

McGladrey & Pullen

Certified Public Accountants

TOWN OF STONINGTON, CONNECTICUT

FINANCIAL REPORT

JUNE 30, 2009

TOWN OF STONINGTON, CONNECTICUT

FINANCIAL REPORT

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TOWN OF STONINGTON, CONNECTICUT

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Financial Section

INDEPENDENT AUDITOR'S REPORT

To the Board of Finance
Town of Stonington, Connecticut

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Stonington, Connecticut, (the "Town") as of and for the year ended June 30, 2009, which collectively comprises the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Stonington, Connecticut's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in "Government Auditing Standards", issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Stonington, Connecticut as of June 30, 2009, 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 conformity with accounting principles generally accepted in the United States of America.

As described in Note 13 to the basic financial statements, the Town adopted GASB Statement 45 as of July 1, 2008.

In accordance with "Government Auditing Standards," we have also issued our report dated December 14, 2009 on our consideration of the Town of Stonington, Connecticut's internal control over financial reporting and 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" and should be considered in assessing the results of our audit.

The management discussion and analysis on pages 3 through 10 and the schedules of funding progress on page 57 are not a required part of the basic financial statements, but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The budgetary detail, combining and individual nonmajor fund statements and schedule, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The budgetary detail, combining and individual nonmajor fund statements and schedule have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

McGladrey & Pullen, LLP

New Haven, Connecticut
December 14, 2009

**Town of Stonington, Connecticut
Managements Discussion and Analysis
June 30, 2009**

As management of the Town of Stonington, Connecticut, we offer readers of the Town of Stonington's financial statements this narrative overview and analysis of the financial activities of the Town of Stonington for the fiscal year ended June 30, 2009

Financial Highlights

- ♦ The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$100,568,640. (net assets).
- ♦ The Town's total net assets increased by \$3,777,012.
- ♦ As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$16,721,488, an increase of \$265 in comparison with the prior year.
- ♦ At the end of the current fiscal year, unreserved/undesignated fund balance for the general fund was \$10,247,329, or 19.3% of total general fund budgetary expenditures and transfers.
- ♦ The Town of Stonington's total long-term debt decreased by \$3,042,369 (7.28%) during the current fiscal year. The key factor for this decrease was the principle payments on current debt, a debt refunding and no issuance of new bonds.

Overview of the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town of Stonington's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements.

Government-wide Financial Statements

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

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

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

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The

governmental activities of the Town include general government, public safety, public works, sanitation and waste removal, public health and welfare, library, recreation, education, and interest expense.

Fund financial statements

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

Governmental funds

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

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

The Town maintains 29 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 (deficits) for the General Fund, Bonded Projects and Capital Nonrecurring Fund which are considered to be major funds. Data from the other 26 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Town adopts an annual budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

Proprietary funds

The Town maintains 1 type of proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses internal service funds to account for its self-insured medical benefits. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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.

Notes to the basic financial statements

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

Other information

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

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

TOWN OF STONINGTON, CONNECTICUT STATEMENT OF NET ASSETS June 30, 2009 and 2008

	Governmental Activities	
	2009	2008
Current and other assets	\$ 25,315,900	\$ 24,569,210
Capital assets and other long-term assets	121,945,031	121,641,498
Total assets	147,260,931	146,210,708
Long-term liabilities	38,389,792	41,503,958
Other liabilities	8,302,499	7,915,122
Total liabilities	46,692,291	49,419,080
Net assets:		
Invested in capital assets, net of related debt	83,778,472	79,816,672
Restricted for endowments	165,030	210,057
Unrestricted	16,625,138	16,764,899
Total net assets	\$ 100,568,640	\$ 96,791,628

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Town, assets exceeded liabilities by \$100,568,640 at the close of the most recent fiscal year.

By far the largest portion of the Town's net assets (83.30%) reflects its investment in capital assets (e.g., land, improvements, buildings, machinery, equipment and vehicles); less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A small portion of the Town's net assets, .2%, represents resources that are subject to external restrictions on how they may be used.

The remaining balance, or 16.50%, is unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town is able to report positive balances in the three categories of net assets, for the Town as a whole.

TOWN OF STONINGTON, CONNECTICUT
STATEMENTS OF CHANGES IN NET ASSETS
For the Years Ending June 30, 2009 and 2008

	Governmental Activities	
	2009	2008
Revenues:		
Program revenues:		
Charges for services	\$ 6,327,188	\$ 6,813,631
Operating grants and contributions	7,086,405	7,019,039
Capital grants and contributions	1,228,228	148,937
General revenues:		
Property taxes	47,149,126	46,834,683
Investment earnings	408,849	962,047
Miscellaneous	59,729	100,806
Total revenues	62,259,525	61,879,143
Expenses:		
General government	7,022,960	8,237,984
Public safety	4,478,444	3,800,209
Public works	2,537,942	2,777,352
Sanitation and waste removal	5,504,529	6,124,733
Public health and welfare	581,805	672,159
Library	450,316	267,159
Recreation	153,603	128,473
Education	35,561,107	33,693,404
Interest on long-term debt	2,191,807	1,770,955
Total expenses	58,482,513	57,472,428
Increase in net assets	3,777,012	4,406,715
Net Assets, beginning	96,791,628	92,384,913
Net assets - ending	\$ 100,568,640	\$ 96,791,628

Governmental activities

For governmental activities, approximately 75.73% of revenues were derived from property taxes, followed by 23.52% from program income, .66% from investment earnings, and finally approximately .09% of the Town's revenue was derived from miscellaneous sources of income.

Major revenue factors included:

- ♦ Property tax revenues recorded during the fiscal year reflect a decrease in the mill rate from 15.14 to 15.10, a .26% decrease.
- ♦ Operating grants and contributions increased slightly due to additional grants for general government purposes.
- ♦ Capital grants increased due to a grant for the construction of a Senior Center Addition as well as a streetscape project in the Pawcatuck section of Stonington.

For governmental activities, approximately 60.81% of the Town's expenditures relates to education, 12.00% to general government, 9.41% to sanitation and waste removal, 7.66% to public safety, 4.34% to public works, 3.75% to interest on long-term debt, .99% to public health and welfare, .77% to library and .27% to recreation.

- ♦ Education expenditures in the General Fund increased by 5.5% from \$33.7 million to \$35.6 million due to increases in salaries and special education costs.
- ♦ Employee benefits costs increased due to rising health insurance costs.

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 expendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a Town's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$16,721,488 an increase of \$265 in comparison with the prior year. \$15,503,006, or 92.7%, of this total amount constitutes unreserved/undesignated fund balance.

The remainder of fund balance is reserved or designated to indicate that it is not available for new spending because it has already been committed for the following:

1. Reserved to liquidate purchase orders of the prior period (\$387,514).
2. Reserved for sewer debt service (\$253,809).
3. Reserved for endowment restricted purposes (\$165,030).
4. Designated for subsequent year's budget (\$412,129).

The general fund is the operating fund of the Town. At the end of the current fiscal year, unreserved/undesignated fund balance of the general fund was \$10,247,329, while total fund balance reached \$11,046,972. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved/undesignated fund balance represents 19.3% of total general fund budgetary expenditures and transfers, while total fund balance represents 20.83% of that same amount.

During the current fiscal year, the fund balance of the Town's general fund increased by \$846,307. Key factors in this growth are as follows:

- ♦ Refunding of bonds provided a savings of approximately \$76,000
- ♦ The Solid Waste department's expenditures were approximately \$267,000 less than budgeted due to less tonnage being brought to Preston. The Police department also spent less than was budgeted by approximately \$101,000 primarily due to savings in salaries.
- ♦ The remainder is attributable to similar situation in other departments.

The Capital Nonrecurring Fund had a small increase in its fund balance in the amount of \$101,170.

The Bonded Project Fund has a slight decrease in fund balance of \$31,420.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was \$16,300. The difference between the original budget and the final budget is due to additional appropriations approved by the Board of Finance.

The increase was to be budgeted from available fund balance. During the year, however, expenditures were less than budgetary estimates, thus eliminating the need to draw upon existing fund balance.

Capital Assets and Debt Administration

Capital assets

The Town's investment in capital assets for its governmental activities as of June 30, 2009, amounts to \$121,945,031 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery, equipment, infrastructure and vehicles.

Following are the major capital asset events during the current fiscal year:

- ♦ Construction was started on several projects throughout the Town, such as the Senior Center Addition, Pawcatuck Streetscape Project, Town Dock Ice Machine and several other small projects.

TOWN OF STONINGTON, CONNECTICUT
CAPITAL ASSETS (Net of Depreciation)
June 30, 2009 and 2008

	Governmental Activities	
	2009	2008
Land	\$ 11,028,391	\$ 11,028,391
Land and building improvements	6,921,255	7,450,997
Buildings and sewer system	42,623,011	43,672,457
Machinery and equipment	1,694,698	1,830,531
Vehicles	885,068	1,041,966
Infrastructure	55,552,556	55,772,867
Construction in Progress	3,240,052	844,289
Total	\$ 121,945,031	\$ 121,641,498

TOWN OF STONINGTON, CONNECTICUT
OUTSTANDING DEBT
June 30, 2009 and 2008

	Governmental Activities	
	2009	2008
General Obligation Bonds and Loans	\$ 38,782,457	\$ 41,824,826

During the current fiscal year, the Town's total long term debt decreased by \$3,042,369 (7.28%). The key factor for this decrease was the principle payments on current debt, a bond refunding and no issuance of new bonds.

In February 2009, Moody's upgraded the Town's credit rating from a "Aa3" to a "Aa2" for general obligation debt.

State Statutes limit the amount of general obligation debt a governmental entity may issue to 7 times total tax collections including interest and lien fees and the tax relief for elderly freeze grant. The current debt limitation for the Town is \$328,283,193 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 Note 8.

Economic Factors and Next Year's Budgets and Rates

- ♦ As of October 2009, the unemployment rate for the Town was at 5.9%, which compares favorably to the state's average unemployment rate of 8.3% and a national unemployment rate of 9.5%.
- ♦ Interest rates continue to drop therefore in preparing the 2009-10 budget an interest rate of 1.0% was used to project interest income.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Director of Finance, Maryanna Stevens, CPA, Town of Stonington, 152 Elm Street, Stonington, CT 06378.

Basic Financial Statements

TOWN OF STONINGTON, CONNECTICUT

STATEMENT OF NET ASSETS

June 30, 2009

	Governmental Activities
<hr/>	
ASSETS	
Cash and cash equivalents	\$ 21,139,235
Investments	709,536
Receivables:	
Property taxes	817,182
Charges for services	422,619
Assessments/user charges	1,136,279
Intergovernmental	898,283
Other assets	26,037
Net pension asset	166,729
Capital assets, not being depreciated	14,268,443
Capital assets, net of accumulated depreciation	107,676,588
Total assets	<hr/> 147,260,931 <hr/>
 LIABILITIES	
Accounts payable and accrued liabilities	4,023,188
Accrued interest payable	363,724
Unearned revenue	92,868
Advance tax collections	3,472
Noncurrent Liabilities:	
Long-term liabilities due within one year	3,819,247
Due in more than one year	38,389,792
Total liabilities	<hr/> 46,692,291 <hr/>
 NET ASSETS	
Invested in capital assets, net of related debt	83,778,472
Restricted for endowments	165,030
Unrestricted	16,625,138
Total net assets	<hr/> \$ 100,568,640 <hr/>

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

TOWN OF STONINGTON, CONNECTICUT

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2009

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for	Operating	Capital	Revenue and
		Services	Grants and	Grants and	Changes in
			Contributions	Contributions	Net Assets
					Total
					Governmental
					Activities
Primary government:					
Governmental activities:					
General government	\$ (7,022,960)	\$ 597,524	\$ 1,294,076	\$ 894,780	\$ (4,236,580)
Public safety	(4,478,444)	184,485	255,359	-	(4,038,600)
Public works	(2,537,942)	429,827	165,906	148,727	(1,793,482)
Sanitation and waste removal	(5,504,529)	4,313,708	-	-	(1,190,821)
Public health and welfare	(581,805)	21,988	-	-	(559,817)
Library	(450,316)	5,575	-	-	(444,741)
Recreation	(153,603)	95,559	19,275	-	(38,769)
Education	(35,561,107)	678,522	5,351,789	184,721	(29,346,075)
Interest on long-term debt	(2,191,807)	-	-	-	(2,191,807)
Total governmental activities	\$ (58,482,513)	\$ 6,327,188	\$ 7,086,405	\$ 1,228,228	(43,840,692)
General revenues:					
					47,149,126
					59,729
					408,849
					47,617,704
					3,777,012
					96,791,628
					\$ 100,568,640

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

TOWN OF STONINGTON, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2009

	Major Funds				Total Governmental Funds
	General Fund	Bonded Projects Fund	Capital Nonrecurring Fund	Other Nonmajor Governmental Funds	
Assets					
Cash and cash equivalents	\$ 12,767,064	\$ -	\$ 3,006,958	\$ 4,390,236	\$ 20,164,258
Investments	-	-	177,564	-	177,564
Receivables (net of allowances for collection losses):					
Property taxes	817,182	-	-	-	817,182
Assessments/user charges	-	-	-	1,136,279	1,136,279
Intergovernmental	168,423	550,000	-	179,860	898,283
Charges for services	422,619	-	-	-	422,619
Due from other funds	1,548,703	-	3,500	493,947	2,046,150
Other assets	26,037	-	-	-	26,037
Total assets	\$ 15,750,028	\$ 550,000	\$ 3,188,022	\$ 6,200,322	\$ 25,688,372
Liabilities					
Accounts payable and accrued liabilities	\$ 2,114,156	-	149,602	\$ 1,237,727	\$ 3,501,485
Advanced tax collections	3,472	-	-	-	3,472
Unearned revenues	-	-	-	92,868	92,868
Deferred revenue	871,080	550,000	-	660,344	2,081,424
Due to other funds	1,714,348	805,889	106,160	661,238	3,287,635
Total liabilities	4,703,056	1,355,889	255,762	2,652,177	8,966,884
Fund balances (deficit)					
Reserved for:					
Encumbrances	387,514	-	-	-	387,514
Debt service	-	-	-	253,809	253,809
Endowments	-	-	-	165,030	165,030
Unreserved, designated for:					
Subsequent year's budget	412,129	-	-	-	412,129
Unreserved, undesignated, reported in:					
General fund	10,247,329	-	-	-	10,247,329
Special revenue funds	-	-	-	1,728,716	1,728,716
Capital projects funds	-	(805,889)	2,932,260	-	2,126,371
Debt service fund	-	-	-	1,400,590	1,400,590
Total fund balances (deficit)	11,046,972	(805,889)	2,932,260	3,548,145	16,721,488
Total liabilities and fund balances (deficit)	\$ 15,750,028	\$ 550,000	\$ 3,188,022	\$ 6,200,322	

Amounts reported for governmental activities in the statement of
net assets are different because:

Capital assets used in governmental activities are not financial
resources and, therefore, are not reported in the funds.

121,945,031

Deferred revenue

2,081,424

Accrued interest payable

(363,724)

Pension asset

166,729

Internal service funds are used by management to charge the costs of
health insurance premiums to individual funds. The assets and
liabilities of the internal service funds are included in governmental
activities in the statement of net assets.

2,226,731

Long-term liabilities, including bonds payable, are not due and payable
in the current period and therefore are not reported in the funds.

