

**TOWN OF MONROE,
CONNECTICUT**



**Financial Statements
and
Supplemental Schedules**

**For the Year Ended
June 30, 2011**

**Together with
Independent Auditors' Report**

**TOWN OF MONROE, CONNECTICUT
BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

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**TOWN OF MONROE, CONNECTICUT
BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2011**

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Independent Auditors' Report

INDEPENDENT AUDITORS' REPORT

To the Board of Finance of the
Town of Monroe, 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 Monroe, Connecticut (the "Town"), as of and for the year ended June 30, 2011, which collectively comprise the Town'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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Monroe, 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 January 13, 2012 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis presented on pages 3 through 12, the budgetary comparison information presented on pages 61 through 67 and the schedules of funding progress on page 68 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's financial statements as a whole. The combining and individual fund statements and schedules and other supplemental information are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual fund statements and schedules are the responsibility of management and were derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The other supplemental information on pages 90 through 98 has not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

CCR LLP

Glastonbury, Connecticut
January 13, 2012

Management's Discussion and Analysis

TOWN OF MONROE, CONNECTICUT MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the Town of Monroe, Connecticut (the "Town") offers the readers of its financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2011.

FINANCIAL HIGHLIGHTS

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$40,092,369 (net assets). Of this amount, \$(3,052,383) represents an unrestricted net asset deficit.
- The Town's total net assets decreased by \$2,316,343 during the current fiscal year.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$6,989,208, an increase of \$3,413,720 in comparison with the prior year. This increase is primarily due to the issuance of general obligation bonds, the proceeds of which were used to retire a bond anticipation note payable with a face amount of \$3,000,000 which was used to fund new fire trucks.
- At the close of the current fiscal year, unassigned fund balance of the General Fund was \$3,263,399 or 4.2% of total General Fund expenditures.
- The Town's total long-term bonded debt increased by \$2,425,000 or 5.7% during the current fiscal year due to bonds refunded of \$10,725,000 and current year scheduled principal repayments, offset by the issuance of \$10,805,000 in general obligation refunding bonds and \$5,325,000 in general obligation bonds. The refunding will result in an economic gain of \$532,723 and cash flow savings of \$662,632.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The statement of net assets presents information on all of the Town's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the Town's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

TOWN OF MONROE, CONNECTICUT MANAGEMENT'S DISCUSSION AND ANALYSIS (*Continued*)

OVERVIEW OF THE FINANCIAL STATEMENTS (*Continued*)

Government-wide Financial Statements (*Continued*)

Both of the government-wide financial statements are intended to distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town include activities such as: general government, public safety, public works, health and welfare, culture and recreation and education. The Town has no business-type activities.

The government-wide financial statements can be found on pages 13 and 14 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Town's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Town maintains several governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, which is considered to be a major fund. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 15 - 20 of this report.

Proprietary Funds

The Town maintains one type of proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses internal service funds to account for its risk management activities. Because this service predominantly benefits governmental rather than business-type functions, it has been included within governmental activities in the government-wide financial statements.

The basic proprietary fund financial statements can be found on pages 21 - 23 of this report.

**TOWN OF MONROE, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Fund Financial Statements (Continued)

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the Town government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to the Town's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 24 and 25 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 26 - 60 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information, other than this management's discussion and analysis that can be found on pages 61 - 68 of this report.

Combining and individual fund statements and schedules and other supplementary information can be found on pages 69 - 98 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Assets

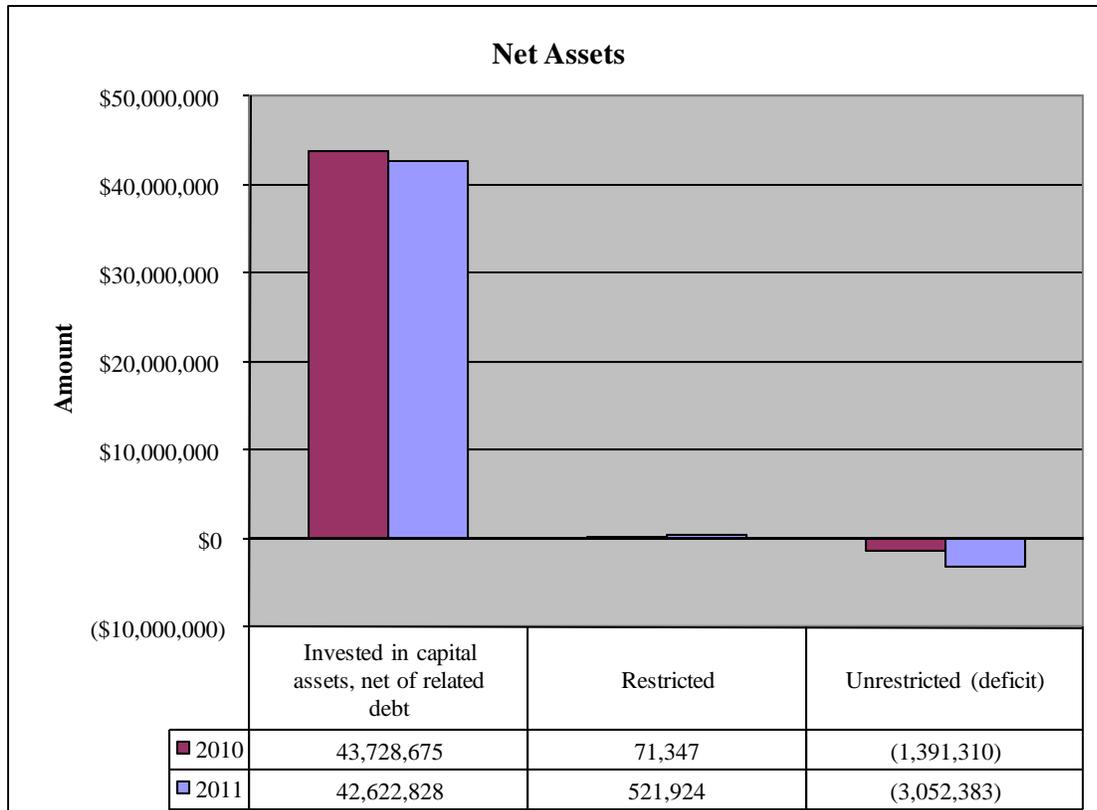
Over time, net assets may serve as one measure of a government's financial position. Total net assets of the Town totaled \$40,092,369 and \$42,396,413 as of June 30, 2011 and 2010, respectively, and are summarized as follows:

Town of Monroe, Connecticut		
Net Assets		
June 30, 2011 and 2010		
	Total	
	2011	2010 (Restated)
Current and other assets	\$ 20,490,298	\$ 19,194,207
Capital assets	89,860,240	91,548,780
Total assets	110,350,538	110,742,987
Other liabilities	6,867,560	9,383,840
Long-term liabilities	63,390,609	58,950,435
Total liabilities	70,258,169	68,334,275
Net assets:		
Invested in capital assets, net of related debt	42,622,828	43,728,675
Restricted	521,924	71,347
Unrestricted (deficit)	(3,052,383)	(1,391,310)
Total net assets	\$ 40,092,369	\$ 42,408,712

**TOWN OF MONROE, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Net Assets (Continued)



A significant portion of the Town's net assets reflect its investment in capital assets, less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

A small portion of the Town's net assets are subject to external restriction on how they may be used and are therefore presented as restricted net assets.

The remainder of the Town's net assets are considered unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors. The Town's unrestricted net asset deficit of \$(3,052,383) includes the use of the Town's unrestricted available cash to temporarily finance capital projects in the prior years.

Overall, net assets decreased by \$2,316,343 in comparison to the prior year.

**TOWN OF MONROE, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Assets

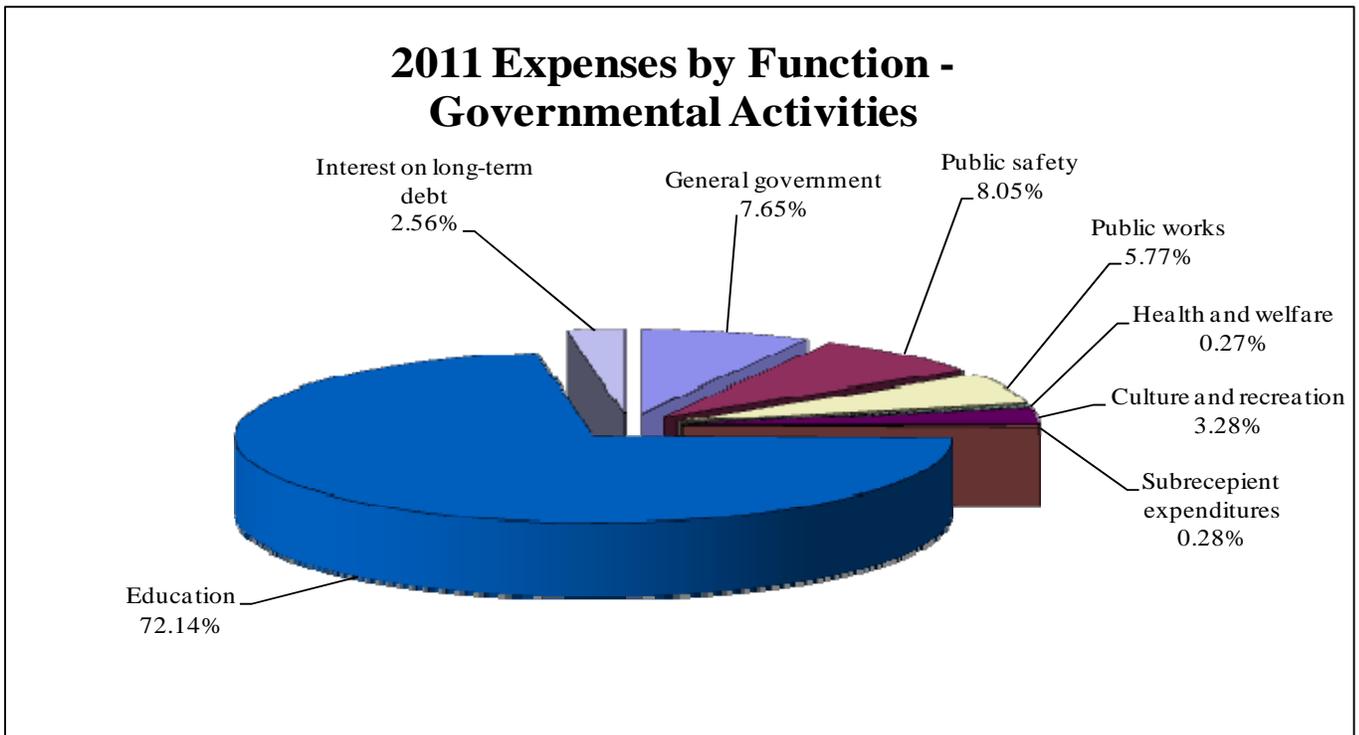
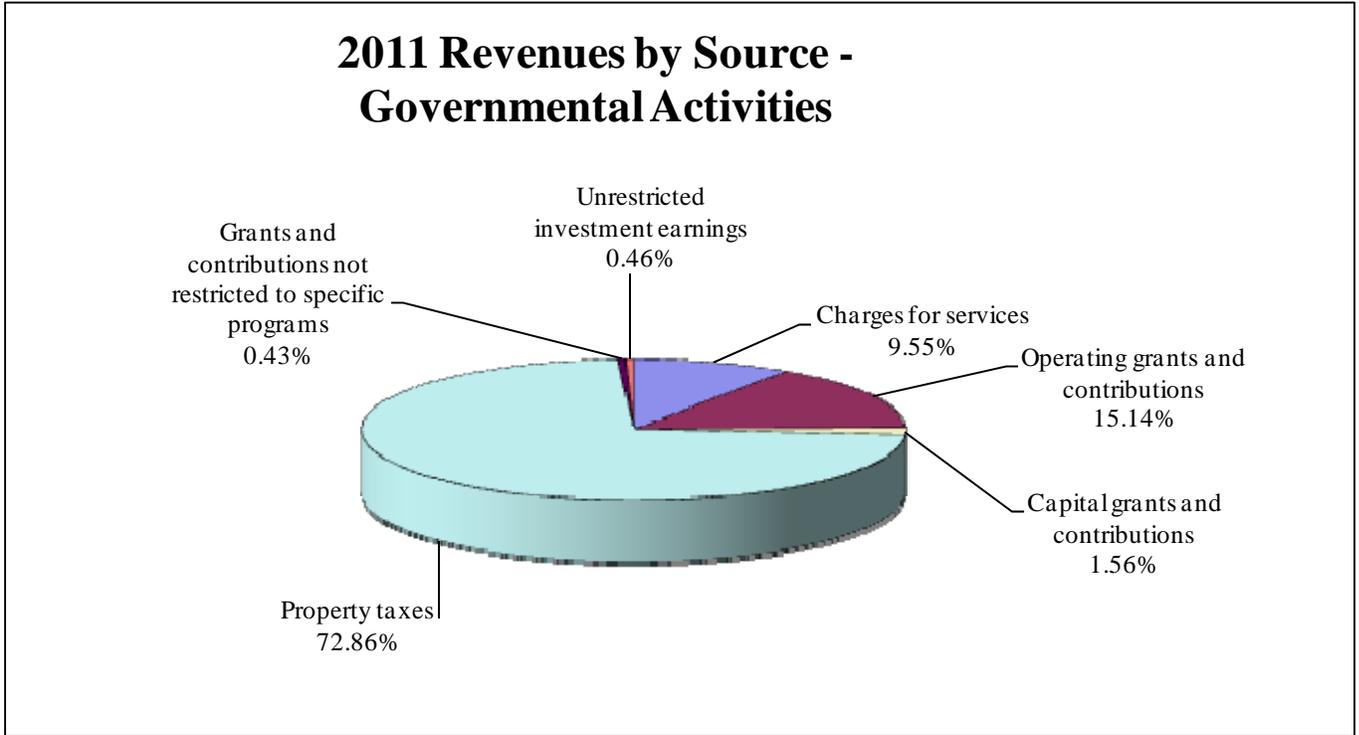
Changes in net assets for the years ended June 30, 2011 and 2010 are as follows:

	Total	
	<u>2011</u>	<u>2010</u>
Revenues		
Program revenues:		
Charges for services	\$ 8,486,797	\$ 8,479,973
Operating grants and contributions	13,449,453	13,454,813
Capital grants and contributions	1,384,919	1,289,283
General revenues:		
Property taxes	64,727,759	62,496,456
Grants and contributions not restricted to specific programs	375,640	476,260
Unrestricted investment earnings	410,461	524,401
Total revenues	<u>88,835,029</u>	<u>86,721,186</u>
Expenses		
General government	6,972,475	6,619,837
Public safety	7,339,882	6,937,172
Public works	5,260,746	6,086,321
Health and welfare	246,230	189,603
Culture and recreation	2,987,392	3,183,429
Subrecipient expenditures	251,916	301,854
Education	65,757,974	63,345,854
Interest on long-term debt	2,334,757	1,942,141
Total expenses	<u>91,151,372</u>	<u>88,606,211</u>
Change in net assets	<u><u>\$(2,316,343)</u></u>	<u><u>\$(1,885,025)</u></u>

**TOWN OF MONROE, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Change in Net Assets (Continued)



TOWN OF MONROE, CONNECTICUT MANAGEMENT'S DISCUSSION AND ANALYSIS *(Continued)*

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

Governmental Funds

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$6,989,208, an increase of \$3,413,720 from the prior year. This increase is primarily due to the retirement of a bond anticipation note payable with a face amount of \$3,000,000 through the issuance of general obligation bonds.

