adopted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares.

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

2. Receivables and Payables

a. Interfunds

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

2. Receivables and Payables (Continued)

b. Property Taxes and Other Receivables

In the government-wide financial statements, all property tax, sewer assessment, sewer use, and loan receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 2 to 29 percent of outstanding receivable balances and are calculated based upon prior collections.

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

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

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

3. Restricted Assets

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

4. Capital Assets

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

4. Capital Assets (Continued)

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

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

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

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

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

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town reports deferred outflows of resources related to pensions for changes in assumptions and return on investments. This deferred outflow will be amortized over the average remaining service life of all plan members. The Town also reports a deferred charge on refunding, which results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town reports a deferred inflow of resources related to pensions for the net difference between expected and actual experience. This deferred inflow will be amortized over a five year period.

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

5. Deferred Outflows/Inflows of Resources (Continued)

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

6. Net Position Flow Assumption

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

7. Compensated Absences

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

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

Compensated absences are only reported in governmental funds if they are due and payable to an employee who has resigned or retired before or at fiscal year end.

8. Long-Term Obligations

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

8. Long-Term Obligations (Continued)

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

9. Fund Equity and Net Position

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

Net Investment in Capital Assets

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

Restricted Net Position

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

Unrestricted Net Position

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

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

Nonspendable

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

Restricted

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

9. Fund Equity and Net Position (Continued)

Committed

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

Assigned

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

Unassigned

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

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

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

10. Use of Estimates

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

11. Comparative Data/Reclassifications

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

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

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

- | | |
|---------------------------------|--|
| By February 1 | All Town departments, except the School System, submit the budget request to the Board of Selectmen. |
| By February 14 | The Board of Selectmen reviews budgets with department heads and makes revisions and submits Selectmen's budget to the Board of Finance. |
| By the First Wednesday in March | The Board of Finance holds a public hearing on the budget and reviews and makes revisions. |
| By March 14 | The Board of Finance submits the Town of Newtown budget to the Legislative Council. |
| By the Last Wednesday in March | The Legislative Council holds a public hearing on the budget and makes final revisions. |
| On the Fourth Tuesday in April | The Annual Budget Referendum is presented the budget and votes for adoption. |
- Within the first 335 days of the fiscal year, the First Selectman and Financial Director, in accordance with the provisions of the Charter, are authorized to transfer budgeted appropriations within a department up to \$50,000. All transfers within a department that exceed the sum of \$50,000 shall require the approval of the Board of Finance. The Board of Finance may transfer any unencumbered appropriation from one department to another up to \$200,000. All transfers between departments, which exceed the sum of \$200,000 as well as all contingency transfers, shall require the approval of the Legislative Council. After 335 days, the Legislative Council approves all transfers. The Legislative Council may approve special and/or emergency appropriations up to an aggregate of \$500,000 for any one purpose per year. Special and/or emergency appropriations in excess of \$500,000 for any one purpose per year must be approved at a Town Meeting. The Legislative Council shall recommend to a Town referendum all special and emergency appropriations which equal or exceed \$10 million.
 - Additional appropriations for the year amounted to \$298,031, which were funded by revised revenue estimates.

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

A. Budgets and Budgetary Accounting (Continued)

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

B. Budget - GAAP Reconciliation

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

	<u>REVENUES</u>	<u>EXPENDITURES</u>	<u>FUND BALANCE</u>
BALANCE, BUDGETARY BASIS, EXHIBIT F - JUNE 30, 2015	\$ 111,669,519	\$ 111,006,031	\$ 10,885,080
Teachers' Retirement System on-behalf amount.....	6,914,593	6,914,593	
Continued appropriations and encumbrances outstanding at June 30, 2014 and June 30, 2015			17,696
Encumbrances outstanding at June 30, 2014, liquidated during the year June 30, 2015		924,955	
Encumbrances outstanding at June 30, 2015, charged to budgetary expenditures		(404,147)	404,147
BALANCE, GAAP BASIS, EXHIBIT D - JUNE 30, 2015	<u>\$ 118,584,112</u>	<u>\$ 118,441,432</u>	<u>\$ 11,306,923</u>

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

C. Donor-Restricted Endowments

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

Edmond Town Hall Endowment	\$ 267,802
Hawley School Trust	<u>94,293</u>
Total.....	<u>\$ 362,095</u>

Investment income available for appropriation is as follows:

Newtown Flagpole	<u>\$ 6,147</u>
------------------------	-----------------

D. Capital Projects Authorizations

The following is a summary of certain Capital Projects at June 30, 2015:

<u>CAPITAL PROJECTS FUND</u>	<u>AUTHORIZATION</u>	<u>CUMULATIVE EXPENDITURES</u>	<u>BALANCE JUNE 30, 2015</u>
High School	\$ 41,576,000	\$ 39,981,472	\$ 1,594,528
Dickinson Park Renovations	620,000	562,761	57,239
Parks and Recreation Maintenance Facility Renovation II	350,000	349,915	85
Middle School Roof Replacement.....	4,257,690	3,793,189	464,501
Hawley Boiler/HVAC.....	2,044,000	1,685,300	358,700
Animal Control Building/Dog Park.....	957,216	946,202	11,014
Deep Brook Stream Restoration Project.....	336,000	222,670	113,330
Dickinson Playground.....	866,112	855,860	10,252
Treadwell Park Renovations	498,000	404,423	93,577
Danbury Hall Demolition	350,000	350,000	-
Bridge Replacement - Old Mill Dam.....	430,000	409,910	20,090
New Sandy Hook Elementary School	50,000,000	15,381,616	34,618,384
Hawleyville Sewer Extension.....	2,800,000		2,800,000
Newtown Community Center	450,000	162,748	287,252
Lights - HS Bach Field.....	300,000	247,739	52,261
Artificial Turf Replacement.....	500,000	416,680	83,320
Fairfield Hills Walking Trail.....	300,000	295,423	4,577
Library Improvements.....	300,000		300,000
Edmond Town Hall Improvements.....	300,000		300,000
Brushy Hill Bridge	315,000		315,000
Sandy Hook Memorial Sidewalk	193,005		193,005
Newtown High School Auditorium.....	<u>3,600,000</u>		<u>3,600,000</u>
TOTALS	<u>\$ 111,343,023</u>	<u>\$ 66,065,908</u>	<u>\$ 45,277,115</u>

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

III. DETAILED NOTES

A. Cash and Investments

Deposits - Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2015, \$6,181,569 of the Town's bank balance of \$25,296,978 (including certificates of deposit and money market accounts classified as investments) was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 5,472,346
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>709,223</u>
Total amount subject to custodial credit risk	<u>\$ 6,181,569</u>

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

At June 30, 2015, the Town's investments (including restricted investments) consisted of the following types and maturities. Specific identification was used to determine the maturities.

TYPE OF INVESTMENT	FAIR VALUE	INVESTMENT MATURITIES (IN YEARS)				
		N/A	LESS THAN 1	1-5 YEARS	5-10 YEARS	OVER 10
Mutual Funds:						
Equity.....	\$ 14,413,231	\$ 14,413,231	\$	\$	\$	\$
International Equity	8,095,528	8,095,528				
Money Market Mutual Funds	1,394,806		1,394,806			
Certificates of Deposit.....	17,369,016		7,319,242	10,049,774		
Pooled Fixed Income	13,791,335		13,791,335			
U.S. Government Securities	461,803			44,259		417,544
U.S. Government Agency Securities	220,220			120,585		99,635
Common Stock	2,014,176	2,014,176				
Corporate Bonds.....	<u>11,962,590</u>		<u>428,326</u>	<u>6,623,687</u>	<u>3,568,217</u>	<u>1,342,360</u>
TOTAL	<u>\$ 69,722,705</u>	<u>\$ 24,522,935</u>	<u>\$ 22,933,709</u>	<u>\$ 16,838,305</u>	<u>\$ 3,568,217</u>	<u>\$ 1,859,539</u>

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

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

III. DETAILED NOTES (CONTINUED)

A. Cash and Investments (Continued)

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

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

AVERAGE RATING	POOLED FIXED INCOME	CORPORATE BONDS	U.S. GOVERNMENT SECURITIES	U.S. GOVERNMENT AGENCY SECURITIES	MONEY MARKET MUTUAL FUNDS
AAA	\$ 13,791,335	\$	\$	\$	\$
AA		698,801	28,220	120,585	
A		5,900,523	16,039		
BBB		4,478,200			
BB		619,460			
B		100,507			
Unrated		165,099	417,544	99,635	1,394,806
TOTAL	\$ 13,791,335	\$ 11,962,590	\$ 461,803	\$ 220,220	\$ 1,394,806

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

Certain investments are covered by the Securities Investor Protection Corporation ("SIPC") up to \$500,000, including \$250,000 of cash from sale or for purchase of investments, but not cash held solely for the purpose of earning interest. SIPC protects securities such as notes, stocks, bonds, debentures, certificates of deposit and money funds.

	TOTAL	LESS INSURED AMOUNTS	AMOUNT SUBJECT TO CUSTODIAL CREDIT RISK
U.S. Government Securities	\$ 461,803	\$	\$ 461,803
U.S. Government Agency Securities	220,220		220,220
Common Stock	2,014,176		2,014,176
Corporate Bonds	11,962,590	500,000	11,462,590
TOTAL	\$ 14,658,789	\$ 500,000	\$ 14,158,789

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

III. DETAILED NOTES (CONTINUED)

B. Receivables

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

	PROPERTY TAXES INTEREST AND LIEN FEES			TOTAL	
	TAXES	LIEN FEES			
Current portion	\$ 635,826	\$ 126,484		\$	762,310
Long-term portion	\$ 1,234,250	\$ 911,586		\$	2,145,836
Less allowance for uncollectibles	274,000	299,000			573,000
Net long-term portion	\$ 960,250	\$ 612,586		\$	1,572,836

	CDBG LOANS	SEWER ASSESSMENTS	INTEREST	TOTAL	
Current portion	\$ 20,000	\$ 835,878	\$ 19,000	\$	854,878
Long-term portion	\$ 222,919	\$ 1,765,259	88,531		1,853,790
Less allowance for uncollectibles	5,141	52,023	2,150		54,173
Net long-term portion	\$ 217,778	\$ 1,713,236	\$ 86,381	\$	1,799,617

	SEWER USE CHARGES	INTEREST AND LIENS	TOTAL SEWER USE CHARGES	WATER USE CHARGES
Receivable amount	\$ 86,924	\$ 33,019	\$ 119,943	\$ 67,038
Less allowance for uncollectibles ...	2,279	379	2,658	
Net receivable	\$ 84,645	\$ 32,640	\$ 117,285	\$ 67,038

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

III. DETAILED NOTES (CONTINUED)

C. Capital Assets

Capital asset activity for the year ended June 30, 2015 was as follows:

	BALANCE JULY 1, 2014	INCREASES	DECREASES	BALANCE JUNE 30, 2015
<u>Governmental Activities:</u>				
<u>Capital Assets, not being Depreciated:</u>				
Land	\$ 25,496,456	\$ 517,040	\$	\$ 26,013,496
Intangible assets	3,687,270			3,687,270
Construction in progress	8,419,791	14,347,523	3,884,109	18,883,205
Total Capital Assets, not being Depreciated ...	37,603,517	14,864,563	3,884,109	48,583,971
<u>Capital Assets, being Depreciated:</u>				
Buildings and systems	157,113,755	1,539,780	100,000	158,553,535
Land improvements	19,292,311	714,592		20,006,903
Machinery and equipment	11,891,225	1,297,110	42,273	13,146,062
Vehicles	10,380,355	482,503	234,008	10,628,850
Infrastructure	65,570,146	1,098,129	55,802	66,612,473
Total Capital Assets, being Depreciated	264,247,792	5,132,114	432,083	268,947,823
Total Capital Assets	301,851,309	19,996,677	4,316,192	317,531,794
<u>Less Accumulated Depreciation for:</u>				
Buildings and systems	23,726,730	2,199,664	8,000	25,918,394
Land improvements	4,830,976	769,756		5,600,732
Machinery and equipment	7,271,011	661,798	39,458	7,893,351
Vehicles	5,070,919	547,286	178,787	5,439,418
Infrastructure	13,152,352	925,550	12,598	14,065,304
Total Accumulated Depreciation	54,051,988	5,104,054	238,843	58,917,199
Total Capital Assets, being Depreciated, net ..	210,195,804	28,060	193,240	210,030,624
Governmental Activities Capital Assets, net....	\$ 247,799,321	\$ 14,892,623	\$ 4,077,349	\$ 258,614,595
<u>Business-Type Activities:</u>				
<u>Capital Assets, not being Depreciated:</u>				
Land	\$ 1,000	\$	\$	\$ 1,000
Construction in progress	1,266,516	999,438		2,265,954
Total Capital Assets, not being Depreciated ...	1,267,516	999,438		2,266,954
<u>Capital Assets, being Depreciated:</u>				
Intangible assets	1,361,000			1,361,000
Plant and pumping stations	13,644,082			13,644,082
Sewer distribution system	20,228,832			20,228,832
Water distribution system	2,275,502			2,275,502
Equipment	64,415			64,415
Vehicles	173,006			173,006
Total Capital Assets, being Depreciated	37,746,837	-		37,746,837
Total Capital Assets	39,014,353	999,438	-	40,013,791

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

III. DETAILED NOTES (CONTINUED)

C. Capital Assets (Continued)

	BALANCE JULY 1, 2014	INCREASES	DECREASES	BALANCE JUNE 30, 2015
<u>Less Accumulated Depreciation for:</u>				
Intangible assets.....	\$ 782,945	\$ 43,351	\$	\$ 826,296
Plant and pumping stations.....	4,546,885	279,078		4,825,963
Sewer distribution system.....	3,819,436	217,992		4,037,428
Water distribution system.....	881,554	86,316		967,870
Equipment.....	53,679	6,441		60,120
Vehicles.....	49,025	15,931		64,956
Total Accumulated Depreciation.....	10,133,524	649,109	-	10,782,633
Total Capital Assets, being Depreciated, net.....	27,613,313	(649,109)	-	26,964,204
Business-Type Activities Capital Assets, net.....	\$ 28,880,829	\$ 350,329	\$ -	\$ 29,231,158

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

Governmental Activities:

General government	\$ 666,958
Public safety	555,674
Health and welfare	20,018
Land use.....	2,297
Public works.....	1,128,602
Parks and recreation	633,789
Education	<u>2,096,716</u>

Total Depreciation Expense - Governmental Activities . \$5,104,054

Business-type Activities:

Sewer	\$ 537,145
Water.....	<u>111,964</u>

Total Depreciation Expense - Business-type Activities . \$ 649,109

Commitments

At June 30, 2015, the Town had the following commitments:

Sandy Hook School.....	<u>\$29,949,042</u>
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TOWN OF NEWTOWN, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

III. **DETAILED NOTES (CONTINUED)**

D. **Interfund Accounts**

1. **Interfund Payables and Receivables**

A summary of interfund balances as of June 30, 2015 is as follows:

	CORRESPONDING FUND	DUE FROM	DUE TO
MAJOR FUNDS:			
GENERAL FUND:			
Bonded projects	N/A	\$	\$ 7,618,681
Capital and nonrecurring	N/A		382,351
Sewer department	N/A		1,608,342
Water department	N/A	384,269	
Town gifts fund	N/A		206,278
Law enforcement fund	N/A		80,621
Septage management ordinance	N/A		33,565
Town recreation fund	N/A		167,983
Police private duty	N/A	196,722	
Miscellaneous grants	N/A		163,724
Eichler's cove marina	N/A		394,104
Hawley school trust	N/A		66,306
Dog license	N/A		13,373
Fairfield Hills authority	N/A		207,693
Historic documents	N/A		20,923
Debt service	N/A		66,716
Newtown flagpole fund	N/A		4,062
Cultural arts	N/A		29,911
Cemetery fund	N/A		9,453
Sandy Hook special revenue fund	N/A		334,686
Bouchard animal fund	N/A		13,512
Sandy Hook Operation Recovery fund	N/A		341,401
Education grants	N/A		36,389
School lunch program	N/A		122
School custodial	N/A		89
Adult education	N/A	975	
Other post-employee benefit trust fund	N/A	65,237	
Internal service fund	N/A		1,792,738
Sandy Hook private-purpose trust fund	N/A		310
Recovery and resiliency plan	N/A		11,719
The V.G. Hair and Frances E. Hair fund	N/A		41,452
TOTAL GENERAL FUND		647,203	13,646,504
BONDED PROJECTS:			
Bonded projects	General Fund	7,618,681	
ENTERPRISE FUNDS:			
Sewer department	General Fund	1,608,342	
Sewer department	Water Department	52,886	
Water department	General Fund		384,269
Water department	Sewer Department		52,886
TOTAL ENTERPRISE FUNDS		1,661,228	437,155