(42,209,039)

Net assets of governmental activities

\$ 100,568,640

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

TOWN OF STONINGTON, CONNECTICUT

**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) -
GOVERNMENTAL FUNDS**
For the Year Ended June 30, 2009

	Major Funds			Other	Total
	General	Bonded	Capital	Nonmajor	Total
	Fund	Projects	Nonrecurring	Governmental	Governmental
	Fund	Fund	Fund	Funds	Funds
REVENUES					
Property taxes	\$ 46,864,073	\$ -	\$ -	\$ -	\$ 46,864,073
Intergovernmental revenues	5,143,191	-	-	3,321,254	8,464,445
Income from investments	304,984	-	23,991	79,874	408,849
Charges for services and assessments	2,879,603	-	46,292	3,239,550	6,165,445
Other	51,468	-	-	8,261	59,729
Total revenues	55,243,319	-	70,283	6,648,939	61,962,541
EXPENDITURES					
Current:					
General government	6,411,295	-	-	2,055,307	8,466,602
Public safety	3,898,602	-	-	441,910	4,340,512
Highway	1,919,478	-	-	350,465	2,269,943
Sanitation and waste removal	2,579,321	24,194	-	2,559,288	5,162,803
Human services	377,129	-	-	-	377,129
Social services	194,929	-	-	-	194,929
Recreation	90,027	-	-	63,576	153,603
Libraries	294,610	-	-	-	294,610
Payments to other civic divisions	155,706	-	-	-	155,706
Education	32,561,493	-	-	1,861,290	34,422,783
Debt service:					
Principal	3,728,267	-	-	-	3,728,267
Interest	1,583,315	-	-	113,881	1,697,196
Capital outlay	-	7,226	764,848	-	772,074
Total expenditures	53,794,172	31,420	764,848	7,445,717	62,036,157
Revenue over (under) expenditures	1,449,147	(31,420)	(694,565)	(796,778)	(73,616)
OTHER FINANCING SOURCES (USES)					
Issuance of refunding bonds	-	-	-	7,525,000	7,525,000
Premiums on refunding	-	-	-	483,864	483,864
Payments made to escrow	-	-	-	(7,894,983)	(7,894,983)
Transfers in	802,895	-	895,735	570,690	2,269,320
Transfers out	(1,405,735)	-	(100,000)	(803,585)	(2,309,320)
Total other financing sources (uses)	(602,840)	-	795,735	(119,014)	73,881
Net change in fund balances (deficits)	846,307	(31,420)	101,170	(915,792)	265
FUND BALANCES (DEFICIT), beginning	10,200,665	(774,469)	2,831,090	4,463,937	16,721,223
FUND BALANCES (DEFICIT), ending	\$ 11,046,972	\$ (805,889)	\$ 2,932,260	\$ 3,548,145	\$ 16,721,488

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

TOWN OF STONINGTON, CONNECTICUT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (DEFICITS) OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES For the Year Ended June 30, 2009

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances – total governmental funds	\$	265
--	----	-----

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 depreciation exceeded capital outlays in the current period.	303,533
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Changes in revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	296,986
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Change in net pension asset	74,142
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The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	3,113,983
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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.	20,563
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The net loss of certain activities of internal service funds is reported with governmental activities.	(32,460)
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Change in net assets of governmental activities	\$	<u>3,777,012</u>
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The notes to the financial statements are an integral part of this statement.

TOWN OF STONINGTON, CONNECTICUT

STATEMENT OF REVENUES AND EXPENDITURES - BUDGETARY BASIS - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended June 30, 2009

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary	Final Budget
			Basis	Positive
				(Negative)
REVENUES				
Property taxes, interest and lien fees	\$ 46,381,252	\$ 46,381,252	\$ 46,864,073	\$ 482,821
Intergovernmental revenues	2,950,987	2,950,987	2,907,208	(43,779)
Revenues from the use of money and property	474,500	474,500	304,983	(169,517)
Charges for services	2,233,200	2,233,200	2,397,749	164,549
Licenses and permits	1,003,000	1,003,000	695,068	(307,932)
Fines and forfeits	16,500	16,500	11,800	(4,700)
Total revenues	53,059,439	53,059,439	53,180,881	121,442
EXPENDITURES				
General government	7,265,245	7,188,768	6,876,586	312,182
Public safety	4,000,103	4,006,903	3,905,770	101,133
Highway department	2,044,856	2,130,833	2,124,442	6,391
Sanitation and waste removal	2,862,634	2,862,634	2,594,924	267,710
Human services	394,173	394,173	389,587	4,586
Social services	171,929	171,929	171,729	200
Recreation	95,252	95,252	95,022	230
Libraries	294,610	294,610	294,610	-
Payments to other civil divisions	155,706	155,706	155,706	-
Education	30,296,702	30,296,702	30,230,318	66,384
Debt service	5,388,397	5,388,397	5,311,585	76,812
Total expenditures	52,969,607	52,985,907	52,150,279	835,628
Revenue over expenditures	89,832	73,532	1,030,602	957,070
OTHER FINANCING SOURCES (USES)				
Cancellation of prior year encumbrances	-	-	78,022	78,022
Transfers out	(895,735)	(895,735)	(895,735)	-
Use of fund balance	265,592	281,892	-	(281,892)
Debt service offset	540,311	540,311	540,311	-
Total other financing sources (uses)	(89,832)	(73,532)	(277,402)	(203,870)
Revenues and other financing sources over expenditures and other financing uses	\$ -	\$ -	\$ 753,200	\$ 753,200

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

TOWN OF STONINGTON, CONNECTICUT

STATEMENT OF NET ASSETS - PROPRIETARY FUND

June 30, 2009

	Governmental Activities Internal Service Fund <hr/> Medical Self- Insurance Fund <hr/>
ASSETS	
Current assets:	
Cash	\$ 974,977
Investments	531,972
Due from other funds	1,202,563
Total current assets	<hr/> 2,709,512 <hr/>
LIABILITIES	
Current liabilities:	
Accounts payable and accrued expenses	<hr/> 482,781 <hr/>
NET ASSETS	
Unrestricted	2,226,731
Total net assets	<hr/> \$ 2,226,731 <hr/>

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

TOWN OF STONINGTON, CONNECTICUT

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS -
PROPRIETARY FUND**

For the Year Ended June 30, 2009

	Governmental Activities Internal Service Fund <hr/> Medical Self- Insurance Fund <hr/>
OPERATING REVENUES	
Charges for services	\$ 5,880,399 <hr/>
OPERATING EXPENSES	
Benefits and claims	5,788,169
Administration	178,284 <hr/>
Total operating expenses	5,966,453 <hr/>
Operating loss	(86,054) <hr/>
NONOPERATING REVENUES (EXPENSES)	
Interest on investments	16,944
Net depreciation in fair value of investments	(3,350) <hr/>
Total nonoperating revenue (expenses)	13,594 <hr/>
Operating loss before transfers	(72,460)
Transfers in	40,000 <hr/>
Change in net assets	(32,460)
FUND NET ASSETS, beginning	2,259,131 <hr/>
FUND NET ASSETS, ending	\$ 2,226,671 <hr/> <hr/>

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

TOWN OF STONINGTON, CONNECTICUT

STATEMENT OF CASH FLOWS - PROPRIETARY FUND

For the Year Ended June 30, 2009

	Governmental Activities Internal Service Fund Medical Self- Insurance Fund
Cash Flows From Operating Activities	
Cash received from charges for services	\$ (5,305,116)
Cash paid for claims	(5,868,072)
Net cash used in operating activities	<u>(562,956)</u>
Cash Flows From Noncapital Financing Activities	
Transfers in	40,000
Net cash provided by noncapital financing activities	<u>40,000</u>
Cash Flows From Investing Activities	
Interest on cash and cash equivalents	16,944
Purchase of investments	(88,325)
Net cash used in investing activities	<u>(71,381)</u>
Net decrease in cash and cash equivalents	(594,337)
Cash and Cash Equivalents	
Beginning	<u>1,569,314</u>
Ending	<u><u>\$ 974,977</u></u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities	
Operating loss	\$ (86,054)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Changes in assets and liabilities:	
Decrease in accounts receivable	130,556
Increase in due from other funds	(705,839)
Increase in accounts payable	98,381
Net cash used in operating activities	<u><u>\$ (562,956)</u></u>

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

TOWN OF STONINGTON, CONNECTICUT

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

June 30, 2009

	Pension Trust Fund	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 1,110,100	\$ 410,609
Investments - at fair value	14,359,622	-
Due from other funds	-	38,922
Total assets	15,469,722	449,531
LIABILITIES		
Due to others	-	449,531
Total liabilities	-	449,531
Net Assets Held in Trust for Pension Benefits	\$ 15,469,722	\$ -

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

TOWN OF STONINGTON, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

For the Year Ended June 30, 2009

	Pension Trust Fund
Additions	
Contributions:	
Employer	\$ 921,498
Employee	230,642
Total contributions	<u>1,152,140</u>
Investment income:	
Net depreciation in fair value of investments	(2,481,976)
Interest and dividends	682,747
Total investment income (loss)	<u>(1,799,229)</u>
Less investment expense	76,659
Net investment earnings (losses)	<u>(1,875,888)</u>
Total additions (losses)	<u>(723,748)</u>
Deductions	
Benefits	988,587
Administration	10,849
Total deductions	<u>999,436</u>
Change in net assets	(1,723,184)
Net Assets Held in Trust, July 1, 2008	<u>17,192,906</u>
Net Assets Held in Trust, June 30, 2009	<u><u>\$ 15,469,722</u></u>

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

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS June 30, 2009

Note 1. Summary of Significant Accounting Policies

Reporting entity

The Town of Stonington, Connecticut (the "Town") is located in the southeastern corner of Connecticut, bordering Rhode Island to the east, Long Island Sound to the south and Groton, Ledyard and North Stonington to the west and north. The Town, which covers 42.7 square miles, was settled in 1649. The Town operates under a Selectmen-Town Meeting form of government as prescribed by the Connecticut General Statutes and its charter, which was adopted November 7, 1989. The Town provides the following services as authorized by its charter: public safety (police and fire), public works (streets and highways), sanitation, culture and recreation, planning, zoning, public health and social services, sewers and water, a free public library and education encompassing grades pre-K through 12.

Accounting principles generally accepted in the United States of America (GAAP) require that the reporting entity include (1) the primary government, (2) organizations for which the primary government is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided in Governmental Accounting Standards Board Codification Section 2100 have been considered and there are no agencies or entities which should be presented with the Town.

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the non-fiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are 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 fund 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 are reported as separate columns in the fund financial statements.

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

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 funds and the fiduciary fund financial statements. 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 when levied for. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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 revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, landfill closure costs, and claims and judgments, are recorded only when payment is due (matured).

Property taxes, when levied for, intergovernmental revenues, when the eligibility requirements are met, licenses, charges for services and assessment revenue, 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, if available. All other revenue items are considered to be measurable only when cash is received by the Town, or specifically identified.

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 financial resources to be used for the acquisition or construction of major capital facilities or improvements, which are financed by the issuance of general obligation bonds.

The *Capital Nonrecurring Fund* accounts for resources to be used for the acquisition or construction of capital assets, which are financed by user's charges and assessments.

Additionally, the Town reports the following fund types:

The *Internal Service Fund* accounts for risk financing activities for medical insurance benefits.

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

The *Agency Funds* account for monies held on behalf of students, other community groups and performance bonds.

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

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.

The principal operating revenues of the Town's internal service funds are charges to other funds for premiums. Operating expenses for internal service funds include the cost of claims and administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Accounting estimates

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

Property taxes

Property taxes are assessed as of October 1, levied on the following July 1, and billed and generally due in two installments, July 1 and the following January 1. Liens are filed on June 1 following the due date.

Cash and cash equivalents

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 STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

Investments

Investments are stated at fair value based upon quoted market prices. Fixed income funds are reported at fair value based on the unit prices quoted by the fund representing the fair value of the underlying investment. The Connecticut State Treasurer's Short-Term 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 through 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.

Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 for equipment, \$10,000 for improvements, and \$50,000 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 fair value at the date of donation.

The cost 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 are capitalized as projects are constructed.

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

Capital Assets	Years
Buildings	50
Land and building improvements	20-50
Machinery and equipment	5-15
Infrastructure	20-65
Vehicles	5-10

In the governmental fund financial statements, capital outlay (assets) is reported as expenditures and no depreciation expense is recorded.

Compensated absences

Town employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement. Vacation and sick leave expenses to be paid in future periods are accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only for amounts expected to be paid (matured), for example, as a result of

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

employee resignations and retirements. Compensated absences are generally liquidated by the General Fund.

Long-term obligations

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

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. Payments on debt are reported as debt service expenditures.

Risks and uncertainties

The Town invests in various securities, including commercial paper, bonds, equities, asset and mortgage-backed securities, mutual funds and government-sponsored enterprises. Investment securities, in general, are exposed to various risks, such as interest rate, credit and overall market volatility. Due to the level of risks associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the amounts reported in the statements of financial position and activities.

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as reservations of fund balance as they do not constitute either expenditures or liabilities.

Fund equity and net assets

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

Invested in Capital Assets, Net of Related Debt – This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduces this category.

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

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

Unrestricted Net Assets – This category represents the net assets of the Town, which are not restricted for any project or other purpose by third parties.

In the fund financial statements, fund balances of governmental funds are classified in three separate categories. The three categories, and their general meanings, are as follows:

Reserved fund balance - indicates that portion of fund equity that is not available for appropriation or which has been legally segregated for specific purposes.

Unreserved/Designated fund balance - indicates that portion of fund equity for which the Town has made tentative plans that are subject to change.

Unreserved/Undesignated fund balance - indicates that portion of fund equity which is available for appropriation and expenditure in future periods, or if a deficit, for which future funding will be required.

Note 2. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds, and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this difference are as follows:

Bonds payable	\$ (38,166,559)
Deferred gain on refunding, net of amortization	(293,322)
Deferred premiums on refunding, net of amortization	(322,576)
Landfill closure costs	(347,200)
Compensated absences	(2,774,306)
Capital lease	(74,218)
Claims and judgments	(140,858)
OPEB obligation	(90,000)
	<hr/>
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<hr/> \$ (42,209,039) <hr/>

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds, and changes in net assets

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this difference are as follows:

Capital outlay	\$ 3,317,950
Depreciation expense	<u>(3,014,417)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u><u>\$ 303,533</u></u>

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this difference are as follows:

Principal repayments:	
General obligation debt	\$ 3,728,267
Capital leases	71,614
Payment to escrow	<u>7,455,000</u>
	<u>11,254,881</u>
Debt issued or incurred:	
Issuance of general obligation debt	(7,525,000)
Bond premium	(322,576)
Deferred gain	<u>(293,322)</u>
	<u>(8,140,898)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u><u>\$ 3,113,983</u></u>

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

Another element of that reconciliation states that "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." The details of this difference are as follows:

Compensated absences	\$ (52,760)
Landfill closure	81,625
Accrued interest	74,075
Claims	7,623
OPEB obligation	<u>(90,000)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 20,563</u>

Note 3. Budgets and Budgetary Accounting

The Town's general budget policies are as follows:

General Fund

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

- ♦ No later than January 1, each Department, Office, Board or Commission of the Town, supported wholly or in part by Town funds, or for which a specific Town appropriation is made, except the Board of Education, shall prepare and submit to the First Selectman a detailed estimate of the expenditures to be made and the anticipated revenue other than tax revenue to be received during the ensuing fiscal year. The Board of Education shall submit its budget request by March 1. The First Selectman, after consultation with the Director of Finance and Board of Education or its agent, shall prescribe the format for budget presentation which shall include, at a minimum, comparative statistics for the current and preceding fiscal year operations.
- ♦ No later than the fifteenth day of March, the First Selectman shall present to the Board of Finance and the Board of Selectmen an itemized annual operating budget, including the Board of Education budget.
- ♦ The Board of Finance shall hold one (1) or more public hearings no later than the first Monday of May at which time any elector or taxpayer may have an opportunity to be heard regarding appropriations for the ensuing fiscal year. Following receipt of the estimates from the First Selectman, the Board of Finance shall cause said estimates to be made available for review in the office of the Town Clerk. At least five (5) days before the aforementioned public hearing, the

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

Board of Finance shall cause to be published in a newspaper having a substantial circulation in the Town, a notice of such public hearing and a summary of said proposed budget estimates which show the amount to be raised by taxation.

