

McGladrey & Pullen

Certified Public Accountants

TOWN OF STONINGTON, CONNECTICUT

**FEDERAL AND STATE FINANCIAL AND COMPLIANCE REPORTS
YEAR ENDED JUNE 30, 2009**

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 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, 2009. 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 Non-profit 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, 2009.

Internal Control Over Compliance: The management of the Town of Stonington, Connecticut is responsible for establishing and maintaining effective internal control over compliance with the 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 noncompliance 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 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 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, 2009, and have issued our report thereon dated December 14, 2009. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the Town of Stonington, Connecticut's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133, 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 those specified parties.

McGladrey & Pullen, LLP

New Haven, Connecticut
December 14, 2009

TOWN OF STONINGTON, CONNECTICUT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 2009

Federal Grantor/ Pass-Through Grantor Program or Cluster Title	Catalog of Federal Domestic Assistance Number	Pass-Through Grantor's Number	Federal Expenditures
U.S. Department of Agriculture/ Passed through the State of Connecticut Department of Education:			
Food Donation	10.550	N/A	\$ 46,754
Child Nutrition Cluster:			
Summer Food Service Program for Children	10.559	12060-SDE64370-20540	18,731
Summer Food Sponsor Admin.	10.559	12060-SDE64370-20548	1,588
National School Breakfast Program	10.553	12060-SDE64370-20508	31,362
National School Lunch Program	10.555	12060-SDE64370-20560	149,783
Special School Milk Program	10.556	12060-SDE64370-20500	1,966
Total Nutrition Cluster			203,430
Total U.S. Department of Agriculture			250,184
U.S. Department of Transportation/ Passed through the State of Connecticut Department of Transportation			
Highway Cluster:			
Highway Planning/Construction	20.205	12062-DOT57191-22108	920,907
Highway Planning/Construction	20.205	12062-DOT57123-22108	13,880
Highway Planning/Construction	20.205	12062-DOT57124-22108	178
Highway Planning/Construction	20.205	12062-DOT57151-22108	72,692
Total Highway Cluster			1,007,657
Alcohol Open Container	20.207	12062-DOT57343-22091	33,251
Occupant Protection	20.602	12062-DOT57343-22087	5,147
Alcohol Traffic Safety and Drunk Drive Prevention Incentive Grants	20.601	12062-DOT57343-22086	24,839
			63,237
Passed through the State of Connecticut Department of Environmental Protection			
Recreation Program	20.219		50,000
Total U.S. Department of Transportation			1,120,894

(Continued)

TOWN OF STONINGTON, CONNECTICUT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS, Continued
For the Year Ended June 30, 2009

Federal Grantor/ Pass-Through Grantor Program or Cluster Title	Catalog of Federal Domestic Assistance Number	Pass-Through Grantor's Number	Federal Expenditures
U. S. Department of Emergency and Homeland Security/ Passed through the State of Connecticut Emergency and Homeland Security			
State Homeland Security	97.073	12060-EHS99530-21877	665
Emergency Management Performance Grants	97.042	12060-EHS99660-21881	5,718
Total U.S. Department of Emergency and Homeland Security			<u>6,383</u>
U.S. Department of Education/ Passed through the State of Connecticut Department of Education:			
Special Education Cluster:			
IDEA-Part B, Section 611	84.027	12060-SDE64370-20977	478,109
IDEA-Part B, Section 619	84.173	12060-SDE64370-20983	12,632
Total Special Education Cluster			<u>490,741</u>
Carl D. Perkins Act Vocational & Technical Education Act	84.048	12060-SDE64370-20742	<u>66,700</u>
Title I - Grants to Local Education Agencies	84.010	12060-SDE64370-20679	<u>213,978</u>
Title V - Innovative Education Program Strategies	84.298	12060-SDE64370-20909	<u>1,874</u>
Title II - Part A - Teacher and Principal Training	84.367	12060-SDE64370-20858	<u>67,986</u>
Title II - Part D - Enhanced Education Through Technology	84.318	12060-SDE64370-20826	<u>1,934</u>
Title IV - Safe & Drug Free Schools	84.186	12060-SDE64370-20873	<u>4,677</u>
Total U.S. Department of Education			<u>847,890</u>
U.S. Department of Housing and Urban Development/ Passed through the State Department of Economic and Community Development			
Community Development Block Grants - Small Cities Program	14.228	12060-ECD46350-20730	<u>994,780</u>
Total Expenditures of Federal Awards			<u><u>\$ 3,220,131</u></u>

See Notes to Schedule.