General Fund

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$3,263,399. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 4.2% of total General Fund expenditures, while total fund balance represents 5.6% of the same amount. The fund balance of the General Fund decreased by \$172,748 during the current fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The budget for 2011 planned on the utilization of fund balance of \$370,000 to cover the excess of budgeted expenses over budgeted revenues. However, the actual net change in fund balance of the General Fund on a budgetary basis was an increase of \$3,161. Expenditures were \$72,957 more than budgeted and total budgetary revenues were \$414,902 higher than expected primarily due to a favorable variance in property taxes.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets for its governmental activities as of June 30, 2011 and 2010 totaled \$89,860,240 and \$91,548,780, respectively (net of accumulated depreciation and amortization). This investment in capital assets includes land, construction in progress, buildings, land improvements, vehicles, machinery and equipment, and infrastructure. The total decrease in the Town's investment in capital assets for the current fiscal year was \$1,688,540 or 1.8%, comprised of the following:

- Current year additions of \$3,212,311, consisting of road improvements and various other additions to machinery and equipment, vehicles, and construction in progress.
- Current year depreciation expense of \$4,900,851.

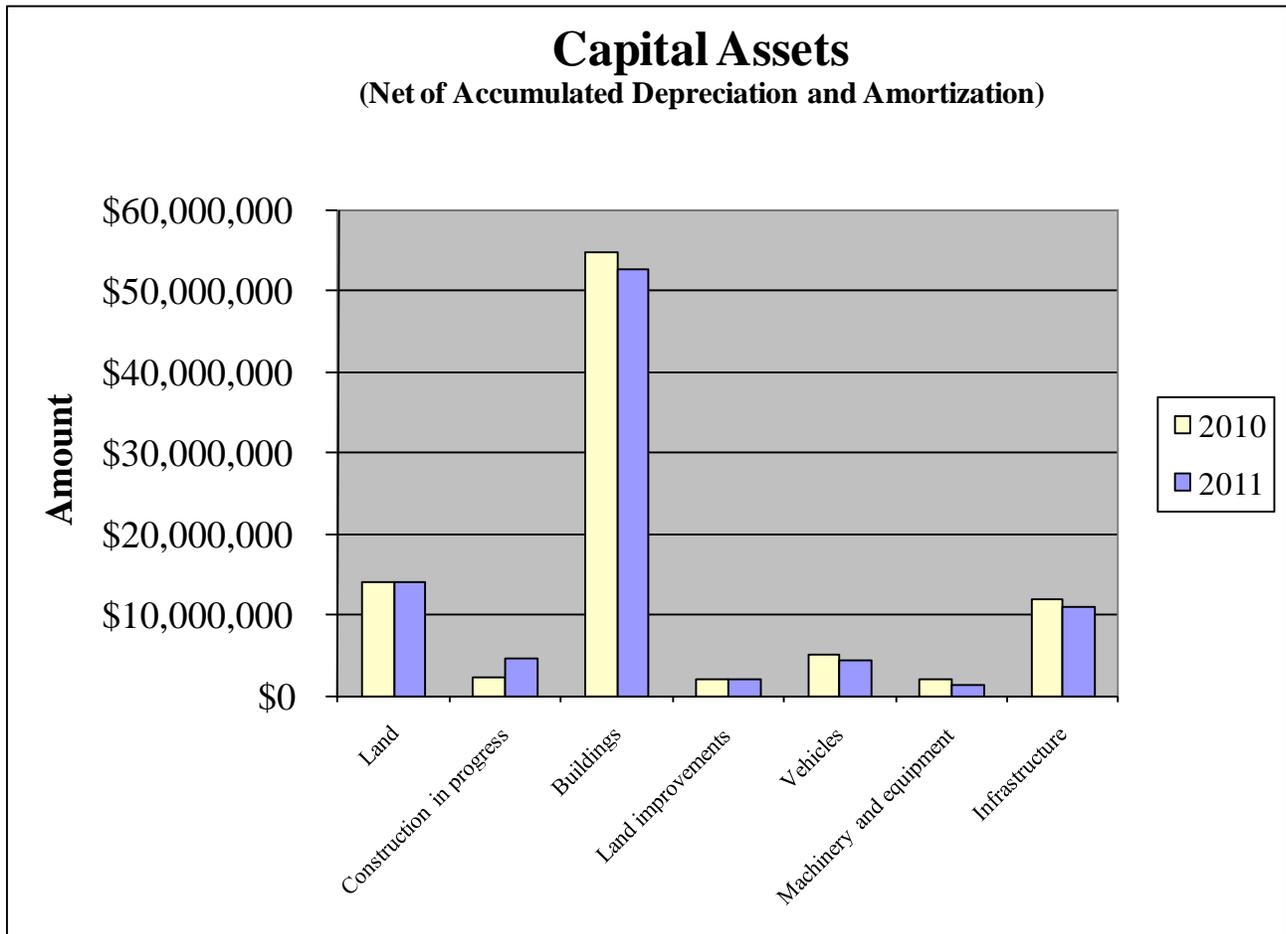
**TOWN OF MONROE, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Capital Assets (Continued)

The following table is a two year comparison of the investment in capital assets, net of accumulated depreciation and amortization:

	Governmental Activities	
	2011	2010
Land	\$ 13,922,971	\$ 13,922,971
Construction in progress	4,611,802	2,123,249
Buildings	52,629,886	54,788,001
Land improvements	1,978,530	2,013,736
Vehicles	4,450,518	5,016,747
Machinery and equipment	1,380,029	1,917,489
Infrastructure	10,886,504	11,766,587
Totals	<u>\$ 89,860,240</u>	<u>\$ 91,548,780</u>



Additional information on the Town's capital assets can be found in Note 4 on page 36 of this report.

**TOWN OF MONROE, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)**

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Long-term Debt

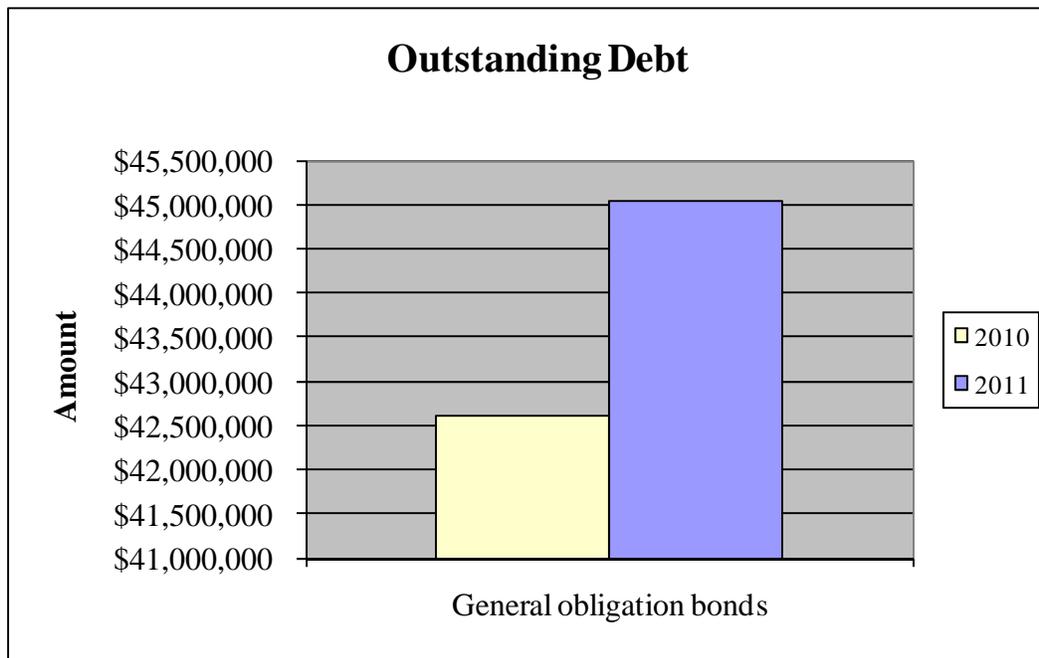
At the end of the current fiscal year, the Town had total bonded debt outstanding of \$45,035,000. This entire amount is comprised of debt backed by the full faith and credit of the Town. The Town's total bonded debt increased by \$2,425,000 or 5.7% during the current fiscal year due to bonds refunded of \$10,725,000 and current year scheduled principal repayments, offset by the issuance of \$10,805,000 in general obligation refunding bonds and \$5,325,000 in general obligation bonds.

The Town maintains an Aa2 rating from Moody's Investor Service for general obligation debt.

State statutes limit the amount of general obligation debt the Town may issue to seven times its annual receipts from taxation, as defined by the statutes. The current debt limitation for the Town is \$451,562,881, which is significantly in excess of the Town's outstanding general obligation debt.

The following table is a two year comparison of long-term bonded debt:

	Governmental Activities	
	2011	2010
General obligation bonds	\$ 45,035,000	\$ 42,610,000
Totals	\$ 45,035,000	\$ 42,610,000



Additional information on the Town's long-term debt can be found in Note 8 on pages 38 - 42 of this report.

TOWN OF MONROE, CONNECTICUT MANAGEMENT'S DISCUSSION AND ANALYSIS *(Continued)*

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

A summary of key economic factors affecting the Town are as follows:

- The unemployment rate for the Town is currently 6.6%. This compares favorably to the State's average unemployment rate of 8.4% and the national unemployment rate of 8.6%.
- Inflationary trends in the region are comparable to national indices.
- Significant estimates affecting next year's budget that are subject to change in the near term consist of the following:
 - For purposes of calculating property tax revenues for fiscal year 2012, the assessor's grand list was used along with an estimated tax rate, and an estimated rate of collection, with deductions for taxes to be paid by the State on behalf of certain taxpayers.
 - It is unknown how changes in market interest rates will impact real estate activity and related revenues collected by the Land Use Department, the Town Clerk and the amount of conveyance taxes and interest income.
- The Town receives intergovernmental revenues from the State of Connecticut. Connecticut's economy moves in the same general cycle as the national economy, which may affect the amount of intergovernmental revenues the Town will receive in fiscal year 2012 and thereafter.

All of these factors were considered in preparing the Town's budget for fiscal year 2012.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Department, Town of Monroe, 7 Fan Hill Road, Monroe, Connecticut 06468.

Basic Financial Statements

TOWN OF MONROE, CONNECTICUT
STATEMENT OF NET ASSETS
JUNE 30, 2011

	<u>Governmental Activities</u>
ASSETS	
Cash and cash equivalents	\$ 11,409,960
Investments	3,922,438
Receivables:	
Property taxes receivable, net of allowance of \$274,000	1,090,072
Interest receivable, net of allowance of \$146,000	172,488
Grants and contracts receivable	854,119
Accounts receivable	383,039
Prepaid items	90,783
Grants and contracts receivable, long-term portion	2,190,037
Deferred charges, net of accumulated amortization of \$42,154	377,362
Capital assets:	
Non-depreciable	18,534,773
Depreciable, net	71,325,467
Total assets	<u>110,350,538</u>
 LIABILITIES	
Accounts payable	3,972,148
Accrued liabilities:	
Accrued interest	305,274
Other accrued liabilities	310,657
Unearned revenue	2,279,481
Noncurrent liabilities:	
Due within one year	6,877,677
Due in more than one year	56,512,932
Total liabilities	<u>70,258,169</u>
 NET ASSETS	
Invested in capital assets, net of related debt	42,622,828
Restricted for:	
Trust purposes-expendable	71,446
Grant program purposes	382,308
Debt service	68,170
Unrestricted (deficit)	(3,052,383)
Total net assets	<u>\$ 40,092,369</u>

The accompanying notes are an integral part of these financial statements .

**TOWN OF MONROE, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011**

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Assets - Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:					
General government	\$ 6,972,475	\$ 2,388,653	\$ 42,729	\$ 81,180	\$ (4,459,913)
Public safety	7,339,882	1,006,970	99,203	-	(6,233,709)
Public works	5,260,746	846,172	-	938,011	(3,476,563)
Health and welfare	246,230	895	21,877	-	(223,458)
Culture and recreation	2,987,392	1,205,517	219,207	-	(1,562,668)
Subrecipient expenditures	251,916	-	-	251,916	-
Education	65,757,974	3,038,590	13,066,437	113,812	(49,539,135)
Interest on long-term debt	2,334,757	-	-	-	(2,334,757)
Total governmental activities	<u>\$ 91,151,372</u>	<u>\$ 8,486,797</u>	<u>\$ 13,449,453</u>	<u>\$ 1,384,919</u>	<u>(67,830,203)</u>
General revenues:					
Property taxes					64,727,759
Grants and contributions not restricted to specific programs					375,640
Unrestricted investment earnings					410,461
Total general revenues					<u>65,513,860</u>
Change in net assets					<u>(2,316,343)</u>
Net assets - beginning, as originally reported					42,396,413
Adjustment (see Note 14)					12,299
Net assets - beginning, as adjusted					<u>42,408,712</u>
Net assets - ending					<u>\$ 40,092,369</u>

The accompanying notes are an integral part of these financial statements .

TOWN OF MONROE, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2011

	General Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and cash equivalents	\$ 8,238,049	\$ 932,981	\$ 9,171,030
Investments	3,721,758	200,680	3,922,438
Receivables:			
Property taxes receivable, net of allowance for uncollectibles of \$274,000	1,090,072	-	1,090,072
Interest receivable, net of allowance for uncollectibles of \$146,000	172,488	-	172,488
Grants and contracts receivable	2,649,333	394,823	3,044,156
Accounts receivable	27,901	355,138	383,039
Prepaid items	88,057	2,726	90,783
Due from other funds	1,643,209	4,540,346	6,183,555
Total assets	\$ 17,630,867	\$ 6,426,694	\$ 24,057,561
LIABILITIES AND FUND BALANCES (DEFICIT)			
Liabilities:			
Accounts payable	\$ 2,142,512	\$ 1,829,636	\$ 3,972,148
Other accrued liabilities	310,657	-	310,657
Due to other funds	5,106,472	1,643,209	6,749,681
Unearned/deferred revenue	5,737,608	298,259	6,035,867
Total liabilities	13,297,249	3,771,104	17,068,353
Fund Balances (Deficit):			
Nonspendable:			
Prepaid items	88,057	2,726	90,783
Permanent fund principal	-	71,446	71,446
Restricted for:			
Public works	-	382,308	382,308
Debt service	-	68,170	68,170
Committed to:			
Public safety	-	158,507	158,507
Culture and recreation	-	940,273	940,273
Education	-	1,336,819	1,336,819
Capital projects	-	666,806	666,806
Other purposes	-	300,507	300,507
Assigned to:			
Use in subsequent year's budget	160,000	-	160,000
Plan of conservation and development	74,649	-	74,649
Education	636,918	-	636,918
General government	105,339	-	105,339
Public safety	5,256	-	5,256
Unassigned	3,263,399	(1,271,972)	1,991,427
Total fund balances (deficit)	4,333,618	2,655,590	6,989,208
Total liabilities and fund balances (deficit)	\$ 17,630,867	\$ 6,426,694	\$ 24,057,561

The accompanying notes are an integral part of these financial statements .

TOWN OF MONROE, CONNECTICUT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS
JUNE 30, 2011

Total fund balances for governmental funds \$ 6,989,208

Total net assets reported for governmental activities in the statement of net assets is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. Those assets consist of:

Land and improvements	\$ 16,554,179	
Construction in progress	4,611,802	
Buildings and improvements	91,761,510	
Vehicles	10,126,659	
Machinery and equipment	9,141,401	
Infrastructure	62,484,897	
Less accumulated depreciation and amortization	<u>(104,820,208)</u>	
Total capital assets, net		89,860,240

Bond issuance costs are recorded as expenditures in the governmental funds. However, these costs are deferred and amortized over the life of the related debt in the statement of net assets.

