

TOWN OF CLINTON, CONNECTICUT

FINANCIAL STATEMENTS

JUNE 30, 2011

TOWN OF CLINTON, CONNECTICUT

JUNE 30, 2011

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Independent Auditors' Report

To the Members of the Board of Finance
Town of Clinton
Clinton, 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 Clinton, Connecticut, as of and for the year ended June 30, 2011, which collectively comprise the Town of Clinton, Connecticut's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town'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 basic financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and the 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 Clinton, Connecticut, as of June 30, 2011 and the respective changes in financial position and cash flows, where applicable, thereof, 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 4, 2011 on our consideration of the Town of Clinton, 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 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.

Management's discussion and analysis on pages 3 through 9 and the budgetary comparison information on pages 49 through 54 are not required parts 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 of Clinton, Connecticut's basic financial statements. The combining and individual nonmajor fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules 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.

Blum, Shapiro & Company, P.C.

December 4, 2011

**TOWN OF CLINTON, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2011**

This discussion and analysis of the Town of Clinton, Connecticut's (the Town) financial performance is provided by management to provide an overview of the Town's financial activities for the fiscal year ended June 30, 2011. Please read this MD&A in conjunction with the Town's financial statements, Exhibits I to IX. All amounts in this section of the report are reported in thousands.

Financial Highlights

- Net assets of our governmental activities decreased by \$353, or 0.79%.
- During the year, the Town had expenses that were \$353 more than the \$50,347 generated in tax and other revenues for governmental programs.
- Total cost of all of the Town's programs was \$50,700 with no new programs added this year.
- The General Fund reported a fund balance this year of \$8,615.

Overview of the Financial Statements

This annual report consists of a series of financial statements. The statement of net assets and the statement of activities (Exhibits I and II, respectively) provide information about the activities of the Town as a whole and present a longer-term view of the Town's finances. Fund financial statements are presented in Exhibits III to IX. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

The analysis of the Town as a whole begins on Exhibits I and II. The statement of net assets and the statement of activities report information about the Town as a whole and about its activities for the current period. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's net assets and changes in them. The Town's net assets, the difference between assets and liabilities, is one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net assets are one indicator of whether its financial health is improving or deteriorating. The reader needs to consider other nonfinancial factors, however, such as changes in the Town's property tax base and the condition of the Town's capital assets, to assess the overall health of the Town.

In the statement of net assets and the statement of activities, the Town reports its activities:

- *Governmental Activities* - The Town's basic services are reported here, including education, public safety, public works, planning and development, parks and recreation and general administration. Property taxes, charges for services, and state and federal grants finance most of these activities.

Fund Financial Statements

The fund financial statements begin with Exhibit III and provide detailed information about the most significant funds - not the Town as a whole. Some funds are required to be established by Charter. However, the Town establishes many other funds to help control and manage financial activities for particular purposes (like the landfill closure fund) or to show that it is meeting legal responsibilities for using grants and other money (like grants received from the State of Connecticut). The Town's funds are divided into three categories: governmental, proprietary and fiduciary.

- *Governmental Funds (Exhibits III and IV)* - Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship (or differences) between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds is described in a reconciliation after each fund financial statement.
- *Proprietary Funds (Exhibits V, VI and VII)* - When the Town charges customers for the services it provides, whether to outside customers or to other units of the Town, these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the statement of net assets and the statement of activities. Internal service funds (the component of proprietary funds) are used to report activities that provide supplies and services for the Town's other programs and activities - such as the Town's Dental Benefits Fund and Police Heart and Hypertension Internal Service Funds.
- *Fiduciary Funds (Exhibits VIII and IX)* - The Town is the trustee, or fiduciary, for its employees' pension plans. It is also responsible for other assets that, because of a trust arrangement, can be used only for the trust beneficiaries. All of the Town's fiduciary activities are reported in separate statements of fiduciary net assets and changes in fiduciary net assets. These activities are excluded from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Government-Wide Financial Analysis

The Town's combined net assets decreased from \$44,225 to \$43,871. The analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the Town's governmental activities.

TABLE 1
NET ASSETS
(In Thousands)

	Governmental Activities	
	2011	2010
Current and other assets	\$ 16,459	\$ 12,710
Capital assets	54,743	54,936
Total assets	<u>71,202</u>	<u>67,646</u>
Long-term debt outstanding	25,498	20,665
Other liabilities	1,833	2,756
Total liabilities	<u>27,331</u>	<u>23,421</u>
Net Assets:		
Invested in capital assets, net of debt	35,918	40,366
Unrestricted	<u>7,953</u>	<u>3,859</u>
Total Net Assets	<u>\$ 43,871</u>	<u>\$ 44,225</u>

Net assets in the Town's governmental activities decreased by 0.79%. Unrestricted net assets - the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation or other legal requirements - changed from \$3,859 at June 30, 2010 to \$7,419 at the end of this year.

TABLE 2
CHANGE IN NET ASSETS
(In Thousands)

	Governmental Activities	
	<u>2011</u>	<u>2010</u>
Revenues:		
Program revenues:		
Charges for services	\$ 1,280	\$ 1,220
Operating grants and contributions	10,914	10,957
Capital grants and contributions	377	110
General revenues:		
Property taxes	37,160	36,279
Grants and contributions not restricted to specific purposes	467	656
Unrestricted investment earnings	92	96
Other general revenues	57	27
Total revenues	<u>50,347</u>	<u>49,345</u>
 Program Expenses:		
General government	5,880	5,990
Public safety	3,625	3,968
Public works	2,505	2,675
Planning and development	238	294
Health and welfare	1,031	725
Culture and recreation	1,519	1,500
Education	35,113	32,991
Interest on long-term debt	789	743
Total program expenses	<u>50,700</u>	<u>48,886</u>
 Increase (Decrease) in Net Assets	 \$ <u>(353)</u>	 \$ <u>459</u>

The Town's total revenues were \$50,347. The total cost of all programs and services was \$50,700. Our analysis below considers the operations of governmental activities.

Property taxes account for 73.81% of all revenues followed by operating grants and contributions 21.67%. Education expenses are 69.26% of total expenses; general government and public safety are 11.59% and 7.15%, respectively.

Governmental Activities

Table 3 presents the cost of each of the Town's five largest programs - general government, public safety, public works, education, and culture and recreation - as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions.

TABLE 3
GOVERNMENTAL ACTIVITIES
(In Thousands)

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
General government	\$ 5,880	\$ 5,990	\$ (5,317)	\$ (5,408)
Public safety	3,625	3,968	(3,276)	(3,751)
Public works	2,505	2,675	(2,190)	(2,295)
Education	35,113	32,991	(24,284)	(22,414)
Culture and recreation	1,519	1,500	(1,182)	(1,292)
All others	<u>2,058</u>	<u>1,762</u>	<u>(1,880)</u>	<u>(1,438)</u>
Total	\$ <u>50,700</u>	\$ <u>48,886</u>	\$ <u>(38,129)</u>	\$ <u>(36,598)</u>

Town Funds Financial Analysis

Governmental Funds

As the Town completed the year, its governmental funds (as presented in the balance sheet - Exhibit III) reported a combined fund balance of \$12,528, which is an increase of \$4,257 from last year's total of \$8,271. The fund balance increase was primary driven by increases in the General Fund balance of \$1,331 and Capital Projects Fund of \$3,322 and a decrease in Nonmajor Governmental Funds of \$396.

General Fund Budgetary Highlights

At the end of the current fiscal year, the General Fund total balance was \$8,615. Of this fund balance, \$70 is nonspendable (education pre-paid expenditure for 2010-11); \$350 is committed to the Landfill Closing; \$845 is assigned, of which \$595 is for outstanding encumbrances and \$250 is for the 2011-12 operating budget; and the balance is unassigned in the amount of \$7,350.

The fund balance of the town's General Fund increased by \$1,331 during the current year and the unassigned fund balance increased by \$1,171. The major factors behind the increase of \$1,171 are as follows:

- Property taxes collected were \$485 higher than budget
- Operating transfers in were \$247
- Charges for goods and services were \$172 higher than budget
- Miscellaneous revenues were \$170 higher than budget and included \$137 of prior year liquidated encumbrances
- Intergovernmental revenues were \$166 higher than budget

- Income on investments was \$35 lower than budget
- General Fund expenditures were \$286 lower than the original and amended budget. Transfers in excess of \$15 and special appropriations, other than those from contingency, must be approved by vote at a Town Meeting. There were no supplemental appropriations during the fiscal year.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2011, the Town had \$54,743 invested in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment and roads. This amount represents a net decrease (including additions and deductions) of \$193, or 0.35%, over last year.

TABLE 4
CAPITAL ASSETS AT YEAR-END (NET OF DEPRECIATION)
(In Thousands)

	Governmental	
	Activities	
	2011	2010
Land	\$ 2,363	\$ 2,363
Buildings	28,389	29,387
Improvements other than buildings	1,495	1,724
Machinery and equipment	1,981	2,207
Infrastructure	17,415	17,714
Construction in progress	3,100	1,541
Total	<u>\$ 54,743</u>	<u>\$ 54,936</u>

This year's major additions included (in thousands):

Communications Upgrade (Construction in Progress)	\$ 1,101
Infrastructure (Construction in Progress)	221
Road Pavement (Various Locations)	211
Beach Building (Construction in Progress)	102

The Town's fiscal-year 2011-12 capital budget calls for it to spend another \$861 for capital projects, principally for building maintenance, park enhancements, equipment purchases and computers. More detailed information about the Town's capital assets is presented in Note 1 and Note 5 to the financial statements.

Long-Term Debt

At June 30, 2011, the Town had \$18,865 in bonds and notes outstanding versus \$14,465 last year - an increase of \$4,400, or 30.42%.

The Town's general obligation bond rating maintains an Aa2 rating from Moody's Investors Service. The State limits the amount of general obligation debt that cities can issue based on a formula

determined under State Statutes based on type of debt and tax base. The Town's outstanding general obligation debt is significantly below this \$260,308 state-imposed limit.

In February 2011, the Town issued two general obligation bonds totaling \$9,845,000. The first bond issue for \$5,020,000 funded the Emergency Communications System Upgrades in the amount of \$3,354,685 and the remaining \$1,665,315 funded the outstanding balance of the 2006-2007 Capital Projects. The second bond issue for \$4,825,000 refunded a portion of the \$5,060,000 outstanding 2004 refunding bond issue.

In March 2011, the voters approved a future bondable capital projects totaling \$9,380,000. The referendum approved WSAM restoration, Old Police Station restoration, road improvements, salt shed, town wide fiber, Indian River Complex turf field, Beach Building, bulkheads and improvements to school facilities.

In June 2011, the following capital projects remaining appropriations were closed:

- Indian River Complex
- Road Improvements
- Land/Building Purchase
- Joel School Project
- 2006-07 Capital Projects

In June 2011, funds from the closed capital projects totaling \$1,082,460 were transferred to partially fund the \$9,380,000, March 2011 Capital Projects and which reduced any future bond issue in an amount no greater than \$8,297,540.

Other obligations include accrued vacation pay and sick leave as well as net other postemployment benefit obligation. More detailed information about the Town's long-term liabilities is presented in Note 7 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The Town's elected and appointed officials considered many factors when setting the fiscal-year 2011-12 budget tax rates. One of those factors is the economy. The Town's employment growth is flat. The Town's unemployment rate is similar to the State's current rate.

These indicators were taken into account when adopting the General Fund budget for 2011-12. The adopted budget is \$45,426 or an increase of 0.56% over the 2010-11 budget of \$45,171. The estimated collection rate remained at 98.9%. The revenue increases are primarily for current property taxes. Total expenditure increased by \$255. This was comprised of increases for town of \$156, debt services of \$112, education of \$20, and capital improvement funding decrease of \$33.

Contacting the Town's Financial Management

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, 54 Main Street, Clinton, Connecticut 06413.