TOWN OF STONINGTON, CONNECTICUT

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS For the Year Ended June 30, 2009

Note 1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Town of Stonington, Connecticut 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 \$46,754 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, 2009

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	Name of Federal Program or Cluster
14.228	Community Development Block Grants - Small Cities Program
20.205	Highway Cluster
Dollar threshold used to distinguish between type A and type B programs	<u> \$300,000 </u>
Auditee qualified as low-risk auditee?	<u> X </u> Yes <u> </u> No

TOWN OF STONINGTON, CONNECTICUT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS, Continued
For the Year Ended June 30, 2009

II. FINANCIAL STATEMENT FINDINGS

A. Deficiencies in Internal Control

None.

B. Compliance Findings

None reported.

III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

A. Deficiencies in 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, 2009**

None reported.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON 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 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, 2009, which collectively comprise the Town of Stonington, Connecticut's basic financial statements, and have issued our report thereon dated December 14, 2009. 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 opinions 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 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 December 14, 2009.

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 those specified parties.

McGladrey & Pullen, LLP

New Haven, Connecticut
December 14, 2009

**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, 2009. The major state programs are identified in the summary of independent auditor's 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. 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, 2009.

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 noncompliance 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, 2009, and have issued our report thereon dated December 14, 2009. Our audit was performed for the purpose of forming our opinions on the financial statements that collectively comprise the Town of Stonington, Connecticut's basic financial statements. 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
December 14, 2009

TOWN OF STONINGTON, CONNECTICUT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE

For the Year Ended June 30, 2009

State Grantor/Pass Through Grantor/Program Title	State Grant Program Core-CT Number	Expenditures
DEPARTMENT OF EDUCATION		
Healthy Foods	11000-SDE64370-16072	\$ 23,784
Child Nutrition Program - School Lunch State Match	11000-SDE64370-16072	10,774
Adult Education	11000-SDE64370-17030	17,866
Magnet School Transportation	11000-SDE64370-17057	29,900
Youth Service Bureaus	11000-SDE64370-17052	19,275
Your Service Bureau-Enhancement	11000-SDE64370-16201	6,250
Non-Public Health Services	11000-SDE64370-17034	10,207
Total State Department of Education		94,272
OFFICE OF POLICY AND MANAGEMENT		
Property Tax Relief for Elderly and Totally Disabled Homeowners	11000-OPM20600-17018	120,421
Property Tax Relief for Elderly Homeowners - Freeze Program	11000-OPM20600-17021	14,718
Property Tax Relief for Veterans	11000-OPM20600-17024	17,077
Property Tax Relief for Manufacturing Machinery and Equipment	11000-OPM20600-17031	99,526
Property Tax Reimbursement - Disability Exemption	11000-OPM20600-17011	1,567
Heating Assistance Schools	11000-OPM20600-17096	30,287
Total Office of Policy and Management		283,596
DEPARTMENT OF TRANSPORTATION		
Town Aid Road Grants	12001-DOT57131-17036	168,586
DEPARTMENT OF PUBLIC SAFETY		
Drug Asset Forfeiture Revenue	12060-DPS32155-35142	633
Telecommunications Fund	12060-DPS32740-35190	48,540
Total Department of Public Safety		49,173
STATE COMPTROLLER		
Boat Grant	12027-OSC15910-40211	85,164
Payment in Lieu of Taxes on State-Owned Property	11000-OSC15910-17004	25,927
Mashantucket Pequot/Mohegan Fund	12009-OSC15910-17005	74,569
Total State Comptroller		185,660
BOARD OF EDUCATION AND SERVICES FOR THE BLIND		
Education of Handicapped Blind Children	11000-ESB65020-12060	4,195

(Continued)

TOWN OF STONINGTON, CONNECTICUT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE, Continued

