

**TOWN OF STONINGTON, CONNECTICUT**

**FINANCIAL REPORT  
JUNE 30, 2008**



**TOWN OF STONINGTON, CONNECTICUT**

**FINANCIAL REPORT**

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TOWN OF STONINGTON, CONNECTICUT

FINANCIAL REPORT

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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, 2008, 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'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, 2008, and the respective changes in financial position, and where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with "Government Auditing Standards," we have also issued our report dated December 22, 2008 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 is not a required part of the basic financial statements, but is supplementary information required by the 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 22, 2008



**Town of Stonington, Connecticut**  
**Managements Discussion and Analysis**  
**June 30, 2008**

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, 2008.

**Financial Highlights**

- ♦ The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$96,791,628. (net assets).
- ♦ The Town's total net assets increased by \$4,406,715.
- ♦ As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$16,721,223, an increase of \$2,343,597 in comparison with the prior year.
- ♦ At the end of the current fiscal year, unreserved/undesignated fund balance for the general fund was \$9,640,666, or 18.14% of total general fund budgetary expenditures and transfers.
- ♦ The Town of Stonington's total long-term debt decreased by \$3,303,648 (6.8%) during the current fiscal year. The key factor for this decrease was the principle payments on current debt 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 30 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Bonded Projects and Capital Nonrecurring Fund which are considered to be major funds. Data from the other 27 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, 2008 and 2007**

	Governmental Activities	
	2008	2007
Current and other assets	\$ 24,569,210	\$ 23,073,553
Capital assets and other long-term assets	121,641,498	122,321,985
<b>Total assets</b>	<b>146,210,708</b>	<b>145,395,538</b>
Long-term liabilities	41,503,958	45,134,120
Other liabilities	7,915,122	7,876,505
<b>Total liabilities</b>	<b>49,419,080</b>	<b>53,010,625</b>
Net assets:		
Invested in capital assets, net of related debt	79,816,672	76,810,058
Restricted for endowments	210,057	198,161
Unrestricted	16,764,899	15,376,694
<b>Total net assets</b>	<b>\$ 96,791,628</b>	<b>\$ 92,384,913</b>

### **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 \$96,791,628 at the close of the most recent fiscal year.

By far the largest portion of the Town's net assets (82.46%) 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 17.32%, 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, 2008 and 2007**

	Governmental Activities	
	2008	2007
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 6,813,631	\$ 6,011,164
Operating grants and contributions	7,019,039	6,590,101
Capital grants and contributions	148,937	327,083
General revenues:		
Property taxes	46,834,683	44,062,398
Investment earnings	962,047	1,289,267
Miscellaneous	100,806	262,618
<b>Total revenues</b>	<b>61,879,143</b>	<b>58,542,631</b>
<b>Expenses:</b>		
General government	8,237,984	4,971,379
Public safety	3,800,209	3,870,184
Public works	2,777,352	2,122,313
Sanitation and waste removal	6,124,733	5,612,727
Public health and welfare	672,159	658,744
Library	267,159	267,159
Recreation	128,473	128,940
Education	33,693,404	33,495,682
Interest on long-term debt	1,770,955	1,544,780
<b>Total expenses</b>	<b>57,472,428</b>	<b>52,671,908</b>
<b>Increase in net assets</b>	<b>4,406,715</b>	<b>5,870,723</b>
<b>Net Assets, beginning</b>	<b>92,384,913</b>	<b>86,514,190</b>
<b>Net assets - ending</b>	<b>\$ 96,791,628</b>	<b>\$ 92,384,913</b>

## **Governmental activities**

For governmental activities, approximately 75.69% of revenues were derived from property taxes, followed by 22.60% from program income, 1.55% from investment earnings, and finally approximately .16% 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 an increase in the mill rate from 20.87 to 21.73, a 4.12% increase.
- ♦ Operating grants and contributions increased due to additional grants for educational purposes and from the small cities program.
- ♦ Capital grants decreased due to the end of construction of school projects.

For governmental activities, approximately 58.63% of the Town's expenditures relates to education, 14.33% to general government, 10.66% to sanitation and waste removal, 6.61% to public safety, 4.83% to public works, 3.08% to interest on long-term debt, 1.17% to public health and welfare, .47% to library and .22% to recreation.

- ♦ Education expenditures in the General Fund increased by 9.5% from \$33.5 million to \$33.7 million as cost for repairs were significantly higher than in the prior year.
- ♦ 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 \$16,721,223, an increase of \$2,343,597 in comparison with the prior year. \$15,499,713, 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 (\$304,933).
2. Reserved for sewer debt service (\$440,928).
3. Reserved for endowment restricted purposes (\$210,057).
4. Designated for subsequent year's budget (\$265,592).

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 \$9,640,666, while total fund balance reached \$10,200,665. 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 18.14% of total general fund budgetary expenditures and transfers, while total fund balance represents 19.19% of that same amount.

During the current fiscal year, the fund balance of the Town's general fund increased by \$1,544,898. Key factors in this growth are as follows:

- ♦ An increase in permit and license revenue due to the issuance of two building permits for large building projects.
- ♦ An increase in the property tax increased tax revenues by \$2,623,376.

The Capital Nonrecurring Fund had a small decrease in its fund balance in the amount of \$40,788.

The Bonded Project Fund has an increase in fund balance of \$602,209; the reason for this increase was due to receipt of reimbursement grants from the State.

### **General Fund Budgetary Highlights**

The difference between the original budget and the final amended budget was \$38,100. 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, revenues exceeded budgetary estimates and 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, 2008, amounts to \$121,641,498 (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 completed on several small projects throughout the Town, such as the Town Dock Electrical project and the Pawcatuck Park bulkhead replacement project.

**TOWN OF STONINGTON, CONNECTICUT**  
**CAPITAL ASSETS (Net of Depreciation)**  
**June 30, 2008 and 2007**

	Governmental Activities	
	2008	2007
Land	\$ 11,028,391	\$ 11,028,391
Land and building improvements	7,450,997	7,678,832
Buildings and sewer system	43,672,457	44,804,826
Machinery and equipment	1,830,531	1,833,307
Vehicles	1,041,966	914,167
Infrastructure	55,772,867	55,692,549
Construction in Progress	844,289	309,695
<b>Total</b>	<b>\$ 121,641,498</b>	<b>\$ 122,261,767</b>

**TOWN OF STONINGTON, CONNECTICUT**  
**OUTSTANDING DEBT**  
**June 30, 2008 and 2007**

	Governmental Activities	
	2008	2007
General Obligation Bonds and Loans	\$ 41,824,826	\$ 45,236,775

During the current fiscal year, the Town's total long term debt decreased by \$3,411,949 (7.5%). The key factor for this decrease was the principle payments on current debt and no issuance of new bonds. The Town maintains an "Aa3" rating from Moody's 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 \$328,612,711, 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

- ♦ The unemployment rate for the Town is at 4.3%, which compares favorably to the state's average unemployment rate of 5.7%.
- ♦ Inflationary trends in the region compare favorably to national indices.
- ♦ Due to the economic crisis in the country, interest rates have significantly dropped therefore in preparing the upcoming budget an interest rate of 2.5% was used to project interest income.

All of these factors were considered in preparing the Town's budget for the 2009 fiscal year.

### 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, 2008**

	Governmental Activities
<hr/>	
<b>ASSETS</b>	
Cash and cash equivalents	\$ 20,999,838
Investments	623,763
Receivables:	
Property taxes	550,937
Charges for services	440,636
Assessments/user charges	893,834
Intergovernmental	938,986
Other assets	28,629
Net pension asset	92,587
Capital assets, not being depreciated	11,872,680
Capital assets, net of accumulated depreciation	109,768,818
<b>Total assets</b>	<hr/> 146,210,708 <hr/>
<b>LIABILITIES</b>	
Accounts payable and accrued liabilities	\$ 2,866,166
Accrued interest payable	437,799
Advance tax collections	2,235
Unearned revenue	168,370
Bond anticipation notes	675,000
Noncurrent Liabilities:	
Long-term liabilities due within one year	3,765,552
Due in more than one year	41,503,958
<b>Total liabilities</b>	<hr/> 49,419,080 <hr/>
<b>NET ASSETS</b>	
Invested in capital assets, net of related debt	79,816,672
Restricted for:	
Endowments	210,057
Unrestricted	16,764,899
<b>Total net assets</b>	<hr/> \$ 96,791,628 <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, 2008

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
					Total Governmental Activities
<b>Primary government:</b>					
Governmental activities:					
General government	\$ (8,237,984)	\$ 968,032	\$ 657,626	\$ -	\$ (6,612,326)
Public safety	(3,800,209)	60,581	49,004	-	(3,690,624)
Public works	(2,777,352)	2,517,134	455,080	148,937	343,799
Sanitation and waste removal	(6,124,733)	2,426,694	-	-	(3,698,039)
Public health and welfare	(672,159)	5,747	43,666	-	(622,746)
Library	(267,159)	-	-	-	(267,159)
Recreation	(128,473)	124,812	-	-	(3,661)
Education	(33,693,404)	710,631	5,813,663	-	(27,169,110)
Interest on long-term debt	(1,770,955)	-	-	-	(1,770,955)
<b>Total governmental activities</b>	<b>\$ (57,472,428)</b>	<b>\$ 6,813,631</b>	<b>\$ 7,019,039</b>	<b>\$ 148,937</b>	<b>(43,490,821)</b>
General revenues:					
Property taxes					46,834,683
Miscellaneous					100,806
Unrestricted investment earnings					962,047
Total general revenues					47,897,536
Extraordinary (Note 15):					
State teachers' on-behalf payments					(8,466,000)
State teachers' on-behalf revenue					8,466,000
					-
Change in net assets					4,406,715
Net assets - beginning					92,384,913
Net assets - ending					\$ 96,791,628

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

## TOWN OF STONINGTON, CONNECTICUT

## BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2008

	Major Funds				Total Governmental Funds
	General Fund	Bonded Projects Fund	Capital Nonrecurring Fund	Other Nonmajor Governmental Funds	
<b>Assets</b>					
Cash and cash equivalents	\$ 12,406,484	\$ -	\$ 2,722,896	\$ 4,301,144	\$ 19,430,524
Investments	-	-	176,766	-	176,766
Receivables (net of allowances for collection losses):					
Property taxes	550,937	-	-	-	550,937
Assessments/user charges	-	-	-	746,278	746,278
Intergovernmental	318,233	550,000	-	87,753	955,986
Charges for services	440,636	-	-	-	440,636
Due from other funds	245,054	3,289	-	817,205	1,065,548
Other assets	28,629	-	-	-	28,629
<b>Total assets</b>	<b>\$ 13,989,973</b>	<b>\$ 553,289</b>	<b>\$ 2,899,662</b>	<b>\$ 5,952,380</b>	<b>\$ 23,395,304</b>
<b>Liabilities</b>					
Accounts payable and accrued liabilities	\$ 1,882,890	\$ 102,758	\$ 46,557	\$ 411,852	\$ 2,444,057
Advanced tax collections	2,235	-	-	-	2,235
Unearned revenues	-	-	-	168,370	168,370
Deferred revenue	735,837	550,000	-	498,601	1,784,438
Due to other funds	1,168,346	-	22,015	409,620	1,599,981
Bond anticipation note payable	-	675,000	-	-	675,000
<b>Total liabilities</b>	<b>3,789,308</b>	<b>1,327,758</b>	<b>68,572</b>	<b>1,488,443</b>	<b>6,674,081</b>
<b>Fund balances (deficit)</b>					
Reserved for:					
Encumbrances	294,407	-	-	10,526	304,933
Debt service	-	-	-	440,928	440,928
Endowments	-	-	-	210,057	210,057
Unreserved, designated for:					
Designated for subsequent year's budget	265,592	-	-	-	265,592
Unreserved, undesignated, reported in:					
General fund	9,640,666	-	-	-	9,640,666
Special revenue funds	-	-	-	1,852,972	1,852,972
Capital projects funds	-	(774,469)	2,831,090	-	2,056,621
Debt service fund	-	-	-	1,949,454	1,949,454
<b>Total fund balances (deficit)</b>	<b>10,200,665</b>	<b>(774,469)</b>	<b>2,831,090</b>	<b>4,463,937</b>	<b>16,721,223</b>
<b>Total liabilities and fund balances (deficit)</b>	<b>\$ 13,989,973</b>	<b>\$ 553,289</b>	<b>\$ 2,899,662</b>	<b>\$ 5,952,380</b>	

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.	121,641,498
Deferred revenue	1,784,438
Accrued interest payable	(437,799)
Pension asset	92,587
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.	2,259,191
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(45,269,510)