TOWN OF CLINTON, CONNECTICUT

STATEMENT OF NET ASSETS

JUNE 30, 2011

	<u>Governmental Activities</u>
Assets:	
Cash and cash equivalents	\$ 14,844,293
Receivables, net	1,277,506
Inventories	15,943
Prepaid expense	70,044
Net pension asset	116,968
Deferred charge	134,766
Capital assets not being depreciated	5,462,791
Capital assets being depreciated - net of accumulated depreciation	49,280,013
Total assets	<u>71,202,324</u>
Liabilities:	
Accounts and other payables	1,716,250
Due to fiduciary funds	28,168
Unearned revenue	88,875
Noncurrent liabilities:	
Due within one year	1,993,409
Due in more than one year	23,504,436
Total liabilities	<u>27,331,138</u>
Net Assets:	
Invested in capital assets, net of related debt	35,917,890
Unrestricted	7,953,296
Total Net Assets	<u>\$ 43,871,186</u>

The accompanying notes are an integral part of the financial statements

TOWN OF CLINTON, CONNECTICUT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2011

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges For Services	Operating Grants and Contributions	Capital Grants and Contributions	Revenue and Changes in Net Assets
					Governmental Activities
Governmental activities:					
General government	\$ 5,879,891	\$ 337,051	\$ 61,732	\$ 164,412	\$ (5,316,696)
Public safety	3,624,676	138,153	195,770	14,548	(3,276,205)
Public works	2,505,588	87,945	137,537	90,328	(2,189,778)
Planning and development	238,212	14,420			(223,792)
Health and welfare	1,031,225	29,693	111,120		(890,412)
Culture and recreation	1,519,406	204,817	25,000	107,698	(1,181,891)
Education	35,112,580	468,383	10,359,706		(24,284,491)
Interest on long-term debt	788,521		22,590		(765,931)
Total Governmental Activities	<u>\$ 50,700,099</u>	<u>\$ 1,280,462</u>	<u>\$ 10,913,455</u>	<u>\$ 376,986</u>	<u>(38,129,196)</u>
General revenues:					
Property taxes					37,159,712
Grants and contributions not restricted to specific programs					467,381
Unrestricted investment earnings					91,880
Miscellaneous					56,916
Total general revenues					<u>37,775,889</u>
Change in net assets					(353,307)
Net Assets at Beginning of Year					<u>44,224,493</u>
Net Assets at End of Year					<u>\$ 43,871,186</u>

The accompanying notes are an integral part of the financial statements

TOWN OF CLINTON, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2011

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS				
Cash and cash equivalents	\$ 13,302,203	\$	\$ 830,082	\$ 14,132,285
Receivables, net	1,097,486		140,917	1,238,403
Due from other funds	450,403	3,334,700	243,346	4,028,449
Inventories			15,943	15,943
Other assets	70,044			70,044
	<u>70,044</u>	<u>3,334,700</u>	<u>243,346</u>	<u>4,028,449</u>
Total Assets	<u>\$ 14,920,136</u>	<u>\$ 3,334,700</u>	<u>\$ 1,230,288</u>	<u>\$ 19,485,124</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable and accrued expenses	\$ 1,383,171	\$ 104,922	\$ 43,596	\$ 1,531,689
Due to other funds	4,102,710		450,403	4,553,113
Deferred revenue	819,314		52,640	871,954
Total liabilities	<u>6,305,195</u>	<u>104,922</u>	<u>546,639</u>	<u>6,956,756</u>
Fund balances:				
Nonspendable	70,044		15,943	85,987
Restricted			472,287	472,287
Committed	350,000	3,229,778	195,419	3,775,197
Assigned	844,592			844,592
Unassigned	7,350,305			7,350,305
Total fund balances	<u>8,614,941</u>	<u>3,229,778</u>	<u>683,649</u>	<u>12,528,368</u>
Total Liabilities and Fund Balances	<u>\$ 14,920,136</u>	<u>\$ 3,334,700</u>	<u>\$ 1,230,288</u>	<u>\$ 19,485,124</u>

(Continued on next page)

TOWN OF CLINTON, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2011

Reconciliation of the Balance Sheet - Governmental Funds to the Statement of Net Assets:
 Amounts reported for governmental activities in the statement of net assets (Exhibit I) are
 different because of the following:

Fund balances - total governmental funds	\$ 12,528,368
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Capital assets used in governmental activities are not financial
 resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 100,675,843	
Less accumulated depreciation	<u>(45,933,039)</u>	
Net capital assets		54,742,804

Other long-term assets are not available to pay for current-period
 expenditures and, therefore, are not recorded in the funds:

Net pension asset	116,968
Property tax receivables greater than 60 days	452,690
Interest receivable on property taxes	323,838
Bond discounts	14,578
Bond issuance costs	134,766
Receivable from the state for school construction projects	6,551

Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are reported with governmental activities in the statement of net assets.	1,111,745
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Long-term liabilities, including bonds payable, are not due and payable
 in the current period and, therefore, are not reported in the funds:

Net pension obligation	(257,982)
Net other post employment benefit obligation	(966,192)
Bonds and notes payable	(18,465,000)
Interest payable on bonds and notes	(184,561)
Compensated absences	(2,232,895)
Bond premium	(534,284)
Landfill closure liability	(3,080,000)
Deferred charges on refunding	<u>159,792</u>

Net Assets of Governmental Activities (Exhibit I)	<u>\$ 43,871,186</u>
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The accompanying notes are an integral part of the financial statements

TOWN OF CLINTON, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2011

	<u>General</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:				
Property taxes	\$ 37,135,422	\$	\$	\$ 37,135,422
Intergovernmental	10,133,578		1,572,884	11,706,462
Charges for services	700,649		605,935	1,306,584
Income on investments	85,108		6,430	91,538
Miscellaneous	37,916		69,116	107,032
Total revenues	<u>48,092,673</u>	<u>-</u>	<u>2,254,365</u>	<u>50,347,038</u>
Expenditures:				
Current:				
General government	5,430,820		308,652	5,739,472
Public safety	3,542,306		76,979	3,619,285
Public works	1,530,161			1,530,161
Planning and development	238,212			238,212
Health and welfare	414,141		261,347	675,488
Culture and recreation	956,257		333,675	1,289,932
Education	32,137,637	111,142	1,470,078	33,718,857
Debt service	1,770,376	49,225		1,819,601
Capital outlay		2,627,637		2,627,637
Total expenditures	<u>46,019,910</u>	<u>2,788,004</u>	<u>2,450,731</u>	<u>51,258,645</u>
Excess (Deficiency) of Revenues over Expenditures	<u>2,072,763</u>	<u>(2,788,004)</u>	<u>(196,366)</u>	<u>(911,607)</u>
Other Financing Sources (Uses):				
General obligation bonds issued		5,020,000		5,020,000
Refunding bonds issued		4,825,000		4,825,000
Premiums on general obligation bonds and refunding		421,375		421,375
Payment to escrow agent on refunding		(5,097,398)		(5,097,398)
Transfers in	246,623	941,267	95,000	1,282,890
Transfers out	(988,626)		(294,264)	(1,282,890)
Total other financing sources (uses)	<u>(742,003)</u>	<u>6,110,244</u>	<u>(199,264)</u>	<u>5,168,977</u>
Net Change in Fund Balances	1,330,760	3,322,240	(395,630)	4,257,370
Fund Balances at Beginning of Year, as Restated	<u>7,284,181</u>	<u>(92,462)</u>	<u>1,079,279</u>	<u>8,270,998</u>
Fund Balances at End of Year	<u>\$ 8,614,941</u>	<u>\$ 3,229,778</u>	<u>\$ 683,649</u>	<u>\$ 12,528,368</u>

(Continued on next page)

TOWN OF CLINTON, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES - GOVERNMENTAL FUNDS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2011

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund

Balances of Governmental Funds to the Statement of Activities:

Amounts reported for governmental activities in the statement of activities (Exhibit II) are different because:

Net change in fund balances - total governmental funds (Exhibit IV)	\$ 4,257,370
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Governmental funds report capital outlays as expenditures. In the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay	1,899,072
Depreciation expense	(2,092,367)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds, and revenues recognized in the funds are not reported in the statement of activities:

School building grant receipts	(25,082)
Property tax receivable - accrual basis change	18,114
Property tax interest and lien revenue - accrual basis change	6,176
Amortization of bond premiums	8,685
Change in net pension asset	1,015

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 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 amortized and deferred in the statement of activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Bond and note principal payments	1,185,000
Issuance of bonds and notes	(5,020,000)
Premium on bonds issued	(73,918)
Bond issuance costs	25,100
Capital lease payments	118,720
Refunding bonds issued	(4,825,000)
Payments to bond refunding agent	5,097,398
Premium on bonds refunded	(347,457)
Bond issuance costs on refunding	75,059

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 the governmental funds:

Compensated absences	(293,328)
Accrued interest	83,736
Amortization of deferred charge on refunding	(246,905)
Amortization of issuance costs	(70,080)
Amortization of bond discounts	(29,515)
Net pension expense	3,753
Net OPEB expense	(306,318)

Internal service funds are used by management to charge costs to individual funds. The net revenue of certain activities of internal services funds is reported with governmental activities.

197,465

Change in Net Assets of Governmental Activities (Exhibit II)

\$ <u>(353,307)</u>

The accompanying notes are an integral part of the financial statements

TOWN OF CLINTON, CONNECTICUT

PROPRIETARY FUNDS

STATEMENT OF NET ASSETS

JUNE 30, 2011

	Governmental Activities
	Internal Service Funds
Assets:	
Cash and cash equivalents	\$ 712,008
Accounts receivable	39,103
Due from other funds	496,496
Total assets	<u>1,247,607</u>
Liabilities:	
Risk management claims	<u>135,862</u>
Net Assets:	
Unrestricted	<u>\$ 1,111,745</u>

The accompanying notes are an integral part of the financial statements

TOWN OF CLINTON, CONNECTICUT

PROPRIETARY FUNDS

STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN FUND NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2011

	<u>Governmental Activities</u> <u>Internal Service Funds</u>
Operating Revenues:	
Charges for services	\$ <u>1,132,548</u>
Operating Expenses:	
Employee benefits	885,825
Administrative fees	<u>49,804</u>
Total operating expenses	<u>935,629</u>
Operating Income	196,919
Nonoperating Revenue:	
Income on investments	<u>546</u>
Change in Net Assets	197,465
Total Net Assets at Beginning of Year	<u>914,280</u>
Total Net Assets at End of Year	\$ <u><u>1,111,745</u></u>

The accompanying notes are an integral part of the financial statements

TOWN OF CLINTON, CONNECTICUT
PROPRIETARY FUNDS
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2011

	Governmental Activities <hr/> Internal Service Funds <hr/>
Cash Flows from Operating Activities:	
Cash received for services	\$ 1,132,548
Cash paid for insurance claims and premiums	(979,219)
Net cash provided by operating activities	<hr/> 153,329
Cash Flows from Investing Activities:	
Interest received	<hr/> 546
Net Increase in Cash and Cash Equivalents	153,875
Cash and Cash Equivalents at Beginning of Year	<hr/> 558,133
Cash and Cash Equivalents at End of Year	\$ <hr/> <hr/> 712,008
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating income	\$ 196,919
Adjustments to reconcile operating income to net cash provided by operating activities:	
Change in assets and liabilities:	
Increase (decrease) in claims payable	(4,487)
Increase (decrease) in accounts payable	<hr/> (39,103)
Net Cash Provided by Operating Activities	\$ <hr/> <hr/> 153,329

The accompanying notes are an integral part of these financial statements

TOWN OF CLINTON, CONNECTICUT

FIDUCIARY FUNDS

STATEMENT OF FIDUCIARY NET ASSETS

JUNE 30, 2011

	Pension Trust Fund	Agency Funds
	<u> </u>	<u> </u>
Assets:		
Cash and cash equivalents	\$ 86,491	\$ 720,652
Investments - mutual funds	9,335,461	
Investments - bonds	2,695,051	
Accounts receivable	120,120	
Due from other funds		28,168
	<u> </u>	<u> </u>
Total assets	<u>12,237,123</u>	<u>\$ 748,820</u>
Liabilities:		
Due to student groups and others		<u>\$ 748,820</u>
Net Assets:		
Held in Trust for Pension Benefits	<u>\$ 12,237,123</u>	

The accompanying notes are an integral part of these financial statements

TOWN OF CLINTON, CONNECTICUT

FIDUCIARY FUNDS

STATEMENT OF CHANGES IN PLAN NET ASSETS
PENSION TRUST FUND

FOR THE YEAR ENDED JUNE 30, 2011

Additions:		
Contributions:		
Employer		\$ 981,644
Plan members		<u>115,487</u>
Total contributions		1,097,131
Investment income		<u>1,785,785</u>
Total additions		<u>2,882,916</u>
Deductions:		
Benefits	\$ 972,805	
Administration	<u>108,972</u>	
Total deductions		<u>1,081,777</u>
Change in Net Assets		1,801,139
Net Assets Held in Trust for Pension Benefits, Beginning of Year		<u>10,435,984</u>
Net Assets Held in Trust for Pension Benefits, End of Year		<u>\$ 12,237,123</u>

The accompanying notes are an integral part of these financial statements

TOWN OF CLINTON, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Clinton, Connecticut (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant policies of the Town are described below.

A. Reporting Entity

The Town of Clinton was incorporated under the provisions of the Connecticut General Statutes. The Town operates by charter under the Town Meeting/Selectman form of government and provides the following services: public safety, public works (highway), planning and development, health and welfare, parks and recreation, education, public improvements and general administrative services. An elected six-member Board of Finance is responsible for providing fiscal annual operating budgets to the Annual Town Meeting. An elected seven-member Board of Education is responsible for the operation of the school system.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements.

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 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 and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. 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 fund and 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 for which they are levied. 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 and claims and judgments, are recorded only when payment is due.

Property taxes, charges for services, licenses 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. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received.

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 Town, except those required to be accounted for in another fund.

The Capital Projects Fund is used to account for the financial resources for the acquisition and construction of major capital facilities.

Additionally, the Town reports the following fund types:

The Internal Service Fund accounts for the self-insured activities related to Employee Dental Benefits and Police Heart and Hypertension claims.

The Pension Trust Fund accounts for the activities of the Town of Clinton Retirement System, which accumulates resources for pension benefit payments to qualified Police employees and Board of Education noncertified personnel.

The Agency Funds account for various activities held on behalf of others such as student activities and performance bonds.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989 generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and internal service funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes and other charges between certain Town functions because the elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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 property taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's internal service funds are charges to customers for benefits. Operating expenses for the internal service fund include the cost of benefits and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating 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. Unrestricted resources are used in the following order: committed, assigned then unassigned.

D. Deposits and Investments

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the Town to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and certain other investments as described in Note 3.

Investments are reported at fair value.

E. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." All trade and property tax receivables are shown net of an allowance for uncollectibles. Allowances for uncollectibles are computed using historical data.

F. Property Taxes

Property taxes are assessed as of October 1 and billed the following July. Real estate and personal property taxes are payable in two installments on July 1 and January 1. Motor vehicle bills are payable on July 1. Motor vehicle supplemental bills are payable on January 1. Payments not received within one month after the due date become delinquent, with interest charged at the rate of 1-1/2% per month. Assessments for real and personal property, excluding motor vehicles, are computed at 70% of the market value. Unpaid balances at June 30 are liened. An amount of \$37,000 has been established as an allowance for uncollectible taxes. At June 30, 2011, this represents 7.11% of all property taxes receivable.

G. Inventories and Prepaid Items

All inventories are valued at cost using the first-in/first-out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

H. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs 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 and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets is not included as part of the capitalized value of the assets constructed.

Property, plant and equipment is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50
Building improvements	10-25
Infrastructure	20-70
Improvements other than buildings	5-10
Vehicles	7-25
Machinery and tools	10
Office equipment	5
Computer equipment	5

I. Compensated Absences

Unused sick leave may be accumulated for certain employees up to a limit ranging from 50 to 240 days, depending upon the contracts in force, until termination, retirement or death, at which time payments will be made.