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

III. DETAILED NOTES (CONTINUED)

D. Interfund Accounts (Continued)

1. Interfund Payables and Receivables (Continued)

	CORRESPONDING FUND	DUE FROM	DUE TO
<u>NONMAJOR FUNDS:</u>			
<u>SPECIAL REVENUE FUNDS:</u>			
Town gifts fund	General Fund	\$ 206,278	\$
Law enforcement fund	General Fund	80,621	
Septage management ordinance	General Fund	33,565	
Town recreation fund	General Fund	167,983	
Police private duty	General Fund		196,722
Miscellaneous grants	General Fund	163,724	
Eichler's cove marina	General Fund	394,104	
Dog license	General Fund	13,373	
Fairfield Hills authority	General Fund	207,693	
Historic documents	General Fund	20,923	
Cultural arts	General Fund	29,911	
Cemetery fund	General Fund	9,453	
Sandy Hook special revenue fund	General Fund	334,686	
Bouchard animal fund	General Fund	13,512	
Sandy Hook Operation Recovery fund	General Fund	341,401	
Education grants	General Fund	36,389	
School lunch program	General Fund	122	
School custodial	General Fund	89	
Adult education	General Fund		975
Recovery and resiliency plan	General Fund	11,719	
TOTAL SPECIAL REVENUE FUNDS		2,065,546	197,697
DEBT SERVICE FUND	General Fund	66,716	
CAPITAL AND NONRECURRING	General Fund	382,351	
PERMANENT FUNDS	General Fund	111,820	
INTERNAL SERVICE FUND	General Fund	1,792,738	
TOTAL NONMAJOR FUNDS		4,419,171	197,697
<u>FIDUCIARY FUNDS:</u>			
Other post-employment benefit trust fund	General Fund		65,237
Sandy Hook private-purpose trust fund	General Fund	310	
TOTAL FIDUCIARY FUNDS		310	65,237
GRAND TOTAL		\$ 14,346,593	\$ 14,346,593

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

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

III. DETAILED NOTES (CONTINUED)

D. Interfund Accounts (Continued)

2. Interfund Transfers

A summary of interfund transfers for the year ended June 30, 2015 is as follows:

	<u>CORRESPONDING FUND</u>	<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>
MAJOR FUNDS:			
GENERAL FUND:			
Edmond Town Hall.....	N/A	\$	\$ 99,567
Police private duty.....	N/A	139,689	
Law enforcement fund	N/A	20,098	
Town recreation fund	N/A	65,441	
Capital and nonrecurring	N/A		162,909
TOTAL GENERAL FUND		225,228	262,476
CAPITAL PROJECTS:			
Town recreation fund	N/A	30,398	
Debt service fund	N/A		20,175
TOTAL CAPITAL PROJECTS		30,398	20,175
NONMAJOR FUNDS:			
SPECIAL REVENUE FUNDS:			
Edmund Town Hall.....	General Fund	99,567	
Law enforcement fund	General Fund		20,098
Police private duty.....	General Fund		139,689
Town recreation fund	General Fund		65,441
Town recreation fund	Capital Projects		30,398
Town gifts fund.....	Capital Projects		
Sandy Hook special revenue fund.....	Capital Projects		
Miscellaneous grants	Special Revenue		511,016
Education funds	Special Revenue	511,016	
TOTAL SPECIAL REVENUE FUNDS		610,583	766,642
DEBT SERVICE FUND	Capital Projects	20,175	
CAPITAL AND NONRECURRING	General Fund	162,909	
GRAND TOTAL.....		\$ 1,049,293	\$ 1,049,293

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

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

III. DETAILED NOTES (CONTINUED)

D. Interfund Accounts (Continued)

3. Advances

A summary of interfund advances as of June 30, 2015 is as follows:

MAJOR FUNDS:	CORRESPONDING FUND	ADVANCES FROM	ADVANCES TO
Water department	Sewer department	\$ 830,558	\$
Sewer department	Water department		830,558
GRAND TOTAL		<u>\$ 830,558</u>	<u>\$ 830,558</u>

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

E. Changes in Long-Term Obligations

1. Summary of Changes

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

General Long-term Obligations:

DESCRIPTION	ORIGINAL AMOUNT	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE JULY 1, 2014*	ADDITIONS	DEDUCTIONS	REFUNDED	BALANCE JUNE 30, 2015	CURRENT PORTION
<u>BONDS/NOTES</u>										
<u>General Purpose:</u>										
Improvement bonds ...	\$ 4,535,000	02/01/09	2019	0.60-3.0%	\$ 343,050	\$	\$ 343,050	\$	\$ -	\$
Refund issue-2009	472,900	05/12/09	2021	0.65-3.52%	350,450		47,900		302,550	47,300
Refund issue-2009 Series B	10,819,400	08/25/09	2019	2.0-5.0%	8,796,800		1,653,000		7,143,800	1,665,100
Improvement bonds ...	7,332,714	02/15/10	2028	2.0-4.0%	4,921,700		442,400	3,637,830	841,470	442,400
Refund issue-2010	6,590,500	09/28/10	2023	2.5-5.0%	6,164,000				6,164,000	
Improvement bonds ..	2,445,000	02/15/11	2031	2.0-4.5%	2,046,000		133,000	1,913,000	-	
Improvement bonds ..	415,000	02/14/12	2032	2.0-4.0%	355,000		30,000		325,000	30,000
Refund issue-2012	7,558,400	02/15/12	2026	1.0-4.0%	6,065,900		928,400		5,137,500	1,140,200
Improvement bonds	1,966,000	03/13/14	2034	2.0-3.5%	1,966,000		98,700		1,867,300	98,700
Refund issue-2015	5,196,000	01/29/15	2030	2.375-5.0%		5,196,000			5,196,000	139,500
Total General Purpose	<u>\$ 47,330,914</u>				<u>31,008,900</u>	<u>5,196,000</u>	<u>3,676,450</u>	<u>5,550,830</u>	<u>26,977,620</u>	<u>3,563,200</u>
<u>Schools:</u>										
School bond	\$ 850,000	02/01/09	2019	0.60%-3.0%	86,950		86,950		-	
Refund issue-2009	8,812,100	05/12/09	2021	0.65%-3.52%	4,729,550		1,117,100		3,612,450	1,102,700
School bond Series B	2,500,000	08/25/09	2019	2.0-5.0%	2,033,200		382,000		1,651,200	384,900
School bond	6,897,286	02/15/10	2028	2.0-4.0%	4,738,300		397,600	3,502,170	838,530	397,600
Refund issue-2010	2,319,500	09/28/10	2023	2.5-5.0%	1,931,000				1,931,000	
School bond	11,575,000	02/15/11	2031	2.0-4.5%	10,204,000		617,000	9,587,000	-	
School bond	11,385,000	02/15/12	2032	2.0-4.0%	10,370,000		520,000		9,850,000	520,000
Refund issue-2012	7,161,200	03/20/12	2026	1.0-4.0%	5,754,500		885,000		4,869,500	1,068,200
School bond	2,046,000	03/13/14	2034	2.0-3.5%	2,046,000		102,300		1,943,700	102,300
Refund issue-2015	12,424,000	01/29/15	2030	2.375-5.0%		12,424,000			12,424,000	325,500
Total School Bonds	<u>\$ 65,970,086</u>				<u>41,893,500</u>	<u>12,424,000</u>	<u>4,107,950</u>	<u>13,089,170</u>	<u>37,120,380</u>	<u>3,901,200</u>
<u>Sewer:</u>										
Refund issue-2012	\$ 327,700	03/20/12	2026	1.0-4.0%	202,300		78,400		123,900	78,400
Clean water	4,570,000	06/30/97	2017	2.0%	669,668		263,863		405,805	269,188
Clean water	516,000	06/30/03	2023	2.1%	256,571		26,174		230,397	26,729
Total Sewer Bonds	<u>\$ 5,413,700</u>				<u>1,128,539</u>		<u>368,437</u>		<u>760,102</u>	<u>374,317</u>

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

III. DETAILED NOTES (CONTINUED)

E. Changes in Long-Term Obligations (Continued)

1. Summary of Changes (Continued)

DESCRIPTION	ORIGINAL AMOUNT	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE JULY 1, 2014*	ADDITIONS	DEDUCTIONS	REFUNDED	BALANCE JUNE 30, 2015	CURRENT PORTION
<u>Water:</u>										
Drinking water	\$ 171,738	06/29/06	2026	2.32%	\$ 107,167	\$	\$ 8,227	\$	\$ 98,940	\$ 8,420
TOTAL BONDS AND NOTES					74,138,106	17,620,000	8,161,064	18,640,000	64,957,042	7,847,137
PREMIUM					3,428,872	200,191	398,238		3,230,825	
TOTAL BONDS/NOTES AND RELATED LIABILITIES					77,566,978	17,820,191	8,559,302	18,640,000	68,187,867	7,847,137
LANDFILL POST CLOSURE COSTS					187,000		17,000		170,000	17,000
CAPITAL LEASES					64,083	179,866	144,083		99,866	49,933
COMPENSATED ABSENCES					886,675	1,188,431	1,117,113		957,993	191,599
EARLY RETIREMENT INCENTIVE					152,000	153,000	32,000		273,000	92,500
NET PENSION LIABILITY					8,009,926	4,839,400	2,727,562		10,121,764	
NET OTHER POST-EMPLOYMENT BENEFIT OBLIGATION					952,417	734,577	257,405		1,429,589	
TOTAL LONG-TERM OBLIGATIONS					\$ 87,819,079	\$ 24,915,465	\$ 12,854,465	\$ 18,640,000	\$ 81,240,079	\$ 8,198,169

* As restated

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

Enterprise Fund:

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

DESCRIPTION	ORIGINAL AMOUNT	DATE OF ISSUE	DATE OF MATURITY	INTEREST RATE	BALANCE JULY 1, 2014	DEDUCTIONS	BALANCE JUNE 30, 2015	CURRENT PORTION
Improvement Bonds	\$ 2,488,000	03/15/14	2034	2-3.5%	\$ 2,488,000	\$ 124,000	\$ 2,364,000	\$ 124,000
Refunding Bonds	327,700	03/20/12	2026	1.0-4.0%	202,300	78,200	124,100	78,200
Clean Water Fund Notes	16,128,596	10/30/98	2018	2.00%	3,125,380	915,853	2,209,527	934,339
Total Bonds/Notes	\$ 18,944,296				5,815,680	1,118,053	4,697,627	1,136,539
Premium					44,167	2,420	41,747	
Total Bonds/Notes and Related Liabilities					\$ 5,859,847	\$ 1,120,473	\$ 4,739,374	\$ 1,136,539

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

III. DETAILED NOTES (CONTINUED)

E. Changes in Long-Term Obligations (Continued)

1. Summary of Changes (Continued)

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

YEAR ENDING JUNE 30,	TO BE PROVIDED BY STATE		LONG-TERM DEBT BOND/NOTE MATURITIES				ENTERPRISE FUNDS BOND/NOTE MATURITIES				TEACHERS' EARLY RETIREMENT CONTRACTS	
			PRINCIPAL		INTEREST		PRINCIPAL		INTEREST			
	PRINCIPAL	INTEREST	BOND	NOTE	BOND	NOTE	BOND	NOTE	BOND	NOTE		
2016	\$ 502,270	\$ 31,335	\$ 7,542,800	\$ 304,337	\$ 2,246,980	\$ 12,442	\$ 202,200	\$ 934,339	\$ 66,194	\$ 35,657	\$ 92,500	
2017	79,391	13,030	5,519,000	172,538	2,035,234	6,818	136,000	953,198	62,361	16,798	84,500	
2018	79,391	10,083	5,594,000	36,694	1,843,363	5,240	136,000	321,990	59,521	1,343	32,000	
2019	78,090	7,135	5,389,000	37,492	1,641,614	4,442	136,000		56,681		32,000	
2020	76,789	4,217	4,966,300	38,307	1,426,984	3,626	133,700		52,636		24,000	
2021	15,635	1,329	4,666,000	39,140	1,243,947	2,794	124,000		50,010		8,000	
2022	15,635	665	4,746,000	39,991	1,062,537	1,942	124,000		47,220			
2023			4,311,000	40,861	881,590	1,072	124,000		44,430			
2024			4,336,000	10,135	709,666	491	124,000		41,485			
2025			3,711,000	10,373	560,433	253	124,000		38,385			
2026			3,296,000	5,274	434,947	36	124,000		35,285			
2027			2,825,000		314,593		125,000		31,875			
2028			2,080,000		225,685		125,000		28,125			
2029			1,390,000		170,874		125,000		24,375			
2030			1,390,000		118,451		125,000		20,625			
2031			1,385,000		69,699		125,000		16,875			
2032			675,000		34,750		125,000		12,813			
2033			200,000		14,000		125,000		8,750			
2034			199,800		7,000		125,200		4,375			
TOTALS	\$ 847,201	\$ 67,794	\$ 64,221,900	\$ 735,142	\$ 15,042,347	\$ 39,156	\$ 2,488,100	\$ 2,209,527	\$ 702,021	\$ 53,798	\$ 273,000	

2. Landfill Closure and Post Closure Care Costs

The Town closed its landfill in 1995. State and Federal laws and regulations require landfill closures to meet certain standards. Monitoring costs for the next 10 years at \$17,000 per year are \$170,000. These amounts are based on estimates, which are subject to change due to inflation, technology or applicable laws and regulations.

3. Capital Lease

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

The assets acquired through capital leases are as follows:

Asset:	
Equipment	\$ 579,866
Less accumulated depreciation	<u>371,429</u>
Total	<u>\$ 208,437</u>

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

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

III. DETAILED NOTES (CONTINUED)

E. Changes in Long-Term Obligations (Continued)

3. Capital Lease (Continued)

The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of future minimum lease payments as of the date of inception. The following is a schedule of the minimum lease payments under the lease and the present value of the future minimum lease payments at June 30, 2015:

YEAR ENDING <u>JUNE 30,</u>	
2016	\$ 49,933
2017	<u>49,933</u>
Present value of minimum lease payments	<u>\$ 99,866</u>

There is no interest factor for this lease.

4. Termination Benefits

The Board of Education provides early retirement incentive benefits to 11 former employees. Benefits are paid annually based on the retirement agreement for each employee from the Board of Education budget. Benefits are payable through 2019. During the fiscal year ended June 30, 2015, \$32,000 was paid for their benefits.

5. Statutory Debt Limitations

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

CATEGORY	DEBT LIMIT	NET	
		INDEBTEDNESS	BALANCE
General purpose.....	\$ 227,238,629	\$ 26,977,620	\$ 200,261,009
Schools.....	454,477,257	36,273,179	418,204,078
Sewers.....	378,731,048	123,900	378,607,148
Urban renewal.....	328,233,575		328,233,575
Pension deficit.....	302,984,838		302,984,838

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$706,964,622.

The indebtedness reflected above includes bonds outstanding in addition to the amount of bonds authorized and unissued against which bond anticipation notes are issued and outstanding. School building grants receivable of \$847,201 for bond principal is reflected as deductions in the computation of net indebtedness.

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

III. DETAILED NOTES (CONTINUED)

E. Changes in Long-Term Obligations (Continued)

6. Authorized/Unissued Debt

At June 30, 2015, the Town had authorized unissued debt as follows:

High School	\$ 1,986,820
Middle School Roof	783,335
Boggs Hill Road Culvert	23,000
Hawley Boiler/HVAC.....	359,000
Dickinson Playground.....	428,112
Sandy Hook Street Scape	200,000
Danbury Hall Demolition.....	150,000
Hawleyville Sewer Extension.....	312,000
Fairfield Hills Walking Trail.....	300,000
Library Improvements.....	300,000
Edmond Town Hall Improvements	300,000
Brushy Hill Bridge.....	315,000
General Obligation Refunding Bonds.....	2,380,000
Various Town Roads	1,000,000
Newtown High School Auditorium	<u>3,100,000</u>
TOTAL.....	<u>\$ 11,937,267</u>

7. Prior Years Advance Refundings

In prior years, the Town has defeased a bond issue by creating a separate irrevocable trust fund. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust fund. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and, therefore, removed as a liability from the Town's financial statements. As of June 30, 2015, the amount of defeased debt outstanding but removed from the Town's financial statements amounted to \$33,415,000.

8. Current Year Advance Refunding

On January 29, 2015, the Town issued \$17,620,000 of general obligation refunding bonds with interest rates of 2.375% to 5.0%. These refunding bonds were issued to advance refund and defease bonds issued February 15, 2010 and February 15, 2011. The refunding resulted in an economic gain of \$809,332 with a total cash savings of \$1,013,258.

F. Restricted Net Position

The amount of restricted net position, which was restricted by enabling legislation, totaled \$186,627 at June 30, 2015.

