

# McGladrey & Pullen

Certified Public Accountants

## **TOWN OF STONINGTON, CONNECTICUT**

**FEDERAL AND STATE FINANCIAL AND COMPLIANCE REPORTS  
YEAR ENDED JUNE 30, 2007**



# **TOWN OF STONINGTON, CONNECTICUT**

## **FEDERAL AND STATE FINANCIAL AND COMPLIANCE REPORTS**

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM, ON INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND ON THE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

To the Board of Finance  
Town of Stonington, Connecticut

**Compliance:** We have audited the compliance of the Town of Stonington, Connecticut (the "Town") with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 2007. The Town of Stonington, Connecticut's major federal programs are identified in the summary of independent auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Town of Stonington, Connecticut's management. Our responsibility is to express an opinion on the Town of Stonington, Connecticut's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in "Government Auditing Standards," issued by the Comptroller General of the United States; and OMB Circular A-133, "Audits of States, Local Governments, and Nonprofit Organizations". Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Stonington, Connecticut's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Town of Stonington, Connecticut's compliance with those requirements.

In our opinion, the Town of Stonington, Connecticut complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007.



***Internal Control Over Compliance:*** The management of the Town of Stonington, Connecticut is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Town of Stonington, Connecticut's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but, not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Stonington, Connecticut's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Town of Stonington, Connecticut's ability to administer a federal program such that there is more than a remote likelihood that non-compliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the Town of Stonington, Connecticut's internal control.

A material weakness is a significant deficiency or a combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by an entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

***Schedule of Expenditures of Federal Awards:*** We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Stonington, Connecticut as of and for the year ended June 30, 2007, and have issued our report thereon dated January 8, 2008. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the Town of Stonington's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations," and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



This report is intended solely for the information and use of the management and the Board of Finance of the Town of Stonington, Connecticut and federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*McGladrey & Pullen, LLP*

New Haven, Connecticut  
January 8, 2008



# TOWN OF STONINGTON, CONNECTICUT

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2007

<b>Federal Grantor Pass-Through Grantor Program or Cluster Title</b>	<b>Catalog of Federal Domestic Assistance Number</b>	<b>Federal Expenditures</b>
<b>U.S. Department of Agriculture/ Passed through the State of Connecticut Department of Education:</b>		
Food Donation	10.550	\$ 49,036
Nutrition Cluster:		
Summer Food Service Program for Children	10.559	6,787
National School Breakfast Program	10.553	26,820
National School Lunch Program	10.555	136,893
Special School Milk Program	10.556	2,197
<b>Total Nutrition Cluster</b>		<b>172,697</b>
<b>Total U.S. Department of Agriculture</b>		<b>221,733</b>
<b>U.S. Department of Transportation/ Passed through the State of Connecticut Department of Transportation</b>		
Highway Planning and Construction Cluster:		
Highway Planning/Construction-Rossie	20.205	731,674
Highway Planning/Construction-Streetscape	20.205	4,208
<b>Total Highway Planning and Construction Cluster</b>		<b>735,882</b>
Federal Highway Safety Grant	20.600	1,790
<b>Total U.S. Department of Transportation</b>		<b>737,672</b>
<b>U. S. Department of Emergency and Homeland Security/ Passed through the State of Connecticut Emergency and Homeland Security</b>		
State Homeland Security	97.073	67,661
Emergency Management Performance	97.042	5,699
<b>Total U.S. Department of Emergency and Homeland Security</b>		<b>73,360</b>
<b>U.S. Department of Education/ Passed through the State of Connecticut Department of Education:</b>		
Special Education Cluster:		
IDEA-Part B, Section 611	84.027	495,925
IDEA-Part B, Section 619	84.173	12,991
<b>Total Special Education Cluster</b>		<b>508,916</b>

N/A - Not Available  
See Notes to Schedule.

(Continued)



**TOWN OF STONINGTON, CONNECTICUT****SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Continued**  
**For the Year Ended June 30, 2007**

<b>Federal Grantor</b> <b>Pass-Through Grantor</b> <b>Program or Cluster Title</b>	<b>Catalog of</b> <b>Federal</b> <b>Domestic</b> <b>Assistance</b> <b>Number</b>	<b>Federal</b> <b>Expenditures</b>
<b>U.S. Department of Education/</b>		
<b>Passed through the State of Connecticut</b>		
<b>Department of Education, Continued:</b>		
Carl D. Perkins Act Vocational & Technical Education Act	84.048	<u>90,300</u>
Title I - Grants to Local Education Agencies	84.010	<u>128,039</u>
Title V - Innovative Education Program Strategies	84.298	<u>506</u>
Title II - Part A - Teacher and Principal Training	84.367	<u>77,404</u>
Title II - Part D - Enhanced Education Through Technology	84.318	<u>3,113</u>
Title IV - Safe & Drug Free Schools	84.186	<u>4,806</u>
<b>Total U.S. Department of Education</b>		<u>813,084</u>
<b>U.S. Department of Justice/</b>		
<b>Passed through the State of Connecticut</b>		
<b>Office of Policy and Management</b>		
Developing, Testing and Demonstrating Promising New Programs	16.541	<u>7,785</u>
Improving School Attendance	16.540	<u>32,300</u>
<b>Total U.S. Department of Justice</b>		<u>40,085</u>
<b>Total Expenditures of Federal Awards</b>		<u><u>\$ 1,885,934</u></u>