Net assets of governmental activities \$ 96,791,628

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, 2008

	Major Funds			Other	Total
	General	Bonded	Capital	Nonmajor	Total
	Fund	Projects	Nonrecurring	Governmental	Governmental
	Fund	Fund	Fund	Funds	Funds
<b>REVENUES</b>					
Property taxes	\$ 46,723,063	\$ -	\$ -	\$ -	\$ 46,723,063
Intergovernmental revenues	5,385,503	1,072,918	-	1,862,842	8,321,263
Income from investments	738,976	-	80,906	182,721	1,002,603
Charges for services and assessments	3,503,955	-	38,501	3,398,398	6,940,854
Other	91,443	-	-	7,725	99,168
<b>Total revenues</b>	<b>56,442,940</b>	<b>1,072,918</b>	<b>119,407</b>	<b>5,451,686</b>	<b>63,086,951</b>
<b>EXPENDITURES</b>					
Current:					
General government	6,801,087	-	-	511,893	7,312,980
Public safety	3,749,257	-	-	170,365	3,919,622
Highway	1,853,298	-	-	1,028,785	2,882,083
Sanitation and waste removal	2,586,928	-	-	2,673,507	5,260,435
Human services	365,089	-	-	-	365,089
Social services	198,510	-	-	-	198,510
Recreation	76,401	-	-	52,071	128,472
Libraries	267,160	-	-	-	267,160
Payments to other civic divisions	113,429	-	-	-	113,429
Education	31,572,075	-	-	1,748,452	33,320,527
Debt service:					
Principal	3,411,949	-	-	-	3,411,949
Interest	1,673,885	-	-	-	1,673,885
Capital outlay	-	470,709	1,338,504	-	1,809,213
<b>Total expenditures</b>	<b>52,669,068</b>	<b>470,709</b>	<b>1,338,504</b>	<b>6,185,073</b>	<b>60,663,354</b>
<b>Revenue over (under) expenditures</b>	<b>3,773,872</b>	<b>602,209</b>	<b>(1,219,097)</b>	<b>(733,387)</b>	<b>2,423,597</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	200,021	-	1,672,395	1,520,903	3,393,319
Transfers out	(2,428,995)	-	(494,086)	(550,238)	(3,473,319)
<b>Total other financing sources (uses)</b>	<b>(2,228,974)</b>	<b>-</b>	<b>1,178,309</b>	<b>970,665</b>	<b>(80,000)</b>
<b>EXTRAORDINARY ITEM</b>					
State teachers' on-behalf payments (Note 15)	(8,466,000)	-	-	-	(8,466,000)
State teachers' on-behalf revenue (Note 15)	8,466,000	-	-	-	8,466,000
<b>Total extraordinary item</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>1,544,898</b>	<b>602,209</b>	<b>(40,788)</b>	<b>237,278</b>	<b>2,343,597</b>
<b>FUND BALANCES (DEFICIT), beginning</b>	<b>8,655,767</b>	<b>(1,376,678)</b>	<b>2,871,878</b>	<b>4,226,659</b>	<b>14,377,626</b>
<b>FUND BALANCES (DEFICIT), ending</b>	<b>\$ 10,200,665</b>	<b>\$ (774,469)</b>	<b>\$ 2,831,090</b>	<b>\$ 4,463,937</b>	<b>\$ 16,721,223</b>

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 OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2008**

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

Net change in fund balances – total governmental funds	\$ 2,343,597
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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.	(620,269)
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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.	(1,166,374)
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Change in net pension asset	60,729
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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.	3,481,051
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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.	(212,390)
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The net income of certain activities of internal service funds is reported with governmental activities.	520,371
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Change in net assets of governmental activities	<u>\$ 4,406,715</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, 2008**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary	Final Budget
			Basis	Positive
				(Negative)
<b>REVENUES</b>				
Property taxes, interest and lien fees	\$ 46,178,503	\$ 46,178,503	\$ 46,723,063	\$ 544,560
Intergovernmental revenues	3,318,738	3,318,738	3,288,503	(30,235)
Revenues from the use of money and property	513,300	513,300	738,976	225,676
Charges for services	2,411,200	2,411,200	2,378,349	(32,851)
Licenses and permits	1,017,200	1,017,200	1,359,531	342,331
Fines and forfeits	19,200	19,200	33,869	14,669
<b>Total revenues</b>	<b>53,458,141</b>	<b>53,458,141</b>	<b>54,522,291</b>	<b>1,064,150</b>
<b>EXPENDITURES</b>				
General government	7,486,400	7,378,950	7,057,202	321,748
Public safety	3,777,491	3,869,201	3,779,226	89,975
Highway department	1,997,812	2,007,479	2,005,902	1,577
Sanitation and waste removal	2,817,294	2,845,729	2,580,734	264,995
Human services	351,013	366,701	360,765	5,936
Social services	166,629	166,679	162,439	4,240
Recreation	88,533	88,533	75,486	13,047
Libraries	267,159	267,159	267,159	-
Payments to other civic divisions	113,429	113,429	113,429	-
Education	29,669,597	29,669,597	29,626,280	43,317
Debt service	5,443,389	5,443,389	5,437,436	5,953
<b>Total expenditures</b>	<b>52,178,746</b>	<b>52,216,846</b>	<b>51,466,058</b>	<b>750,788</b>
<b>Revenue over expenditures</b>	<b>1,279,395</b>	<b>1,241,295</b>	<b>3,056,233</b>	<b>1,814,938</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Cancellation of prior year's encumbrances	-	-	23,670	23,670
Transfers out	(1,672,395)	(1,672,395)	(1,672,395)	-
Use of fund balance	393,000	431,100	-	(431,100)
<b>Total other financing sources (uses)</b>	<b>(1,279,395)</b>	<b>(1,241,295)</b>	<b>(1,648,725)</b>	<b>(407,430)</b>
<b>Revenues and other financing sources over expenditures and other financing uses</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 1,407,508</b>	<b>\$ 1,407,508</b>

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, 2008**

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	Governmental Activities Internal Service Fund <hr/> Medical Self- Insurance Fund <hr/>
<b>ASSETS</b>	
Current assets:	
Cash	\$ 1,569,314
Investments	446,997
Accounts receivable:	
Other	130,556
Due from other funds	496,724
<b>Total current assets</b>	<hr/> 2,643,591 <hr/>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable and accrued expenses	<hr/> 384,400 <hr/>
<b>NET ASSETS</b>	
Unrestricted	2,259,191
<b>Total net assets</b>	<hr/> \$ 2,259,191 <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, 2008

	Governmental Activities Internal Service Fund Medical Self- Insurance Fund
<b>OPERATING REVENUES</b>	
Charges for services	\$ 5,595,921
<b>OPERATING EXPENSES</b>	
Benefits and claims	4,900,236
Administration	214,758
<b>Total operating expenses</b>	<b>5,114,994</b>
<b>Operating income</b>	<b>480,927</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>	
Interest on investments	45,971
Net depreciation in fair value of investments	(86,527)
<b>Total nonoperating revenue (expenses)</b>	<b>(40,556)</b>
<b>Operating income before transfers</b>	<b>440,371</b>
Transfers in	80,000
<b>Change in net assets</b>	<b>520,371</b>
<b>FUND NET ASSETS, beginning</b>	<b>1,738,820</b>
<b>FUND NET ASSETS, ending</b>	<b>\$ 2,259,191</b>

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, 2008

	Governmental Activities Internal Service Fund Medical Self- Insurance Fund
<b>Cash Flows From Operating Activities</b>	
Cash received from charges for services	\$ (5,693,227)
Cash paid for claims	(5,233,555)
<b>Net cash provided by operating activities</b>	<u>459,672</u>
<b>Cash Flows From Noncapital Financing Activities</b>	
Transfers in	80,000
<b>Net cash provided by noncapital financing activities</b>	<u>80,000</u>
<b>Cash Flows From Investing Activities</b>	
Interest on cash and cash equivalents	45,971
Purchase of investments	323,890
<b>Net cash used in investing activities</b>	<u>369,861</u>
<b>Net increase in cash and cash equivalents</b>	909,533
<b>Cash and Cash Equivalents</b>	
Beginning	<u>1,307,561</u>
Ending	<u>\$ 2,217,094</u>
<b>Reconciliation of Operating Income to Net Cash Provided by Operating Activities</b>	
Operating income	\$ 480,927
Adjustments to reconcile operating income to net cash provided by operating activities:	
Changes in assets and liabilities:	
Increase in accounts receivable	(106,063)
Decrease in due from other funds	203,369
Decrease in accounts payable	(118,561)
<b>Net cash provided by operating activities</b>	<u>\$ 459,672</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, 2008**

	Pension Trust Fund	Agency Funds
<hr/>		
<b>ASSETS</b>		
Cash and cash equivalents	\$ 1,489,259	\$ 413,341
Investments - at fair value	15,703,647	-
Due from other funds	-	37,709
<b>Total assets</b>	<hr/> 17,192,906	<hr/> 451,050
<b>LIABILITIES</b>		
Due to others	-	451,050
<b>Total liabilities</b>	<hr/> -	<hr/> 451,050
<b>Net Assets Held in Trust for Pension Benefits</b>	<hr/> <hr/> \$ 17,192,906	<hr/> <hr/> \$ -

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, 2008**

	Pension Trust Fund
<b>Additions</b>	
Contributions:	
Employer	\$ 890,080
Employee	226,137
<b>Total contributions</b>	<u>1,116,217</u>
Investment income:	
Net depreciation in fair value of investments	(1,719,567)
Interest and dividends	835,165
<b>Total investment income (loss)</b>	<u>(884,402)</u>
Less investment expense	90,056
<b>Net investment earnings (losses)</b>	<u>(974,458)</u>
<b>Total additions</b>	<u>141,759</u>
<b>Deductions</b>	
Benefits	896,467
Administration	12,959
<b>Total deductions</b>	<u>909,426</u>
<b>Change in net assets</b>	(767,667)
<b>Net Assets Held in Trust, July 1, 2007</b>	<u>17,960,573</u>
<b>Net Assets Held in Trust, June 30, 2008</b>	<u><u>\$ 17,192,906</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, 2008

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#### **Note 1. Summary of Significant Accounting Policies**

##### Reporting entity

The Town of Stonington (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 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, 2008

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#### 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 users 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, 2008

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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, 2008

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#### 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, 2008

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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, 2008

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**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	\$ (41,824,826)
Landfill closure costs	(428,825)
Compensated absences	(2,721,546)
Capital lease	(145,832)
Claims and judgments	(148,481)
	<hr/>
Net adjustment to reduce fund balance – total governmental funds	
to arrive at net assets – governmental activities	<u><u>\$ (45,269,510)</u></u>

##### 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 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

**TOWN OF STONINGTON, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2008**

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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	\$ 1,987,640
Depreciation expense	(2,603,232)
Loss on disposal	<u>(4,677)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (620,269)</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	\$ 3,411,949
Capital leases	<u>69,102</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 3,481,051</u>

## TOWN OF STONINGTON, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2008

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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	\$ (134,299)
Landfill closure	55,377
Accrued interest	(34,987)
Claims	(98,481)
	<hr/>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<hr/> \$ (212,390) <hr/>

#### **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 Board of Finance shall cause to be published in a newspaper having a substantial circulation in

## TOWN OF STONINGTON, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2008

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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, 2008

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- ♦ 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	\$ 54,545,961
On-behalf payments paid directly by the State of Connecticut Teachers' Retirement System	<u>2,097,000</u>
Revenues and other financing sources, GAAP basis	<u><u>\$ 56,642,961</u></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	\$ 53,138,453
On-behalf payments paid directly by the State of Connecticut Teachers' Retirement System	2,097,000
Encumbrances:	
June 30, 2007	157,017
June 30, 2008	<u>(294,407)</u>
Expenditures and other financing uses, GAAP basis	<u><u>\$ 55,098,063</u></u>

## TOWN OF STONINGTON, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2008

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#### 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 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.



## TOWN OF STONINGTON, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2008

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#### 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, 2008, \$10,320,629 of the Town's bank balance of \$12,032,991 was uninsured and uncollateralized.

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, 2008:

<b>Cash and Cash Equivalents</b>	
Deposits with financial institutions	\$ 13,754,035
State of Connecticut Short-Term Investment fund	1,092
Municipal Backed Investment Fund	9,147,311
<b>Total cash and cash equivalents</b>	<b>22,902,438</b>
<b>Investments</b>	
Internal Service Fund	
Equity Securities	264,874 *
Money Market Mutual Funds	82,124
Corporate Bonds	74,999 *
U.S. Government Agencies	25,000 *
	<b>446,997</b>
Capital Nonrecurring Fund	
U.S. Treasury Money Market Funds	<b>176,766</b>
Pension Trust Funds:	
U.S. Government Securities	1,014,108 *
U.S. Government Agencies	75,533 *
Corporate Bonds	1,170,197 *
Asset and Mortgage-Backed Securities	3,756,919 *
International Bonds	208,716 *
Common Stock	9,478,174 *
<b>Total pension investments</b>	<b>15,703,647</b>
<b>Total investments</b>	<b>16,327,410</b>
<b>Total cash and investments</b>	<b>\$ 39,229,848</b>

\* 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, 2008**

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

<b>Statement of Net Assets</b>	
Cash and cash equivalents	\$ 20,999,838
Investments	623,763
<b>Total statement of net assets</b>	<b>21,623,601</b>
 <b>Fiduciary Funds:</b>	
Cash and cash equivalents	1,902,600
Investments	15,703,647
	17,606,247
 <b>Total cash and investments</b>	 <b>\$ 39,229,848</b>

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	\$ 1,014,108	\$ -	\$ 630,444	\$ 383,664	\$ -
U.S. Government Agencies	100,533	-	75,533	25,000	-
Asset and Mortgage Backed Securities	3,756,919	57,967	186,274	283,757	3,228,921
International Bonds	208,716	-	94,496	92,633	21,587
Corporate Bonds	1,245,196	-	361,900	626,982	256,314
Pooled Fixed Income	9,148,403	9,148,403	-	-	-
U.S. Treasury Money Markets	176,766	176,766	-	-	-
Money Market Mutual Funds	82,124	82,124	-	-	-
	<b>\$ 15,732,765</b>	<b>\$ 9,465,260</b>	<b>\$ 1,348,647</b>	<b>\$ 1,412,036</b>	<b>\$ 3,506,822</b>