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

III. DETAILED NOTES (CONTINUED)

G. Fund Balance Classification

As of June 30, 2015, fund balances are composed of the following:

FUND BALANCE COMPONENT	GENERAL FUND	BONDED PROJECTS	NONMAJOR FUNDS	TOTAL
<u>NONSPENDABLE:</u>				
Edmond Town Hall.....	\$	\$	\$ 250,000	\$ 250,000
Hawley School Trust.....			350,000	350,000
Newtown Flagpole.....			10,000	10,000
TOTAL NONSPENDABLE.....	-	-	610,000	610,000
<u>RESTRICTED:</u>				
General Government				
Care and Maintenance of				
Edmond Town Hall.....			778,757	778,757
Historic Documents.....			21,055	21,055
Public Safety				
Care of Animals.....			99,861	99,861
Health and Welfare				
Education and Care of Animals.....			1,280,040	1,280,040
Care and Maintenance of Cemeteries.....			9,453	9,453
Rehabilitation Programs.....			22,297	22,297
Parks and Recreation				
Parks and Recreation Programs.....			198,244	198,244
Cultural Arts Programs.....			193,594	193,594
Education				
Sandy Hook.....			856,670	856,670
School Lunch Program.....			165,572	165,572
Various Education Programs.....			575,901	575,901
Care and Maintenance of Hawley School....			108,944	108,944
TOTAL RESTRICTED.....	-	-	4,310,388	4,310,388
<u>COMMITTED:</u>				
General Government - Fairfield Hills Campus....			216,443	216,443
Public Safety				
Animal Shelter.....			16,475	16,475
Public Works - Septage Management.....			104,740	104,740
Parks and Recreation				
Edmond Town Hall Theater.....			214,698	214,698
Marina operations.....			371,431	371,431
Teen Center Programs.....			44,229	44,229
Education				
Adult Education Programs.....			87,699	87,699
Other.....			77,473	77,473
Approved CNR Projects.....			595,801	595,801
TOTAL COMMITTED.....	-	-	1,728,989	1,728,989
<u>ASSIGNED:</u>				
General Government.....	73,553			73,553
Public Safety.....	319			319
Public Works.....	37,181			37,181
Parks and Recreation.....	31,728			31,728
Senior Tax credit program.....	276,545			276,545
Education.....	279,062			279,062
Debt Service.....			65,891	65,891
TOTAL ASSIGNED.....	698,388	-	65,891	764,279
UNASSIGNED.....	10,608,535	(526,469)		10,082,066
TOTAL.....	\$11,306,923	\$ (526,469)	\$ 6,715,268	\$ 17,495,722

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

IV. OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss including torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; natural disaster; public official liability; and police professional liability and employee group medical claims in excess of \$175,000. The Town generally obtains commercial insurance for these risks. The Town and Board of Education are self-insuring for medical and dental claims. The Town has an aggregate stop loss of 125% of expected claims for each fiscal year. Settled claims have not exceeded commercial coverage in any of the past three years with a \$16,198,354 aggregate maximum per year. There were no significant reductions in insurance coverage from coverage in the prior year. The administrators are responsible for the approval, processing and payment of claims, for which they receive an administrative fee. Administrative fees are paid directly from annual appropriations for the Board of Education self-funded dental fund and from the medical insurance fund.

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

	CLAIMS PAYABLE <u>JULY 1</u>	CURRENT YEAR CLAIMS AND CHANGES IN <u>ESTIMATES</u>	CLAIMS <u>PAID</u>	CLAIMS PAYABLE <u>JUNE 30</u>
2013-2014.....	\$ 1,092,161	\$ 12,577,526	\$ 12,597,131	\$ 1,072,556
2014-2015.....	1,072,556	12,581,524	12,467,564	1,186,516

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

B. Commitments and Litigation

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

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

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

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plan

1. Plan Description

a. 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), which provides pensions for all permanent full-time employees of the Town and police officers. Both pension plans grant the authority to establish and amend the benefit terms to the Board of Selectmen. The pension plans, including the defined contribution plan discussed in Note IV.C.14, are included in the financial statements as one pension trust fund. The fund's pooled investments may be used to pay benefits to members or beneficiaries of any of the three plans. The plans do not issue separate, stand alone financial reports.

Management of the plan is vested in the Pension Committee, which consists of several employees or individuals appointed by Board of Selectmen.

Plan membership

At July 1, 2014, pension plan membership consisted of the following:

Inactive plan members or beneficiaries currently receiving benefits	123
Inactive plan members entitled to but not yet receiving benefits	34
Active plan members	<u>378</u>
Total	<u>535</u>

2. Benefit Provisions

a. 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 time service. Retirement benefits for employees are calculated as the greater of (1) the difference between 2% of the member's average annual salary times the member's years and months of credited service and 50% of the member's primary insurance amount or (2) 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.

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

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plan (Continued)

2. Benefit Provisions (Continued)

a. Town of Newtown Employees' Pension Plan (Continued)

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 service 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.

b. 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 (1) the difference between 2.25% of the member's average annual salary times the member's years and months of credited service and 50% of the member's primary insurance amount or (2) 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 and permanent disability. Disability retirement benefits are determined in the same manner as retirement benefits; however, benefits are subject to a minimum of 25% of base salary and one of the following maximums: (1) job related disability paid at 85% of annual compensation less any other job related disability paid by the Town or (2) non-job related disability paid at 50% 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% 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)

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plan (Continued)

2. Benefit Provisions (Continued)

b. Town of Newtown Police Officers' Pension Plan (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 the 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 adjustments, which is being provided to three retired policemen/beneficiaries, in an amount equal to the smaller of 3% or 50% of the rate of the salary increase for new policemen. Currently, retiring policemen are not eligible for the COLA benefit.

3. Contributions

a. Town of Newtown Employees' Pension Plan

Article IX of the Pension Plan provides that after December 31, 1985, members will contribute 2% of their annual compensation.

The Town is required to contribute the amount determined by the actuary, considering the member contributions.

For the year ended June 30, 2015, the average active member contribution rate was 2.0% of annual base compensation, and the Town's average contribution rate was 4.0% of annual payroll.

b. Town of Newtown Police Officers' Pension Plan

Article IX of the Pension Plan provides that members will contribute 5% of their annual compensation.

The Town is required to contribute the amount determined by the actuary, considering the member contributions.

For the year ended June 30, 2015, the average active member contribution rate was 5.0% of annual base compensation, and the Town's average contribution rate was 16.2% of annual payroll.

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

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plan (Continued)

4. Investments

a. Investment Policy

The pension plans' policy in regard to the allocation of invested assets is established and may be amended by the Pension Committee by a majority vote of its members. It is the policy of the Town's Pension Committee to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The following was the Board's adopted asset allocation policy as of June 30, 2015:

<u>Asset Class</u>	<u>Target Allocation</u>
Domestic Equity	60%
Domestic Fixed Income	<u>40%</u>
Total	<u>100%</u>

5. Concentrations

There were no investments in any one organization that represents 5% or more of the pension plans net position.

6. Rate of Return

For the year ended June 30, 2015, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.49%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

7. Net Pension Liability

The components of the net pension liability at June 30, 2015, were as follows:

Total pension liability	\$ 45,655,009
Plan fiduciary net position	<u>35,533,245</u>
Net pension liability	<u>\$ 10,121,764</u>
Plan fiduciary net position as percentage of the total pension liability	<u>77.83%</u>

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

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plan (Continued)

8. Actuarial Assumptions

The total pension liability was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial cost method	Entry age
Asset valuation method	Fair value
Post-retirement increases	1.5% (Police Plan only)
Inflation	2.0%
Salary increase	3.0%, average, including inflation
Investment rate of return	7.50%, net of pension plan investment expense, including inflation
Mortality rates	Based on the SOA RP-2014 Male and Female Pre and Post Retirement Mortality Tables, projected generationally using the MP-2014 projection scales.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (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 pension plan's target asset allocation as of June 30, 2015 (see the discussion of the pension plan's investment policy) are summarized in the following table:

<u>Asset Class</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	5.31%
International Equity	5.65%
Money Market	(.59)%
U.S Government Securities	1.21%
Corporate Bonds	2.81%

9. Discount Rate

The discount rate used to measure the total pension liability was 7.50%. 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 Town 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.

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

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plan (Continued)

10. Changes in the Net Pension Liability

The Town's net pension liability was measured at June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The changes in net pension liability were as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at June 30, 2014	\$ 42,532,622	\$34,522,696	\$ 8,009,926
Service cost	1,369,633		1,369,633
Interest	3,153,241		3,153,241
Differences between expected and actual experience	(1,273,135)		(1,273,135)
Changes in assumptions	1,589,661		1,589,661
Contributions - employer		1,375,889	(1,375,889)
Contributions - member		458,556	(458,556)
Net investment income		941,047	(941,047)
Benefit payments, including refunds of member contributions	(1,717,013)	(1,717,013)	-
Administrative expenses		(74,654)	74,654
Other changes - transfer in from Elected Officials Plan		26,724	(26,724)
Net change	3,122,387	1,010,549	2,111,838
Balance at June 30, 2015	\$ 45,655,009	\$35,533,245	\$10,121,764

11. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability, calculated using the discount rate of 7.50% as well as what the Town's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current rate:

	1% Decrease (6.50%)	Current Discount (7.50%)	1% Increase (8.50%)
Net Pension Liability	\$ 15,246,625	\$ 10,121,764	\$ 5,772,692

12. Plan Reserves

Assets for the defined contribution plan are invested with the assets of the defined benefit pension plan. These amounts are restricted for the payment of the defined contribution plan benefits per the plan document. The balance of the assets reserved for the defined contribution plan at June 30, 2015 was \$108,751.

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

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plan (Continued)

13. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended June 30, 2015, the Town recognized pension expense of \$1,922,971. The Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description of Outflows/Inflows	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$	\$ 1,105,617
Changes in assumptions	1,380,495	
Net difference between projected and actual earnings on pension plan investments	1,289,720	
Total	<u>\$ 2,670,215</u>	<u>\$ 1,105,617</u>
Net amount of deferred inflow and outflow excluding Town contributions subsequent to measurement date		<u>\$ 1,564,598</u>

Actual investment earnings below (or above) projected earnings are amortized over 5 years. Changes of assumptions and experience losses (gains) are amortized over the average remaining service period of actives and inactive, which was 7.6 years.

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

Year Ending June 30:	
2016	\$ 364,078
2017	364,078
2018	364,078
2019	364,078
2020	41,648
Thereafter	<u>66,638</u>
Total	<u>\$1,564,598</u>

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

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plan (Continued)

14. Elected Officials

The Town administers a single employer defined contribution plan, which covers certain elected officials and "at will" employees of the Town. The plan is included in the Town's financial statements in the pension trust fund. At June 30, 2015, the net position available for benefits include \$108,751 of assets designated for this plan. The Board of Selectmen approved and adopted this plan on July 7, 1986, and they have the authority to make any subsequent amendments.

At June 30, 2015, there were two elected officials and two "at will" employees covered under the plan. All salaried, full time elected officials and such other salaried, full time appointed officials as designated by the Board of Selectmen can participate in the plan on the January 1 following or coincident with their commencement of employment with the Town. A participant's employer contribution account fully vests at age 50 or on termination of employment with the Town. At age 65, participants are entitled to a lump-sum payment as a retirement benefit. The Town is required to contribute 6% of each participant's compensation for the year, and each participant must contribute 2% of their compensation to the plan. For the year ended June 30, 2015, employer contributions were \$10,481 and employee contributions totaled \$3,494.

As of January 1, 2014, non-union employees are not eligible for this plan. Instead, they will participate in a new defined contribution plan. The Town and the participants must contribute 5% each of the participant's compensation to the plan each year. Participants are 100% vested after one year of service and entitled to benefits at age 65. As of June 30, 2015, there were no participants in the plan.

D. Pension Plans - Connecticut State Teachers' Retirement Plan

1. Plan Description

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

2. Benefit Provisions

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

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

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

IV. OTHER INFORMATION (CONTINUED)

D. Pension Plans - Connecticut State Teachers' Retirement Plan (Continued)

2. Benefit Provisions (Continued)

Early Retirement: Employees are eligible after 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service. Benefit amounts are reduced by 6% per year for the first 5 years preceding normal retirement age and 4% per year for the next 5 years preceding the normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3% per year by which retirement precedes normal retirement date.

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

3. Contributions

State of Connecticut

Per Connecticut General Statutes Section 10-183z (which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are amended and certified by the State Teachers' Retirement 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 amount to finance any unfunded accrued liability.

Employer (School Districts)

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

Employees

Effective July 1, 1992, each teacher is required to contribute 6% of their salary for the pension benefit.

4. Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

The Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amounts recognized by the Town as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the Town were as follows:

Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>92,159,442</u>
Total	<u>\$ 92,159,442</u>

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

IV. OTHER INFORMATION (CONTINUED)

D. Pension Plans - Connecticut State Teachers' Retirement Plan (Continued)

4. Pension Liabilities, Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. At June 30, 2015, the Town has no proportionate share of the net pension liability.

For the year ended June 30, 2015, the Town recognized pension expense and revenue of \$6,914,593 for on-behalf amounts for the benefits provided by the State.

5. Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.00%
Salary increase	3.75-7.00%, including inflation
Investment rate of return	8.50%, net of pension plan investment expense, including inflation

Mortality rates were based on the RP-2000 Combined Mortality Table projected 19 years using scale AA, with a two year setback for males and females for the period after service retirement and for dependent beneficiaries.

The actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2005 - June 30, 2010.

Future cost-of-living increases - For teachers who retired prior to September 1, 1992, pension benefit adjustments 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%.

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

IV. OTHER INFORMATION (CONTINUED)

D. Pension plans - Connecticut State Teachers' Retirement Plan (Continued)

5. Actuarial Assumptions (Continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Large cap U.S. equities	21.0%	7.3%
Developed non-U.S. equities	18.0%	7.5%
Emerging markets (non-U.S.)	9.0%	8.6%
Core fixed income	7.0%	1.7%
Inflation linked bond fund	3.0%	1.3%
Emerging market bond	5.0%	4.8%
High yield bonds	5.0%	3.7%
Real estate	7.0%	5.9%
Private equity	11.0%	10.9%
Alternative investments	8.0%	0.7%
Liquidity fund	6.0%	0.4%
Total	<u>100.0%</u>	

6. Discount Rate

The discount rate used to measure the total pension liability was 8.50%. 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 employer 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.

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

IV. OTHER INFORMATION (CONTINUED)

D. Pension Plans - Connecticut State Teachers' Retirement Plan (Continued)

7. Sensitivity of the Net Pension Liability to Changes in the Discount Rate

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

8. Plan Fiduciary Net Position

Detailed information about the Connecticut State Teachers' Retirement Plan fiduciary net position is available in the separately issued State of Connecticut Comprehensive Annual Financial Report as of and for the year ended June 30, 2014.

E. Other Post-Employment Benefit Plan

1. Plan Description

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

2. Benefit Provisions and Contributions

a. Benefit Provisions

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

b. Employer Contributions

The Town's contributions are actuarially determined on an annual basis using the projected unit credit method. The Town's total plan contribution was \$257,405.

c. Employee Contributions

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

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

IV. OTHER INFORMATION (CONTINUED)

E. Other Post-Employment Benefit Plan (Continued)

3. Funded Status and Funding Progress

The funded status of the plan as of July 1, 2014 was as follows:

ACTUARIAL VALUATION DATE	(A) ACTUARIAL VALUE OF ASSETS	(B) ACTUARIAL ACCRUED LIABILITY (AAL)	(A-B) OVER (UNDER) FUNDED AAL	(A/B) FUNDED AAL RATIO	(C) COVERED PAYROLL	[(A-B)/C] OVER (UNDER) FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
July 1, 2014	\$1,282,204	\$ 7,388,197	\$ (6,105,993)	17.4%	\$ 36,690,663	(16.6%)

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

4. Actuarial Methods and Assumptions

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

The data presented in the schedule of funding progress and schedule of employer contributions (RSI-5 and RSI-6) were determined as part of the actuarial valuation at the date indicated. Additional information for all plans as of the latest valuation date is as follows:

Valuation Date	July 1, 2014
Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level Dollar, Closed
Remaining Amortization Period	28 Years Closed
Asset Valuation Method	Fair Value
<u>Actuarial Assumptions:</u>	
Investment rate of return	7.5%
Healthcare inflation rate:	
Initial	8.0%
Ultimate	4.5%
Inflation rate	1.5%
Projected salary increases	N/A

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

IV. OTHER INFORMATION (CONTINUED)

E. Other Post-Employment Benefit Plan (Continued)

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

The changes in the NOO were as follows:

Annual required contribution	\$ 739,707
Interest on net OPEB obligation	71,431
Adjustment to annual required contribution	<u>(76,561)</u>
Annual OPEB cost	734,577
Contributions made	<u>257,405</u>
Change in net OPEB obligation	477,172
Net OPEB obligation - July 1, 2014	<u>952,417</u>
Net OPEB obligation - June 30, 2015	<u><u>\$1,429,589</u></u>

6. Three Year Trend Information

YEAR ENDING JUNE 30	ANNUAL OPEB COST (AOC)	PERCENTAGE OF AOC CONTRIBUTED	NET OPEB OBLIGATION
2015	\$ 734,577	35.0%	\$ 1,429,589
2014	718,410	34.2%	952,417
2013	772,871	100.0%	479,858

F. Subsequent Event

In August 2015, the Town issued bond anticipation notes in the amount of \$10,000,000 with a coupon rate of 1.250% and a true interest cost of .254% maturing March 15, 2016.