Bond issuance costs	419,516	
Less accumulated amortization	<u>(42,154)</u>	
Total bond issuance costs, net		377,362

Some of the Town's taxes will be collected after year end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred revenue in the funds. 988,377

Accrued interest receivable on property taxes are not susceptible to accrual, and therefore are reported as deferred revenue in the funds. 172,488

Long-term school construction grant receivables received from the State of Connecticut are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred revenue in the funds. 2,595,521

TOWN OF MONROE, CONNECTICUT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET ASSETS (Continued)
JUNE 30, 2011

Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net assets.

Long-term debt:		
Bonds payable	\$ (45,035,000)	
Unamortized premiums	(2,026,726)	
Unamortized deferred amount on refundings	684,658	
Obligations under capital lease	(860,344)	
Accrued interest payable	(305,274)	
Other long-term liabilities:		
Net OPEB obligation	(2,432,825)	
Net pension obligation	(289,824)	
Compensated absences	(1,851,407)	
Termination benefits	(8,196,735)	
Retired employee obligations	(1,982,569)	
Total long-term liabilities	\$ (62,296,046)	

Internal service funds are used by the Town to charge the cost of certain employee benefit management activities to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.

	1,405,219
Net assets of governmental activities	\$ 40,092,369

The accompanying notes are an integral part of these financial statements .

**TOWN OF MONROE, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICIT)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011**

	General Fund	Other Governmental Funds	Total Governmental Funds
REVENUES			
Property taxes	\$ 64,441,364	\$ -	\$ 64,441,364
Intergovernmental revenues	11,739,302	3,572,277	15,311,579
Licenses, permits and other charges	547,600	-	547,600
Charges for services	334,795	5,759,608	6,094,403
Donations	-	263,790	263,790
Investment earnings	399,705	6,110	405,815
Miscellaneous	20,958	74,681	95,639
Total revenues	<u>77,483,724</u>	<u>9,676,466</u>	<u>87,160,190</u>
EXPENDITURES			
Current:			
General government	6,221,711	42,416	6,264,127
Public safety	5,709,668	929,800	6,639,468
Public works	3,225,919	889,371	4,115,290
Health and welfare	173,658	72,451	246,109
Culture and recreation	1,407,510	1,107,243	2,514,753
Subrecipient expenditures	-	251,916	251,916
Education	55,364,249	5,171,164	60,535,413
Capital outlays	252,703	2,977,248	3,229,951
Debt service:			
Principal payments	3,527,348	-	3,527,348
Interest and fiscal charges	1,751,151	3,265	1,754,416
Debt issuance costs	122,343	60,849	183,192
Total expenditures	<u>77,756,260</u>	<u>11,505,723</u>	<u>89,261,983</u>
Deficiency of revenues over expenditures	(272,536)	(1,829,257)	(2,101,793)
OTHER FINANCING SOURCES (USES)			
Proceeds from refunding bonds issued	10,805,000	-	10,805,000
Premium on refunding bonds issued	423,261	-	423,261
Payment to refunded bonds escrow agent	(11,105,918)	-	(11,105,918)
Proceeds from general obligation bonds issued	-	5,325,000	5,325,000
Premium on general obligation bonds issued	-	68,170	68,170
Transfers in	98,371	172,793	271,164
Transfers out	(120,926)	(150,238)	(271,164)
Total other financing sources (uses)	<u>99,788</u>	<u>5,415,725</u>	<u>5,515,513</u>
Net change in fund balances (deficit)	(172,748)	3,586,468	3,413,720
Fund balances (deficits) - beginning, as originally reported	4,600,816	(1,037,627)	3,563,189
Adjustment (see Note 14)	(94,450)	106,749	12,299
Fund balances (deficits) - beginning, as adjusted	<u>4,506,366</u>	<u>(930,878)</u>	<u>3,575,488</u>
Fund balances (deficits) - ending	<u>\$ 4,333,618</u>	<u>\$ 2,655,590</u>	<u>\$ 6,989,208</u>

The accompanying notes are an integral part of these financial statements .

**TOWN OF MONROE, CONNECTICUT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (DEFICIT) OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2011**

Net change in fund balances (deficit) - total governmental funds \$ 3,413,720

Total change in net assets reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. The amount by which depreciation and amortization exceeded capital outlays in the current period is as follows:

Expenditures for capital assets	\$ 3,212,311	
Depreciation and amortization expense	<u>(4,900,851)</u>	
Net adjustment		(1,688,540)

Intergovernmental revenue on school construction grants is not susceptible to accrual and, therefore, is only reported as revenue in the funds when the cash is received by the Town. In the government-wide financial statements, the cash received reduces the grant receivable recognized in the government-wide statement of net assets. (412,277)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of long-term debt and related items is as follows:

Debt issued or incurred:		
Bonds issued	(5,325,000)	
Refunding bonds issued	(10,805,000)	
Premium on bonds issued	(68,170)	
Premium on refunding bonds issued	(423,261)	
Deferred amount on refunding	380,918	
Principal repayments:		
Payment to refunded bonds escrow agent	10,725,000	
Bonds payable	2,980,000	
Obligations under capital lease	<u>547,348</u>	
Net adjustment		(1,988,165)
Amortization of bond premiums	184,512	
Amortization of bond issuance costs	(145,798)	
Amortization of deferred charge on refundings	<u>(613,654)</u>	
		(574,940)

The accompanying notes are an integral part of these financial statements .

TOWN OF MONROE, CONNECTICUT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES (DEFICIT) OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES (Continued)
FOR THE YEAR ENDED JUNE 30, 2011

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The net effect of such items is as follows:

Compensated absences	\$	146,267	
Termination benefits		(186,662)	
Retired employee obligations		(1,118,752)	
Accrued interest		(5,401)	
Net OPEB obligation		(298,147)	
Net pension obligation		(414,221)	
Bond issuance costs		183,192	
			\$ (1,693,724)

Certain revenues reported in the statement of activities do not provide current financial resources and therefore are reported as deferred revenues in governmental funds. This amount represents the change in deferred revenue.	286,395
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Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of internal service funds are reported with governmental activities.	341,188
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Change in net assets of governmental activities	\$ (2,316,343)
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TOWN OF MONROE, CONNECTICUT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011

	Governmental Activities <hr/> Internal Service Funds <hr/>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 2,238,930
Due from other funds	566,126
Total assets	<hr/> 2,805,056 <hr/>
LIABILITIES	
Current liabilities:	
Risk management claims	881,594
Other liabilities:	
Risk management claims, less current portion	518,243
Total liabilities	<hr/> 1,399,837 <hr/>
NET ASSETS	
Unrestricted	1,405,219
Total net assets	<hr/> \$ 1,405,219 <hr/>

The accompanying notes are an integral part of these financial statements.

**TOWN OF MONROE, CONNECTICUT
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011**

	Governmental Activities
	Internal Service Funds
OPERATING REVENUES	
Employer contributions	\$ 6,914,228
Charges for services	1,908,910
Total operating revenues	8,823,138
OPERATING EXPENSES	
Claims and benefits	7,801,016
Premiums and administrative charges	685,580
Total operating expenses	8,486,596
Operating income	336,542
NON-OPERATING REVENUES	
Interest and investment income	4,646
Total non-operating revenues	4,646
Change in net assets	341,188
Net assets - beginning	1,064,031
Net assets - ending	\$ 1,405,219

The accompanying notes are an integral part of these financial statements.

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

	<u>Governmental Activities Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from employer contributions	\$ 6,914,228
Receipts from charges for services	1,908,910
Payments to employees, vendors and others	(8,213,563)
Net cash provided by operating activities	<u>609,575</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	4,646
Net cash provided by investing activities	<u>4,646</u>
Net increase in cash and cash equivalents	614,221
Cash and cash equivalents, beginning of year	<u>1,624,709</u>
Cash and cash equivalents, end of year	<u>\$ 2,238,930</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income	\$ 336,542
Adjustments to reconcile operating income to net cash provided by operating activities:	
Increase in assets:	
Due from other funds	(2,716)
Increase in liabilities:	
Risk management claims	275,749
Net cash provided by operating activities	<u>\$ 609,575</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF MONROE, CONNECTICUT
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2011

	Pension Trust Funds	Private- Purpose Trust Fund	Agency Funds
ASSETS			
Cash and cash equivalents	\$ -	\$ 77,350	\$ 742,782
Investments, at fair value:			
Mutual funds	14,422,798	-	-
Guaranteed deposit account	1,205,078	-	-
Contributions receivable	85,000	-	-
Total assets	<u>15,712,876</u>	<u>77,350</u>	<u>\$ 742,782</u>
LIABILITIES			
Due to student groups	-	-	\$ 237,240
Deposits	-	-	505,542
Total liabilities	<u>-</u>	<u>-</u>	<u>\$ 742,782</u>
NET ASSETS			
Held in trust for pension benefits and other purposes (see schedules of funding progress on page 68)	<u>\$ 15,712,876</u>	<u>\$ 77,350</u>	

The accompanying notes are an integral part of these financial statements .

TOWN OF MONROE, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Pension Trust Funds	Private- Purpose Trust Fund
	<u> </u>	<u> </u>
ADDITIONS		
Contributions:		
Employer	\$ 410,942	\$ -
Plan members	316,962	-
Private donations	-	11,977
Total contributions	<u>727,904</u>	<u>11,977</u>
Investment earnings:		
Interest and dividends	199,831	109
Net appreciation in fair value of investments	<u>2,369,547</u>	<u>-</u>
Total investment earnings	<u>2,569,378</u>	<u>109</u>
Total additions	<u>3,297,282</u>	<u>12,086</u>
 DEDUCTIONS		
Benefit payments	962,066	-
Awards expense	-	4,300
Administrative expenses	<u>122,919</u>	<u>150</u>
Total deductions	<u>1,084,985</u>	<u>4,450</u>
 Change in net assets	 2,212,297	 7,636
 Net assets - beginning	 <u>13,500,579</u>	 <u>69,714</u>
 Net assets - ending	 <u>\$ 15,712,876</u>	 <u>\$ 77,350</u>

The accompanying notes are an integral part of these financial statements .

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Monroe, Connecticut (the "Town") conform to accounting principles generally accepted in the United States of America, as applicable to governmental organizations. The following is a summary of significant accounting policies:

FINANCIAL REPORTING ENTITY

The Town of Monroe, Connecticut was incorporated in 1823. The Town operates under a Selectman/Council form of government. The Selectman is the chief executive officer and the Town Council (made up of nine members) is the legislative body of the Town. The Town Council may enact, amend or repeal ordinances and resolutions. The Board of Finance is responsible for financial and taxation matters as prescribed by Connecticut General Statutes, and is responsible for presenting fiscal operating budgets for Town Council approval. The Board of Education is responsible for the operation of the school system.

The Town operates under a charter and provides the following services as authorized by such: public safety, public works, solid waste disposal, recycling, health and welfare, culture and recreation, education, planning and zoning and general administration.

The basic financial statements of the reporting entity include only the funds of the Town (the primary government) as no component units exist based on operational or financial relationships with the Town.

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Government-wide Financial Statements

The statement of net assets and the statement of activities display information about the Town and include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. The statements are intended to distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The Town has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported as general revenues.

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (*Continued*)

Fund Financial Statements

The fund financial statements provide information about the Town's funds, including its fiduciary funds. Separate statements for each fund category – governmental, proprietary and fiduciary – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The Town reports the following major governmental fund:

General Fund - This fund is the Town's primary operating fund. It accounts for all financial resources of the general government, except those not accounted for and reported in another fund.

In addition, the Town reports the following proprietary and fiduciary fund types:

Internal Service Funds (proprietary) - These funds account for activities that provide goods or services to other funds, departments, or agencies of the Town on a cost-reimbursement basis. The Town utilizes internal service funds to account for self-insured programs for heart and hypertension, medical and dental, and an employer sponsored post-employment medical benefit program, as permitted by GASB Statement No. 10.

Pension Trust Funds - This fund type is used to account for resources held in trust for the members and beneficiaries of the Town of Monroe Employees' Retirement Plan and the Town of Monroe Board of Education Pension Plan, both of which are defined benefit pension plans. These plans are discussed more fully in Note 10.

Private-Purpose Trust Fund - This fund type is used to account for trust arrangements under which principal and income benefit individuals, private organizations, or other governments. There is no requirement that any portion of the resources be preserved as capital. The Town utilizes a private-purpose trust fund to account for the activities of the School Scholarships Private Purpose Trust Fund.

Agency Funds - These funds are used to account for resources held by the Town in a purely custodial capacity. The Town utilizes these funds to account for assets of the student activities funds and the performance and driveway bonds fund. The student activities fund accounts for monies generated by student activities in the Town's school system. The performance and driveway bonds fund accounts for monies received to ensure that driveways are installed to correct specifications for new home construction.

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-wide, Proprietary and Fiduciary Fund Financial Statements

The government-wide, proprietary, and fiduciary fund financial statements (except for Agency Funds) are prepared using the economic resources measurement focus and the accrual basis of accounting. Agency Funds have no measurement focus. 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.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's internal service funds consist of charges for services. Operating expenses of the Town's internal service funds consist of claims and benefits, premiums, and administrative expenses. Revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Governmental Fund Financial Statements

Governmental fund financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are susceptible to accrual, that is, when they are both measurable and available. Revenues are considered to be available if they are collected 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 period. Property taxes, grants and contracts, and interest associated with the current period are considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when the cash is received by the Town. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and financing of acquisitions under capital leases are reported as other financing sources.

ASSETS, LIABILITIES AND FUND EQUITY

Cash Equivalents

Cash and cash equivalents include short-term, highly liquid investments with original maturities of three months or less when purchased. Cash equivalents as of June 30, 2011 consist of Cooperative Liquid Asset Security Systems Funds (CLASS), State Treasurer's Short-Term Investment Fund (STIF), and money market accounts which totaled \$166,454, \$752,698, and \$9,724,808, respectively. CLASS is an investment pool managed by Cutwater Asset Management and STIF is an investment pool managed by the State Treasurer's Office. The balance in the pools are reported at net asset value, which is representative of the value of the pool shares.

Investments

In accordance with Governmental Accounting Standards Board Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, the Town presents all investments at fair value.

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

ASSETS, LIABILITIES AND FUND EQUITY (*Continued*)

Investments (*Continued*)

The Cornelia Rogers Trust Fund is considered to be a permanent endowment for which principal amounts which can be expended. Any appreciation of the funds is also expendable.

The Town allocates investment income in accordance with donor restrictions and Connecticut law, which adopted the provisions of the Uniform Prudent Management of Institutional Funds Act (UPMIFA). UPMIFA requires the investment of endowments in good faith and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances. It requires prudence in incurring investment costs, authorizing only costs that are appropriate and reasonable. Factors to be considered in investing are expanded to include, for example, the effects of inflation. UPMIFA emphasizes that investment decisions be made in relation to the overall resources of the Town.

Prepaid Items

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.

Property Taxes

Property taxes are assessed as of October 1. Taxes are billed in the following July and are due in two installments, July 1 and January 1. Personal property and motor vehicle taxes are billed in July and are due in one installment, July 1. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date. Property taxes receivable are recorded on the due date. Taxes not paid within thirty days of the due date are subject to an interest charge of one and one-half percent per month.

Capital Assets

Capital assets, which include property, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of 3 years. 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 a capital asset or materially extend capital asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the Town are depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	20 - 40
Land improvements	20 - 30
Infrastructure	30 - 50
Machinery and equipment	5 - 12
Vehicles	3 - 15

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

ASSETS, LIABILITIES AND FUND EQUITY (*Continued*)

Unearned/Deferred Revenue

In the government-wide and fund financial statements, this liability represents resources that have been received but not yet earned. In the fund financial statements, this liability also represents revenues considered measurable but not available during the current period.

Compensated Absences and Termination Benefits

Employees are granted sick and vacation leave in varying amounts. Upon retirement, termination, or death, eligible employees are compensated for unused sick and vacation leave (subject to certain limitations) at specified payment rates established by union contract, regulation or policy. Additionally, Board of Education administrators and teachers are eligible for retirement incentive amounts that are amortized over four years upon retirement.