# TOWN OF STONINGTON, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2008

### 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	Mortgage Backed Securities	U.S. Treasury Money Markets	Pooled Fixed Income	Money Market Mutual Funds
AAAm	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,092	\$ -
AAA	80,071	-	100,533	3,525,014	176,766	9,147,311	-
AA	36,600	59,262	-	5,401	-	-	-
AA-	39,884	-	-	75,651	-	-	-
A+	262,265	-	-	-	-	-	-
A	219,308	-	-	-	-	-	-
A-	101,820	39,142	-	-	-	-	-
BBB+	187,856	54,496	-	-	-	-	-
BBB	226,121	55,816	-	-	-	-	-
BBB-	91,271	-	-	-	-	-	-
Unrated	-	-	-	150,853	-	-	82,124
	<u>\$ 1,245,196</u>	<u>\$ 208,716</u>	<u>\$ 100,533</u>	<u>\$ 3,756,919</u>	<u>\$ 176,766</u>	<u>\$ 9,148,403</u>	<u>\$ 82,124</u>

### **Note 5. Interfund Receivables, Payables and Transfers**

As of June 30, 2008, interfund receivables and payables that resulted from various interfund transactions were as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 245,054	\$ 1,168,346
Bonded Projects	3,289	-
Capital Nonrecurring Fund	-	22,015
Non-Major Governmental Funds	817,205	409,620
Internal Service Fund	496,724	-
Fiduciary Funds	37,709	-
<b>Totals</b>	<u>\$ 1,599,981</u>	<u>\$ 1,599,981</u>

**TOWN OF STONINGTON, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2008**

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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, 2008 were as follows:

	Transfers From Other Funds	Transfers To Other Funds
General Fund	\$ 200,021	\$ 2,428,995
Capital Nonrecurring	1,672,395	494,086
Non-Major Governmental Funds	1,520,903	550,238
Internal Service Fund	80,000	-
<b>Total</b>	<b>\$ 3,473,319</b>	<b>\$ 3,473,319</b>

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, 2008**

**Note 6. Capital Assets**

Capital asset activity for the year ended June 30, 2008 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 11,028,391	\$ -	\$ -	\$ 11,028,391
Construction in progress	309,695	690,095	155,501	844,289
Total capital assets, not being depreciated	11,338,086	690,095	155,501	11,872,680
Capital assets, being depreciated:				
Land and building improvements	9,718,691	27,251	27,641	9,718,301
Buildings	66,397,566	-	-	66,397,566
Machinery and equipment	4,943,989	275,972	-	5,219,961
Infrastructure	77,204,545	814,172	-	78,018,717
Vehicles	2,910,157	335,651	192,953	3,052,855
Total capital assets being depreciated	161,174,948	1,453,046	220,594	162,407,400
Less accumulated depreciation for:				
Land and building improvements	2,039,859	255,086	27,641	2,267,304
Buildings	21,592,740	1,132,369	-	22,725,109
Machinery and equipment	3,110,682	278,748	-	3,389,430
Infrastructure	21,511,996	733,854	-	22,245,850
Vehicles	1,995,990	203,175	188,276	2,010,889
Total accumulated depreciation	50,251,267	2,603,232	215,917	52,638,582
Total capital assets, being depreciated, net	110,923,681	(1,150,186)	4,677	109,768,818
Governmental activities capital assets, net	\$ 122,261,767	\$ (460,091)	\$ 160,178	\$ 121,641,498

**TOWN OF STONINGTON, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2008**

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

**Governmental Activities:**

General administration	\$	714,905
Public works		130,190
Public safety		80,975
Education		904,922
Health and welfare		373
Sanitation and waste removal		771,867
		<hr/>
Total depreciation expense – governmental activities	\$	2,603,232
		<hr/>

**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
	<hr/>	<hr/>
Property taxes	\$ 417,604	\$ -
School construction grant receivable	868,233	-
Grant drawdowns prior to meeting all eligibility requirements	-	168,370
Sewer assessments and collections	498,601	-
<b>Total deferred/unearned revenue</b>	<hr/>	<hr/>
	\$ 1,784,438	\$ 168,370
	<hr/>	<hr/>

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS  
June 30, 2008

**Note 8. Long-Term Obligations**

Long-term liabilities outstanding as of June 30, 2008 consisted of the following:

Type	Original Amount	Year of Issue	Year of Maturity	Interest Rate	Balance July 1, 2007	Additions	Reductions	Balance June 30, 2008	Amounts Due Within One Year
<b><u>General Obligation Debt</u></b>									
Sewer improvement bonds	\$ 1,740,000	1993	2008	3.50-5.00%	\$ 105,000	\$ -	\$ 105,000	\$ -	\$ -
Landfill closure bonds	1,625,000	1996	2011	4.50-6.50%	440,000	-	110,000	330,000	110,000
School bonds	3,500,000	1998	2018	4.50-4.90%	2,075,000	-	225,000	1,850,000	225,000
Sewer/school bonds	9,105,000	2001	2020	4.20-5.10%	7,000,000	-	500,000	6,500,000	500,000
Sewer/school bonds	3,850,000	2001	2010	4.00-4.20%	1,230,000	-	420,000	810,000	410,000
School bonds	5,000,000	2003	2023	2.50-4.50%	4,450,000	-	275,000	4,175,000	275,000
School bonds	12,100,000	2004	2024	3.00-4.25%	11,585,000	-	515,000	11,070,000	510,000
School bonds	10,000,000	2005	2025	3.25-5.00	9,500,000	-	500,000	9,000,000	500,000
Sewer/school bonds	4,400,000	2007	2026	5.50%	4,400,000	-	-	4,400,000	370,000
Sewer improvement bonds	9,810,000	1992	2012	5.00-7.00%	2,475,000	-	495,000	1,980,000	495,000
<b>Total general obligation debt</b>					<b>43,260,000</b>	<b>-</b>	<b>3,145,000</b>	<b>40,115,000</b>	<b>3,395,000</b>
<b><u>Loans</u></b>									
Clean water loan	1,563,519	1998	2020	2.00%	751,543	-	75,154	676,389	75,154
Clean water loan	1,148,280	2000	2017	2.00%	721,701	-	65,912	655,789	67,230
Clean water loan	2,517,660	1991	2010	2.00%	503,531	-	125,883	377,648	125,883
<b>Total loans</b>					<b>1,976,775</b>	<b>-</b>	<b>266,949</b>	<b>1,709,826</b>	<b>268,267</b>
<b>Total general obligation bonds and loans</b>					<b>45,236,775</b>	<b>-</b>	<b>3,411,949</b>	<b>41,824,826</b>	<b>3,663,267</b>
<b><u>Other Long-Term Liabilities</u></b>									
Landfill closure and postclosure care					484,202	-	55,377	428,825	30,670
Compensated absences					2,587,247	617,679	483,380	2,721,546	-
Capital Leases					214,934	-	69,102	145,832	71,615
Claims and judgements					50,000	98,481	-	148,481	-
<b>Total other long-term liabilities</b>					<b>3,336,383</b>	<b>716,160</b>	<b>607,859</b>	<b>3,444,684</b>	<b>102,285</b>
<b>Total long-term obligations</b>					<b>\$ 48,573,158</b>	<b>\$ 716,160</b>	<b>\$ 4,019,808</b>	<b>\$ 45,269,510</b>	<b>\$ 3,765,552</b>

**TOWN OF STONINGTON, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS**

**June 30, 2008**

Bond anticipation notes

In July 2007, the Town issued \$675,000 in bond anticipation notes which have an interest rate of 3.8% and mature in July 2008.

Bond anticipation note transactions for the year ended June 30, 2008 were as follows:

Outstanding July 1, 2007	\$	600,000
New Borrowings		675,000
Repayments		(600,000)
		<hr/>
Outstanding, June 30, 2008	\$	<u>675,000</u>

Summary of debt service requirements to maturity

The annual requirements to amortize bonds and loans payable at June 30, 2008 are as follows:

Fiscal Year-End June 30,	Bonds			Clean Water		
	Principal	Interest	Total	Principal	Interest	Total
2009	\$ 3,395,000	\$ 1,679,930	\$ 5,074,930	\$ 268,267	\$ 34,197	\$ 302,464
2010	3,380,000	1,527,101	4,907,101	269,612	28,831	298,443
2011	2,975,000	1,373,010	4,348,010	270,983	23,439	294,422
2012	3,065,000	1,232,559	4,297,559	146,499	18,019	164,518
2013	2,570,000	1,097,342	3,667,342	147,926	15,089	163,015
2014-2018	12,030,000	4,003,063	16,033,063	606,539	30,493	637,032
2019-2023	9,050,000	1,664,488	10,714,488	-	-	-
2024-2027	3,650,000	211,115	3,861,115	-	-	-
	<u>\$ 40,115,000</u>	<u>\$ 12,788,608</u>	<u>\$ 52,903,608</u>	<u>\$ 1,709,826</u>	<u>\$ 150,068</u>	<u>\$ 1,859,894</u>



# TOWN OF STONINGTON, CONNECTICUT

## NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2008

### 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, 2008 was approximately \$203,000. Additional payments for principal and interest aggregating approximately \$360,000 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, 2008, is as follows:

Total tax collections (including interest and lien fees) for the year ended June 30, 2008	\$ 46,928,452
Reimbursement for revenue loss:	
Tax relief for elderly	16,221
Base	<u>\$ 46,944,673</u>

The Connecticut General Statutes provides that total authorized debt of the Town shall not exceed seven times the above base cash receipts of \$328,612,711 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	\$ 105,625,514	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	211,251,029	-	-	-
3-3/4 times base	-	-	176,042,524	-	-
3-1/4 times base	-	-	-	152,570,187	-
3 times base	-	-	-	-	140,834,019
Total debt limitation	105,625,514	211,251,029	176,042,524	152,570,187	140,834,019
Debt as defined by statute:					
Bonds payable <sup>(1)</sup>	5,945,301	29,728,437	4,441,262		
Authorized and unissued <sup>(1)</sup>	85,000	1,388,883	50,000		
Total indebtedness	6,030,301	31,117,320	4,491,262	-	-
Debt limitation in excess of of outstanding and authorized debt	\$ 99,595,213	\$ 180,133,709	\$ 171,551,262	\$ 152,570,187	\$ 140,834,019

<sup>(1)</sup> Water bonds of \$1,709,826 are excluded from this calculation pursuant to Connecticut General Statutes.

**TOWN OF STONINGTON, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2008**

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Bonds authorized but unissued

Total authorized but unissued debt at June 30, 2008 consists of the following:

General purpose	\$ 85,000
Schools	1,388,000
Sewers	50,000
	<u>\$ 1,523,000</u>

**Note 9. Lease Commitments**

Property and equipment carried at approximately \$472,730, with approximately \$322,668 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>
2009	\$ 76,915
2010	76,915
Total minimum lease payments	<u>153,830</u>
Less interest	<u>7,998</u>
Present value of minimum payments	<u>\$ 145,832</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, 2008

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#### 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.

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2008

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**Note 11. Fund Deficits**

The following funds had fund deficits as of June 30, 2008:

Governmental		
Bonded Projects Fund	\$	724,469
Community Development Block Grant		21
Senior Center Addition Project		67,289

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

**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, 2007, PERS membership consisted of:

Retirees and beneficiaries receiving benefits	112
Terminated plan members entitled to but not yet receiving benefits	43
Active plan members	<u>193</u>
Total	<u><u>348</u></u>

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2008

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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.

Benefits are 50% vested after ten years of service with the Town and are fully vested after fifteen years of service (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 62<sup>nd</sup> 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.

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2008

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**4. Schedule of Employer Contributions**

Year Ended June 30,	Annual Required Contribution	Percentage Contributed	Actual Contribution
2003	\$378,584	101%	\$382,893
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

**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	07/01/07
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	7.5%
Projected Salary Increases	4.50%
Includes Inflation at	3.50%

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2008

**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	\$ 828,833
Interest on net pension obligation	(2,389)
Adjustment to annual required contribution	2,907
Annual pension cost	829,351
Contributions made	890,080
Increase in net pension (asset)	(60,729)
Net pension (asset), July 1, 2007	(31,858)
Net pension (asset), June 30, 2008	\$ (92,587)

Three Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation/ (Asset)
06/30/06	\$453,886	102.3%	\$(24,251)
06/30/07	658,346	101.2%	(31,858)
06/30/08	829,351	107.3%	(92,587)

**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, 2002	N/A	N/A	N/A	N/A	N/A	N/A
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%

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued  
June 30, 2008

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**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:

- 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.



**TOWN OF STONINGTON, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2008**

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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,	
2006	\$283,515
2007	292,488
2008	317,052

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.

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 \$2,097,000 for the year ended June 30, 2008.

## TOWN OF STONINGTON, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2008

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#### 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. 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.