G. Prior Period Adjustment

The government-wide net position was restated as follows:

Net position, as previously reported as of June 30, 2014	\$ 195,818,176
To remove net pension asset previously recorded	(285,424)
To record beginning net pension liability (NPL)	<u>(8,009,926)</u>
Net position, as restated as of July 1, 2014	<u><u>\$ 187,522,826</u></u>

**Required
Supplementary
Information**

TOWN OF NEWTOWN, CONNECTICUT

TOWN OF NEWTOWN RETIREMENT SYSTEM

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CHANGES IN NET PENSION LIABILITY
LAST TWO YEARS

	2015	2014
TOTAL PENSION LIABILITY:		
Service cost	\$ 1,369,633	\$ 1,376,812
Interest	3,153,241	2,973,226
Differences between expected and actual experience	(1,273,135)	
Changes in assumptions	1,589,661	
Benefit payments	(1,717,013)	(1,513,354)
NET CHANGE IN TOTAL PENSION LIABILITY	3,122,387	2,836,684
TOTAL PENSION LIABILITY - JULY 1.....	42,532,622	39,695,938
TOTAL PENSION LIABILITY - JUNE 30 (A).....	<u>\$ 45,655,009</u>	<u>\$ 42,532,622</u>
PLAN FIDUCIARY NET POSITION:		
Contributions - employer	\$ 1,375,889	\$ 1,189,938
Contributions - member	458,556	461,526
Transfer from defined contribution plan	26,724	
Net investment income	(1) 941,047	4,302,666
Benefit payments, including refunds of member contributions	(1,717,013)	(1,356,367)
Administrative expense.....	(74,654)	(170,876)
NET CHANGE IN PLAN FIDUCIARY NET POSITION.....	1,010,549	4,426,887
PLAN FIDUCIARY NET POSITION - JULY 1.....	34,522,696	30,095,809
PLAN FIDUCIARY NET POSITION - JUNE 30* (B).....	(2) <u>\$ 35,533,245</u>	<u>\$ 34,522,696</u>
NET PENSION LIABILITY (ASSET) - JUNE 30 (A)-(B).....	<u>\$ 10,121,764</u>	<u>\$ 8,009,926</u>

(1) Net of \$2,542 related to the defined contribution plan

(2) Net of defined contribution assets of \$108,751.

TOWN OF NEWTOWN, CONNECTICUT

TOWN OF NEWTOWN RETIREMENT SYSTEM

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF NET PENSION LIABILITY
LAST TWO YEARS

	2015	2014
TOTAL PENSION LIABILITY.....	\$ 45,655,009	\$ 42,532,622
PLAN FIDUCIARY NET POSITION.....	(35,533,245)	(34,522,696)
NET PENSION LIABILITY (ASSET).....	<u>\$ 10,121,764</u>	<u>\$ 8,009,926</u>
PLAN FIDUCIARY NET POSITION AS A PERCENTAGE OF THE TOTAL PENSION LIABILITY.....	<u>77.83%</u>	<u>81.17%</u>
COVERED-EMPLOYEE PAYROLL.....	<u>\$ 17,725,368</u>	<u>\$ 17,608,101</u>
NET PENSION LIABILITY (ASSET) AS A PERCENTAGE OF COVERED-EMPLOYEE PAYROLL.....	<u>57.10%</u>	<u>45.49%</u>

SCHEDULE OF INVESTMENT RETURNS

	2015	2014
ANNUAL MONEY WEIGHTED RATE OF RETURN, NET INVESTMENT EXPENSE.....	<u>2.49%</u>	<u>14.35%</u>

TOWN OF NEWTOWN, CONNECTICUT

TOWN OF NEWTOWN EMPLOYEES' PENSION PLAN

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CONTRIBUTIONS
LAST 10 YEARS

FISCAL YEAR	ACTUARIALLY DETERMINED CONTRIBUTION	CONTRIBUTIONS IN RELATION TO THE ACTUARIALLY DETERMINED CONTRIBUTION	CONTRIBUTION EXCESS (DEFICIENCY)	COVERED- EMPLOYEE PAYROLL	CONTRIBUTIONS AS A PERCENTAGE OF COVERED- EMPLOYEE PAYROLL
2015	\$ 757,780	\$ 760,462	\$ 2,682	\$ 14,332,155	5.31%
2014	637,985	641,318	3,333	13,781,055	4.65%
2013	728,272	731,580	3,308	13,222,292	5.53%
2012	699,265	699,214	(51)	13,371,509	5.23%
2011	663,805	663,805	-	13,109,110	5.06%
2010	492,222	493,236	1,014	12,834,058	3.84%
2009	374,614	374,595	(19)	11,878,385	3.15%
2008	374,614	437,409	62,795	11,031,168	3.97%
2007	414,121	419,919	5,798	9,995,785	4.20%
2006	420,207	420,381	174	9,809,015	4.29%

TOWN OF NEWTOWN, CONNECTICUT

TOWN OF NEWTOWN POLICE OFFICERS' PENSION PLAN

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF CONTRIBUTIONS
LAST 10 YEARS

FISCAL YEAR	ACTUARIALLY DETERMINED CONTRIBUTION	CONTRIBUTIONS IN RELATION TO THE ACTUARIALLY DETERMINED CONTRIBUTION	CONTRIBUTION EXCESS (DEFICIENCY)	COVERED- EMPLOYEE PAYROLL	CONTRIBUTIONS AS A PERCENTAGE OF COVERED- EMPLOYEE PAYROLL
2015	\$ 615,427	\$ 615,427	\$ -	\$ 3,393,213	18.14%
2014	548,620	548,620	-	3,827,046	14.34%
2013	517,812	517,812	-	3,631,329	14.26%
2012	502,513	502,431	(82)	3,448,073	14.57%
2011	460,540	460,540	-	3,579,566	12.87%
2010	342,670	344,475	1,805	3,415,591	10.09%
2009	325,909	325,844	(65)	2,973,016	10.96%
2008	287,328	291,160	3,832	2,812,921	10.35%
2007	277,000	276,339	(661)	2,643,190	10.45%
2006	214,000	213,647	(353)	2,637,458	8.10%

TOWN OF NEWTOWN, CONNECTICUT

TOWN OF NEWTOWN RETIREMENT SYSTEM

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2015

Changes of benefit terms	None
Changes of assumptions	None
Method and assumptions used in calculations of actuarially determined contribution	The actuarially determined contribution rates in the schedule of contributions are calculated as of July 1, 2014, one year prior to the end of the fiscal year in which contributions are reported

The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule:

Actuarial Cost Method	Entry age
Amortization Method	Level dollar, closed
Remaining amortization period	13 Years
Asset Valuation Method	Fair value
Investment Rate of Return	7.50%, net of pension plan investment expense, including inflation
Inflation	2.00%
Salary Increases	3.00%, average, including inflation

TOWN OF NEWTOWN, CONNECTICUT

NEWTOWN OTHER POST-EMPLOYMENT BENEFIT PLAN

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF FUNDING PROGRESS
LAST SEVEN YEARS

	A	B	(A-B)	(A/B)	C	[(A-B)/C]
ACTUARIAL VALUATION DATE JULY 1,	ACTUARIAL VALUE OF ASSETS	ACTUARIAL ACCRUED LIABILITY (AAL)	OVER (UNDER) FUNDED AAL	FUNDED AAL RATIO	COVERED PAYROLL	OVER (UNDER) FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
2008	\$	\$ 3,761,700	\$ (3,761,700)	0.0%	\$ 34,779,302	-(10.8)%
2009	N/A	N/A	N/A	N/A	N/A	N/A
2010	156,261	6,397,819	(6,241,558)	2.4%	35,055,000	-(17.8)%
2011	N/A	N/A	N/A	N/A	N/A	N/A
2012	610,498	6,264,781	(5,654,283)	9.7%	36,634,200	-(15.4)%
2013	N/A	N/A	N/A	N/A	N/A	N/A
2014	1,282,204	7,388,197	(6,105,993)	17.4%	36,690,663	-(16.6)%

N/A - No valuation performed.

TOWN OF NEWTOWN, CONNECTICUT

NEWTOWN OTHER POST-EMPLOYMENT BENEFIT PLAN

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS
LAST SEVEN YEARS

YEAR ENDED JUNE 30,	ANNUAL REQUIRED CONTRIBUTION	ACTUAL CONTRIBUTION	PERCENTAGE CONTRIBUTED
2009	\$ 405,062	\$ 278,828	68.8%
2010	430,949	485,960	112.8%
2011	739,726	273,794	37.0%
2012	756,952	811,764	107.2%
2013	775,470	775,470	100.0%
2014	720,995	245,851	34.1%
2015	739,707	257,405	34.8%

TOWN OF NEWTOWN, CONNECTICUT

NEWTOWN OTHER POST-EMPLOYMENT BENEFIT PLAN

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2015

Changes of benefit terms	None
Changes of assumptions	2015 - Changed from RP-2000 mortality table to RP-2014 mortality table
Method and assumptions used in calculations of actuarially determined contribution	The actuarially determined contribution rates in the schedule of contributions are calculated as of July 1, 2014, one year prior to the end of the fiscal year in which contributions are reported

The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule:

Actuarial Cost Method	Projected unit credit
Amortization Method	Level dollar, closed
Remaining amortization period	28 Years, closed
Asset Valuation Method	Fair Value
Investment Rate of Return	7.5%
Healthcare inflation rate - Initial	8.0%
Healthcare inflation rate - Ultimate	4.5%
Inflation	1.50%
Salary Increases	N/A

TOWN OF NEWTOWN, CONNECTICUT

STATE TEACHERS' RETIREMENT SYSTEM

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

JUNE 30, 2015

	2015
Town's proportion of the net pension liability	0.00%
Town's proportionate share of the net pension liability	\$ -
State of Connecticut's proportionate share of the net pension liability associated with Town	92,159,442
Total	<u>\$ 92,159,442</u>
Town's covered-employee payroll	(2) <u>N/A</u>
Town's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total pension liability	<u>0.00%</u>

SCHEDULE OF CONTRIBUTIONS

	2015
Contractually required contribution (1)	(1) \$ -
Contributions in relation to the contractually required contribution	<u>-</u>
Contribution deficiency (excess)	<u>\$ -</u>
Town's covered-employee payroll	(2) <u>N/A</u>
Contributions as a percentage of covered-employee payroll	<u>0.00%</u>

(1) Local employers are not required to contribute to the plan

(2) Not applicable since 0% proportional share of the net pension liability

TOWN OF NEWTOWN, CONNECTICUT

STATE TEACHERS' RETIREMENT SYSTEM

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2015

Changes of benefit terms	None
Changes of assumptions	In 2011, rates of withdrawal, retirement and assumed rates of salary increase were adjusted more closely to reflect actual and anticipated experience. These assumptions were recommended as part of the Experience Study for the System for the five year period ended June 30, 2010.
Actuarial Cost Method	Entry age
Amortization Method	Level percent of salary, closed
Remaining Amortization Period	22.4 years
Asset Valuation Method	4 year smoothed market
Inflation	3.00%
Salary Increases	3.75%-7.00%, average, including inflation
Investment Rate of Return	8.50%, net of pension plan investment expense, including inflation

Supplemental Schedules

General Fund

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

TOWN OF NEWTOWN, CONNECTICUT

GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
PROPERTY TAXES:				
Collections - current year.....	\$ 98,807,176	\$ 98,807,176	\$ 99,143,397	\$ 336,221
Collections - prior years.....	400,000	400,000	485,296	85,296
Interest and lien fees.....	425,000	425,000	423,482	(1,518)
Motor vehicle supplement list.....	875,000	875,000	898,411	23,411
Telecommunications property tax.....	85,346	85,346	62,986	(22,360)
TOTAL PROPERTY TAXES.....	100,592,522	100,592,522	101,013,572	421,050
INTERGOVERNMENTAL:				
Veterans additional exemptions.....	17,306	17,306	15,993	(1,313)
Elderly tax relief - circuit breaker.....	156,866	156,866	149,044	(7,822)
In lieu of taxes.....	780,660	946,060	946,060	-
Totally disabled.....	2,143	2,143	1,931	(212)
Town aid for roads.....	470,723	470,723	469,220	(1,503)
Mashantucket Pequot fund grant.....	820,018	952,649	952,649	-
Connecticut school building grants.....	555,936	555,936	555,937	1
Equalized cost-sharing grant.....	4,424,083	4,424,083	4,398,056	(26,027)
Public school transportation aid.....	85,333	85,333	79,452	(5,881)
Non-public school transportation aid.....	20,820	20,820	28,718	7,898
Health services - St. Rose.....	18,621	18,621	23,609	4,988
Miscellaneous grants.....	354,380	354,380	342,033	(12,347)
LOCIP grant.....	208,139	208,139	206,062	(2,077)
State revenue sharing.....	221,366	221,366	221,366	-
TOTAL INTERGOVERNMENTAL.....	8,136,394	8,434,425	8,390,130	(44,295)
CHARGES FOR SERVICES:				
Town clerk - conveyance tax.....	400,000	400,000	445,248	45,248
Town clerk - other.....	255,000	255,000	227,345	(27,655)
Parks and recreation.....	190,000	190,000	199,957	9,957
Tuition.....	6,400	6,400	44,000	37,600
School generated fees.....	114,288	114,288	113,216	(1,072)
Building.....	425,000	425,000	450,219	25,219
Permit fees.....	1,250	1,250	2,025	775
Transfer Station permits.....	425,000	425,000	361,562	(63,438)
WPCA.....	120,000	120,000	120,000	-
Senior center membership fees.....	4,000	4,000	6,251	2,251
Land use.....	45,000	45,000	81,168	36,168
TOTAL CHARGES FOR SERVICES.....	1,985,938	1,985,938	2,050,991	65,053
INVESTMENT INCOME.....	125,000	125,000	164,812	39,812
OTHER REVENUES:				
Miscellaneous revenue - police.....	3,000	3,000	18,303	15,303
Miscellaneous revenue - board of education.....	1,350	1,350	2,310	960
Miscellaneous revenue - selectmen.....	100,000	100,000	29,401	(70,599)
TOTAL OTHER REVENUES.....	104,350	104,350	50,014	(54,336)
TOTAL REVENUES.....	110,944,204	111,242,235	111,669,519	427,284

(Continued)

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

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
OTHER FINANCING SOURCES:				
Cancellation of prior year encumbrances.....	\$	\$	\$ 16,345	\$ 16,345
Transfers in.....	122,000	122,000	225,228	103,228
TOTAL OTHER FINANCING SOURCES.....	122,000	122,000	241,573	119,573
TOTAL REVENUES AND OTHER FINANCING SOURCES.....	\$ 111,066,204	\$ 111,364,235	\$ 111,911,092	\$ 546,857

(Concluded)

TOWN OF NEWTOWN, CONNECTICUT

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2015

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
GENERAL GOVERNMENT:				
Selectmen.....	\$ 342,072	\$ 475,072	\$ 474,008	\$ 1,064
Selectmen - other.....	223,069	229,303	225,933	3,370
Human Resources.....	113,772	119,852	119,736	116
Tax Collector.....	336,060	336,260	335,687	573
Probate Court.....	6,686	8,062	8,062	-
Town Clerk.....	298,717	298,877	295,987	2,890
Registrars.....	127,899	133,680	132,930	750
Assessor.....	260,711	260,911	258,491	2,420
Finance.....	507,919	508,469	508,297	172
Technology.....	501,207	512,757	510,915	1,842
Unemployment.....	15,000	2,000	646	1,354
OPEB fund.....	257,405	257,405	257,405	-
Salaries.....		55,000	55,000	-
Professional organizations.....	34,593	34,593	34,593	-
Insurance.....	1,018,500	974,450	973,574	876
Legislative Council.....	44,500	44,500	44,500	-
Districts.....	10,000	10,000	9,810	190
Economic Development Commission.....	152,666	117,818	117,302	516
Sustainable Energy Commission.....	5,000	5,000	4,999	1
Fairfield Hills.....	22,044	27,819	27,640	179
TOTAL GENERAL GOVERNMENT.....	4,277,820	4,411,828	4,395,515	16,313
PUBLIC SAFETY:				
Building inspector.....	404,870	383,220	381,920	1,300
Communications.....	1,006,546	1,040,066	1,024,629	15,437
Police department.....	6,391,033	6,387,507	6,376,075	11,432
Fire department.....	1,219,780	1,219,583	1,218,654	929
Emergency management / N.U.S.....	55,703	55,703	52,093	3,610
Canine control.....	158,593	158,643	155,806	2,837
Lake authorities.....	48,506	49,778	49,778	-
N.W. safety communication.....	9,783	10,796	10,796	-
Emergency Medical Services.....	270,000	270,000	270,000	-
Northwest CT Emergency Medical Service...	250	250		250
TOTAL PUBLIC SAFETY.....	9,565,064	9,575,546	9,539,751	35,795
HEALTH AND WELFARE:				
Social services.....	142,905	142,905	141,501	1,404
Senior service.....	313,454	313,724	312,837	887
Outside agencies.....	231,906	231,906	231,330	576
Youth & Family Services.....	298,208	298,368	298,368	-
Newtown Cultural Arts Commission.....	5,000	5,000	2,824	2,176
Newtown Parade Committee.....	1,000	1,000	1,000	-
NW Conservation District.....	1,500	1,500	1,500	-
Booth library.....	1,153,134	1,154,434	1,154,379	55
Newtown Health District.....	384,363	384,563	384,518	45
TOTAL HEALTH AND WELFARE.....	2,531,470	2,533,400	2,528,257	5,143

(Continued)

SCHEDULE 2
(2 of 2)

