

**TOWN OF STONINGTON,
CONNECTICUT**

FINANCIAL REPORT
June 30, 2010

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, 2010, which collectively comprises the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Stonington, Connecticut's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Stonington, Connecticut as of June 30, 2010, and the respective changes in financial position, and where applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with "Government Auditing Standards," we have also issued our report dated December 14, 2010 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 and the pension plan and other post-employment benefit schedules of funding progress and schedules of employer contributions are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

McGladrey & Pullen, LLP

New Haven, Connecticut
December 14, 2010

Town of Stonington, Connecticut
Management Discussion and Analysis
June 30, 2010

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, 2010

Financial Highlights

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$104,461,862. (net assets).
- The Town's total net assets increased by \$3,893,222.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$16,211,229, a decrease of \$510,259 in comparison with the prior year.
- At the end of the current fiscal year, unreserved/undesignated fund balance for the general fund was \$11,297,267, or 21% of total general fund budgetary expenditures and transfers.
- The Town of Stonington's total long-term debt decreased by \$3,872,410 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 28 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances (deficits) for the General Fund, Bonded Projects and Planning and Developing Grants Fund which are considered to be major funds. Data from the other 24 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, 2010 and 2009

	Governmental Activities	
	2010	2009
Current and other assets	\$ 24,802,999	\$ 25,315,900
Capital assets and other long-term assets	121,533,515	121,945,031
Total assets	146,336,514	147,260,931
Long-term liabilities	38,336,629	38,389,792
Other liabilities	3,538,023	8,302,499
Total liabilities	41,874,652	46,692,291
Net assets:		
Invested in capital assets, net of related debt	86,773,619	83,778,472
Restricted for endowments	161,583	165,030
Unrestricted	17,526,660	16,625,138
Total net assets	\$ 104,461,862	\$ 100,568,640

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 \$104,461,862 at the close of the most recent fiscal year.

By far the largest portion of the Town's net assets (83.07%) 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, 0.15%, represents resources that are subject to external restrictions on how they may be used.

The remaining balance, or 16.78%, 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, 2010 and 2009

	Governmental Activities	
	2010	2009
Revenues:		
Program revenues:		
Charges for services	\$ 5,922,887	\$ 6,327,188
Operating grants and contributions	7,386,033	7,086,405
Capital grants and contributions	1,937,799	1,228,228
General revenues:		
Property taxes	47,505,735	47,149,126
Investment earnings	441,549	408,849
Miscellaneous	222,137	59,729
Total revenues	63,416,140	62,259,525
Expenses:		
General government	8,017,134	7,022,960
Public safety	4,169,223	4,478,444
Public works	3,083,424	2,537,942
Sanitation and waste removal	5,178,102	5,504,529
Public health and welfare	343,692	581,805
Library	189,979	450,316
Recreation	183,653	153,603
Education	36,917,999	35,561,107
Interest on long-term debt	1,439,712	2,191,807
Total expenses	59,522,918	58,482,513
Increase in net assets	3,893,222	3,777,012
Net Assets, beginning	100,568,640	96,791,628
Net assets - ending	\$ 104,461,862	\$ 100,568,640

Governmental activities

For governmental activities, approximately 74.9% of revenues were derived from property taxes, followed by 24.0% from program income, .40% from investment earnings, and finally approximately .70% of the Town's revenue was derived from miscellaneous sources of income.

Major revenue factors included:

- Property tax revenues recorded during the fiscal year reflect a decrease in the mill rate from 15.14 to 15.10, a .26% decrease.
- Operating grants and contributions increased slightly due to additional grants for general government purposes.
- Capital grants increased due to the award of ARRA for the Mystic Streetscape project.

For governmental activities, approximately 62.0% of the Town's expenditures relates to education, 13.5% to general government, 8.7% to sanitation and waste removal, 7.0% to public safety, 5.2% to public works, 2.4% to interest on long-term debt, .6% to public health and welfare, .3% to library and .3% to recreation.

- Education expenditures in the General Fund increased by 3.7% from \$35.6 million to \$36.9 million due to increases in salaries and special education costs.
- Employee benefits costs increased due to rising health insurance costs.

Financial Analysis of the Town's Funds

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

Governmental funds

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$16,211,229 a decrease of \$510,259 in comparison with the prior year. \$14,562,714, or 89.8%, 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 (\$210,405).
2. Reserved for sewer debt service (\$162,658).
3. Reserved for endowment restricted purposes (\$161,583).
4. Designated for subsequent year's budget (\$632,387).
5. Designated for future use (\$481,482).

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 \$11,297,267, while total fund balance reached \$12,140,059. 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 21.2% of total general fund budgetary expenditures and transfers, while total fund balance represents 22.8% of that same amount.

During the current fiscal year, the fund balance of the Town's general fund increased by \$1,093,087. Key factors in this growth are as follows:

- Collection of prior year taxes and interest/lien fees were approximately \$360,000 more than budgeted due to the collection of two large delinquent accounts.
- The Solid Waste department's expenditures were approximately \$287,000 less than budgeted due to less tonnage being brought to Preston. The Police department also spent less than was budgeted by approximately \$96,000 primarily due to savings in salaries.
- The remainder is attributable to similar situation in other departments.

The Sewer Usage Fund had a small increase in its fund balance in the amount of \$274,516.

The Bonded Project Fund has a slight decrease in fund balance of \$28,354.

The Planning and Developing Grant Fund decreased its fund balance by \$535,747.

- Decrease is due to the grant expenditures made which will be reimbursed by State and Federal grant funds.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was \$17,609. The difference between the original budget and the final budget is due to additional appropriations approved by the Board of Selectmen and the Board of Finance.

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

Capital Assets and Debt Administration

Capital assets

The Town's investment in capital assets for its governmental activities as of June 30, 2010, amounts to \$121,533,515 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery, equipment, infrastructure and vehicles.

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

- Construction was started on several projects throughout the Town, such as Mystic Streetscape, Phase I and Phase II Rehab of the Town Dock South Pier, and several other small projects.

TOWN OF STONINGTON, CONNECTICUT
CAPITAL ASSETS (Net of Depreciation)
June 30, 2010 and 2009

	Governmental Activities	
	2010	2009
Land	\$ 11,028,391	\$ 11,028,391
Land and building improvements	8,032,958	6,921,255
Buildings and sewer system	41,343,389	42,623,011
Machinery and equipment	2,070,974	1,694,698
Vehicles	696,057	885,068
Infrastructure	54,974,431	55,552,556
Construction in Progress	3,387,315	3,240,052
Total	\$121,533,515	\$121,945,031

TOWN OF STONINGTON, CONNECTICUT
OUTSTANDING DEBT
June 30, 2010 and 2009

	Governmental Activities	
	2010	2009
General Obligation Bonds and Loans	\$ 34,759,896	\$ 38,782,457

During the current fiscal year, the Town's total long term debt decreased by \$4,022,561 (10.4%). The key factor for this decrease was the principle payments on current debt, a bond refunding and no issuance of new bonds.

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

State Statutes limit the amount of general obligation debt a governmental entity may issue to 7 times total tax collections including interest and lien fees and the tax relief for elderly freeze grant. The current debt limitation for the Town is \$332,635,835 which is significantly in excess of the Town's outstanding general obligation debt.

Additional information on the Town's long-term debt can be found in Note 8.

Economic Factors and Next Year's Budgets and Rates

- As of October 2010, the unemployment rate for the Town was at 6%, which compares favorably to the state's average unemployment rate of 8.5% and a national unemployment rate of 9%.
- Interest rates continue to drop therefore in preparing the 2011-12 budget an interest rate of .25% was used to project interest income.

Requests for Information

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

Basic Financial Statements

TOWN OF STONINGTON, CONNECTICUT

STATEMENT OF NET ASSETS

June 30, 2010

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 20,578,571
Investments	657,121
Receivables:	
Property taxes	940,747
Charges for services	565,175
Assessments/user charges	999,221
Intergovernmental	798,939
Other assets	26,606
Net pension asset	236,619
Capital assets, not being depreciated	14,415,706
Capital assets, net of accumulated depreciation	107,117,809
Total assets	146,336,514
LIABILITIES	
Accounts payable and accrued liabilities	3,120,226
Accrued interest payable	321,583
Unearned revenue	94,397
Advance tax collections	1,817
Noncurrent Liabilities:	
Long-term liabilities due within one year	4,042,309
Due in more than one year	35,694,320
Total liabilities	43,274,652
NET ASSETS	
Invested in capital assets, net of related debt	86,773,619
Restricted for endowments	161,583
Unrestricted	17,526,660
Total net assets	\$ 104,461,862

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, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities
Primary government:					
Governmental activities:					
General government	\$ (8,017,134)	\$ 803,809	\$ 1,507,388	\$ 1,277,988	\$ (4,427,949)
Public safety	(4,169,223)	286,534	532,519	-	(3,350,170)
Public works	(3,083,424)	256,784	682,311	659,811	(1,484,518)
Sanitation and waste removal	(5,178,102)	2,189,143	353,226	-	(2,635,733)
Public health and welfare	(343,692)	33,825	49,942	-	(259,925)
Library	(189,979)	25,385	37,480	-	(127,114)
Recreation	(183,653)	19,328	60,326	-	(103,999)
Education	(36,917,998)	2,308,078	4,162,841	-	(30,447,079)
Interest on long-term debt	(1,439,712)	-	-	-	(1,439,712)
Total governmental activities	<u><u>\$ (59,522,917)</u></u>	<u><u>\$ 5,922,886</u></u>	<u><u>\$ 7,386,033</u></u>	<u><u>\$ 1,937,799</u></u>	<u><u>(44,276,199)</u></u>
General revenues:					
Property taxes					47,505,735
Miscellaneous					441,549
Unrestricted investment earnings					222,137
Total general revenues					<u>48,169,421</u>
Change in net assets					3,893,222
Net assets - beginning					100,568,640
Net assets - ending					<u><u>\$ 104,461,862</u></u>

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

TOWN OF STONINGTON, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2010

	Major Funds					Total Governmental Funds
	General Fund	Bonded Projects Fund	Sewer Usage Fund	Planning and Developing Grant Fund	Other Nonmajor Governmental Funds	
Assets						
Cash and cash equivalents	\$ 12,563,880	\$ -	\$ 1,014,666	\$ -	\$ 5,149,804	\$ 18,728,350
Receivables (net of allowances for collection losses):						
Property taxes	940,747	-	-	-	-	940,747
Assessments/user charges	-	-	818,433	139,271	41,517	999,221
Intergovernmental	168,423	550,000	-	-	80,516	798,939
Charges for services	565,175	-	-	-	-	565,175
Due from other funds	1,963,432	-	-	9,161	238,617	2,211,210
Other assets	26,606	-	-	-	-	26,606
Total assets	\$ 16,228,263	\$ 550,000	\$ 1,833,099	\$ 148,432	\$ 5,510,454	\$ 24,270,248
Liabilities						
Accounts payable and accrued liabilities	\$ 1,915,858	\$ -	\$ 220,176	\$ 369,765	\$ 99,004	\$ 2,604,803
Advanced tax collections	1,817	-	-	-	-	1,817
Unearned revenues	-	-	-	-	94,397	94,397
Deferred revenue	964,501	550,000	620,685	-	39,342	2,174,528
Due to other funds	1,206,028	834,243	202,610	569,321	371,272	3,183,474
Total liabilities	4,088,204	1,384,243	1,043,471	939,086	604,015	8,059,019
Fund balances (deficit)						
Reserved for:						
Encumbrances	210,405	-	-	-	-	210,405
Debt service	-	-	-	-	162,658	162,658
Endowments	-	-	-	-	161,583	161,583
Unreserved, designated for:						
Subsequent year's budget	632,387	-	-	-	-	632,387
Future use	-	-	-	-	481,482	481,482
Unreserved, undesignated, reported in:						
General fund	11,297,267	-	-	-	-	11,297,267
Special revenue funds	-	-	789,628	(790,654)	1,539,348	1,538,322
Capital projects funds	-	(834,243)	-	-	2,062,758	1,228,515
Debt service fund	-	-	-	-	498,610	498,610
Total fund balances (deficit)	12,140,059	(834,243)	789,628	(790,654)	4,906,439	16,211,229
Total liabilities and fund balances (deficit)	\$ 16,228,263	\$ 550,000	\$ 1,833,099	\$ 148,432	\$ 5,510,454	