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'

## TOWN OF STONINGTON, CONNECTICUT

### NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2008

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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
2007-2008	\$ 502,961	\$ 4,181,073	\$ 4,299,634	\$ 384,400
2006-2007	\$ 390,964	\$ 4,741,096	\$ 4,629,099	\$ 502,961

#### **Note 14. Landfill Closure and Postclosure 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 postclosure care costs that are being incurred after the date the landfill no longer accepted waste. The recognition of these landfill postclosure care costs is based on the amount of the postclosure care costs incurred during the year. Based on 100% usage of the landfill, the estimated liability for landfill postclosure care costs has a balance of \$428,825 as of June 30, 2008.

The estimated total current cost of the landfill postclosure 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, 2008. However, the actual costs of postclosure 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 postclosure requirements (due to changes in technology or more rigorous environmental regulations, for example) will be financed through future borrowings or tax collections.

#### **Note 15. Extraordinary Item**

The State of Connecticut issued approximately \$2.3 billion in taxable general obligation bonds to be used for deposit into the State of Connecticut Teachers' Retirement Fund. As contributions to the fund represent on-behalf payment to the Town, an amount of \$8,466,000 has been recorded as an extraordinary item in the Town's financial statements.

**TOWN OF STONINGTON, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2008**

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**Note 16. Pronouncements Issued, Not Yet Effective**

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates 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:

- ♦ GASB Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, issued June 2004, will be effective for the Town beginning with its year ending June 30, 2009. This Statement establishes standards for the measurement, recognition and display of other postemployment benefits expenses and related liabilities or assets, note disclosures and, if applicable, required supplementary information in the financial reports.
- ♦ GASB Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations," issued December 31, 2006, will be effective for the Town beginning with its fiscal year June 30, 2009, but the liability should be measured at July 1, 2008 so that beginning net assets can be restated. This Statement identifies the circumstances under which a government would have to estimate its expected outlays for pollution remediation if it knows a site is polluted, if the pollution poses an imminent danger to the public or the environment, if the government has violated a pollution prevention permit or license, if the government has been named as a responsible party for cleaning up the pollution, if the government began to clean up the pollution, and if the government is named in a lawsuit. In addition, it provides disclosure information about their pollution obligations associated with clean-up efforts.
- ♦ GASB Statement No. 51, "Accounting and Financial Reporting for Intangible Assets," issued June, 2007. Governments possess many different types of assets that may be considered intangible assets, including easements, water rights, timber rights, patents, trademarks, and computer software. The objective of this Statement is to establish accounting and financial reporting requirements for intangible assets to reduce these inconsistencies, thereby enhancing the comparability of the accounting and financial reporting of such assets among state and local governments. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2009, or later.
- ♦ GASB Statement No. 52, "Land and Other Real Estate Held as Investment by Endowments". 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. Governments also are required to report the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value, and other information that they currently present for other investments reported at fair value. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2008.

**TOWN OF STONINGTON, CONNECTICUT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**June 30, 2008**

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- ♦ GASB Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments". This Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by state and local governments. Derivative instruments are often complex financial arrangements used by governments to manage specific risks or to make investments. The requirements of this Statement are effective for financial statements for periods beginning after June 15, 2009.

**Note 17. Subsequent Events**

Subsequent to year-end, the credit and liquidity crisis in the United States and throughout the global financial system has resulted in substantial volatility in financial markets and the banking system. These and other economic events have had a significant adverse impact on investment portfolios. As a result, the Town of Stonington, Connecticut's investments have likely incurred a significant decline in fair value since June 30, 2008.

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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, 2008**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary	Final Budget
			Basis	Positive
				(Negative)
<b>TAXES</b>				
Current Levy	\$ 45,528,503	\$ 45,528,503	\$ 45,840,632	\$ 312,129
Prior Years	275,000	275,000	351,775	76,775
Motor Vehicle Supplement	225,000	225,000	306,100	81,100
Interest & Lien Fees	150,000	150,000	224,556	74,556
<b>TOTALS</b>	<b>46,178,503</b>	<b>46,178,503</b>	<b>46,723,063</b>	<b>544,560</b>
<b>LICENSES AND PERMITS</b>				
Building Permits	300,000	300,000	541,336	241,336
Business Licenses	12,000	12,000	14,208	2,208
Conveyance Tax	350,000	350,000	445,955	95,955
Town Clerk's Fees	220,000	220,000	229,768	9,768
Miscellaneous Permits	1,700	1,700	1,904	204
Alarm Registrations	6,500	6,500	7,505	1,005
Inland Wetland Permits	7,000	7,000	12,103	5,103
P&Z and Zoning Board Fees	105,000	105,000	103,422	(1,578)
Zoning Fines	-	-	50	50
Engineering Review Fees	15,000	15,000	3,280	(11,720)
<b>TOTALS</b>	<b>1,017,200</b>	<b>1,017,200</b>	<b>1,359,531</b>	<b>342,331</b>
<b>FINES AND FORFEITS</b>				
Parking Fines	14,200	14,200	29,819	15,619
Alarm Penalties	5,000	5,000	4,050	(950)
<b>TOTALS</b>	<b>19,200</b>	<b>19,200</b>	<b>33,869</b>	<b>14,669</b>
<b>REVENUES - USE OF TOWN MONEY</b>				
Interest Income	475,000	475,000	703,840	228,840
Rentals	25,800	25,800	22,636	(3,164)
Loan Repayment-SNEFLA	12,500	12,500	12,500	-
<b>TOTALS</b>	<b>513,300</b>	<b>513,300</b>	<b>738,976</b>	<b>225,676</b>
<b>INTERGOVERNMENTAL REVENUES:</b>				
<b>STATE GRANTS FOR EDUCATION</b>				
Education Cost Sharing Grant	2,028,908	2,028,908	2,002,690	(26,218)
Blind	-	-	20,145	20,145
Transportation	78,577	78,577	109,961	31,384
Non-Public Health Services	9,000	9,000	11,215	2,215
Non-Public Services	4,800	4,800	-	(4,800)
Special Education	324,000	324,000	324,000	-
<b>TOTALS</b>	<b>2,445,285</b>	<b>2,445,285</b>	<b>2,468,011</b>	<b>22,726</b>

**TOWN OF STONINGTON, CONNECTICUT  
GENERAL FUND REVENUES AND OTHER FINANCING SOURCES -  
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued  
FOR THE YEAR ENDED JUNE 30, 2008**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary	Final Budget
			Basis	Positive
				(Negative)
<b>STATE GRANTS FOR SCHOOL BUILDING</b>				
Pawcatuck Middle Renovation	182,234	182,234	182,608	374
Pawcatuck Middle Bond Interest Subsidy	21,053	21,053	35,693	14,640
<b>TOTALS</b>	<b>203,287</b>	<b>203,287</b>	<b>218,301</b>	<b>15,014</b>
<b>STATE GRANTS FOR REIMBURSEMENT ON REVENUE LOSS</b>				
Reimbursement Disabled	1,500	1,500	2,064	564
Veteran's Exemption	23,300	23,300	24,106	806
Tax Relief for Elderly	130,000	130,000	139,206	9,206
Pilot - State Owned Property	22,796	22,796	24,940	2,144
Supplemental Municipal Aid	58,326	58,326	73,728	15,402
Boat Tax	85,164	85,164	85,164	-
Mfg. Machinery & Equipment	90,000	90,000	95,271	5,271
<b>TOTALS</b>	<b>411,086</b>	<b>411,086</b>	<b>444,479</b>	<b>33,393</b>
<b>STATE GRANTS FOR OTHER PURPOSES</b>				
Youth Services	19,300	19,300	19,275	(25)
Civil Preparedness	5,500	5,500	7,238	1,738
Telephone Line Access	120,000	120,000	131,199	11,199
Local Capital Improvement Grant	114,280	114,280	-	(114,280)
<b>TOTALS</b>	<b>259,080</b>	<b>259,080</b>	<b>157,712</b>	<b>(101,368)</b>
<b>TOTAL INTERGOVERNMENTAL REVENUE</b>	<b>3,318,738</b>	<b>3,318,738</b>	<b>3,288,503</b>	<b>(30,235)</b>
<b>CHARGES FOR SERVICES</b>				
Solid Waste Disposal Fees	1,625,000	1,625,000	1,701,835	76,835
SCRRRA Transportation	102,000	102,000	97,741	(4,259)
Landfill Tipping Fees	100,000	100,000	129,232	29,232
Landfill Recycling	25,000	25,000	67,868	42,868
Board of Education - Activity Fees	13,000	13,000	15,952	2,952
Tuition - Other Schools	35,000	35,000	38,063	3,063
Medicaid Reimbursement	10,000	10,000	18,275	8,275
Accident Reports	2,000	2,000	1,412	(588)
Data Processing Revenue	10,000	10,000	23,300	13,300
In Lieu of Taxes - Housing Authority	9,400	9,400	12,982	3,582
Miscellaneous	45,000	45,000	26,784	(18,216)
GIS Revenue	4,000	4,000	8,204	4,204
Mystic WWTP Debt Service Offset	18,800	18,800	24,701	5,901
Utility Billing Revenue	12,000	12,000	12,000	-
Benefit Assessments	400,000	400,000	200,000	(200,000)
<b>TOTAL CHARGES FOR SERVICES</b>	<b>2,411,200</b>	<b>2,411,200</b>	<b>2,378,349</b>	<b>(32,851)</b>

**TOWN OF STONINGTON, CONNECTICUT  
GENERAL FUND REVENUES AND OTHER FINANCING SOURCES -  
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued  
FOR THE YEAR ENDED JUNE 30, 2008**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary	Final Budget
			Basis	Positive
				(Negative)
<b>OTHER FINANCING SOURCES</b>				
Use of fund balance	393,000	431,100	-	(431,100)
Cancellation of Prior Year Encumbrances	-	-	23,670	23,670
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>393,000</b>	<b>431,100</b>	<b>23,670</b>	<b>(407,430)</b>
 <b>GRAND TOTAL - REVENUES</b>	 <b>\$ 53,851,141</b>	 <b>\$ 53,889,241</b>	 <b>\$ 54,545,961</b>	 <b>\$ 656,720</b>

**TOWN OF STONINGTON, CONNECTICUT  
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL  
FOR THE YEAR ENDED JUNE 30, 2008**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>DEPARTMENT OF FIRST SELECTMAN</b>				
<b>OFFICE OF SELECTMAN</b>				
First Selectman	\$ 84,642	\$ 84,642	\$ 84,577	\$ 65
Second Selectman	5,528	5,528	5,525	3
Third Selectman	5,528	5,528	5,525	3
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	-
Annual Report	6,000	6,000	-	6,000
Mosquito Abatement	30,000	30,000	32,738	(2,738)
Legal Services & Courts	100,000	100,000	56,847	43,153
Tree Trimming & Lighting	5,000	5,000	4,400	600
Town Wide	20,000	34,600	32,713	1,887
Administrative Services	7,500	7,500	7,705	(205)
Tax Collector	2,000	2,000	1,462	538
Economic Development Commission	8,000	-	-	-
Finance	8,000	8,000	6,074	1,926
Solid Waste	3,000	1,000	-	1,000
<b>TOTAL - OFFICE OF THE FIRST SELECTMAN</b>	<b>338,698</b>	<b>343,298</b>	<b>291,066</b>	<b>52,232</b>
<b>PROGRAMS AND AGENCIES</b>				
S.E.A.T.	4,033	4,033	4,033	-
SECTER	5,200	5,200	5,200	-
CT. Conference of Municipalities	11,810	11,810	11,686	124
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	10,600	9
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	5,000	-
<b>TOTAL - PROGRAMS AND AGENCIES</b>	<b>49,114</b>	<b>49,114</b>	<b>48,981</b>	<b>133</b>
<b>WATERFRONT COMMISSION</b>				
Clerical Services	800	800	675	125
Postage	50	50	150	(100)
Advertising	25	25	-	25
Consumable Supplies	175	175	-	175
Miscellaneous	50	50	-	50
<b>TOTAL - WATERFRONT COMMISSION</b>	<b>1,100</b>	<b>1,100</b>	<b>825</b>	<b>275</b>

**TOWN OF STONINGTON, CONNECTICUT  
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued  
FOR THE YEAR ENDED JUNE 30, 2008**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>DEPARTMENT OF FIRST SELECTMAN</b>				
<b>PAWCATUCK RIVER HARBOR MANAGEMENT COMMISSION</b>				
Clerical Services	990	990	990	-
Postage	200	200	150	50
Consumable Supplies	400	400	318	82
Miscellaneous	305	305	244	61
Reproduction & Printing	500	500	249	251
Advertising	500	500	-	500
Telephone	45	45	-	45
<b>TOTAL PAWCATUCK RIVER HARBOR MANAGEMENT COMMISSION</b>	<b>2,940</b>	<b>2,940</b>	<b>1,951</b>	<b>989</b>
<b>SHELLFISH COMMISSION</b>				
Expenses	50	50	-	50
<b>TOTAL SHELLFISH COMMISSION</b>	<b>50</b>	<b>50</b>	<b>-</b>	<b>50</b>
<b>ECONOMIC DEVELOPMENT COMMISSION</b>				
Advertising	2,000	2,000	677	1,323
Consumable Supplies	3,000	3,000	5,794	(2,794)
Trade Shows	500	500	-	500
Travel	450	450	-	450
Postage	700	700	115	585
<b>TOTAL - ECONOMIC DEVELOPMENT COMMISSION</b>	<b>6,650</b>	<b>6,650</b>	<b>6,586</b>	<b>64</b>
<b>TOTAL - COMMISSIONS</b>	<b>10,740</b>	<b>10,740</b>	<b>9,362</b>	<b>1,378</b>
<b>EMERGENCY MANAGEMENT</b>				
Emergency Management Tactical Operations Director	10,363	10,363	10,363	-
Emergency Management Planning Director	10,363	10,363	10,414	(51)
Clerical Services	2,186	2,186	1,093	1,093
Consumable Supplies	500	500	-	500
Miscellaneous	200	200	125	75
Telephone	1	1	-	1
Equipment	1,000	1,000	-	1,000
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	15,000	15,000	5,417	9,583
<b>TOTAL - EMERGENCY MANAGEMENT</b>	<b>41,916</b>	<b>41,916</b>	<b>27,412</b>	<b>14,504</b>