Liabilities for compensated absences are accrued at current salary rates in force at June 30, 2011. The liability for compensated absences is recorded in the government-wide statement of net assets.

J. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities 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 effective interest method. Bonds payable are reported net of any significant applicable bond premium or discount. Significant bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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.

K. Fund Equity

Equity in the government-wide financial statements is defined as “net assets” and is classified in the following categories:

Invested in Capital Assets, Net of Related Debt - This component of net assets consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

Restricted Net Assets - Net assets are restricted because they are externally imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The Town currently has no assets under restriction.

Unrestricted Net Assets - This component consists of net assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

The equity of the fund financial statements is defined as “fund balance” and is classified in the following categories:

Nonspendable Fund Balance - This represents amounts that cannot be spent due to form (e.g., inventories and prepaid amounts).

Restricted Fund Balance - This represents amounts constrained for a specific purpose by external parties, such as grantors, creditors, contributors, or laws and regulations of their governments.

Committed Fund Balance - This represents amounts constrained for a specific purpose by a government using its highest level of decision-making authority (Town of Clinton Board of Finance).

Assigned Fund Balance - For all governmental funds other than the General Fund, this represents any remaining positive amounts not classified as restricted or committed. For the General Fund, this includes amounts constrained for the intent to be used for a specific purpose by the Board of Finance or Finance Director, which has been delegated authority to assign amounts by the Town Charter.

Unassigned Fund Balance - This represents fund balance in the General Fund in excess of nonspendable, restricted, committed and assigned fund balance. If another governmental fund has a fund balance deficit, it is reported as a negative amount in unassigned fund balance.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

The Town’s Annual Budget Meeting is held on the first Wednesday in May. Each department, office, board, commission and agency seeking an annual appropriation are required to present itemized estimates of expenditures and revenues for the ensuing year to the Board of Selectmen. The Board of Selectmen make comments and recommendations and present the proposed general budget to the Board of Finance. Not less than 14 days prior to the Annual Budget Meeting, the Board of Finance holds a public hearing on the budget proposal. Five days prior to the Annual Budget Meeting, the Board of Finance is required to file its budget recommendation with the Town Clerk.

The Annual Budget Meeting has the power to decrease any appropriation recommended by the Board of Finance, but may not increase any appropriation or create a new appropriation. The Town general government budget and the Board of Education budget are voted on as separate resolutions. The Town Charter provides for procedures to be followed upon defeat of the recommended budget, and in the event of a referendum.

Town management may transfer amounts between line items within a department. The Board of Selectmen, upon approval of the Board of Finance, is authorized to transfer amounts between departmental accounts. The legal level of control is established at the departmental level. Appropriations generally lapse at the end of the fiscal year with the exception of appropriations for capital projects, which are carried forward until the project is completed.

The Board of Selectmen, with the approval of the Board of Finance, is authorized to approve additional appropriations from the contingency account not to exceed \$15,000 per department in any fiscal year. Transfers in excess of \$15,000, and special appropriations other than those from contingency, must be approved by vote of the Town Meeting. There were no supplemental appropriations during the fiscal year.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year end are reported as assigned fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

3. CASH, CASH EQUIVALENTS AND INVESTMENTS

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a “qualified public depository” as defined by Statute, or, in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit in an “out of state bank,” as defined by the Statutes, which is not a “qualified public depository.”

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 and 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. Other provisions of the Statutes cover specific municipal funds with particular investment authority. The provisions of the Statutes regarding the investment of municipal pension funds does not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the State Short-Term Investment Fund (STIF) and the State Tax Exempt Proceeds Fund (TEPF). These investment pools are under the control of the State Treasurer, with oversight provided by the Treasurer’s Cash Management Advisory Board, and are regulated under the State Statutes and subject to annual audit by the Auditors of Public Accounts. Investment yields are accounted for on an amortized-cost basis with an investment portfolio that is designed to attain a market-average rate of return throughout budgetary and economic cycles. Investors accrue interest daily based on actual earnings, less expenses and transfers to the designated surplus reserve, and the fair value of the position in the pool is the same as the value of the pool shares.

Deposits

Deposit Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposit will not be returned. The Town does not have a deposit policy for custodial credit risk. The deposit of public funds is controlled by the Connecticut General Statutes.

Deposits may be placed with any qualified public depository that has its main place of business in the State of Connecticut. Connecticut General Statutes require that each depository maintain segregated collateral (not required to be based on a security agreement between the depository and the municipality and, therefore, not perfected in accordance with federal law) in an amount equal to a defined percentage of its public deposits based upon the depository's risk-based capital ratio.

Based on the criteria described in GASB Statement No. 40, *Deposits and Investment Risk Disclosures*, \$8,300,807 of the Town's bank balance of \$9,751,348 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 7,414,586
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>886,221</u>
Total Amount Subject to Custodial Credit Risk	<u>\$ 8,300,807</u>

Cash Equivalents

At June 30, 2011, the Town's cash equivalents amounted to \$6,834,562. The following table provides a summary of the Town's cash equivalents (excluding U.S. government guaranteed obligations) as rated by nationally recognized statistical rating organizations. The pools have maturities of less than one year.

	<u>Standard & Poor's</u>	<u>Not Rated</u>
State Short-Term Investment Fund (STIF)	AAAm	
State Tax Exempt Proceeds Fund		X
Cutwater Asset Management - Cooperative Liquid Asset Security System (CLASS)	AAAm	

B. Investments

Investments as of June 30, 2011 in all funds are as follows:

<u>Investment Type</u>	<u>Credit Rating</u>	<u>Fair Value</u>	<u>Investment Maturity 1-10 yrs</u>
Interest bearing investments:			
Government Bonds	AAA	\$ 994,520	\$ 994,520
Foreign Bonds	AA3/AA-	82,526	82,526
Foreign Bonds	AA3/A+	138,464	138,464
Foreign Bonds	AA2/A	55,146	55,146
Foreign Bonds	BAA1/A-	113,655	113,655
Foreign Bonds	BAA3/BBB	55,169	55,169
Corporate Bonds	AA2/AA+	82,961	82,961
Corporate Bonds	AA2/AA-	85,158	85,158
Corporate Bonds	AA3/AA-	54,429	54,429
Corporate Bonds	AA3/A-	85,540	85,540
Corporate Bonds	A1/A+	55,270	55,270
Corporate Bonds	A1/A	139,822	139,822
Corporate Bonds	A2/A	109,260	109,260
Corporate Bonds	A2/A-	55,603	55,603
Corporate Bonds	A2/BBB+	55,866	55,866
Corporate Bonds	A3/A	56,637	56,637
Corporate Bonds	A3/A-	85,352	85,352
Corporate Bonds	BAA1/A-	53,941	53,941
Corporate Bonds	BAA2/BBB	167,735	167,735
Corporate Bonds	BAA2/BBB	113,096	113,096
Corporate Bonds	BAA3/BBB	54,901	54,901
Subtotal		2,695,051	\$ <u>2,695,051</u>
Other Investments:			
Mutual Funds	NA	<u>9,335,461</u>	
Total		\$ <u>12,030,512</u>	

Interest Rate Risk - The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - Investments - As indicated above, State Statutes limit the investment options of cities and towns. The Town does not have a formal investment policy that limits investment options.

Concentration of Credit Risk - The Town's investment policy does not specify a limit for an investment in any one issuer.

Custodial Credit Risk - Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk. At June 30, 2011, the Town did not have any uninsured and unregistered securities held by the counterparty or by its trust department or agent that were not in the Town's name.

4. RECEIVABLES

Receivables as of year end for the Town's individual major funds and nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Nonmajor and Other Funds</u>	<u>Total</u>
Receivables:			
Interest	\$ 323,838	\$	\$ 323,838
Taxes	520,059		520,059
Accounts	193,710	159,223	352,933
Intergovernmental	96,879	140,917	237,796
Gross receivables	<u>1,134,486</u>	<u>300,140</u>	<u>1,434,626</u>
Less allowance for uncollectibles	<u>(37,000)</u>	<u></u>	<u>(37,000)</u>
Net Total Receivables	<u>\$ 1,097,486</u>	<u>\$ 300,140</u>	<u>\$ 1,397,626</u>

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 also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue and unearned revenue reported in the governmental funds were as follows:

	<u>Unavailable</u>	<u>Unearned</u>
Accrued interest on delinquent property taxes	\$ 323,838	\$
Delinquent property taxes receivable	452,690	
Advanced collections		36,235
Grant drawdowns prior to meeting all eligibility requirements		52,640
School Building Grants	<u>6,551</u>	<u></u>
Total Deferred/Unearned Revenue for Governmental Funds	<u>\$ 783,079</u>	<u>\$ 88,875</u>

5. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,362,710	\$	\$	\$ 2,362,710
Construction in progress	1,541,461	1,558,620		3,100,081
Total capital assets not being depreciated	<u>3,904,171</u>	<u>1,558,620</u>	<u>-</u>	<u>5,462,791</u>
Capital assets being depreciated:				
Buildings	52,498,049	25,243		52,523,292
Improvements other than buildings	6,653,226	18,830		6,672,056
Machinery and equipment	7,052,143	84,979	(16,997)	7,120,125
Infrastructure	28,686,179	211,400		28,897,579
Total capital assets being depreciated	<u>94,889,597</u>	<u>340,452</u>	<u>(16,997)</u>	<u>95,213,052</u>
Less accumulated depreciation for:				
Buildings	(23,111,278)	(1,022,864)		(24,134,142)
Improvements other than buildings	(4,928,925)	(247,836)		(5,176,761)
Machinery and equipment	(4,845,280)	(311,198)	16,997	(5,139,481)
Infrastructure	(10,972,186)	(510,469)		(11,482,655)
Total accumulated depreciation	<u>(43,857,669)</u>	<u>(2,092,367)</u>	<u>16,997</u>	<u>(45,933,039)</u>
Total capital assets being depreciated, net	<u>51,031,928</u>	<u>(1,751,915)</u>	<u>-</u>	<u>49,280,013</u>
Governmental Activities Capital Assets, Net	<u>\$ 54,936,099</u>	<u>\$ (193,295)</u>	<u>\$ -</u>	<u>\$ 54,742,804</u>

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

Governmental activities:	
General government	\$ 52,980
Public safety	257,317
Public works	661,631
Health and welfare	1,580
Culture and recreation	191,630
Education	<u>927,229</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 2,092,367</u>

Construction Commitments

The Town has active construction projects as of June 30, 2011. The projects include road work, WASM restoration, Indian River Complex turf field and bulkheads. At year end, the Town had no major commitments with contractors.

6. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Individual fund interfund receivable and payable balances at June 30, 2011 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 450,403
Nonmajor Governmental Funds	General Fund	243,346
Capital Projects	General Fund	3,334,700
Internal Service Funds	General Fund	496,496
Fiduciary Funds	General Fund	<u>28,168</u>
 Total		 <u>\$ 4,553,113</u>

Interfund balances represent temporary amounts due that result when one fund pays bills for another fund.

Interfund transfers:

	<u>Transfers In</u>			<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental</u>	
Transfers out:				
General Fund	\$	\$ 893,626	\$ 95,000	\$ 988,626
Nonmajor Governmental	<u>246,623</u>	<u>47,641</u>		<u>294,264</u>
	<u>\$ 246,623</u>	<u>\$ 941,267</u>	<u>\$ 95,000</u>	<u>\$ 1,282,890</u>

All transfers are routine in nature and are used to move resources from one fund to another.

7. LONG-TERM DEBT

Governmental Activities

Changes in Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2011 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds payable	\$ 14,865,000	\$ 9,845,000	\$ 6,245,000	\$ 18,465,000	\$ 1,250,000
Less deferred amounts:					
On refunding	(369,299)	(37,398)	(246,905)	(159,792)	
For issuance discounts	(44,093)		(29,515)	(14,578)	
For issuance premiums	121,594	421,375	8,685	534,284	
Total bonds and notes payable	14,573,202	10,228,977	5,977,265	18,824,914	1,250,000
Estimated landfill closure costs	3,080,000			3,080,000	
Claims and judgments	153,549	41,262	58,949	135,862	54,462
Compensated absences	1,939,567	304,657	11,329	2,232,895	688,947
Capital leases	118,720		118,720	-	
Net OPEB obligation	659,874	306,318		966,192	
Net pension obligation	261,735		3,753	257,982	
Total Governmental Activities					
Long-Term Liabilities	<u>\$ 20,786,647</u>	<u>\$ 10,881,214</u>	<u>\$ 6,170,016</u>	<u>\$ 25,497,845</u>	<u>\$ 1,993,409</u>

A schedule of bonds as of June 30, 2011 is as follows:

<u>Description</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Interest Rate (%)</u>	<u>Balance Outstanding June 30, 2011</u>
School bonds	2004	\$ 3,665,000	3.5-5.5	\$ 212,000
General obligation	2004	6,705,000	3.5-5.5	388,000
Refunding general obligation bonds	2004	7,642,000	2.5-4.25	1,988,000
Refunding school bonds	2004	3,083,000	2.5-4.25	1,087,000
School bonds	2009	1,060,459	4.00-4.125	1,060,459
General obligation	2009	3,884,541	4.00-4.125	3,884,541
General obligation - Series A	2011	4,231,903	3.00-4.125	4,231,903
School bonds - Series A	2011	788,097	3.00-4.125	788,097
Refunding general obligation bonds - Series B	2011	3,251,000	3.00-4.00	3,251,000
Refunding school bonds - Series B	2011	1,574,000	3.00-4.00	1,574,000
Total				<u>\$ 18,465,000</u>

The following is a schedule of bond maturities as of June 30, 2011:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 1,250,000	\$ 675,066	\$ 1,925,066
2013	1,240,000	659,686	1,899,686
2014	1,285,000	618,486	1,903,486
2015	1,285,000	573,586	1,858,586
2016	1,285,000	528,686	1,813,686
2017-2021	6,420,000	1,911,230	8,331,230
2022-2026	4,330,000	685,372	5,015,372
2027-2031	1,370,000	171,842	1,541,842
	<u>\$ 18,465,000</u>	<u>\$ 5,823,954</u>	<u>\$ 24,288,954</u>

On December 29, 2004, the Town issued \$10,725,000 in general obligation bonds to partially refund \$9,825,000 of outstanding 1997 and 2004 bonds. The net proceeds were used to purchase U.S. Government Securities, which were deposited in an irrevocable trust with an escrow agent to provide selected debt service payments on the refunded bonds. As a result, the above portion of the bonds is considered to be defeased and the applicable liabilities have been removed from the governmental activities column of the statement of net assets. The balance of the defeased bonds outstanding at June 30, 2011 is \$7,200,000.