- ♦ The Board of Finance shall have the authority to increase or decrease the budget submitted by the First Selectman. Within fifteen (15) days after holding the final such public hearing, the Board of Finance shall approve an operating budget and file the same with the Town Clerk for submission to the Annual Town Budget Meeting.
- ♦ There shall be a Town Meeting for the consideration of the budget to be held no later than the third Monday in May and at such place and time as the Board of Selectmen may determine. Said Meeting may be recessed as necessary. The budget adoption procedure shall be the following:
 - If the budget has not been submitted or petitioned to a Referendum, the budget as presented may be accepted or rejected by a majority vote of those present and voting thereon.
 - If the budget is rejected, it shall be returned to the Board of Finance who shall reconsider the budget and resubmit a budget to the recessed Town Meeting to be held no more than three (3) weeks after said rejection with at least (5) days published notice thereof.
 - The same steps and procedures, including published notices of meetings, shall be followed as outlined above until a budget has been adopted.
 - Any resubmitted budget may be submitted or petitioned to a Referendum.
 - In the event a budget has not been approved by June 15, the Board of Selectmen shall be empowered to set a mill rate in order to facilitate the preparation and mailing of tax bills at a level that in its best judgment will meet the needs of the Town for the ensuing year. In the event a budget has been adopted prior to June 15, the Board of Finance shall meet and set the mill rate at a level sufficient to meet the needs of the Town for the ensuing year.
- ♦ The Board of Finance, in accordance with the provisions of the Charter and the Connecticut General Statutes, is authorized to transfer unexpended balances from one appropriation to another. Management may not authorize any additional appropriations. All additional appropriations less than \$20,000 require Board of Finance approval. Those in excess of \$20,000 require full legislative approval (Town Meeting). The Board of Finance may approve additional appropriations cumulating no more than 0.5% of the current year operating budget. There were no additional appropriations made during the year.
- ♦ 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.

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

- ♦ 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, Board of Selectmen and Board of Finance approval and, if over \$20,000, Town Meeting approval.
- ♦ Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year-end are reported in budgetary reports as expenditures in the current year. Generally, all unencumbered appropriations lapse at year-end, except those for capital projects. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

A reconciliation of General Fund revenues as presented in accordance with GAAP and revenues presented on the budgetary basis is as follows:

Revenues and other financing sources, budgetary basis	\$ 53,799,214
On-behalf payments paid directly by the State of Connecticut Teachers' Retirement System	<u>2,247,000</u>
Revenues and other financing sources, GAAP basis	<u>\$ 56,046,214</u>

A reconciliation of expenditures of the General Fund presented in accordance with GAAP and expenditures and encumbrances presented on the budgetary basis is as follows:

Expenditures, encumbrances and other financing uses, budgetary basis	\$ 53,046,014
On-behalf payments paid directly by the State of Connecticut Teachers' Retirement System	2,247,000
Encumbrances:	
June 30, 2008	294,407
June 30, 2009	<u>(387,514)</u>
Expenditures and other financing uses, GAAP basis	<u>\$ 55,199,907</u>

Special revenue funds

The Town does not have legally adopted annual budgets for its special revenue funds. Budgets for the various special revenue funds which are utilized to account for specific grant programs are established in

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

accordance with the requirements of the grantor agencies. Such budgets are non-lapsing and may comprise more than one fiscal year.

Capital project funds

Legal authorization for expenditures of the capital project funds is provided by the related bond ordinances. Capital appropriations do not lapse until completion of the applicable projects.

Note 4. Cash, Cash Equivalents and Investments

Deposits: The Town does not have a policy regarding deposits. Town policy for custodial credit risk follows the State of Connecticut requirements that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk based capital ratio.

Investments: The Town and the Pension Trust Fund do not have a credit risk policy for investments, however, it is their practice to follow State statutes. The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: (1) obligations of the United States and its agencies (2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof; and (3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the Connecticut Short Term Investment Fund and the Tax Exempt Proceeds Fund. Other provisions of the Statutes cover specific municipal pension funds with particular investment authority and do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries (i.e., prudent person rule) and the provisions of the applicable plan.

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

Concentrations: The Town's policy is to maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets in a specific issuer.

Custodial credit risk:

Deposits: This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2009, \$12,914,705 of the Town's bank balance of \$15,692,347 was uninsured and uncollateralized.

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

Investments: This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Town and Pension Trust Fund do not have custodial credit risk policies for investments.

Cash and investments of the Town consist of the following at June 30, 2009:

Cash and Cash Equivalents	
Deposits with financial institutions	\$ 14,696,221
State of Connecticut Short-Term Investment fund	1,108
Municipal Backed Investment Fund	7,962,615
Total cash and cash equivalents	<u>22,659,944</u>
Investments	
Internal Service Fund	
Equity Securities	258,323 *
Money Market Mutual Funds	4,435
Corporate Bonds	184,914 *
Common Stock	84,300 *
	<u>531,972</u>
Capital Nonrecurring Fund	
U.S. Treasury Money Market Funds	<u>177,564</u>
Pension Trust Funds:	
U.S. Government Securities	778,137 *
U.S. Government Agencies	104,256 *
Corporate Bonds	1,503,812 *
Asset and Mortgage-Backed Securities	3,181,166 *
International Bonds	249,660 *
Common Stock	8,360,119 *
Fixed Income Mutual Funds	159,712
Government Bonds	22,760
Total pension investments	<u>14,359,622</u>
Total investments	<u>15,069,158</u>
Total cash and investments	<u>\$ 37,729,102</u>

* These investments are uninsured and unregistered, with securities held by the counterparty, but not in the Town's or Pension Trust's name.

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

Cash and investments are classified in the accompanying financial statements as follows:

Statement of Net Assets

Cash and cash equivalents	\$ 21,139,235
Investments	709,536
Total statement of net assets	21,848,771

Fiduciary Funds:

Cash and cash equivalents	1,520,709
Investments	14,359,622
	15,880,331

Total cash and investments	\$ 37,729,102
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Interest rate risk

This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the exposure of the Town's debt type investments to this risk using the segmented time distribution model is as follows:

Type of Investment	Fair Value	Investment Maturities			
		Less Than 1 Year	1-5 Years	6-10 Years	Greater Than 10 Years
U.S. Government Securities	\$ 778,137	\$ -	\$ 390,244	\$ 162,922	\$ 224,971
U.S. Government Agencies	104,256	-	19,904	26,677	57,675
Asset and Mortgage Backed Securities	-	-	97,252	91,008	2,992,906
International Bonds	249,660	-	67,689	143,175	38,796
Corporate Bonds	1,688,726	-	807,172	672,232	209,322
Pooled Fixed Income	7,963,723	7,963,723	-	-	-
U.S. Treasury Money Markets	177,564	177,564	-	-	-
Fixed Income Mutual Funds	159,713	159,713	-	-	-
Government Bonds	22,760	-	-	-	22,760
Equity Mutual Funds	40,386	40,386	-	-	-
	\$ 14,366,091	\$ 8,341,386	\$ 1,382,261	\$ 1,096,014	\$ 3,546,430

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

Credit risk

Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. Presented below is the minimum rating as required for each debt type investment.

Average Rating	Corporate Bonds	International Bonds	U.S. Government Agencies	Asset and Mortgage Backed Securities	U.S. Treasury Money Markets	Pooled Fixed Income	Equity Mutual Funds	Government Bonds	Fixed Income Mutual Funds
AAAm	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,108	\$ -	\$ -	\$ -
AAA	193,509	36,267	104,256	2,434,874	177,564	7,962,615	-	-	-
AA+	25,134	-	-	-	-	-	-	-	-
AA	62,817	-	-	389,133	-	-	-	-	-
AA-	100,345	-	-	-	-	-	-	-	-
A+	226,207	30,794	-	-	-	-	-	22,760	-
A	321,486	-	-	-	-	-	-	-	-
A-	211,253	78,085	-	-	-	-	-	-	-
BBB+	178,253	24,590	-	-	-	-	-	-	-
BBB	251,151	58,503	-	-	-	-	-	-	-
BBB-	70,779	21,421	-	-	-	-	-	-	-
BB	26,774	-	-	-	-	-	-	-	-
Unrated	21,018	-	-	357,159	-	-	40,386	-	159,713
	<u>\$ 1,688,726</u>	<u>\$ 249,660</u>	<u>\$ 104,256</u>	<u>\$ 3,181,166</u>	<u>\$ 177,564</u>	<u>\$ 7,963,723</u>	<u>\$ 40,386</u>	<u>\$ 22,760</u>	<u>\$ 159,713</u>

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

Note 5. Interfund Receivables, Payables and Transfers

As of June 30, 2009, interfund receivables and payables that resulted from various interfund transactions were as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 1,548,703	\$ 1,714,348
Capital Nonrecurring Fund	3,500	106,160
Bonded Projects Fund	-	805,889
Non-Major Governmental Funds	493,947	661,238
Internal Service Fund	1,202,563	-
Fiduciary Funds	38,922	-
Totals	\$ 3,287,635	\$ 3,287,635

Balances resulted principally from the utilization of pooled cash between the General Fund and several other funds. In addition, the balances resulted from monthly payments of expenditures from the General Fund to various other funds.

Interfund transfers during the year ended June 30, 2009 were as follows:

	Transfers From Other Funds	Transfers To Other Funds
General Fund	\$ 802,895	\$ 1,405,735
Capital Nonrecurring	895,735	100,000
Non-Major Governmental Funds	570,690	803,585
Internal Service Fund	40,000	-
Total	\$ 2,309,320	\$ 2,309,320

Transfers are used to account for unrestricted revenues collected mainly in the general fund to finance various programs accounted for in other funds in accordance with budget authorizations.

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

Note 6. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 11,028,391	\$ -	\$ -	\$ 11,028,391
Construction in progress	844,289	2,443,418	47,655	3,240,052
Total capital assets, not being depreciated	11,872,680	2,443,418	47,655	14,268,443
Capital assets, being depreciated:				
Land and building improvements	9,407,617	23,000	-	9,430,617
Buildings	66,474,481	22,887	-	66,497,368
Machinery and equipment	5,143,046	9,440	-	5,152,486
Infrastructure	78,329,401	701,468	-	79,030,869
Vehicles	3,052,855	165,392	30,877	3,187,370
Total capital assets being depreciated	162,407,400	922,187	30,877	163,298,710
Less accumulated depreciation for:				
Land and building improvements	2,267,304	242,058	-	2,509,362
Buildings	22,725,109	1,149,248	-	23,874,357
Machinery and equipment	3,389,430	68,358	-	3,457,788
Infrastructure	22,245,850	1,232,463	-	23,478,313
Vehicles	2,010,889	322,290	30,877	2,302,302
Total accumulated depreciation	52,638,582	3,014,417	30,877	55,622,122
Total capital assets, being depreciated, net	109,768,818	(2,092,230)	-	107,676,588
Governmental activities capital assets, net	\$ 121,641,498	\$ 351,188	\$ 47,655	\$ 121,945,031

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

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

Governmental Activities:

General administration	\$ 1,040,811
Public works	243,383
Public safety	115,147
Education	1,267,947
Health and welfare	5,403
Sanitation and waste removal	341,726
	<hr/>
Total depreciation expense – governmental activities	<u><u>\$ 3,014,417</u></u>

Note 7. Unearned Revenue/Deferred Revenue

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

	Deferred Revenues	Unearned Revenues
Property taxes	\$ 702,657	\$ -
School construction grant receivable	718,423	-
Grant drawdowns prior to meeting all eligibility requirements	-	92,868
Sewer assessments and collections	660,344	-
Total deferred/unearned revenue	<u><u>\$ 2,081,424</u></u>	<u><u>\$ 92,868</u></u>

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

Note 8. Long-Term Obligations

Long-term liabilities outstanding as of June 30, 2009 consisted of the following:

Type	Original Amount	Year of Issue	Year of Maturity	Interest Rate	Balance July 1, 2008	Additions	Reductions	Balance June 30, 2009	Amounts Due Within One Year
General Obligation Debt									
Landfill closure bonds	\$ 1,625,000	1996	2011	4.50-6.50%	\$ 330,000	\$ -	\$ 330,000	\$ -	\$ -
School bonds	3,500,000	1998	2018	4.50-4.90%	1,850,000	-	1,850,000	-	-
Sewer/school bonds	9,105,000	2001	2020	4.20-5.10%	6,500,000	-	6,000,000	500,000	500,000
Sewer/school bonds	3,850,000	2001	2010	4.00-4.20%	810,000	-	410,000	400,000	400,000
School bonds	5,000,000	2003	2023	2.50-4.50%	4,175,000	-	275,000	3,900,000	275,000
School bonds	12,100,000	2004	2024	3.00-4.25%	11,070,000	-	510,000	10,560,000	510,000
School bonds	10,000,000	2005	2025	3.25-5.00	9,000,000	-	500,000	8,500,000	500,000
Sewer/school bonds	4,400,000	2007	2026	5.50%	4,400,000	-	370,000	4,030,000	365,000
Sewer improvement bonds	9,810,000	1992	2012	5.00-7.00%	1,980,000	-	495,000	1,485,000	495,000
Refunding Bonds	7,525,000	2009	2020	2.65-5.00%	-	7,525,000	175,000	7,350,000	400,000
Premiums on refunding					-	483,864	161,288	322,576	-
Deferred gain on refunding					-	439,983	146,661	293,322	-
Total general obligation debt					40,115,000	8,448,847	11,222,949	37,340,898	3,445,000
Loans									
Clean water loan	1,563,519	1998	2020	2.00%	676,389	-	75,154	601,235	75,154
Clean water loan	1,148,280	2000	2017	2.00%	655,789	-	67,230	588,559	68,575
Clean water loan	2,517,660	1991	2010	2.00%	377,648	-	125,883	251,765	125,883
Total loans					1,709,826	-	268,267	1,441,559	269,612
Total general obligation bonds and loans					41,824,826	8,448,847	11,491,216	38,782,457	3,714,612
Other Long-Term Liabilities									
Landfill closure and postclosure care					428,825	-	81,625	347,200	30,417
Compensated absences					2,721,546	733,826	681,066	2,774,306	-
Capital Leases					145,832	-	71,614	74,218	74,218
Claims and judgements					148,481	-	7,623	140,858	-
OPEB obligation					-	90,000	-	90,000	-
Total other long-term liabilities					3,444,684	823,826	841,928	3,426,582	104,635
Total long-term obligations					\$ 45,269,510	\$ 9,272,673	\$ 12,333,144	\$ 42,209,039	\$ 3,819,247

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

Bond anticipation notes

Bond anticipation note transactions for the year ended June 30, 2009 were as follows:

Outstanding July 1, 2008	\$ 675,000
Repayments	(675,000)
	<hr/>
Outstanding, June 30, 2009	\$ -
	<hr/>

Summary of debt service requirements to maturity

The annual requirements to amortize bonds and loans payable at June 30, 2009 are as follows:

Fiscal Year-End June 30,	Bonds			Clean Water		
	Principal	Interest	Total	Principal	Interest	Total
2010	\$ 3,445,000	\$ 1,394,026	\$ 4,839,026	\$ 269,612	\$ 28,831	\$ 298,443
2011	3,040,000	1,244,385	4,284,385	270,983	23,439	294,422
2012	3,110,000	1,124,734	4,234,734	146,499	18,019	164,518
2013	2,595,000	1,007,367	3,602,367	147,926	15,089	163,015
2014	2,565,000	423,714	2,988,714	149,381	12,131	161,512
2015-2019	11,495,000	3,360,178	14,855,178	457,158	18,362	475,520
2020-2024	8,355,000	1,221,891	9,576,891	-	-	-
2025-2028	2,120,000	88,358	2,208,358	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 36,725,000	\$ 9,864,653	\$ 46,589,653	\$ 1,441,559	\$ 115,871	\$ 1,557,430

2009 General Obligation Bond – In-substance Defeasance

On February 15, 2009, the Town issued \$7,525,000 of general obligation bonds with interest rates ranging from 1.96% to 3.1% of which was used to advance refund portions of the outstanding principal amounts of the general obligation bonds of the Town dated June 15, 1996, April 1, 1998, and May 15, 2001 (the "Refunding Bonds"). Of the net proceeds of \$8,015,845 (after payment of \$113,881 in underwriters fees and other costs), \$7,894,983 was placed in an irrevocable trust fund under an Escrow Agreement dated February 2009 between the Town and the Escrow Holder. The Escrow Holder used the proceeds to purchase a portfolio of non-callable direct obligations of the United States of America ("Government Obligations"). The Government Obligations will have maturities and interest rates sufficient to pay principal and interest payments and redemption premiums on the Refunding Bonds on the date the payments are due.