**TOWN OF STONINGTON, CONNECTICUT  
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued  
FOR THE YEAR ENDED JUNE 30, 2008**

DEPARTMENT OF FIRST SELECTMAN	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>ELECTIONS</b>				
Registrars Salaries	28,657	28,657	28,641	16
Referenda/Election Personnel Salaries	50,000	50,000	39,682	10,318
Postage	4,750	4,750	3,406	1,344
Advertising	5,750	5,750	3,826	1,924
Consumable Supplies	1,250	1,250	828	422
Miscellaneous	500	500	522	(22)
Reproduction & Printing	500	500	2,488	(1,988)
Telephone	2,000	2,000	429	1,571
Equipment	3,000	3,000	(795)	3,795
Professional Associations & Publications	600	600	849	(249)
Voting Canvas	1,000	1,000	1,075	(75)
Ballot Printing/Programming	8,800	8,800	1,070	7,730
State Mandated Inspection	1	1	-	1
Voting Machine	1	1	-	1
<b>TOTAL - ELECTIONS</b>	<b>106,809</b>	<b>106,809</b>	<b>82,021</b>	<b>24,788</b>
<b>TOWN CLERK</b>				
Salary of Town Clerk	55,883	55,883	51,566	4,317
Clerical Salaries	79,333	79,333	80,736	(1,403)
Postage	2,750	2,750	2,750	-
Advertising	3,500	3,500	4,803	(1,303)
Consumable Supplies	3,500	3,500	2,841	659
Telephone	500	500	453	47
Equipment	6,500	6,500	4,332	2,168
Professional Associations & Publications	160	160	95	65
Training & Education	900	900	863	37
Land Records & Data Processing	41,000	41,000	37,588	3,412
Vital Statistics	350	350	434	(84)
<b>TOTAL - TOWN CLERK</b>	<b>194,376</b>	<b>194,376</b>	<b>186,461</b>	<b>7,915</b>
<b>TOWN MEETING &amp; REFERENDA</b>				
Town Meeting Personnel	200	200	-	200
Advertising	3,000	2,835	1,369	1,466
<b>TOTAL-TOWN MEETING &amp; REFERENDA</b>	<b>3,200</b>	<b>3,035</b>	<b>1,369</b>	<b>1,666</b>



**TOWN OF STONINGTON, CONNECTICUT  
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued  
FOR THE YEAR ENDED JUNE 30, 2008**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>DEPARTMENT OF FIRST SELECTMAN</b>				
<b>JUDGE OF PROBATE</b>				
Postage	3,600	1,644	1,641	3
Consumable Supplies	2,100	2,100	1,810	290
Reproduction & Printing	3,000	4,956	5,152	(196)
Telephone	800	965	1,062	(97)
<b>TOTAL - JUDGE OF PROBATE</b>	<b>9,500</b>	<b>9,665</b>	<b>9,665</b>	<b>-</b>
<b>PAYMENTS TO OTHER CIVIL DIVISIONS</b>				
Borough of Stonington	113,429	113,429	113,429	-
<b>TOTAL - FIRST SELECTMAN</b>	<b>867,782</b>	<b>872,382</b>	<b>769,766</b>	<b>102,616</b>

**TOWN OF STONINGTON, CONNECTICUT  
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued  
FOR THE YEAR ENDED JUNE 30, 2008**

DEPARTMENT OF ADMINISTRATIVE SERVICES	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>ADMINISTRATION</b>				
Director of Administrative Services	80,026	80,026	80,070	(44)
Administrative Support Staff	166,525	168,893	168,848	45
Postage	2,000	2,000	1,557	443
Advertising	10,000	10,000	19,062	(9,062)
Consumable Supplies	1,700	1,700	2,080	(380)
Miscellaneous	1,000	1,000	1,411	(411)
Reproduction & Printing	1,500	1,500	690	810
Telephone	500	500	208	292
Seminars & Programs (Training & Education)	1,000	1,000	299	701
Database Expenses	6,670	6,670	2,355	4,315
Equipment	5,400	5,400	2,973	2,427
Professional Associations & Publications	4,000	4,000	3,018	982
Furniture & Equipment	1,000	1,000	916	84
Training & Education	350	350	170	180
Memorial Observances	7,500	7,500	5,000	2,500
Columbus Day Observances	5,000	5,000	5,000	-
<b>TOTAL - ADMINISTRATION</b>	<b>294,171</b>	<b>296,539</b>	<b>293,657</b>	<b>2,882</b>
<b>INFORMATION SYSTEMS</b>				
IT Manager	72,100	77,326	77,225	101
Technical Assistance	10,000	10,000	9,625	375
Postage	300	300	36	264
Consumable Supplies	2,000	2,000	2,604	(604)
Miscellaneous	50	50	-	50
Reproduction & Printing	50	50	-	50
Telephone	1,500	1,500	1,358	142
Equipment & Licensing	30,040	28,510	28,190	320
Professional Associations & Publications	250	250	37	213
Internet Hosting Expense	4,000	4,000	3,874	126
Training & Education	2,000	2,000	1,312	688
Telecommunications	47,500	49,030	50,089	(1,059)
Geographic Information System (GIS) Expenses	30,000	30,000	28,898	1,102
<b>TOTAL - INFORMATION SYSTEMS</b>	<b>199,790</b>	<b>205,016</b>	<b>203,248</b>	<b>1,768</b>

**TOWN OF STONINGTON, CONNECTICUT  
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued  
FOR THE YEAR ENDED JUNE 30, 2008**

DEPARTMENT OF ADMINISTRATIVE SERVICES	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>HUMAN RESOURCES</b>				
Employee Training & Education	17,143	17,143	12,519	4,624
Labor Negotiations	344,284	144,748	62,649	82,099
Health and Life Insurance	1,221,652	1,221,652	1,221,573	79
Pension Plan	458,240	458,240	458,240	-
Social Security	381,362	381,362	389,646	(8,284)
Unemployment	10,000	10,000	18,056	(8,056)
Heart & Hypertension	59,306	59,306	55,514	3,792
Employee Assistance Program	2,000	2,000	1,440	560
Employee Screening	700	700	1,225	(525)
Additional Manpower	5,000	5,000	4,769	231
Employee Travel Expense	27,000	27,000	22,037	4,963
Accrued Leave Pay-out	20,000	20,000	840	19,160
Retiree Health Care	44,000	44,000	66,780	(22,780)
<b>TOTAL - HUMAN RESOURCES</b>	<b>2,590,687</b>	<b>2,391,151</b>	<b>2,315,288</b>	<b>75,863</b>
<b>HEALTH OFFICER, SANITATION &amp; EMS</b>				
Health Officer Salaries	21,413	21,413	21,399	14
Sanitarian Salaries	75,727	79,803	78,940	863
Sanitarian Expenses	1,575	1,575	670	905
Stonington Ambulance	30,000	30,000	30,000	-
Mystic River Ambulance	37,500	37,500	37,500	-
Westerly Ambulance	30,000	30,000	30,000	-
Furniture and Equipment	500	500	-	500
Training and Education	500	500	-	500
<b>TOTAL - HEALTH OFFICER &amp; SANITATION &amp; EMS</b>	<b>197,215</b>	<b>201,291</b>	<b>198,509</b>	<b>2,782</b>
<b>RISK MANAGEMENT</b>				
Risk Management - Stipend	6,818	6,818	7,168	(350)
Property & Liability Insurance	555,000	515,000	437,338	77,662
Claims & Damages	10,000	10,000	31,528	(21,528)
Dog Damages	1	1	-	1
Safety Program	2,500	2,500	2,688	(188)
<b>TOTAL - RISK MANAGEMENT</b>	<b>574,319</b>	<b>534,319</b>	<b>478,722</b>	<b>55,597</b>
<b>TOTAL - DEPARTMENT OF ADMINISTRATIVE SERVICES</b>	<b>3,856,182</b>	<b>3,628,316</b>	<b>3,489,424</b>	<b>138,892</b>

**TOWN OF STONINGTON, CONNECTICUT  
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued  
FOR THE YEAR ENDED JUNE 30, 2008**

FINANCE DEPARTMENT	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>FINANCE OFFICE</b>				
Director of Finance	90,921	90,921	90,862	59
Clerical Salaries	125,119	125,119	120,043	5,076
Senior Accountant	61,830	67,976	67,858	118
Postage	2,500	2,500	2,496	4
Consumable Supplies	4,500	4,500	4,572	(72)
Reproduction & Printing	2,700	2,700	800	1,900
Telephone	400	400	132	268
Equipment & Software Support	15,000	15,000	14,195	805
Professional Associations & Publications	2,000	1,831	710	1,121
Payroll Services	24,500	24,500	25,143	(643)
Training & Education	1,200	1,369	1,369	-
Fund Balance	1	1	-	1
<b>TOTAL - FINANCE OFFICE</b>	<b>330,671</b>	<b>336,817</b>	<b>328,180</b>	<b>8,637</b>
<b>ASSESSOR'S OFFICE</b>				
Salary of Assessor	65,354	72,044	71,915	129
Assistant Assessor	46,350	52,168	51,855	313
Clerical Salaries	122,179	122,179	122,101	78
Postage	3,128	3,128	3,120	8
Consumable Supplies	1,950	1,950	1,996	(46)
Miscellaneous	1,204	1,204	1,133	71
Reproduction & Printing	1,575	1,575	1,723	(148)
Telephone	1,490	1,475	93	1,382
Database Expense	10,600	10,600	5,900	4,700
Equipment	375	375	375	-
Professional Associations & Publications	1,776	1,776	1,856	(80)
Furniture & Equipment	200	200	92	108
Training & Education	1,601	1,616	1,616	-
Special Audit Personal Property	3,200	3,200	2,800	400
<b>TOTAL - ASSESSOR'S OFFICE</b>	<b>260,982</b>	<b>273,490</b>	<b>266,575</b>	<b>6,915</b>
<b>BOARD OF ASSESSMENT APPEALS</b>				
Expenses	9,500	9,500	9,402	98
<b>TOTAL BOARD OF ASSESSMENT APPEALS</b>	<b>9,500</b>	<b>9,500</b>	<b>9,402</b>	<b>98</b>
<b>OFFICE OF THE TREASURER</b>				
Salary of Treasurer	3,339	3,339	3,337	2
Expenses	200	200	-	200
<b>TOTAL - TREASURER</b>	<b>3,539</b>	<b>3,539</b>	<b>3,337</b>	<b>202</b>

**TOWN OF STONINGTON, CONNECTICUT  
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued  
FOR THE YEAR ENDED JUNE 30, 2008**

FINANCE DEPARTMENT	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary Basis	Final Budget
				Positive (Negative)
OFFICE OF THE TAX COLLECTOR				
Salary of Tax Collector	55,883	55,883	55,846	37
Clerical Salaries	80,170	80,170	77,062	3,108
Postage	11,000	11,000	11,919	(919)
Advertising	1,200	1,200	1,253	(53)
Consumable Supplies	1,150	1,150	916	234
Miscellaneous	100	100	-	100
Reproduction & Printing	6,500	6,500	5,399	1,101
Telephone	400	400	56	344
Equipment	4,225	4,225	3,681	544
Professional Associations & Publications	200	200	125	75
Training & Education	700	700	376	324
DMV - Delinquent Reporting	3,300	3,300	3,237	63
TOTAL - TAX COLLECTOR	164,828	164,828	159,870	4,958
BOARD OF FINANCE				
Clerical Salaries	1,500	1,500	1,500	-
Advertising	2,500	2,500	596	1,904
Accounting & Auditing	51,000	51,000	51,000	-
Professional Services	3,500	3,500	-	3,500
Special Audit	10,000	10,000	10,000	-
GASB 45	200,000	200,000	200,000	-
TOTAL - BOARD OF FINANCE	268,500	268,500	263,096	5,404
TOTAL FINANCE DEPARTMENT	1,038,020	1,056,674	1,030,460	26,214

**TOWN OF STONINGTON, CONNECTICUT  
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued  
FOR THE YEAR ENDED JUNE 30, 2008**