On February 24, 2011, the Town issued \$4,825,000 in general obligation bonds with an interest rate of 3.0 - 4.0% to partially refund \$5,060,000 of outstanding 2004 refunding bonds with an interest rate of 2.50 - 4.25%. This refunding was undertaken to reduce total debt service payments over the next 10 years by \$239,068 resulting in a net present value savings of \$231,203. The net proceeds of \$5,097,398 (after payment of \$75,059 in underwriter's discount and other issuance costs) were used to purchase U.S. Government Securities, which were deposited in an irrevocable trust with an escrow agent to provide selected debt service payments on the refunded bonds. As a result, the above portion of the bonds is considered to be defeased and the applicable liabilities have been removed from the governmental activities column of the statement of net assets. The balance of the defeased bonds outstanding at June 30, 2011 has been called.

On February 24, 2011, the Town issued \$5,020,000 in general obligation bonds with an interest rate of 3.0 - 4.125% to fund the Emergency Communication Systems Upgrade and portions of the 2006-07 Capital Projects.

The Town's indebtedness does not exceed the legal debt limitations as required by the Connecticut General Statutes as reflected in the following schedule:

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General purpose	\$ 83,670,568	\$ 13,808,759	\$ 69,861,809
Schools	167,341,136	4,715,005	162,626,131
Sewers	139,450,946		139,450,946
Urban renewal	120,857,487		120,857,487
Pension deficit	111,560,757		111,560,757

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$260,308,433. School building grants receivable of \$6,551 is reflected in the computation of net indebtedness. Net indebtedness also includes bonds authorized-unissued in the amount of \$65,315 as detailed below.

A schedule of bonds authorized but unissued included in the debt limit calculation is presented below:

	<u>Authorized</u>	<u>Debt Issued</u>	<u>Unissued</u>
Emergency Communications System Upgrade	\$ 3,420,000	\$ 3,354,685	\$ 65,315

8. RISK MANAGEMENT

The Town is exposed to various risks of loss including torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town generally obtains commercial insurance for these risks, but has chosen to retain the risks for employee dental claims (Dental Benefits Fund) and heart/hypertension benefits paid to public safety employees provided by the State of Connecticut Workers' Compensation Act, Section 7-433c. The amount of claim settlements has not exceeded insurance coverage for each of the past three years. There were no significant reductions in insurance coverage from the prior year in any major category of risk.

The Dental Benefits Fund and the Police Heart and Hypertension Fund are both reported as internal service funds. Contributions to these funds are made by the Town based upon estimates made using historical data. The Town's self-insurance dental benefit plan is administered by Anthem Blue Cross/Blue Shield of Connecticut. As of June 30, 2011, a claim liability of \$41,262 and \$94,600 has been recorded in the Dental Benefits Fund and Police Heart and Hypertension Fund, respectively, to reflect estimated claims incurred but not reported. Changes in the balances of claims liabilities during the fiscal year is as follows:

	<u>Dental Benefits Fund</u>		<u>Police Heart and Hypertension Fund</u>	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Unpaid claims, beginning of year	\$ 45,749	\$ 46,714	\$ 107,800	\$ 121,000
Incurred claims (including IBNR)	885,825	941,909		79,378
Claim payments	<u>(890,312)</u>	<u>(942,874)</u>	<u>(13,200)</u>	<u>(92,578)</u>
Unpaid Claims, End of Year	<u>\$ 41,262</u>	<u>\$ 45,749</u>	<u>\$ 94,600</u>	<u>\$ 107,800</u>

9. LANDFILL CLOSURE

The Town is in the process of closing its municipal landfill in accordance with the requirements of the State of Connecticut Department of Environmental Protection and the Federal Environmental Protection Agency. The estimated cost to complete the project is \$3,080,000, which includes monitoring costs in accordance with the Federal and State requirements. An appropriation of \$350,000 has been established within the General Fund to partially fund the closure; however, no expenditures have been incurred as of the fiscal year ended June 30, 2011. The balance will be funded through appropriations in the annual General Fund operating budget. The actual cost for the closure may be increased due to inflation, changes in technology or changes in laws and regulations. Since none of these costs are expected to be paid from currently available resources, the liability for the postclosure period is recorded in the statement of net assets.

10. EMPLOYEE RETIREMENT SYSTEMS AND PENSION PLANS

A. Police Employees' Retirement Plan

Plan Description

The Town of Clinton is the administrator of a single-employer Public Employee Retirement System (PERS) established and administered by the Town to provide pension benefits for its police officers. The PERS is considered to be part of the Town's financial reporting entity and is included in the Town's financial reports as a pension trust fund.

The Police Pension Plan provides retirement, disability and death benefits to plan members and their beneficiaries. All regular police employees hired who attain the age of 18 are eligible, on the first day of the following plan year, to participate. Benefits vest after ten years of service. Normal retirement is age 55 with 25 years of service. The Police Pension Committee, which consists of the Chairman of the Police Commission, the Chairman of the Board of Finance and the First Selectman, has the authority to establish and amend the benefit provisions for the plan.

As of July 1, 2009, PERS membership consisted of:

Retirees, disabled and beneficiaries currently receiving benefits	12
Terminated plan members entitled to benefits but not yet receiving them	1
Current plan members	<u>25</u>
Total	<u><u>38</u></u>

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting: PERS financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized as revenues in the period in which employee services are performed. Benefit payments and refunds are recorded when due and payable in accordance with the terms of the Plan.

Method Used to Value Investments: Investments are reported at fair value.

Funding Policy

The Town's funding policy provides for periodic employer contributions approximating the actuarially determined recommended contribution. Employees contribute 6% of their compensation to the plan. Administrative costs of the Plan are financed through investment earnings. Contributions are established and may be amended by the Board of Selectman. The contribution rate for the year beginning July 1, 2009 amounted to 33.6% of covered payroll.

Annual Pension Cost

The Town's annual pension cost and net pension obligation to the PERS for the current year were as follows:

Annual required contribution	\$ 681,644
Interest on NPO	20,939
Adjustment to annual required contribution	<u>(24,692)</u>
Annual pension cost	677,891
Contribution made	<u>681,644</u>
Decrease in net pension obligation	(3,753)
Net pension obligation beginning of year	<u>261,735</u>
Net Pension Obligation End of Year	<u><u>\$ 257,982</u></u>

The following is a summary of certain significant actuarial assumptions and other PERS information:

Actuarial valuation date	July 1, 2009
Actuarial cost method	Projected Unit Credit
Amortization method	Level dollar
Remaining amortization period	20 year open
Asset valuation method	5 year smoothing
Actuarial assumptions:	
Investment rate of return	8.0%
Projected salary increases	4.5%
Cost of living adjustments	4% commencing at age 62 for nonbargaining participants. Members of bargaining unit employed as of May 1, 1998, 1% per year subsequent to age 62, and 3% per year subsequent to the attainment of age 65.

Trend Information

<u>Fiscal Year</u>	<u>Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/09	\$ 513,374	89.4%	\$ 265,543
6/30/10	557,716	100.7	261,735
6/30/11	677,891	100.6	257,982

Pension Plan Required Supplementary Information

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Liability(AAL) (b)</u>	<u>Funded (Unfunded) AAL (UAAL) (a-b)</u>	<u>Percentage Funded (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a % of Covered Payroll ((a-b)/c)</u>
7/1/04	\$ 5,552,440	\$ 8,492,775	\$ (2,940,335)	65.4%	\$ 1,622,863	181.2%
7/1/05	6,061,546	9,513,430	(3,451,884)	63.7	1,618,553	213.3
7/1/06	6,837,161	10,178,352	(3,341,191)	67.2	1,710,989	195.3
7/1/07	7,529,353	11,089,686	(3,560,333)	67.2	1,832,707	194.3
7/1/08	8,216,786	11,971,020	(3,754,234)	68.6	1,843,169	203.7
7/1/09	8,255,570	12,801,996	(4,546,426)	64.5	2,028,254	224.2

Schedule of Employer Contributions

	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
6/30/06	\$ 439,851	130%
6/30/07	464,467	95
6/30/08	459,017	100
6/30/09	516,402	89
6/30/10	561,524	100
6/30/11	681,644	100

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated.

B. Town of Clinton Board of Education Noncertified Personnel Pension Plan

Plan Description

The Town of Clinton Board of Education is the administrator of a single-employer PERS established and administered by the Board of Education to provide pension benefits to the noncertified employees of the Board of Education. The PERS is considered part of the Town of Clinton's financial reporting entity and is included in the Town's financial reports as a pension trust fund. The Board of Education establishes and amends the benefit provisions for the plan.

Town of Clinton Board of Education Noncertified Personnel Pension Plan provides retirement benefits as well as death benefits and disability benefits. Employees who have attained the age of 20-1/2 are eligible to participate in the plan on July 1, following the completion of six months of employment. Benefits vest after reaching age 65 or the tenth anniversary of entry into the plan. Normal retirement is age 65 with an early retirement option that includes a reduced benefit.

As of July 1, 2009, PERS membership consisted of:

Inactive participants entitled to deferred vested benefits	18
Retirees currently receiving benefits	6
Current employees:	
Vested	37
Partial vested	18
Not yet vested	18
	<hr/>
Total	97
	<hr/> <hr/>

Summary of Significant Accounting Policies and Plan Asset Matters

Basis of Accounting: PERS financial statements are prepared using the accrual basis of accounting. Employer contributions are recognized as revenues in the period in which employee services are performed. Benefit payments and refunds are recorded when due and payable in accordance with the terms of the Plan.

Method Used to Value Investments: Investments are reported at fair value.

Funding Policy

The Board of Education's funding policy provides for periodic employer contributions approximating the actuarially determined recommended contribution. Employees contribute 1% of their compensation to the plan. Administrative costs are funded from investment earnings. The contribution rate for the year beginning July 1, 2009 amounted to 14.02% of covered payroll. Contributions are established and amended by the Board of Education.

Annual Pension Cost and Net Pension Obligations

The Board's annual pension cost and net pension obligation to the PERS for the current year were as follows:

Annual required contribution	\$ 299,083
Interest on net pension obligation	(8,117)
Adjustment to annual required contribution	<u>8,019</u>
Annual pension cost	298,985
Contributions made	<u>300,000</u>
Decrease in net pension obligation	(1,015)
Net pension asset, beginning of year	<u>(115,953)</u>
Net Pension Asset, End of Year	<u><u>\$ (116,968)</u></u>

The annual required contribution for the current year was determined as part of the July 1, 2009 actuarial valuation using the Entry Age Normal Cost Method. The actuarial assumptions included (a) 7.0% and 6.0% investment rate of return pre-termination and post-termination, respectively, and (b) projected salary increases of 4% per year. The amortization period is 20 years, closed.

Trend Information

<u>Fiscal Year Ended</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation (Asset)</u>
6/30/09	\$ 260,609	115.10%	\$ (88,387)
6/30/10	272,434	110.10	(115,953)
6/30/11	298,985	100.30	(116,968)

Pension Plan Required Supplementary Information

Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability(AAL) (b)</u>	<u>Funded (Unfunded) AAL (UAAL) (a-b)</u>	<u>Percentage Funded (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a % of Covered Payroll ((a-b)/c)</u>
7/1/04	\$ 1,786,001	\$ 3,081,903	\$ (1,295,902)	58.0%	N/A	N/A
7/1/05	2,072,578	3,307,298	(1,234,720)	62.7	\$ 1,790,085	69.0%
7/1/06	2,337,627	3,655,049	(1,317,422)	64.0	1,927,805	68.3
7/1/07	2,615,341	3,991,909	(1,376,568)	69.0	1,933,752	69.0
7/1/08	2,982,734	4,377,785	(1,395,051)	68.1	2,147,266	65.0
7/1/09	3,140,941	4,795,521	(1,654,580)	65.5	2,133,017	77.6

Schedule of Employer Contributions

		Annual Required Contribution	Percentage Contributed
6/30/06	\$	289,657	103.57%
6/30/07		289,551	103.60
6/30/08		277,579	108.07
6/30/09		260,878	115.00
6/30/10		272,725	110.00
6/30/11		299,083	100.30

C. Financial Information for the Separate Plans

Statement of Net Assets

	Employee Retirement Funds		
	Board of Education		
	Police Pension Fund	Noncertified Personnel Pension Fund	Total
Assets:			
Cash and cash equivalents	\$ 86,491	\$	\$ 86,491
Investments - mutual funds	5,746,422	3,589,039	9,335,461
Investments - bonds	2,695,051		2,695,051
Accounts receivable	120,120		120,120
Net Assets Held in Trust for Pension Benefits	\$ <u>8,648,084</u>	\$ <u>3,589,039</u>	\$ <u>12,237,123</u>

	Employee Retirement Funds		
	Police Pension Fund	Board of Education	
		Noncertified Personnel Pension Fund	Total
Additions:			
Contributions:			
Employer	\$ 681,644	\$ 300,000	\$ 981,644
Plan members	91,529	23,958	115,487
Total contributions	<u>773,173</u>	<u>323,958</u>	<u>1,097,131</u>
Investment income:			
Net appreciation in fair value of investments	<u>1,355,817</u>	<u>429,968</u>	<u>1,785,785</u>
Total additions	<u>2,128,990</u>	<u>753,926</u>	<u>2,882,916</u>
Deductions:			
Benefits, annuities and lump-sum distributions	810,208	162,597	972,805
Administrative and other expenses	<u>89,894</u>	<u>19,078</u>	<u>108,972</u>
Total deductions	<u>900,102</u>	<u>181,675</u>	<u>1,081,777</u>
Net increase	1,228,888	572,251	1,801,139
Net assets held in trust for pension benefits, July 1, 2010	<u>7,419,196</u>	<u>3,016,788</u>	<u>10,435,984</u>
Net Assets Held in Trust for Pension Benefits, June 30, 2011	<u>\$ 8,648,084</u>	<u>\$ 3,589,039</u>	<u>\$ 12,237,123</u>

D. Municipal Employees' Retirement System

Full-time Town employees participate in the Municipal Employees' Retirement Fund (MERF), a cost-sharing multiple-employer PERS established by the State of Connecticut and administered by the State Retirement Commission to provide retirement and disability benefits, annual cost-of-living adjustments and death benefits to the employees and beneficiaries of participating municipalities. Chapter 113 Part II of the General Statutes of Connecticut, which can be amended by legislative action, establishes PERS benefits, member contribution rates and other plan provisions. MERF 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 or by calling 860-702-3480.