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

The Town advance refunded the above bonds to obtain an economic gain (difference between the present values of the debt service payments on the old and net debt) of approximately \$440,000.

The balance in the escrow was approximately \$5,769,000 at June 30, 2009. The balance of the defeased bonds was approximately \$7,455,000 million at June 30, 2009. As a result, the refunded bonds are considered defeased and the liability has been removed from the basic financial statements.

School bond reimbursements

The State of Connecticut reimburses the Town for eligible school bond principal and interest costs. The amount of such reimbursement for the year ended June 30, 2009 was approximately \$185,000. Additional payments for principal and interest aggregating approximately \$175,000 are expected to be received through the bonds' maturity dates.

Debt limitation

The Town's statement of debt limitation under Connecticut General Statutes, Section 7-434(b) as of June 30, 2009, is as follows:

Total tax collections (including interest and lien fees) for the year ended June 30, 2009	\$ 46,882,881
Reimbursement for revenue loss:	
Tax relief for elderly	14,718
Base	<u>\$ 46,897,599</u>

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

The Connecticut General Statutes provides that total authorized debt of the Town shall not exceed seven times the above base cash receipts of \$328,283,193 nor shall the total authorized particular purpose debt exceed the individual debt limitations reflected in the table below:

	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2-1/4 times base	\$ 105,519,598	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	211,039,196	-	-	-
3-3/4 times base	-	-	175,865,996	-	-
3-1/4 times base	-	-	-	152,417,917	-
3 times base	-	-	-	-	140,692,797
Total debt limitation	105,519,598	211,039,196	175,865,996	152,417,917	140,692,797
Debt as defined by statute:					
Bonds payable ⁽¹⁾	5,438,828	27,522,344	3,763,828	-	-
Authorized and unissued ⁽¹⁾	85,000	1,379,664	2,625,000	-	-
School construction receivable	-	(168,423)	-	-	-
Total indebtedness	5,523,828	28,733,585	6,388,828	-	-
Debt limitation in excess of of outstanding and authorized debt	\$ 99,995,770	\$ 182,305,611	\$ 169,477,168	\$ 152,417,917	\$ 140,692,797

⁽¹⁾ Water bonds of \$1,441,559 are excluded from this calculation pursuant to Connecticut General Statutes.

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

Bonds authorized but unissued

Total authorized but unissued debt at June 30, 2009 consists of the following:

General purpose	\$ 85,000
Schools	1,379,664
Sewers	2,625,000
	<u>\$ 4,089,664</u>

Note 9. Lease Commitments

Property and equipment carried at approximately \$472,730, with approximately \$389,000 in accumulated depreciation, in the governmental activities is being acquired under capital lease arrangements.

The Town is obligated under a capital lease to make the following aggregate annual lease payments:

<u>Fiscal Year</u>	<u>Capital</u>
2010	<u>\$ 76,915</u>
Total minimum lease payments	76,915
Less interest	<u>2,697</u>
Present value of minimum payments	<u>\$ 74,218</u>

Note 10. Commitments and Contingencies

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 currently involved in several litigation matters. In the estimation of the Town's management and legal counsel, the final settlement of these matters will not have a material adverse effect the financial condition of the Town.

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

Municipal Solid Waste Management Services Contract

The Town has entered into the municipal solid waste management services contract, as amended (the "service contract") with the Southeastern Connecticut Regional Resources Recovery Authority (the "Authority") pursuant to which it participates with ten other Connecticut Municipalities (the eleven constituting the "Contracting Municipalities"), in the Southeastern Connecticut System (the "System"). The System consists of a mass-burn solid waste disposal and electric generation facility located in the Town of Preston (the "facility") and various improvements and facilities related thereto, including landfills. The facility is complete and presently receiving waste from Contracting Municipalities.

Under the service contract, the Town is required to deliver, or cause to be delivered, to the System solid waste generated within its boundaries up to its minimum commitment of 10 thousand tons per year and to pay a uniform per ton disposal service payment (the "service payment"). The aggregate minimum commitment of the eleven Contracting Municipalities is approximately 154 thousand tons per year.

The service payment applicable in any contract year is calculated by estimating the net cost of operation, which is the cost of operation less revenues other than service payments, as such terms are defined in the service contract. The sum of all service payments and other payments from the Contracting Municipalities are required to be sufficient to pay or provide for the net cost of operations.

Service payments shall be payable so long as the system is accepting solid waste delivered by or on behalf of the Town, whether or not such solid waste is processed at the facility. The Town has pledged its full faith and credit to the payment of service payments and has also agreed to enforce or levy and collect all taxes, cost sharing or other assessments or charges and take all such other action as may be necessary to provide for the payment of the service payments.

Note 11. Fund Deficits

The following funds had fund deficits as of June 30, 2009:

Governmental		
Bonded Projects Fund	\$	805,889
Community Development Block Grant		20,858
Senior Center Addition Project		67,289
Planning and Developing Grant Fund		254,907

These deficits are expected to be eliminated through transfers from the Town's general fund, from other revenue sources or bond proceeds.

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

Note 12. Pension Fund

1. Plan Description

Summary

The Town contributes to two pension plans covering substantially all full-time employees and non-certified Board of Education employees. One plan covers employees of the police department, (MERS) and the other plan covers all other employees (PERS). The certified faculty and administrative personnel at the Board of Education participate in a contributory retirement plan administered by the State Teachers' Retirement Board. The Town does not contribute to this plan.

2. Classes of Employees Covered

At July 1, 2008, PERS membership consisted of:

Retirees and beneficiaries receiving benefits	118
Terminated plan members entitled to but not yet receiving benefits	42
Active plan members	<u>194</u>
Total	<u>354</u>

3. Benefit Provisions

a. Benefit Provisions

The Town contributes to the Town of Stonington retirement plan, a single employer Public Employee Retirement System (PERS). The plan is administered by a Selectmen appointed, five-member retirement board. The responsibility for the holding and investment of plan assets lies with the trustee appointed by the Selectman. The trustees shall be the bank or Trust company having the power to act as trustee in the State of Connecticut. The current trustee is Bank of America. The PERS is considered part of the Town's financial reporting entity and is included in the Town's financial reports as a pension trust fund. All full-time employees including the First Selectman, Town Clerk and Tax Collector, but excluding police officers, teachers and other elected officials are eligible to participate on their date of hire.

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

Benefits are 50% vested after ten years of service with the Town and are fully vested after fifteen years of service (or 50% vested after five years of service with the Town and are fully vested after ten years of service for Members who make Member contributions.) Normal retirement is the earlier of the member having reached his 62nd birthday or having completed 35 years of credited service. A member who retires on his normal retirement date shall receive an annual retirement benefit equal to 1.5% (1.75% for Members who make Member contributions) of such member's final average compensation multiplied by such member's years of credited service. The plan also provides for an actuarially reduced earlier retirement date, death and disability benefits. These benefits provisions and all other requirements are established by Town ordinance.

b. Funding Policy

The Town contributes such amounts necessary, as determined by an independent actuary, to provide the retirement benefits under the plan. There are no employee contributions for those members who belong to Collective Bargaining Units who elected not to receive the benefit improvements noted above. All other active members contribute 3% of annual compensation. Expenses of administration of the plan, including actuarial and legal fees, are paid from the pension trust fund.

4. Schedule of Employer Contributions

Year Ended June 30,	Annual Required Contribution	Percentage Contributed	Actual Contribution
2004	\$395,620	109%	\$432,991
2005	400,504	112%	447,858
2006	453,663	102%	464,400
2007	657,952	101%	665,953
2008	828,833	107%	890,080
2009	869,139	109%	944,785

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

5. Actuarial Assumptions

The data presented in the schedules of funding progress and schedules of contributions were determined as part of the actuarial valuation at the date indicated. Additional information for the plan as of the latest valuation date is as follows:

Latest Actuarial Value Date	07/01/08
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar Amount
Remaining Amortization Period	20 Years - Open
Asset Valuation Method	5-Year Smoothed Market Value
Actuarial Assumptions:	
Investment Rate of Return	7.50%
Projected Salary Increases	4.50%
Includes Inflation at	3.50%

6. Annual Pension Cost and Net Pension Obligation (Asset)

The Town's annual pension cost and net pension obligation (asset) to the Town of Stonington's Employee Retirement Plan for the current year were:

Annual required contribution	\$ 869,139
Interest on net pension obligation	(6,944)
Adjustment to annual required contribution	8,448
Annual pension cost	870,643
Contributions made	944,785
Increase in net pension (asset)	(74,142)
Net pension (asset), July 1, 2008	(92,587)
Net pension (asset), June 30, 2009	\$ (166,729)

Three Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation/ (Asset)
06/30/07	\$658,346	101.2%	\$ (31,858)
06/30/08	829,351	107.3%	(92,587)
06/30/09	870,643	108.5%	(166,729)

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

7. Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2008	\$ 18,683,172	\$ 22,649,059	\$ 3,965,887	82.5%	\$ 8,332,324	47.6%

8. Municipal Employees' Retirement System

a. Plan Description

All Town police officers participate in the Municipal Employees' Retirement System (MERS). MERS is the administrator of a cost-sharing, multiple employer Public Employee Retirement System (PERS) established by the State of Connecticut and administered by the State Retirement Commission to provide pension benefits for the employees of participating municipalities. MERS is considered to be a part of the State of Connecticut's financial reporting entity and is included in the State's financial reports as a pension trust fund. MERS issues a publicly available financial report that includes financial statements and required supplementary information for the system. This report may be obtained by writing to the State Employees Retirement Commission, Office of the State Employees Retirement Commission, 55 Elm Street, Hartford, CT 06106.

b. Plan Provisions

Plan provisions are set by Statute of the State of Connecticut. MERS provides retirement benefits, as well as death and disability benefits. Annual cost of living increases are applied to disabled and non-disabled retirement benefits and vary based upon member age and date of retirement. For members that retired prior to January 1, 2002, increases between 3% and 5% are paid to those who have reached age 65 and effective January 1, 2002, increases of 2.5% are paid to those who have not yet reached age 65. For those retiring after December 31, 2001, increases between 2.5% and 6.0% are paid regardless of age. All benefits vest after 5 years of continuous service or 15 years of active aggregate service. Vested members who retire after age 55 or after 25 years of service, irrespective of age, are entitled to an annual retirement benefit, payable monthly for life, in an amount for each year of service equal to:

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

- If not covered by Social Security: 2% of the average of earnings for the three highest paid years of service.
- If covered by Social Security: 1-1/2% of the three-year average of earnings not in excess of the year's breakpoint, plus 2% of the three-year average of earnings in excess of the year's breakpoint.

c. Funding Policy

Covered employees are required by State Statute to contribute 2.25% of earnings upon which Social Security tax is paid plus 5.0% of earnings on which no Social Security tax is paid. Each participating municipality is required to contribute the amounts necessary to finance the remaining costs of the plan.

The required and actual contributions for the past three years were as follows:

Year Ending June 30,	
2007	\$292,488
2008	317,052
2009	322,679

Connecticut State Teachers' Retirement System

The faculty and professional personnel of the Board of Education participate in a contributory defined benefit plan, established under Chapter 167a of the Connecticut General Statutes, which is administered by the Connecticut State Teachers' Retirement Board. A teacher is eligible to receive normal retirement benefits if he or she has attained age sixty and has accumulated twenty years of credited service in the public schools of Connecticut or has attained any age and has accumulated thirty-five years of credited service, at least twenty-five of which are service in the public schools of Connecticut. The State of Connecticut Teacher Retirement System is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106.

Certain part-time and full-time certified teachers are eligible to participate in the plan and are required to contribute 7.25% of their annual earnings to the plan. The Town does not, and is not legally responsible to, contribute to the plan.

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

The State of Connecticut contributes based on actuarially determined amounts. The funding level was determined based on an actuarial valuation of the plan as a whole, which does not provide actuarial information on an individual city/town basis.

In addition, the Town has recognized revenues and expenditures for on-behalf payments for pension contributions paid directly to the Connecticut State Teachers' Retirement System by the State of Connecticut. Such on-behalf payments were approximately \$2,247,000 for the year ended June 30, 2009.

Retiree Health Care

The Town of Stonington Retiree Health Care Savings Account Plan (the "Plan") was established in July 2004 to allow for the accumulation of assets consisting of both Town and Employee contributions. It is a defined contribution Plan that provides retiree health care benefits through reimbursement of eligible medical care expenses, including the reimbursement of retiree health care premiums upon retirement from the Town of Stonington.

Participation in the Plan is mandatory for all eligible employees. The employee contribution is 2% of base pay with an equivalent Town match. Upon normal retirement, the participant's account balance shall be a minimum of \$15,000. If the account balance is less than \$15,000, the Town shall make the contributions necessary to bring the account balance to \$15,000.

Currently, there are 37 eligible employees.

Note 13. Other Postemployment Benefits

Post retirement benefits

The Town provides post-retirement benefits for certain employees for current and future health and life insurance benefit expenses through a single-employer defined benefit plan. An annual actuarial valuation is made to determine whether the contributions are sufficient to meet the plan obligations. The latest actuarial valuation was made July 1, 2007. The post-retirement plan does not issue stand-alone financial reports.

From an accrual accounting perspective, the cost of post-employment healthcare benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended June 30, 2009, the Town recognizes the cost of post-employment healthcare in the year when the employee services are received, reports the accumulated liability from prior years, and provides information useful in assessing potential demands on the Town's future cash flows. Recognition of the liability accumulated from prior years will be phased in over 30 years, commencing with the 2009 liability.

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2009

The contribution requirements of plan members and the Town are established and may be amended by the Town. The City determines the required contribution using the Projected Unit Credit Method.

Membership in the plan consisted of the following at July 1, 2007, the date of the last actuarial valuation.

Retirees and beneficiaries receiving benefits	98
Active plan members	462
Total	<u>560</u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation was as follows:

Fiscal Year Ending	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/09	\$ 658,000	\$ 568,000	86.3%	\$ 90,000

OPEB Obligation

Annual required contribution	\$ 658,000
Interest on net pension obligation	-
Annual OPEB cost	<u>658,000</u>
Contributions made	<u>568,000</u>
Increase in net OPEB liability	90,000
Net OPEB obligation, beginning of year	-
Net OPEB obligation, end of year	<u><u>\$ 90,000</u></u>

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

The Town's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The schedule of funding progress is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (b)	Unfunded Accrued Liability (UAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (C)	UAL as a Percentage of Covered Payroll ((b-a)/c)
07/01/2007	\$ -	\$ 9,478,000	\$ 9,478,000	0%	N/A	N/A

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

The information presented was determined as part of the actuarial valuation. Additional information as of the last actuarial valuations follows:

Valuation Date:	July 1, 2007
Actuarial Cost Method:	Projected Unit Credit
Asset Valuation Method:	Market Value
Amortization Method:	Level percent
Remaining Amortization Period	30 Years Decreasing
Actuarial Assumptions:	
Investment rate of return	7.50%
Inflation rate	4.0%
Health cost trend rates	Annual increases in premium for retired medical and prescription drug benefits are assumed to be as follows:

Note 14. Risk Management

The Town is exposed to various risks of loss related to public official liability, police professional liability, Board of Education legal liability, theft or impairment of assets, errors and omissions, health of and/or injury to employees, natural disasters, and owners and contractors protective liability. The Town established as an internal service fund, the health insurance fund, to account for and finance the retained risk of loss for all Town and Board of Education employees. A third party administers the plan for which the fund pays a fee. The self-insurance fund provides coverage for all eligible employees. The Town has purchased a stop loss policy for total claims in any one year exceeding an aggregate of 120% of expected claims and for individual claims exceeding \$100,000 for hospital and major medical. Payments to the fund are based upon estimates by number of employees and type of coverage (single or family) and trends in the insurance claims and estimates for administration. The claims liability reported in the fund is based upon the provisions of GASB Statement No. 10, which require that a liability for estimated claims incurred but not reported (IBNR) be recorded.