TOWN OF NEWTOWN, CONNECTICUT

GENERAL FUND

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

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
LAND USE.....	\$ 617,036	\$ 679,018	\$ 673,894	\$ 5,124
PUBLIC WORKS:				
Highway.....	6,673,711	6,929,264	6,915,185	14,079
Winter maintenance.....	707,119	987,450	985,541	1,909
Transfer Station.....	1,475,809	1,330,509	1,327,856	2,653
Public building maintenance.....	786,090	745,090	738,347	6,743
TOTAL PUBLIC WORKS.....	9,642,729	9,992,313	9,966,929	25,384
PARKS AND RECREATION.....	2,244,068	2,268,441	2,263,018	5,423
EDUCATION.....	71,345,304	71,332,395	71,332,395	-
CONTINGENCY.....	250,000	1,947		1,947
DEBT SERVICE.....	10,342,994	10,306,719	10,306,272	447
TOTAL EXPENDITURES.....	110,816,485	111,101,607	111,006,031	95,576
OTHER FINANCING USES:				
Transfers out:				
Edmond Town Hall	99,719	99,719	99,567	152
Capital and nonrecurring.....	150,000	150,000	150,000	-
Board of Education non-lapsing.....		12,909	12,909	-
TOTAL OTHER FINANCING USES.....	249,719	262,628	262,476	152
TOTAL EXPENDITURES AND OTHER FINANCING USES.....	\$ 111,066,204	\$ 111,364,235	\$ 111,268,507	\$ 95,728

(Concluded)

TOWN OF NEWTOWN, CONNECTICUTREPORT OF TAX COLLECTOR
YEAR ENDED JUNE 30, 2015

GRAND LIST YEAR	UNCOLLECTED TAXES JULY 1, 2014	CURRENT YEAR LEVY	LAWFUL CORRECTIONS		TRANSFERS TO SUSPENSE	ADJUSTED TAXES COLLECTIBLE	COLLECTIONS			UNCOLLECTED TAXES JUNE 30, 2015
			ADDITIONS	DEDUCTIONS			NET TAXES COLLECTED	INTEREST AND LIEN FEES	TOTAL	
1998	\$ 19,141	\$	\$	\$ 19,141	\$	\$ -	\$	\$	\$ -	\$ -
1999	25,751			6,449		19,302			-	19,302
2000	25,867			6,952		18,915			-	18,915
2001	28,192			7,389		20,803			-	20,803
2002	20,462			4,930		15,532			-	15,532
2003	20,056			5,246		14,810			-	14,810
2004	21,078			5,499		15,579			-	15,579
2005	27,787		258	5,752	349	21,944			-	21,944
2006	31,166			5,920	418	24,828	274	11	285	24,554
2007	119,140			9,728	571	108,841	96	256	352	108,745
2008	130,645			9,825	576	120,244	5,097	1,973	7,070	115,147
2009	161,195			11,996	1,115	148,084	12,183	11,187	23,370	135,901
2010	197,251			14,164	7,965	175,122	17,340	9,719	27,059	157,782
2011	279,657		643	18,053	15,654	246,593	62,485	21,516	84,001	184,108
2012	729,081		54,079	164,475	61,107	557,578	347,891	90,757	438,648	209,687
TOTAL PRIOR YEARS	1,836,469	-	54,980	295,519	87,755	1,508,175	445,366	135,419	580,785	1,062,809
2013		101,265,758	221,877	475,060	276,358	100,736,217	99,928,950	287,913	100,216,863	807,267
TOTAL	\$ 1,836,469	\$ 101,265,758	\$ 276,857	\$ 770,579	\$ 364,113	\$ 102,244,392	\$ 100,374,316	\$ 423,332	\$ 100,797,648	\$ 1,870,076

Sewer Department

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

SCHEDULE 4TOWN OF NEWTOWN, CONNECTICUTSCHEDULE OF CHANGES IN SEWER ASSESSMENT RECEIVABLE
YEAR ENDED JUNE 30, 2015

	UNCOLLECTED ASSESSMENTS JULY 1, 2014	ADDITIONS	DEDUCTIONS	ADJUSTED ASSESSMENTS COLLECTIBLE	COLLECTIONS	UNCOLLECTED ASSESSMENTS JUNE 30, 2015
Sewer assessments receivable.....	\$ 3,121,944	\$	\$	\$ 3,121,944	\$ 792,371	\$ 2,329,573
Homestead accounts receivable.....	64,013			64,013	18,423	45,590
Bungalow Terrace.....	19,525			19,525	2,252	17,273
Elderly.....	25,062			25,062	1,434	23,628
Reed Intermediate School /Grace Church receivable.....	182,989			182,989	42,926	140,063
Walnut Tree.....	21,783		21,783	-		-
Rose & Church Hill.....	2,610	16,841		19,451	10,944	8,507
TOTAL.....	<u>\$ 3,437,926</u>	<u>\$ 16,841</u>	<u>\$ 21,783</u>	<u>\$ 3,432,984</u>	<u>\$ 868,350</u>	<u>2,564,634</u>
					Bonded interest	36,493
					Penalty interest and liens	71,038
					Septic loans	<u>36,503</u>
					Current and long-term receivable	<u>\$ 2,708,668</u>

Nonmajor Governmental Funds

Special Revenue Funds

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

Dog License

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

Bouchard Animal Fund

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

Police Private Duty

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

Town Gifts Fund

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

School Lunch Program

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

Education Grants

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

Law Enforcement Fund

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

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

Special Revenue Funds (Continued)

Septage Management Ordinance

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

Fairfield Hills Authority

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

School Custodial

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

Adult Education

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

Edmond Town Hall

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

Recovery and Resiliency Plan

To expand the existing service provider infrastructure of the community to meet the changing mental and physical health needs of the community after the Sandy Hook Elementary School shooting.

Sandy Hook Operation Recovery Fund

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

Town Recreation Fund

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

Daycare Program

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

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

Special Revenue Funds (Continued)

Miscellaneous Grants

To account for various reimbursement grants.

Small Cities Program

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

Cemetery Fund

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

Eichler's Cove Marina

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

Historic Documents

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

Cultural Arts

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

Sandy Hook Special Revenue Fund

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

Debt Service

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

Capital Projects

Capital and Nonrecurring Fund

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

Permanent Funds

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

NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

Special Revenue Funds (Continued)

Hawley School Trust

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

Edmond Town Hall Endowment

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

Newtown Flagpole Fund

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

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

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

TOWN OF NEWTOWN, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2015

	SPECIAL REVENUE FUNDS							
	DOG LICENSE	BOUCHARD ANIMAL FUND	POLICE PRIVATE DUTY	TOWN GIFTS FUND	SCHOOL LUNCH PROGRAM	EDUCATION GRANTS	LAW ENFORCEMENT FUND	SEPTAGE MANAGEMENT ORDINANCE
<u>ASSETS</u>								
Cash.....	\$	\$	\$	\$ 21,343	\$ 128,081	\$ 236,883	\$	\$
Investments.....								71,175
Receivables:								
Intergovernmental.....					38,819	666,285	6,634	
Loans receivable.....								
Other.....	3,102		196,722		19,893			
Due from other funds.....	13,373	13,512		206,278	122	36,389	80,621	33,565
Other.....					28,792			
TOTAL ASSETS.....	\$ 16,475	\$ 13,512	\$ 196,722	\$ 227,621	\$ 215,707	\$ 939,557	\$ 87,255	\$ 104,740
<u>LIABILITIES</u>								
Accounts payable.....	\$	\$	\$	\$ 35,582	\$ 1,068	\$ 201,021	\$	\$
Accrued payroll.....						147,835		
Due to other funds.....			196,722					
Unearned revenue.....					49,067	14,800	906	
TOTAL LIABILITIES.....	-	-	196,722	35,582	50,135	363,656	906	-
<u>DEFERRED INFLOWS OF RESOURCES</u>								
Unavailable revenue - loans.....								
<u>FUND BALANCES</u>								
Nonspendable.....								
Restricted.....		13,512		192,039	165,572	575,901	86,349	
Committed.....	16,475							104,740
Assigned.....								
TOTAL FUND BALANCES.....	16,475	13,512	-	192,039	165,572	575,901	86,349	104,740
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 16,475	\$ 13,512	\$ 196,722	\$ 227,621	\$ 215,707	\$ 939,557	\$ 87,255	\$ 104,740

(Continued)

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

	SPECIAL REVENUE FUNDS						
	FAIRFIELD HILLS AUTHORITY	SCHOOL CUSTODIAL	ADULT EDUCATION	EDMOND TOWN HALL	RECOVERY AND RESILIENCY PLAN	SANDY HOOK OPERATION RECOVERY FUND	TOWN RECREATION FUND
<u>ASSETS</u>							
Cash.....	\$	\$ 74,677	\$ 88,674	\$ 261,059	\$	\$	\$ 96,508
Investments.....				3,993			
Receivables:							
Intergovernmental.....					105,630		
Loans receivable.....							
Other.....	8,750	3,201		1,582			1,326
Due from other funds.....	207,693	89			11,719	341,401	167,983
Other.....							
TOTAL ASSETS.....	\$ 216,443	\$ 77,967	\$ 88,674	\$ 266,634	\$ 117,349	\$ 341,401	\$ 265,817
<u>LIABILITIES</u>							
Accounts payable.....	\$	\$	\$	\$ 41,908	\$ 814	\$ 99,160	\$ 50,842
Accrued payroll.....							
Due to other funds.....			975				
Unearned revenue.....		494		10,028			170,746
TOTAL LIABILITIES.....	-	494	975	51,936	814	99,160	221,588
<u>DEFERRED INFLOWS OF RESOURCES</u>							
Unavailable revenue - loans.....							
<u>FUND BALANCES</u>							
Nonspendable.....							
Restricted.....					116,535	242,241	
Committed.....	216,443	77,473	87,699	214,698			44,229
Assigned.....							
TOTAL FUND BALANCES.....	216,443	77,473	87,699	214,698	116,535	242,241	44,229
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 216,443	\$ 77,967	\$ 88,674	\$ 266,634	\$ 117,349	\$ 341,401	\$ 265,817

(Continued)

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

	SPECIAL REVENUE FUNDS							TOTAL SPECIAL REVENUE FUNDS
	MISCELLANEOUS GRANTS	SMALL CITIES PROGRAM	CEMETERY FUND	EICHLER'S COVE MARINA	HISTORIC DOCUMENTS	CULTURAL ARTS	SANDY HOOK SPECIAL REVENUE FUND	
<u>ASSETS</u>								
Cash.....	\$	\$ 22,297	\$	\$	\$	\$ 48,064	\$	\$ 977,586
Investments.....						120,036		195,204
Receivables:								
Intergovernmental.....	79,829							897,197
Loans receivable.....		242,919						242,919
Other.....				185	132		37,775	272,668
Due from other funds.....	163,724		9,453	394,104	20,923	29,911	334,686	2,065,546
Other.....								28,792
TOTAL ASSETS.....	\$ 243,553	\$ 265,216	\$ 9,453	\$ 394,289	\$ 21,055	\$ 198,011	\$ 372,461	\$ 4,679,912
<u>LIABILITIES</u>								
Accounts payable.....	\$ 580	\$	\$	\$ 22,858	\$	\$ 4,417	\$ 7,800	\$ 466,050
Accrued payroll.....								147,835
Due to other funds.....								197,697
Unearned revenue.....	109,740							355,781
TOTAL LIABILITIES.....	110,320	-	-	22,858	-	4,417	7,800	1,167,363
<u>DEFERRED INFLOWS OF RESOURCES</u>								
Unavailable revenue - loans.....		242,919						242,919
<u>FUND BALANCES</u>								
Nonspendable.....								-
Restricted.....	133,233	22,297	9,453		21,055	193,594	364,661	2,136,442
Committed.....				371,431				1,133,188
Assigned.....								-
TOTAL FUND BALANCES.....	133,233	22,297	9,453	371,431	21,055	193,594	364,661	3,269,630
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 243,553	\$ 265,216	\$ 9,453	\$ 394,289	\$ 21,055	\$ 198,011	\$ 372,461	\$ 4,679,912

(Continued)

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

	DEBT SERVICE	CAPITAL PROJECTS	PERMANENT FUNDS				TOTAL PERMANENT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
	DEBT SERVICE	CAPITAL AND NONRECURRING	HAWLEY SCHOOL TRUST	EDMOND TOWN HALL ENDOWMENT	NEWTOWN FLAGPOLE FUND	THE V.G. HAIR AND FRANCES E. HAIR FUND		
ASSETS								
Cash.....	\$		\$	\$	\$ 12,143	\$	\$ 12,143	\$ 989,729
Investments.....		\$ 227,354	\$ 392,638	\$ 1,028,757		\$ 1,238,588	\$ 2,659,983	\$ 3,082,541
Receivables:								
Intergovernmental.....							-	897,197
Loans receivable.....							-	242,919
Other.....		295					-	272,963
Due from other funds.....	66,716	382,351	66,306		4,062	41,452	111,820	2,626,433
Other.....							-	28,792
TOTAL ASSETS.....	\$ 66,716	\$ 610,000	\$ 458,944	\$ 1,028,757	\$ 16,205	\$ 1,280,040	\$ 2,783,946	\$ 8,140,574
LIABILITIES								
Accounts payable.....	\$ 825	\$ 14,199	\$	\$	\$	\$	\$ -	\$ 481,074
Accrued payroll.....							-	147,835
Due to other funds.....							-	197,697
Unearned revenue.....							-	355,781
TOTAL LIABILITIES.....	825	14,199	-	-	-	-	-	1,182,387
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - loans.....								242,919
FUND BALANCES								
Nonspendable.....			350,000	250,000	10,000		610,000	610,000
Restricted.....			108,944	778,757	6,205	1,280,040	2,173,946	4,310,388
Committed.....		595,801					-	1,728,989
Assigned.....	65,891						-	65,891
TOTAL FUND BALANCES.....	65,891	595,801	458,944	1,028,757	16,205	1,280,040	2,783,946	6,715,268
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 66,716	\$ 610,000	\$ 458,944	\$ 1,028,757	\$ 16,205	\$ 1,280,040	\$ 2,783,946	\$ 8,140,574

(Concluded)

TOWN OF NEWTOWN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2015

	SPECIAL REVENUE FUNDS							
	DOG LICENSE	BOUCHARD ANIMAL FUND	POLICE PRIVATE DUTY	TOWN GIFTS FUND	SCHOOL LUNCH PROGRAM	EDUCATION GRANTS	LAW ENFORCEMENT FUND	SEPTAGE MANAGEMENT ORDINANCE
REVENUES:								
Intergovernmental.....	\$	\$	\$	\$	\$ 180,897	\$ 5,578,570	\$ 141,939	\$
Charges for services.....	20,574		580,786		1,779,180	184,430	6,227	2,400
Investment income.....				598				177
Contributions.....	6,093			57,109		53,415		
TOTAL REVENUES.....	26,667	-	580,786	57,707	1,960,077	5,816,415	148,166	2,577
EXPENDITURES:								
Current:								
General government.....				47,493				
Public safety.....	15,763	31,075	441,097	3,397			100,534	
Health and welfare.....				4,694				395
Public works.....								
Parks and recreation.....				28,269				
Education.....					1,924,978	6,072,607		
Capital outlay.....								
TOTAL EXPENDITURES.....	15,763	31,075	441,097	83,853	1,924,978	6,072,607	100,534	395
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	10,904	(31,075)	139,689	(26,146)	35,099	(256,192)	47,632	2,182
OTHER FINANCING SOURCES (USES):								
Transfers in.....						511,016		
Transfers out.....			(139,689)				(20,098)	
NET OTHER FINANCING SOURCES (USES)..<	-	-	(139,689)	-	-	511,016	(20,098)	-
NET CHANGE IN FUND BALANCES.....	10,904	(31,075)	-	(26,146)	35,099	254,824	27,534	2,182
FUND BALANCES, JULY 1, 2014	5,571	44,587	-	218,185	130,473	321,077	58,815	102,558
FUND BALANCES, JUNE 30, 2015.....	\$ 16,475	\$ 13,512	\$ -	\$ 192,039	\$ 165,572	\$ 575,901	\$ 86,349	\$ 104,740

(Continued)

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

	SPECIAL REVENUE FUNDS							
	FAIRFIELD HILLS AUTHORITY	SCHOOL CUSTODIAL	ADULT EDUCATION	EDMOND TOWN HALL	RECOVERY AND RESILIENCY PLAN	SANDY HOOK OPERATION RECOVERY FUND	TOWN RECREATION FUND	DAYCARE PROGRAM
REVENUES:								
Intergovernmental.....	\$	\$	\$	\$ 15,000	\$ 553,546	\$	\$	\$ 226,901
Charges for services.....	74,646	9,849	143,329	514,461			651,830	
Investment income.....				193				
Contributions.....				16,043				
TOTAL REVENUES.....	74,646	9,849	143,329	545,697	553,546	-	651,830	226,901
EXPENDITURES:								
Current:								
General government.....	35,629			777,272				
Public safety								
Health and welfare.....					543,206		22,584	
Public works.....								
Parks and recreation.....							603,687	
Education.....		13,200	168,345			229,188		226,901
Capital outlay.....								
TOTAL EXPENDITURES.....	35,629	13,200	168,345	777,272	543,206	229,188	626,271	226,901
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	39,017	(3,351)	(25,016)	(231,575)	10,340	(229,188)	25,559	-
OTHER FINANCING SOURCES (USES):								
Transfers in.....				99,567				
Transfers out.....							(95,839)	
NET OTHER FINANCING SOURCES (USES).....	-	-	-	99,567	-	-	(95,839)	-
NET CHANGE IN FUND BALANCES.....	39,017	(3,351)	(25,016)	(132,008)	10,340	(229,188)	(70,280)	-
FUND BALANCES, JULY 1, 2014.....	177,426	80,824	112,715	346,706	106,195	471,429	114,509	-
FUND BALANCES, JUNE 30, 2015.....	\$ 216,443	\$ 77,473	\$ 87,699	\$ 214,698	\$ 116,535	\$ 242,241	\$ 44,229	\$ -