Funding Policy - Plan members are required by State Statute to contribute 2-1/4% of earnings upon which Social Security tax is paid plus 5% of earnings on which no Social Security tax is paid. Each participating municipality is required to contribute at an actuarially determined rate. The contribution requirements of the Town are established and may be amended by the State Retirement Commission. The current rate of contribution for the Town is 9.5% of covered payroll. The Town's contributions to MERF for the years ended June 30, 2011, 2010 and 2009 were \$228,275, \$181,476, and \$173,586, respectively, equal to the required contributions for each year.

E. Teachers' Retirement System

All Town certified teachers participate in the State of Connecticut Teachers' Retirement System under Section 10.183 of the General Statutes of the State of Connecticut. A teacher is eligible to receive a normal retirement benefit if he or she has: 1) attained age 60 and has accumulated 20 years of credited service in the public schools of Connecticut, or 2) attained any age and has accumulated 35 years of credited service, at least 25 years of which are service in the public schools of Connecticut.

The Town withholds 7.25% of all teachers' annual salaries and transmits the funds to the State Teachers' Retirement Board. Teacher payroll subject to retirement amounted to \$14,782,900 or 82.70% of the total Board of Education payroll of \$17,875,315.

The retirement system for teachers is funded by the State based upon the recommendation of the Teachers' Retirement Board. Such contribution includes amortization of actuarially computed unfunded liability. The Town does not have any liability for teacher pensions. For the year ended June 30, 2011, the Town has recorded, in the General Fund, intergovernmental revenue and education expenditures in the amount of \$2,349,901 as payments made by the State of Connecticut on behalf of the Town.

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.

11. OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description

The Town, in accordance with various collective bargaining agreements, is committed to providing medical benefits to certain eligible retirees and their spouses. The Post-Retirement Medical Program (RMP) is a single employer defined benefit plan and covers Town and Board of Education employees. Eligible retirees and their spouses can receive medical and life insurance in accordance with the plan documents. The percentage contribution and eligibility of the employees and retirees for these benefits vary and are detailed within the Town's various bargaining agreements. The Town does not issue a separate stand-alone financial statement for this program.

Plan membership per their latest actuarial valuation consisted of the following:

	<u>Board of Education</u>	<u>Town</u>
Retired participants and spouses	48	26
Active plan members	284	79
 Total Participants	<u>332</u>	<u>105</u>
 Valuation Date	6/30/09	7/1/10

B. Funding Policy

The Town's funding and payment of postemployment benefits are accounted for in the General Fund on a pay-as-you-go basis. The Town has not established a trust fund to irrevocably segregate assets to fund the liability associated with postemployment benefits in accordance with GASB guidelines. The Town is currently developing a funding strategy to provide for normal cost and the amortization of the accrued liability. Although a trust fund may not be established in the future to exclusively control the funding and reporting of postemployment benefits, the Town anticipates a commitment to fund normal cost and a long-term approach to the amortization of the actuarial accrued liability. The goal is to absorb, within the budgetary process, the actual cost of benefits in the determination of the costs of providing services to taxpayers.

The Town's funding strategy for postemployment obligations are based upon characteristics of benefits on two distinct groups of employees established within their respective collective bargaining units and/or contracts and include the following:

- Clinton Board of Education Retirees are required to pay 100% of the health premium for self and spouse, less the \$1,320 annual CT Teachers Retirement Board subsidy who retire from the school system meeting the following criteria by bargaining group:
 - Teachers and Administrators are eligible at the earliest of age 60 with 20 years of service, or completion of 35 years of service regardless of age for normal retirement and earliest of age 60 with 10 years of service, any age with 25 years of service, or age 55 with 20 years of service under early retirement.
 - BOE Non-Certified employees are eligible for retirement at age 65 with 10 years of service. Early retirement is age 55 with 10 years of service.
- The Town of Clinton funds 100% of the cost of life insurance and medical insurance for Town Employees who retire meeting the following criteria by bargaining group:
 - Administrative employees at the Town are eligible to receive life insurance at age 55 with 10 years of service and medical insurance only if they retire after age 65 with 10 years of service. Administrators' life insurance is \$10,000.
 - Police employees age 55 with 10 years of continuous service or age 55 and 15 years of noncontinuous service or 25 years of service have access to a Major Medical plan until age 62 at no cost to the retiree.

- All other Town employees are eligible to receive life insurance at age 55 and 10 years of service and medical insurance only if they retire after age 65 with 10 years of service. Eligible life insurance for these individuals is \$5,000.
- Only two existing retirees have spouse coverage, and no future retirees are eligible for spouse coverage.

C. Annual OPEB Cost and Net OPEB Obligations

The Town of Clinton’s annual other postemployment benefit (OPEB) cost is calculated based on the annual required contribution (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 30 years. The following table shows the components of the Town’s annual OPEB cost for the year, the amount actually contributed to the plan and changes in the Town’s net OPEB obligation:

	<u>Board of Education</u>	<u>Town</u>	<u>Total</u>
Annual required contribution (ARC)	\$ 586,000	\$ 146,600	\$ 732,600
Interest on net OPEB obligation	23,371	3,000	26,371
Adjustment to annual required contribution	<u>(20,953)</u>	<u>(4,200)</u>	<u>(25,153)</u>
Annual OPEB cost	588,418	145,400	733,818
Contributions made	<u>320,000</u>	<u>107,500</u>	<u>427,500</u>
Increase in net OPEB obligation	268,418	37,900	306,318
Net OPEB obligation, beginning of year	<u>584,274</u>	<u>75,600</u>	<u>659,874</u>
Net OPEB Obligation, End of Year	<u>\$ 852,692</u>	<u>\$ 113,500</u>	<u>\$ 966,192</u>

The Town and Board of Education’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal years ended June 30 is presented below. The year of transition was June 30, 2009.

<u>Fiscal Year Ending</u>	<u>Annual OPEB Cost (AOC)</u>	<u>Actual Contribution</u>	<u>Percentage of AOC Contributed</u>	<u>Net OPEB Obligation</u>
6/30/09	\$ 696,600	\$ 339,000	48.7%	\$ 357,600
6/30/10	698,574	396,300	56.73%	659,874
6/30/11	733,818	427,500	58.26%	966,192

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 accrual results are compared with past expectations and new estimates are made about the future. Projections for 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 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.

Schedule of Funding Progress - Board of Education

<u>Actuarial Valuation Date</u>		<u>Actuarial Accrued Liabilities (AAL)</u>	<u>Unfunded AAL</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
6/30/09	\$	9,535,000	\$ 9,535,000	0%	\$ N/A	N/A

Schedule of Funding Progress - Town

<u>Actuarial Valuation Date</u>		<u>Actuarial Accrued Liabilities (AAL)</u>	<u>Unfunded AAL</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
7/1/2008	\$	1,880,100	\$ 1,880,100	0%	\$ 4,276,800	44%
7/1/2010		2,249,400	2,249,400	0%	4,743,900	47%

Schedule of Employer Contributions - Board of Education

<u>Year Ended</u>		<u>Annual Required Contribution</u>	<u>Actual Contribution</u>	<u>Percentage Contributed</u>
6/30/09	\$	553,000	\$ 245,000	44.30%
6/30/10		553,000	278,000	50.27
6/30/11		586,000	320,000	54.61

Schedule of Employer Contributions - Town

<u>Year Ended</u>		<u>Annual Required Contribution</u>	<u>Actual Contribution</u>	<u>Percentage Contributed</u>
6/30/09	\$	143,600	\$ 94,000	65%
6/30/10		145,100	118,300	82
6/30/11		146,600	107,500	73

In the June 30, 2009 actuarial valuation for the Board of Education, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.0% investment rate of return, which is the rate of the expected long-term investment returns of plan assets calculated based on the funding policy of the plan at the valuation date. The actuarial value of assets was determined using the closed group method. The UAAL is being amortized on a level percent basis with a remaining amortization period at June 30, 2011 of 28 years.

In the July 1, 2010 actuarial valuation for the Town employees, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.0% investment rate of return, which is the rate of the expected long-term investment returns of plan assets calculated based on the funding policy of the plan at the valuation date. The actuarial value of assets was determined using the open group method. The UAAL is being amortized each year over a constant 30-year period, as a level dollar amount.

12. CONTINGENT LIABILITIES

The Town of Clinton is currently a defendant in a number of lawsuits. It is the opinion of Town officials and legal counsel that such pending litigation will not be finally determined so as to result individually or in the aggregate in a final judgement against the Town that would materially adversely affect its financial position.

13. FUND BALANCE COMPONENTS

The components of fund balance for the governmental funds at June 30, 2011 are as follows:

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Fund balances:				
Nonspendable:				
Inventory	\$	\$	\$ 15,943	\$ 15,943
Prepaid items	70,044			70,044
Restricted for:				
General government			5,145	5,145
Education			393,366	393,366
Public safety			5,066	5,066
Public works			34,967	34,967
Health and welfare			27,735	27,735
Culture and recreation			6,008	6,008
Committed to:				
Landfill closure	350,000			350,000
Public safety			20,578	20,578
Health and welfare			7,579	7,579
Culture and recreation			118,037	118,037
Education			49,225	49,225
Capital projects		3,229,778		3,229,778
Assigned to:				
Subsequent year's budget	250,000			250,000
General government	29,000			29,000
Public safety	2,180			2,180
Public works	11,694			11,694
Planning and development	7,108			7,108
Health and welfare	160			160
Culture and recreation	2,381			2,381
Education	542,069			542,069
Unassigned	7,350,305			7,350,305
Total Fund Balances	<u>\$ 8,614,941</u>	<u>\$ 3,229,778</u>	<u>\$ 683,649</u>	<u>\$ 12,528,368</u>

14. PRIOR PERIOD ADJUSTMENTS

During the year, the Town implemented GASB Statement No. 54. This required the Town to review its special revenue funds and determine if it has a revenue source that is restricted or committed for a specific purpose. This revenue source also needs to constitute a substantial portion of the resources in the fund. As a result, the landfill closure fund amounting to \$350,000 did not meet those requirements and is now reported as part of the General Fund.

TOWN OF CLINTON, CONNECTICUT

GENERAL FUND

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED JUNE 30, 2011

	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Property taxes:				
Current taxes	\$ 36,405,690	\$ 36,405,690	\$ 36,575,202	\$ 169,512
Prior year's levies	75,000	75,000	208,013	133,013
Tax interest/liens/fees	60,000	60,000	170,650	110,650
Supplemental motor vehicle	110,000	110,000	181,557	71,557
Total property taxes	<u>36,650,690</u>	<u>36,650,690</u>	<u>37,135,422</u>	<u>484,732</u>
Intergovernmental revenues:				
General Government:				
State of Connecticut and Federal Government:				
Town aid road	137,624	137,624	137,537	(87)
Mashantucket Pequot	36,106	36,106	35,848	(258)
Totally disabled persons	700	700	1,031	331
Boat reimbursement			51,476	51,476
Property tax relief veterans	15,000	15,000	14,522	(478)
Miscellaneous	100	100	18,035	17,935
Local capital improvement	89,295	89,295	90,328	1,033
Equipment credit	150,000	150,000	168,444	18,444
State property grant	35,699	35,699	35,904	205
Civil preparedness	2,500	2,500		(2,500)
Tax relief			102,374	102,374
Total general government	<u>467,024</u>	<u>467,024</u>	<u>655,499</u>	<u>188,475</u>
Education:				
State of Connecticut and Federal Government:				
Education cost sharing	5,633,939	5,633,939	5,572,835	(61,104)
Recovery Act funding	922,422	922,422	922,422	-
School building grants	10,000	10,000	47,672	37,672
Special education	583,841	583,841	585,249	1,408
Total education	<u>7,150,202</u>	<u>7,150,202</u>	<u>7,128,178</u>	<u>(22,024)</u>
Total intergovernmental revenue	<u>7,617,226</u>	<u>7,617,226</u>	<u>7,783,677</u>	<u>166,451</u>

(Continued on next page)