For the Year Ended June 30, 2009

State Grantor/Pass Through Grantor/Program Title	State Grant Program Core-CT Number	Expenditures
CONNECTICUT STATE LIBRARY		
Historic Documents Preservation Grant	12060-CSL66094-35150	<u>7,000</u>
DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT		
Urban Action Bonds	13019-ECD46350-41240	221,095
Small Town Economic Assistance Program	12052-ECD46000-41249	<u>410,661</u>
Total Department of Economic and Community Development		<u>631,756</u>
DEPARTMENT OF PUBLIC HEALTH		
Local and District Departments of Health	11000-DPH48558-17009	<u>8,441</u>
TOTAL STATE FINANCIAL ASSISTANCE BEFORE EXEMPT PROGRAMS		<u>1,432,679</u>
DEPARTMENT OF EDUCATION		
School Construction Projects - Interest	13009-SDE64370-40896	13,828
School Construction Projects-Principal	13010-SDE64370-40901	170,863
Transportation for School Children - Public	11000-SDE64370-17027	77,279
Education Equalization	11000-SDE64370-17041	1,997,005
Excess Cost-Student Based	11000-SDE64370-17047	781,277
Non-Public School Transportation	11000-SDE64370-17049	<u>3,852</u>
Total exempt programs		<u>3,044,104</u>
TOTAL STATE FINANCIAL ASSISTANCE		<u><u>\$ 4,476,783</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, 2009**

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. The financial assistance programs fund several programs including education, public works, social services, property tax relief and public safety.

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**

**NOTES TO SCHEDULE, Continued
For the Year Ended June 30, 2009**

2. LOAN PROGRAMS

In accordance with Section 4-236-23(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, 2009:

Department of Environmental Protection:

Clean Water Funds 6865-3100-888:

Project Number	Year of Issue	Interest Rate	Original Amount	Balance June 30, 2008	Retired	Balance June 30, 2009
196C	1991	2.00%	\$ 2,517,660	\$ 377,648	\$ 125,883	\$ 251,765
196C	1998	2.00%	1,563,519	676,389	75,154	601,235
196-CD1	2000	2.00%	1,148,280	655,789	67,230	588,559
Total				<u>\$ 1,709,826</u>	<u>\$ 268,267</u>	<u>\$ 1,441,559</u>

TOWN OF STONINGTON, CONNECTICUT

SCHEDULE OF STATE SINGLE AUDIT COMPLIANCE FINDINGS AND QUESTIONED COSTS For the Year Ended June 30, 2009

I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

- | | | |
|---|-----------|------------------------------|
| ▪ Material weakness(es) identified? | _____ Yes | _____ <u>X</u> No |
| ▪ Significant deficiency(ies) identified that are not considered to be material weaknesses? | _____ Yes | _____ <u>X</u> None reported |
| ▪ Noncompliance material to financial statements noted? | _____ Yes | _____ <u>X</u> No |

State Financial Assistance

Internal control over major programs:

- | | | |
|---|-----------|------------------------------|
| ▪ Material weakness(es) identified? | _____ Yes | _____ <u>X</u> No |
| ▪ Significant deficiency(ies) identified that are not considered to be material weaknesses? | _____ Yes | _____ <u>X</u> 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 | _____ <u>X</u> No |
|---|-----------|-------------------|

TOWN OF STONINGTON, CONNECTICUT

SCHEDULE OF STATE SINGLE AUDIT COMPLIANCE FINDINGS AND QUESTIONED COSTS, Continued For the Year Ended June 30, 2009

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

State Grantor and Program	State Core-CT Number	State Expenditures
OPM-Property Tax Relief for Elderly and Totally Disabled Homeowners	11000-OPM20600-17018	\$ 120,421
OPM-Property Tax Relief for Manufacturing Machinery and Equipment	11000-OPM20600-17031	99,526
DOT-Town Aid Road Grants	12001-DOT57131-17036	168,586
OSC-Mashantucket Pequot/Mohegan Fund	12009-OSC15910-17005	74,569
ECD-Urban Action Bonds	13019-ECD46000-41240	181,648
ECD-Small Town Economic Assistance Program	12052-ECD46000-41249	410,661

II. FINANCIAL STATEMENT FINDINGS

- We issued reports, dated December 14, 2009, 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.

III. FINDINGS AND QUESTIONED COSTS FOR STATE FINANCIAL ASSISTANCE

A. Deficiencies in Internal Control

None reported.

B. Compliance Findings

None reported.