DEBT SERVICE	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
<b>Interest Payments:</b>				
Series 1991 Clean Water Fund (Lords Pt.)	10,071	10,071	10,071	-
Series 1992 G.O. Sewer Bonds (Phase V)	155,678	155,678	155,678	-
Series 1993 G.O. Bonds	5,250	5,250	5,250	-
Series 1996 G.O. Bonds (Landfill Closure)	23,788	23,788	23,788	-
Series 1998 G.O. School Bonds (Mystic MS)	98,425	98,425	98,425	-
Series 1998 Clean Water Fund (Mystic)	15,031	15,031	15,031	-
Series 2000 Clean Water Fund (Mystic)	14,434	14,434	14,434	-
Series 2001 G.O. Bonds - Lot A (PS/MMS)	332,475	332,475	332,475	-
Series 2001 G.O. Bonds - Lot B (Refund 90)	50,410	50,410	50,410	-
Series 2003 G.O. Bonds (High School Ren)	162,672	162,672	162,672	-
Series 2004 G.O. Bond (High School)	424,355	424,355	424,355	-
General Obligation - BAN (WPCA)	51,600	51,600	51,600	-
Series 2005 G.O. Bonds (High School Ren)	376,250	376,250	376,250	-
<b>Total - Interest payments</b>	<b>1,720,439</b>	<b>1,720,439</b>	<b>1,720,439</b>	<b>-</b>
<b>Principal Payments:</b>				
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 1993 G.O. Bonds	105,000	105,000	105,000	-
Series 1996 G.O. Bonds (Landfill Closure)	110,000	110,000	110,000	-
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)	65,912	65,912	65,912	-
Series 2001 G.O. Bonds - Lot A (PS/MMS)	500,000	500,000	500,000	-
Series 2001 G.O. Bonds - Lot B (Refund 90)	420,000	420,000	420,000	-
Series 2003 G.O. Bonds - Lot B (High School)	275,000	275,000	275,000	-
Series 2004 G.O. Bonds (High School)	515,000	515,000	515,000	-
Series 2005 G.O. Bonds (High School Ren)	500,000	500,000	500,000	-
General Obligation - BAN (WPCA)	300,000	300,000	300,000	-
Notes & Bond Costing	11,000	11,000	5,048	5,952
<b>Total - Principal payments</b>	<b>3,722,950</b>	<b>3,722,950</b>	<b>3,716,997</b>	<b>5,953</b>
<b>TOTAL - DEBT SERVICE</b>	<b>5,443,389</b>	<b>5,443,389</b>	<b>5,437,436</b>	<b>5,953</b>

**TOWN OF STONINGTON, CONNECTICUT  
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued  
FOR THE YEAR ENDED JUNE 30, 2008**

DEPARTMENT OF PLANNING	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
<b>PLANNING OFFICE</b>				
Director of Planning	79,250	79,250	70,433	8,817
Planner	60,144	64,454	64,371	83
Zoning Enforcement Officer	47,831	55,530	54,590	940
Inland Wetland Enforcement Officer	42,742	46,339	46,427	(88)
Project Administrator	47,741	87,741	84,656	3,085
Admin-Construction Management	6,000	6,000	7,298	(1,298)
Clerical Salaries	96,349	96,349	96,251	98
Clerical Meetings	5,000	5,000	4,500	500
Reproduction and Printing	19,000	18,120	9,272	8,848
Consumable Supplies	2,500	2,500	3,325	(825)
Telephone	500	500	169	331
Equipment Maintenance	2,000	2,000	2,949	(949)
Professional Associations & Publications	1,200	1,200	1,200	-
Furniture & Equipment	300	1,180	1,180	-
Training & Education	2,000	2,000	1,545	455
<b>TOTAL - PLANNING OFFICE</b>	<b>412,557</b>	<b>468,163</b>	<b>448,166</b>	<b>19,997</b>
<b>BOARDS AND COMMISSIONS</b>				
<b>PLANNING &amp; ZONING COMMISSION</b>				
Advertising & Court Steno	30,000	30,000	23,838	6,162
Postage	5,000	5,000	4,175	825
<b>TOTAL - PLANNING &amp; ZONING COMMISSION</b>	<b>35,000</b>	<b>35,000</b>	<b>28,013</b>	<b>6,987</b>
<b>ZONING BOARD OF APPEALS</b>				
Postage	800	800	800	-
Advertising	12,000	12,000	11,636	364
<b>TOTAL ZONING BOARD OF APPEALS</b>	<b>12,800</b>	<b>12,800</b>	<b>12,436</b>	<b>364</b>
<b>CONSERVATION COMMISSION</b>				
Postage	50	50	-	50
Consumable Supplies	50	50	-	50
Reproduction & Printing	200	200	200	-
Telephone	50	50	-	50
Professional Assoc. & Publications	600	600	570	30
Anguilla Brook	50	50	-	50
Mapping Services	1	1	-	1
Barn Island Field Trips	3,500	3,500	3,416	84
<b>TOTAL CONSERVATION COMMISSION</b>	<b>4,501</b>	<b>4,501</b>	<b>4,186</b>	<b>315</b>

**TOWN OF STONINGTON, CONNECTICUT  
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued  
FOR THE YEAR ENDED JUNE 30, 2008**

DEPARTMENT OF PLANNING	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>INLAND WETLANDS COMMISSION</b>				
Postage	800	800	800	-
Advertising	12,000	12,000	6,332	5,668
<b>TOTAL - INLAND WETLANDS COMMISSION</b>	<b>12,800</b>	<b>12,800</b>	<b>7,132</b>	<b>5,668</b>
<b>TOTAL BOARDS AND COMMISSIONS</b>	<b>65,101</b>	<b>65,101</b>	<b>51,767</b>	<b>13,334</b>
<b>TOTAL - PLANNING</b>	<b>477,658</b>	<b>533,264</b>	<b>499,933</b>	<b>33,331</b>



**TOWN OF STONINGTON, CONNECTICUT  
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued  
FOR THE YEAR ENDED JUNE 30, 2008**

DEPARTMENT OF PUBLIC WORKS	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary Basis	Final Budget
				Positive (Negative)
HIGHWAY DEPARTMENT				
Public Works Director	86,205	86,205	86,149	56
Superintendent	71,385	71,715	71,716	(1)
Labor Salaries	951,609	988,592	988,592	-
Clerical Salaries	20,483	20,483	20,472	11
Miscellaneous				-
Unleaded Gasoline	5,500	4,324	4,324	-
Diesel Fuel	50,600	49,401	49,400	1
Oil & Lubrication	4,250	3,556	2,930	626
Repairs & Maintenance (Gas System)	3,000	3,000	3,624	(624)
Repairs & Maintenance	107,000	105,261	103,793	1,468
Miscellaneous	1,000	1,000	-	1,000
Micro-paving	81,866	81,866	81,866	-
Bituminous Concrete	120,000	120,000	129,355	(9,355)
Drainage Materials	8,000	8,000	2,576	5,424
Sand & Gravel	36,000	18,180	18,180	-
Lumber	7,500	5,478	2,547	2,931
Postage	300	300	379	(79)
Consumable Supplies	2,325	2,325	2,298	27
Miscellaneous	1,200	1,200	1,077	123
Telephone	1,000	1,000	520	480
Hardware	13,000	13,000	13,514	(514)
Safety & Protective	12,600	12,600	12,920	(320)
Land Damage	700	700	910	(210)
Sidewalk Repairs	60,000	60,000	64,718	(4,718)
Street Signs	6,000	6,000	5,240	760
Tree Trimming	12,500	12,500	11,700	800
Tree Removal	12,000	12,000	11,920	80
Clothing Allowance	9,600	9,600	9,025	575
Training & Education	6,500	6,500	6,212	288
Highway Equipment	14,000	14,000	13,609	391
Road Maintenance	-	-	3,875	(3,875)
Material Disposal	11,000	11,000	8,267	2,733
Cemetery Upkeep	6,000	4,629	1,685	2,944
Snow Removal Labor	96,000	100,045	103,901	(3,856)
Materials	12,000	12,000	10,574	1,426
Meal Allowance	4,900	4,900	2,468	2,432
Chip Sealing	119,789	119,789	119,789	-
Catch Basin Cleaning	37,000	31,330	31,330	-
Garage Diagnostic Equipment & Tools	5,000	5,000	4,447	553
TOTAL HIGHWAY DEPARTMENT	1,997,812	2,007,479	2,005,902	1,577

**TOWN OF STONINGTON, CONNECTICUT  
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued  
FOR THE YEAR ENDED JUNE 30, 2008**

DEPARTMENT OF PUBLIC WORKS	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>SANITATION AND WASTE REMOVAL</b>				
Salary of Recycling/Solid Waste Manager	56,309	66,271	66,079	192
General Labor	230,412	253,538	291,011	(37,473)
SCRRA Salaries	84,569	84,569	47,287	37,282
Clothing Allowance	2,800	3,100	3,100	-
Postage	2,000	2,300	2,300	-
Advertising	2,500	2,100	219	1,881
Consumable Supplies	600	1,150	1,105	45
Reproduction & Printing	2,000	2,000	311	1,689
Equipment	200	200	-	200
Professional Associations & Publications	300	300	75	225
Unleaded Gasoline	4,000	5,400	5,151	249
Diesel Fuel	7,500	7,500	5,837	1,663
Road Maintenance	5,000	5,000	2,586	2,414
Utilities	6,500	6,500	5,658	842
General Operations	100,600	100,600	78,041	22,559
Parts & Labor	30,000	38,500	31,218	7,282
Leased Property	52,500	52,500	51,044	1,456
Grading & Seeding	1,000	1,000	310	690
Water Testing & Monitoring	30,000	30,000	17,225	12,775
Cap Maintenance	8,500	3,000	-	3,000
Disposal Fees (SCRRA)	870,000	865,347	750,282	115,065
Residential Collection (SCRRA)	460,000	460,000	451,283	8,717
Commercial Collection & Rentals (SCRRA)	715,000	706,350	629,790	76,560
SCRRA Consulting	1	1	-	1
SCRRA Contribution	1	1	-	1
Diesel Fuel (SCRRA Transportation)	18,000	18,000	12,953	5,047
Repairs & Maintenance (SCRRA Transportation)	7,000	10,500	8,452	2,048
SCRRA Receptacle Costs	120,000	120,000	119,417	583
Furniture & Equipment	1	1	-	1
Training & Education	1	1	-	1
<b>TOTAL - SANITATION AND WASTE REMOVAL</b>	<b>2,817,294</b>	<b>2,845,729</b>	<b>2,580,734</b>	<b>264,995</b>
<b>ENGINEERING SERVICES</b>				
Town Engineer	72,450	72,537	72,244	293
Clerical Services	20,183	20,183	20,171	12
Professional Services	15,000	15,000	14,432	568
Professional Services - Engineering Review	15,000	20,877	26,195	(5,318)
Phase II Stormwater Requirements	18,000	18,000	15,782	2,218
Community Rating System Requirements	3,000	3,000	-	3,000
Office Expenses	3,000	3,000	2,899	101
<b>TOTAL - ENGINEERING SERVICES</b>	<b>146,633</b>	<b>152,597</b>	<b>151,723</b>	<b>874</b>

**TOWN OF STONINGTON, CONNECTICUT  
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued  
FOR THE YEAR ENDED JUNE 30, 2008**

DEPARTMENT OF PUBLIC WORKS	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>OPERATIONS &amp; MAINTENANCE OF TOWN BUILDINGS AND PROPERTY</b>				
Janitorial/Maintenance Salary	44,191	44,191	42,902	1,289
Miscellaneous	2,000	2,000	1,224	776
Heating Oil	61,300	56,610	54,382	2,228
Electricity	138,050	138,050	131,433	6,617
Water	5,001	19,251	19,250	1
Sewer Use	3,430	2,293	1,520	773
General maintenance	150,931	170,568	172,602	(2,034)
Tree Warden Expense	1	1	-	1
Street Lighting	227,500	222,063	222,062	1
Animal Control Facility	1,500	1,500	68	1,432
Town Dock Facility	1,000	1,000	397	603
<b>TOTAL - BUILDING OPERATIONS</b>	<b>634,904</b>	<b>657,527</b>	<b>645,840</b>	<b>11,687</b>
<b>BUILDING OFFICIAL</b>				
Building Official	59,207	65,241	65,125	116
Assistant Building Official	42,891	49,826	49,692	134
Clerical	20,183	20,183	20,170	13
Postage	750	750	750	-
Consumable Supplies	700	700	607	93
Reproduction & Printing	1,000	1,000	955	45
Telephone	575	575	106	469
Equipment	4,000	4,000	4,545	(545)
Professional Association & Publications	2,000	2,000	806	1,194
Car Expense	1	1	-	1
Furniture & Equipment	1	1	-	1
Training & Education	500	500	105	395
Archiving Building Records	1	1	-	1
Clothing Allowance	800	800	800	-
Technical Assistance	1,000	1,000	-	1,000
<b>TOTAL - BUILDING OFFICIAL</b>	<b>133,609</b>	<b>146,578</b>	<b>143,661</b>	<b>2,917</b>
<b>WATER POLLUTION CONTROL AUTHORITY (WPCA)</b>				
Clerical	61,290	61,290	60,750	540
Postage	8,000	8,000	8,000	-
Advertising	500	500	-	500
Consumable Supplies	2,150	2,150	3,180	(1,030)
Reproduction & Printing	5,000	5,000	220	4,780
Telephone	700	700	51	649
Equipment (Software Maintenance)	2,400	2,400	2,623	(223)
Furniture & Equipment	1	1	-	1
Operations (Town Share)	365,000	365,000	365,000	-
<b>TOTAL - WPCA</b>	<b>445,041</b>	<b>445,041</b>	<b>439,824</b>	<b>5,217</b>
<b>TOTAL - PUBLIC WORKS</b>	<b>6,175,293</b>	<b>6,254,951</b>	<b>5,967,684</b>	<b>287,267</b>