TOWN OF CLINTON, CONNECTICUT

**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Charges for services:				
General Government:				
Telephone access lines	\$ 65,000	\$ 65,000	\$ 39,747	\$ (25,253)
W.S.A.M. trust	30,000	30,000	40,714	10,714
W.S.A.M. rental	4,500	4,500	7,059	2,559
Boat Moorings/launch pass	75,000	75,000	107,007	32,007
Z.B.A.	4,000	4,000	2,740	(1,260)
Planning and zoning	12,000	12,000	14,420	2,420
Park and recreation passes	10,500	10,500	15,505	5,005
Real estate conveyance tax	110,000	110,000	114,982	4,982
Building fees	50,000	50,000	99,571	49,571
Town property rentals	7,500	7,500	10,544	3,044
Transfer station	55,000	55,000	61,971	6,971
Dog boarding fees	100	100	290	190
Inland/wetland fees	1,500	1,500	377	(1,123)
Police miscellaneous	5,000	5,000	8,859	3,859
Town Clerk fees	70,000	70,000	84,678	14,678
Vitals	5,000	5,000	11,196	6,196
Contracted police services	18,000	18,000	21,997	3,997
Sale of fixed assets			19,000	19,000
Refund workers' compensation			14,018	14,018
Scrap metal fees	5,000	5,000	25,974	20,974
Total charges for services	<u>528,100</u>	<u>528,100</u>	<u>700,649</u>	<u>172,549</u>
Other revenues:				
Miscellaneous	<u>5,000</u>	<u>5,000</u>	<u>174,619</u>	<u>169,619</u>
Income on investments:				
Investment income	<u>120,000</u>	<u>120,000</u>	<u>85,108</u>	<u>(34,892)</u>
Total revenues	<u>44,921,016</u>	<u>44,921,016</u>	<u>45,879,475</u>	<u>958,459</u>

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TOWN OF CLINTON, CONNECTICUT

**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)**

FOR THE YEAR ENDED JUNE 30, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Other Financing Sources:				
Transfer from Miscellaneous Grants Fund	\$	\$	\$ 237,168	\$ 237,168
Transfer from Educational Grants Fund			9,455	9,455
Total other financing sources	<u>-</u>	<u>-</u>	<u>246,623</u>	<u>246,623</u>
 Total Revenues and Other Financing Sources	 \$ <u>44,921,016</u>	 \$ <u>44,921,016</u>	 46,126,098	 \$ <u>1,205,082</u>
 Budgetary revenues are different than GAAP revenues because:				
State of Connecticut "on-behalf" contributions to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.			2,349,901	
Underliquidation of prior year encumbrances is recorded as miscellaneous revenue for budgetary reporting. This amount is excluded for financial reporting purposes.			<u>(136,703)</u>	
 Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds Exhibit IV			 \$ <u>48,339,296</u>	

TOWN OF CLINTON, CONNECTICUT

GENERAL FUND

SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS)

FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
General Government:				
First Selectman	\$ 154,218	\$ 173,218	\$ 173,005	\$ 213
Finance	153,730	161,619	161,617	2
Elections and Meetings	26,536	29,964	29,962	2
Town Clerk	142,871	144,803	144,059	744
Assessor	126,720	117,620	113,102	4,518
Tax Collector	136,677	136,677	132,360	4,317
Probate	3,700	3,700	3,700	-
WSAM Maintenance	149,347	157,053	157,053	-
Technology	167,555	168,055	166,489	1,566
Social Security	418,000	402,287	402,286	1
Health/Life Insurance	1,533,033	1,439,079	1,439,079	-
Pension Plan Highway	65,000	73,089	73,088	1
Pension Plan Police	561,524	681,644	681,644	-
Pension Plan Other	208,000	226,811	226,811	-
Worker's Compensation Insurance	347,728	327,314	327,314	-
Employee Insurance	1,400	1,400	1,186	214
Secretarial for Boards/Commissions	13,000	13,000	12,742	258
Overtime/Coverage	3,500			-
Unemployment Compensation	1,000	8,177	8,177	-
Travel Expense	15,000	12,593	10,182	2,411
Heat/Hot Water	145,000	154,412	154,412	-
Electricity	262,650	269,091	269,091	-
Telephone	99,000	99,000	98,519	481
Legal Ads	25,000	22,829	22,829	-
Town Counsel	57,000	57,000	57,000	-
Other Legal Fees	32,000	55,619	55,618	1
Union Negotiator	65,000	50,667	50,666	1
Insurance	269,603	243,066	243,066	-
Audit and Accounting	40,000	46,700	46,700	-
Annual Town Report	8,000	7,826	7,186	640
Copy Equipment	11,000	11,000	10,525	475
Land Records Index Audit	2,500	2,500	1,931	569
Holiday Activities	500	500	206	294
Board of Assessment Appeal	1,200	1,200	1,138	62

(Continued on next page)

TOWN OF CLINTON, CONNECTICUT

GENERAL FUND

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance Positive (Negative)
General Government (continued):				
Special Events	\$ 12,000	\$ 21,698	\$ 21,697	\$ 1
Town Building Emergencies	15,000	15,000	14,938	62
Miscellaneous Administrative	8,500	8,888	8,888	-
Other Services	355,867	167,504	131,554	35,950
Total general government	<u>5,638,359</u>	<u>5,512,603</u>	<u>5,459,820</u>	<u>52,783</u>
Public Safety:				
Fire Department	268,325	268,325	268,184	141
Fire Marshal	23,500	23,500	22,065	1,435
Communication	419,299	416,799	416,512	287
Police	2,314,812	2,356,250	2,320,931	35,319
Animal Control	63,272	63,272	62,232	1,040
Civil Preparedness	4,985	4,985	4,500	485
Water and Hydrants	356,000	329,598	329,598	-
Street Lighting	121,000	121,000	119,202	1,798
Total public safety	<u>3,571,193</u>	<u>3,583,729</u>	<u>3,543,224</u>	<u>40,505</u>
Public Works	<u>1,475,792</u>	<u>1,577,666</u>	<u>1,541,733</u>	<u>35,933</u>
Planning and Development:				
Economic Development	4,250	4,250	2,007	2,243
Inland/Wetland	63,218	63,218	63,120	98
Planning and Zoning	67,558	73,796	73,794	2
Zoning Board of Appeals	3,330	3,356	3,352	4
Building Department	98,340	101,433	101,433	-
Total planning and development	<u>236,696</u>	<u>246,053</u>	<u>243,706</u>	<u>2,347</u>
Health and Welfare:				
Water Pollution Control	217,052	217,052	211,118	5,934
Youth Family	169,400	170,263	170,241	22
Social Services	34,810	34,810	32,942	1,868
Total health and welfare	<u>421,262</u>	<u>422,125</u>	<u>414,301</u>	<u>7,824</u>
Library	<u>693,500</u>	<u>693,500</u>	<u>693,500</u>	<u>-</u>

(Continued on next page)

TOWN OF CLINTON, CONNECTICUT

GENERAL FUND

**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES
BUDGET AND ACTUAL (NON-GAAP BUDGETARY BASIS) (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Parks and Recreation:				
Parks and Recreation Department	\$ 222,994	\$ 222,994	\$ 217,219	\$ 5,775
Harbor Commission	37,125	38,146	38,107	39
Shellfish Commission	4,000	4,105	4,104	1
Total parks and recreation	<u>264,119</u>	<u>265,245</u>	<u>259,430</u>	<u>5,815</u>
Debt Service	<u>1,812,756</u>	<u>1,812,756</u>	<u>1,770,376</u>	<u>42,380</u>
Education	<u>30,068,713</u>	<u>30,068,713</u>	<u>29,969,983</u>	<u>98,730</u>
Total Expenditures	<u>44,182,390</u>	<u>44,182,390</u>	<u>43,896,073</u>	<u>286,317</u>
Other Financing Uses:				
Transfer to School Cafeteria	15,000	15,000	15,000	-
Transfer to Adult Education Fund	80,000	80,000	80,000	-
Transfer to Capital Projects	893,626	893,626	893,626	-
Total other financing uses	<u>988,626</u>	<u>988,626</u>	<u>988,626</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>\$ 45,171,016</u>	<u>\$ 45,171,016</u>	44,884,699	<u>\$ 286,317</u>
Budgetary expenditures are different than GAAP expenditures because:				
State of Connecticut "on-behalf" payments to the Connecticut State Teachers' Retirement System for Town teachers are not budgeted.			2,349,901	
Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, in the year received for financial reporting purposes.			<u>(226,064)</u>	
Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds Exhibit IV			<u>\$ 47,008,536</u>	

TOWN OF CLINTON, CONNECTICUT

GENERAL FUND

COMPARATIVE BALANCE SHEET

JUNE 30, 2011 AND 2010

	<u>2011</u>	<u>2010</u>
ASSETS		
Cash and cash equivalents	\$ 13,302,203	\$ 8,425,047
Property taxes (net of allowance of \$37,000 in 2011 and 2010)	483,059	514,442
Intergovernmental	6,551	31,633
Other receivables	607,876	716,329
Due from other funds	450,403	1,485,321
Prepaid expenses	<u>70,044</u>	
Total Assets	<u>\$ 14,920,136</u>	<u>\$ 11,172,772</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	\$ 1,383,171	\$ 1,388,343
Due to other funds	4,102,710	1,201,245
Deferred revenue	<u>819,314</u>	<u>1,299,003</u>
Total liabilities	<u>6,305,195</u>	<u>3,888,591</u>
Fund equity:		
Fund balance:		
Nonspendable	70,044	
Committed	350,000	
Assigned	844,592	755,232
Unassigned	<u>7,350,305</u>	<u>6,528,949</u>
Total fund balance	<u>8,614,941</u>	<u>7,284,181</u>
Total Liabilities and Fund Balance	<u>\$ 14,920,136</u>	<u>\$ 11,172,772</u>

TOWN OF CLINTON, CONNECTICUT
GENERAL FUND
REPORT OF TAX COLLECTOR
FOR THE YEAR ENDED JUNE 30, 2011

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Grand List	Uncollected Taxes July 1, 2010	Lawful Corrections		Transfers To Suspense	Adjusted Taxes Collectible	Collections	Uncollected Taxes June 30, 2011
		Additions	Deductions				
2009	\$ 37,023,969	\$ 38,074	\$ 59,561	\$	\$ 37,002,482	\$ 36,806,256	\$ 196,226
2008	245,656	14,792	2,335		258,113	152,357	105,756
2007	105,795	800	1,236		105,359	44,183	61,176
2006	45,605	267	554		45,318	8,760	36,558
2005	39,246			23,605	15,641	1,773	13,868
2004	12,488				12,488	142	12,346
2003	10,324	402			10,726	402	10,324
2002	9,857				9,857	396	9,461
2001	10,441				10,441		10,441
2000	9,531				9,531		9,531
1999	10,292				10,292		10,292
1998	9,899				9,899		9,899
1997	9,055				9,055		9,055
1996	8,618				8,618		8,618
1995	8,158				8,158		8,158
1994	8,350				8,350		8,350
1993	8,127		8,127		-		-
Total	\$ 37,575,411	\$ 54,335	\$ 71,813	\$ 23,605	\$ 37,534,328	37,014,269	\$ 520,059
			Interest and liens			165,063	
			Suspense collections			5,587	
			Total collections			<u>37,184,919</u>	
			Property taxes receivable considered available:				
			June 30, 2009			(79,865)	
			June 30, 2010			30,368	
			Total Property Tax Revenue			<u>\$ 37,135,422</u>	

TOWN OF CLINTON, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS

JUNE 30, 2011

Special Revenue Funds

	<u>Adult Education</u>	<u>School Cafeteria</u>	<u>Environmental Protection Grant</u>	<u>Education Grant</u>	<u>Revaluation</u>	<u>Activities Revolving</u>	<u>Shellfish Commission</u>
ASSETS							
Cash and cash equivalents	\$	\$ 61,596	\$	\$ 275,076	\$	\$ 6,244	\$
Receivables:							
Intergovernmental receivable		22,927					
Due from other funds	63,542		4,114			106,410	30,853
Inventories		15,943					
Total Assets	\$ <u>63,542</u>	\$ <u>100,466</u>	\$ <u>4,114</u>	\$ <u>275,076</u>	\$ <u>-</u>	\$ <u>112,654</u>	\$ <u>30,853</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts and other payable	\$	\$ 19,128	\$	\$ 3,381	\$	\$ 9,235	\$
Due to other funds		16,170		268,277			
Deferred revenue				3,418			
Total liabilities	<u>-</u>	<u>35,298</u>	<u>-</u>	<u>275,076</u>	<u>-</u>	<u>9,235</u>	<u>-</u>
Fund Balance:							
Nonspendable		15,943					
Restricted	63,542		4,114				30,853
Committed		49,225				103,419	
Total fund balance	<u>63,542</u>	<u>65,168</u>	<u>4,114</u>	<u>-</u>	<u>-</u>	<u>103,419</u>	<u>30,853</u>
Total Liabilities and Fund Balances	\$ <u>63,542</u>	\$ <u>100,466</u>	\$ <u>4,114</u>	\$ <u>275,076</u>	\$ <u>-</u>	\$ <u>112,654</u>	\$ <u>30,853</u>

(Continued on next page)

TOWN OF CLINTON, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2011

Special Revenue Funds

	<u>Miscellaneous</u>	<u>Federally Seized Assets</u>	<u>DCF</u>	<u>Historical Preservation</u>	<u>Grimm Scholarship</u>	<u>Social Services</u>	<u>Youth Recreation Center</u>
ASSETS							
Cash and cash equivalents	\$	\$ 20,578	\$	\$	\$ 22,532	\$ 5,653	\$ 14,618
Receivables:							
Intergovernmental receivable	99,160		18,830				
Due from other funds			29,943	5,145		1,926	
Inventories							
Total Assets	<u>\$ 99,160</u>	<u>\$ 20,578</u>	<u>\$ 48,773</u>	<u>\$ 5,145</u>	<u>\$ 22,532</u>	<u>\$ 7,579</u>	<u>\$ 14,618</u>
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts and other payable	\$	\$	\$ 11,852	\$	\$	\$	\$
Due to other funds	90,094						
Deferred revenue	4,000		10,599				
Total liabilities	<u>94,094</u>	<u>-</u>	<u>22,451</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance:							
Nonspendable							
Restricted	5,066		26,322	5,145	22,532		
Committed		20,578				7,579	14,618
Total fund balance	<u>5,066</u>	<u>20,578</u>	<u>26,322</u>	<u>5,145</u>	<u>22,532</u>	<u>7,579</u>	<u>14,618</u>
Total Liabilities and Fund Balances	<u>\$ 99,160</u>	<u>\$ 20,578</u>	<u>\$ 48,773</u>	<u>\$ 5,145</u>	<u>\$ 22,532</u>	<u>\$ 7,579</u>	<u>\$ 14,618</u>