All compensated absences are accrued when incurred in the government-wide financial statements. Expenditures for compensated absences are recognized in the governmental fund financial statements in the current year to the extent they are paid during the year, or the vested amount is expected to be paid with available resources.

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, business-type activities, or proprietary fund type 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 the applicable bond premium or discount. Bond issuance costs are reported as deferred charges.

In the fund financial statements, governmental funds 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.

Fund Equity

The statement of net assets presents the Town's non-fiduciary assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

Invested in capital assets, net of related debt - This category consists of capital assets, net of accumulated depreciation and amortization and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement of capital assets.

Restricted net assets - This category consists of net assets whose use is restricted either through external restrictions imposed by creditors, grantors, contributors, and the like, or through restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets - This category consists of net assets which do not meet the definition of the two preceding categories.

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*Continued*)

ASSETS, LIABILITIES AND FUND EQUITY (*Continued*)

Fund Equity (*Continued*)

During the year ended June 30, 2011, the Town implemented the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes criteria for classifying fund balances into specifically defined classifications for all governments that report governmental funds. The Town's governmental funds report the following fund balance categories:

Nonspendable - Amounts that cannot be spent because they are not in spendable form or they are legally or contractually required to be maintained intact.

Restricted - Constraints placed on the use of resources that are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments, or imposed by law through enabling legislation.

Committed - Amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the Town Council or Board of Finance (the highest level of decision making authority of the Town) and cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same formal action.

Assigned - Amounts are constrained by the government's intent to be used for specific purposes, but are not restricted or committed. Amounts may be constrained to be used for a specific purpose by a governing board or body or official that has been delegated authority to assign amounts by the Town Charter and include the Selectman and the Director of Finance.

Unassigned - Residual classification for the General Fund or amounts necessary in other governmental funds to eliminate otherwise negative fund balance amounts in the other four categories.

The Town does not have a formal policy over the use of fund balance. In accordance with GASB Statement No. 54, the Town will use restricted resources first, then unrestricted resources as needed. Unrestricted resources are used in the following order: committed; assigned; then unassigned.

INTERFUND ACTIVITIES

Interfund activities are reported as follows:

Interfund 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 non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds".

Interfund Services Provided and Used

Sales and purchases of goods and services between funds for a price approximating their external exchange value are reported as revenues and expenditures, or expenses, in the applicable funds.

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INTERFUND ACTIVITIES (Continued)

Interfund Transfers

Interfund transfers represent flows of assets without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and other financing sources in the funds receiving transfers.

Interfund Reimbursements

Interfund reimbursements represent repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them.

USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

NOTE 2 - DEFICIT FUND BALANCES

The following funds have deficit fund balances as of June 30, 2011, none of which constitutes a violation of statutory provisions:

Fund	Deficit Fund Balance	
Library Grants	\$ 6,060	*
Waste Disposal	184,616	*
Senior Center	3,198	*
Police Renovations	7,396	**
Rails to Trails	66,074	*
Plan of Conservation & Development	74,649	*
Wolfe Park Improvements	91,528	*
Chalk Hill Asbestos Removal	303,667	***
Open Space Acquisitions	14,685	***
Masuk Renovations	382,411	**
Monroe Public Library	77,806	**
Town Hall Window Replacement	16,172	*
Elm Street Grant	79,118	***

* Deficit will be reduced in future years when additional revenues are realized or when the General Fund appropriates and transfers funds.

** Deficit has arisen because bonds authorized for this project have not yet been issued. The Town plans to fund the deficits through the issuance of general obligation bonds.

*** Deficit will be funded primarily through a grant from the State of Connecticut.

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE- 3 - CASH DEPOSITS AND INVESTMENTS

CASH DEPOSITS

A reconciliation of the Town's cash and cash equivalents as of June 30, 2011 is as follows:

Government-wide statement of net assets:

Cash equivalents	\$ 10,566,610
Cash deposits	843,350
	11,409,960
Less: cash equivalents considered investments under GASB Statement No. 40	(919,152)
	10,490,808

Statement of fiduciary net assets:

Cash deposits - Agency Funds	742,782
Cash equivalents - Private-Purpose Trust Fund	77,350
	820,132
	\$ 11,310,940

CASH DEPOSITS – CUSTODIAL CREDIT RISK

Custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2011, \$3,789,602 of the Town's bank balance of \$13,914,931 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 3,410,642
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	378,960
	\$ 3,789,602

All of the Town's deposits were in qualified public institutions as defined by Connecticut general statutes. Under these statutes, any bank holding public deposits must at all times maintain, segregated from its other assets, eligible collateral in an amount equal to a certain percentage of its public deposits. The applicable percentage is determined based on the bank's risk-based capital ratio. The amount of public deposits is determined based on either the public deposits reported on the most recent quarterly call report, or the average of the public deposits reported on the four most recent quarterly call reports, whichever is greater. The collateral is kept in the custody of the trust department of either the pledging bank or another bank in the name of the pledging bank.

CASH DEPOSITS – CONCENTRATIONS OF CREDIT RISK

The Town's formalized investment policy states "At the time of acquisition, no more than ten percent (10%) of the overall portfolio may be invested in deposits with a single bank, unless the deposits are fully collateralized or fully insured". At June 30, 2011, the Town had deposits with one banking institution that exceeded the 10% limitation.

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (Continued)

INVESTMENTS

A reconciliation of the Town's investments as of June 30, 2011 is as follows:

Government-wide statement of net assets:

Investments	\$ 3,922,438
Add: cash equivalents considered investments under GASB Statement No. 40	919,152
	\$ 4,841,590

As of June 30, 2011, the Town's investments consisted of the following:

Investments (except for Pension Trust Funds)					
Investment type	Fair Value	Investment Maturities (In Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
Debt Securities:					
U.S. Agencies	\$ 3,721,758	\$ -	\$ -	\$ -	\$ 3,721,758
Certificates of Deposit	200,680	200,680	-	-	-
State Treasurer's Short Term Investment Fund (STIF)	752,698	752,698	-	-	-
Cooperative Liquid Asset Security Systems Fund (CLASS)	166,454	166,454	-	-	-
	\$ 4,841,590	\$ 1,119,832	\$ -	\$ -	\$ 3,721,758

Because STIF and CLASS had weighted average maturities of less than 90 days, they were presented as investments with maturities of less than one year.

In accordance with GASB Statement No. 40 *Deposit and Investment Risk Disclosures*, the Town has separately disclosed its Pension Trust Fund investments, as these investments are deemed to have greater risk exposure than the Town's investments.

As of June 30, 2011, the Pension Trust Fund investments consisted of the following:

Pension Trust Funds					
Investment type	Fair Value	Investment Maturities (In Years)			
		Less Than 1	1 to 5	6 to 10	More Than 10
Debt Securities:					
Bond mutual funds	\$ 2,538,105	\$ -	\$ -	\$ 2,538,105	\$ -
Guaranteed deposit account	1,205,078	-	1,205,078	-	-
	3,743,183	\$ -	\$ 1,205,078	\$ 2,538,105	\$ -
Other investments:					
Equity mutual funds	11,884,693				
Total	\$ 15,627,876				

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2011

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (*Continued*)

INVESTMENTS (*Continued*)

Interest Rate Risk

The Town's formalized investment policy does not specifically limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The Policy does suggest that investments be undertaken in a manner to protect against the erosion of market prices from rising interest rates. The Town's investment policy does not pertain to the Pension Trust Fund and the Internal Service Fund investments. Investment policies have not been formalized for these funds.

Credit Risk

The Town's investment policy does not further limit its investment choices beyond those limited by Connecticut general statutes. Connecticut general statutes permit the Town to invest in: (1) obligations of the United States, including its instrumentalities and agencies; (2) in obligations of any state or of any political subdivision, authority or agency thereof, provided such obligations are rated within one of the top two rating categories of any recognized rating service; (3) in 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; (4) or in obligations of the State of Connecticut or of any political subdivision thereof, provided such obligations are rated within one of the top three rating categories of any recognized rating service. 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, the investment of such funds is generally controlled by the laws applicable to fiduciaries and the provisions of the applicable plan.

The Town's investments in certificates of deposit were unrated. The Town's investment in STIF and CLASS were rated AAA by Standard and Poor's at June 30, 2011. No credit risk disclosures are required under GASB Statement No. 40 relating to investments in U.S. Agencies. The Pension Trust Fund investments in mutual funds were unrated. The Pension Trust Fund investments in Guaranteed Deposit Accounts were rated AA by Standard and Poor's at June 30, 2011.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, 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's investments are not exposed to custodial credit risk at June 30, 2011, as they are held by a trustee in the Town's name.

Concentrations of Credit Risk

The Town's formalized investment policy places no limit on the amount of investment in any one issuer. The investments in U.S Agencies are not exposed to concentrations of credit risk. 16% of the Town's investments are in STIF, which is an external investment pool that is considered to be diversified by nature.

More than 5 percent of the Pension Trust Fund investments are in a guaranteed deposit account held with Prudential Retirement Insurance and Annuity Company, bond mutual funds held with Prudential Financial and equity mutual funds held with Prudential Financial and Wilmington Trust Company. These investments represent 8%, 16% and 76% of the Pension Trust Fund investments, respectively.

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2011 consisted of the following:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 13,922,971	\$ -	\$ -	\$ 13,922,971
Construction in progress	2,123,249	2,914,893	(426,340)	4,611,802
Total capital assets, not being depreciated	<u>16,046,220</u>	<u>2,914,893</u>	<u>(426,340)</u>	<u>18,534,773</u>
Capital assets, being depreciated:				
Buildings and improvements	91,393,235	368,275	-	91,761,510
Land improvements	2,573,143	58,065	-	2,631,208
Vehicles	10,016,806	130,895	(21,042)	10,126,659
Machinery and equipment	8,974,878	166,523	-	9,141,401
Infrastructure	62,484,897	-	-	62,484,897
Total capital assets, being depreciated	<u>175,442,959</u>	<u>723,758</u>	<u>(21,042)</u>	<u>176,145,675</u>
Less accumulated depreciation and amortization for:				
Buildings and improvements	36,605,234	2,526,390	-	39,131,624
Land improvements	559,407	93,271	-	652,678
Vehicles	5,000,059	697,124	(21,042)	5,676,141
Machinery and equipment	7,057,389	703,983	-	7,761,372
Infrastructure	50,718,310	880,083	-	51,598,393
Total accumulated depreciation and amortization	<u>99,940,399</u>	<u>4,900,851</u>	<u>(21,042)</u>	<u>104,820,208</u>
Total capital assets, being depreciated, net	<u>75,502,560</u>	<u>(4,177,093)</u>	<u>-</u>	<u>71,325,467</u>
Governmental activities capital assets, net	<u>\$ 91,548,780</u>	<u>\$ (1,262,200)</u>	<u>\$ (426,340)</u>	<u>\$ 89,860,240</u>

Depreciation and amortization expense was charged to functions of the Town as follows:

Governmental Activities:	
General government	\$ 293,099
Public safety	633,710
Public works	1,146,541
Culture and recreation	474,128
Education	2,353,373
Total depreciation and amortization expense - governmental activities	<u>\$ 4,900,851</u>

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 2011 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds		
General Fund	Other Funds	\$ 1,643,209
Other Funds	General Fund	4,540,346
		<u>\$ 6,183,555</u>
Proprietary Fund		
Internal Service Fund	General Fund	<u>\$ 566,126</u>

Except for the balances due to the General Fund from the Masuk Renovations Fund and the Open Space Acquisitions Fund (included in Other Funds above), the above balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

The General Fund advanced funds to the Masuk Renovations Fund and Open Space Acquisitions Fund (included in Other Funds above) to fund unfunded construction costs and land acquisitions. The Town intends to liquidate the amount due to the General Fund with proceeds of general obligation bonds to be issued.

NOTE 6 - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2011 consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Governmental Funds		
General Fund	Other Funds	\$ 98,371
Other Funds	General Fund	120,926
Other Funds	Other Funds	51,867
		<u>172,793</u>
		<u>\$ 271,164</u>

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 7 - SHORT-TERM DEBT

The following is a summary of changes in short-term debt for the year ended June 30, 2011:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Bond anticipation note payable	\$ 3,000,000	\$ -	\$ (3,000,000)	\$ -

NOTE 8 - LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2011:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental Activities					
Bonds payable:					
General obligation bonds	\$ 42,610,000	\$ 16,130,000	\$ (13,705,000)	\$ 45,035,000	\$ 3,190,000
Unamortized amounts:					
Deferred amount on refunding	(917,394)	(380,918)	613,654	(684,658)	-
Premium	1,719,807	491,431	(184,512)	2,026,726	-
Total bonds payable	43,412,413	16,240,513	(13,275,858)	46,377,068	3,190,000
Other liabilities:					
Capital leases	1,407,692	-	(547,348)	860,344	260,578
Net OPEB obligation	2,134,678	298,147	-	2,432,825	-
Net pension obligation	(124,407)	414,231	-	289,824	-
Compensated absences	1,997,674	6,610	(152,877)	1,851,407	722,537
Termination benefits	8,010,073	186,662	-	8,196,735	863,600
Retired employee obligations	863,817	1,810,618	(691,866)	1,982,569	959,368
Risk management claims	1,124,088	8,076,765	(7,801,016)	1,399,837	881,594
	<u>\$ 58,826,028</u>	<u>\$ 27,033,546</u>	<u>\$ (22,468,965)</u>	<u>\$ 63,390,609</u>	<u>\$ 6,877,677</u>

General obligation bonds are secured by the full faith and credit of the Town. All of the above liabilities above typically have been liquidated in the general and other governmental funds.

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 8 - LONG-TERM LIABILITIES (Continued)

GENERAL OBLIGATION BONDS

A summary of general obligation bonds outstanding at June 30, 2011 is as follows:

Description	Final Maturity Dates	Interest Rates	Amount Outstanding
Governmental Activities			
Refunding bonds issued 2002, original amount \$14,905,000	2022	2.0% - 4.75%	\$ 6,110,000
School project bonds issued 2002, original amount \$7,000,000	2022	2.5% - 4.4%	375,000
General obligation bonds issued 2008, original amount \$4,855,000	2023	3.25% - 5.0%	4,555,000
Refunding bonds issued 2009, original amount \$18,975,000	2024	2.0% - 5.0%	18,025,000
General obligation bonds issued 2010, original amount \$5,325,000	2026	2.0% - 3.0%	5,325,000
Refunding bonds issued 2010, original amount \$10,805,000	2024	2.0% - 4.0%	10,645,000
			<u>\$ 45,035,000</u>

Annual debt service requirements to maturity on general obligation bonds are as follows as of June 30, 2011:

Year ending June 30:	Governmental Activities		
	Principal	Interest	Total
2012	\$ 3,190,000	\$ 1,628,611	\$ 4,818,611
2013	3,780,000	1,518,673	5,298,673
2014	3,855,000	1,396,591	5,251,591
2015	3,960,000	1,267,103	5,227,103
2016	3,990,000	1,119,253	5,109,253
2017-2021	16,865,000	3,383,745	20,248,745
2022-2026	9,395,000	707,009	10,102,009
	<u>\$ 45,035,000</u>	<u>\$ 11,020,985</u>	<u>\$ 56,055,985</u>

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 8 - LONG-TERM LIABILITIES (Continued)

GENERAL OBLIGATION BONDS (Continued)

Debt Refunding

During the year ended June 30, 2011, the Town issued \$10,805,000 of general obligation bonds with an average interest rate of 3.2% to advance refund \$10,725,000 of general obligation bonds with an average interest rate of 4.1%. The Town advance refunded these bonds to reduce its total debt service payments over the next 15 years by \$662,632 and to obtain an economic gain (difference between the present values of the debt service payments of the old and new bonds) of \$532,723. The reacquisition price exceeded the carrying amount of the old debt by \$380,918. This amount is being netted against the new debt and amortized over the remaining life of the refunded debt, which is shorter than the life of the new debt issued.