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.	121,533,515
Deferred revenue	2,174,528
Accrued interest payable	(321,583)
Pension asset	236,619
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.	2,964,183
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(38,336,629)

Net assets of governmental activities \$ 104,461,862

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, 2010

	Major Funds				Other	Total
	General	Bonded	Sewer	Planning and	Nonmajor	Total
	Fund	Projects	Usage	Developing	Governmental	Governmental
		Fund	Fund	Grant Fund	Funds	Funds
REVENUES						
Property taxes	\$ 47,505,735	\$ -	\$ -	\$ -	\$ -	\$ 47,505,735
Intergovernmental revenues	4,781,731	-	169,313	1,958,616	1,945,571	8,855,231
Income from investments	150,154	-	49,945	-	22,038	222,137
Charges for services and assessments	3,238,608	-	2,027,780	-	1,031,995	6,298,383
Other	-	-	-	-	441,549	441,549
Total revenues	55,676,228	-	2,247,038	1,958,616	3,441,153	63,323,035
EXPENDITURES						
Current:						
General government	6,991,482	-	-	-	103,887	7,095,369
Public safety	4,043,550	-	-	-	309,376	4,352,926
Highway	2,120,024	-	-	585,224	197,095	2,902,343
Sanitation and waste removal	1,886,081	-	2,302,522	-	324,975	4,513,578
Human services	382,106	-	-	-	-	382,106
Social services	189,979	-	-	-	-	189,979
Recreation	93,802	-	-	-	89,851	183,653
Libraries	269,810	-	-	-	-	269,810
Payments to other civic divisions	159,516	-	-	-	-	159,516
Education	33,500,347	-	-	-	2,134,004	35,634,351
Debt service:						
Principal	3,714,612	-	-	-	-	3,714,612
Interest	1,422,857	-	-	-	-	1,422,857
Capital outlay	-	28,354	-	1,909,139	1,074,701	3,012,194
Total expenditures	54,774,166	28,354	2,302,522	2,494,363	4,233,889	63,833,294
Revenue over (under) expenditures	902,062	(28,354)	(55,484)	(535,747)	(792,736)	(510,259)
OTHER FINANCING SOURCES (USES)						
Transfers in	1,055,756	-	580,000	-	534,731	2,170,487
Transfers out	(864,731)	-	(250,000)	-	(1,055,756)	(2,170,487)
Total other financing sources (uses)	191,025	-	330,000	-	(521,025)	-
Net change in fund balances (deficits)	1,093,087	(28,354)	274,516	(535,747)	(1,313,761)	(510,259)
FUND BALANCES (DEFICIT), beginning	11,046,972	(805,889)	515,112	(254,907)	6,220,200	16,721,488
FUND BALANCES (DEFICIT), ending	\$ 12,140,059	\$ (834,243)	\$ 789,628	\$ (790,654)	\$ 4,906,439	\$ 16,211,229

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

TOWN OF STONINGTON, CONNECTICUT

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (DEFICITS) OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2010**

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

Net change in fund balances – total governmental funds	\$ (510,259)
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.	(411,516)
Changes in revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	93,104
Change in net pension asset	69,890
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.	4,096,779
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.	(182,228)
The net income of certain activities of internal service funds is reported with governmental activities.	<u>737,452</u>
Change in net assets of governmental activities	<u><u>\$ 3,893,222</u></u>

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, 2010

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary	Final Budget
			Basis	Positive
				(Negative)
REVENUES				
Property taxes, interest and lien fees	\$ 46,965,391	\$ 46,965,391	\$ 47,505,735	\$ 540,344
Intergovernmental revenues	2,892,769	2,892,769	2,492,731	(400,038)
Revenues from the use of money and property	224,500	224,500	150,154	(74,346)
Charges for services	2,075,700	2,075,700	2,669,725	594,025
Licenses and permits	453,000	453,000	710,586	257,586
Fines and forfeits	14,000	14,000	9,350	(4,650)
Total revenues	52,625,360	52,625,360	53,538,281	912,921
EXPENDITURES				
General government	7,207,665	7,429,305	7,134,752	294,553
Public safety	4,150,229	4,099,535	4,003,550	95,985
Highway department	2,033,422	2,095,386	2,077,853	17,533
Sanitation and waste removal	2,769,316	2,753,321	2,466,080	287,241
Human services	399,915	399,915	382,106	17,809
Social services	191,429	191,429	189,979	1,450
Recreation	93,858	93,858	93,802	56
Libraries	269,810	269,810	269,810	-
Payments to other civil divisions	159,516	159,516	159,516	-
Education	31,149,520	31,149,520	31,123,530	25,990
Debt service	5,143,474	5,143,474	5,137,470	6,004
Total expenditures	53,568,154	53,785,069	53,038,448	746,621
Revenue over expenditures	(942,794)	(1,159,709)	499,833	1,659,542
OTHER FINANCING SOURCES (USES)				
Cancellation of prior year encumbrances	-	-	40,388	40,388
Transfer in	904,702	904,702	904,702	-
Transfers out	(374,037)	(174,731)	(174,731)	-
Use of fund balance	312,129	329,738	-	(329,738)
Debt service offset	100,000	100,000	-	(100,000)
Total other financing sources (uses)	942,794	1,159,709	770,359	(389,350)
Revenues and other financing sources over expenditures and other financing uses	\$ -	\$ -	\$ 1,270,192	\$ 1,270,192

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, 2010

	Governmental Activities Internal Service Fund Medical Self- Insurance Fund
ASSETS	
Current assets:	
Cash	\$ 1,850,221
Investments	657,121
Due from other funds	927,536
Total current assets	3,434,878
LIABILITIES	
Current liabilities:	
Accounts payable and accrued expenses	470,695
NET ASSETS	
Unrestricted	2,964,183
Total net assets	\$ 2,964,183

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, 2010**

	Governmental Activities Internal Service Fund Medical Self- Insurance Fund
OPERATING REVENUES	
Charges for services	<u>\$ 6,551,120</u>
OPERATING EXPENSES	
Benefits and claims	5,663,641
Administration	192,726
Total operating expenses	<u>5,856,367</u>
Operating income	<u>694,753</u>
NONOPERATING REVENUES (EXPENSES)	
Interest on investments	4,082
Net appreciation in fair value of investments	38,617
Total nonoperating revenue (expenses)	<u>42,699</u>
Change in net assets	737,452
FUND NET ASSETS, beginning	<u>2,226,731</u>
FUND NET ASSETS, ending	<u><u>\$ 2,964,183</u></u>

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, 2010

	Governmental Activities Internal Service Fund Medical Self- Insurance Fund
Cash Flows From Operating Activities	
Cash received from charges for services	\$ 6,826,147
Cash paid for claims	(5,868,452)
Net cash provided by operating activities	<u>957,695</u>
Cash Flows From Investing Activities	
Interest on cash and cash equivalents	4,082
Purchase of investments	(86,533)
Net cash used in investing activities	<u>(82,451)</u>
Net increase in cash and cash equivalents	875,244
Cash and Cash Equivalents	
Beginning	<u>974,977</u>
Ending	<u><u>\$ 1,850,221</u></u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities	
Operating income	\$ 694,753
Adjustments to reconcile operating income to net cash provided by operating activities:	
Changes in assets and liabilities:	
Decrease in due from other funds	275,028
Decrease in accounts payable	(12,086)
Net cash provided by operating activities	<u><u>\$ 957,695</u></u>
Noncash Investment Activities	
Net increase in fair value of investments	<u><u>\$ 38,617</u></u>

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

TOWN OF STONINGTON, CONNECTICUT

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS

June 30, 2010

	Pension Trust Fund	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 2,006,938	\$ 443,478
Investments - at fair value	15,686,944	-
Due from other funds	-	44,728
Total assets	<u>17,693,882</u>	<u>488,206</u>
LIABILITIES		
Due to others	-	488,206
Total liabilities	<u>-</u>	<u>488,206</u>
Net Assets Held in Trust for Pension Benefits	<u>\$ 17,693,882</u>	<u>\$ -</u>

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, 2010

	Pension Trust Fund
Additions	
Contributions:	
Employer	\$ 1,033,758
Employee	253,172
Total contributions	<u>1,286,930</u>
Investment income:	
Net appreciation in fair value of investments	1,453,915
Interest and dividends	579,987
Total investment income	<u>2,033,902</u>
Less investment expense	<u>103,329</u>
Net investment earnings	<u>1,930,573</u>
Total additions	<u>3,217,503</u>
Deductions	
Benefits	<u>993,343</u>
Total deductions	<u>993,343</u>
Change in net assets	2,224,160
Net Assets Held in Trust, July 1, 2009	<u>15,469,722</u>
Net Assets Held in Trust, June 30, 2010	<u><u>\$ 17,693,882</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, 2010

Note 1. Summary of Significant Accounting Policies

Reporting entity

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

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

Government-wide and fund financial statements

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

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

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

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

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 *Sewer Usage Fund* accounts for the operations of the WPCA.

The *Planning and Developing Grant Fund* is used to accounts for capital asset projects which are funded primarily by intergovernmental revenue.

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, 2010

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, 2010

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, 2010

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, 2010

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	\$(34,451,947)
Deferred amounts on refunding	(146,661)
Deferred premiums on refunding, net of amortization	(161,288)
Landfill closure costs	(466,500)
Compensated absences	(2,785,836)
Claims and judgments	(148,752)
OPEB obligation	<u>(175,645)</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<u><u>\$(38,336,629)</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, 2010

statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.” The details of this difference are as follows:

Capital outlay	\$ 3,012,189
Depreciation expense	(3,405,471)
Loss on disposal	<u>(18,234)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (411,516)</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	\$ 3,714,612
Capital leases	74,218
Deferred gain	146,661
Bond premium	<u>161,288</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 4,096,779</u>

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

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	\$ (11,530)
Landfill closure	(119,300)
Accrued interest	42,141
Claims	(7,894)
OPEB obligation	<u>(85,645)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u><u>\$ (182,228)</u></u>

Note 3. Budgets and Budgetary Accounting

The Town's general budget policies are as follows:

General Fund

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

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

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

- 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 Selectmen and the Board of Finance may approve additional appropriations cumulating no more than 0.5% of the current year operating budget. There were \$17,609 of 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, 2010

- 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	\$ 54,483,371
Unliquidated prior year encumbrances	(40,387)
On-behalf payments paid directly by the State of Connecticut Teachers' Retirement System	<u>2,289,000</u>
Revenues and other financing sources, GAAP basis	<u><u>\$ 56,731,984</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	\$ 53,213,179
On-behalf payments paid directly by the State of Connecticut Teachers' Retirement System	2,289,000
Encumbrances: June 30, 2009	347,123
June 30, 2010	<u>(210,405)</u>
Expenditures and other financing uses, GAAP basis	<u><u>\$ 55,638,897</u></u>

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

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, 2010

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, 2010, \$13,924,627 of the Town's bank balance of \$17,064,181 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, 2010:

Cash and Cash Equivalents

Deposits with financial institutions	\$ 16,341,999
State of Connecticut Short-Term Investment fund	1,112
Municipal Backed Investment Fund	6,685,876
Total cash and cash equivalents	<u>23,028,987</u>

Investments

Internal Service Fund	
Equity Securities	58,035 *
Corporate Bonds	218,504 *
Common Stock	380,582 *
	<u>657,121</u>

Pension Trust Funds:

U.S. Government Securities	719,287 *
U.S. Government Agencies	88,608 *
Corporate Bonds	1,681,364 *
Asset and Mortgage-Backed Securities	3,444,891 *
International Bonds	385,196 *
Common Stock	9,140,397 *
Fixed Income Mutual Funds	175,238
Government Bonds	51,963
Total pension investments	<u>15,686,944</u>

Total investments

16,344,065

Total cash and investments

\$ 39,373,052

* 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, 2010

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

Statement of Net Assets

Cash and cash equivalents	\$ 20,578,571
Investments	657,121
Total statement of net assets	21,235,692

Fiduciary Funds:

Cash and cash equivalents	2,450,416
Investments	15,686,944
	18,137,360

Total cash and investments \$ 39,373,052

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	\$ 719,287	\$ -	\$ 524,537	\$ 65,809	\$ 128,941
U.S. Government Agencies	88,608	-	65,183	-	23,425
Asset and Mortgage Backed Securities	3,444,891	-	198,805	64,924	3,181,162
International Bonds	385,196	-	136,814	176,684	71,698
Corporate Bonds	1,899,868	112,622	668,916	802,922	315,408
Pooled Fixed Income	6,686,988	6,686,988	-	-	-
Fixed Income Mutual Funds	201,156	201,156	-	-	-
Government Bonds	51,963	-	14,905	-	37,058
Equity Mutual Funds	58,035	58,035	-	-	-
	<u>\$ 13,535,992</u>	<u>\$ 7,058,801</u>	<u>\$ 1,609,160</u>	<u>\$ 1,110,339</u>	<u>\$ 3,757,692</u>

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

Credit risk

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

Average Rating	Corporate Bonds	International Bonds	U.S. Government Agencies	Asset and Mortgage Backed Securities	U.S. Treasury Money Markets	Pooled Fixed Income	Equity Mutual Funds	Government Bonds	Fixed Income Mutual Funds
AAAm	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,108	\$ -	\$ -	\$ -
AAA	29,193	-	807,895	1,823,868	-	994,075	-	26,327	-
AA+	120,279	-	-	44,489	-	-	-	-	-
AA	95,311	-	-	-	-	50,570	-	-	-
AA-	60,174	69,901	-	-	-	-	-	-	-
A+	152,528	10,677	-	96,118	-	29,871	-	14,905	-
A	400,588	-	-	83,096	-	-	-	-	-
A-	216,824	134,319	-	-	-	-	-	10,731	-
BBB+	192,448	51,261	-	44,506	-	-	-	-	-
BBB	307,439	87,753	-	-	-	-	-	-	-
BBB-	274,566	31,285	-	49,159	-	-	-	-	-
BB	50,518	-	-	-	-	-	-	-	-
Unrated	-	-	-	124,438	-	104,701	58,035	-	201,156
	<u>\$ 1,899,868</u>	<u>\$ 385,196</u>	<u>\$ 807,895</u>	<u>\$ 2,265,674</u>	<u>\$ -</u>	<u>\$ 1,180,325</u>	<u>\$ 58,035</u>	<u>\$ 51,963</u>	<u>\$ 201,156</u>

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Note 5. Interfund Receivables, Payables and Transfers

As of June 30, 2010, interfund receivables and payables that resulted from various interfund transactions were as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 1,963,432	\$ 1,206,028
Sewer Usage Fund	-	202,610
Bonded Projects Fund	-	834,243
Planning and Developing Grant Fund	9,161	569,321
Non-Major Governmental Funds	238,617	371,272
Internal Service Fund	927,536	-
Fiduciary Funds	44,728	-
Totals	\$ 3,183,474	\$ 3,183,474

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, 2010 were as follows:

	Transfers From Other Funds	Transfers To Other Funds
General Fund	\$ 1,055,756	\$ 864,731
Sewer Usage Fund	580,000	250,000
Non-Major Governmental Funds	534,731	1,055,756
Total	\$ 2,170,487	\$ 2,170,487

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, 2010

Note 6. Capital Assets

Capital asset activity for the year ended June 30, 2010 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 11,028,391	\$ -	\$ -	\$ 11,028,391
Construction in progress	3,240,052	1,545,837	1,398,574	3,387,315
Total capital assets, not being depreciated	14,268,443	1,545,837	1,398,574	14,415,706
Capital assets, being depreciated:				
Land and building improvements	9,430,617	1,384,667	-	10,815,284
Buildings	66,497,368	-	-	66,497,368
Machinery and equipment	5,152,486	629,972	-	5,782,458
Infrastructure	79,030,869	689,109	-	79,719,978
Vehicles	3,187,370	161,178	126,565	3,221,983
Total capital assets being depreciated	163,298,710	2,864,926	126,565	166,037,071
Less accumulated depreciation for:				
Land and building improvements	2,509,362	272,964	-	2,782,326
Buildings	23,874,357	1,279,622	-	25,153,979
Machinery and equipment	3,457,788	253,696	-	3,711,484
Infrastructure	23,478,313	1,267,234	-	24,745,547
Vehicles	2,302,302	331,955	108,331	2,525,926
Total accumulated depreciation	55,622,122	3,405,471	108,331	58,919,262
Total capital assets, being depreciated, net	107,676,588	(540,545)	18,234	107,117,809
Governmental activities capital assets, net	\$ 121,945,031	\$ 1,005,292	\$ 1,416,808	\$ 121,533,515

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

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

Governmental Activities:

General administration	\$ 1,095,405
Public works	237,928
Public safety	118,133
Education	1,283,648
Health and welfare	5,833
Sanitation and waste removal	664,524

Total depreciation expense – governmental activities	<u><u>\$ 3,405,471</u></u>
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Note 7. Unearned Revenue/Deferred Revenue

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

	Deferred Revenues	Unearned Revenues
Property taxes	\$ 796,078	\$ -
Intergovernmental grant receivable	718,423	-
Grant drawdowns prior to meeting all eligibility requirements	-	94,397
Sewer assessments and collections	660,027	-
Total deferred/unearned revenue	<u><u>\$ 2,174,528</u></u>	<u><u>\$ 94,397</u></u>

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Note 8. Long-Term Obligations

Long-term liabilities outstanding as of June 30, 2010 consisted of the following:

Type	Original Amount	Year of Issue	Year of Maturity	Interest Rate	Balance July 1, 2009	Additions	Reductions	Balance June 30, 2010	Amounts Due Within One Year
General Obligation Debt									
Sewer/school bonds	\$ 9,105,000	2001	2020	4.20-5.10%	\$ 500,000	\$ -	\$ 500,000	\$ -	\$ -
Sewer/school bonds	3,850,000	2001	2010	4.00-4.20%	400,000	-	400,000	-	-
School bonds	5,000,000	2003	2023	2.50-4.50%	3,900,000	-	275,000	3,625,000	275,000
School bonds	12,100,000	2004	2024	3.00-4.25%	10,560,000	-	510,000	10,050,000	510,000
School bonds	10,000,000	2005	2025	3.25-5.00	8,500,000	-	500,000	8,000,000	500,000
Sewer/school bonds	4,400,000	2007	2026	5.50%	4,030,000	-	365,000	3,665,000	360,000
Sewer improvement bonds	9,810,000	1992	2012	5.00-7.00%	1,485,000	-	495,000	990,000	495,000
Refunding Bonds	7,525,000	2009	2020	2.65-5.00%	7,350,000	-	400,000	6,950,000	900,000
Premiums on refunding					322,576	-	161,288	161,288	-
Deferred gain on refunding					293,322	-	146,661	146,661	-
Total general obligation debt					37,340,898	-	3,752,949	33,587,949	3,040,000
Loans									
Clean water loan	1,563,519	1998	2020	2.00%	601,235	-	75,154	526,081	75,154
Clean water loan	1,148,280	2000	2017	2.00%	588,559	-	68,575	519,984	69,947
Clean water loan	2,517,660	1991	2010	2.00%	251,765	-	125,883	125,882	125,882
Total loans					1,441,559	-	269,612	1,171,947	270,983
Total general obligation bonds and loans					38,782,457	-	4,022,561	34,759,896	3,310,983
Other Long-Term Liabilities									
Landfill closure and postclosure care					347,200	119,300	-	466,500	31,326
Compensated absences					2,774,306	721,463	709,933	2,785,836	700,000
Capital Leases					74,218	-	74,218	-	-
Claims and judgements					140,858	7,894	-	148,752	-
OPEB obligation					90,000	693,750	608,105	175,645	-
Total other long-term liabilities					3,426,582	1,542,407	1,392,256	3,576,733	731,326
Total long-term obligations					\$ 42,209,039	\$ 1,542,407	\$ 5,414,817	\$ 38,336,629	\$ 4,042,309

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

Summary of debt service requirements to maturity

The annual requirements to amortize bonds and loans payable at June 30, 2010 are as follows:

Fiscal Year-End June 30,	Bonds			Clean Water		
	Principal	Interest	Total	Principal	Interest	Total
2011	\$ 3,040,000	\$ 1,244,335	\$ 4,284,335	\$ 270,983	\$ 23,439	\$ 294,422
2012	3,110,000	1,124,734	4,234,734	146,498	18,019	164,517
2013	2,595,000	1,007,367	3,602,367	147,927	15,089	163,016
2014	2,565,000	923,714	3,488,714	149,383	12,131	161,514
2015	2,380,000	838,839	3,218,839	150,866	9,143	160,009
2010-2020	11,250,000	2,927,474	14,177,474	306,290	9,219	315,509
2021-2025	7,500,000	938,864	8,438,864	-	-	-
2026-2027	840,000	25,245	865,245	-	-	-
	<u>\$ 33,280,000</u>	<u>\$ 9,030,572</u>	<u>\$ 42,310,572</u>	<u>\$ 1,171,947</u>	<u>\$ 87,040</u>	<u>\$ 1,258,987</u>

Prior Year's Debt Defeasance

In prior years, the Town has defeased various bond issues by creating separate irrevocable trust funds. New debt has been issued and the proceeds have been used to purchase U.S. government securities that were placed in the trust funds. The investments and fixed earnings from the investments are sufficient to fully service the defeased debt until the debt is called or matures. For financial reporting purposes, the debt has been considered defeased and therefore removed as a liability from the Town's government-wide financial statements. As of June 30, 2010, the amount of defeased debt outstanding, but removed from the government-wide statements amounted to the following:

2009 Refunding	<u>\$7,000,000</u>
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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, 2010 was approximately \$172,000. Additional payments for principal and interest aggregating approximately \$172,000 are expected to be received through the bonds' maturity dates.

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

Debt limitation

The Town's statement of debt limitation under Connecticut General Statutes, Section 7-434(b) as of June 30, 2010, is as follows:

Total tax collections (including interest and lien fees) for the year ended June 30, 2010	\$ 47,475,591
Reimbursement for revenue loss:	
Tax relief for elderly	13,670
Base	<u>\$ 47,489,261</u>

The Connecticut General Statutes provides that total authorized debt of the Town shall not exceed seven times the above base cash receipts of \$332,424,827 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	\$ 106,850,837	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	213,701,675	-	-	-
3-3/4 times base	-	-	178,084,729	-	-
3-1/4 times base	-	-	-	154,340,098	-
3 times base	-	-	-	-	142,467,783
Total debt limitation	106,850,837	213,701,675	178,084,729	154,340,098	142,467,783
Debt as defined by statute:					
Bonds payable ⁽¹⁾	4,762,137	25,429,607	3,088,257	-	-
Authorized and unissued ⁽¹⁾	85,000	1,379,664	2,625,000	-	-
School construction receivable	-	(168,423)	-	-	-
Total indebtedness	4,847,137	26,640,848	5,713,257	-	-
Debt limitation in excess of of outstanding and authorized debt	<u>\$ 102,003,700</u>	<u>\$ 187,060,827</u>	<u>\$ 172,371,472</u>	<u>\$ 154,340,098</u>	<u>\$ 142,467,783</u>

⁽¹⁾ Water bonds of \$1,171,946 are excluded from this calculation pursuant to Connecticut General Statutes.

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2010

Bonds authorized but unissued

Total authorized but unissued debt at June 30, 2010 consists of the following:

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

Note 9. 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.

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.

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2010

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

Note 10. Fund Deficits

The following funds had fund deficits as of June 30, 2010:

Governmental	
Bonded Projects Fund	\$ 834,243
Planning and Developing Grant Fund	790,654

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

Note 11. 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, 2009, PERS membership consisted of:

Retirees and beneficiaries receiving benefits	116
Terminated plan members entitled to but not yet receiving benefits	42
Active plan members	<u>198</u>
Total	<u>356</u>

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2010

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

b. Funding Policy

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

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2010

4. 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	\$ 937,874
Interest on net pension obligation	(12,505)
Adjustment to annual required contribution	15,213
Annual pension cost	940,582
Contributions made	1,010,472
Increase in net pension (asset)	(69,890)
Net pension (asset), July 1, 2009	(166,729)
Net pension (asset), June 30, 2010	<u>\$ (236,619)</u>

Three Year Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation/ (Asset)
06/30/08	\$829,351	107.3%	\$ (92,587)
06/30/09	870,643	108.5%	(166,729)
06/30/10	940,582	107.4%	(236,619)

5. 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, 2009	\$ 18,563,668	\$24,180,363	\$ 5,616,695	76%	\$ 8,843,202	63.5%

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

6. 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, 2010

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,	
2008	\$317,052
2009	322,679
2010	363,715

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 \$2,289,000 for the year ended June 30, 2010.