The Town is currently a member in Connecticut Interlocal Risk Management Agency (CIRMA), an unincorporated association of Connecticut local public agencies, which was formed in 1980 by the Connecticut Conference of Municipalities for the purpose of establishing and administering an interlocal risk management program pursuant to the provisions of Section 7-47a et. seq. of the Connecticut General Statutes.

The Town is a member of CIRMA's Liability-Automobile-Property Pool, a risk sharing pool. The Town paid CIRMA for provision of general liability, automobile liability, employee benefit liability, law enforcement liability, public officials and property coverage. The premium is subject to these coverages, and claims and expense payments falling within the deductible amounts are the responsibility of the Town. CIRMA's Liability-Automobile-Property Pool retains \$1,000,000 per occurrence for each line of liability coverage.

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

The Town is also a member of CIRMA's Workers' Compensation Pool, a risk sharing pool. The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The coverage is subject to an insured loss retrospective rating plan and losses incurred in the coverage period will be evaluated at 18, 30, and 42 months after the effective date of coverage. The premium is subject to payroll audit at the close of the coverage period. CIRMA's Workers' Compensation Pool retains \$1,000,000 per occurrence.

The Town purchases commercial insurance for all other risks of loss, including blanket and umbrella policies. Settled claims have not exceeded commercial coverage in any of the past three years, and there have not been any significant reductions in insurance coverage from amounts held in prior year.

Changes in the balance of claim liabilities are as follows:

	Claims Payable July 1	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
2008-2009	\$ 384,400	\$ 5,203,543	\$ 5,105,222	\$ 482,721
2007-2008	\$ 502,961	\$ 4,181,073	\$ 4,299,634	\$ 384,400

Note 15. Landfill Closure and Post-closure Care Costs

State and Federal laws and regulations required the Town of Stonington to place a final cover on its landfill when closed and to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. An expense provision and related liability are being recognized based on the post-closure care costs that are being incurred after the date the landfill no longer accepted waste. The recognition of these landfill post-closure care costs is based on the amount of the post-closure care costs incurred during the year. Based on 100% usage of the landfill, the estimated liability for landfill post-closure care costs has a balance of \$347,200 as of June 30, 2009.

The estimated total current cost of the landfill post-closure care is based on the amount that would be paid if all equipment, facilities, and services required to monitor and maintain the landfill were acquired as of June 30, 2009. However, the actual costs of post-closure care may be higher due to inflation, changes in technology or changes in landfill laws and regulations.

It is anticipated that the future inflation costs and additional costs that might arise from the changes in post-closure requirements (due to changes in technology or more rigorous environmental regulations, for example) will be financed through future borrowings or tax collections.

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2009

Note 16. Pronouncements Issued, Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates in the future that may impact future financial presentations.

Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements of the Town:

- ♦ GASB Statement No. 51, *Accounting and Financial Reporting for Intangible Assets* will be implemented by the Town as required by the GASB during the fiscal year ending June 30, 2010. The statement requires that all intangible assets not specifically excluded by its scope provisions be classified as capital assets. The statement also provides authoritative guidance that specifically addresses the nature of these intangible assets.
- ♦ GASB Statement Number 52, *Land and Other Real Estate Held as Investments by Endowments* will be implemented by the Town as required by the GASB during the fiscal year ending June 30, 2016. This Statement establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value.
- ♦ GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* will be implemented by the Town as required by the GASB during the fiscal year ending June 30, 2010. The statement is intended to improve how state and local governments report information about derivative instruments – financial arrangements used by governments to manage specific risks or make investments – in their financial statements.
- ♦ GASB Statement Number 54, *Fund Balance Reporting and Governmental Fund Type Definitions* will be implemented by the Town as required by the GASB during the fiscal year ending June 30, 2010. This statement establishes accounting and financial reporting standards for all governments that report governmental funds. This statement establishes the criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. The implementation of this statement will result in changes to the classification of fund balances in the Town's governmental funds.
- ♦ GASB Statement Number 56, *Codification of Accounting and Financial Reporting Guidance Contained in the AICPA Statements on Auditing Standards* will be implemented by the Town as required by the GASB during the fiscal year ending June 30, 2010. This Statement establishes accounting and financial reporting standards for related party transactions, subsequent events, and going concern considerations for all state and local governments. The implementation of this statement will not result in any change to the financial statements.

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**Required Supplementary
Information**

TOWN OF STONINGTON, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION
June 30, 2009

SCHEDULE OF FUNDING PROGRESS – PENSION TRUST

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2003	\$ 15,426,000	\$ 15,565,000	\$ 139,000	99.1%	\$ 5,915,000	2.3%
July 1, 2004	N/A	N/A	N/A	N/A	N/A	N/A
July 1, 2005	15,944,000	18,202,000	2,258,000	87.6%	7,002,000	32.2%
July 1, 2006	16,308,867	19,604,095	3,295,228	83.2%	7,598,714	43.4%
July 1, 2007	17,463,378	20,941,948	3,478,570	83.4%	7,899,350	44.0%
July 1, 2008	18,683,172	22,649,059	3,965,887	82.5%	8,332,324	47.6%

SCHEDULE OF FUNDING PROGRESS - OPEB

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (b)	Unfunded Accrued Liability (UAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (C)	UAL as a Percentage of Covered Payroll ((b-a)/c)
07/01/2007	\$ -	\$ 9,478,000	\$ 9,478,000	0%	N/A	N/A

Historical Trend Information – The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

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**Supplemental and Combining
Fund Statements and Schedules**

General Fund

**TOWN OF STONINGTON, CONNECTICUT
GENERAL FUND REVENUES AND OTHER FINANCING SOURCES -
BUDGETARY BASIS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009**

	Budgeted Amounts		Actual Budgetary	Variance With Final Budget Positive (Negative)
	Original	Final	Basis	
TAXES				
Current Levy	\$ 45,721,252	\$ 45,721,252	\$ 46,033,630	\$ 312,378
Prior Years	275,000	275,000	384,097	109,097
Motor Vehicle Supplement	225,000	225,000	222,012	(2,988)
Interest & Lien Fees	160,000	160,000	224,334	64,334
TOTALS	46,381,252	46,381,252	46,864,073	482,821
LICENSES AND PERMITS				
Building Permits	300,000	300,000	220,120	(79,880)
Business Licenses	13,000	13,000	15,437	2,437
Conveyance Tax	350,000	350,000	194,270	(155,730)
Town Clerk's Fees	205,000	205,000	170,242	(34,758)
Miscellaneous Permits	1,500	1,500	2,948	1,448
Alarm Registrations	6,500	6,500	6,530	30
Inland Wetland Permits	7,000	7,000	8,526	1,526
P&Z and Zoning Board Fees	105,000	105,000	76,845	(28,155)
Zoning Fines	-	-	150	150
Engineering Review Fees	15,000	15,000	-	(15,000)
TOTALS	1,003,000	1,003,000	695,068	(307,932)
FINES AND FORFEITS				
Parking Fines	11,000	11,000	9,575	(1,425)
Alarm Penalties	5,500	5,500	2,225	(3,275)
TOTALS	16,500	16,500	11,800	(4,700)
REVENUES - USE OF TOWN MONEY				
Interest Income	440,000	440,000	268,899	(171,101)
Rentals	22,000	22,000	23,584	1,584
Loan Repayment-SNEFLA	12,500	12,500	12,500	-
TOTALS	474,500	474,500	304,983	(169,517)
INTERGOVERNMENTAL REVENUES:				
STATE GRANTS FOR EDUCATION				
Education Cost Sharing Grant	2,061,204	2,061,204	1,997,005	(64,199)
Blind	17,000	17,000	4,195	(12,805)
Transportation	80,049	80,049	111,031	30,982
Non-Public Health Services	11,251	11,251	10,207	(1,044)
Non-Public Services	4,489	4,489	-	(4,489)
TOTALS	2,173,993	2,173,993	2,122,438	(51,555)

**TOWN OF STONINGTON, CONNECTICUT
GENERAL FUND REVENUES AND OTHER FINANCING SOURCES -
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
FOR THE YEAR ENDED JUNE 30, 2009**

	Budgeted Amounts		Actual Budgetary	Variance With Final Budget Positive (Negative)
	Original	Final	Basis	
STATE GRANTS FOR SCHOOL BUILDING				
Pawcatuck Middle Renovation	170,863	170,863	170,863	-
Pawcatuck Middle Bond Interest Subsidy	13,828	13,828	13,858	30
TOTALS	184,691	184,691	184,721	30
STATE GRANTS FOR REIMBURSEMENT ON REVENUE LOSS				
Reimbursement Disabled	1,700	1,700	1,567	(133)
Veteran's Exemption	24,000	24,000	17,077	(6,923)
Tax Relief for Elderly	130,000	130,000	135,139	5,139
Pilot - State Owned Property	25,839	25,839	25,927	88
Supplemental Municipal Aid	75,300	75,300	74,569	(731)
Boat Tax	85,164	85,164	85,164	-
Mfg. Machinery & Equipment	90,000	90,000	99,526	9,526
TOTALS	432,003	432,003	438,969	6,966
STATE GRANTS FOR OTHER PURPOSES				
Youth Services	19,300	19,300	19,275	(25)
Civil Preparedness	6,000	6,000	5,719	(281)
Telephone Line Access	125,000	125,000	125,072	72
Parking Ticket Surcharge	10,000	10,000	11,014	1,014
TOTALS	160,300	160,300	161,080	780
TOTAL INTERGOVERNMENTAL REVENUE	2,950,987	2,950,987	2,907,208	(43,779)
CHARGES FOR SERVICES				
Town Hall Bags	-	-	443,716	443,716
Solid Waste Disposal Fees	1,625,000	1,625,000	1,246,875	(378,125)
SCRRRA Transportation	102,000	102,000	82,185	(19,815)
Landfill Tipping Fees	100,000	100,000	125,484	25,484
Landfill Recycling	30,000	30,000	40,846	10,846
Board of Education - Activity Fees	15,000	15,000	-	(15,000)
Tuition - Other Schools	32,000	32,000	26,380	(5,620)
Building Rental/Miscellaneous	7,000	7,000	1,500	(5,500)
Medicaid Reimbursement	17,000	17,000	21,988	4,988
Accident Reports	2,000	2,000	1,534	(466)
Data Processing Revenue	15,000	15,000	22,668	7,668
In Lieu of Taxes - Housing Authority	9,400	9,400	12,366	2,966
Miscellaneous	12,000	12,000	50,759	38,759
GIS Revenue	4,000	4,000	1,307	(2,693)
Mystic WWTP Debt Service Offset	18,800	18,800	18,758	(42)
Utility Billing Revenue	12,000	12,000	12,000	-
Benefit Assessments	213,000	213,000	243,000	30,000
Vehicle Use - Outside Jobs	14,000	14,000	36,773	22,773
Admin/Miscellaneous Fees	5,000	5,000	9,610	4,610
TOTAL CHARGES FOR SERVICES	2,233,200	2,233,200	2,397,749	164,549

**TOWN OF STONINGTON, CONNECTICUT
GENERAL FUND REVENUES AND OTHER FINANCING SOURCES -
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
FOR THE YEAR ENDED JUNE 30, 2009**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary	Final Budget
			Basis	Positive
				(Negative)
OTHER FINANCING SOURCES				
Use of fund balance	265,592	281,892	-	(281,892)
Cancellation of Prior Year Encumbrances	-	-	78,022	78,022
Debt Service Offset	540,311	540,311	540,311	-
TOTAL OTHER FINANCING SOURCES	805,903	822,203	618,333	(203,870)
 GRAND TOTAL - REVENUES	 \$ 53,865,342	 \$ 53,881,642	 \$ 53,799,214	 \$ (82,428)

**TOWN OF STONINGTON, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2009**

DEPARTMENT OF FIRST SELECTMAN	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary Basis	Final Budget
				Positive (Negative)
OFFICE OF SELECTMAN				
First Selectman	\$ 84,642	\$ 84,642	\$ 84,624	\$ 18
Second Selectman	5,528	5,528	5,528	-
Third Selectman	5,528	5,528	5,528	-
Town Attorney	45,000	45,000	45,000	-
Expenses (First Selectman)	6,000	6,000	6,000	-
Examination of Indices	2,500	2,500	2,500	-
Mosquito Abatement	30,000	30,000	30,000	-
Legal Services & Courts	80,000	71,331	38,222	33,109
Tree Trimming & Lighting	5,000	5,000	4,250	750
Town Wide	20,000	20,000	20,027	(27)
Administrative Services	7,500	7,500	8,386	(886)
Tax Collector	2,000	2,000	1,935	65
Economic Development Commission	8,000	8,000	7,152	848
Finance	9,000	14,310	11,659	2,651
Solid Waste	3,000	3,000	-	3,000
TOTAL - OFFICE OF THE FIRST SELECTMAN	313,698	310,339	270,811	39,528
PROGRAMS AND AGENCIES				
S.E.A.T.	4,154	4,154	4,154	-
SECTER	5,483	5,483	5,483	-
CT. Conference of Municipalities	12,040	12,040	11,913	127
Southeastern CT Council of Governments	8,437	8,437	8,437	-
Wood-Pawcatuck Watershed	1,000	1,000	1,000	-
Mystic River Park-Public Restrooms	10,609	10,609	10,609	-
CT Council of Small Towns	1,025	1,025	1,025	-
Westerly Pops Concert	2,000	2,000	2,000	-
Affordable Housing Committee	5,000	5,000	1,403	3,597
TOTAL - PROGRAMS AND AGENCIES	49,748	49,748	46,024	3,724
WATERFRONT COMMISSION				
Clerical Services	825	825	723	102
Postage	50	50	50	-
Advertising	25	25	-	25
Consumable Supplies	150	150	22	128
Miscellaneous	50	50	47	3
TOTAL - WATERFRONT COMMISSION	1,100	1,100	842	258

**TOWN OF STONINGTON, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
FOR THE YEAR ENDED JUNE 30, 2009**

DEPARTMENT OF FIRST SELECTMAN	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
PAWCATUCK RIVER HARBOR MANAGEMENT COMMISSION				
Clerical Services	990	990	630	360
Postage	200	200	-	200
Consumable Supplies	400	400	-	400
Miscellaneous	305	305	-	305
Reproduction & Printing	500	500	-	500
Advertising	500	500	-	500
TOTAL PAWCATUCK RIVER HARBOR MANAGEMENT COMMISSION	2,895	2,895	630	2,265
SHELLFISH COMMISSION				
Expenses	50	50	-	50
TOTAL SHELLFISH COMMISSION	50	50	-	50
ECONOMIC DEVELOPMENT COMMISSION				
Advertising	2,000	2,000	540	1,460
Consumable Supplies	3,000	3,000	241	2,759
Trade Shows	500	500	-	500
Travel	450	450	-	450
Postage	700	700	-	700
TOTAL - ECONOMIC DEVELOPMENT COMMISSION	6,650	6,650	781	5,869
TOTAL - COMMISSIONS	10,695	10,695	2,253	8,442
EMERGENCY MANAGEMENT				
Emergency Management Tactical Operations Director	10,727	10,727	10,727	-
Emergency Management Planning Director	10,727	10,727	10,727	-
Clerical Services	2,252	2,252	2,252	-
Consumable Supplies	500	500	190	310
Miscellaneous	200	200	-	200
Telephone	6,000	6,000	5,407	593
Equipment	1,000	1,000	1,007	(7)
Development of Emergency Plan	1	1	-	1
Furniture & Equipment	1,500	1,500	-	1,500
Generator Maintenance	1	1	-	1
Water Testing	800	800	-	800
Communications	1	1	-	1
R-911 Maintenance	9,000	9,000	-	9,000
TOTAL - EMERGENCY MANAGEMENT	42,709	42,709	30,310	12,399