The proceeds of the refunding bonds were used to purchase U.S. Government securities which were deposited into an irrevocable trust with an escrow agent to provide for all future payments on the refunded bonds. Thus, the refunded bonds are considered defeased and the liability for those bonds has been removed from the statement of net assets.

Statutory Debt Limitation

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the Town shall not exceed seven times base receipts, as defined in the Statute, or \$451,562,881 as of June 30, 2011. Further, the Statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal and pension deficit. The Town did not exceed any of the statutory debt limitations at June 30, 2011.

As of June 30, 2011 the Town has authorized, unissued bonds of approximately \$253,000 for general purposes and \$656,466 for schools.

SCHOOL BOND REIMBURSEMENTS

The State of Connecticut reimburses the Town for eligible school bond principal and interest costs. The amount of reimbursement for the year ended June 30, 2011 was \$526,089. Additional reimbursements of principal and interest aggregating \$2,595,521 and \$372,387, respectively, are expected to be received through the applicable bonds' maturity dates. The Town has recorded a receivable relating to the principal portion of these payments in the accompanying statement of net assets. The long term portion of \$2,190,037 will be realized by the Town through fiscal year 2019.

CAPITAL LEASES

The Town has entered into multi-year capital leases for the purpose of acquiring certain equipment. A summary of assets acquired through capital leases is as follows as of June 30, 2011:

	Governmental Activities
Vehicles	\$ 2,227,655
Machinery and equipment	169,624
	<u>2,397,279</u>
Less: accumulated amortization	1,449,680
	<u>\$ 947,599</u>

Amortization expense relative to leased property under capital leases totaled \$234,262 for the year ended June 30, 2011 and is included in depreciation and amortization expense disclosed in Note 4.

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 8 - LONG-TERM LIABILITIES (Continued)

CAPITAL LEASES (Continued)

Future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2011 are as follows:

	Governmental Activities
Year Ending June 30:	
2012	\$ 297,713
2013	293,711
2014	192,693
2015	130,303
2016	18,310
2017-2021	18,308
Total minimum lease payments	951,038
Less: amount representing interest	90,694
Present value of minimum lease payments	\$ 860,344

COMPENSATED ABSENCES

Employees can accumulate unused vacation and sick leave (as determined by individual union contracts) until termination of their employment. At termination, pay-out provisions as determined by individual union contract provides for payments to vested employees. Board of Education teachers and administrators are granted retirement incentive payments payable over four years upon retirement.

The following is a summary of management's estimate of the vested and non-vested potential liability for lump sum payments to employees:

	Governmental Activities
Town:	
Vested:	
Vacation	\$ 362,838
Board of Education:	
Vested:	
Sick	1,005,194
Vacation	140,794
Non-vested:	
Sick	342,581 *
	\$ 1,851,407

* Based on estimated percentage of total non-vested obligation that potentially will vest in future years.

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 8 - LONG-TERM LIABILITIES (Continued)

TERMINATION BENEFITS

Board of Education administrators and teachers are granted retirement awards of \$40,000 at the time of retirement. The award is payable in four annual installments of \$10,000. Years of service provisions must be achieved in conjunction with the Board of Education formal approval if retirement is requested in an odd calendar year. The Board of Education has consistently approved the retirement award in odd calendar years. The following is a summary of management's estimate of the vested and non-vested potential liability for payments to retirees.

	Governmental Activities
Vested:	
Retirement incentives	\$ 3,079,600
Non-vested:	
Retirement incentives	5,117,135 *
	\$ 8,196,735

* Based on estimated percentage of total non-vested obligation that potentially will vest in future years.

RETIRED EMPLOYEE OBLIGATIONS

Board of Education retirement obligations in the amount of \$1,812,947 represent payments owed to retired employees for termination benefits and payments for unused compensated absences that have been amortized out over several years. In addition, \$169,622 is owed to the Connecticut State Teacher's Retirement Plan for pension service years purchased on behalf of retired employees in accordance with the State's early retirement incentive program.

The following is a summary of annual payments owed as of June 30, 2011:

	Governmental Activities
Year Ending June 30:	
2012	\$ 959,368
2013	443,949
2014	324,813
2015	204,813
2016	24,813
2017	24,813
	\$ 1,982,569

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 9 - UNEARNED/DEFERRED REVENUE

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds 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>	<u>Total</u>
General Fund:			
Property taxes	\$ 1,160,865	\$ 1,981,222	\$ 3,142,087
School building construction grant receivables	2,595,521	-	2,595,521
Nonmajor Governmental Funds:			
Advance summer program fee collections	-	30,355	30,355
Advance EMS fee collections	-	47,305	47,305
Grant drawdowns prior to meeting all eligibility requirements	-	220,599	220,599
	<u>\$ 3,756,386</u>	<u>\$ 2,279,481</u>	<u>\$ 6,035,867</u>

NOTE 10 - PENSION PLANS

TOWN EMPLOYEES' RETIREMENT PLAN

Plan Description

The Town administers the Town Employees' Retirement Plan (the "Plan") which is a single employer Public Employee Retirement System (PERS) to provide pension benefits for its employees. The Plan does not issue stand-alone financial statements and is part of the Town's financial reporting entity. As such, the Plan is accounted for in the fiduciary fund financial statements as a pension trust fund.

Summary of Significant Accounting Policies

The Plan is accounted for using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plan are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Investments are recorded at fair value. Securities traded on national exchanges are valued at the last reported sales price. Investment income is recognized when earned and gains and losses on sales or exchanges are recognized on the transaction date.

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2011

NOTE 10 - PENSION PLANS (*Continued*)

TOWN EMPLOYEES' RETIREMENT PLAN (*Continued*)

Plan Membership

Membership of the Plan consisted of the following as of January 1, 2010 (the date of the latest actuarial valuation):

Retirees and beneficiaries receiving benefits	43
Terminated plan members entitled to but not yet receiving benefits	20
Active plan members with fully vested rights	42
Active plan members without vested rights	20
	<hr/>
	125
	<hr/> <hr/>

Contributions

Supervisors, clerical and non-union employees contribute to the Plan at a rate of 3.85% of salary. Highway employees contribute to the Plan at a rate of 3% of salary. Benefits and employee contributions are fixed by contract and can be amended by union negotiation. The Town's funding policy provides for periodic employer contributions at actuarially determined rates. The Town's current contribution percentage is 3.3% of covered payroll.

Benefit Provisions

The plan covers substantially all Town employees, except police department employees. Participants are eligible to retire at the age of sixty-five with five years of service. The retirement benefit for highway employees is 1.625% of final average earnings per year of service, to a maximum of 35 years. The retirement benefit for supervisors, clerical and nonunion employees is 1.75% of final average earnings per year of service, to a maximum of 35 years. An additional \$200 per month benefit is provided for the Town Clerical Unit employees who retire on or after the age of sixty-two with twenty or more continuing years of service. The employee contribution for this benefit is 1% of the basic annual salary (in addition to any other required contribution).

The Plan includes provisions for early retirement at the age of fifty-five and fifteen years of service at a reduced benefit. Participants are 100% vested upon five years of service. The Plan also provides for pre and post retirement death benefits.

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 10 - PENSION PLANS (Continued)

TOWN EMPLOYEES' RETIREMENT PLAN (Continued)

Concentrations

The following table represents individual investments totaling 5% or more of plan net assets:

<u>Investment Type</u>	<u>Issuer</u>	<u>Fair Value</u>
Guaranteed Deposit Account	Prudential Financial	\$ 1,007,311
Dryden S&P 500 Index	Prudential Financial	969,019
Corporate Bond/PIM Fund	Prudential Financial	725,841
Core Plus Bond/Reams Fund	Prudential Financial	718,382
Private Placement Fund	Prudential Financial	691,398
Large Cap Growth/ Turner Inv	Prudential Financial	455,146
Large Cap Value/LSV Asset Mgmt	Prudential Financial	440,961
High Yield Bond/ Caywood-Scholl	Prudential Financial	402,484
International Blend/AQR	Prudential Financial	385,631

Additional Information and Actuarial Assumptions

The actuarial assumptions used in the most recent actuarial valuation were as follows:

Valuation date:	January 1, 2010
Actuarial cost method:	Entry Age Normal Cost Method
Amortization method:	Level Dollar, Closed
Remaining amortization period:	5 years
Asset valuation method:	Calculate the expected asset value plus or minus 20% of the difference between expected and market values
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases	5.00%

Annual Pension Cost and Net Pension Obligation

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

Annual required contribution	\$ 555,705
Interest on net pension obligation	6,760
Adjustment to annual required contribution	(52,424)
Annual pension cost	<u>510,041</u>
Contributions made	<u>106,684</u>
Increase in net pension obligation	(403,357)
Net pension obligation, beginning of year	(124,024)
Net pension obligation, end of year	<u><u>\$ (527,381)</u></u>

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 10 - PENSION PLANS (Continued)

TOWN EMPLOYEES' RETIREMENT PLAN (Continued)

Three-Year Trend Information

Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2009	\$ 144,740	0%	(90,353)
2010	140,365	76%	(124,034)
2011	510,041	21%	(527,381)

Funded Status

The funded status of the plan as of the most recent actuarial date is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) - Entry Age Normal Cost Method (B)	Overfunded (Unfunded) AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
January 1, 2010	\$ 7,124,118	\$ 8,784,914	\$ (1,660,796)	81%	\$ 3,205,710	-52%

The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contributions	Percentage Contributed
2006	\$ 88,422	121%
2007	81,560	100%
2008	89,239	13%
2009	138,305	16%
2010	146,417	77%
2011	555,705	19%

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2011

NOTE 10 - PENSION PLANS (*Continued*)

TOWN OF MONROE BOARD OF EDUCATION PENSION PLAN

Plan Description

The Board of Education administers the Town of Monroe Board of Education Pension Plan (the “BOE Plan”) which is a single employer Public Employee Retirement System (PERS) to provide pension benefits for employees of the Board of Education. The BOE Plan does not issue stand-alone financial statements and is part of the Town’s financial reporting entity. As such, the Plan is accounted for in the fiduciary fund financial statements as a pension trust fund. The Board of Education establishes and amends the benefit provisions for the plan.

Summary of Significant Accounting Policies

The plan is accounted for using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to the Plan are recognized when due and the employer has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the BOE Plan.

Investments are recorded at fair value. Securities traded on national exchanges are valued at the last reported sales price. Investment income is recognized when earned and gains and losses on sales or exchanges are recognized on the transaction date.

Plan Membership

Membership of the BOE Plan consisted of the following as of January 1, 2011 (the date of the latest actuarial valuation):

Retirees and beneficiaries receiving benefits	49
Terminated plan members entitled to but not yet receiving benefits	20
Active plan members with fully vested rights	64
Active plan members without vested rights	17
	<u>150</u>

Contributions

Board of Education employees contribute to the Plan at a rate of 4.75% of basic earnings. Benefits and employee contributions are fixed by contract and can be amended by union negotiation. The Superintendent of Schools is responsible for monitoring the Plan. The Board of Education’s funding policy provides for periodic employer contributions at actuarially determined rates. The Board of Education’s current contribution percentage is 7.9% of covered payroll.

Benefit Provisions

The PERS covers substantially all Board of Education employees, except teachers. Participants are eligible to retire at the age of sixty-five with five years of service. The retirement benefit for Board of Education employees is 1.75% of final average earnings per year of credited service, to a maximum of 35 years.

The Plan includes provisions for early retirement at the age of fifty-five with fifteen years of service at a reduced benefit. Participants are 100% vested upon five years of service. The Plan also provides for pre and post retirement death benefits.

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 10 - PENSION PLANS (Continued)

TOWN OF MONROE BOARD OF EDUCATION PENSION PLAN (Continued)

Concentrations

The following table represents individual investments totaling 5% or more of plan net assets:

<u>Type</u>	<u>Issuer</u>	<u>Value</u>
Fixed Income Index Portfolio	Wilmington Trust Co.	\$ 1,779,000
Intermediate Fixed Income Portfolio	Wilmington Trust Co.	1,775,897
Large Co Value Portfolio	Wilmington Trust Co.	1,235,498
Strategic Growth Portfolio	Wilmington Trust Co.	1,202,863
International Value Portfolio	Wilmington Trust Co.	662,568
International Growth Portfolio	Wilmington Trust Co.	615,205

Additional Information and Actuarial Assumptions

The actuarial assumptions used in the most recent actuarial valuation were as follows:

Valuation date:	January 1, 2011
Actuarial cost method:	Entry Age Normal Cost Method
Amortization method:	Level Dollar, Closed
Remaining amortization period:	12 years
Asset valuation method:	Asset Smoothing
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases	5.00%

Annual Pension Cost and Net Pension Asset

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

Annual required contribution	\$ 304,258
Interest on net pension asset	(18,632)
Adjustment to annual required contribution	29,506
Annual pension cost	<u>315,132</u>
Contributions made	<u>304,258</u>
Decrease in net pension asset	(10,874)
Net pension asset, beginning of year	<u>248,431</u>
Net pension asset, end of year	<u><u>\$ 237,557</u></u>

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 10 - PENSION PLANS (Continued)

TOWN OF MONROE BOARD OF EDUCATION PENSION PLAN (Continued)

Three-Year Trend Information

Year Ended June 30	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
2009	\$ 244,866	96%	258,430
2010	305,651	97%	248,431
2011	315,132	97%	237,557

Funded Status

The funded status of the plan as of the most recent actuarial date is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) - Entry Age Normal Cost Method (B)	Overfunded (Unfunded) AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
January 1, 2011	\$ 8,502,820	\$ 9,675,631	\$ (1,172,811)	88%	\$ 3,839,606	-31%

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

Schedule of Employer Contributions

Year Ended June 30	Annual Required Contributions	Percentage Contributed
2006	\$ 221,664	100%
2007	230,521	100%
2008	227,071	100%
2009	235,677	100%
2010	295,652	100%
2011	304,258	100%

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 10 - PENSION PLANS (Continued)

PLAN FINANCIAL STATEMENTS

TOWN OF MONROE, CONNECTICUT
STATEMENT OF PLAN NET ASSETS
JUNE 30, 2011

	Pension Trust Funds		
	Town Employees' Retirement Plan	Board of Education Pension Plan	Total
ASSETS			
Investments, at fair value:			
Mutual funds	\$ 6,420,882	\$ 8,001,916	\$ 14,422,798
Guaranteed deposit account	1,205,078	-	1,205,078
Contributions receivable	85,000	-	85,000
Total assets	<u>7,710,960</u>	<u>8,001,916</u>	<u>15,712,876</u>
NET ASSETS			
Held in trust for pension benefits	7,710,960	8,001,916	15,712,876
Total net assets	<u>\$ 7,710,960</u>	<u>\$ 8,001,916</u>	<u>\$ 15,712,876</u>

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 10 - PENSION PLANS (Continued)

PLAN FINANCIAL STATEMENTS (Continued)

TOWN OF MONROE, CONNECTICUT
STATEMENT OF CHANGES IN PLAN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2011

	Pension Trust Funds		
	Town Employees' Retirement Plan	Board of Education Pension Plan	Total
ADDITIONS			
Contributions:			
Employer	\$ 106,684	\$ 304,258	\$ 410,942
Plan members	131,718	185,244	316,962
Total contributions	<u>238,402</u>	<u>489,502</u>	<u>727,904</u>
Investment earnings:			
Interest and dividends	199,822	9	199,831
Net appreciation in the fair value of investments	1,040,310	1,329,237	2,369,547
Total investment earnings	<u>1,240,132</u>	<u>1,329,246</u>	<u>2,569,378</u>
Total additions	<u>1,478,534</u>	<u>1,818,748</u>	<u>3,297,282</u>
DEDUCTIONS			
Benefit payments	445,538	516,528	962,066
Administrative expenses	42,514	80,405	122,919
Total deductions	<u>488,052</u>	<u>596,933</u>	<u>1,084,985</u>
NET INCREASE	990,482	1,221,815	2,212,297
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS			
Beginning of year	<u>6,720,478</u>	<u>6,780,101</u>	<u>13,500,579</u>
End of year	<u>\$ 7,710,960</u>	<u>\$ 8,001,916</u>	<u>\$ 15,712,876</u>

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2011

NOTE 10 - PENSION PLANS (*Continued*)

TEACHERS' RETIREMENT SYSTEM

The faculty and professional personnel of the Board of Education participate in a contributory defined benefit plan, established under Chapter 167a of the Connecticut General Statutes, which is administered by the Connecticut State Teachers' Retirement Board. The State Teacher's Retirement System is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106.