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2010

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 12. Other Postemployment Benefits

Post retirement benefits

The Town provides post-retirement benefits for certain employees for current and future health and life insurance benefit expenses through a single-employer defined benefit plan. An annual actuarial valuation is made to determine whether the contributions are sufficient to meet the plan obligations. The latest actuarial valuation was made July 1, 2009. The post-retirement plan does not issue stand-alone financial reports.

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

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

Membership in the plan consisted of the following at July 1, 2009, the date of the last actuarial valuation.

Retirees and beneficiaries receiving benefits	81
Active plan members	502
Total	<u>583</u>

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2010

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

Fiscal Year Ending	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2009	\$ 658,000	\$ 568,000	86.32%	\$ 90,000
6/30/2010	\$ 688,645	\$ 603,000	87.56%	\$ 175,645

OPEB Obligation

Annual required contribution	\$ 687,000
Interest on net pension obligation	6,750
Adjustments to annual required contribution	(5,105)
Annual OPEB cost	688,645
Contributions made	603,000
Increase in net OPEB liability	85,645
Net OPEB obligation, beginning of year	90,000
Net OPEB obligation, end of year	<u>\$ 175,645</u>

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (b)	Unfunded Accrued Liability (UAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (C)	UAL as a Percentage of Covered Payroll ((b-a)/c)
07/01/2009	\$ -	\$ 9,625,000	\$ 9,625,000	0%	N/A	N/A

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

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2010

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

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

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 \$125,000 for hospital and major medical. Payments to the fund are based upon estimates by number of employees and type of coverage (single or family) and trends in the insurance claims and estimates for administration. The claims liability reported in the fund is based upon the provisions of GASB Statement No. 10, which require that a liability for estimated claims incurred but not reported (IBNR) be recorded.

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

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

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued

June 30, 2010

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

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

Changes in the balance of claim liabilities are as follows:

	Claims Payable July 1	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
2009-2010	\$ 482,721	\$ 5,043,569	\$ 5,055,595	\$ 470,695
2008-2009	\$ 384,400	\$ 5,203,543	\$ 5,105,222	\$ 482,721

Note 14. Landfill Closure and Post-closure Care Costs

State and Federal laws and regulations required the Town of Stonington to place a final cover on its landfill when closed and to perform certain maintenance and monitoring functions at the landfill site for thirty years after closure. An expense provision and related liability are being recognized based on the post-closure care costs that are being incurred after the date the landfill no longer accepted waste. The recognition of these landfill post-closure care costs is based on the amount of the post-closure care costs incurred during the year. Based on 100% usage of the landfill, the estimated liability for landfill post-closure care costs has a balance of \$466,500 as of June 30, 2010.

The estimated total current cost of the landfill post-closure care is based on the amount that would be paid if all equipment, facilities, and services required to monitor and maintain the landfill were acquired as of June 30, 2010. However, the actual costs of post-closure care may be higher due to inflation, changes in technology or changes in landfill laws and regulations.

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

TOWN OF STONINGTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Note 15. Pronouncements Issued, Not Yet Effective

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

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

Statement No. 54

Fund Balance Reporting and Governmental Fund Type Definitions

This Statement will be implemented by the Town as required by the GASB during the fiscal year ending June 30, 2011. This Statement establishes accounting and financial reporting standards for all governments that report governmental funds. This Statement establishes the criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. The implementation of this Statement will result in changes to the classification of fund balances in the Town's governmental funds.

Statement No. 57

OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans

The provisions of Statement No.57 related to the use and reporting of the alternative measurement method are effective immediately. The provisions related to the frequency and timing of measurements are effective for actuarial valuations first used to report funded status information in OPEB plan financial statements for periods beginning after June 15, 2011.

Statement No. 59

Financial Instrument Omnibus

The objective of Statement No. 59 is to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2010.

**Required Supplementary
Information**

TOWN OF STONINGTON, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION – PENSION TRUST
June 30, 2010

SCHEDULE OF FUNDING PROGRESS - PENSION TRUST

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Unfunded AAL (UAAL)	Funded Ratio	Covered Payroll	UAAL as a Percentage of Covered Payroll
July 1, 2004	N/A	N/A	N/A	N/A	N/A	N/A
July 1, 2005	\$15,944,000	\$18,202,000	\$ 2,258,000	87.6%	\$ 7,002,000	32.2%
July 1, 2006	16,308,867	19,604,095	3,295,228	83.2%	7,598,714	43.4%
July 1, 2007	17,463,378	20,941,948	3,478,570	83.4%	7,899,350	44.0%
July 1, 2008	18,683,172	22,649,059	3,965,887	82.5%	8,332,324	47.6%
July 1, 2009	18,563,663	24,180,363	5,616,700	76.8%	8,843,202	63.5%

SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSION TRUST

Year Ended June 30,	Annual Required Contribution	Annual Required Contribution	Percentage Contributed
2005	\$ 400,504	\$ 447,858	112%
2006	453,663	464,400	102%
2007	657,952	665,953	101%
2008	828,833	890,080	107%
2009	869,139	944,785	109%
2010	937,874	1,010,472	108%

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	07/01/09
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar Amount
Remaining Amortization Period	20 Years - Open
Asset Valuation Method	5-Year Smoothed Market Value
Actuarial Assumptions:	
Investment Rate of Return	7.50%
Projected Salary Increases	4.50%
Includes Inflation at	3.50%

TOWN OF STONINGTON, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION – OPEB TRUST
June 30, 2010

SCHEDULE OF FUNDING PROGRESS - OPEB

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (b)	Unfunded Accrued Liability (UAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (C)	UAL as a Percentage of Covered Payroll ((b-a)/c)
07/01/2007	\$ -	\$ 9,478,000	\$ 9,478,000	0%	N/A	N/A
07/01/2009	\$ -	\$ 9,625,000	\$ 9,625,000	0%	N/A	N/A

SCHEDULE OF EMPLOYER CONTRIBUTIONS - OPEB

Year Ended June 30,	Annual Required Contribution	Annual Required Contribution	Percentage Contributed
2010	\$ 687,000	\$ 603,000	87.70%
2009	658,000	568,000	86.30%

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

Valuation Date:	July 1, 2009
Actuarial Cost Method:	Projected Unit Credit
Asset Valuation Method:	Market Value
Amortization Method:	Level Percent Closed
Remaining Amortization Period	30 Years Decreasing
Actuarial Assumptions:	
Investment rate of return	7.50%
Inflation rate	4.0%
Health cost trend rates	Annual increases in premium for retired medical and prescription drug benefits are assumed to be as follows:

**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, 2010**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary	Final Budget
			Basis	Positive
				(Negative)
TAXES				
Current Levy	\$ 46,351,391	\$ 46,351,391	\$ 46,559,223	\$ 207,832
Prior Years	275,000	275,000	491,963	216,963
Motor Vehicle Supplement	189,000	189,000	162,141	(26,859)
Interest & Lien Fees	150,000	150,000	292,408	142,408
TOTALS	46,965,391	46,965,391	47,505,735	540,344
LICENSES AND PERMITS				
Building Permits	99,000	99,000	181,690	82,690
Business Licenses	13,000	13,000	16,037	3,037
Conveyance Tax	115,500	115,500	261,392	145,892
Town Clerk's Fees	150,000	150,000	168,516	18,516
Miscellaneous Permits	2,000	2,000	2,668	668
Alarm Registrations	6,500	6,500	6,721	221
Inland Wetland Permits	7,000	7,000	4,291	(2,709)
P&Z and Zoning Board Fees	60,000	60,000	69,271	9,271
TOTALS	453,000	453,000	710,586	257,586
FINES AND FORFEITS				
Parking Fines	10,000	10,000	7,000	(3,000)
Alarm Penalties	4,000	4,000	2,350	(1,650)
TOTALS	14,000	14,000	9,350	(4,650)
REVENUES - USE OF TOWN MONEY				
Interest Income	190,000	190,000	110,552	(79,448)
Rentals	22,000	22,000	27,102	5,102
Loan Repayment-SNEFLA	12,500	12,500	12,500	-
TOTALS	224,500	224,500	150,154	(74,346)
INTERGOVERNMENTAL REVENUES:				
STATE GRANTS FOR EDUCATION				
Education Cost Sharing Grant	2,061,204	2,061,204	1,628,118	(433,086)
Blind	18,000	18,000	-	(18,000)
Transportation	66,817	66,817	91,622	24,805
Non-Public Health Services	10,000	10,000	9,352	(648)
Non-Public Services	3,390	3,390	4,230	840
ECS-ARRA	-	-	296,418	296,418
TOTALS	2,159,411	2,159,411	2,029,740	(129,671)

**TOWN OF STONINGTON, CONNECTICUT
GENERAL FUND REVENUES AND OTHER FINANCING SOURCES -
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
FOR THE YEAR ENDED JUNE 30, 2010**

	Budgeted Amounts		Actual Budgetary	Variance With Final Budget Positive (Negative)
	Original	Final	Basis	
STATE GRANTS FOR SCHOOL BUILDING				
Pawcatuck Middle Renovation	168,422	168,422	-	(168,422)
Pawcatuck Middle Bond Interest Subsidy	6,948	6,948	3,474	(3,474)
TOTALS	175,370	175,370	3,474	(171,896)
STATE GRANTS FOR REIMBURSEMENT ON REVENUE LOSS				
Reimbursement Disabled	1,500	1,500	1,616	116
Veteran's Exemption	17,000	17,000	16,281	(719)
Tax Relief for Elderly	130,000	130,000	129,491	(509)
Pilot - State Owned Property	25,000	25,000	22,717	(2,283)
Supplemental Municipal Aid	48,349	48,349	35,132	(13,217)
Boat Tax	85,164	85,164	43,635	(41,529)
Mfg. Machinery & Equipment	90,000	90,000	89,726	(274)
TOTALS	397,013	397,013	338,598	(58,415)
STATE GRANTS FOR OTHER PURPOSES				
Youth Services	19,275	19,275	19,281	6
Civil Preparedness	5,700	5,700	8,435	2,735
Telephone Line Access	125,000	125,000	81,244	(43,756)
Parking Ticket Surcharge	11,000	11,000	11,959	959
TOTALS	160,975	160,975	120,919	(40,056)
TOTAL INTERGOVERNMENTAL REVENUE	2,892,769	2,892,769	2,492,731	(400,038)
CHARGES FOR SERVICES				
Town Hall Bags	-	-	439,008	439,008
Solid Waste Disposal Fees	1,625,000	1,625,000	1,234,185	(390,815)
SCRRRA Transportation	97,000	97,000	93,232	(3,768)
Landfill Tipping Fees	100,000	100,000	132,000	32,000
Landfill Recycling	1,000	1,000	71,129	70,129
Board of Education - Activity Fees	7,500	7,500	15,740	8,240
Tuition - Other Schools	20,000	20,000	47,524	27,524
Building Rental/Miscellaneous	800	800	1,900	1,100
Medicaid Reimbursement	17,000	17,000	28,375	11,375
Accident Reports	1,400	1,400	1,439	39
Data Processing Revenue	20,000	20,000	22,346	2,346
In Lieu of Taxes - Housing Authority	10,000	10,000	13,574	3,574
Miscellaneous	12,000	12,000	386,976	374,976
GIS Revenue	1,000	1,000	1,090	90
Mystic WWTP Debt Service Offset	18,800	18,800	18,715	(85)
Utility Billing Revenue	12,000	12,000	12,000	-
Benefit Assessments	100,000	100,000	100,000	-
Vehicle Use - Outside Jobs	25,000	25,000	40,690	15,690
Admin/Miscellaneous Fees	7,200	7,200	9,802	2,602
TOTAL CHARGES FOR SERVICES	2,075,700	2,075,700	2,669,725	594,025

**TOWN OF STONINGTON, CONNECTICUT
GENERAL FUND REVENUES AND OTHER FINANCING SOURCES -
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
FOR THE YEAR ENDED JUNE 30, 2010**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary	Final Budget
			Basis	Positive
				(Negative)
OTHER FINANCING SOURCES				
Use of fund balance	312,129	329,738	-	(329,738)
Cancellation of Prior Year Encumbrances	-	-	40,388	40,388
Debt Service Offset	904,702	904,702	904,702	-
Mill Rate Offset-Fund Balance	100,000	100,000	-	(100,000)
TOTAL OTHER FINANCING SOURCES	1,316,831	1,334,440	945,090	(389,350)
 GRAND TOTAL - REVENUES	 \$ 53,942,191	 \$ 53,959,800	 \$ 54,483,371	 \$ 523,571