See Notes to Schedule.



## **TOWN OF STONINGTON, CONNECTICUT**

### **NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended June 30, 2007**

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#### **Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Town of Stonington and is presented on the modified accrual/accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

#### **Note 2. Contributions**

##### U.S.D.A. Contributions:

Donated commodities in the amount of \$49,036 are included in the Department of Agriculture's Food Distribution Program (CFDA #10.550). The amount represents the market value of the commodities used during the period.



## TOWN OF STONINGTON, CONNECTICUT

### SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended June 30, 2007

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#### I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

##### Financial Statements

Type of auditor's report issued: unqualified

- Material weakness(es) identified? \_\_\_\_\_ Yes        X   No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes        X   None reported
- Noncompliance material to financial statements? \_\_\_\_\_ Yes        X   No

##### Federal Awards

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ Yes        X   No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes        X   None reported

Type of auditor's report issued on compliance for major programs: unqualified

- Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? \_\_\_\_\_ Yes        X   No

##### Identification of Major Programs

CFDA Numbers	Program Name or Cluster
20.205	Highway Planning and Construction Cluster
84.027/84.173	Special Education Cluster
84.010	Title I Grants to Local Education Agencies

Dollar threshold used to distinguish between type A and type B programs        \$300,000  

Auditee qualified as low-risk auditee?        X   No      \_\_\_\_\_ Yes



**TOWN OF STONINGTON, CONNECTICUT**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued**  
**For the Year Ended June 30, 2007**

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**II. FINANCIAL STATEMENT FINDINGS**

**A. Internal Control**

None noted.

**B. Compliance Findings**

None reported.

**III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

**A. Internal Control**

None noted.

**B. Compliance Findings**

None reported.



**TOWN OF STONINGTON, CONNECTICUT  
SUMMARY OF PRIOR YEAR AUDIT FINDINGS  
For the Year Ended June 30, 2007**

IC06-01. Corrected this fiscal year.

CF06-1. Corrected this fiscal year.



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND COMPLIANCE AND OTHER  
MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING  
STANDARDS**

To the Board of Finance  
Town of Stonington, Connecticut

We have audited the basic 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, 2007, which collectively comprise the Town of Stonington, Connecticut's basic financial statements, and have issued our report thereon dated January 8, 2008. 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.

***Internal Control Over Financial Reporting:*** In planning and performing our audit, we considered the Town of Stonington, Connecticut's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the basic financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town of Stonington, Connecticut's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town of Stonington, Connecticut's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent and detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Town of Stonington, Connecticut's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Town of Stonington, Connecticut's financial statements that is more than inconsequential will not be prevented or detected by the Town of Stonington, Connecticut's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the Town of Stonington, Connecticut's internal control.



Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

***Compliance and Other Matters:*** As part of obtaining reasonable assurance about whether the Town of Stonington, Connecticut's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under "Government Auditing Standards."

We noted certain matters that we reported to management of the Town of Stonington, Connecticut in a separate letter dated January 8, 2008.

This report is intended solely for the information and use of the management and the Board of Finance of the Town of Stonington, Connecticut, federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*McGladrey & Pullen, LLP*

New Haven, Connecticut  
January 8, 2008



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM, ON  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE  
STATE SINGLE AUDIT ACT AND ON THE SCHEDULE OF EXPENDITURES  
OF STATE FINANCIAL ASSISTANCE**

To the Board of Finance  
Town of Stonington, Connecticut

**Compliance**

We have audited the compliance of the Town of Stonington, Connecticut with the types of compliance requirements described in the "Office of Policy and Management Compliance Supplement" that are applicable to each of its major state programs for the year ended June 30, 2007. The major state programs are identified in the summary of audit results section of the accompanying schedule of state single audit compliance findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the Town of Stonington, Connecticut's management. Our responsibility is to express an opinion on compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in "Government Auditing Standards," issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Town of Stonington, Connecticut's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Town of Stonington, Connecticut's compliance with those requirements.

In our opinion, the Town of Stonington, Connecticut complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended June 30, 2007.