Certain part-time and all full-time certified teachers are eligible to participate in the plan and are required to contribute 7.25% of their annual earnings to the plan. The Town does not and is not legally responsible to contribute to the plan. After five years of service, teachers are fully vested in their own contributions. After ten years of service, teachers are fully vested in the monthly pension benefit which is payable at the age of sixty. The State of Connecticut contributes based on actuarially determined amounts. The funding level was determined based on an actuarial valuation of the plan as a whole, which does not provide actuarial information on an individual Town basis. For the year ended June 30, 2011, Town teachers contributed \$1,870,116 to the plan and covered payroll for the year was \$25,794,703.

In accordance with the provisions of Governmental Accounting Standards Board Statement No. 24, the Town has reported "on behalf" payments of \$4,101,358 made by the State of Connecticut into the plan as intergovernmental revenues and educations expenditures of the General Fund in the accompanying statement of revenues, expenditures and changes in fund balances of governmental funds.

CONNECTICUT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM - FUND B

Plan Description and Benefit Provisions

All uniformed police officers of the Town of Monroe, who are age 55 or younger at the date of hire participate in the Connecticut Municipal Employees' Retirement System Fund B (MERS), a cost sharing multiple-employer public employee retirement system (PERS) established by the State of Connecticut and administered by the State Retirement Commission to provide 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. MERS 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.

Contributions

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 current rate is 11.7% of annual covered payroll. The contribution requirements of the Town are established and may be amended by the State Retirement Commission. The Town's contributions to the MERS for the years ended June 30, 2011, 2010 and 2009 were \$633,964, \$417,474 and \$374,951, respectively, equal to the required contributions for each year.

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 10 - PENSION PLANS (Continued)

CONNECTICUT MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM - FUND B (Continued)

Funded Status (in millions of dollars)

The funded status of the plan as of July 1, 2010, the date of the most recent actuarial data, is as follows:

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) - Entry Age Normal Cost Method (B)	Overfunded (Unfunded) AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
July 1, 2010	\$ 1,663	\$ 1,881	\$ (218)	88%	\$ 422	-52%

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

The actuarial accrued liability is a measure that uses the benefit provisions and is intended to i) help users assess the plan's funding status on a going-concern basis, and ii) assess progress being made in accumulating sufficient assets to pay benefits when due. Allocation of the actuarial present value of projected benefits between past and future service was based on service using the entry age actuarial cost method. Entry age was established by subtracting credited service from current age on the valuation date. Assumptions, including projected pay increases, were the same as those used to determine the annual required contribution between entry age and assumed exit age.

The actuarial value of assets is based on a market-related method that recognizes i) 20% of any difference between actual and expected investment income (gain/loss) in the valuation year and ii) 20% of any previous years' unrecognized investment gains/losses. Such smoothed actuarial asset value shall not be less than 80% or greater than 120% of the market value of assets.

The actuarial accrued liability was determined as part of an actuarial valuation at July 1, 2010.

Significant actuarial assumptions used include:

- a. Rate of return on the investment of present and future assets of 8.25% per year compounded annually.
- b. Projected salary increases of 3.75% per year compounded annually, attributable to inflation.
- c. Additional projected salary increases ranging from 0.75% to 7.50%, per year, attributable to seniority/merit.
- d. Annual cost of living increases are applied to disabled and non-disabled retirement benefits and vary based upon member age and date of retirement. For members that retired prior to January 1, 2002, increases of 3.5% are assumed for those who have reached age 65 and (effective January 1, 2002) increases of 2.5% are assumed for those who have not yet reached age 65. For members that retire after December 31, 2001, increases of 2.6% are assumed, regardless of age.

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 11 - OTHER POST EMPLOYMENT BENEFITS (OPEB)

TOWN POLICE PLAN

Plan Description

The Town of Monroe administers the Town of Monroe Police Postemployment Benefit Program (the “Plan”), which is a single-employer defined benefit plan. The Plan provides for post employment medical coverage for those police officers who retire from employment with the Town. Under the Plan, the retiree is provided medical coverage at a cost equal to twenty-five percent of the annual premium and is provided coverage from retirement up to the qualification for Medicare benefits. Benefit provisions are established by the Town and the union representing it’s police officers. The Plan does not issue a publicly available financial report and is not included in the financial statements of another entity. The plan is funded on a pay-as-you-go basis and no trust has been established to hold plan assets. Accordingly, the plan is not presented as a pension and other post employment benefits trust fund in the accompanying financial statements.

Plan Provisions

Police personnel with 25 years of service are eligible to receive medical benefits for self (spousal benefits are paid for by the retiree, if applicable). The benefits are offered for a maximum period of fifteen years or to age 65 (whichever occurs first).

Funding Policy

Contribution requirements of the plan members and the Town are established in the provisions of the program. Police receiving benefits contribute 25% of the cost of single coverage and 25% of the HRA single deductible if with at least 15 years of service. Currently, the Plan is funded on a pay-as -you-go basis.

Annual OPEB Cost and Net OPEB Obligation

The Town’s annual OPEB cost (expense) 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 over a period not to exceed thirty 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.

Annual required contribution	\$ 112,070
Interest on net OPEB obligation	7,539
Adjustment to annual required contribution	(9,843)
Annual OPEB cost (expense)	<u>109,766</u>
Contributions made	<u>45,143</u>
Increase in net OPEB obligation	64,623
Net OPEB obligation, beginning of year	<u>167,535</u>
Net OPEB obligation, end of year	<u><u>\$ 232,158</u></u>

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 11 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

TOWN POLICE PLAN (Continued)

Three-Year Trend Information

Year Ended June 30	Annual OPEB Cost	Annual OPEB Cost Contributed	Net OPEB Obligation
2009	\$ 107,102	25.6%	\$ 79,732
2010	108,434	19.0%	167,535
2011	109,766	41.1%	232,158

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2010 (the date of the most recent actuarial valuation) was as follows:

Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) - Projected Unit Credit Cost Method (B)	Overfunded (Unfunded) AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
\$ -	\$ 1,568,829	\$ (1,568,829)	0.0%	\$ 2,702,454	-58%

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of events in 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 Town are subject to continual revision, as actual results are compared with past expectations and new estimates are made about the future. The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2011

NOTE 11 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (*Continued*)

TOWN POLICE PLAN (*Continued*)

Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plan (the plan as understood by the Town and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the Town and the plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Town and plan members in the future. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Valuation date:	July 1, 2010
Actuarial cost method:	Projected Unit Credit
Amortization method:	Level dollar
Remaining amortization period:	30 years
Asset valuation method:	N/A
Actuarial assumptions:	
Discount rate	4.50%
Healthcare cost trend rate	10.00% initial, decreasing by 1.0% per year 5.00% final (2015 and beyond)

BOARD OF EDUCATION PLAN

Plan Description

The Town of Monroe administers the Town of Monroe Board of Education Postemployment Welfare Benefit Program (the "Plan"), which is a single-employer defined benefit plan. The Plan provides medical, prescription drug and dental benefits for eligible retirees and their spouses and life insurance benefits for retirees only through the Town's group health insurance plan, which covers both active and retired members. Benefit provisions are established by the Town and the General Statutes of the State of Connecticut. The Plan does not issue a publicly available financial report and is not included in the financial statements of another entity. The plan is funded on a pay-as-you-go basis and no trust has been established to hold plan assets. Accordingly, the plan is not presented as a pension and other post employment benefits trust fund in the accompanying financial statements.

Plan Provisions

Teachers and administrators: Teachers or administrators retiring under the Connecticut State Teachers Retirement System are eligible to receive medical, prescription drug and dental benefits for self and spouse and life insurance for self. Eligibility for the Plan follows the State of Connecticut Teacher's Retirement Board requirements. The benefits are offered for a maximum period of ten years or to age 65 (whichever occurs first) or for life if not eligible for Medicare.

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 11 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

BOARD OF EDUCATION PLAN (Continued)

Plan Provisions (Continued)

Non-Certified Staff: Non-certified staff are eligible to receive lifetime medical, prescription drug and dental benefits for self and spouse and life insurance for self. Non-Certified Staff who have reached the age of 55 with 15 years or service or age 65 with 5 years of service are eligible for participation in the Plan.

Funding Policy

Contribution requirements of the plan members and the Town are established in the provisions of the program and in accordance with the General Statutes of the State of Connecticut. Teachers receiving benefits contribute 50% of the cost of premiums if with at least 20 years of service or 62.5% of the cost of premiums if with at least 15 years of service, both less Teacher's Retirement Board contributions. Non-certified staff receiving benefits contribute 100% of the cost of premiums minus a Board of Education contribution based upon age and years of service (\$2,400 if under rule of 75, \$3,000 if under rule of 80, \$3,600 if under rule of 85 and \$4,200 if under rule of 90). Currently, the Plan is funded on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation

The Town's annual OPEB cost (expense) 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 over a period not to exceed thirty 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.

Annual required contribution	\$ 766,819
Interest on net OPEB obligation	88,521
Adjustment to annual required contribution	<u>(71,796)</u>
Annual OPEB cost (expense)	783,544
Contributions made	<u>550,020</u>
Increase in net OPEB obligation	233,524
Net OPEB obligation, beginning of year	<u>1,967,143</u>
Net OPEB obligation, end of year	<u><u>\$ 2,200,667</u></u>

Three-Year Trend Information

Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2009	\$ 1,294,565	0.0%	\$ 1,294,565
2010	1,305,571	48.5%	1,967,143
2011	783,544	70.2%	2,200,667

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 11 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

BOARD OF EDUCATION PLAN (Continued)

Funded Status and Funding Progress

The funded status of the plan as of June 30, 2009 (the date of the most recent actuarial valuation) was as follows:

Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) - Projected Unit Credit Cost Method (B)	Overfunded (Unfunded) AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
\$ -	\$ 15,112,705	\$ (15,112,705)	0.0%	N/A	N/A

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of events in 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 Town are subject to continual revision, as actual results are compared with past expectations and new estimates are made about the future. The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits are based on the substantive plan (the plan as understood by the Town and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the Town and the plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Town and plan members in the future. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions were as follows:

Valuation date:	June 30, 2009
Actuarial cost method:	Projected Unit Credit
Amortization method:	Payments increasing at 4.0%
Remaining amortization period:	30 years
Asset valuation method:	N/A
Actuarial assumptions:	
Discount rate	4.50%
Inflation rate	4.00%
Healthcare cost trend rate	9.50% initial 5.00% final
Dental cost trend rate	5.00%

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 12 - COMMITMENTS AND CONTINGENCIES

There are several pending lawsuits involving the Town. The outcome and eventual liability to the Town, if any, is not known at this time. The Town's management, based upon consultation with legal counsel, estimates that potential claims against the Town, not covered by insurance, would not materially affect the financial position of the Town.

As of June 30, 2011, the Town has recorded \$747,513 in encumbrances, the most significant of which are for education. Such encumbrances have been included in the General Fund's assigned fund balance in accordance with the provisions of GASB Statement No. 54.

NOTE 13 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God. Generally, the Town obtains commercial insurance for all risks of loss, but has chosen to retain the risk for the Town employee dental claims (Town Dental), Board of Education employee medical and dental claims (Board of Education Medical and Dental) and heart and hypertension claims of Town police officers (Heart and Hypertension). These funds are reported as Internal Service Funds. Neither the Town nor its insurers have settled any claims which exceeded the Town's insurance coverage during the past three years.

The Town establishes claims liabilities based on estimates of claims that have been incurred but not reported at June 30, 2011. Claims liabilities are recorded in accordance with GASB Statements No. 10 and 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is possible that a liability has been incurred at the date of the financial statements and the amount of possible loss can be reasonably estimated. The amount of the claims accrual is based on the ultimate costs of settling the claims, which include past experience data, inflation and other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries. The claims accrual does not include other allocated or unallocated claims adjustment expenses.

The Town dental self-insurance program was established to provide dental coverage for all Town employees previously covered by dental insurance. The dental claims liability of \$7,975 for this program reported at June 30, 2011 is based on estimated claims incurred but not reported. A summary of claims activity for the years ended June 30, 2011 and 2010 is as follows:

Year Ended June 30	Claims Payable, Beginning of Year	Claims and Changes in Estimates	Claims Paid	Claims Payable, End of Year
2010	\$ 9,104	\$ 93,435	\$ 95,839	\$ 6,700
2011	6,700	91,020	89,745	7,975

The Board of Education medical and dental self-insurance program was established on March 1, 1990 to provide health and dental coverage for Board of Education employees previously covered by insured hospital, major medical and dental insurance.

The Board of Education has acquired insurance to cover claims for any member in excess of \$150,000 for medical and prescription combined (\$5,000,000 Lifetime Maximum payout per member). The Board of Education has acquired insurance to cover claims for all covered members combined in excess of \$5,762,340 for medical claims only (\$1,000,000 annual maximum).

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2011

NOTE 13 - RISK MANAGEMENT (Continued)

The Board of Education self-insurance program is being administered by a professional benefit administrator (the "Administrator"). When a claim is submitted, the Administrator processes and pays the claim from funds accumulated by the Board of Education in an internal service fund. The internal service fund is funded by the Board of Education based upon information provided by the Administrator using an actuarial method to determine such information. The charges by the internal service fund to the Board of Education are adjusted over future contract years so that the internal service fund revenues and expenses are approximately equal over such period. A summary of claims activity for the years ended June 30, 2011 and 2010 is as follows:

Year Ended June 30	Claims Payable, Beginning of Year	Claims and Changes in Estimates	Claims Paid	Claims Payable, End of Year
2010	\$ 508,757	\$ 7,330,244	\$ 7,270,031	\$ 568,970
2011	568,970	7,570,894	7,285,141	854,723

The Town has established an additional self-insurance program under the provisions of Section 7-433(c) of the Connecticut General Statutes for heart and hypertension claims of Town police officers. The death benefits liability is adjusted annually to reflect cost of living increases. The present value of the benefits payable was computed at an assumed rate of return of 3.0% in 2011 and 2010, respectively. A summary of claims activity for the years ended June 30, 2011 and 2010 is as follows:

Year Ended June 30	Claims Payable, Beginning of Year	Claims and Changes in Estimates	Claims Paid	Claims Payable, End of Year
2010	\$ 560,620	\$ 71,413	\$ 83,615	\$ 548,418
2011	548,418	125,156	136,435	537,139

NOTE 14 - ADJUSTMENTS

In February 2009, the Governmental Accounting Standards Board ("GASB") issued GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* ("Statement No. 54"). Statement No. 54 clarified the definitions of the general fund, special revenue fund type, capital projects fund type, debt service fund type, and permanent fund type. The application of Statement No. 54 was effective for the Town as of July 1, 2010. Based on the interpretations of certain terms within the definition of the special revenue fund type provided for in Statement No. 54, the Town has determined that certain activities previously reported in special revenue funds are required to be reported in other fund types. Accordingly, fund balance reclassifications made by the Town have resulted in a decrease in the beginning fund balance of the General Fund in the amount of \$94,450 and an increase in the beginning fund balance of the Town's Other Governmental Funds in the amount of \$106,749 in order to conform to the provisions of Statement No. 54.