(Continued)

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

	SPECIAL REVENUE FUNDS							TOTAL SPECIAL REVENUE FUNDS
	MISCELLANEOUS GRANTS	SMALL CITIES PROGRAM	CEMETERY FUND	EICHLER'S COVE MARINA	HISTORIC DOCUMENTS	CULTURAL ARTS	SANDY HOOK SPECIAL REVENUE FUND	
REVENUES:								
Intergovernmental.....	\$ 1,110,367	\$	\$	\$	\$ 7,500		\$	\$ 7,814,720
Charges for services.....		3,828		116,507	12,136	2,515		4,102,698
Investment income.....						102		1,070
Contributions.....	10,753					55,800	134,418	333,631
TOTAL REVENUES.....	1,121,120	3,828	-	116,507	19,636	58,417	134,418	12,252,119
EXPENDITURES:								
Current:								
General government.....	871,199						108,866	1,840,459
Public safety.....	172,520				14,372		16,672	795,430
Health and welfare.....		5,575				77,922		654,376
Public works.....	835							835
Parks and recreation.....	10,000			96,095				738,051
Education.....								8,635,219
Capital outlay.....								-
TOTAL EXPENDITURES.....	1,054,554	5,575	-	96,095	14,372	77,922	125,538	12,664,370
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	66,566	(1,747)	-	20,412	5,264	(19,505)	8,880	(412,251)
OTHER FINANCING SOURCES (USES):								
Transfers in.....								610,583
Transfers out.....	(511,016)							(766,642)
NET OTHER FINANCING SOURCES (USES).....	(511,016)	-	-	-	-	-	-	(156,059)
NET CHANGE IN FUND BALANCES.....	(444,450)	(1,747)	-	20,412	5,264	(19,505)	8,880	(568,310)
FUND BALANCES, JULY 1, 2014.....	577,683	24,044	9,453	351,019	15,791	213,099	355,781	3,837,940
FUND BALANCES, JUNE 30, 2015.....	\$ 133,233	\$ 22,297	\$ 9,453	\$ 371,431	\$ 21,055	\$ 193,594	\$ 364,661	\$ 3,269,630

(Continued)

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

	DEBT SERVICE	CAPITAL PROJECTS	PERMANENT FUNDS					TOTAL NONMAJOR GOVERNMENTAL FUNDS
	DEBT SERVICE	CAPITAL AND NONRECURRING	HAWLEY SCHOOL TRUST	EDMOND TOWN HALL ENDOWMENT	NEWTOWN FLAGPOLE FUND	THE V.G. HAIR AND FRANCES E. HAIR FUND	TOTAL PERMANENT FUNDS	
REVENUES:								
Intergovernmental.....	\$	\$	\$	\$	\$	\$	\$ -	\$ 7,814,720
Charges for services.....	5,061	143,395					-	4,251,154
Investment income.....		794	10,430	28,165	83	14,248	52,926	54,790
Net change in fair value of investments.....			(5,344)	(11,480)			(16,824)	(16,824)
Contributions.....							-	333,631
TOTAL REVENUES.....	5,061	144,189	5,086	16,685	83	14,248	36,102	12,437,471
EXPENDITURES:								
Current:								
General government.....				59,959			59,959	1,900,418
Public safety.....						53,572	53,572	849,002
Health and welfare.....							-	654,376
Public works.....							-	835
Parks and recreation.....							-	738,051
Education.....			13,715				13,715	8,648,934
Debt service.....	341,625						-	341,625
Capital outlay.....		724,094					-	724,094
TOTAL EXPENDITURES.....	341,625	724,094	13,715	59,959	-	53,572	127,246	13,857,335
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(336,564)	(579,905)	(8,629)	(43,274)	83	(39,324)	(91,144)	(1,419,864)
OTHER FINANCING SOURCES (USES):								
Transfers in.....	20,175	162,909					-	793,667
Transfers out.....							-	(766,642)
NET OTHER FINANCING SOURCES (USES)....	20,175	162,909	-	-	-	-	-	27,025
NET CHANGE IN FUND BALANCES.....	(316,389)	(416,996)	(8,629)	(43,274)	83	(39,324)	(91,144)	(1,392,839)
FUND BALANCES, JULY 1, 2014.....	382,280	1,012,797	467,573	1,072,031	16,122	1,319,364	2,875,090	8,108,107
FUND BALANCES, JUNE 30, 2015.....	\$ 65,891	\$ 595,801	\$ 458,944	\$ 1,028,757	\$ 16,205	\$ 1,280,040	\$ 2,783,946	\$ 6,715,268

(Concluded)

Fiduciary Funds

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

Pension Trust Funds

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

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

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 Fund

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

Agency Funds

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

Board of Education Flex Plan

To account for employee medical savings account.

Student Activities

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

Police Benevolent

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

Performance Bonds

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

TOWN OF NEWTOWN, CONNECTICUT

COMBINING STATEMENT OF FIDUCIARY NET POSITION
 AGENCY FUNDS
 JUNE 30, 2015

	BOARD OF EDUCATION FLEX PLAN	STUDENT ACTIVITIES	POLICE BENEVOLENT	PERFORMANCE BONDS	TOTAL
<u>ASSETS</u>					
Cash.....	\$ 15,638	\$ 431,460	\$ 6,660	\$	\$ 453,758
Investments.....		188,352		496,584	684,936
TOTAL ASSETS.....	<u>\$ 15,638</u>	<u>\$ 619,812</u>	<u>\$ 6,660</u>	<u>\$ 496,584</u>	<u>\$ 1,138,694</u>
<u>LIABILITY</u>					
Accounts payable.....	<u>\$ 15,638</u>	<u>\$ 619,812</u>	<u>\$ 6,660</u>	<u>\$ 496,584</u>	<u>\$ 1,138,694</u>

TOWN OF NEWTOWN, CONNECTICUT

AGENCY FUNDS
 COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
 YEAR ENDED JUNE 30, 2015

	BALANCE JULY 1, 2014	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2015
<u>ASSETS</u>				
CASH:				
Flex Plan.....	\$ 23,549	\$ 174,588	\$ 182,499	\$ 15,638
Student activities.....	400,211	1,726,943	1,695,694	431,460
Police Benevolent.....	6,410	250		6,660
TOTAL CASH.....	430,170	1,901,781	1,878,193	453,758
INVESTMENTS:				
Student activities.....	189,754		1,402	188,352
Performance bonds.....	329,582	178,402	11,400	496,584
TOTAL INVESTMENTS.....	519,336	178,402	12,802	684,936
TOTAL ASSETS.....	\$ 949,506	\$ 2,080,183	\$ 1,890,995	\$ 1,138,694
<u>LIABILITIES</u>				
ACCOUNTS PAYABLE:				
Flex Plan.....	\$ 23,549	\$ 174,588	\$ 182,499	\$ 15,638
Student activities.....	589,965	1,726,943	1,697,096	619,812
Police Benevolent.....	6,410	250		6,660
Performance bonds.....	329,582	178,402	11,400	496,584
TOTAL LIABILITIES.....	\$ 949,506	\$ 2,080,183	\$ 1,890,995	\$ 1,138,694

Statistical Section

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

CONTENTS

FINANCIAL TRENDS (TABLES 1 - 4)

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

REVENUE CAPACITY (TABLES 5 - 8)

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

DEBT CAPACITY (TABLES 9 - 12)

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

DEMOGRAPHIC AND ECONOMIC INFORMATION (TABLES 13 - 14)

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

OPERATING INFORMATION (TABLE 15 - 17)

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

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

TABLE 1

TOWN OF NEWTOWN, CONNECTICUT

NET POSITION BY COMPONENT
LAST TEN YEARS
(UNAUDITED)

	FISCAL YEAR ENDED									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
GOVERNMENTAL ACTIVITIES:										
Net investment in capital assets.....	\$ 191,092,069	\$ 172,186,652	\$ 164,022,205	\$ 160,006,067	\$ 149,602,482	\$ 131,727,748	\$ 128,178,467	\$ 122,076,076	\$ 114,736,321	\$ 107,382,867
Restricted for:										
Endowments:										
Nonexpendable.....	610,000	610,000	610,000	610,000	650,602	650,602	650,602	650,602	650,602	650,602
Expendable.....	2,173,946	2,265,090	2,149,535	735,857	808,311	686,396	643,380	941,467	1,097,698	378,671
General government.....	406,688	447,075	338,844	187,763						
Public safety.....	99,861	103,402	76,149	8,952						
Health and welfare.....	31,750	33,497	68,913	54,987						
Parks and recreation.....					171,099	178,155				
Education.....	1,598,143	1,962,638	648,435	208,185	271,166	270,350				
Other.....					97,507	94,433				
Unrestricted.....	15,857,578	9,914,472	16,922,074	17,480,920	22,463,889	25,713,592	23,157,791	24,236,011	24,522,070	23,016,939
TOTAL NET POSITION.....	211,870,035	187,522,826	184,836,155	179,292,731	174,065,056	159,321,276	152,630,240	147,904,156	141,006,691	131,429,079
BUSINESS-TYPE ACTIVITIES:										
Net investment in capital assets.....	24,500,880	23,031,532	24,629,094	24,084,436	23,323,592	23,064,329	22,821,892	22,477,029	22,270,321	21,776,567
Unrestricted.....	5,327,679	7,733,196	6,731,333	7,641,205	8,783,633	9,332,516	10,130,575	11,322,568	12,093,361	13,355,741
TOTAL NET POSITION.....	29,828,559	30,764,728	31,360,427	31,725,641	32,107,225	32,396,845	32,952,467	33,799,597	34,363,682	35,132,308
GRAND TOTAL:										
Net investment in capital assets.....	215,592,949	195,218,184	188,651,299	184,090,503	172,926,074	154,792,077	151,000,359	144,553,105	137,006,642	129,159,434
Restricted for:										
Endowments:										
Nonexpendable.....	610,000	610,000	610,000	610,000	650,602	650,602	650,602	650,602	650,602	650,602
Expendable.....	2,173,946	2,265,090	2,149,535	735,857	808,311	686,396	643,380	941,467	1,097,698	378,671
General government.....	406,688	447,075	338,844	187,763						
Public safety.....	99,861	103,402	76,149	8,952						
Health and welfare.....	31,750	33,497	68,913	54,987						
Parks and recreation.....					171,099	178,155				
Education.....	1,598,143	1,962,638	648,435	208,185	271,166	270,350				
Other.....					97,507	94,433				
Unrestricted.....	21,185,257	17,647,668	23,653,407	25,122,125	31,247,522	35,046,108	33,288,366	35,558,579	36,615,431	36,372,680
GRAND TOTAL NET POSITION.....	\$ 241,698,594	\$ 218,287,554	\$ 216,196,582	\$ 211,018,372	\$ 206,172,281	\$ 191,718,121	\$ 185,582,707	\$ 181,703,753	\$ 175,370,373	\$ 166,561,387

TABLE 2
(1 of 2)

TOWN OF NEWTOWN, CONNECTICUT

CHANGES IN NET POSITION
LAST TEN YEARS
(UNAUDITED)

	FISCAL YEAR ENDED									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
EXPENSES:										
Governmental activities:										
General government.....	\$ 6,487,392	\$ 6,002,205	\$ 5,525,271	\$ 5,572,507	\$ 4,521,804	\$ 8,759,441	\$ 4,535,058	\$ 5,296,173	\$ 3,824,508	\$ 2,960,996
Public safety.....	11,028,701	10,603,300	9,986,240	9,859,389	9,253,214	6,867,872	9,148,279	8,079,988	6,790,431	7,246,450
Health and welfare.....	3,197,189	2,789,566	2,541,813	3,108,569	2,156,351	2,938,714	3,358,845	2,760,009	2,537,270	2,511,862
Land use.....	666,559	723,512	588,147	557,698	569,264	541,473	703,662	655,200	669,305	618,048
Public works.....	9,630,398	10,416,008	9,873,453	11,621,141	9,793,777	8,173,705	11,867,112	8,814,436	9,286,973	9,285,859
Parks and recreation.....	3,625,294	3,122,807	3,251,097	3,400,294	3,819,873	2,639,930	3,262,414	2,682,141	2,775,522	2,643,651
Education.....	90,038,453	90,475,882	83,295,987	82,229,207	78,287,539	76,662,504	76,184,988	86,738,412	69,132,117	65,157,121
Interest expense.....	2,534,616	2,350,574	2,530,417	3,294,660	2,781,527	14,752,827	1,161,850	2,904,944	2,614,757	2,438,463
Total Governmental Activities Expenses.....	127,208,602	126,483,854	117,592,425	119,643,465	111,183,349	121,336,466	110,222,208	117,931,303	97,630,883	92,862,450
Business-Type activities:										
Sewer Department.....	1,696,442	1,575,726	1,621,751	1,655,992	1,558,578	1,592,894	1,568,227	1,588,118	1,689,500	1,697,945
Water Department.....	479,700	359,157	308,571	287,707	334,988	407,914	381,374	361,601	281,389	297,808
Total Business-Type activities.....	2,176,142	1,934,883	1,930,322	1,943,699	1,893,566	2,000,808	1,949,601	1,949,719	1,970,889	1,995,753
TOTAL EXPENSES.....	129,384,744	128,418,737	119,522,747	121,587,164	113,076,915	123,337,274	112,171,809	119,881,022	99,601,772	94,858,203
PROGRAM REVENUES:										
Governmental activities:										
Charges for services:										
General government.....	764,436	661,787	657,318	681,250	694,793	620,329	681,694	1,026,564	909,972	1,206,891
Public safety.....	607,587	398,294	496,807	1,014,724	382,426	403,673	526,245	291,420	216,418	292,787
Health and welfare.....	2,515	55,400	18,660	26,004	46,909	36,056	10,200	77,387	2,229	57,861
Land use.....	81,168	42,717	67,810	55,489	50,654	68,850	110,052	130,955	114,726	159,769
Public works.....	1,079,601	1,184,725	936,145	1,072,364	1,020,424	795,857	840,643	906,124	1,093,674	1,132,422
Parks and recreation.....	1,489,006	1,627,318	1,314,279	1,418,411	1,436,769	1,496,451	1,561,347	1,473,699	1,418,574	1,561,711
Education.....	2,274,004	2,185,632	2,136,233	2,180,993	2,249,986	1,979,875	1,927,823	1,984,582	2,211,948	2,138,475
Operating grants and contributions.....	19,919,812	22,660,148	18,865,291	16,619,958	15,216,921	15,620,226	13,470,536	24,721,120	9,786,293	9,439,346
Capital grants and contributions.....	21,188,401	4,827,049	1,699,664	3,497,555	8,706,301	4,738,631	1,731,908	4,072,712	2,177,250	5,191,966
Total Governmental Activities Program Revenues.....	47,406,530	33,643,070	26,192,207	26,566,748	29,805,183	25,759,948	20,860,448	34,684,563	17,931,084	21,181,228

(Continued)

TABLE 2
(2 of 2)

TOWN OF NEWTOWN, CONNECTICUT

CHANGES IN NET POSITION
LAST TEN YEARS
(UNAUDITED)