(Continued on next page)

TOWN OF CLINTON, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)

JUNE 30, 2011

Special Revenue Funds

	Charlotte B. Dowd Scholarship	Parks and Recreation Donations	Edward Hidek Scholarship	Elderly Housing Fund	Morgan Scholarship	Community Development Grant	Total Nonmajor Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 303,906	\$ 81,870	\$ 3,376	\$ -	\$ 10	\$ 34,623	\$ 830,082
Receivables:							
Intergovernmental receivable							140,917
Due from other funds				1,413			243,346
Inventories							15,943
Total Assets	\$ 303,906	\$ 81,870	\$ 3,376	\$ 1,413	\$ 10	\$ 34,623	\$ 1,230,288
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts and other payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,596
Due to other funds		75,862					450,403
Deferred revenue						34,623	52,640
Total liabilities	-	75,862	-	-	-	34,623	546,639
Fund Balance:							
Nonspendable							15,943
Restricted	303,906	6,008	3,376	1,413	10		472,287
Committed							195,419
Total fund balance	303,906	6,008	3,376	1,413	10	-	683,649
Total Liabilities and Fund Balances	\$ 303,906	\$ 81,870	\$ 3,376	\$ 1,413	\$ 10	\$ 34,623	\$ 1,230,288

TOWN OF CLINTON, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2011

Special Revenue Funds

	<u>Adult Education</u>	<u>School Cafeteria</u>	<u>Environmental Protection Grant</u>	<u>Education Grant</u>	<u>Revaluation</u>	<u>Activities Revolving</u>	<u>Shellfish Commission</u>
Revenues:							
Intergovernmental revenues	\$ 52,132	\$ 172,329	\$	\$ 787,002	\$	\$ 189,312	\$ 100
Charges for services		381,026					
Investment income							
Other							
Total revenues	<u>52,132</u>	<u>553,355</u>	<u>-</u>	<u>787,002</u>	<u>-</u>	<u>189,312</u>	<u>100</u>
09 Expenditures:							
Current:							
General government					134,581		
Public safety							
Health and welfare							
Culture and recreation			500			197,680	
Education	109,098	565,982		787,002			
Total expenditures	<u>109,098</u>	<u>565,982</u>	<u>500</u>	<u>787,002</u>	<u>134,581</u>	<u>197,680</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(56,966)</u>	<u>(12,627)</u>	<u>(500)</u>	<u>-</u>	<u>(134,581)</u>	<u>(8,368)</u>	<u>100</u>
Other Financing Sources (Uses):							
Transfers in	80,000	15,000					
Transfers out				(9,455)	(23,361)		
Total other financing sources (uses)	<u>80,000</u>	<u>15,000</u>	<u>-</u>	<u>(9,455)</u>	<u>(23,361)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	23,034	2,373	(500)	(9,455)	(157,942)	(8,368)	100
Fund Balances at Beginning of Year, as Restated	<u>40,508</u>	<u>62,795</u>	<u>4,614</u>	<u>9,455</u>	<u>157,942</u>	<u>111,787</u>	<u>30,753</u>
Fund Balances at End of Year	<u>\$ 63,542</u>	<u>\$ 65,168</u>	<u>\$ 4,114</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 103,419</u>	<u>\$ 30,853</u>

(Continued on next page)

TOWN OF CLINTON, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2011

Special Revenue Funds

	<u>Miscellaneous</u>	<u>Federally Seized Assets</u>	<u>DCF</u>	<u>Historical Preservation</u>	<u>Grimm Scholarship</u>	<u>Social Services</u>	<u>Youth Recreation Center</u>
Revenues:							
Intergovernmental revenues	\$ 155,017	\$ 8,049	\$ 228,143	\$ 3,000	\$	\$	\$
Charges for services				5,904		29,693	
Investment income		20			331		113
Other	25,371	140					
Total revenues	<u>180,388</u>	<u>8,209</u>	<u>228,143</u>	<u>8,904</u>	<u>331</u>	<u>29,693</u>	<u>113</u>
Expenditures:							
Current:							
General government				6,959			
Public safety	70,836	6,143					
Health and welfare			229,401			31,946	
Culture and recreation	93,094						
Education					419		
Total expenditures	<u>163,930</u>	<u>6,143</u>	<u>229,401</u>	<u>6,959</u>	<u>419</u>	<u>31,946</u>	<u>-</u>
Excess (Deficiency) of Revenues over Expenditures	<u>16,458</u>	<u>2,066</u>	<u>(1,258)</u>	<u>1,945</u>	<u>(88)</u>	<u>(2,253)</u>	<u>113</u>
Other Financing Sources (Uses):							
Transfers in							
Transfers out	(261,448)						
Total other financing sources (uses)	<u>(261,448)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(244,990)	2,066	(1,258)	1,945	(88)	(2,253)	113
Fund Balances at Beginning of Year, as Restated	<u>250,056</u>	<u>18,512</u>	<u>27,580</u>	<u>3,200</u>	<u>22,620</u>	<u>9,832</u>	<u>14,505</u>
Fund Balances at End of Year	<u>\$ 5,066</u>	<u>\$ 20,578</u>	<u>\$ 26,322</u>	<u>\$ 5,145</u>	<u>\$ 22,532</u>	<u>\$ 7,579</u>	<u>\$ 14,618</u>

(Continued on next page)

TOWN OF CLINTON, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2011

	<u>Special Revenue Funds</u>						<u>Total Nonmajor Governmental Funds</u>
	<u>Charlotte B. Dowd Scholarship</u>	<u>Parks and Recreation Donations</u>	<u>Edward Hidek Scholarship</u>	<u>Elderly Housing Fund</u>	<u>Morgan Scholarship</u>	<u>Community Development Grant</u>	
Revenues:							
Intergovernmental revenues	\$	\$	\$	\$ 2,700	\$	\$ 164,412	\$ 1,572,884
Charges for services							605,935
Investment income	5,762		204				6,430
Other		43,605					69,116
Total revenues	<u>5,762</u>	<u>43,605</u>	<u>204</u>	<u>2,700</u>	<u>-</u>	<u>164,412</u>	<u>2,254,365</u>
Expenditures:							
Current:							
General government				2,700		164,412	308,652
Public safety							76,979
Health and welfare							261,347
Culture and recreation		42,401					333,675
Education	4,327		3,250				1,470,078
Total expenditures	<u>4,327</u>	<u>42,401</u>	<u>3,250</u>	<u>2,700</u>	<u>-</u>	<u>164,412</u>	<u>2,450,731</u>
Excess (Deficiency) of Revenues over Expenditures	<u>1,435</u>	<u>1,204</u>	<u>(3,046)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(196,366)</u>
Other Financing Sources (Uses):							
Transfers in							95,000
Transfers out							(294,264)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(199,264)</u>
Net Change in Fund Balances	1,435	1,204	(3,046)	-	-	-	(395,630)
Fund Balances at Beginning of Year, as Restated	<u>302,471</u>	<u>4,804</u>	<u>6,422</u>	<u>1,413</u>	<u>10</u>	<u>-</u>	<u>1,079,279</u>
Fund Balances at End of Year	<u>\$ 303,906</u>	<u>\$ 6,008</u>	<u>\$ 3,376</u>	<u>\$ 1,413</u>	<u>\$ 10</u>	<u>\$ -</u>	<u>\$ 683,649</u>

TOWN OF CLINTON, CONNECTICUT
INTERNAL SERVICE FUNDS
COMBINING STATEMENT OF NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011

	Dental Benefits Fund	Police Heart and Hypertension Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Assets:			
Cash and cash equivalents	\$ 712,008	\$	\$ 712,008
Accounts receivable	39,103		39,103
Due from other funds	<u>390,000</u>	<u>106,496</u>	<u>496,496</u>
Total assets	<u>1,141,111</u>	<u>106,496</u>	<u>1,247,607</u>
Liabilities:			
Claims payable	<u>41,262</u>	<u>94,600</u>	<u>135,862</u>
Net Assets:			
Unrestricted	<u>\$ 1,099,849</u>	<u>\$ 11,896</u>	<u>\$ 1,111,745</u>

TOWN OF CLINTON, CONNECTICUT

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2011

	Dental Benefits Fund	Police Heart and Hypertension Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Operating Revenues:			
Charges for services	\$ 1,132,548	\$	\$ 1,132,548
Operating Expenses:			
Employee benefits	885,825		885,825
Administrative fees	49,804		49,804
Total operating expenses	<u>935,629</u>	<u>-</u>	<u>935,629</u>
Operating Income	196,919	-	196,919
Nonoperating Revenues:			
Interest on investments	<u>546</u>		<u>546</u>
Change in Net Assets	197,465	-	197,465
Total Net Assets at Beginning of Year	<u>902,384</u>	<u>11,896</u>	<u>914,280</u>
Total Net Assets at End of Year	<u>\$ 1,099,849</u>	<u>\$ 11,896</u>	<u>\$ 1,111,745</u>

TOWN OF CLINTON, CONNECTICUT

INTERNAL SERVICE FUNDS

COMBINING STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2011

	Dental Benefits Fund	Police Heart and Hypertension Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Cash Flows from Operating Activities:			
Cash received from services	\$ 1,132,548	\$	\$ 1,132,548
Cash paid for insurance claims and premiums	(979,219)		(979,219)
Net cash provided by operating activities	<u>153,329</u>	<u>-</u>	<u>153,329</u>
Cash Flows from Investing Activities:			
Interest received	<u>546</u>		<u>546</u>
Net Increase in Cash and Cash Equivalents	153,875	-	153,875
Cash and Cash Equivalents at Beginning of Year	<u>558,133</u>	<u>-</u>	<u>558,133</u>
Cash and Cash Equivalents at End of Year	<u>\$ 712,008</u>	<u>\$ -</u>	<u>\$ 712,008</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:			
Operating income	\$ 196,919	\$	\$ 196,919
Adjustments to reconcile operating income to net cash provided by operating activities:			
Increase (decrease) in claims payable	(4,487)		(4,487)
(Increase) decrease in accounts receivable	<u>(39,103)</u>		<u>(39,103)</u>
Net Cash Provided by Operating Activities	<u>\$ 153,329</u>	<u>\$ -</u>	<u>\$ 153,329</u>

TOWN OF CLINTON, CONNECTICUT

AGENCY FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2011

	<u>Student Activity</u>	<u>Performance Bond</u>	<u>Total</u>
Assets:			
Cash and cash equivalents	\$ 245,923	\$ 474,729	\$ 720,652
Due from other funds		28,168	28,168
Total Assets	<u>\$ 245,923</u>	<u>\$ 502,897</u>	<u>\$ 748,820</u>
Liabilities:			
Due to student groups	\$ 245,923		\$ 245,923
Performance bond deposits		502,897	502,897
Total Liabilities	<u>\$ 245,923</u>	<u>\$ 502,897</u>	<u>\$ 748,820</u>

TOWN OF CLINTON, CONNECTICUT

AGENCY FUNDS

COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

FOR THE YEAR ENDED JUNE 30, 2011

	<u>Balance July 1, 2010</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2011</u>
Student Activities Fund				
Assets:				
Cash and cash equivalents	\$ 280,458	\$ 959,451	\$ 993,986	\$ 245,923
Due from other funds	3,803		3,803	-
Total Assets	<u>\$ 284,261</u>	<u>\$ 959,451</u>	<u>\$ 997,789</u>	<u>\$ 245,923</u>
Liabilities:				
Due to student groups	<u>\$ 284,261</u>	<u>\$ 959,451</u>	<u>\$ 997,789</u>	<u>\$ 245,923</u>
Performance Bond Fund				
Assets:				
Cash and cash equivalents	\$ 538,450	\$ 394	\$ 64,115	\$ 474,729
Due from other funds	25,118	3,050		28,168
Total Assets	<u>\$ 563,568</u>	<u>\$ 3,444</u>	<u>\$ 64,115</u>	<u>\$ 502,897</u>
Liabilities:				
Performance bond deposits	<u>\$ 563,568</u>	<u>\$ 3,444</u>	<u>\$ 64,115</u>	<u>\$ 502,897</u>
Total Agency Funds				
Assets:				
Cash and cash equivalents	\$ 818,908	\$ 959,845	\$ 1,058,101	\$ 720,652
Due from other funds	28,921	3,050		28,168
Total Assets	<u>\$ 847,829</u>	<u>\$ 962,895</u>	<u>\$ 1,058,101</u>	<u>\$ 748,820</u>
Liabilities:				
Due to student groups	\$ 284,261	\$ 959,451	\$ 1,061,904	\$ 245,923
Performance bond deposits	563,568	3,444		502,897
Total Liabilities	<u>\$ 847,829</u>	<u>\$ 962,895</u>	<u>\$ 1,061,904</u>	<u>\$ 748,820</u>