**TOWN OF STONINGTON, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
FOR THE YEAR ENDED JUNE 30, 2009**

DEPARTMENT OF FIRST SELECTMAN	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
ELECTIONS				
Registrars Salaries	29,516	29,516	29,571	(55)
Referenda/Election Personnel Salaries	50,000	50,000	40,542	9,458
Postage	4,750	4,750	4,649	101
Advertising	9,750	9,750	632	9,118
Consumable Supplies	2,000	2,000	408	1,592
Miscellaneous	500	500	73	427
Reproduction & Printing	500	500	351	149
Telephone	3,000	3,000	954	2,046
Equipment	2,000	2,000	417	1,583
Professional Associations & Publications	600	600	478	122
Voting Canvas	1,000	1,000	75	925
Ballot Printing/Programming	8,800	8,800	1,966	6,834
Voting Machine	1	1	-	1
TOTAL - ELECTIONS	112,417	112,417	80,116	32,301
TOWN CLERK				
Salary of Town Clerk	60,000	60,000	59,905	95
Clerical Salaries	84,583	84,583	83,942	641
Postage	2,750	2,750	2,000	750
Advertising	7,000	7,000	1,342	5,658
Consumable Supplies	3,500	3,500	3,258	242
Telephone	500	500	451	49
Equipment	5,000	5,000	2,516	2,484
Professional Associations & Publications	160	160	220	(60)
Training & Education	900	900	759	141
Furniture and Equipment	1	1	-	1
Land Records & Data Processing	42,000	42,000	41,789	211
Vital Statistics	450	450	216	234
TOTAL - TOWN CLERK	206,844	206,844	196,398	10,446
TOWN MEETING & REFERENDA				
Town Meeting Personnel	200	200	-	200
Advertising	3,000	3,000	2,791	209
TOTAL-TOWN MEETING & REFERENDA	3,200	3,200	2,791	409

**TOWN OF STONINGTON, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
FOR THE YEAR ENDED JUNE 30, 2009**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
DEPARTMENT OF FIRST SELECTMAN				
JUDGE OF PROBATE				
Postage	2,500	2,350	2,348	2
Consumable Supplies	2,200	1,600	1,585	15
Reproduction & Printing	1,000	1,750	1,523	227
Telephone	800	800	834	(34)
TOTAL - JUDGE OF PROBATE	6,500	6,500	6,290	210
PAYMENTS TO OTHER CIVIL DIVISIONS				
Borough of Stonington	155,706	155,706	155,706	-
TOTAL - FIRST SELECTMAN	901,517	898,158	790,699	107,459

**TOWN OF STONINGTON, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
FOR THE YEAR ENDED JUNE 30, 2009**

DEPARTMENT OF ADMINISTRATIVE SERVICES	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
ADMINISTRATION				
Director of Administrative Services	83,030	83,030	82,967	63
Administrative Support Staff	188,073	188,073	183,672	4,401
Postage	2,000	2,000	2,119	(119)
Advertising	14,000	14,000	12,886	1,114
Consumable Supplies	1,700	1,700	1,876	(176)
Miscellaneous	1,000	1,000	992	8
Reproduction & Printing	1,500	1,500	408	1,092
Telephone	500	500	216	284
Seminars & Programs (Training & Education)	1,000	1,000	205	795
Database Expenses	6,670	6,670	5,171	1,499
Equipment	2,925	2,925	2,770	155
Professional Associations & Publications	4,000	4,000	3,026	974
Furniture & Equipment	1,500	1,500	1,128	372
Training & Education	2,000	2,000	150	1,850
Memorial Observances	7,500	7,500	8,000	(500)
Columbus Day Observances	5,000	5,000	5,000	-
TOTAL - ADMINISTRATION	322,398	322,398	310,586	11,812
INFORMATION SYSTEMS				
IT Manager	80,089	80,089	80,029	60
Technical Assistance	5,000	5,000	4,896	104
Postage	300	300	195	105
Consumable Supplies	2,000	2,000	1,995	5
Miscellaneous	50	50	-	50
Reproduction & Printing	50	50	-	50
Telephone	1,500	1,075	1,075	-
Equipment & Licensing	30,040	39,540	39,837	(297)
Professional Associations & Publications	250	250	70	180
Internet Hosting Expense	4,000	4,000	4,050	(50)
Training & Education	2,000	2,000	448	1,552
Telecommunications	53,000	62,297	63,953	(1,656)
Geographic Information System (GIS) Expenses	31,500	31,297	31,296	1
TOTAL - INFORMATION SYSTEMS	209,779	227,948	227,844	104

**TOWN OF STONINGTON, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
FOR THE YEAR ENDED JUNE 30, 2009**

DEPARTMENT OF ADMINISTRATIVE SERVICES	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary Basis	Final Budget
				Positive (Negative)
HUMAN RESOURCES				
Employee Training & Education	8,762	8,762	8,397	365
Labor Negotiations	25,000	25,000	38,283	(13,283)
Health and Life Insurance	1,302,212	1,302,212	1,305,450	(3,238)
Pension Plan	510,882	510,882	510,882	-
Social Security	420,520	420,520	388,186	32,334
Unemployment	10,000	10,000	13,023	(3,023)
Heart & Hypertension	33,382	33,382	33,815	(433)
Employee Assistance Program	2,000	2,000	1,855	145
Employee Screening	700	700	165	535
Additional Manpower	5,000	5,000	2,238	2,762
Employee Travel Expense	28,000	28,000	19,296	8,704
Accrued Leave Pay-out	20,000	20,000	18,302	1,698
Retiree Health Care	45,063	45,063	44,199	864
TOTAL - HUMAN RESOURCES	2,411,521	2,411,521	2,384,091	27,430
HEALTH OFFICER, SANITATION & EMS				
Health Officer Salaries	22,055	22,055	22,040	15
Sanitarian Salaries	82,544	82,544	81,542	1,002
Sanitarian Expenses	1,575	1,575	1,108	467
Stonington Ambulance	30,000	30,000	30,000	-
Mystic River Ambulance	30,000	30,000	30,000	-
Westerly Ambulance	30,000	30,000	30,000	-
Furniture and Equipment	500	500	-	500
Training and Education	500	500	239	261
TOTAL - HEALTH OFFICER & SANITATION & EMS	197,174	197,174	194,929	2,245
RISK MANAGEMENT				
Risk Management - Stipend	7,057	7,057	7,057	-
Property & Liability Insurance	500,000	454,023	432,232	21,791
Claims & Damages	10,000	10,000	7,576	2,424
Dog Damages	1	1	-	1
Safety Program	2,500	2,500	398	2,102
TOTAL - RISK MANAGEMENT	519,558	473,581	447,263	26,318
COMMUNITY DEVELOPMENT				
Clerical Salaries	25,487	25,487	25,463	24
Program Management	45,000	5,000	4,800	200
TOTAL - COMMUNITY DEVELOPMENT	70,487	30,487	30,263	224
TOTAL - DEPARTMENT OF ADMINISTRATIVE SERVICES	3,730,917	3,663,109	3,594,976	68,133

**TOWN OF STONINGTON, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
FOR THE YEAR ENDED JUNE 30, 2009**

FINANCE DEPARTMENT	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
FINANCE OFFICE				
Director of Finance	94,146	94,146	94,073	73
Clerical Salaries	128,374	128,374	128,373	1
Senior Accountant	71,199	71,199	71,128	71
Postage	2,500	2,500	2,505	(5)
Consumable Supplies	4,500	4,500	3,700	800
Reproduction & Printing	1,500	1,500	1,053	447
Telephone	400	400	152	248
Equipment & Software Support	15,000	15,000	13,833	1,167
Professional Associations & Publications	2,200	2,200	768	1,432
Payroll Services	26,000	26,000	28,927	(2,927)
Training & Education	1,200	1,200	240	960
Fund Balance	1	1	-	1
TOTAL - FINANCE OFFICE	347,020	347,020	344,752	2,268
ASSESSOR'S OFFICE				
Salary of Assessor	75,439	75,439	75,362	77
Assistant Assessor	55,227	49,917	16,016	33,901
Clerical Salaries	126,454	106,187	99,465	6,722
Postage	3,128	3,128	3,000	128
Consumable Supplies	1,950	1,950	1,267	683
Miscellaneous	1,221	1,221	994	227
Reproduction & Printing	1,575	1,575	2,039	(464)
Telephone	1,490	1,490	76	1,414
Database Expense	15,500	15,500	12,210	3,290
Equipment	375	375	400	(25)
Professional Associations & Publications	1,895	1,895	1,855	40
Furniture & Equipment	200	200	111	89
Training & Education	1,622	1,622	1,286	336
Special Audit Personal Property	3,200	3,200	2,800	400
TOTAL - ASSESSOR'S OFFICE	289,276	263,699	216,881	46,818
BOARD OF ASSESSMENT APPEALS				
Expenses	3,346	3,346	2,620	726
TOTAL BOARD OF ASSESSMENT APPEALS	3,346	3,346	2,620	726
OFFICE OF THE TREASURER				
Salary of Treasurer	3,456	3,456	3,437	19
Expenses	200	200	-	200
TOTAL- TREASURER	3,656	3,656	3,437	219

**TOWN OF STONINGTON, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
FOR THE YEAR ENDED JUNE 30, 2009**

FINANCE DEPARTMENT	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary Basis	Final Budget
				Positive (Negative)
OFFICE OF THE TAX COLLECTOR				
Salary of Tax Collector	60,000	60,000	59,905	95
Clerical Salaries	80,281	80,281	71,774	8,507
Postage	12,500	12,500	12,497	3
Advertising	1,500	1,500	1,218	282
Consumable Supplies	1,150	1,150	809	341
Miscellaneous	100	100	-	100
Reproduction & Printing	6,500	6,500	5,732	768
Telephone	400	400	288	112
Equipment	4,225	4,225	4,046	179
Professional Associations & Publications	200	200	125	75
Training & Education	1,000	1,000	716	284
DMV - Delinquent Reporting	3,400	3,400	3,336	64
TOTAL - TAX COLLECTOR	171,256	171,256	160,446	10,810
BOARD OF FINANCE				
Clerical Salaries	2,000	2,000	1,500	500
Advertising	1,200	1,200	870	330
Accounting & Auditing	58,500	58,500	58,500	-
Professional Services	3,500	3,500	3,500	-
Special Audit	10,000	10,000	10,000	-
GASB 45	90,000	90,000	90,000	-
TOTAL - BOARD OF FINANCE	165,200	165,200	164,370	830
TOTAL FINANCE DEPARTMENT	979,754	954,177	892,506	61,671

**TOWN OF STONINGTON, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
FOR THE YEAR ENDED JUNE 30, 2009**

DEBT SERVICE	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
Interest Payments:				
Series 1991 Clean Water Fund (Lords Pt.)	7,553	7,553	7,553	-
Series 1992 G.O. Sewer Bonds (Phase V)	124,988	124,988	124,988	-
Series 1996 G.O. Bonds (Landfill Closure)	18,013	18,013	66,125	(48,112)
Series 1998 G.O. School Bonds (Mystic MS)	88,075	88,075	49,213	38,862
Series 1998 Clean Water Fund (Mystic)	13,528	13,528	13,528	-
Series 2000 Clean Water Fund (Mystic)	13,116	13,116	13,116	-
Series 2001 G.O. Bonds - Lot A (PS/MMS)	310,475	245,475	177,238	68,237
Series 2001 G.O. Bonds - Lot B (Refund 90)	33,610	33,610	33,610	-
Series 2003 G.O. Bonds (High School Ren)	153,563	153,563	153,563	-
Series 2004 G.O. Bond (High School)	408,980	408,980	408,980	-
Series 2005 G.O. Bonds (High School Ren)	355,625	355,625	355,625	-
Series 2007 G.O. Bonds	186,603	186,603	186,603	-
Total - Interest payments	1,714,129	1,649,129	1,590,142	58,987
Principal Payments:				
Series 1991 Clean Water Fund (Lords Pt.)	125,883	125,883	125,883	-
Series 1992 G.O. Sewer Bonds (Phase V)	495,000	495,000	495,000	-
Series 1996 G.O. Bonds (Landfill Closure)	110,000	175,000	175,000	-
Series 1998 G.O. School Bonds (Mystic MS)	225,000	225,000	225,000	-
Series 1998 Clean Water Fund (Mystic)	75,155	75,155	75,154	1
Series 2000 Clean Water Fund (Mystic)	67,230	67,230	67,230	-
Series 2001 G.O. Bonds - Lot A (PS/MMS)	500,000	500,000	500,000	-
Series 2001 G.O. Bonds - Lot B (Refund 90)	410,000	410,000	410,000	-
Series 2003 G.O. Bonds - Lot B (High School)	275,000	275,000	275,000	-
Series 2004 G.O. Bonds (High School)	510,000	510,000	510,000	-
Series 2005 G.O. Bonds (High School Ren)	500,000	500,000	500,000	-
Series 2007 G.O. Bonds	370,000	370,000	370,000	-
Notes & Bond Costing	11,000	11,000	(6,824)	17,824
Total - Principal payments	3,674,268	3,739,268	3,721,443	17,825
TOTAL - DEBT SERVICE	5,388,397	5,388,397	5,311,585	76,812

**TOWN OF STONINGTON, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
FOR THE YEAR ENDED JUNE 30, 2009**

DEPARTMENT OF PLANNING	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary Basis	Final Budget
				Positive (Negative)
PLANNING OFFICE				
Director of Planning	81,817	81,817	81,753	64
Planner	66,759	66,759	66,709	50
Zoning Enforcement Officer	59,429	59,429	59,340	89
Inland Wetland Enforcement Officer	24,780	24,780	25,231	(451)
Clerical Salaries	40,732	60,999	61,780	(781)
Clerical Meetings	5,500	5,500	4,400	1,100
Reproduction and Printing	13,000	13,000	585	12,415
Consumable Supplies	2,500	2,500	2,286	214
Telephone	500	500	173	327
Equipment Maintenance	3,000	3,000	2,551	449
Professional Associations & Publications	1,200	1,200	1,291	(91)
Furniture & Equipment	1,500	1,500	403	1,097
Training & Education	3,000	3,000	1,082	1,918
TOTAL - PLANNING OFFICE	303,717	323,984	307,584	16,400
BOARDS AND COMMISSIONS				
PLANNING & ZONING COMMISSION				
Advertising & Court Steno	28,000	28,000	20,148	7,852
Postage	9,000	9,000	-	9,000
TOTAL - PLANNING & ZONING COMMISSION	37,000	37,000	20,148	16,852
ZONING BOARD OF APPEALS				
Postage	1,450	1,450	-	1,450
Advertising	11,500	11,500	8,234	3,266
TOTAL ZONING BOARD OF APPEALS	12,950	12,950	8,234	4,716
CONSERVATION COMMISSION				
Postage	50	50	-	50
Consumable Supplies	50	50	-	50
Reproduction & Printing	200	200	200	-
Professional Assoc. & Publications	600	600	575	25
Barn Island Field Trips	3,500	3,500	3,128	372
TOTAL CONSERVATION COMMISSION	4,400	4,400	3,903	497

**TOWN OF STONINGTON, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
FOR THE YEAR ENDED JUNE 30, 2009**

DEPARTMENT OF PLANNING	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
INLAND WETLANDS COMMISSION				
Postage	900	900	-	900
Advertising	8,500	8,500	7,260	1,240
TOTAL - INLAND WETLANDS COMMISSION	9,400	9,400	7,260	2,140
TOTAL BOARDS AND COMMISSIONS	63,750	63,750	39,545	24,205
TOTAL - PLANNING	367,467	387,734	347,129	40,605