	FISCAL YEAR ENDED									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Business-Type activities:										
Sewer Department.....	\$ 875,006	\$ 976,159	\$ 1,182,768	\$ 1,158,657	\$ 1,206,743	\$ 1,021,112	\$ 905,105	\$ 1,125,055	\$ 825,987	\$ 2,000,659
Water Department.....	323,481	319,567	335,215	351,139	332,772	324,178	261,294	183,833	183,061	170,883
Total Business-Type activities.....	1,198,487	1,295,726	1,517,983	1,509,796	1,539,515	1,345,290	1,166,399	1,308,888	1,009,048	2,171,542
TOTAL PROGRAM REVENUES.....	48,605,017	34,938,796	27,710,190	28,076,544	31,344,698	27,105,238	22,026,847	35,993,451	18,940,132	23,352,770
NET EXPENSES:										
Governmental activities.....	(79,802,072)	(92,840,784)	(91,400,218)	(93,076,717)	(81,378,166)	(95,576,518)	(89,361,760)	(83,246,740)	(79,699,799)	(71,681,222)
Business-type activities.....	(977,655)	(639,157)	(412,339)	(433,903)	(354,051)	(655,518)	(783,202)	(640,831)	(961,841)	175,789
TOTAL NET EXPENSES.....	(80,779,727)	(93,479,941)	(91,812,557)	(93,510,620)	(81,732,217)	(96,232,036)	(90,144,962)	(83,887,571)	(80,661,640)	(71,505,433)
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:										
Governmental activities:										
Property taxes.....	100,926,929	100,629,359	96,220,137	95,287,752	93,206,605	90,659,137	90,243,025	85,534,874	82,212,483	76,923,921
Grants and contributions not restricted to specific programs.....	2,962,325	2,685,543	2,602,165	2,576,596	2,168,350	2,045,042	2,756,030	2,616,265	2,482,103	2,648,507
Contributions to permanent funds.....			1,387,342							
Investment income.....	210,013	370,978	293,593	224,944	592,766	574,735	552,252	1,830,513	2,354,318	1,640,673
Gain on sale of assets.....				90,000						-
Miscellaneous.....	50,014	136,925	161,772	125,100	154,225	105,381	452,570	162,553	165,081	112,610
Total Governmental Activities.....	104,149,281	103,822,805	100,665,009	98,304,392	96,121,946	93,384,295	94,003,877	90,144,205	87,213,985	81,325,711
Business-Type activities:										
Sewer Department.....	41,486	43,458	47,125	52,319	64,431	99,896	20,039	76,746	193,215	95,188
TOTAL GENERAL REVENUES.....	104,190,767	103,866,263	100,712,134	98,356,711	96,186,377	93,484,191	94,023,916	90,220,951	87,407,200	81,420,899
CHANGE IN NET POSITION BEFORE EXTRAORDINARY ITEM:										
Governmental activities.....	24,347,209	10,982,021	9,264,791	5,227,675	14,743,780	(2,192,223)	4,642,117	6,897,465	7,514,186	9,644,489
Business-type activities.....	(936,169)	(595,699)	(365,214)	(381,584)	(289,620)	(555,622)	(763,163)	(564,085)	(768,626)	270,977
TOTAL CHANGE IN NET POSITION BEFORE EXTRAORDINARY ITEM.....	23,411,040	10,386,322	8,899,577	4,846,091	14,454,160	(2,747,845)	3,878,954	6,333,380	6,745,560	9,915,466
EXTRAORDINARY ITEM - ASSET IMPAIRMENT.....			(3,721,367)							
CHANGE IN NET POSITION:										
Governmental activities.....	24,347,209	10,982,021	5,543,424	5,227,675	14,743,780	(2,192,223)	4,642,117	6,897,465	7,514,186	9,644,489
Business-type activities.....	(936,169)	(595,699)	(365,214)	(381,584)	(289,620)	(555,622)	(763,163)	(564,085)	(768,626)	270,977
TOTAL CHANGE IN NET POSITION.....	\$ 23,411,040	\$ 10,386,322	\$ 5,178,210	\$ 4,846,091	\$ 14,454,160	\$ (2,747,845)	\$ 3,878,954	\$ 6,333,380	\$ 6,745,560	\$ 9,915,466

(Concluded)

TABLE 3

TOWN OF NEWTOWN, CONNECTICUT

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

	FISCAL YEAR ENDED									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
GENERAL FUND:										
Restricted.....	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Assigned.....	698,388	958,996	1,416,183	810,891	760,701	2,354,552	3,634,009	4,960,888	5,489,515	4,278,650
Unassigned.....	10,608,535	10,242,495	9,390,049	8,379,750	7,408,816	6,903,051	7,636,522	7,821,198	2,619,306	3,363,961
TOTAL GENERAL FUND.....	11,306,923	11,201,491	10,806,232	9,190,641	8,169,517	9,257,603	11,270,531	12,782,086	8,108,821	7,642,611
ALL OTHER GOVERNMENTAL FUNDS:										
Nonspendable.....	610,000	610,000	610,000	610,000	650,602	650,602	650,602	650,602	650,602	650,602
Restricted.....	4,310,388	4,811,702	3,281,876	1,195,744	1,348,083	1,229,334	643,380	941,467	1,097,698	918,604
Committed.....	1,728,989	3,293,443	2,761,894	2,889,512	2,518,747	1,253,867	1,029,196	914,966	939,402	925,526
Assigned.....	65,891	382,280	182,284	152,761	51,350	301,517	722,709	83,915		
Unassigned.....	(526,469)		(1,036,866)	(53,605)	(5,236,911)	(10,737,527)	3,447,725	11,492,610	13,555,592	7,012,374
TOTAL ALL OTHER GOVERNMENTAL FUNDS	6,188,799	9,097,425	5,799,188	4,794,412	(668,129)	(7,302,207)	6,493,612	14,083,560	16,243,294	9,507,106
GRAND TOTAL.....	\$ 17,495,722	\$ 20,298,916	\$ 16,605,420	\$ 13,985,053	\$ 7,501,388	\$ 1,955,396	\$ 17,764,143	\$ 26,865,646	\$ 24,352,115	\$ 17,149,717

TABLE 4

TOWN OF NEWTOWN, CONNECTICUT

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

	FISCAL YEAR ENDED									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
REVENUES:										
Property taxes.....	\$ 101,013,572	\$ 100,427,517	\$ 96,477,212	\$ 94,848,822	\$ 92,855,249	\$ 90,659,137	\$ 90,141,582	\$ 85,409,590	\$ 82,160,198	\$ 76,815,298
Intergovernmental.....	34,292,844	29,675,603	21,047,684	20,996,562	26,729,907	21,368,025	18,723,660	29,595,041	13,671,350	13,838,466
Charges for services.....	6,302,145	6,140,973	5,642,737	6,476,781	5,864,154	5,401,091	5,647,804	5,815,344	5,967,312	6,561,934
Investment income.....	219,602	164,546	159,088	311,244	385,276	513,052	833,860	1,977,164	2,173,848	1,587,327
Net change in fair value of investments.....	(16,824)	201,070	126,266	(92,166)	203,555	61,683	(281,619)	(149,911)	173,533	47,419
Contributions.....	783,631	1,076,879	3,430,866	504,502	225,177	158,204	229,043	138,571	93,484	83,925
Other.....	50,014	136,925	161,772	125,100	154,225	105,381	452,570	162,553	165,081	112,610
TOTAL REVENUES.....	142,644,984	137,823,513	127,045,625	123,170,845	126,417,543	118,266,573	115,746,900	122,948,352	104,404,806	99,046,979
EXPENDITURES:										
Current:										
General government.....	6,308,275	5,471,010	4,980,373	4,924,957	8,467,595	8,384,510	7,431,955	7,829,719	6,678,593	6,564,560
Fairfield Hills.....	27,640	56,888	55,211	149,582	305,477	374,931	531,952	587,100	508,502	748,235
Public safety.....	10,403,207	9,878,324	9,619,031	9,313,761	6,804,072	6,867,872	6,651,104	6,284,149	5,680,053	5,533,828
Health and welfare.....	3,182,633	2,765,177	2,519,088	3,094,137	2,133,572	2,938,714	3,316,602	2,692,470	2,417,531	2,419,787
Land use.....	673,894	720,127	579,059	570,199	465,629	541,473	562,379	528,719	508,087	462,525
Public works.....	10,076,262	10,060,991	9,453,990	10,433,422	8,676,968	8,173,705	9,459,569	7,459,859	9,232,185	8,456,460
Parks and recreation.....	2,997,591	2,897,444	3,073,435	2,949,884	3,105,935	2,639,930	2,561,335	2,608,137	2,229,034	2,549,416
Education.....	87,257,274	88,921,365	82,288,773	80,220,967	78,889,774	76,662,504	74,467,636	84,625,841	67,407,332	63,381,441
Debt service:										
Principal.....	7,581,211	7,581,211	7,387,177	6,745,760	7,119,958	6,367,885	6,367,885	6,707,913	5,884,431	4,936,079
Interest.....	3,266,877	2,577,717	2,672,401	2,863,256	2,731,592	8,384,942	2,875,515	2,905,792	2,688,665	2,523,344
Capital outlay.....	14,053,371	7,756,118	2,480,606	7,842,117	16,043,474	27,410,677	20,113,831	11,244,600	3,493,062	12,654,801
TOTAL EXPENDITURES.....	145,828,235	138,686,372	125,109,144	129,108,042	134,744,046	148,747,143	134,339,763	133,474,299	106,727,475	110,230,476
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(3,183,251)	(862,859)	1,936,481	(5,937,197)	(8,326,503)	(30,480,570)	(18,592,863)	(10,525,947)	(2,322,669)	(11,183,497)
OTHER FINANCING SOURCES (USES):										
Issuance of debt.....		4,012,000		11,800,000	14,020,000	14,230,000	8,885,000	12,970,000	9,460,000	12,410,000
Issuance of refunding bonds.....	17,620,000			15,047,300	8,910,000	13,320,000	9,285,000			24,046,600
Capital lease.....	179,866						400,000			
Premium.....	2,592,690	60,997		1,655,587	1,048,566	1,611,914	306,418		65,067	570,014
Payment to refunded bonds escrow agent.....	(20,012,499)			(16,172,025)	(10,106,071)	(14,490,091)	(9,469,025)			(24,368,545)
Sale of assets.....				90,000				69,478		1,656,333
Transfers in.....	1,049,293	969,830	574,285	787,684	663,737	575,633	2,314,742	4,948,915	464,241	700,000
Transfers out.....	(1,049,293)	(969,830)	(574,285)	(787,684)	(663,737)	(575,633)	(2,230,775)	(4,948,915)	(464,241)	(700,000)
Insurance proceeds.....		483,358	683,886							
NET OTHER FINANCING SOURCES (USES).....	380,057	4,556,355	683,886	12,420,862	13,872,495	14,671,823	9,491,360	13,039,478	9,525,067	14,314,402
NET CHANGE IN FUND BALANCES.....	\$ (2,803,194)	\$ 3,693,496	\$ 2,620,367	\$ 6,483,665	\$ 5,545,992	\$ (15,808,747)	\$ (9,101,503)	\$ 2,513,531	\$ 7,202,398	\$ 3,130,905
DEBT SERVICE AS A PERCENTAGE OF NONCAPITAL EXPENDITURES.....	8%	8%	8%	8%	9%	10%	8%	8%	8%	8%

TABLE 5

TOWN OF NEWTOWN, CONNECTICUT

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

YEAR ENDED JUNE 30	REAL ESTATE		PERSONAL PROPERTY			TOTALS				
	(1) ASSESSED VALUE	(2) ESTIMATED VALUE	(1) MOTOR VEHICLE ASSESSED VALUE	(1) PERSONAL PROPERTY ASSESSED VALUE	TOTAL MOTOR VEHICLE AND PERSONAL PROPERTY ASSESSED VALUE	TOTAL MOTOR VEHICLE AND PERSONAL PROPERTY ESTIMATED ACTUAL VALUE	(1) TOTAL ASSESSED VALUE	TOTAL ESTIMATED ACTUAL VALUE	(2) PERCENTAGE OF TOTAL ASSESSED VALUE TO TOTAL ESTIMATED ACTUAL VALUE	(3) TOTAL DIRECT TAX RATE
2006	\$ 2,653,069,110	\$ 4,823,762,018	\$ 203,174,719	\$ 85,545,258	\$ 288,719,977	\$ 412,457,110	\$ 2,941,789,087	\$ 5,236,219,128	56.18%	26.95
2007	2,708,061,890	4,909,091,946	210,749,643	92,656,529	303,406,172	452,824,344	3,011,468,062	5,361,916,290	56.16%	28.15
2008	2,749,091,490	5,188,923,159	218,235,621	98,741,420	316,977,041	452,824,344	3,066,068,531	5,641,747,503	54.35%	28.95
2009	3,629,805,735 *	5,185,436,764	220,978,180	98,735,860	319,714,040	456,734,343	3,949,519,775	5,642,171,107	70.00%	23.81
2010	3,626,812,720	4,597,303,486	217,368,592	106,011,275	323,379,867	461,971,239	3,950,192,587	5,059,274,725	78.08%	24.01
2011	3,624,426,799	4,439,726,674	207,771,612	110,561,554	318,333,166	454,761,666	3,942,759,965	4,894,488,340	80.56%	24.61
2012	3,633,553,446	4,223,985,170	215,781,712	108,306,358	324,088,070	462,982,957	3,957,641,516	4,686,968,127	84.44%	24.98
2013	3,648,196,507	3,960,265,422	227,546,256	108,087,739	335,633,995	479,477,136	3,983,830,502	4,439,742,558	89.73%	25.15
2014	2,707,112,590 *	3,867,303,700	225,073,540	105,001,262	330,074,802	471,535,431	3,037,187,392	4,338,839,131	70.00%	34.21
2015	2,717,924,953	3,882,749,932	229,453,000	105,519,888	334,972,888	478,532,697	3,052,897,841	4,361,282,630	70.00%	34.16

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

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

(3) From Table 6.

* Revaluation year.

TABLE 6**TOWN OF NEWTOWN, CONNECTICUT**

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

Year Ended June 30	Grand List of October 1	Tax Rate - Mills		
		TOWN MILLAGE	BOROUGH MILLAGE	TOTAL MILLAGE
2006	2004	26.10	0.85	26.95
2007	2005	27.30	0.85	28.15
2008	2006	28.10	0.85	28.95
2009	2007	23.20	0.61	23.81
2010	2008	23.43	0.58	24.01
2011	2009	24.00	0.61	24.61
2012	2010	24.37	0.61	24.98
2013	2011	24.54	0.61	25.15
2014	2012	33.32	0.89	34.21
2015	2013	33.31	0.85	34.16

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

TABLE 7

TOWN OF NEWTOWN, CONNECTICUT

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

NAME	NATURE OF BUSINESS	GRAND LIST YEAR 2013			GRAND LIST YEAR 2004		
		ASSESSED VALUE	RANK	PERCENTAGE NET TAXABLE GRAND LIST (1)	ASSESSED VALUE	RANK	PERCENTAGE NET TAXABLE GRAND LIST (2)
CONNECTICUT LIGHT & POWER	UTILITY	\$ 28,747,500	1	0.94%	\$ 19,189,970	1	0.68%
E& A/ I&G SANDHILL PLAZA LTD PARTNERSHIP	SHOPPING	15,155,000	2	0.50%			
IROQUOIS GAS TRANSMISSION SYSTEM	UTILITY	14,932,630	3	0.49%	14,981,780	2	0.53%
NEWTOWN SHOPPING VILLAGE LIMITED	SHOPPING	10,141,950	4	0.33%	6,880,010	9	0.24%
TOLL CT III LTD PARTENSHIP	REAL ESTATE	9,434,111	5	0.31%	8,215,160	7	0.29%
NEWTOWN ALF PROPERTY LLC	ASSISTED LIVING	7,700,820	6	0.25%			
M NEWTOWN ASSOC LTD PARTNERSHIP	REAL ESTATE	6,666,180	7	0.22%			
TUV RHEINLAND OF NORTH AMERICA INC	SERVICE GROUP	6,041,050	8	0.20%	7,783,110	8	0.27%
BARNABAS REALTY GROUP GEN PARTERSHIP	REAL ESTATE	5,869,610	9	0.19%			
NEWTOWN SAVINGS BANK	FINANCIAL SERVICES	5,819,559	10	0.19%			
TAUNTON PRESS INC	PRINTING	5,804,590	11	0.19%	12,351,350	4	0.43%
ETHAN ALLEN INC	MANUFACTURING	5,683,310	12	0.19%			
ADVANCED FUSION SYSTEMS LLC	MANUFACTURING	5,558,230	13	0.18%			
CHARTER COMMUNICATION ENTERTAINMENT	ENTERTAINMENT/COMM	5,523,152	14	0.18%			
CURTIS PACKAGING CORP	MANUFACTURING	5,473,970	15	0.18%	9,682,860	6	0.34%
TOTAL		<u>\$ 138,551,662</u>		<u>4.54%</u>	<u>\$ 79,084,240</u>		<u>2.78%</u>

Source: Town Assessor Department.

(1) Based on October 1, 2013 net taxable Grand List of \$3,052,897,841

(2) Based on October 1, 2004 net taxable Grand List of \$2,941,789,087

TABLE 8

TOWN OF NEWTOWN, CONNECTICUTTAX RATES, LEVIES AND CASH COLLECTIONS
LAST TEN YEARS
(UNAUDITED)

YEAR ENDED JUNE 30	(1) MILL RATE	GRAND LIST OF OCTOBER 1	TOTAL ADJUSTED TAX LEVY	NET CURRENT LEVY TAX COLLECTIONS	PERCENTAGE OF CURRENT TAXES COLLECTED	COLLECTIONS/ ADJUSTMENTS IN SUBSEQUENT YEARS	TOTAL COLLECTIONS	PERCENT OF LEVY COLLECTED	CURRENT DELINQUENT BALANCE
2006	26.10	2004	\$ 76,226,450	\$ 75,533,854	99.1%	\$ 677,017	\$ 76,210,871	100.0%	\$ 15,579
2007	27.30	2005	81,644,015	80,907,427	99.1%	714,644	81,622,071	100.0%	21,944
2008	28.10	2006	84,992,465	84,184,987	99.0%	782,924	84,967,911	100.0%	24,554
2009	23.20	2007	89,761,007	88,934,425	99.1%	717,837	89,652,262	99.9%	108,745
2010	23.43	2008	90,216,520	89,465,838	99.2%	635,535	90,101,373	99.9%	115,147
2011	24.00	2009	92,798,590	91,982,638	99.1%	680,051	92,662,689	99.9%	135,901
2012	24.37	2010	94,762,206	93,813,987	99.0%	790,437	93,813,987	99.0%	157,782
2013	24.54	2011	96,019,710	95,073,707	99.0%	761,895	95,073,707	99.0%	184,108
2014	33.32	2012	99,925,361	99,196,280	99.3%	519,394	99,715,674	99.8%	209,687
2015	33.31	2013	100,736,217	99,928,950	99.2%	-	99,928,950	99.2%	807,267

Source: Town audit reports.

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

(2) There is no overlapping tax rates.