**TOWN OF STONINGTON, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2010**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
DEPARTMENT OF FIRST SELECTMAN				
OFFICE OF SELECTMAN				
First Selectman	\$ 87,604	\$ 87,604	\$ 87,506	\$ 98
Second Selectman	5,722	5,722	5,690	32
Third Selectman	5,722	5,722	5,690	32
Town Attorney	45,000	45,000	45,000	-
Expenses (First Selectman)	6,000	6,000	6,000	-
Examination of Indices	2,500	2,500	2,500	-
Mosquito Abatement	30,000	30,000	30,000	-
Legal Services & Courts	80,000	80,000	40,644	39,356
Tree Trimming & Lighting	5,000	5,000	3,427	1,573
Town Wide	20,000	20,000	19,843	157
Administrative Services	7,500	7,500	7,500	-
Tax Collector	1,000	1,000	1,000	-
Economic Development Commission	8,000	8,000	8,000	-
Finance	2,500	14,565	14,564	1
Solid Waste	10,000	10,000	9,977	23
TOTAL - OFFICE OF THE FIRST SELECTMAN	316,548	328,613	287,341	41,272
PROGRAMS AND AGENCIES				
S.E.A.T.	4,279	4,279	4,279	-
SECTER	5,952	5,952	5,952	-
CT. Conference of Municipalities	11,913	11,913	11,913	-
Southeastern CT Council of Governments	8,437	8,437	8,437	-
Wood-Pawcatuck Watershed	1	1	-	1
Mystic River Park-Public Restrooms	10,609	10,609	10,609	-
CT Council of Small Towns	1,025	1,025	1,025	-
Westerly Pops Concert	2,000	2,000	2,000	-
Affordable Housing Committee	1	1	-	1
Chamber Activities	1,000	1,000	1,000	-
TOTAL - PROGRAMS AND AGENCIES	45,217	45,217	45,215	2
WATERFRONT COMMISSION				
Clerical Services	900	900	750	150
Postage	75	75	-	75
Advertising	25	25	-	25
Consumable Supplies	60	60	60	-
Miscellaneous	25	25	12	13
TOTAL - WATERFRONT COMMISSION	1,085	1,085	822	263

**TOWN OF STONINGTON, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
FOR THE YEAR ENDED JUNE 30, 2010**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary	Final Budget
			Basis	Positive
				(Negative)
DEPARTMENT OF FIRST SELECTMAN				
PAWCATUCK RIVER HARBOR MANAGEMENT COMMISSION				
Clerical Services	990	990	540	450
Postage	200	200	-	200
Consumable Supplies	400	400	229	171
Miscellaneous	305	305	-	305
Reproduction & Printing	500	500	-	500
Advertising	500	500	-	500
TOTAL PAWCATUCK RIVER HARBOR MANAGEMENT COMMISSION	2,895	2,895	769	2,126
SHELLFISH COMMISSION				
Expenses	50	50	48	2
TOTAL SHELLFISH COMMISSION	50	50	48	2
ECONOMIC DEVELOPMENT COMMISSION				
Advertising	2,000	2,000	265	1,735
Consumable Supplies	3,000	3,000	1,832	1,168
Trade Shows	500	500	1,064	(564)
Travel	450	450	259	191
Postage	700	700	-	700
TOTAL - ECONOMIC DEVELOPMENT COMMISSION	6,650	6,650	3,420	3,230
TOTAL - COMMISSIONS	10,680	10,680	5,059	5,621
EMERGENCY MANAGEMENT				
Emergency Management Tactical Operations Director	11,048	11,048	11,048	-
Clerical Services	1,600	1,600	1,600	-
Consumable Supplies	250	250	-	250
Miscellaneous	100	100	-	100
Telephone	6,000	6,000	5,125	875
Equipment	500	500	-	500
Development of Emergency Plan	1	1	-	1
Furniture & Equipment	750	750	-	750
Generator Maintenance	1	1	-	1
Water Testing	400	400	-	400
Communications	1	1	-	1
R-911 Maintenance	9,000	9,000	8,559	441
TOTAL - EMERGENCY MANAGEMENT	29,651	29,651	26,332	3,319

**TOWN OF STONINGTON, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
FOR THE YEAR ENDED JUNE 30, 2010**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
DEPARTMENT OF FIRST SELECTMAN				
ELECTIONS				
Registrars Salaries	30,402	30,402	30,378	24
Referenda/Election Personnel Salaries	55,000	22,640	17,195	5,445
Postage	4,750	4,750	46	4,704
Advertising	9,750	9,750	3,885	5,865
Consumable Supplies	2,000	2,000	293	1,707
Miscellaneous	500	500	396	104
Reproduction & Printing	500	500	-	500
Telephone	3,000	3,000	886	2,114
Equipment	3,000	3,000	430	2,570
Professional Associations & Publications	849	849	919	(70)
Voting Canvas	1,100	1,100	75	1,025
Ballot Printing/Programming	8,800	8,800	2,961	5,839
Voting Machine	1	1	-	1
State Mandated Inspection	1	1	-	1
TOTAL - ELECTIONS	119,653	87,293	57,464	29,829
TOWN CLERK				
Salary of Town Clerk	62,100	62,100	62,043	57
Clerical Salaries	87,360	87,360	86,288	1,072
Postage	2,750	2,750	2,750	-
Advertising	7,000	7,000	7,000	-
Consumable Supplies	3,500	3,500	3,108	392
Telephone	500	500	448	52
Equipment	5,000	5,000	4,426	574
Professional Associations & Publications	160	160	95	65
Training & Education	900	900	769	131
Furniture and Equipment	1	1	-	1
Land Records & Data Processing	42,000	42,000	41,456	544
Vital Statistics	450	450	363	87
TOTAL - TOWN CLERK	211,721	211,721	208,746	2,975
TOWN MEETING & REFERENDA				
Town Meeting Personnel	200	200	177	23
Advertising	3,000	3,000	2,882	118
TOTAL-TOWN MEETING & REFERENDA	3,200	3,200	3,059	141

**TOWN OF STONINGTON, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
FOR THE YEAR ENDED JUNE 30, 2010**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
DEPARTMENT OF FIRST SELECTMAN				
JUDGE OF PROBATE				
Postage	1,200	1,450	1,449	1
Consumable Supplies	2,000	2,250	2,038	212
Reproduction & Printing	2,000	5,250	4,181	1,069
Telephone	800	1,050	963	87
TOTAL - JUDGE OF PROBATE	6,000	10,000	8,631	1,369
PAYMENTS TO OTHER CIVIL DIVISIONS				
Borough of Stonington	159,516	159,516	159,516	-
TOTAL - FIRST SELECTMAN	902,186	885,891	801,363	84,528

TOWN OF STONINGTON, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
DEPARTMENT OF ADMINISTRATIVE SERVICES				
ADMINISTRATION				
Director of Administrative Services	85,919	85,919	85,843	76
Administrative Support Staff	198,941	198,941	195,810	3,131
Postage	1,000	1,000	672	328
Advertising	14,000	14,000	14,046	(46)
Consumable Supplies	1,700	1,700	2,481	(781)
Miscellaneous	750	750	484	266
Reproduction & Printing	100	100	631	(531)
Telephone	500	500	130	370
Seminars & Programs (Training & Education)	750	750	50	700
Database Expenses	6,670	6,670	2,405	4,265
Equipment	5,400	5,400	2,815	2,585
Professional Associations & Publications	4,000	4,000	2,799	1,201
Furniture & Equipment	1,500	1,500	1,191	309
Training & Education	2,000	2,000	100	1,900
Memorial Observances	7,500	7,500	6,000	1,500
Columbus Day Observances	5,000	5,000	5,000	-
TOTAL - ADMINISTRATION	335,730	335,730	320,457	15,273
INFORMATION SYSTEMS				
IT Manager	82,937	82,937	82,861	76
Technical Assistance	5,000	5,000	4,922	78
Postage	300	300	168	132
Consumable Supplies	2,000	2,000	1,574	426
Miscellaneous	50	50	-	50
Reproduction & Printing	50	50	-	50
Telephone	1,500	1,500	1,174	326
Equipment & Licensing	30,040	30,040	29,318	722
Professional Associations & Publications	250	250	-	250
Internet Hosting Expense	4,000	4,000	4,075	(75)
Training & Education	2,000	2,000	-	2,000
Telecommunications	53,000	53,000	51,549	1,451
Geographic Information System (GIS) Expenses	31,500	31,500	30,905	595
TOTAL - INFORMATION SYSTEMS	212,627	212,627	206,546	6,081

TOWN OF STONINGTON, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
FOR THE YEAR ENDED JUNE 30, 2010

DEPARTMENT OF ADMINISTRATIVE SERVICES	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
HUMAN RESOURCES				
Employee Training & Education	8,762	8,762	8,743	19
Labor Negotiations	25,000	25,000	12,491	12,509
Health and Life Insurance	1,389,303	1,389,303	1,389,227	76
Pension Plan	529,840	529,840	529,840	-
Social Security	415,725	415,725	393,849	21,876
Unemployment	10,000	10,000	40,769	(30,769)
Heart & Hypertension	33,424	33,424	32,570	854
Employee Assistance Program	2,200	2,200	1,770	430
Employee Screening	700	700	230	470
Additional Manpower	5,000	5,000	2,237	2,763
Employee Travel Expense	28,000	28,000	20,543	7,457
Accrued Leave Pay-out	20,000	20,000	20,000	-
Retiree Health Care	51,900	51,900	50,715	1,185
TOTAL - HUMAN RESOURCES	2,519,854	2,519,854	2,502,984	16,870
HEALTH OFFICER, SANITATION & EMS				
Health Officer Salaries	22,717	22,717	22,699	18
Sanitarian Salaries	65,816	65,816	65,752	64
Sanitarian Expenses	1,575	1,575	1,188	387
Stonington Ambulance	25,000	25,000	25,000	-
Mystic River Ambulance	25,000	25,000	25,000	-
Westerly Ambulance	25,000	25,000	25,000	-
Furniture and Equipment	500	500	-	500
Training and Education	500	500	67	433
Fire Officers Association	1	1	-	1
TOTAL - HEALTH OFFICER & SANITATION & EMS	166,109	166,109	164,706	1,403
RISK MANAGEMENT				
Risk Management - Stipend	7,304	7,304	7,304	-
Property & Liability Insurance	520,000	520,000	483,314	36,686
Claims & Damages	10,000	10,000	15,030	(5,030)
Dog Damages	1	1	-	1
Safety Program	2,500	2,500	1,043	1,457
TOTAL - RISK MANAGEMENT	539,805	539,805	506,691	33,114
COMMUNITY DEVELOPMENT				
Clerical Salaries	26,252	26,252	26,252	-
TOTAL - COMMUNITY DEVELOPMENT	26,252	26,252	26,252	-
TOTAL - DEPARTMENT OF ADMINISTRATIVE SERVICES	3,800,377	3,800,377	3,727,636	72,741

TOWN OF STONINGTON, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
FINANCE DEPARTMENT				
FINANCE OFFICE				
Director of Finance	97,483	97,483	97,394	89
Clerical Salaries	134,580	134,580	133,581	999
Senior Accountant	73,736	73,736	73,669	67
Postage	2,500	2,500	2,493	7
Consumable Supplies	3,000	3,000	3,650	(650)
Reproduction & Printing	1,000	1,000	672	328
Telephone	200	200	114	86
Equipment & Software Support	16,000	16,000	14,712	1,288
Professional Associations & Publications	1,500	1,500	877	623
Payroll Services	26,500	26,500	27,725	(1,225)
Training & Education	1,000	1,000	425	575
TOTAL - FINANCE OFFICE	357,499	357,499	355,312	2,187
ASSESSOR'S OFFICE				
Salary of Assessor	78,107	78,107	76,588	1,519
Assistant Assessor	57,000	44,683	42,750	1,933
Clerical Salaries	109,060	99,800	99,714	86
Postage	1,564	1,564	1,500	64
Consumable Supplies	1,950	1,950	1,207	743
Miscellaneous	1,000	1,000	828	172
Reproduction & Printing	1,700	1,700	2,005	(305)
Telephone	1,490	1,490	77	1,413
Database Expense	13,175	13,175	13,175	-
Equipment	375	375	400	(25)
Professional Associations & Publications	1,862	1,862	2,308	(446)
Furniture & Equipment	1	1	-	1
Training & Education	1,271	1,271	1,473	(202)
Special Audit Personal Property	3,200	3,200	2,800	400
TOTAL - ASSESSOR'S OFFICE	271,755	250,178	244,825	5,353
BOARD OF ASSESSMENT APPEALS				
Expenses	2,057	2,309	2,308	1
TOTAL BOARD OF ASSESSMENT APPEALS	2,057	2,309	2,308	1
OFFICE OF THE TREASURER				
Salary of Treasurer	3,542	3,542	3,539	3
TOTAL- TREASURER	3,542	3,542	3,539	3