**TOWN OF STONINGTON, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
FOR THE YEAR ENDED JUNE 30, 2009**

DEPARTMENT OF PUBLIC WORKS	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
HIGHWAY DEPARTMENT				
Public Works Director	89,261	89,261	89,192	69
Superintendent	74,248	74,248	77,396	(3,148)
Labor Salaries	966,128	959,979	956,914	3,065
Clerical Salaries	21,196	21,196	21,181	15
Miscellaneous	1,250	1,250	1,754	(504)
Unleaded Gasoline	5,500	5,500	3,249	2,251
Diesel Fuel	63,800	91,109	95,338	(4,229)
Oil & Lubrication	4,500	4,500	3,176	1,324
Repairs & Maintenance (Gas System)	3,000	3,000	2,346	654
Repairs & Maintenance	110,000	110,000	105,383	4,617
Miscellaneous	1,000	1,000	4,430	(3,430)
Micro-paving	66,000	66,000	66,000	-
Bituminous Concrete	156,000	156,000	156,000	-
Drainage Materials	8,000	8,000	7,801	199
Sand & Gravel	36,000	30,771	26,094	4,677
Lumber	7,500	7,500	7,647	(147)
Postage	350	350	360	(10)
Consumable Supplies	2,325	2,325	2,328	(3)
Telephone	1,000	1,000	495	505
Hardware	13,000	13,000	12,943	57
Safety & Protective	13,000	13,000	12,501	499
Land Damage	700	700	908	(208)
Sidewalk Repairs	60,000	60,000	60,520	(520)
Street Signs	6,500	6,500	7,407	(907)
Tree Trimming	12,500	12,500	12,400	100
Tree Removal	12,000	12,000	11,910	90
Clothing Allowance	9,600	9,600	9,460	140
Training & Education	8,500	8,500	8,500	-
Highway Equipment	14,000	14,000	13,545	455
Road Maintenance	5,000	5,000	4,960	40
Material Disposal	12,000	3,069	2,720	349
Cemetery Upkeep	6,000	6,000	6,000	-
Snow Removal Labor	100,000	177,907	177,907	-
Materials	12,000	12,000	11,711	289
Meal Allowance	4,900	5,970	5,931	39
Chip Sealing	132,098	132,098	132,098	-
Garage Diagnostic Equipment & Tools	6,000	6,000	5,937	63
TOTAL HIGHWAY DEPARTMENT	2,044,856	2,130,833	2,124,442	6,391

**TOWN OF STONINGTON, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
FOR THE YEAR ENDED JUNE 30, 2009**

DEPARTMENT OF PUBLIC WORKS	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
SANITATION AND WASTE REMOVAL				
Salary of Recycling/Solid Waste Manager	71,302	71,302	71,137	165
General Labor	313,405	313,405	303,768	9,637
SCRRA Salaries	36,423	36,423	36,615	(192)
Clothing Allowance	3,150	3,150	3,150	-
Postage	2,500	2,500	2,500	-
Advertising	2,500	2,500	1,176	1,324
Consumable Supplies	650	950	732	218
Reproduction & Printing	2,000	1,700	95	1,605
Equipment	200	200	-	200
Professional Associations & Publications	300	300	55	245
Unleaded Gasoline	5,000	7,200	6,281	919
Diesel Fuel	9,000	14,000	12,625	1,375
Road Maintenance	5,000	5,000	2,341	2,659
Utilities	6,500	6,500	6,051	449
General Operations	94,700	89,700	59,452	30,248
Parts & Labor	30,000	30,000	17,646	12,354
Leased Property	52,500	52,500	51,745	755
Grading & Seeding	1,000	1,000	-	1,000
Water Testing & Monitoring	32,000	32,000	21,700	10,300
Cap Maintenance	8,500	6,300	-	6,300
Disposal Fees (SCRRA)	850,000	840,000	716,936	123,064
Residential Collection (SCRRA)	474,000	474,000	468,186	5,814
Commercial Collection & Rentals (SCRRA)	715,000	715,000	660,858	54,142
SCRRA Consulting	1	1	-	1
SCRRA Contribution	1	1	-	1
Diesel Fuel (SCRRA Transportation)	20,000	20,000	21,136	(1,136)
Repairs & Maintenance (SCRRA Transportation)	7,000	17,000	13,082	3,918
SCRRA Receptacle Costs	120,000	120,000	117,657	2,343
Furniture & Equipment	1	1	-	1
Training & Education	1	1	-	1
TOTAL - SANITATION AND WASTE REMOVAL	2,862,634	2,862,634	2,594,924	267,710
ENGINEERING SERVICES				
Town Engineer	75,074	75,074	75,015	59
Clerical Services	20,896	20,896	20,880	16
Professional Services	15,000	30,000	29,999	1
Professional Services - Engineering Review	15,000	-	-	-
Phase II Stormwater Requirements	18,000	18,000	17,999	1
Community Rating System Requirements	3,000	3,000	1,957	1,043
Office Expenses	3,500	3,500	1,715	1,785
TOTAL - ENGINEERING SERVICES	150,470	150,470	147,565	2,905

**TOWN OF STONINGTON, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
FOR THE YEAR ENDED JUNE 30, 2009**

DEPARTMENT OF PUBLIC WORKS	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
OPERATIONS & MAINTENANCE OF TOWN BUILDINGS AND PROPERTY				
Janitorial/Maintenance Salary	47,887	47,887	46,472	1,415
Miscellaneous	2,000	2,000	825	1,175
Heating Oil	68,250	74,743	74,743	-
Electricity	142,500	142,500	140,550	1,950
Water	4,601	4,601	4,155	446
Sewer Use	3,430	3,430	1,850	1,580
General maintenance	169,750	163,257	163,108	149
Street Lighting	235,000	235,000	233,985	1,015
TOTAL - BUILDING OPERATIONS	673,418	673,418	665,688	7,730
BUILDING OFFICIAL				
Building Official	71,711	71,711	71,563	148
Assistant Building Official	53,343	53,343	35,889	17,454
Building Inspector	1	1	-	1
Clerical Salaries	20,896	20,896	20,880	16
Postage	750	750	750	-
Consumable Supplies	700	700	428	272
Reproduction & Printing	1,000	1,000	366	634
Telephone	575	575	80	495
Equipment	4,000	4,000	4,471	(471)
Professional Association & Publications	2,000	2,000	505	1,495
Clothing Allowance	800	800	800	-
Training & Education	500	500	35	465
Furniture & Equipment	1	1	-	1
Car Expense	1	1	-	1
Archiving Building Records	1	1	-	1
Technical Assistance	1	1	-	1
TOTAL - BUILDING OFFICIAL	156,280	156,280	135,767	20,513
WATER POLLUTION CONTROL AUTHORITY (WPCA)				
Clerical	63,427	63,427	62,879	548
Postage	8,500	8,500	7,541	959
Advertising	100	100	-	100
Consumable Supplies	2,500	2,560	2,532	28
Reproduction & Printing	4,000	1,740	258	1,482
Telephone	100	100	53	47
Equipment (Software Maintenance)	2,500	4,700	4,699	1
Furniture & Equipment	1	1	-	1
Operations (Town Share)	380,000	380,000	380,000	-
TOTAL - WPCA	461,128	461,128	457,962	3,166
TOTAL - PUBLIC WORKS	6,348,786	6,434,763	6,126,348	308,415

TOWN OF STONINGTON, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
FOR THE YEAR ENDED JUNE 30, 2009

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
POLICE DEPARTMENT				
POLICE SERVICES				
Salary of Chief	94,351	94,351	94,280	71
Salary of Captain	87,921	87,921	88,516	(595)
Salary of Lieutenants	153,795	153,795	153,679	116
Salary of Sergeants	416,110	416,110	414,943	1,167
Salary of Regular Officers	1,542,935	1,528,035	1,479,190	48,845
CSO	24,907	24,907	13,618	11,289
Janitorial/Maintenance Salary	64,121	64,121	63,568	553
Boating Safety Personnel	12,000	12,000	5,899	6,101
Training personnel Services	85,000	75,000	66,768	8,232
Communication Specialists	322,060	322,060	333,593	(11,533)
Communications Specialist - Overtime	18,000	18,000	13,288	4,712
Communications Specialist - Uniforms	3,600	3,600	2,728	872
Special Officers	12,500	12,500	9,991	2,509
Clerical	100,292	100,292	100,085	207
Police Commission Clerical	4,500	4,500	1,578	2,922
School Crossing Guards	42,660	42,660	36,988	5,672
Animal Control Salaries	49,494	49,494	49,012	482
Regular Overtime	130,000	130,000	129,038	962
Paid Holidays	104,412	104,412	109,939	(5,527)
Furniture & Equipment	3,000	3,000	1,864	1,136
Canine Program	5,000	5,000	3,727	1,273
Telecommunications	89,000	89,000	75,372	13,628
Retirement Fund	295,715	302,715	322,679	(19,964)
Physicals	5,500	5,500	3,168	2,332
Educational Incentive	6,000	6,000	3,495	2,505
Regular Officers - Uniforms	24,000	24,000	23,749	251
Special Officers - Uniforms	1,000	1,000	441	559
Outfitting New Officers	10,000	10,000	9,010	990
Service Officer's Equipment	1,500	1,500	1,188	312
Boating Safety Expenses	8,500	8,500	3,723	4,777
Building Maintenance	19,000	19,000	18,661	339
Maintenance/Operation of Radios	6,500	6,500	-	6,500
Traffic Signs & Signals	40,000	46,800	46,315	485
Law Enforcement Council	9,600	9,600	9,600	-
Drug Program	5,500	5,500	5,259	241
Postage	3,200	3,200	2,834	366
Advertising	1,200	1,200	1,169	31
Consumable Supplies	16,000	16,000	15,191	809
Miscellaneous	7,000	7,000	6,472	528
Reproduction & Printing	5,000	5,000	4,615	385
Equipment	12,000	12,000	9,335	2,665
Professional Associations & Publications	1,500	1,500	1,280	220
Postage	180	180	180	-
Advertising	1,000	1,000	-	1,000

(Continued)

**TOWN OF STONINGTON, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
FOR THE YEAR ENDED JUNE 30, 2009**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
POLICE DEPARTMENT				
POLICE SERVICES, Continued				
Consumable Supplies	300	300	162	138
Miscellaneous	750	750	723	27
Consumable Supplies	5,500	5,500	4,145	1,355
Miscellaneous	1,000	1,000	109	891
Training Personnel Services	4,000	14,000	14,104	(104)
Clothing Allowance	1,000	1,000	600	400
Equipment (Emergency Vehicles)	6,000	6,000	3,926	2,074
Unleaded Gasoline	90,000	97,900	109,976	(12,076)
Oil & Lubrication	2,000	2,000	2,542	(542)
Parts & Labor	38,000	38,000	27,318	10,682
Tires	6,000	6,000	6,137	(137)
TOTAL POLICE SERVICES	4,000,103	4,006,903	3,905,770	101,133

**TOWN OF STONINGTON, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
FOR THE YEAR ENDED JUNE 30, 2009**

DEPARTMENT OF HUMAN SERVICES	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary Basis	Final Budget
				Positive (Negative)
OFFICE OF HUMAN SERVICES				
Human Services Director	73,263	73,263	72,856	407
Social Services Administrator	56,815	56,815	56,727	88
Youth & Family Services Administrator	52,421	52,421	52,305	116
Clerical	55,723	55,723	55,657	66
Human Services Program Coordinator	29,736	29,736	28,966	770
Youth Services Program Coordinator	26,065	26,065	26,033	32
Counseling Services	41,200	41,200	38,549	2,651
Telephone	3,500	3,500	3,495	5
Postage	1,500	1,500	1,500	-
Consumable Supplies	2,500	2,500	2,500	-
Miscellaneous	500	500	500	-
Reproduction and Printing	4,750	4,750	4,743	7
Equipment and Repairs	3,700	3,700	3,700	-
Professional Associations & Publications	1,500	1,500	1,500	-
Youth & Family Services Program Expenses	7,800	7,800	7,800	-
General Assistance	30,000	30,000	29,556	444
Furniture & Equipment	1,700	1,700	1,700	-
Training & Education	1,000	1,000	1,000	-
Community Safety Program	500	500	500	-
TOTAL - OFFICE OF HUMAN SERVICES	394,173	394,173	389,587	4,586
COMMISSION ON AGING				
Postage	4,500	4,500	4,500	-
Reproduction & Printing	1,100	1,100	1,100	-
Program Expense	2,200	2,200	2,200	-
TOTAL - COMMISSION ON AGING	7,800	7,800	7,800	-
RECREATION				
Salary of Director	42,957	42,957	42,870	87
Officials & Instructors	9,800	9,800	9,909	(109)
Other Salaries	20,395	20,395	20,143	252
Consumable Supplies	2,550	2,550	2,550	-
Telephone	600	600	600	-
Equipment & Trophies	1,600	1,600	1,600	-
Program Expense	4,200	4,200	4,200	-
Parts & Labor	10,750	10,750	10,750	-
Utilities	1,500	1,500	1,500	-
Mileage Stipend - Director	900	900	900	-
TOTAL - RECREATION	95,252	95,252	95,022	230

**TOWN OF STONINGTON, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
FOR THE YEAR ENDED JUNE 30, 2009**

DEPARTMENT OF HUMAN SERVICES	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
HOUSING AUTHORITY				
Clerical (Housing Authority)	600	600	400	200
TOTAL - HOUSING AUTHORITY	600	600	400	200
LIBRARIES				
Westerly Public Library	96,810	96,810	96,810	-
Stonington Free Library	120,000	120,000	120,000	-
Mystic & Noank Library	74,800	74,800	74,800	-
Stonington Historical Society	3,000	3,000	3,000	-
TOTAL - LIBRARIES	294,610	294,610	294,610	-
OUTSIDE AGENCIES				
Public Health & Nursing	23,028	23,028	23,028	-
Pawcatuck Neighborhood Center	78,000	78,000	78,000	-
Como Senior Citizens Center	40,501	40,501	40,501	-
Mystic Area Shelter & Hospitality	4,000	4,000	4,000	-
Westerly Area Rest and Meals	6,000	6,000	6,000	-
Westerly Adult Day Services, Inc.	7,500	7,500	7,500	-
Big Brothers/Big Sisters	1,500	1,500	1,500	-
Community Vocational Services	1,500	1,500	1,500	-
T.V.C.C.A.	1,000	1,000	1,000	-
Stonington Prevention Council	500	500	500	-
TOTAL OUTSIDE AGENCIES	163,529	163,529	163,529	-
TOTAL DEPARTMENT OF HUMAN SERVICES	955,964	955,964	950,948	5,016

**TOWN OF STONINGTON, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
FOR THE YEAR ENDED JUNE 30, 2009**

OTHER FINANCING USES	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
OTHER FINANCING USES				
Transfers out:				
Capital Improvements	895,735	895,735	895,735	-
TOTAL OTHER FINANCING USES	895,735	895,735	895,735	-
 BOARD OF EDUCATION	 30,296,702	 30,296,702	 30,230,318	 66,384
 GRAND TOTAL - EXPENDITURES AND OTHER FINANCING USES	 \$ 53,865,342	 \$ 53,881,642	 \$ 53,046,014	 \$ 835,628
 GRAND TOTAL - REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	 \$ -	 \$ -	 \$ 753,200	 \$ 753,200

Nonmajor Governmental Funds

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TOWN OF STONINGTON, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2009

	Special Revenue						
	Sewer Usage Fund	Sewer Assessment Fund	Shellfish Fund	Town Aid Road Fund	Dog License Fund	Escrow Revaluation Fund	SNEF Reserve Fund
ASSETS							
Cash and cash equivalents	\$ 526,026	\$ 253,809	\$ 56,656	\$ -	\$ 7,278	\$ 89,182	\$ 98,595
Assessments, use charges and other receivables	810,605	43,438	-	-	45	-	-
Intergovernmental receivables	-	-	-	-	-	-	-
Due from other funds	-	-	-	72,664	7,785	10	-
Total assets	\$ 1,336,631	\$ 297,247	\$ 56,656	\$ 72,664	\$ 15,108	\$ 89,192	\$ 98,595
LIABILITIES AND FUND BALANCES (DEFICITS)							
LIABILITIES							
Accounts payable	\$ 7,654	\$ -	\$ 190	\$ -	\$ 1,050	\$ -	\$ -
Deferred revenue	616,906	43,438	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
Due to other funds	196,959	-	566	-	-	-	-
Total liabilities	821,519	43,438	756	-	1,050	-	-
FUND BALANCES (DEFICITS)							
Reserved for debt service	-	253,809	-	-	-	-	-
Reserved for endowments	-	-	-	-	-	-	-
Reserved for encumbrances	-	-	-	-	-	-	-
Unreserved and undesignated	515,112	-	55,900	72,664	14,058	89,192	98,595
Total fund balances (deficits)	515,112	253,809	55,900	72,664	14,058	89,192	98,595
Total liabilities and fund balances (deficits)	\$ 1,336,631	\$ 297,247	\$ 56,656	\$ 72,664	\$ 15,108	\$ 89,192	\$ 98,595