TABLE 9

TOWN OF NEWTOWN, CONNECTICUT

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

YEAR ENDED JUNE 30	GOVERNMENTAL ACTIVITIES						BUSINESS-TYPE ACTIVITIES				PERCENTAGE OF PERSONAL INCOME	DEBT PER CAPITA
	GENERAL OBLIGATION BONDS	BOND PREMIUM	CLEAN WATER NOTES	DRINKING WATER NOTE	IMPROVEMENT NOTE	CAPITAL LEASES	GENERAL OBLIGATION BONDS	BOND PREMIUM	CLEAN WATER NOTES	TOTAL		
2006	\$ 57,658,900	\$ 543,642	\$ 3,048,371	\$ 171,738	\$ 1,044,000	\$ -	\$ 616,100	\$ 11,174	\$ 9,829,026	\$ 72,922,951	0.14%	\$ 2,701
2007	61,754,500	583,513	2,801,364		783,000		575,500	10,376	9,048,484	75,556,737	0.15%	2,779
2008	66,336,600	543,641	2,549,346	152,719	2,722,000		528,400	9,577	8,252,187	81,094,470	0.14%	3,027
2009	65,770,640	806,259	2,292,219	145,560	4,711,000	340,000	482,000	8,779	7,439,818	81,996,275	0.14%	3,089
2010	72,068,800	1,989,589	2,029,879	138,233		290,265	436,200		6,611,048	83,564,014	0.11%	3,799
2011	78,664,000	2,764,148	1,762,220	130,734		237,944	391,000		5,765,553	89,715,599	0.13%	3,250
2012	83,482,300	4,148,873	1,489,134	123,060		182,902	327,700	7,398	4,903,085	90,508,181	0.12%	3,238
2013	76,381,600	3,758,373	1,210,511	115,206		124,998	268,400	6,869	4,023,113	85,889,070	0.13%	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	0.14%	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	0.16%	2,598

NOTE: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.
There is no overlapping debt for the Town of Newtown.

TABLE 10**TOWN OF NEWTOWN, CONNECTICUT**RATIOS OF GENERAL DEBT OUTSTANDING
LAST TEN YEARS
(UNAUDITED)

YEAR ENDED JUNE 30	GENERAL DEBT OUTSTANDING				PERCENTAGE OF ACTUAL TAXABLE VALUE OF PROPERTY	DEBT PER CAPITA
	GOVERNMENTAL ACTIVITIES	BOND PREMIUM	NOTES	TOTAL		
2006	\$ 57,658,900	\$ 543,642	\$ 4,092,371	\$ 62,922,187	1.20%	\$ 2,331
2007	61,754,500	583,513	3,744,078	66,667,967	1.22%	2,423
2008	66,336,600	543,641	5,271,346	72,689,564	1.36%	2,689
2009	65,770,640	806,259	7,343,219	74,410,897	1.32%	2,814
2010	72,068,800	1,989,589	2,320,144	76,814,733	1.52%	2,873
2011	78,664,000	2,764,148	1,762,220	83,581,368	1.71%	3,028
2012	83,482,300	4,148,873	1,612,194	89,578,465	1.81%	3,044
2013	76,381,600	3,758,373	1,325,717	81,740,959	1.84%	2,966
2014	73,104,700	3,428,872	1,033,406	80,301,445	1.85%	2,914
2015	64,221,900	3,230,825	735,142	70,717,714	1.62%	2,515

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

There is no overlapping debt for the Town of Newtown.

TOWN OF NEWTOWN, CONNECTICUT

SCHEDULE OF DEBT LIMITATION
CONNECTICUT STATUTES, SECTION 7-374(b)
JUNE 30, 2015
(UNAUDITED)

TAX BASE:

Total tax collections (including interest and lien fees).....	\$ 100,797,648
Newtown Borough tax collections (including interest and lien fees).....	197,298
TOTAL BASE.....	\$ 100,994,946

	GENERAL PURPOSE	SCHOOLS	SEWERS	URBAN RENEWAL	PENSION DEFICIT
<u>DEBT LIMITATION:</u>					
2 1/4 times base.....	\$ 227,238,629	\$	\$	\$	\$
4 1/2 times base.....		454,477,257			
3 3/4 times base.....			378,731,048		
3 1/4 times base.....				328,233,575	
3 times base.....					302,984,838
TOTAL LIMITATIONS.....	227,238,629	454,477,257	378,731,048	328,233,575	302,984,838
<u>INDEBTEDNESS:</u>					
Bonds payable.....	26,977,620	37,120,380	123,900		
Less school building grants.....		(847,201)			
TOTAL INDEBTEDNESS.....	26,977,620	36,273,179	123,900	-	-
DEBT LIMITATION IN EXCESS OF OUTSTANDING DEBT.....	\$ 200,261,009	\$ 418,204,078	\$ 378,607,148	\$ 328,233,575	\$ 302,984,838

The total net indebtedness above amounts to: \$ 63,374,699

In no event shall total indebtedness exceed seven times the base for debt limitation computation: \$ 706,964,622

There is no overlapping debt for the Town of Newtown.

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

YEAR ENDED JUNE 30	DEBT LIMIT	NET DEBT APPLICABLE TO LIMIT	LEGAL DEBT MARGIN	TOTAL NET DEBT APPLICABLE
2006	\$ 1,287,562,986	\$ 51,762,146	\$ 1,235,800,840	4%
2007	1,374,049,585	56,328,321	1,317,721,264	4%
2008	1,430,495,510	60,935,764	1,369,559,746	4%
2009	1,509,951,699	64,664,689	1,445,287,010	4%
2010	1,515,556,298	88,231,088	1,427,325,210	6%
2011	650,703,801	86,047,927	564,655,874	13%
2012	663,291,993	81,074,943	582,217,050	12%
2013	674,434,558	74,516,848	599,917,710	11%
2014	706,209,245	71,751,326	634,457,919	10%
2015	706,964,622	63,374,699	643,589,923	9%

There is no overlapping debt for the Town of Newtown.

TABLE 13

TOWN OF NEWTOWN, CONNECTICUT

DEMOGRAPHIC STATISTICS
LAST TEN YEARS
(UNAUDITED)

YEAR ENDED JUNE 30	(1) POPULATION	(5) PERSONAL INCOME	(2) PER CAPITA INCOME	(5) MEDIAN AGE	EDUCATION LEVEL IN YEARS OF SCHOOLING	(3) SCHOOL ENROLLMENT	(4) UNEMPLOYMENT PERCENTAGE
2006	26,996	\$ 99,192	\$ 37,786	N/A	N/A	5,648	2.6%
2007	27,034	110,346	37,786	N/A	N/A	5,668	2.9%
2008	26,790	110,346	37,786	40	N/A	5,628	4.9%
2009	26,441	114,719	37,786	37.5	49.8% at least 4 years of college	5,580	5.4%
2010	26,737	114,673	37,786	37.5	49.8% at least 4 years of college	5,490	6.6%
2011	27,605	114,673	37,783	40.3	53% bachelor's degree or more	5,451	6.9%
2012	27,953	113,067	38,855	39	53% bachelor's degree or more	5,298	6.5%
2013	27,560	114,695	42,918	39	59.33% bachelor's degree or more	5,126	6.6%
2014	27,560	116,024	47,221	39	94.3% H.S. degree or more	4,880	6.5%
2015	28,113	116,489	48,556	44.2	95.4% H.S. degree or more	4,747	4.6%

(1) Source: State of Connecticut, Department of Health, 2010 Population - U.S. Bureau of Census.

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

(3) Connecticut Department of Education.

(4) Connecticut Labor Department - Research and Statistics.

(5) 2008-2012 American Community Survey.

N/A - Information not available.

TABLE 14

TOWN OF NEWTOWN, CONNECTICUT

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(UNAUDITED)

EMPLOYER	2015			2006		
	EMPLOYEES	RANK	PERCENTAGE OF TOTAL TOWN EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL TOWN EMPLOYMENT
TOWN OF NEWTOWN BOARD OF EDUCATION.....	805	1	5.9%	850	1	6.3%
MASONICARE OF NEWTOWN.....	275	2	2.0%			0.0%
STATE OF CT - DEPT OF CORRECTIONS.....	260	3	1.9%	410	2	
CHARTER COMMUNICATIONS.....	200	4	1.5%	160	10	1.2%
HUBBELL WIRING DEVICES.....	180	5	1.3%	281	6	2.1%
TAUNTON PRESS.....	170	6	1.2%	285	5	2.1%
TOWN OF NEWTOWN.....	163	7	1.2%	169	9	1.3%
BIG Y.....	140	8	1.0%	160	11	1.2%
CARALUZZI'S MARKET.....	140	9	1.0%			
VODAFONE.....	130	10	0.9%	307	4	2.3%
NEWTOWN SAVINGS BANK.....	125	11	0.9%			
CURTIS PACKAGING.....	120	12	0.9%	177	8	1.3%
STOP & SHOP.....	112	13	0.8%	132	12	1.0%
MAPLEWOODS.....	105	14	0.8%			
SONICS & MATERIALS.....	75	15	0.5%	65	16	
PITNEY BOWES.....				402	3	3.0%
ASHLAR OF NEWTOWN.....				253	7	1.9%
CL&P.....				120	13	0.9%
RAND-WHITNEY.....				76	14	0.6%
TUV RHEINLAND.....				70	15	0.5%
TOTAL.....	<u>3,000</u>		<u>21.3%</u>	<u>3,917</u>		<u>18.8%</u>

TABLE 15

TOWN OF NEWTOWN, CONNECTICUT

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

FUNCTION / PROGRAM	FULL - TIME EMPLOYEES AS OF JUNE 30									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
GENERAL GOVERNMENT:										
Selectmen.....	3	3	3	3	3	3	3	4	4	4
Finance.....	5	5	5	5	5	5	5	5	5	5
Parks and recreation.....	17	17	17	17	16	16	16	16	17	15
Town Clerk.....	4	4	4	4	4	4	4	4	4	4
Senior Center.....	2	3	3	3	3	3	3	3	2	1
Registrars.....	2	2	2	2	2	2	2	2	2	2
Tax Collector.....	4	4	4	5	5	5	5	5	5	4
Tax Assessor.....	3	4	4	3	4	4	4	4	4	4
Social Services.....	2	2	2	2	2	2	2	2	2	1
POLICE:										
Officers.....	45	45	45	46	47	47	47	46	41	42
Civilians.....	4	4	4	4	5	5	5	5	5	4
Canine Control.....	2	2	2	2	2	2	2	2	2	2
FIRE:										
Fire Marshall.....	3	3	3	3	3	3	3	3	2	2
PUBLIC WORKS:										
Engineering.....	2	2	2	2	2	2	2	2	2	2
Highway.....	37	38	37	37	40	39	44	40	42	40
Landfill.....	3	3	3	3	3	3	3	3	3	3
Building.....	5	5	5	5	6	6	7	6	6	6
LAND USE.....	6	6	6	6	6	5	6	5	7	7
EMERGENCY COMMUNICATIONS.....	10	10	10	10	11	11	11	11	11	11
EDUCATION.....	786	759	751	717	730	737	743	744	730	699
TOTAL.....	945	921	912	879	899	904	917	912	896	858

SOURCE: Town Budget.

TABLE 16
(1 of 2)

TOWN OF NEWTOWN, CONNECTICUT

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

FUNCTION / PROGRAM	FISCAL YEAR ENDED JUNE 30									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<u>GOVERNMENTAL ACTIVITIES</u>										
PUBLIC SAFETY:										
Fire: All volunteer										
Total incidents.....	1,718	1,073	1,271	1,757	1,353	1,245	1,258	1,313	1,444	1,227
Rescue/medical calls.....	33	98	33	54	164	184	235	216	175	134
Police:										
Number of calls.....	26,796	24,701	22,540	25,515	19,848	21,208	20,285	19,177	18,374	16,743
Total 911 calls received.....	7,098	7,078	6,983	8,080	7,417	6,704	6,413	7,084	7,261	n/a
Formal investigations.....	2,077	2,202	2,259	2,536	2,873	3,119	3,080	3,187	3,158	3,443
TOWN CLERK:										
Number of documents recorded.....	6,276	5,562	6,521	6,732	6,328	5,056	5,507	6,041	7,767	8,623
HEALTH AND WELFARE:										
Number of food service facilities inspection:	108	114	129	129	115	121	103	99	98	95
New homes built.....	19	18					9	23	53	70
Number of soil tests.....	111	164	94	123	91	113				
Number of new septic permits.....	19	12	17	31	14	16				
Number of septic repairs.....	83	83	74	79	58	84				
Number of well permits.....	53	49	48	49	48	33				
LAND USE:										
Total subdivisions approved.....	2	3	3	1	2	0	3	10	5	13
Total commercial applications approved...	5	4	4	1	4	7	10	12	13	11
BUILDING:										
Residential permits issued.....	1,744	1,816	1,698	1,832	1,316	1,286	1,277	1,510	1,803	1,692
Commercial permits issued.....	275	217	215	202	194	221	194	214	170	197
PUBLIC WORKS:										
Streets (miles)	276.27	275.83	275.83	275.66	263.07	256.03	256.03	255.05	250.41	250.41
Accepted Town roads.....	255.99	255.88	255.88	255.71	245.39	237.54	237.54	236.56	234.90	234.90
Private roads.....	18.88	18.88	18.88	18.88	17.68	15.51	15.51	15.51	15.51	15.51
Roads under construction (maintained) by Town	1.07	1.07	1.07	1.07	N/A	N/A	N/A	N/A	N/A	4.99
Sidewalks (miles)	2.98	2.98	2.98	2.98	2.98	2.98	2.98	2.98	2.98	2.98

(Continued)

TABLE 16
(2 of 2)

TOWN OF NEWTOWN, CONNECTICUT

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

FUNCTION / PROGRAM	FISCAL YEAR ENDED JUNE 30									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
EDUCATION:										
Enrollment:										
High School Grades 9-12.....	1,738	1,716	1,764	1,744	1,729	1,730	1,704	1,719	1,714	1,688
Middle School Grades 7-8.....	833	857	893	871	897	896	929	930	890	896
Intermediate School Grades 5-6.....	731	788	819	878	983	861	964	948	971	913
Elementary Schools Grades Pre K-4....	1,445	1,519	1,650	1,805	1,840	1,915	1,983	2,031	2,093	2,151
 <u>BUSINESS-TYPE ACTIVITIES</u>										
WATER FUND:										
Water mains (miles).....	6	6	6	6	6	6	6	6	9	9
Fire hydrants.....	47	53	53	53	53	53	47	47	47	47
Storage capacity (thousands of gallons).....	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
SEWER FUND:										
Sewer mains (miles).....	24.22	24.22	24.22	24.22	24.22	24.22	24.22	24.22	24.22	24.22
Treatment capacity (thousands of gallons)	9.32	932	932	932	932	932	932	932	932	932

(Concluded)

SOURCES: Various Town Departments

N/A - Information not available.

TABLE 17

TOWN OF NEWTOWN, CONNECTICUTCAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN YEARS
(UNAUDITED)

FUNCTION / PROGRAM	FISCAL YEAR ENDED JUNE 30									
	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<u>GOVERNMENTAL ACTIVITIES</u>										
PARKS AND RECREATION:										
Acreage (includes all open space).....	2,103	2,102	2,100	2,100	2,100	2,100	2,100	1,866	1,866	1,866
Playgrounds.....	10	10	10	10	11	11	11	13	13	13
Baseball fields.....	13	13	13	14	14	14	14	15	14	14
Softball fields.....	9	9	9	9	9	9	9	8	8	8
Multi-purpose fields.....	20	20	20	20	20	20	20	20	18	18
Senior Center.....	1	1	1	1	1	1	1	1	1	1
Skate Park.....	1	1	1	1						
Dog Park.....	1	1								
PUBLIC SAFETY:										
Fire Stations	5	5	5	5	5	5	5	5	5	5
Police department:										
Stations.....	1	1	1	1	1	1	1	1	1	1
Number of patrol officers.....	30	31	30	31	32	32	32	33	29	28
PUBLIC WORKS:										
Highway department:										
Streets (miles).....	276.27	275.83	275.83	275.66	263.07	256.03	256.03	255.05	250.41	250.41
Sidewalks (miles).....	2.98	2.98	2.98	2.98	2.98	2.98	2.98	2.98	2.98	2.98
TRANSFER STATION:										
Number of transfer stations.....	1	1	1	1	1	1	1	1	1	1
EDUCATION:										
Number of High Schools.....	1	1	1	1	1	1	1	1	1	1
Number of Middle Schools.....	1	1	1	1	1	1	1	1	1	1
Intermediate School.....	1	1	1	1	1	1	1	1	1	1
Number of Elementary Schools.....	4	4	4	4	4	4	4	4	4	4
<u>BUSINESS-TYPE ACTIVITIES</u>										
WATER FUND:										
Water mains (miles).....	6	6	6	6	6	6	6	6	6	9
Fire hydrants.....	47	47	47	47	47	47	47	47	47	47
Storage capacity (thousands of gallons).....	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
SEWER FUND:										
Sewer mains (miles).....	24.22	24.22	24.22	24.22	24.22	24.22	24.22	24.22	24.22	24.22
Treatment capacity (thousands of gallons)	932.00	932.00	932.00	932.00	932.00	932.00	932.00	932.00	932.00	932.00

SOURCES: Various Town Departments.