## **Internal Control Over Compliance**

The management of the Town of Stonington, Connecticut is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered the internal control over compliance with requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance but, not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town of Stonington, Connecticut's internal control over compliance.

A control deficiency in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a state program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Town of Stonington, Connecticut's ability to administer a state program such that there is more than a remote likelihood that non-compliance with a type of compliance requirement of a state program that is more than inconsequential will not be prevented or detected by the Town of Stonington, Connecticut's internal control.

A material weakness is a significant deficiency or a combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a state program will not be prevented or detected by the Town of Stonington, Connecticut's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

## **Schedule of Expenditures of State Financial Assistance**

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Stonington, Connecticut as of and for the year ended June 30, 2007, and have issued our report thereon dated January 8, 2008. Our audit was performed for the purpose of forming opinions on the financial statements taken as a whole. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



This report is intended solely for the information and use of the Board of Finance, management of the Town of Stonington, Connecticut, the Office of Policy and Management, and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*McGladrey & Pullen, LLP*

New Haven, Connecticut  
January 8, 2008



# TOWN OF STONINGTON, CONNECTICUT

## SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

For the Year Ended June 30, 2007

State Grantor/Pass Through Grantor/Program Title	State Grant Program Core-CT Number	Expenditures
<b>DEPARTMENT OF EDUCATION</b>		
Child Nutrition Program - School Lunch State Match	11000-SDE64000-16072	\$ 34,195
Adult Education	11000-SDE64000-17030	19,666
Magnet School Transportation	11000-SDE64000-17057	27,300
Computer Assisted Writing, Instruction and Testing	11000-SDE64000-12332	24,811
Youth Service Bureaus	11000-SDE64000-17052	19,276
Non-public Health Services	11000-SDE64000-17034	13,539
<b>Total State Department of Education</b>		<b>138,787</b>
<b>OFFICE OF POLICY AND MANAGEMENT</b>		
Property Tax Relief for Elderly and Totally Disabled Homeowners	11000-OPM20600-17018	115,762
Property Tax Relief for Elderly Homeowners - Freeze Program	11000-OPM20600-17021	15,839
Property Tax Relief for Veterans	11000-OPM20600-17024	23,298
Property Tax Relief for Manufacturing Machinery and Equipment	11000-OPM20600-17031	94,803
Property Tax Relief	11000-OPM20600-17086	43,638
Payment in Lieu of Taxes on State-Owned Property	11000-OSC15910-17004	25,332
Mashantucket Pequot/Mohegan Fund	12009-OSC15910-17005	67,330
Property Tax Reimbursement - Disability Exemption	11000-OPM20600-17011	1,857
Local Capital Improvement Program	12050-OPM20600-40254	155,741
<b>Total Office of Policy and Management</b>		<b>543,600</b>
<b>DEPARTMENT OF TRANSPORTATION</b>		
Town Aid Road Grants	12001-DOT57131-17036	149,086
<b>DEPARTMENT OF PUBLIC SAFETY</b>		
Drug Asset Forfeiture Revenue	12060-DPS32155-35142	2,626
Telecommunications Fund	12060-DPS32740-35190	57,265
		<b>59,891</b>
<b>STATE COMPTROLLER</b>		
Boat Grant	12027-OSC15910-40211	85,164
<b>DEPARTMENT OF ENVIRONMENTAL PROTECTION</b>		
Grants for Water Pollution Control	12026-DEP43710-40203	18,750
<b>BOARD OF EDUCATION AND SERVICES FOR THE BLIND</b>		
Education of Handicapped Blind Children	11000-ESB65020-12060	17,870

See Notes to Schedule.

(Continued)



**TOWN OF STONINGTON, CONNECTICUT****SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE, Continued**  
**For the Year Ended June 30, 2007**

<b>State Grantor/Pass Through Grantor/Program Title</b>	<b>State Grant Program Core-CT Number</b>	<b>Expenditures</b>
<b>CONNECTICUT STATE LIBRARY</b>		
Historic Documents Preservation Grant	12060-CSL66094-35150	7,000
Grants to Public Libraries	11000-CSL66051-17003	1,537
<b>Total Connecticut State Library</b>		<u>8,537</u>
<b>TOTAL STATE FINANCIAL ASSISTANCE BEFORE EXEMPT PROGRAMS</b>		<u>1,021,685</u>
<b>DEPARTMENT OF EDUCATION</b>		
School Construction Projects - Interest	13009-SDE64370-40896	28,484
School Construction Projects-Principal	13010-SDE64370-40901	187,424
Transportation for School Children - Public	11000-SDE64370-17027	111,873
Education Equalization	11000-SDE64370-17041	1,887,774
Excess Cost-Student Based	11000-SDE64370-17047	528,810
Non-Public School Transportation	11000-SDE64370-17049	6,809
<b>Total exempt programs</b>		<u>2,751,174</u>
<b>TOTAL STATE FINANCIAL ASSISTANCE</b>		<u><u>\$ 3,772,859</u></u>

See Notes to Schedule.