Special Revenue								
Youth Service Activity Fund	Community Development Block Grant	Recreation Commission Fund	United Way Eviction Prevention Fund	Sewer Infiltration Fund	Sewer Development and Maintenance Fund	Man Roland Connection Fund	State Assets Forfeiture Program	Federal Asset Forfeiture Program
\$ 96,982	\$ 42,995	\$ 163,805	\$ -	\$ 30,571	\$ 945,326	\$ -	\$ 3,639	\$ 1,386
-	-	375	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
32,639	-	-	2,331	-	-	-	-	1,153
<u>\$ 129,621</u>	<u>\$ 42,995</u>	<u>\$ 164,180</u>	<u>\$ 2,331</u>	<u>\$ 30,571</u>	<u>\$ 945,326</u>	<u>\$ -</u>	<u>\$ 3,639</u>	<u>\$ 2,539</u>
\$ 489	\$ -	\$ 7,933	\$ -	\$ -	\$ 145,842	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-	-
-	47,336	-	-	-	-	-	-	-
-	16,517	26,100	-	-	109,710	-	-	-
<u>489</u>	<u>63,853</u>	<u>34,033</u>	<u>-</u>	<u>-</u>	<u>255,552</u>	<u>-</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
129,132	(20,858)	130,147	2,331	30,571	689,774	-	3,639	2,539
<u>129,132</u>	<u>(20,858)</u>	<u>130,147</u>	<u>2,331</u>	<u>30,571</u>	<u>689,774</u>	<u>-</u>	<u>3,639</u>	<u>2,539</u>
<u>\$ 129,621</u>	<u>\$ 42,995</u>	<u>\$ 164,180</u>	<u>\$ 2,331</u>	<u>\$ 30,571</u>	<u>\$ 945,326</u>	<u>\$ -</u>	<u>\$ 3,639</u>	<u>\$ 2,539</u>

(Continued)

TOWN OF STONINGTON, CONNECTICUT

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS**

June 30, 2009

	Special Revenue			
	Prepaid Education Grants Fund	DARE Program	Hot Lunch Program	Senior Center Addition Project
ASSETS				
Cash and cash equivalents	\$ 15,625	\$ 1,305	\$ 95,220	\$ 4,999
Assessments, use charges and other receivables	-	-	-	-
Intergovernmental receivables	14,751	-	58,829	106,280
Due from other funds	-	-	-	-
Total assets	\$ 30,376	\$ 1,305	\$ 154,049	\$ 111,279
LIABILITIES AND FUND BALANCES (DEFICITS)				
LIABILITIES				
Accounts payable	\$ 14,264	\$ -	\$ -	\$ 76,224
Deferred revenue	-	-	-	-
Unearned revenue	12,983	-	-	-
Due to other funds	3,129	262	-	102,344
Total liabilities	30,376	262	-	178,568
FUND BALANCES (DEFICITS)				
Reserved for debt service	-	-	-	-
Reserved for endowments	-	-	-	-
Reserved for encumbrances	-	-	-	-
Unreserved and undesignated	-	1,043	154,049	(67,289)
Total fund balances (deficits)	-	1,043	154,049	(67,289)
Total liabilities and fund balances (deficits)	\$ 30,376	\$ 1,305	\$ 154,049	\$ 111,279

Special Revenue				Debt Service Fund	Permanent Fund	Total Nonmajor Governmental Funds
Stonington Social Services Fuel Bank	Human Services Grant	Other	Planning and Developing Grant Fund		Scholarship Trust Fund	
\$ -	\$ -	\$ 391,217	\$ -	\$ 1,400,590	\$ 165,030	\$ 4,390,236
-	-	181,648	100,168	-	-	1,136,279
-	-	-	-	-	-	179,860
5,253	15,815	27,523	328,774	-	-	493,947
<u>\$ 5,253</u>	<u>\$ 15,815</u>	<u>\$ 600,388</u>	<u>\$ 428,942</u>	<u>\$ 1,400,590</u>	<u>\$ 165,030</u>	<u>\$ 6,200,322</u>
\$ -	\$ 830	\$ 299,402	\$ 683,849	\$ -	\$ -	\$ 1,237,727
-	-	-	-	-	-	660,344
-	14,985	17,564	-	-	-	92,868
-	-	205,651	-	-	-	661,238
<u>-</u>	<u>15,815</u>	<u>522,617</u>	<u>683,849</u>	<u>-</u>	<u>-</u>	<u>2,652,177</u>
-	-	-	-	-	-	253,809
-	-	-	-	-	165,030	165,030
-	-	-	-	-	-	-
5,253	-	77,771	(254,907)	1,400,590	-	3,129,306
<u>5,253</u>	<u>-</u>	<u>77,771</u>	<u>(254,907)</u>	<u>1,400,590</u>	<u>165,030</u>	<u>3,548,145</u>
<u>\$ 5,253</u>	<u>\$ 15,815</u>	<u>\$ 600,388</u>	<u>\$ 428,942</u>	<u>\$ 1,400,590</u>	<u>\$ 165,030</u>	<u>\$ 6,200,322</u>

TOWN OF STONINGTON, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICITS)
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2009

	Special Revenue						
	Sewer Usage Fund	Sewer Assessment Fund	Shellfish Fund	Town Aid Road Fund	Dog License Fund	Escrow Revaluation Fund	SNEF Reserve Fund
REVENUES							
Charges for services	\$ 1,973,240	\$ 21,325	\$ 12,343	\$ -	\$ 19,201	-	\$ 12,500
Intergovernmental	-	-	-	148,727	-	-	-
Interest income	37,105	3,866	336	-	-	858	819
Other	-	-	-	-	3,350	-	-
Total revenues	2,010,345	25,191	12,679	148,727	22,551	858	13,319
EXPENDITURES							
General government	-	-	7,774	-	121	345	-
Public safety	-	-	-	-	16,892	-	-
Education	-	-	-	-	-	-	-
Highway department	-	-	-	116,362	-	-	-
Recreation	-	-	-	-	-	-	-
Sewer	2,233,679	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Debt Service	-	-	-	-	-	-	-
Total expenditures	2,233,679	-	7,774	116,362	17,013	345	-
Revenues over (under) expenditures	(223,334)	25,191	4,905	32,365	5,538	513	13,319
OTHER FINANCING SOURCES (USES)							
Issuance of refunding bonds	-	-	-	-	-	-	-
Premiums on refunding	-	-	-	-	-	-	-
Payments made to escrow	-	-	-	-	-	-	-
Transfers in	380,000	690	-	-	-	-	-
Transfers out	-	(213,000)	-	-	-	-	-
Total other financing sources (uses)	380,000	(212,310)	-	-	-	-	-
Net change in fund balances (deficits)	156,666	(187,119)	4,905	32,365	5,538	513	13,319
FUND BALANCES (DEFICITS), beginning	358,446	440,928	50,995	40,299	8,520	88,679	85,276
FUND BALANCES (DEFICITS), ending	\$ 515,112	\$ 253,809	\$ 55,900	\$ 72,664	\$ 14,058	\$ 89,192	\$ 98,595

Special Revenue									
Youth Service Activity Fund	Community Development Block Grant	Recreation Commission Fund	United Way Eviction Prevention Fund	Sewer Infiltration Fund	Sewer Development and Maintenance Fund	Man Roland Connection Fund	State Assets Forfeiture Program	Federal Asset Forfeiture Program	
\$ 66,784	\$ -	\$ 107,515	\$ -	\$ -	\$ 352,087	\$ -	\$ -	\$ -	
-	-	-	1,410	-	-	-	1,173	2,002	
544	-	1,085	-	180	7,368	2	-	4	
-	-	-	-	-	-	-	-	-	
67,328	-	108,600	1,410	180	359,455	2	1,173	2,006	
20,762	20,858	11,021	-	-	-	-	-	-	
3,928	-	-	1,320	-	181,092	-	-	-	
3,014	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	
1,168	-	62,408	-	-	-	-	-	-	
-	-	-	-	-	300,032	-	-	-	
-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	
28,872	20,858	73,429	1,320	-	481,124	-	-	-	
38,456	(20,858)	35,171	90	180	(121,669)	2	1,173	2,006	
-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	(689)	-	-	
-	-	-	-	-	-	(689)	-	-	
38,456	(20,858)	35,171	90	180	(121,669)	(687)	1,173	2,006	
90,676	-	94,976	2,241	30,391	811,443	687	2,466	533	
\$ 129,132	\$ (20,858)	\$ 130,147	\$ 2,331	\$ 30,571	\$ 689,774	\$ -	\$ 3,639	\$ 2,539	

(Continued)

TOWN OF STONINGTON, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES (DEFICITS), Continued
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2009

	Special Revenue			
	Prepaid Education Grants Fund	DARE Program	Hot Lunch Program	Senior Center Addition Project
REVENUES				
Charges for services	\$ -	\$ -	\$ 671,844	\$ -
Intergovernmental	924,494	-	217,669	894,780
Interest income	-	-	5,692	-
Other	-	200	-	-
Total revenues	<u>924,494</u>	<u>200</u>	<u>895,205</u>	<u>894,780</u>
EXPENDITURES				
General government	-	-	-	994,780
Public safety	-	262	-	-
Education	924,494	-	886,243	-
Highway department	-	-	-	-
Recreation	-	-	-	-
Sewer	-	-	-	-
Capital outlay	-	-	-	-
Debt Service	-	-	-	-
Total expenditures	<u>924,494</u>	<u>262</u>	<u>886,243</u>	<u>994,780</u>
Revenues over (under) expenditures	<u>-</u>	<u>(62)</u>	<u>8,962</u>	<u>(100,000)</u>
OTHER FINANCING SOURCES (USES)				
Issuance of refunding bonds	-	-	-	-
Premiums on refunding	-	-	-	-
Payments made to escrow	-	-	-	-
Transfers in	-	-	-	100,000
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>
Net change in fund balances (deficits)	<u>-</u>	<u>(62)</u>	<u>8,962</u>	<u>-</u>
FUND BALANCES (DEFICITS), beginning	<u>-</u>	<u>1,105</u>	<u>145,087</u>	<u>(67,289)</u>
FUND BALANCES (DEFICITS), ending	<u>\$ -</u>	<u>\$ 1,043</u>	<u>\$ 154,049</u>	<u>\$ (67,289)</u>

Special Revenue				Debt Service Fund	Permanent Fund	Total Nonmajor Governmental Funds
Stonington Social Services Fuel Bank	Human Services Grant	Other	Planning and Developing Grant Fund		Scholarship Trust Fund	
\$ -	\$ 2,711	\$ -	\$ -	\$ -	\$ -	\$ 3,239,550
-	28,324	229,488	873,187	-	-	3,321,254
-	-	2,478	-	17,025	2,512	79,874
4,711	-	-	-	-	-	8,261
4,711	31,035	231,966	873,187	17,025	2,512	6,648,939
-	4,841	15,441	979,364	-	-	2,055,307
2,864	26,194	209,358	-	-	-	441,910
-	-	-	-	-	47,539	1,861,290
-	-	-	234,103	-	-	350,465
-	-	-	-	-	-	63,576
-	-	-	-	25,577	-	2,559,288
-	-	-	-	-	-	-
-	-	-	-	113,881	-	113,881
2,864	31,035	224,799	1,213,467	139,458	47,539	7,445,717
1,847	-	7,167	(340,280)	(122,433)	(45,027)	(796,778)
-	-	-	-	7,525,000	-	7,525,000
-	-	-	-	483,864	-	483,864
-	-	-	-	(7,894,983)	-	(7,894,983)
-	-	90,000	-	-	-	570,690
-	-	(30,000)	(19,584)	(540,312)	-	(803,585)
-	-	60,000	(19,584)	(426,431)	-	(119,014)
1,847	-	67,167	(359,864)	(548,864)	(45,027)	(915,792)
3,406	-	10,604	104,957	1,949,454	210,057	4,463,937
\$ 5,253	\$ -	\$ 77,771	\$ (254,907)	\$ 1,400,590	\$ 165,030	\$ 3,548,145

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Fiduciary Funds

TOWN OF STONINGTON, CONNECTICUT

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -
AGENCY FUNDS

For the Year Ended June 30, 2009

	Balance July 1, 2008	Additions	Deletions	Balance June 30, 2009
STUDENT ACTIVITY FUND				
Assets				
Cash	\$ 285,382	\$ 885,692	\$ 884,486	\$ 286,588
Liabilities				
Due to students	\$ 285,382	\$ 1,206	\$ -	\$ 286,588
TAX SALE ESCROW FUND				
Assets				
Cash and cash equivalents	\$ 90,604	\$ 817	\$ -	\$ 91,421
Liabilities				
Other liabilities	\$ 90,604	\$ 817	\$ -	\$ 91,421
STONINGTON HARBOR MANAGEMENT FUND				
Assets				
Due from other funds and other receivables	\$ 26,793	\$ 8,920	\$ 7,165	\$ 28,548
Liabilities				
Other liabilities	\$ 26,793	\$ 8,920	\$ 7,165	\$ 28,548
MYSTIC HARBOR MANAGEMENT FUND				
Assets				
Due from other funds and other receivables	\$ 10,916	\$ 3,520	\$ 4,062	\$ 10,374
Liabilities				
Other liabilities	\$ 10,916	\$ 3,520	\$ 4,062	\$ 10,374
BOE FLEX FUND				
Assets				
Cash and cash equivalents	\$ 37,355	\$ -	\$ 4,755	\$ 32,600
Liabilities				
Due to employees	\$ 37,355	\$ -	\$ 4,755	\$ 32,600
Total Assets	\$ 451,050	\$ 898,949	\$ 900,468	\$ 449,531
Total Liabilities	\$ 451,050	\$ 14,463	\$ 15,982	\$ 449,531

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Other Schedules

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TOWN OF STONINGTON, CONNECTICUT

SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING

For the Year Ended June 30, 2009

Grand List Year	Balance		Lawful Corrections				Transfers to Suspense and Other Adjustments	Balance To Be Collected
	Uncollected July 1, 2008	Current Levy	Additions		Deletions			
1993	\$ 33	\$ -	\$ -		\$ 16		\$ 92	\$ 109
1994	40	-	-		-		113	153
1995	43	-	-		-		340	383
1996	276	-	-		-		117	393
1997	279	-	-		-		-	279
1998	566	-	-		-		314	880
1999	4,294	-	-		642		346	3,998
2000	4,409	-	-		655		-	3,754
2001	4,972	-	-		686		78	4,364
2002	7,217	-	-		1,156		298	6,359
2003	8,004	-	-		1,628		462	6,838
2004	10,221	-	187		1,694		201	8,915
2005	49,722	-	76,240		72,755		(2,808)	50,399
2006	422,050	-	33,185		33,891		(27,840)	393,504
2007	-	46,863,237	114,092		75,774		(5,539)	46,896,016
	\$ 512,126	\$ 46,863,237	\$ 223,704		\$ 188,897		\$ (33,826)	\$ 47,376,344

Collections					Balance
Taxes	Overpayments and Refunds	Interest and Liens	Total		Uncollected June 30, 2009
\$ 92	\$ -	\$ 106	\$ 198	\$	17
113	-	270	383		40
340	-	755	1,095		43
117	-	236	353		276
-	-	-	-		279
314	-	535	849		566
888	-	1,090	1,978		3,110
553	-	728	1,281		3,201
1,005	-	849	1,854		3,359
995	221	1,853	2,627		5,585
946	317	953	1,582		6,209
2,128	320	1,365	3,173		7,107
35,979	1,135	9,615	44,459		15,555
340,628	8,836	65,416	397,208		61,712
46,370,475	85,195	140,561	46,425,841		610,736
<u>\$ 46,754,573</u>	<u>\$ 96,024</u>	<u>\$ 224,332</u>	<u>\$ 46,882,881</u>	<u>\$</u>	<u>717,795</u>

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