**TOWN OF STONINGTON, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
FOR THE YEAR ENDED JUNE 30, 2010**

FINANCE DEPARTMENT	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
OFFICE OF THE TAX COLLECTOR				
Salary of Tax Collector	62,100	62,100	62,043	57
Clerical Salaries	85,243	85,243	74,943	10,300
Postage	12,500	12,500	12,490	10
Advertising	1,500	1,500	1,279	221
Consumable Supplies	1,150	1,150	1,128	22
Miscellaneous	100	100	-	100
Reproduction & Printing	6,500	6,500	6,031	469
Telephone	300	300	70	230
Equipment	4,225	4,225	4,030	195
Professional Associations & Publications	200	200	125	75
Training & Education	700	700	481	219
DMV - Delinquent Reporting	3,500	3,500	3,459	41
TOTAL - TAX COLLECTOR	178,018	178,018	166,079	11,939
BOARD OF FINANCE				
Clerical Salaries	2,000	1,654	1,400	254
Advertising	1,000	1,346	1,346	-
Accounting & Auditing	58,500	58,500	58,500	-
Professional Services	2,000	2,000	-	2,000
Special Audit	10,000	10,000	10,000	-
GASB 45	90,000	90,000	90,000	-
TOTAL - BOARD OF FINANCE	163,500	163,500	161,246	2,254
TOTAL FINANCE DEPARTMENT	976,371	955,046	933,309	21,737

TOWN OF STONINGTON, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
FOR THE YEAR ENDED JUNE 30, 2010

DEBT SERVICE	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
Interest Payments:				
Series 1991 Clean Water Fund (Lords Pt.)	5,036	5,036	5,035	1
Series 1992 G.O. Sewer Bonds (Phase V)	94,050	94,050	94,050	-
Series 1998 Clean Water Fund (Mystic)	12,025	12,025	12,025	-
Series 2000 Clean Water Fund (Mystic)	11,772	11,772	11,771	1
Series 2001 G.O. Bonds - Lot A (PS/MMS)	22,001	22,001	22,000	1
Series 2001 G.O. Bonds - Lot B (Refund 90)	16,800	16,800	16,800	-
Series 2003 G.O. Bonds (High School Ren)	146,344	146,344	146,344	-
Series 2004 G.O. Bond (High School)	393,680	393,680	393,680	-
Series 2005 G.O. Bonds (High School Ren)	330,625	330,625	330,625	-
Series 2007 G.O. Bonds	167,303	167,303	167,303	-
Series 2009 - Refunding	223,225	223,225	223,225	-
Total - Interest payments	1,422,861	1,422,861	1,422,858	3
Principal Payments:				
Series 1991 Clean Water Fund (Lords Pt.)	125,883	125,883	125,883	-
Series 1992 G.O. Sewer Bonds (Phase V)	495,000	495,000	495,000	-
Series 1998 Clean Water Fund (Mystic)	75,155	75,155	75,154	1
Series 2000 Clean Water Fund (Mystic)	68,575	68,575	68,575	-
Series 2001 G.O. Bonds - Lot A (PS/MMS)	500,000	500,000	500,000	-
Series 2001 G.O. Bonds - Lot B (Refund 90)	400,000	400,000	400,000	-
Series 2003 G.O. Bonds - Lot B (High School)	275,000	275,000	275,000	-
Series 2004 G.O. Bonds (High School)	510,000	510,000	510,000	-
Series 2005 G.O. Bonds (High School Ren)	500,000	500,000	500,000	-
Series 2007 G.O. Bonds	365,000	365,000	365,000	-
Notes & Bond Costing	6,000	6,000	-	6,000
Series 2009 - Refunding	400,000	400,000	400,000	-
Total - Principal payments	3,720,613	3,720,613	3,714,612	6,001
TOTAL - DEBT SERVICE	5,143,474	5,143,474	5,137,470	6,004

**TOWN OF STONINGTON, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
FOR THE YEAR ENDED JUNE 30, 2010**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
DEPARTMENT OF PLANNING				
PLANNING OFFICE				
Director of Planning	84,681	84,681	84,604	77
Planner	69,140	69,140	69,077	63
Zoning Enforcement Officer	61,529	61,529	61,474	55
Inland Wetland Enforcement Officer	25,648	25,648	24,713	935
Clerical Salaries	62,990	72,250	72,908	(658)
Clerical Meetings	5,500	5,500	4,400	1,100
Reproduction and Printing	12,000	12,000	6,795	5,205
Consumable Supplies	2,500	2,500	1,416	1,084
Telephone	500	500	174	326
Equipment Maintenance	3,000	3,000	2,620	380
Professional Associations & Publications	1,200	1,200	928	272
Furniture & Equipment	1,500	1,500	782	718
Training & Education	3,000	3,000	2,265	735
TOTAL - PLANNING OFFICE	333,188	342,448	332,156	10,292
BOARDS AND COMMISSIONS				
PLANNING & ZONING COMMISSION				
Advertising & Court Steno	7,500	7,500	-	7,500
Postage	25,000	25,000	21,886	3,114
TOTAL - PLANNING & ZONING COMMISSION	32,500	32,500	21,886	10,614
ZONING BOARD OF APPEALS				
Postage	1,450	1,450	-	1,450
Advertising	11,000	11,000	10,738	262
TOTAL ZONING BOARD OF APPEALS	12,450	12,450	10,738	1,712
CONSERVATION COMMISSION				
Postage	50	50	-	50
Consumable Supplies	50	50	-	50
Reproduction & Printing	200	200	200	-
Professional Assoc. & Publications	600	600	575	25
Barn Island Field Trips	3,500	3,500	3,281	219
TOTAL CONSERVATION COMMISSION	4,400	4,400	4,056	344

**TOWN OF STONINGTON, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
FOR THE YEAR ENDED JUNE 30, 2010**

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
DEPARTMENT OF PLANNING				
INLAND WETLANDS COMMISSION				
Postage	900	900	-	900
Advertising	7,000	7,000	3,418	3,582
TOTAL - INLAND WETLANDS COMMISSION	7,900	7,900	3,418	4,482
TOTAL BOARDS AND COMMISSIONS	57,250	57,250	40,098	17,152
TOTAL - PLANNING	390,438	399,698	372,254	27,444

TOWN OF STONINGTON, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
FOR THE YEAR ENDED JUNE 30, 2010

DEPARTMENT OF PUBLIC WORKS	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
HIGHWAY DEPARTMENT				
Public Works Director	92,424	92,424	92,340	84
Superintendent	74,777	74,777	74,015	762
Labor Salaries	998,706	998,706	989,613	9,093
Clerical Salaries	21,890	21,890	22,833	(943)
Miscellaneous	1,250	1,250	1,192	58
Unleaded Gasoline	5,500	5,500	1,545	3,955
Diesel Fuel	55,000	55,000	56,915	(1,915)
Oil & Lubrication	4,500	4,500	3,847	653
Repairs & Maintenance (Gas System)	3,000	3,000	3,000	-
Repairs & Maintenance	105,000	105,000	105,000	-
Miscellaneous	1,000	1,000	1,207	(207)
Micro-paving	319,000	319,000	319,000	-
Bituminous Concrete	35,000	35,000	35,000	-
Drainage Materials	7,000	7,000	7,000	-
Sand & Gravel	18,750	18,750	17,988	762
Lumber	7,500	7,500	7,272	228
Postage	350	350	174	176
Consumable Supplies	2,325	2,325	1,720	605
Telephone	1,000	1,000	458	542
Hardware	13,000	13,000	12,946	54
Safety & Protective	13,000	13,000	12,700	300
Land Damage	700	700	2,130	(1,430)
Sidewalk Repairs	60,000	60,000	59,739	261
Street Signs	6,500	6,500	6,246	254
Tree Trimming	12,500	12,500	12,500	-
Tree Removal	12,000	29,609	27,029	2,580
Clothing Allowance	9,600	9,600	9,600	-
Training & Education	3,500	3,500	1,514	1,986
Highway Equipment	12,250	12,250	12,069	181
Road Maintenance	2,500	18,495	28,613	(10,118)
Material Disposal	10,000	10,000	4,019	5,981
Cemetery Upkeep	3,000	3,000	3,000	-
Snow Removal Labor	100,000	128,360	128,360	-
Materials	12,000	12,000	8,369	3,631
Meal Allowance	4,900	4,900	4,909	(9)
Garage Diagnostic Equipment & Tools	4,000	4,000	3,991	9
TOTAL HIGHWAY DEPARTMENT	2,033,422	2,095,386	2,077,853	17,533

TOWN OF STONINGTON, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
FOR THE YEAR ENDED JUNE 30, 2010

DEPARTMENT OF PUBLIC WORKS	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
SANITATION AND WASTE REMOVAL				
Salary of Recycling/Solid Waste Manager	73,813	73,813	74,146	(333)
General Labor	325,042	325,042	306,449	18,593
SCRRA Salaries	37,656	37,656	37,831	(175)
Clothing Allowance	3,150	3,150	2,700	450
Postage	2,500	2,500	2,500	-
Advertising	2,500	2,500	252	2,248
Consumable Supplies	650	650	517	133
Reproduction & Printing	2,000	2,000	738	1,262
Equipment	200	200	-	200
Professional Associations & Publications	300	300	-	300
Unleaded Gasoline	5,000	5,000	2,951	2,049
Diesel Fuel	7,400	7,400	7,413	(13)
Road Maintenance	5,000	5,000	-	5,000
Utilities	6,500	6,500	5,301	1,199
General Operations	60,700	80,700	57,037	23,663
Parts & Labor	30,000	40,000	27,786	12,214
Leased Property	1	1	1	-
Grading & Seeding	1,000	1,000	70	930
Water Testing & Monitoring	32,000	32,000	22,600	9,400
Cap Maintenance	8,500	8,500	1,954	6,546
Disposal Fees (SCRRA)	820,000	790,000	730,156	59,844
Residential Collection (SCRRA)	483,400	483,400	454,863	28,537
Commercial Collection & Rentals (SCRRA)	710,000	710,000	649,134	60,866
SCRRA Consulting	1	1	-	1
SCRRA Contribution	1	1	-	1
Diesel Fuel (SCRRA Transportation)	20,000	20,000	15,620	4,380
Repairs & Maintenance (SCRRA Transportation)	12,000	12,000	5,575	6,425
SCRRA Receptacle Costs	120,000	104,005	60,486	43,519
Furniture & Equipment	1	1	-	1
Training & Education	1	1	-	1
TOTAL - SANITATION AND WASTE REMOVAL	2,769,316	2,753,321	2,466,080	287,241
ENGINEERING SERVICES				
Town Engineer	77,702	77,702	77,631	71
Clerical Services	21,590	21,590	21,572	18
Professional Services	5,000	5,000	8,533	(3,533)
Professional Services - Engineering Review	5,000	5,000	-	5,000
Phase II Stormwater Requirements	18,000	18,000	17,406	594
Community Rating System Requirements	3,000	3,000	1,539	1,461
Office Expenses	3,500	3,500	1,668	1,832
TOTAL - ENGINEERING SERVICES	133,792	133,792	128,349	5,443