**TOWN OF STONINGTON, CONNECTICUT  
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued  
FOR THE YEAR ENDED JUNE 30, 2008**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
<b>POLICE DEPARTMENT</b>				
<b>POLICE SERVICES</b>				
Salary of Chief	90,924	90,924	107,319	(16,395)
Salary of Captain	84,987	84,987	84,934	53
Salary of Lieutenants	140,648	150,230	123,816	26,414
Salary of Sergeants	375,773	401,653	409,969	(8,316)
Salary of Regular Officers	1,428,684	1,479,932	1,457,074	22,858
CSO	24,065	24,065	20,901	3,164
Janitorial/Maintenance Salary	63,084	56,609	55,523	1,086
Boating Safety Personnel	10,000	10,000	9,506	494
Training personnel Services	80,000	66,517	58,932	7,585
Communication Specialists	354,979	342,979	323,243	19,736
Special Officers	8,672	8,672	8,911	(239)
Clerical	97,761	97,761	93,159	4,602
Police Commission Clerical	4,500	4,500	1,797	2,703
School Crossing Guards	41,217	41,217	36,951	4,266
Animal Control Salaries	43,897	43,897	37,028	6,869
Regular Overtime	120,000	120,000	110,190	9,810
Paid Holidays	95,825	95,825	96,492	(667)
Furniture & Equipment	2,800	2,800	330	2,470
Telecommunications	94,000	94,000	81,841	12,159
Retirement Fund	294,947	308,430	317,052	(8,622)
Physicals	5,000	5,000	4,736	264
Educational Incentive	3,500	3,500	9,771	(6,271)
Regular Officers - Uniforms	24,000	24,000	23,984	16
Special Officers - Uniforms	300	300	31	269
Outfitting New Officers	9,000	9,000	8,309	691
Service Officer's Equipment	1,500	1,500	1,154	346
Boating Safety Expenses	7,500	7,500	3,996	3,504
Building Maintenance	19,000	19,000	28,260	(9,260)
Maintenance/Operation of Radios	6,500	6,500	2,770	3,730
Traffic Signs & Signals	42,000	25,600	24,489	1,111
Law Enforcement Council	9,098	9,098	9,145	(47)
Drug Program	5,500	5,500	4,806	694
Postage	3,000	3,000	2,500	500
Advertising	1,200	1,200	1,230	(30)
Consumable Supplies	15,000	15,000	15,154	(154)
Miscellaneous	5,000	5,000	4,948	52
Reproduction & Printing	5,000	5,000	3,828	1,172
Equipment	12,000	24,000	23,559	441
Professional Associations & Publications	1,500	1,500	1,926	(426)
Postage	180	180	180	-
Advertising	1,000	1,000	669	331

(Continued)

**TOWN OF STONINGTON, CONNECTICUT  
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued  
FOR THE YEAR ENDED JUNE 30, 2008**

<b>POLICE DEPARTMENT</b>	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
<b>POLICE SERVICES, Continued</b>				
Consumable Supplies	300	300	278	22
Miscellaneous	750	750	531	219
Consumable Supplies	5,500	5,500	4,851	649
Miscellaneous	1,000	1,000	841	159
Training Personnel Services	11,500	11,500	9,538	1,962
Clothing Allowance	600	600	600	-
Equipment (Emergency Vehicles)	6,000	11,000	10,370	630
Unleaded Gasoline	80,000	98,185	98,814	(629)
Oil & Lubrication	2,000	3,189	3,189	-
Parts & Labor	32,000	34,837	34,837	-
Tires	4,300	4,964	4,964	-
<b>TOTAL POLICE SERVICES</b>	<b>3,777,491</b>	<b>3,869,201</b>	<b>3,779,226</b>	<b>89,975</b>

**TOWN OF STONINGTON, CONNECTICUT  
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued  
FOR THE YEAR ENDED JUNE 30, 2008**

DEPARTMENT OF HUMAN SERVICES	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
OFFICE OF HUMAN SERVICES				
Human Services Director	70,409	70,409	70,315	94
Social Services Administrator	45,374	52,968	52,822	146
Youth & Family Services Administrator	39,226	47,370	47,178	192
Clerical	33,157	33,107	33,864	(757)
Human Services Program Coordinator	26,714	26,714	27,937	(1,223)
Youth Services Program Coordinator	35,558	35,558	36,169	(611)
Counseling Services	43,175	43,175	36,346	6,829
Telephone	3,500	3,497	3,495	2
Postage	1,250	1,250	1,250	-
Consumable Supplies	2,500	2,500	2,500	-
Miscellaneous	500	500	428	72
Reproduction and Printing	3,750	3,750	3,750	-
Equipment and Repairs	3,700	3,700	3,700	-
Professional Associations & Publications	1,500	1,500	1,469	31
Youth & Family Services Program Expenses	7,500	7,500	7,500	-
General Assistance	30,000	30,000	28,840	1,160
Furniture & Equipment	1,700	1,700	1,700	-
Training & Education	1,000	1,000	1,000	-
Community Safety Program	500	503	502	1
TOTAL - OFFICE OF HUMAN SERVICES	351,013	366,701	360,765	5,936
COMMISSION ON AGING				
Postage	4,500	4,500	2,605	1,895
Reproduction & Printing	1,100	1,100	1,100	-
Program Expense	2,000	2,000	1,905	95
TOTAL - COMMISSION ON AGING	7,600	7,600	5,610	1,990
RECREATION				
Salary of Director	38,283	38,283	27,836	10,447
Officials & Instructors	9,500	9,500	9,972	(472)
Other Salaries	19,800	19,800	18,155	1,645
Consumable Supplies	2,250	2,250	2,223	27
Telephone	600	600	335	265
Equipment & Trophies	1,500	1,500	1,500	-
Program Expense	4,200	4,200	3,087	1,113
Parts & Labor	10,500	10,500	10,478	22
Utilities	1,000	1,000	1,000	-
Mileage Stipend - Director	900	900	900	-
TOTAL - RECREATION	88,533	88,533	75,486	13,047

**TOWN OF STONINGTON, CONNECTICUT  
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued  
FOR THE YEAR ENDED JUNE 30, 2008**

<b>DEPARTMENT OF HUMAN SERVICES</b>	<b>Budgeted Amounts</b>		<b>Actual Budgetary Basis</b>	<b>Variance With Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>HOUSING AUTHORITY</b>				
Clerical (Housing Authority)	500	550	550	-
<b>TOTAL - HOUSING AUTHORITY</b>	<b>500</b>	<b>550</b>	<b>550</b>	<b>-</b>
<b>LIBRARIES</b>				
Westerly Public Library	96,810	96,810	96,810	-
Stonington Free Library	92,549	92,549	92,549	-
Mystic & Noank Library	74,800	74,800	74,800	-
Stonington Historical Society	3,000	3,000	3,000	-
<b>TOTAL - LIBRARIES</b>	<b>267,159</b>	<b>267,159</b>	<b>267,159</b>	<b>-</b>
<b>OUTSIDE AGENCIES</b>				
Public Health & Nursing	23,028	23,028	23,028	-
Pawcatuck Neighborhood Center	75,000	75,000	75,000	-
Como Senior Citizens Center	9,900	9,900	9,900	-
Como Senior Transportation	30,601	30,601	30,601	-
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.	6,000	6,000	6,000	-
Big Brothers/Big Sisters	1,500	1,500	750	750
Community Vocational Services	1,500	1,500	-	1,500
T.V.C.C.A.	1,000	1,000	1,000	-
<b>TOTAL OUTSIDE AGENCIES</b>	<b>158,529</b>	<b>158,529</b>	<b>156,279</b>	<b>2,250</b>
<b>TOTAL DEPARTMENT OF HUMAN SERVICES</b>	<b>873,334</b>	<b>889,072</b>	<b>865,849</b>	<b>23,223</b>

**TOWN OF STONINGTON, CONNECTICUT  
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -  
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued  
FOR THE YEAR ENDED JUNE 30, 2008**

OTHER FINANCING USES	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>OTHER FINANCING USES</b>				
Transfers out:				
Capital Improvements	1,672,395	1,672,395	1,672,395	-
<b>TOTAL OTHER FINANCING USES</b>	<b>1,672,395</b>	<b>1,672,395</b>	<b>1,672,395</b>	<b>-</b>
 <b>BOARD OF EDUCATION</b>	 <b>29,669,597</b>	 <b>29,669,597</b>	 <b>29,626,280</b>	 <b>43,317</b>
 <b>GRAND TOTAL - EXPENDITURES AND OTHER FINANCING USES</b>	 <b>\$ 53,851,141</b>	 <b>\$ 53,889,241</b>	 <b>\$ 53,138,453</b>	 <b>\$ 750,788</b>
 <b>GRAND TOTAL - REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	 <b>\$ -</b>	 <b>\$ -</b>	 <b>\$ 1,407,508</b>	 <b>\$ 1,407,508</b>



## **Nonmajor Governmental Funds**



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TOWN OF STONINGTON, CONNECTICUT

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2008

	Special Revenue						
	Sewer Usage Fund	Sewer Assessment Fund	Shellfish Fund	Town Aid Road Fund	Dog License Fund	Escrow Revaluation Fund	SNEF Reserve Fund
<b>ASSETS</b>							
Cash and cash equivalents	\$ 403,993	\$ 441,071	\$ 55,977	\$ -	\$ 9,842	\$ 88,749	\$ 85,276
Assessments, use charges and other receivables	616,400	54,130	-	19,858	1,268	-	-
Intergovernmental receivables	-	-	-	-	-	-	-
Due from other funds	-	-	-	20,441	9,255	-	-
<b>Total assets</b>	<b>\$ 1,020,393</b>	<b>\$ 495,201</b>	<b>\$ 55,977</b>	<b>\$ 40,299</b>	<b>\$ 20,365</b>	<b>\$ 88,749</b>	<b>\$ 85,276</b>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>							
<b>LIABILITIES</b>							
Accounts payable	\$ 26,006	\$ -	\$ 728	\$ -	\$ 11,845	\$ -	\$ -
Deferred revenue	427,471	54,130	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-
Due to other funds	208,470	143	4,254	-	-	70	-
<b>Total liabilities</b>	<b>661,947</b>	<b>54,273</b>	<b>4,982</b>	<b>-</b>	<b>11,845</b>	<b>70</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS)</b>							
Reserved for debt service	-	440,928	-	-	-	-	-
Reserved for endowments	-	-	-	-	-	-	-
Reserved for encumbrances	10,526	-	-	-	-	-	-
Unreserved and undesignated	347,920	-	50,995	40,299	8,520	88,679	85,276
<b>Total fund balances (deficits)</b>	<b>358,446</b>	<b>440,928</b>	<b>50,995</b>	<b>40,299</b>	<b>8,520</b>	<b>88,679</b>	<b>85,276</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 1,020,393</b>	<b>\$ 495,201</b>	<b>\$ 55,977</b>	<b>\$ 40,299</b>	<b>\$ 20,365</b>	<b>\$ 88,749</b>	<b>\$ 85,276</b>

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	
\$ 75,958	\$ 47,336	\$ 93,639	\$ -	\$ 30,391	\$ 915,626	\$ 687	\$ 2,466	\$ 533	
1,636	-	23,853	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	
16,252	-	-	2,241	-	-	-	-	-	
<u>\$ 93,846</u>	<u>\$ 47,336</u>	<u>\$ 117,492</u>	<u>\$ 2,241</u>	<u>\$ 30,391</u>	<u>\$ 915,626</u>	<u>\$ 687</u>	<u>\$ 2,466</u>	<u>\$ 533</u>	
\$ 2,083	\$ -	\$ 5,122	\$ -	\$ -	\$ 20,804	\$ -	\$ -	\$ -	
-	-	-	-	-	-	-	-	-	
-	47,336	-	-	-	-	-	-	-	
1,087	-	17,394	-	-	83,379	-	-	-	
<u>3,170</u>	<u>47,336</u>	<u>22,516</u>	<u>-</u>	<u>-</u>	<u>104,183</u>	<u>-</u>	<u>-</u>	<u>-</u>	
-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	
90,676	-	94,976	2,241	30,391	811,443	687	2,466	533	
<u>90,676</u>	<u>-</u>	<u>94,976</u>	<u>2,241</u>	<u>30,391</u>	<u>811,443</u>	<u>687</u>	<u>2,466</u>	<u>533</u>	
<u>\$ 93,846</u>	<u>\$ 47,336</u>	<u>\$ 117,492</u>	<u>\$ 2,241</u>	<u>\$ 30,391</u>	<u>\$ 915,626</u>	<u>\$ 687</u>	<u>\$ 2,466</u>	<u>\$ 533</u>	

(Continued)