**Required
Supplementary
Information**

TOWN OF MONROE, CONNECTICUT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
REVENUES				
Property taxes	\$ 63,806,556	\$ 63,806,556	\$ 64,390,009	\$ 583,453
Licenses, permits and other charges	601,450	601,450	547,600	(53,850)
Intergovernmental	7,694,524	7,694,524	7,652,327	(42,197)
Charges for services	361,210	361,210	369,795	8,585
Investment earnings	450,000	450,000	399,705	(50,295)
Miscellaneous	60,000	60,000	29,206	(30,794)
Total revenues	<u>72,973,740</u>	<u>72,973,740</u>	<u>73,388,642</u>	<u>414,902</u>
EXPENDITURES				
Current:				
General government	6,222,326	6,222,326	6,273,979	51,653
Public safety	5,691,772	5,691,772	5,729,893	38,121
Public works	3,115,241	3,115,241	3,225,919	110,678
Health and welfare	178,060	178,060	173,658	(4,402)
Culture and recreation	1,317,512	1,317,512	1,407,510	89,998
Education	51,434,738	51,434,738	51,417,356	(17,382)
Capital outlay - special projects	5,500	5,500	4,785	(715)
Debt service	5,236,981	5,236,981	5,041,987	(194,994)
Total expenditures	<u>73,202,130</u>	<u>73,202,130</u>	<u>73,275,087</u>	<u>72,957</u>
Excess (deficiency) of revenues over expenditures	(228,390)	(228,390)	113,555	341,945
OTHER FINANCING SOURCES (USES)				
Appropriation of fund balance	370,000	370,000	-	(370,000)
Cancellation of prior year encumbrances	-	-	37,161	37,161
Transfers in	28,390	28,390	63,371	34,981
Transfers out	(170,000)	(170,000)	(210,926)	(40,926)
Total other financing sources (uses)	<u>228,390</u>	<u>228,390</u>	<u>(110,394)</u>	<u>(338,784)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	3,161	<u>\$ 3,161</u>
Fund balance - beginning			<u>3,653,094</u>	
Fund balances - ending			<u>\$ 3,656,255</u>	

The accompanying notes are an integral part of this schedule of required supplementary information .

TOWN OF MONROE, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
PROPERTY TAXES				
Tax levies	\$ 63,606,556	\$ 63,606,556	\$ 64,052,507	\$ 445,951
Interest and lien fees	200,000	200,000	337,502	137,502
Total property taxes	<u>63,806,556</u>	<u>63,806,556</u>	<u>64,390,009</u>	<u>583,453</u>
LICENSES AND PERMITS				
Police Department permits	8,000	8,000	10,252	2,252
Building permits	175,000	175,000	178,785	3,785
Burning permits	2,000	2,000	1,680	(320)
Planning and Zoning	15,000	15,000	18,671	3,671
Library	20,000	20,000	20,221	221
Refuse permits	3,700	3,700	3,500	(200)
Canine licenses	2,000	2,000	2,089	89
Town Clerk's fees	375,000	375,000	312,192	(62,808)
Driveway permits	750	750	210	(540)
Total licenses and permits	<u>601,450</u>	<u>601,450</u>	<u>547,600</u>	<u>(53,850)</u>
INTERGOVERNMENTAL				
State and Federal Education Grants:				
Education Cost Sharing	5,634,507	5,634,507	5,634,507	-
School Transportation	118,411	118,411	71,373	(47,038)
Education Stabilization	937,611	937,611	937,611	-
Government Services	-	-	59,895	59,895
Other:				
Elderly property tax rebates	2,000	2,000	666	(1,334)
Tax grant - disabled persons	2,000	2,000	2,487	487
PILOT - State property	10,469	10,469	10,529	60
Tax grant - circuit breaker	145,000	145,000	164,148	19,148
Bond subsidy payments	526,089	526,089	526,089	-
PILOT - capital equipment	180,000	180,000	151,649	(28,351)
Boat tax reimbursement	3,918	3,918	3,171	(747)
Veteran exemption	10,000	10,000	9,623	(377)
Mashantucket Pequot Grant	29,519	29,519	29,224	(295)
Telephone Access	95,000	95,000	51,355	(43,645)
Total intergovernmental	<u>7,694,524</u>	<u>7,694,524</u>	<u>7,652,327</u>	<u>(42,197)</u>

The accompanying notes are an integral part of this schedule of required supplementary information.

TOWN OF MONROE, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
CHARGES FOR SERVICES				
Bus barn	\$ 15,960	\$ 15,960	\$ 15,960	\$ -
Recreation Department fees	220,000	220,000	241,757	21,757
Landfill lease	42,000	42,000	40,923	(1,077)
Nutrition	3,750	3,750	895	(2,855)
Tuition	10,000	10,000	11,860	1,860
Senior citizens transportation	5,000	5,000	5,828	828
Senior citizens registration	3,500	3,500	3,503	3
Special police assignments	45,000	45,000	35,000	(10,000)
Inland Wetlands Commission	16,000	16,000	14,069	(1,931)
Total charges for services	<u>361,210</u>	<u>361,210</u>	<u>369,795</u>	<u>8,585</u>
INTEREST AND DIVIDENDS	<u>450,000</u>	<u>450,000</u>	<u>399,705</u>	<u>(50,295)</u>
OTHER REVENUES	<u>60,000</u>	<u>60,000</u>	<u>29,206</u>	<u>(30,794)</u>
Total revenue	<u>72,973,740</u>	<u>72,973,740</u>	<u>73,388,642</u>	<u>414,902</u>
OTHER FINANCING SOURCES				
Appropriation of fund balance	370,000	370,000	-	(370,000)
Cancellation of prior year encumbrances	-	-	37,161	37,161
Operating transfers in	28,390	28,390	63,371	34,981
Total other financing sources	<u>398,390</u>	<u>398,390</u>	<u>100,532</u>	<u>(297,858)</u>
Total revenues and other financing sources	<u>\$ 73,372,130</u>	<u>\$ 73,372,130</u>	<u>\$ 73,489,174</u>	<u>\$ 117,044</u>

The accompanying notes are an integral part of this schedule of required supplementary information.

TOWN OF MONROE, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
GENERAL GOVERNMENT				
Selectmen	\$ 242,082	\$ 242,082	\$ 338,637	\$ 96,555
Town Council	4,845	4,845	6,657	1,812
Board of Finance	41,000	41,000	28,983	(12,017)
Registrar of Voters	82,250	82,250	74,633	(7,617)
Town Clerk	183,131	183,131	174,619	(8,512)
Tax Collector	157,844	157,844	145,291	(12,553)
Town Treasurer	10,180	10,180	10,180	-
Boards and commissions	16,750	16,750	5,232	(11,518)
Senior citizen	211,637	211,637	210,339	(1,298)
Economic Development	6,325	6,325	4,682	(1,643)
Inland Wetlands Commission	57,827	57,827	72,282	14,455
Human resource - fringe benefits	3,377,150	3,377,150	3,454,645	77,495
Finance Department	241,291	241,291	243,727	2,436
Technology	523,177	523,177	475,130	(48,047)
Assessor	204,301	204,301	202,437	(1,864)
Building Inspection Department	134,024	134,024	128,558	(5,466)
Planning and Zoning Department	164,099	164,099	143,528	(20,571)
Town hall maintenance	332,559	332,559	303,392	(29,167)
Special programs	181,967	181,967	203,150	21,183
Regional programs	49,887	49,887	47,877	(2,010)
Total general government	<u>6,222,326</u>	<u>6,222,326</u>	<u>6,273,979</u>	<u>51,653</u>
PUBLIC SAFETY				
Police Department	4,381,239	4,381,239	4,429,417	48,178
Animal Control	114,032	114,032	103,410	(10,622)
Park Ranger	52,030	52,030	52,165	135
Monroe Fire Department	195,636	195,636	195,636	-
Stevenson Fire Department	169,474	169,474	169,474	-
Stepney Fire Service	193,131	193,131	193,131	-
Fire Service	489,430	489,430	497,174	7,744
Fire Marshal	88,375	88,375	81,440	(6,935)
Emergency Management	8,425	8,425	8,046	(379)
Total public safety	<u>5,691,772</u>	<u>5,691,772</u>	<u>5,729,893</u>	<u>38,121</u>

The accompanying notes are an integral part of this schedule of required supplementary information

TOWN OF MONROE, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2011

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
PUBLIC WORKS				
Highway administration	\$ 302,147	\$ 302,147	\$ 293,798	\$ (8,349)
General maintenance	1,209,065	1,209,065	1,176,591	(32,474)
Snow removal	388,680	388,680	437,869	49,189
Operations	781,193	781,193	903,210	122,017
Tree Warden	34,800	34,800	34,845	45
Traffic control	64,873	64,873	63,733	(1,140)
Sanitation:				
Solid waste	14,021	14,021	12,767	(1,254)
Recycling	320,462	320,462	303,106	(17,356)
Total public works	<u>3,115,241</u>	<u>3,115,241</u>	<u>3,225,919</u>	<u>110,678</u>
HEALTH AND WELFARE				
Health Department	132,060	132,060	131,448	(612)
Department of Social Services	46,000	46,000	42,210	(3,790)
Total health and welfare	<u>178,060</u>	<u>178,060</u>	<u>173,658</u>	<u>(4,402)</u>
CULTURE AND RECREATION				
Library	707,536	707,536	673,833	(33,703)
Recreation Department	609,976	609,976	733,677	123,701
Total culture and recreation	<u>1,317,512</u>	<u>1,317,512</u>	<u>1,407,510</u>	<u>89,998</u>
EDUCATION	<u>51,434,738</u>	<u>51,434,738</u>	<u>51,417,356</u>	<u>(17,382)</u>
DEBT SERVICE	<u>5,236,981</u>	<u>5,236,981</u>	<u>5,041,987</u>	<u>(194,994)</u>
CAPITAL OUTLAY - SPECIAL PROJECTS	<u>5,500</u>	<u>5,500</u>	<u>4,785</u>	<u>(715)</u>
Total budgetary expenditures	<u>73,202,130</u>	<u>73,202,130</u>	<u>73,275,087</u>	<u>72,957</u>
OTHER FINANCING USES				
Operating transfers out	<u>170,000</u>	<u>170,000</u>	<u>210,926</u>	<u>40,926</u>
Total other financing uses	<u>170,000</u>	<u>170,000</u>	<u>210,926</u>	<u>40,926</u>
Total expenditures and other financing uses	<u>\$ 73,372,130</u>	<u>\$ 73,372,130</u>	<u>\$ 73,486,013</u>	<u>\$ 113,883</u>

The accompanying notes are an integral part of this schedule of required supplementary information.

TOWN OF MONROE, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2011

BUDGETARY INFORMATION

The Town adheres to the following procedures in establishing the budgetary data included in the General Fund financial statements.

- Estimates of revenues and expenditures are prepared by each department, office, agency, commission, committee, and authority for submission to the First Selectman and Director of Finance no later than January 2nd. Board of Education estimates of revenues and expenditures are prepared for submission to the First Selectman and Director of Finance no later than January 9th.
- The First Selectman's proposed budget must be presented to the Town Council by February 8th. During the Town Council's review of the budget, one public hearing is held. The Town Council will make revisions to the budget that the Council deems necessary and forward the budget to the Board of Finance by February 28th.
- During the Board of Finance's review of the budget, one public hearing is held. The Board of Finance will make revisions to the budget that the Board deems necessary and deliver its final proposed Annual Budget to the First Selectman by March 21st.
- The First Selectman will prepare the final proposed Annual Budget for Annual Budget Referendum. The Annual Referendum is held on the first Tuesday of April each year.
- Upon request of the Selectman, the Board of Finance may authorize the transfer of any unencumbered appropriation from one department, office, agency, board or commission to another. In addition, the Board of Finance may authorize the transfer of funds up to \$150,000 from the unassigned fund balance. A Special Town Meeting must be called to authorize the transfer of unassigned fund balance over \$150,000. No additional appropriations from fund balance were approved during the fiscal year.
- Formal budgetary integration is employed as a management control device during the year.
- The budget is prepared on the modified accrual basis of accounting except for encumbrances which are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued. Encumbrances outstanding at year end are reflected in budgetary reports as expenditures in the current year. Additionally, "On behalf" payments made by the State of Connecticut into the State Teacher's Retirement System (*see Note 10*) are not recorded for budgetary purposes.
- Generally, all unencumbered appropriations lapse at year-end, except those for the Capital Projects Funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

TOWN OF MONROE, CONNECTICUT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Continued)
JUNE 30, 2011

BUDGETARY INFORMATION (Continued)

As previously described, accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP basis"). The differences include additional revenues and expenditures pertaining to certain Town funds that are not budgeted for by the Town due to perspective differences. A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented on the GAAP basis is as follows for the year ended June 30, 2011:

	<u>Total</u> <u>Revenues</u>	<u>Total</u> <u>Expenditures</u>	<u>Other</u> <u>Financing</u> <u>Sources</u> <u>(Uses), net</u>	<u>Net</u> <u>Change in</u> <u>Fund</u> <u>Balance</u>	<u>Fund</u> <u>Balance</u>
Budgetary basis	\$ 73,388,642	\$ 73,275,087	\$ (110,394)	\$ 3,161	\$ 3,656,255
"On-behalf" payments - State Teachers Retirement Fund (see Note 10)	4,101,358	4,101,358	-	-	-
Adjustment for encumbrances	-	200,209	-	(200,209)	747,513
Cancellation of prior year encumbrances	-	(37,161)	(37,161)	-	-
Certain grant revenues netted in expense for budgetary purposes	28,724	28,724	-	-	-
Certain transfers recorded as revenues and expenditures for budgetary purposes	(35,000)	20,000	55,000	-	-
Expenditures pertaining to the Assessor's Revaluation Fund which are not recognized for budgetary purposes due to perspective differences	-	45,700	70,000	24,300	(70,150)
Noncash financing sources (uses) not recognized for budgetary purposes:					
Proceeds from refunding bonds issued	-	-	10,805,000	10,805,000	10,805,000
Premium on refunding bonds issued	-	-	423,261	423,261	423,261
Payment to refunded bonds escrow agent including certain bond issuance costs of \$122,343 recorded as an expenditure and other financing source not recorded for budgetary purposes	-	122,343	(11,105,918)	(11,228,261)	(11,228,261)
GAAP basis	<u>\$ 77,483,724</u>	<u>\$ 77,756,260</u>	<u>\$ 99,788</u>	<u>\$ (172,748)</u>	<u>\$ 4,333,618</u>

For the year ended June 30, 2011, expenditures exceeded appropriations in the following departments of the General Fund:

<u>Department</u>	<u>Amount</u>
General government	\$ 51,653
Public safety	38,121
Public works	110,678
Culture and recreation	89,998
Operating transfers out	40,926

These over expenditures were covered from surpluses in other departments.