**TOWN OF STONINGTON, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
FOR THE YEAR ENDED JUNE 30, 2010**

DEPARTMENT OF PUBLIC WORKS	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
OPERATIONS & MAINTENANCE OF TOWN BUILDINGS AND PROPERTY				
Janitorial/Maintenance Salary	50,486	50,486	50,098	388
Miscellaneous	2,000	2,000	-	2,000
Heating Oil	63,650	63,650	46,448	17,202
Electricity	143,950	143,950	133,989	9,961
Water	4,801	4,801	3,367	1,434
Sewer Use	3,490	3,490	1,683	1,807
General maintenance	137,750	137,750	108,591	29,159
Street Lighting	242,000	242,000	227,989	14,011
TOTAL - BUILDING OPERATIONS	648,127	648,127	572,165	75,962
BUILDING OFFICIAL				
Building Official	74,262	74,262	74,195	67
Clerical Salaries	21,590	21,590	21,572	18
Postage	750	750	750	-
Consumable Supplies	700	700	407	293
Reproduction & Printing	1,000	1,000	611	389
Telephone	575	575	68	507
Equipment	4,000	4,000	3,733	267
Professional Association & Publications	2,000	2,000	493	1,507
Clothing Allowance	800	800	400	400
Training & Education	500	500	335	165
Furniture & Equipment	1	1	-	1
TOTAL - BUILDING OFFICIAL	106,178	106,178	102,564	3,614
WATER POLLUTION CONTROL AUTHORITY (WPCA)				
Clerical	65,510	65,510	63,996	1,514
Postage	5,500	5,500	3,075	2,425
Advertising	1	1	-	1
Consumable Supplies	2,500	2,500	4,876	(2,376)
Reproduction & Printing	2,500	2,500	770	1,730
Telephone	100	100	62	38
Equipment (Software Maintenance)	3,600	3,600	3,849	(249)
Furniture & Equipment	1	1	-	1
Operations (Town Share)	330,000	580,000	580,000	-
TOTAL - WPCA	409,712	659,712	656,628	3,084
TOTAL - PUBLIC WORKS	6,100,547	6,396,516	6,003,639	392,877

**TOWN OF STONINGTON, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
FOR THE YEAR ENDED JUNE 30, 2010**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
POLICE DEPARTMENT				
POLICE SERVICES				
Salary of Chief	97,591	97,591	97,505	86
Salary of Captain	91,755	91,755	91,675	80
Salary of Lieutenants	159,137	159,137	158,996	141
Salary of Sergeants	430,491	430,491	430,110	381
Salary of Regular Officers	1,616,404	1,616,404	1,565,882	50,522
CSO	19,907	19,907	15,578	4,329
Janitorial/Maintenance Salary	67,217	67,217	67,109	108
Boating Safety Personnel	12,000	12,000	11,612	388
Training personnel Services	65,000	65,000	64,156	844
Communication Specialists	359,953	309,259	297,462	11,797
Communications Specialist - Overtime	18,000	18,000	10,551	7,449
Communications Specialist - Uniforms	3,600	3,600	3,150	450
Special Officers	12,500	12,500	11,254	1,246
Clerical	107,395	107,395	106,106	1,289
Police Commission Clerical	4,500	4,500	1,500	3,000
School Crossing Guards	44,153	44,153	37,391	6,762
Animal Control Salaries	50,094	50,094	45,621	4,473
Regular Overtime	100,000	100,000	135,699	(35,699)
Paid Holidays	108,988	108,988	99,580	9,408
Furniture & Equipment	3,000	3,000	1,575	1,425
Canine Program	5,000	5,000	1,039	3,961
Telecommunications	89,000	89,000	93,310	(4,310)
Retirement Fund	365,000	365,000	363,715	1,285
Physicals	5,500	5,500	4,031	1,469
Educational Incentive	6,000	6,000	1,077	4,923
Regular Officers - Uniforms	24,000	24,000	23,865	135
Special Officers - Uniforms	1,000	1,000	633	367
Outfitting New Officers	5,000	5,000	4,817	183
Service Officer's Equipment	1,500	1,500	947	553
Boating Safety Expenses	8,500	8,500	5,172	3,328
Building Maintenance	19,000	19,000	27,645	(8,645)
Maintenance/Operation of Radios	6,500	6,500	2,057	4,443
Traffic Signs & Signals	40,000	40,000	37,129	2,871
Law Enforcement Council	10,414	10,414	10,414	-
Drug Program	5,500	5,500	5,025	475
Postage	3,200	3,200	278	2,922
Advertising	1,200	1,200	1,895	(695)
Consumable Supplies	16,000	16,000	11,892	4,108
Miscellaneous	7,000	7,000	5,235	1,765
Reproduction & Printing	5,000	5,000	4,496	504
Equipment	12,000	12,000	10,891	1,109
Professional Associations & Publications	1,500	1,500	1,498	2
Postage	180	180	-	180
Advertising	1,000	1,000	627	373

(Continued)

**TOWN OF STONINGTON, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
FOR THE YEAR ENDED JUNE 30, 2010**

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary Basis	Final Budget Positive (Negative)
POLICE DEPARTMENT				
POLICE SERVICES, Continued				
Consumable Supplies	300	300	16	284
Miscellaneous	750	750	791	(41)
Consumable Supplies	5,500	5,500	4,906	594
Miscellaneous	1,000	1,000	501	499
Training Personnel Services	14,000	14,000	10,437	3,563
Clothing Allowance	1,000	1,000	600	400
Equipment (Emergency Vehicles)	6,000	6,000	5,134	866
Unleaded Gasoline	65,000	65,000	64,440	560
Oil & Lubrication	2,000	2,000	1,431	569
Parts & Labor	38,000	38,000	39,023	(1,023)
Tires	6,000	6,000	6,071	(71)
TOTAL POLICE SERVICES	4,150,229	4,099,535	4,003,550	95,985

TOWN OF STONINGTON, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
FOR THE YEAR ENDED JUNE 30, 2010

	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
DEPARTMENT OF HUMAN SERVICES				
OFFICE OF HUMAN SERVICES				
Human Services Director	75,502	75,502	75,434	68
Social Services Administrator	58,831	58,831	58,778	53
Youth & Family Services Administrator	54,297	54,297	54,248	49
Clerical	57,647	57,647	57,643	4
Human Services Program Coordinator	32,367	32,367	29,491	2,876
Youth Services Program Coordinator	26,885	26,885	26,885	-
Counseling Services	36,935	36,935	25,357	11,578
Telephone	3,500	3,500	3,399	101
Postage	1,500	1,500	1,500	-
Consumable Supplies	2,500	2,500	2,500	-
Miscellaneous	500	500	500	-
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	1,500	-
Youth & Family Services Program Expenses	7,800	7,800	7,755	45
General Assistance	30,000	30,000	26,966	3,034
Furniture & Equipment	1,700	1,700	1,700	-
Training & Education	1,000	1,000	1,000	-
Community Safety Program	1	1	-	1
TOTAL - OFFICE OF HUMAN SERVICES	399,915	399,915	382,106	17,809
COMMISSION ON AGING				
Postage	2,500	2,500	1,225	1,275
Reproduction & Printing	1,100	1,100	1,100	-
Program Expense	2,200	2,200	2,025	175
TOTAL - COMMISSION ON AGING	5,800	5,800	4,350	1,450
RECREATION				
Salary of Director	46,657	46,600	46,544	56
Officials & Instructors	10,094	10,094	10,094	-
Other Salaries	17,007	17,007	17,007	-
Consumable Supplies	2,550	2,550	2,550	-
Telephone	600	600	-	600
Equipment & Trophies	1,600	1,600	1,600	-
Program Expense	4,200	4,200	4,200	-
Parts & Labor	8,750	8,750	8,777	(27)
Utilities	1,500	1,557	2,130	(573)
Profession Associations/Training	900	900	900	-
TOTAL - RECREATION	93,858	93,858	93,802	56

**TOWN OF STONINGTON, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
FOR THE YEAR ENDED JUNE 30, 2010**

DEPARTMENT OF HUMAN SERVICES	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
HOUSING AUTHORITY				
Clerical (Housing Authority)	600	600	600	-
TOTAL - HOUSING AUTHORITY	600	600	600	-
LIBRARIES				
Westerly Public Library	86,810	86,810	86,810	-
Stonington Free Library	115,000	115,000	115,000	-
Mystic & Noank Library	65,000	65,000	65,000	-
Stonington Historical Society	3,000	3,000	3,000	-
TOTAL - LIBRARIES	269,810	269,810	269,810	-
OUTSIDE AGENCIES				
Public Health & Nursing	23,028	23,028	23,028	-
Pawcatuck Neighborhood Center	98,000	98,000	98,000	-
Como Senior Citizens Center	40,501	40,501	40,501	-
Mystic Area Shelter & Hospitality	4,000	4,000	4,000	-
Westerly Area Rest and Meals	6,000	6,000	6,000	-
Westerly Adult Day Services, Inc.	7,500	7,500	7,500	-
Big Brothers/Big Sisters	1,500	1,500	1,500	-
Community Vocational Services	1,500	1,500	1,500	-
T.V.C.C.A.	1,000	1,000	1,000	-
Stonington Prevention Council	500	500	500	-
New London Homeless Hospitality	1,500	1,500	1,500	-
TOTAL OUTSIDE AGENCIES	185,029	185,029	185,029	-
TOTAL DEPARTMENT OF HUMAN SERVICES	955,012	955,012	935,697	19,315

**TOWN OF STONINGTON, CONNECTICUT
GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
FOR THE YEAR ENDED JUNE 30, 2010**

OTHER FINANCING USES	Budgeted Amounts		Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
	Original	Final		
OTHER FINANCING USES				
Transfers out:				
Capital Improvements	374,037	174,731	174,731	-
TOTAL OTHER FINANCING USES	374,037	174,731	174,731	-
 BOARD OF EDUCATION	 31,149,520	 31,149,520	 31,123,530	 25,990
 GRAND TOTAL - EXPENDITURES AND OTHER FINANCING USES	 \$ 53,942,191	 \$ 53,959,800	 \$ 53,213,179	 \$ 746,621
 GRAND TOTAL - REVENUE AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	 \$ -	 \$ -	 \$ 1,270,192	 \$ 1,270,192

Nonmajor Governmental Funds

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TOWN OF STONINGTON, CONNECTICUT

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2010**

	Special Revenue					
	Sewer Assessment Fund	Shellfish Fund	Town Aid Road Fund	Dog License Fund	Escrow Revaluation Fund	SNEF Reserve Fund
ASSETS						
Cash and cash equivalents	\$ 162,658	\$ 57,813	\$ -	\$ 7,316	\$ 81,988	\$ 111,305
Assessments, use charges and other receivables	39,342	-	-	-	-	-
Intergovernmental receivables	-	-	-	-	-	-
Due from other funds	-	-	99,430	9,915	-	-
Total assets	\$ 202,000	\$ 57,813	\$ 99,430	\$ 17,231	\$ 81,988	\$ 111,305
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts payable	\$ -	\$ 20	\$ -	\$ 13,168	\$ -	\$ -
Deferred revenue	39,342	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Due to other funds	-	792	-	-	-	-
Total liabilities	39,342	812	-	13,168	-	-
FUND BALANCES						
Reserved for debt service	162,658	-	-	-	-	-
Reserved for endowments	-	-	-	-	-	-
Designated for future use	-	-	-	-	-	-
Unreserved and undesignated	-	57,001	99,430	4,063	81,988	111,305
Total fund balances	162,658	57,001	99,430	4,063	81,988	111,305
Total liabilities and fund balances	\$ 202,000	\$ 57,813	\$ 99,430	\$ 17,231	\$ 81,988	\$ 111,305

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	State Assets Forfeiture Program	Federal Asset Forfeiture Program
\$ 160,177	\$ 20,534	\$ 165,132	\$ -	\$ 30,709	\$ 598,630	\$ 3,639	\$ 3,498
-	-	2,175	-	-	-	-	-
-	-	-	-	-	-	-	-
2,341	-	-	3,081	-	2,513	-	-
<u>\$ 162,518</u>	<u>\$ 20,534</u>	<u>\$ 167,307</u>	<u>\$ 3,081</u>	<u>\$ 30,709</u>	<u>\$ 601,143</u>	<u>\$ 3,639</u>	<u>\$ 3,498</u>
\$ 455	\$ -	\$ 6,284	\$ -	\$ -	\$ 12,385	\$ -	\$ -
-	-	-	-	-	-	-	-
-	20,534	-	-	-	-	-	-
5,167	-	16,923	-	-	10,719	-	-
<u>5,622</u>	<u>20,534</u>	<u>23,207</u>	<u>-</u>	<u>-</u>	<u>23,104</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
156,896	-	144,100	3,081	30,709	578,039	3,639	3,498
<u>156,896</u>	<u>-</u>	<u>144,100</u>	<u>3,081</u>	<u>30,709</u>	<u>578,039</u>	<u>3,639</u>	<u>3,498</u>
<u>\$ 162,518</u>	<u>\$ 20,534</u>	<u>\$ 167,307</u>	<u>\$ 3,081</u>	<u>\$ 30,709</u>	<u>\$ 601,143</u>	<u>\$ 3,639</u>	<u>\$ 3,498</u>