**TOWN OF STONINGTON, CONNECTICUT**

**COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS**

**June 30, 2008**

	Special Revenue				
	Prepaid Education Grants Fund	DARE Program	Hot Lunch Program	Senior Center Addition Project	Pawcatuck/ Mystic Streetscape Fund
<b>ASSETS</b>					
Cash and cash equivalents	\$ 161,251	\$ 1,105	\$ 74,334	\$ 4,999	\$ -
Assessments, use charges and other receivables	-	-	-	-	-
Intergovernmental receivables	17,000	-	70,753	-	-
Due from other funds	-	-	-	-	-
<b>Total assets</b>	<b>\$ 178,251</b>	<b>\$ 1,105</b>	<b>\$ 145,087</b>	<b>\$ 4,999</b>	<b>\$ -</b>
<b>LIABILITIES AND FUND BALANCES (DEFICITS)</b>					
<b>LIABILITIES</b>					
Accounts payable	\$ 16,621	\$ -	\$ -	\$ 11,814	\$ -
Deferred revenue	17,000	-	-	-	-
Unearned revenue	110,281	-	-	-	-
Due to other funds	34,349	-	-	60,474	-
<b>Total liabilities</b>	<b>178,251</b>	<b>-</b>	<b>-</b>	<b>72,288</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS)</b>					
Reserved for debt service	-	-	-	-	-
Reserved for endowments	-	-	-	-	-
Reserved for encumbrances	-	-	-	-	-
Unreserved and undesignated	-	1,105	145,087	(67,289)	-
<b>Total fund balances (deficits)</b>	<b>-</b>	<b>1,105</b>	<b>145,087</b>	<b>(67,289)</b>	<b>-</b>
<b>Total liabilities and fund balances (deficits)</b>	<b>\$ 178,251</b>	<b>\$ 1,105</b>	<b>\$ 145,087</b>	<b>\$ 4,999</b>	<b>\$ -</b>

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	
\$ -	\$ -	\$ -	\$ -	\$ 1,597,854	\$ 210,057	\$ 4,301,144
500	-	5,500	23,133	-	-	746,278
-	-	-	-	-	-	87,753
2,906	12,118	308,015	94,377	351,600	-	817,205
<u>\$ 3,406</u>	<u>\$ 12,118</u>	<u>\$ 313,515</u>	<u>\$ 117,510</u>	<u>\$ 1,949,454</u>	<u>\$ 210,057</u>	<u>\$ 5,952,380</u>
\$ -	\$ 1,365	\$ 302,911	\$ 12,553	\$ -	\$ -	\$ 411,852
-	-	-	-	-	-	498,601
-	10,753	-	-	-	-	168,370
-	-	-	-	-	-	409,620
<u>-</u>	<u>12,118</u>	<u>302,911</u>	<u>12,553</u>	<u>-</u>	<u>-</u>	<u>1,488,443</u>
-	-	-	-	-	-	440,928
-	-	-	-	-	210,057	210,057
-	-	-	-	-	-	10,526
<u>3,406</u>	<u>-</u>	<u>10,604</u>	<u>104,957</u>	<u>1,949,454</u>	<u>-</u>	<u>3,802,426</u>
<u>3,406</u>	<u>-</u>	<u>10,604</u>	<u>104,957</u>	<u>1,949,454</u>	<u>210,057</u>	<u>4,463,937</u>
<u>\$ 3,406</u>	<u>\$ 12,118</u>	<u>\$ 313,515</u>	<u>\$ 117,510</u>	<u>\$ 1,949,454</u>	<u>\$ 210,057</u>	<u>\$ 5,952,380</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, 2008

	Special Revenue						
	Sewer Usage Fund	Sewer Assessment Fund	Shellfish Fund	Town Aid Road Fund	Dog License Fund	Escrow Revaluation Fund	SNEF Reserve Fund
<b>REVENUES</b>							
Charges for services	\$ 1,838,067	\$ 145,619	\$ 14,052	\$ -	\$ 18,669	-	\$ 12,500
Intergovernmental	-	-	-	148,937	-	-	-
Interest income	45,824	14,746	416	-	-	4,787	3,107
Other	-	-	-	-	3,331	-	-
<b>Total revenues</b>	<b>1,883,891</b>	<b>160,365</b>	<b>14,468</b>	<b>148,937</b>	<b>22,000</b>	<b>4,787</b>	<b>15,607</b>
<b>EXPENDITURES</b>							
General government	-	-	22,749	-	22,398	198,969	-
Public safety	-	-	-	-	11,068	-	-
Education	-	-	-	-	-	-	-
Highway department	-	-	-	166,109	-	-	-
Recreation	-	-	-	-	-	-	-
Sewer	2,286,739	-	-	-	-	-	-
<b>Total expenditures</b>	<b>2,286,739</b>	<b>-</b>	<b>22,749</b>	<b>166,109</b>	<b>33,466</b>	<b>198,969</b>	<b>-</b>
<b>Revenues over (under) expenditures</b>	<b>(402,848)</b>	<b>160,365</b>	<b>(8,281)</b>	<b>(17,172)</b>	<b>(11,466)</b>	<b>(194,182)</b>	<b>15,607</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	365,000	-	-	-	-	110,000	-
Transfers out	-	(200,000)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>365,000</b>	<b>(200,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>110,000</b>	<b>-</b>
<b>Net change in fund balances (deficits)</b>	<b>(37,848)</b>	<b>(39,635)</b>	<b>(8,281)</b>	<b>(17,172)</b>	<b>(11,466)</b>	<b>(84,182)</b>	<b>15,607</b>
<b>FUND BALANCES (DEFICITS), beginning</b>	<b>396,294</b>	<b>480,563</b>	<b>59,276</b>	<b>57,471</b>	<b>19,986</b>	<b>172,861</b>	<b>69,669</b>
<b>FUND BALANCES (DEFICITS), ending</b>	<b>\$ 358,446</b>	<b>\$ 440,928</b>	<b>\$ 50,995</b>	<b>\$ 40,299</b>	<b>\$ 8,520</b>	<b>\$ 88,679</b>	<b>\$ 85,276</b>



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	
\$ 60,815	\$ -	\$ 89,640	\$ -	\$ -	\$ 577,058	\$ -	\$ -	\$ -	
-	-	-	-	-	-	-	-	-	
563	-	878	-	228	20,511	6	-	5	
-	-	-	-	-	-	-	-	-	
61,378	-	90,518	-	228	597,569	6	-	5	
29,105	-	10,798	-	-	-	-	-	-	
2,090	-	-	500	-	60,443	-	1,995	-	
839	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	
8,474	-	43,597	-	-	-	-	-	-	
-	-	-	-	-	255,583	-	-	-	
40,508	-	54,395	500	-	316,026	-	1,995	-	
20,870	-	36,123	(500)	228	281,543	6	(1,995)	5	
-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	-	
20,870	-	36,123	(500)	228	281,543	6	(1,995)	5	
69,806	-	58,853	2,741	30,163	529,900	681	4,461	528	
\$ 90,676	\$ -	\$ 94,976	\$ 2,241	\$ 30,391	\$ 811,443	\$ 687	\$ 2,466	\$ 533	

(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, 2008

	Special Revenue				
	Prepaid Education Grants Fund	DARE Program	Hot Lunch Program	Senior Center Addition Project	Pawcatuck/ Mystic Streetscape Fund
<b>REVENUES</b>					
Charges for services	\$ -	\$ -	\$ 638,316	\$ -	\$ -
Intergovernmental	899,737	-	210,483	22,999	-
Interest income	-	-	1,659	-	16,150
Other	-	470	-	-	-
<b>Total revenues</b>	<b>899,737</b>	<b>470</b>	<b>850,458</b>	<b>22,999</b>	<b>16,150</b>
<b>EXPENDITURES</b>					
General government	-	-	-	90,288	-
Public safety	-	-	-	-	-
Education	899,737	-	847,876	-	-
Highway department	-	-	-	-	-
Recreation	-	-	-	-	-
Sewer	-	-	-	-	-
<b>Total expenditures</b>	<b>899,737</b>	<b>-</b>	<b>847,876</b>	<b>90,288</b>	<b>-</b>
<b>Revenues over (under) expenditures</b>	<b>-</b>	<b>470</b>	<b>2,582</b>	<b>(67,289)</b>	<b>16,150</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	(310,217)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(310,217)</b>
<b>Net change in fund balances (deficits)</b>	<b>-</b>	<b>470</b>	<b>2,582</b>	<b>(67,289)</b>	<b>(294,067)</b>
<b>FUND BALANCES (DEFICITS), beginning</b>	<b>-</b>	<b>635</b>	<b>142,505</b>	<b>-</b>	<b>294,067</b>
<b>FUND BALANCES (DEFICITS), ending</b>	<b>\$ -</b>	<b>\$ 1,105</b>	<b>\$ 145,087</b>	<b>\$ (67,289)</b>	<b>\$ -</b>

Special Revenue				Permanent Fund		Total Nonmajor Governmental Funds
Stonington Social Services Fuel Bank	Human Services Grant	Other	Planning and Developing Grant Fund	Debt Service Fund	Scholarship Trust Fund	
\$ -	\$ 3,662	\$ -	\$ -	\$ -	\$ -	\$ 3,398,398
-	18,017	73,605	489,064	-	-	1,862,842
-	-	-	661	61,284	11,896	182,721
3,924	-	-	-	-	-	7,725
3,924	21,679	73,605	489,725	61,284	11,896	5,451,686
-	4,732	11,825	121,029	-	-	511,893
3,492	16,947	73,830	-	-	-	170,365
-	-	-	-	-	-	1,748,452
-	-	-	862,676	-	-	1,028,785
-	-	-	-	-	-	52,071
-	-	-	-	131,185	-	2,673,507
3,492	21,679	85,655	983,705	131,185	-	6,185,073
432	-	(12,050)	(493,980)	(69,901)	11,896	(733,387)
-	-	-	694,303	351,600	-	1,520,903
-	-	-	(40,021)	-	-	(550,238)
-	-	-	654,282	351,600	-	970,665
432	-	(12,050)	160,302	281,699	11,896	237,278
2,974	-	22,654	(55,345)	1,667,755	198,161	4,226,659
\$ 3,406	\$ -	\$ 10,604	\$ 104,957	\$ 1,949,454	\$ 210,057	\$ 4,463,937

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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, 2008

	Balance July 1, 2007	Additions	Deletions	Balance June 30, 2008
<b>STUDENT ACTIVITY FUND</b>				
<b>Assets</b>				
Cash	\$ 349,113	\$ 803,984	\$ 867,715	\$ 285,382
<b>Liabilities</b>				
Due to students	\$ 349,113	\$ 803,984	\$ 867,715	\$ 285,382
<b>TAX SALE ESCROW FUND</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 87,667	\$ 2,937	\$ -	\$ 90,604
<b>Liabilities</b>				
Other liabilities	\$ 87,667	\$ 2,937	\$ -	\$ 90,604
<b>STONINGTON HARBOR MANAGEMENT FUND</b>				
<b>Assets</b>				
Due from other funds and other receivables	\$ 23,730	\$ 8,045	\$ 4,982	\$ 26,793
<b>Liabilities</b>				
Other liabilities	\$ 23,730	\$ 8,045	\$ 4,982	\$ 26,793
<b>MYSTIC HARBOR MANAGEMENT FUND</b>				
<b>Assets</b>				
Due from other funds and other receivables	\$ 9,779	\$ 4,065	\$ 2,928	\$ 10,916
<b>Liabilities</b>				
Other liabilities	\$ 9,779	\$ 4,065	\$ 2,928	\$ 10,916
<b>BOE FLEX FUND</b>				
<b>Assets</b>				
Cash and cash equivalents	\$ 32,834	\$ 136,941	\$ 132,420	\$ 37,355
<b>Liabilities</b>				
Due to employees	\$ 32,834	\$ 136,941	\$ 132,420	\$ 37,355
<b>Total Assets</b>	\$ 503,123	\$ 955,972	\$ 1,008,045	\$ 451,050
<b>Total Liabilities</b>	\$ 503,123	\$ 955,972	\$ 1,008,045	\$ 451,050

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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, 2008

Grand List Year	Balance Uncollected June 30, 2007		Current Levy	Lawful Corrections			Transfers to Suspense and Other Adjustments	Balance To Be Collected				
				Additions	Deletions							
1992	\$	16	\$	-	\$	-	\$	582	\$	598		
1993		17		-		-		131		148		
1994		40		-		-		26		66		
1995		43		-		-		208		251		
1996		276		-		-		44		320		
1997		279		-		-		88		367		
1998		566		-		-		474		1,040		
1999		4,295		-		-		637		4,932		
2000		4,433		-	168	-		1,876		6,477		
2001		4,972		-	-	165		942		5,749		
2002		7,460		-	-	611		1,009		7,858		
2003		11,400		-	224	510		(756)		10,358		
2004		44,335		-	2,183	1,738		(3,701)		41,079		
2005		367,866		-	9,006	17,682		(12,717)		346,473		
2006		-		46,658,262	63,880	104,945		-		46,617,197		
	\$	445,998	\$	46,658,262	\$	75,461	\$	125,651	\$	(11,157)	\$	47,042,913

Collections					Balance
Taxes	Overpayments and Refunds	Interest and Liens	Total	Uncollected June 30, 2008	
\$ 582	\$ -	\$ 922	\$ 1,504	\$ 16	
131	-	462	593	17	
26	-	59	85	40	
208	-	417	625	43	
44	-	84	128	276	
88	-	140	228	279	
474	-	449	923	566	
638	-	407	1,045	4,294	
2,068	-	426	2,494	4,409	
942	165	1,234	2,341	4,972	
939	298	742	1,979	7,217	
2,874	520	1,380	4,774	8,004	
32,054	1,196	7,392	40,642	10,221	
310,704	13,953	58,278	382,935	49,722	
46,265,570	70,423	152,163	46,488,156	422,050	
\$ 46,617,342	\$ 86,555	\$ 224,555	\$ 46,928,452	\$ 512,126	

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