**TOWN OF STONINGTON, CONNECTICUT  
STATE FINANCIAL ASSISTANCE PROGRAMS**

**NOTES TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
For the Year Ended June 30, 2007**

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Various departments and agencies of the State of Connecticut have provided financial assistance to the Town of Stonington, Connecticut through grants and other authorizations in accordance with the General Statutes of the State of Connecticut.

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Town of Stonington, Connecticut conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant policies relating to the aforementioned grant programs.

***Basis of Accounting***

The financial statements for the governmental fund types contained in the Town of Stonington, Connecticut's basic financial statements are prepared on the modified accrual basis of accounting.

The Schedule of Expenditures of State Financial Assistance, contained in this report, is also prepared on the modified accrual basis of accounting and on regulations established by the State of Connecticut Office of Policy and Management. In accordance with these regulations (Section 4-236-22), certain grants are not dependent on expenditure activity, and accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule of Expenditures of State Financial Assistance.

As a result, certain classifications of revenues and expenditures under accounting principles generally accepted in the United States of America differ from classifications utilized for the Schedule of Expenditures of State Financial Assistance.



**TOWN OF STONINGTON, CONNECTICUT  
STATE FINANCIAL ASSISTANCE PROGRAMS**

**NOTE TO SCHEDULE, Continued  
For the Year Ended June 30, 2007**

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**2. LOAN PROGRAMS**

In accordance with Section 23(a)(4)(F) of the regulations to the State Single Audit Act, the notes to the Schedule of Expenditures of State Financial Assistance shall include loans and loan activities. The following is a summary of the various loan program activity for the year ended June 30, 2007:

***Department of Environmental Protection:***

**Clean Water Funds 6865-3100-888:**

Project Number	Year of Issue	Interest Rate	Original Amount	Balance June 30, 2006	Retired	Balance June 30, 2007
196C	1991	2.00%	\$ 2,517,660	\$ 629,414	\$ 125,883	\$ 503,531
196C	1998	2.00%	1,563,519	826,697	75,154	751,543
196-CD1	2000	2.00%	1,148,280	786,320	64,619	721,701
Total				<u>\$ 2,242,431</u>	<u>\$ 265,656</u>	<u>\$ 1,976,775</u>



# TOWN OF STONINGTON, CONNECTICUT

## SCHEDULE OF STATE SINGLE AUDIT COMPLIANCE FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 2007

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### I. SUMMARY OF AUDITOR'S RESULTS

#### Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- Material weakness(es) identified? \_\_\_\_\_ Yes   X   No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes   X   None reported
- Noncompliance material to financial statements noted? \_\_\_\_\_ Yes   X   No

#### State Financial Assistance

Internal control over major programs:

- Material weakness(es) identified? \_\_\_\_\_ Yes   X   No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? \_\_\_\_\_ Yes   X   None reported

Type of auditor's report issued on compliance for major programs: unqualified

- Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act? \_\_\_\_\_ Yes   X   No



## **TOWN OF STONINGTON, CONNECTICUT**

### **SCHEDULE OF STATE SINGLE AUDIT COMPLIANCE FINDINGS AND QUESTIONED COSTS, Continued For the Year Ended June 30, 2007**

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The following schedule reflects the major state programs included in the audit:

<u>State Grantor and Program</u>	<u>State Core-CT Number</u>	<u>State Expenditures</u>
Property Tax Relief for Elderly and Totally Disabled Homeowners	11000-OPM20600-17018	\$ 115,762
Property Tax Relief for Manufacturing Machinery and Equipment	11000-OPM20600-17031	94,803
Mashantucket Pequot/Mohegan Fund	12009-OSC15910-17005	67,330
Local Capital Improvement Program	12050-OPM20600-40254	155,741
Town Aid Road Grants	12001-DOT57131-17036	149,086

## **II. FINANCIAL STATEMENT FINDINGS**

- We issued reports, dated January 8, 2008, on compliance and on internal control over financial reporting and other matters based on an audit of financial statements performed in accordance with "Government Auditing Standards."
- Our report on compliance indicated no reportable instances of noncompliance.
- Our report on internal control over financial reporting reported no significant deficiencies or material weaknesses.

## **III. FINDINGS AND QUESTIONED COSTS FOR STATE FINANCIAL ASSISTANCE**

### **A. Internal Controls Over Compliance**

None reported.

### **B. Compliance Findings**

None reported.