(Continued)

TOWN OF STONINGTON, CONNECTICUT

**COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2010**

	Special Revenue					
	Prepaid Education Grants Fund	DARE Program	Hot Lunch Program	Senior Center Addition Project	Stonington Social Services Fuel Bank	Human Services Grant
ASSETS						
Cash and cash equivalents	\$ 174,739	\$ 1,244	\$ 114,568	\$ -	\$ -	\$ -
Assessments, use charges and other receivables	-	-	-	-	-	-
Intergovernmental receivables	14,495	-	66,021	-	-	-
Due from other funds	-	-	-	-	2,382	27,365
Total assets	\$ 189,234	\$ 1,244	\$ 180,589	\$ -	\$ 2,382	\$ 27,365
LIABILITIES AND FUND BALANCES (DEFICITS)						
LIABILITIES						
Accounts payable	\$ 9,566	\$ -	\$ -	\$ -	\$ -	\$ 1,322
Deferred revenue	-	-	-	-	-	-
Unearned revenue	34,235	-	-	-	-	22,430
Due to other funds	145,433	-	-	-	-	-
Total liabilities	189,234	-	-	-	-	23,752
FUND BALANCES (DEFICITS)						
Reserved for debt service	-	-	-	-	-	-
Reserved for endowments	-	-	-	-	-	-
Designated for future use	-	-	-	-	-	-
Unreserved and undesignated	-	1,244	180,589	-	2,382	3,613
Total fund balances	-	1,244	180,589	-	2,382	3,613
Total liabilities and fund balances	\$ 189,234	\$ 1,244	\$ 180,589	\$ -	\$ 2,382	\$ 27,365

<u>Special Revenue</u>	<u>Capital Projects</u>		<u>Permanent Fund</u>	
<u>Other</u>	<u>Capital Nonrecurring Fund</u>	<u>Debt Service Fund</u>	<u>Scholarship Trust Fund</u>	<u>Total Nonmajor Governmental Funds</u>
\$ 492,430	\$ 2,303,231	\$ 498,610	\$ 161,583	\$ 5,149,804
-	-	-	-	41,517
-	-	-	-	80,516
91,590	-	-	-	238,617
<u>\$ 584,020</u>	<u>\$ 2,303,231</u>	<u>\$ 498,610</u>	<u>\$ 161,583</u>	<u>\$ 5,510,454</u>
\$ 7,569	\$ 48,235	\$ -	\$ -	\$ 99,004
-	-	-	-	39,342
17,198	-	-	-	94,397
-	192,238	-	-	371,272
<u>24,767</u>	<u>240,473</u>	<u>-</u>	<u>-</u>	<u>604,015</u>
-	-	-	-	162,658
-	-	-	161,583	161,583
481,482	-	-	-	481,482
<u>77,771</u>	<u>2,062,758</u>	<u>498,610</u>	<u>-</u>	<u>4,100,716</u>
<u>559,253</u>	<u>2,062,758</u>	<u>498,610</u>	<u>161,583</u>	<u>4,906,439</u>
<u>\$ 584,020</u>	<u>\$ 2,303,231</u>	<u>\$ 498,610</u>	<u>\$ 161,583</u>	<u>\$ 5,510,454</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, 2010

	Special Revenue					
	Sewer Assessment Fund	Shellfish Fund	Town Aid Road Fund	Dog License Fund	Escrow Revaluation Fund	SNEF Reserve Fund
REVENUES						
Charges for services	\$ 8,429	\$ 9,049	\$ -	\$ 8,692	-	\$ 12,500
Intergovernmental	-	-	149,296	-	-	-
Interest income	420	271	-	-	196	210
Other	-	-	-	7,342	-	-
Total revenues	8,849	9,320	149,296	16,034	196	12,710
EXPENDITURES						
General government	-	8,219	-	11,477	7,400	-
Public safety	-	-	-	14,552	-	-
Education	-	-	-	-	-	-
Highway department	-	-	122,530	-	-	-
Recreation	-	-	-	-	-	-
Sewer	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	-	8,219	122,530	26,029	7,400	-
Revenues over (under) expenditures	8,849	1,101	26,766	(9,995)	(7,204)	12,710
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	(100,000)	-	-	-	-	-
Total other financing sources (uses)	(100,000)	-	-	-	-	-
Net change in fund balances (deficits)	(91,151)	1,101	26,766	(9,995)	(7,204)	12,710
FUND BALANCES (DEFICITS), beginning	253,809	55,900	72,664	14,058	89,192	98,595
FUND BALANCES, ending	\$ 162,658	\$ 57,001	\$ 99,430	\$ 4,063	\$ 81,988	\$ 111,305

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	State Assets Forfeiture Program	Federal Asset Forfeiture Program	
\$ 73,942	\$ 43,552	\$ 108,950	\$ -	\$ -	\$ 104,368	\$ -	\$ -	
-	-	-	750	-	-	-	-	958
539	-	578	-	138	1,890	-	-	1
1,558	-	-	-	-	-	-	-	-
76,039	43,552	109,528	750	138	106,258	-	-	959
32,642	22,694	8,638	-	-	-	-	-	-
5,458	-	-	-	-	143,018	-	-	-
7,261	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
2,914	-	86,937	-	-	-	-	-	-
-	-	-	-	-	324,975	-	-	-
-	-	-	-	-	-	-	-	-
48,275	22,694	95,575	-	-	467,993	-	-	-
27,764	20,858	13,953	750	138	(361,735)	-	-	959
-	-	-	-	-	250,000	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	250,000	-	-	-
27,764	20,858	13,953	750	138	(111,735)	-	-	959
129,132	(20,858)	130,147	2,331	30,571	689,774	3,639	-	2,539
\$ 156,896	\$ -	\$ 144,100	\$ 3,081	\$ 30,709	\$ 578,039	\$ 3,639	\$ -	\$ 3,498

(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, 2010

	Special Revenue					
	Prepaid Education Grants Fund	DARE Program	Hot Lunch Program	Senior Center Addition Project	Stonington Social Services Fuel Bank	Human Services Grant
REVENUES						
Charges for services	\$ -	\$ -	\$ 636,973	\$ -	\$ -	\$ 4,151
Intergovernmental	1,243,815	-	262,940	72,221	-	18,015
Interest income	-	-	713	-	-	-
Other	-	201	-	-	1,615	-
Total revenues	1,243,815	201	900,626	72,221	1,615	22,166
EXPENDITURES						
General government	-	-	-	4,932	-	2,337
Public safety	-	-	-	-	4,486	16,216
Education	1,243,815	-	874,086	-	-	-
Highway department	-	-	-	-	-	-
Recreation	-	-	-	-	-	-
Sewer	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	1,243,815	-	874,086	4,932	4,486	18,553
Revenues over (under) expenditures	-	201	26,540	67,289	(2,871)	3,613
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Net change in fund balances (deficits)	-	201	26,540	67,289	(2,871)	3,613
FUND BALANCES (DEFICITS), beginning	-	1,043	154,049	(67,289)	5,253	-
FUND BALANCES, ending	\$ -	\$ 1,244	\$ 180,589	\$ -	\$ 2,382	\$ 3,613

Special Revenue	Capital Projects		Permanent Fund	Total Nonmajor Governmental Funds
Other	Capital Nonrecurring Fund	Debt Service Fund	Scholarship Trust Fund	
\$ -	\$ 21,389	\$ -	\$ -	\$ 1,031,995
196,507	1,069	-	-	1,945,571
955	8,010	2,722	5,395	22,038
430,833	-	-	-	441,549
628,295	30,468	2,722	5,395	3,441,153
5,548	-	-	-	103,887
125,646	-	-	-	309,376
-	-	-	8,842	2,134,004
74,565	-	-	-	197,095
-	-	-	-	89,851
-	-	-	-	324,975
-	1,074,701	-	-	1,074,701
205,759	1,074,701	-	8,842	4,233,889
422,536	(1,044,233)	2,722	(3,447)	(792,736)
110,000	174,731	-	-	534,731
(51,054)	-	(904,702)	-	(1,055,756)
58,946	174,731	(904,702)	-	(521,025)
481,482	(869,502)	(901,980)	(3,447)	(1,313,761)
77,771	2,932,260	1,400,590	165,030	6,220,200
\$ 559,253	\$ 2,062,758	\$ 498,610	\$ 161,583	\$ 4,906,439

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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, 2010**

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
STUDENT ACTIVITY FUND				
Assets				
Cash	\$ 286,588	\$ 1,657,817	\$ 1,635,478	\$ 308,927
Liabilities				
Due to students	\$ 286,588	\$ 1,657,817	\$ 1,635,478	\$ 308,927
TAX SALE ESCROW FUND				
Assets				
Cash and cash equivalents	\$ 91,421	\$ 195	\$ -	\$ 91,616
Liabilities				
Other liabilities	\$ 91,421	\$ 195	\$ -	\$ 91,616
STONINGTON HARBOR MANAGEMENT FUND				
Assets				
Due from other funds and other receivables	\$ 28,548	\$ 9,351	\$ 4,005	\$ 33,894
Liabilities				
Other liabilities	\$ 28,548	\$ 9,351	\$ 4,005	\$ 33,894
MYSTIC HARBOR MANAGEMENT FUND				
Assets				
Due from other funds and other receivables	\$ 10,374	\$ 3,830	\$ 3,370	\$ 10,834
Liabilities				
Other liabilities	\$ 10,374	\$ 3,830	\$ 3,370	\$ 10,834
BOE FLEX FUND				
Assets				
Cash and cash equivalents	\$ 32,600	\$ 10,335	\$ -	\$ 42,935
Liabilities				
Due to employees	\$ 32,600	\$ 10,335	\$ -	\$ 42,935
Total Assets	\$ 449,531	\$ 1,681,528	\$ 1,642,853	\$ 488,206
Total Liabilities	\$ 449,531	\$ 1,681,528	\$ 1,642,853	\$ 488,206

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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, 2010

Grand List Year	Balance Uncollected July 1, 2009	Current Levy	Lawful Corrections		Transfers to Suspense and Other Adjustments	Balance To Be Collected
			Additions	Deletions		
1994	\$ 57	\$ -	\$ -	\$ -	\$ -	\$ 57
1995	43	-	-	-	89	132
1996	276	-	-	-	67	343
1997	279	-	-	-	170	449
1998	566	-	-	-	174	740
1999	3,110	-	-	-	475	3,585
2000	3,201	-	-	-	107	3,308
2001	3,359	-	-	-	374	3,733
2002	5,585	-	-	495	860	5,950
2003	6,209	-	115	231	504	6,597
2004	7,107	-	121	485	621	7,364
2005	15,555	-	-	13,724	1,439	3,270
2006	61,712	-	269	13,583	(4,693)	43,705
2007	610,736	-	2,718	18,887	(11,331)	583,236
2008	-	47,293,278	105,732	63,047	(7,607)	47,328,356
	<u>\$ 717,795</u>	<u>\$ 47,293,278</u>	<u>\$ 108,955</u>	<u>\$ 110,452</u>	<u>\$ (18,751)</u>	<u>\$ 47,990,825</u>

Collections				Balance Uncollected June 30, 2010
Taxes	Overpayments and Refunds	Interest and Liens	Total	
\$ -	\$ -	\$ -	\$ -	\$ 57
89	-	210	299	43
68	-	152	220	275
170	-	356	526	279
174	-	326	500	566
993	-	1,724	2,717	2,592
635	-	969	1,604	2,673
927	-	1,253	2,180	2,806
1,640	148	2,354	3,846	4,458
1,710	160	1,649	3,199	5,047
3,220	243	2,474	5,451	4,387
(3,083)	250	4,552	1,219	6,603
26,741	261	10,882	37,362	17,225
458,679	8,035	106,949	557,593	132,592
46,789,932	89,615	158,558	46,858,875	628,039
\$ 47,281,895	\$ 98,712	\$ 292,408	\$ 47,475,591	\$ 807,642

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