TOWN OF CLINTON, CONNECTICUT

CAPITAL PROJECTS

STATEMENT OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS

FOR THE YEAR ENDED JUNE 30, 2011

	Appropriations				Balance June 30, 2011	Expenditures Current Year	Uncommitted Balance June 30, 2011
	Carried	Current Year					
	Forward from 2009-2010	New	Transfers	Closed			
Capital Improvements:							
Transfer Station	\$ 27,611			\$ (27,611)	\$ -		\$ -
Close Bulky Waste	15,000			(15,000)	-		-
Accrued Benefits	46,821			(46,821)	-		-
Emergency Generator	34,913				34,913		34,913
Close Bulky Site	30,000			(30,000)	-		-
Open Space Acquisition	66,200				66,200	950	65,250
Econ Devl. Feasibility	5,000			(5,000)	-		-
Lagoon Closure Plan	7,650			(7,650)	-		-
Entrance Card system	4,000			(4,000)	-		-
Classroom Storage	5,000			(5,000)	-		-
Seal Driveway	2,000			(2,000)	-		-
Replace Windows Hq	4,500			(4,500)	-		-
Kitchen Study	10,000			(10,000)	-		-
Classroom Lockers	5,000			(5,000)	-		-
Downtown Historic District	5,962			(5,962)	-		-
Tower Standby Batteries	3,090			(3,090)	-		-
Town Beach Sand	19,594			(19,594)	-		-
Classroom Lockers	5,000			(5,000)	-		-
Interior Painting	3,150				3,150	3,150	-
WASM Engineering	13,634				13,634		13,634
Replace Flat Roof	14,057			(14,057)	-		-
Replace Sidearms	3,042			(3,042)	-		-
Emd Software	7,797			(7,797)	-		-
Dog Pound Roof/Doors	1,850			(1,850)	-		-
Marina Bldg Roof /Windows	25,000				25,000	20,557	4,443
Special Service Upgrade	8,588			(8,588)	-		-
Eliot House Ada	8,000				8,000	3,261	4,739
Youth/Family/Ada	9,000				9,000		9,000
Infrastructure Audit Needs	2,019				2,019		2,019

(Continued on next page)

TOWN OF CLINTON, CONNECTICUT

CAPITAL PROJECTS

STATEMENT OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2011

	Appropriations				Balance June 30, 2011	Expenditures Current Year	Uncommitted Balance June 30, 2011
	Carried Forward from 2009-2010	Current Year		Closed			
		New	Transfers				
WSAM Windows	\$ 27,650	\$	\$	\$	27,650	\$	27,650
WSAM Exterior Trim	24,000				24,000		24,000
Animal Shelter Fence	4,763			(4,763)	-		-
Boiler Room Upgrade	10,000				10,000		10,000
Hot Water Heater	7,500				7,500		7,500
Remote Systems Monitoring	10,000				10,000		10,000
Electric Upgrade	10,425				10,425	10,425	-
Unit Heater Restoration	22,540				22,540		22,540
Seal/Paint Exterior	10,565				10,565	10,565	-
Blackboard Replacement	4,921			(4,921)	-		-
Microfilm Records	13,327				13,327		13,327
WSAM Steam Traps	8,000				8,000	645	7,355
WSAM Drywells	2,300				2,300		2,300
Hurd/1630 Roofs	2,900				2,900		2,900
Financial Software	7,133				7,133		7,133
Landuse Permit Software	7,909				7,909	1,800	6,109
Ventilation System	40,000				40,000		40,000
Base Radio Stations	19,295				19,295		19,295
Standby Batteries	3,500				3,500		3,500
Courtyard Improvements	2,000			(2,000)	-		-
Reside Eliot	3,673			(3,673)	-		-
Gym Hvac Conversion	20,000				20,000		20,000
Lav Modifications	10,249				10,249		10,249
Renovate Room 10	9,011			(9,011)	-		-
Equipment	2,940				2,940	2,940	-
Maint Equipment	15,602				15,602	5,267	10,335
Seal Paint Exterior	20,000				20,000	7,190	12,810
Blackboard Replacement	6,790				6,790		6,790
Steam Traps	5,230				5,230	5,230	-
Remote Systems	4,346			(4,346)	-		-
Electric Power Upgrade	12,500				12,500	2,016	10,484
WSAM Replace Dry Wells	4,300				4,300		4,300

(Continued on next page)

TOWN OF CLINTON, CONNECTICUT

CAPITAL PROJECTS

STATEMENT OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2011

	Appropriations				Balance June 30, 2011	Expenditures Current Year	Uncommitted Balance June 30, 2011
	Carried	Current Year					
	Forward from 2009-2010	New	Transfers	Closed			
Youth/Family Roof	\$ 7,500	\$	\$	\$	7,500	\$	7,500
Eliot House Bilco Door	8,000				8,000	2,585	5,415
Academy Paint	8,000				8,000		8,000
Historic district	2,499			(2,499)	-		-
Shellfish Barn	7,900				7,900	(1,500)	9,400
Radio Upgrade	3,756			(3,756)	-		-
Truck Ventilation System	40,000				40,000		40,000
Radio Base stations	20,000				20,000		20,000
Transfer Trailer	35,800			(35,800)	-		-
WPCC CDM Contract	207,974				207,974	131,944	76,030
Levered Hardware	8,443				8,443	3,280	5,163
PA System Upgrade	15,000				15,000	13,246	1,754
Power Upgrade	10,000				10,000		10,000
Lavatory Renovations	14,094				14,094	1,200	12,894
H/C Lavatory Renovation	15,000				15,000		15,000
Culinary Arts Area	20,951				20,951		20,951
Computer/Tech Upgrade	11,823				11,823	6,992	4,831
Equipment Replacement	13,455				13,455	11,139	2,316
Maintenance Equipment Replacement	10,000				10,000		10,000
Seal/Paint Exterior	20,000				20,000		20,000
Repair/Stripe Parking Lot	7,644				7,644	7,644	-
Classroom Shades	8,000				8,000	1,477	6,523
Steamtrap replacement	10,339				10,339		10,339
Steamtrap replacement	13,000				13,000	193	12,807
WSAM Heating Steam Traps	1,020				1,020	1,020	-
WSAM Boiler Room Upgrade	21,342				21,342	697	20,645
Truck Ventilation System	40,000				40,000		40,000
Maco Fix Runs	2,000				2,000		2,000
Patrol Car	3,280				3,280		3,280
Equipment New Car	4,927				4,927	2,118	2,809
Roads/Sidewalk/Drainage	8,312			(619)	7,693	7,693	-
Road Maintenance	16,426			(928)	15,498	15,498	-

(Continued on next page)

TOWN OF CLINTON, CONNECTICUT

CAPITAL PROJECTS

STATEMENT OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2011

	Appropriations					Expenditures Current Year	Uncommitted Balance June 30, 2011
	Carried	Current Year			Balance		
	Forward from 2009-2010	New	Transfers	Closed	June 30, 2011		
Copiers/Printers	\$ 5,000	\$	\$	\$	5,000	\$ 2,013	\$ 2,987
Field Refurbishing Plan	5,700				5,700		5,700
Slate	10,000				10,000		10,000
Window replacement (6th Grade)	95,000				95,000		95,000
Septic/Drainage (Front)	48,880				48,880		48,880
Rooms Food Update	7,281				7,281	4,715	2,566
Floor Covering	4,308				4,308	4,308	-
Furniture Replacement	1,872				1,872	1,872	-
HVAC Cleaning Replacements	3,994				3,994		3,994
Interior Painting	3,953				3,953	3,953	-
Fencing	3,801				3,801	2,177	1,624
Clock/PA System Upgrades	7,500				7,500		7,500
Waterside Lane Bridge	56,286			(26,471)	29,815	29,815	-
Fire Department Roof (Main)	83,124		(40,000)		43,124	750	42,374
Police Vehicle	30,000				30,000		30,000
WSAM Exterior Paint		15,000			15,000		15,000
WSAM Paint/Carpet/Furniture		22,000			22,000	1,185	20,815
WSAM Dressing Room Plumbing		5,500			5,500	78	5,422
WSAM ADA Bathrooms		7,000			7,000		7,000
Eliot House Windows		5,800			5,800		5,800
Academy Electric		8,000			8,000		8,000
Academy Paint		8,000			8,000	6,800	1,200
Library HVAC		20,000			20,000	500	19,500
Townwide Security System		10,000			10,000	9,981	19
Park/Rec Software		12,000			12,000		12,000
Copiers/Printers		5,000			5,000	4,129	871
Network Switch		3,500			3,500	34	3,466
Computer Replacements		10,500			10,500	10,500	-
Police Dispatch		5,400			5,400	5,380	20
Servers		6,000			6,000	77	5,923
Personal Protection Gear		22,000			22,000	22,000	-
Thermal Imaging Cameras		15,000			15,000		15,000

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TOWN OF CLINTON, CONNECTICUT

CAPITAL PROJECTS

STATEMENT OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2011

	Appropriations					Expenditures Current Year	Uncommitted Balance June 30, 2011	
	Carried Forward from 2009-2010	Current Year			Balance June 30, 2011			
		New	Transfers	Closed				
Engine 953 (Final Payment)	\$	\$	25,926	\$	\$	25,926	\$	25,926
Police Vehicles (3)			72,000			72,000		71,971
Equip New Vehicles			13,000			13,000		12,871
Refurbish Truck			14,500		(1,973)	12,527		12,527
Mower			17,000		(3,992)	13,008		13,008
Covered Dumpster			16,000		(600)	15,400		15,400
Roads/Sidewalk/Drainage/Guardrail			150,000		(632)	149,368		149,368
Peters Track Renovation			8,000			8,000		8,000
Field Refurbishing Plan			16,500			16,500		16,500
Surface Pre-K Play Area			10,000			10,000		9,950
Heating/Cooling Upgrade			28,000			28,000		28,000
Levered Hardware			7,500			7,500		7,500
Clay For Infield			10,000			10,000		8,384
Padding Gym Walls			10,000			10,000		7,982
Resurface Tennis Courts			8,000			8,000		8,000
Computer/Tech Upgrade			146,000			146,000		145,978
Floor Covering			40,000			40,000		19,271
Furniture Replacement			20,000			20,000		18,244
Equipment Replacement			20,000			20,000		20,000
Maint Equipment Replacement			7,500			7,500		7,500
Repair/Seal/Stripe Parking Lots			20,000			20,000		3,950
HVAC Cleaning Replacements			15,000			15,000		15,000
Classroom Shade Replacement			8,000			8,000		8,000
Interior Painting			15,000			15,000		2,367
Electric Power Upgrade			15,000			15,000		15,000
Fire Truck (A)		124,442				124,442		124,442
North End Station Repairs (B)		10,548				10,548		10,548
Town Beach Building (B)		68,648				68,648		12,824
WSAM Plaster Walls (B)			14,000			14,000		14,000
Pleasant Valley Road (C)		40,978		40,000		80,978		12,262
War Memorial Engraving (C)			10,000			10,000		8,880
Dredging Marina (D)		5,289				5,289		1,046
Chittenden Hill (D)		69,204			(10,764)	58,440		58,440
Morgan School Study (D)			14,000			14,000		8,000
Assessor Overtime (E)			2,513			2,513		82

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TOWN OF CLINTON, CONNECTICUT

CAPITAL PROJECTS

STATEMENT OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS (CONTINUED)

FOR THE YEAR ENDED JUNE 30, 2011

	Appropriations				Balance June 30, 2011	Expenditures Current Year	Uncommitted Balance June 30, 2011
	Carried Forward from 2009-2010	Current Year		Closed			
		New	Transfers				
Capital Bonding Projects:							
Police Building	\$ 280,346				\$ 280,346	\$ 17,580	\$ 262,766
<u>2006-2007 Bonding Projects:</u>							
Clinton Landings	(225,130)		226,000	(870)	-		-
WSAM	74,082				74,082	74,082	-
Bonding Costs	118,078		(86,917)	(31,161)	-		-
Roads	15,288				15,288	15,288	-
Bulkheads	(499,393)	500,000		(607)	-		-
DPW Building	1,042			(1,042)	-		-
Morgan Auditorium	39,339		(38,000)	(1,339)	-		-
Eliot Oil Tank	(917)		917		-		-
Morgan Windows	15,877		(15,000)	(877)	-		-
Pierson Gym Roof	3,742		(3,000)	(742)	-		-
Eliot Roof III	10,407		(10,000)	(407)	-		-
Morgan Auditorium Roof	11,082		(10,000)	(1,082)	-		-
Morgan Boilers	64,041		(64,000)	(41)	-		-
Communication Upgrade	1,878,539				1,878,539	1,101,042	777,497
<u>2010-2011 Bonding Projects:</u>							
WSAM Restoration		2,000,000			2,000,000	41,697	1,958,303
Old Police Station		1,500,000			1,500,000		1,500,000
Infrastructure		2,000,000			2,000,000	150,360	1,849,640
Shed		600,000			600,000		600,000
Fiber		500,000			500,000		500,000
IRRC Field 2 Turf		985,000			985,000	87,500	897,500
Beach Building		120,000			120,000		120,000
Bulkheads & Uplands		900,000			900,000	5,352	894,648
Eliot Wind, Septic, Parking & Joel A/C		775,000			775,000		775,000
Total Capital Outlay	\$ 3,835,563	\$ 10,814,139	\$ -	\$ (386,478)	\$ 14,263,224	\$ 2,627,637	\$ 11,635,587

TOWN OF CLINTON, CONNECTICUT

STATEMENT OF DEBT LIMITATION

JUNE 30, 2011

Tax collections for the year ended June 30, 2011 (including interest and lien fees)	\$ 37,184,919
Property tax relief elderly	<u>2,000</u>
BASE	<u><u>\$ 37,186,919</u></u>

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt limitation:					
2-1/4 times base	\$ 83,670,568	\$	\$	\$	\$
4-1/2 times base		167,341,136			
3-3/4 times base			139,450,946		
3-1/4 times base				120,857,487	
3 times base					111,560,757
Total debt limitation	<u>83,670,568</u>	<u>167,341,136</u>	<u>139,450,946</u>	<u>120,857,487</u>	<u>111,560,757</u>
Indebtedness:					
Bonds authorized - unissued	65,315				
Bonds and notes payable	13,743,444	4,721,556			
School building grants		(6,551)			
Total indebtedness	<u>13,808,759</u>	<u>4,715,005</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u><u>\$ 69,861,809</u></u>	<u><u>\$ 162,626,131</u></u>	<u><u>\$ 139,450,946</u></u>	<u><u>\$ 120,857,487</u></u>	<u><u>\$ 111,560,757</u></u>

Note: In no case shall total indebtedness exceed \$260,308,433 or seven times annual receipts from taxation.