**TOWN OF MONROE, CONNECTICUT
SCHEDULES OF FUNDING PROGRESS
JUNE 30, 2011**

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) - Entry Age (B)	Overfunded (Unfunded) AAL (UAAL) (A-B)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
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Town Employees' Retirement Plan

January 1, 2010	\$ 7,124,118	\$ 8,784,914	\$ (1,660,796)	81%	\$ 3,205,710	-52%
January 1, 2008	8,221,381	7,967,922	253,459	103%	2,938,871	9%
January 1, 2006	7,590,537	6,963,392	627,145	109%	2,855,405	22%

Town of Monroe Board of Education Pension Plan

January 1, 2011	\$ 8,502,820	\$ 9,675,631	\$ (1,172,811)	88%	\$ 3,839,606	-31%
January 1, 2009	7,735,096	8,601,200	(866,104)	90%	3,828,126	-23%
January 1, 2007	7,241,315	7,743,658	(502,343)	94%	3,140,757	-16%

Connecticut Municipal Employee's Retirement System Fund B (in millions of dollars)

July 1, 2010	\$ 1,663	\$ 1,881	\$ (218)	88%	\$ 422	-52%
July 1, 2009	1,619	1,821	(202)	89%	427	-47%
July 1, 2008	1,779	1,722	57	103%	412	14%
July 1, 2007	1,701	1,640	61	104%	388	16%
July 1, 2006	1,588	1,550	38	102%	366	10%
July 1, 2005	1,512	1,465	47	103%	352	13%

The above schedule contains data for the MERS plan as a whole, of which the Town of Monroe is one participating employer. In order to understand the scale of the MERS compared to the Town, the Town contributed \$633,964 to the MERS for the year ended June 30, 2011 while total contributions to the MERS totaled \$67,179,955 (employee and employer), for the same period.

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) - Projected Unit Credit Cost Method (B)	Overfunded (Unfunded) AAL (UAAL) (A-B)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
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Town of Monroe Board of Education OPEB Plan

June 30, 2009	\$ -	\$ 15,112,705	\$ (15,112,705)	0.0%	N/A	N/A
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Town of Monroe Police OPEB Plan

July 1, 2010	\$ -	\$ 1,568,829	\$ (1,568,829)	0.0%	\$ 2,702,454	-58%
July 1, 2008	-	884,014	(884,014)	0.0%	2,567,152	-34%

Combining and Individual Fund Statements and Schedules

Governmental Funds

TOWN OF MONROE, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2011

Grand List Year	Uncollected Taxes July 1, 2010	Current Year Levy	Lawful Corrections		Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2011
			Additions	Deletions		Taxes	Interest	Liens	
2009	\$ -	\$ 64,447,025	\$ 51,870	\$ 178,571	\$ 64,320,324	\$ 63,383,773	\$ 158,075	\$ 1,032	\$ 936,551
2008	866,701	-	16,902	17,547	866,056	595,681	134,057	2,160	270,375
2007	214,747	-	268	6,524	208,491	124,492	33,684	648	83,999
2006	76,894	-	12,382	3,028	86,248	24,536	6,636	72	61,712
2005	46,365	-	-	2,906	43,459	42,333	1,090	48	1,126
2004	3,117	-	-	2,339	778	-	-	-	778
2003	2,804	-	-	2,224	580	-	-	-	580
2002	2,922	-	-	2,089	833	-	-	-	833
2001	1,525	-	-	318	1,207	-	-	-	1,207
2000	800	-	-	250	550	-	-	-	550
1999	667	-	-	169	498	-	-	-	498
1998	1,528	-	-	170	1,358	-	-	-	1,358
1997	1,364	-	-	153	1,211	-	-	-	1,211
1996	1,286	-	-	147	1,139	-	-	-	1,139
1995 and prior	3,375	-	-	1,220	2,155	-	-	-	2,155
	<u>\$ 1,224,095</u>	<u>\$ 64,447,025</u>	<u>\$ 81,422</u>	<u>\$ 217,655</u>	<u>\$ 65,534,887</u>	<u>\$ 64,170,815</u>	<u>\$ 333,542</u>	<u>\$ 3,960</u>	<u>\$ 1,364,072</u>

**TOWN OF MONROE, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2011**

	Special Revenue Funds					
	DEP Water Supply	Library Grants	School Cafeteria	Educational Grants	WMNR Radio Station	Seized Assets
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ 191,254	\$ -	\$ 454,295	\$ -
Investments	-	-	-	-	-	-
Grants and contracts receivable	-	-	33,671	38,052	-	-
Accounts receivable	-	-	4,924	-	8,131	-
Prepaid items	-	-	-	-	2,726	-
Due from other funds	-	9,141	-	-	-	2,656
Total assets	<u>\$ -</u>	<u>\$ 9,141</u>	<u>\$ 229,849</u>	<u>\$ 38,052</u>	<u>\$ 465,152</u>	<u>\$ 2,656</u>
LIABILITIES AND FUND BALANCES (DEFICIT)						
Liabilities:						
Accounts payable	\$ -	\$ 73	\$ 103,679	\$ -	\$ 2,197	\$ -
Due to other funds	-	-	-	18,578	2,174	-
Unearned/deferred revenue	-	15,128	-	17,941	-	-
Total liabilities	<u>-</u>	<u>15,201</u>	<u>103,679</u>	<u>36,519</u>	<u>4,371</u>	<u>-</u>
Fund Balances (Deficit):						
Nonspendable:						
Prepaid items	-	-	-	-	2,726	-
Permanent fund principal	-	-	-	-	-	-
Restricted for:						
Public works	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Committed to:						
Public safety	-	-	-	-	-	-
Culture and recreation	-	-	-	-	458,055	-
Education	-	-	126,170	1,533	-	-
Capital projects	-	-	-	-	-	-
Other purposes	-	-	-	-	-	2,656
Unassigned	-	(6,060)	-	-	-	-
Total fund balances (deficit)	<u>-</u>	<u>(6,060)</u>	<u>126,170</u>	<u>1,533</u>	<u>460,781</u>	<u>2,656</u>
Total liabilities and fund balances (deficit)	<u>\$ -</u>	<u>\$ 9,141</u>	<u>\$ 229,849</u>	<u>\$ 38,052</u>	<u>\$ 465,152</u>	<u>\$ 2,656</u>

TOWN OF MONROE, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (Continued)
JUNE 30, 2011

	Special Revenue Funds					
	BOE Miscellaneous Programs	School Operations	Police Grants	Miscellaneous Donations	Miscellaneous Grants and Programs	
ASSETS						
Cash and cash equivalents	\$ -	\$ 50,199	\$ -	\$ -	\$ 115,886	\$ -
Investments	-	-	-	-	-	-
Grants and contracts receivable	-	-	-	-	-	-
Accounts receivable	43,252	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Due from other funds	1,159,107	-	21,277	9,730	84,232	129,851
Total assets	<u>\$ 1,202,359</u>	<u>\$ 50,199</u>	<u>\$ 21,277</u>	<u>\$ 9,730</u>	<u>\$ 200,118</u>	<u>\$ 129,851</u>
LIABILITIES AND FUND BALANCES (DEFICIT)						
Liabilities:						
Accounts payable	\$ 13,087	\$ -	\$ 875	\$ -	\$ 11,901	\$ 5,539
Due to other funds	-	-	-	-	-	-
Unearned/deferred revenue	30,355	-	2,555	-	14,678	-
Total liabilities	<u>43,442</u>	<u>-</u>	<u>3,430</u>	<u>-</u>	<u>26,579</u>	<u>5,539</u>
Fund Balances (Deficit):						
Nonspendable:						
Prepaid items	-	-	-	-	-	-
Permanent fund principal	-	-	-	-	-	-
Restricted for:						
Public works	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Committed to:						
Public safety	-	-	-	-	-	-
Culture and recreation	-	-	17,847	9,730	-	-
Education	1,158,917	50,199	-	-	-	-
Capital projects	-	-	-	-	-	-
Other purposes	-	-	-	-	173,539	124,312
Unassigned	-	-	-	-	-	-
Total fund balances (deficit)	<u>1,158,917</u>	<u>50,199</u>	<u>17,847</u>	<u>9,730</u>	<u>173,539</u>	<u>124,312</u>
Total liabilities and fund balances (deficit)	<u>\$ 1,202,359</u>	<u>\$ 50,199</u>	<u>\$ 21,277</u>	<u>\$ 9,730</u>	<u>\$ 200,118</u>	<u>\$ 129,851</u>

TOWN OF MONROE, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (Continued)
JUNE 30, 2011

	Special Revenue Funds					
	Waste Disposal	Police Private Duty	Recreation Programs	Senior Citizens Program	EMS Intercept	
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-
Grants and contracts receivable	-	-	-	-	-	-
Accounts receivable	58,382	113,671	139	-	126,639	-
Prepaid items	-	-	-	-	-	-
Due from other funds	-	-	156,402	2,756	12,833	24,784
Total assets	<u>\$ 58,382</u>	<u>\$ 113,671</u>	<u>\$ 156,541</u>	<u>\$ 2,756</u>	<u>\$ 139,472</u>	<u>\$ 24,784</u>
LIABILITIES AND FUND BALANCES (DEFICIT)						
Liabilities:						
Accounts payable	\$ 58,077	\$ 5,994	\$ 30,672	\$ 2,756	\$ 42,352	\$ -
Due to other funds	184,921	23,769	-	-	-	-
Unearned/deferred revenue	-	-	-	-	47,305	-
Total liabilities	<u>242,998</u>	<u>29,763</u>	<u>30,672</u>	<u>2,756</u>	<u>89,657</u>	<u>-</u>
Fund Balances (Deficit):						
Nonspendable:						
Prepaid items	-	-	-	-	-	-
Permanent fund principal	-	-	-	-	-	-
Restricted for:						
Public works	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Committed to:						
Public safety	-	83,908	-	-	49,815	24,784
Culture and recreation	-	-	125,869	-	-	-
Education	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Unassigned	(184,616)	-	-	-	-	-
Total fund balances (deficit)	<u>(184,616)</u>	<u>83,908</u>	<u>125,869</u>	<u>-</u>	<u>49,815</u>	<u>24,784</u>
Total liabilities and fund balances (deficit)	<u>\$ 58,382</u>	<u>\$ 113,671</u>	<u>\$ 156,541</u>	<u>\$ 2,756</u>	<u>\$ 139,472</u>	<u>\$ 24,784</u>

TOWN OF MONROE, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (Continued)
JUNE 30, 2011

	Special Revenue Funds					Total Nonmajor Special Revenue Funds
	Local Capital Improvement Program	Town Aid Road	Flexible Spending Plan	Senior Center	Wheeler Library Trust	
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ 121,347	\$ 932,981
Investments	-	-	-	-	200,680	200,680
Grants and contracts receivable	-	-	-	-	-	71,723
Accounts receivable	-	-	-	-	-	355,138
Prepaid items	-	-	-	-	-	2,726
Due from other funds	35,408	506,477	-	63,821	6,745	2,225,220
Total assets	<u>\$ 35,408</u>	<u>\$ 506,477</u>	<u>\$ -</u>	<u>\$ 63,821</u>	<u>\$ 328,772</u>	<u>\$ 3,788,468</u>
LIABILITIES AND FUND BALANCES (DEFICIT)						
Liabilities:						
Accounts payable	\$ -	\$ 20,434	\$ -	\$ 457	\$ -	\$ 298,093
Due to other funds	-	-	-	-	-	229,442
Unearned/deferred revenue	-	103,735	-	66,562	-	298,259
Total liabilities	<u>-</u>	<u>124,169</u>	<u>-</u>	<u>67,019</u>	<u>-</u>	<u>825,794</u>
Fund Balances (Deficit):						
Nonspendable:						
Prepaid items	-	-	-	-	-	2,726
Permanent fund principal	-	-	-	-	-	-
Restricted for:						
Public works	-	382,308	-	-	-	382,308
Debt service	-	-	-	-	-	-
Committed to:						
Public safety	-	-	-	-	-	158,507
Culture and recreation	-	-	-	-	328,772	940,273
Education	-	-	-	-	-	1,336,819
Capital projects	-	-	-	-	-	-
Other purposes	-	-	-	-	-	300,507
Unassigned	35,408	-	-	(3,198)	-	(158,466)
Total fund balances (deficit)	<u>35,408</u>	<u>382,308</u>	<u>-</u>	<u>(3,198)</u>	<u>328,772</u>	<u>2,962,674</u>
Total liabilities and fund balances (deficit)	<u>\$ 35,408</u>	<u>\$ 506,477</u>	<u>\$ -</u>	<u>\$ 63,821</u>	<u>\$ 328,772</u>	<u>\$ 3,788,468</u>

TOWN OF MONROE, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (Continued)
JUNE 30, 2011

Capital Projects Funds

	Police Renovations	Rails to Trails	Plan of Conservation & Development	Capital Reserve	Wolfe Park Improvements	Monroe Elementary Roofs	Chalk Hill Roofs	Chalk Hill Asbestos Removal
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-
Grants and contracts receivable	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	235,123	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 235,123</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES (DEFICIT)								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ -	\$ 450	\$ -	\$ -	\$ -	\$ -
Due to other funds	7,396	66,074	74,649	-	91,528	-	-	303,667
Unearned/deferred revenue	-	-	-	-	-	-	-	-
Total liabilities	<u>7,396</u>	<u>66,074</u>	<u>74,649</u>	<u>450</u>	<u>91,528</u>	<u>-</u>	<u>-</u>	<u>303,667</u>
Fund Balances (Deficit):								
Nonspendable:								
Prepaid items	-	-	-	-	-	-	-	-
Permanent fund principal	-	-	-	-	-	-	-	-
Restricted for:								
Public works	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	-
Committed to:								
Public safety	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Capital projects	-	-	-	234,673	-	-	-	-
Other purposes	-	-	-	-	-	-	-	-
Unassigned	(7,396)	(66,074)	(74,649)	-	(91,528)	-	-	(303,667)
Total fund balances (deficit)	<u>(7,396)</u>	<u>(66,074)</u>	<u>(74,649)</u>	<u>234,673</u>	<u>(91,528)</u>	<u>-</u>	<u>-</u>	<u>(303,667)</u>
Total liabilities and fund balances (deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 235,123</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF MONROE, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (Continued)
JUNE 30, 2011

	Capital Projects Funds							
	School Renovations	Open Space Acquisitions	Clean Water Forest Road	Town Wide Telephone System	Masuk Renovations	Monroe Public Library	Radio Project	Fire Trucks
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-
Grants and contracts receivable	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-	28,967	116,954
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,967</u>	<u>\$ 116,954</u>
LIABILITIES AND FUND BALANCES (DEFICIT)								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	14,685	-	-	382,411	77,806	-	-
Unearned/deferred revenue	-	-	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>14,685</u>	<u>-</u>	<u>-</u>	<u>382,411</u>	<u>77,806</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit):								
Nonspendable:								
Prepaid items	-	-	-	-	-	-	-	-
Permanent fund principal	-	-	-	-	-	-	-	-
Restricted for:								
Public works	-	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-	68,170
Committed to:								
Public safety	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Capital projects	-	-	-	-	-	-	28,967	48,784
Other purposes	-	-	-	-	-	-	-	-
Unassigned	-	(14,685)	-	-	(382,411)	(77,806)	-	-
Total fund balances (deficit)	<u>-</u>	<u>(14,685)</u>	<u>-</u>	<u>-</u>	<u>(382,411)</u>	<u>(77,806)</u>	<u>28,967</u>	<u>116,954</u>
Total liabilities and fund balances (deficit)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,967</u>	<u>\$ 116,954</u>

TOWN OF MONROE, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (Concluded)
JUNE 30, 2011

	Capital Projects Funds					Total Nonmajor Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental Funds
	Fire Hoses	Town Hall Window Replacement	Cross Hill Reclamation	Elm Street Grant	Town Paving Program		Cornelia Rogers Trust	
ASSETS								
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 932,981
Investments	-	-	-	-	-	-	-	200,680
Grants and contracts receivable	-	81,180	241,920	-	-	323,100	-	394,823
Accounts receivable	-	-	-	-	-	-	-	355,138
Prepaid items	-	-	-	-	-	-	-	2,726
Due from other funds	50,000	-	-	-	1,812,636	2,243,680	71,446	4,540,346
Total assets	<u>\$ 50,000</u>	<u>\$ 81,180</u>	<u>\$ 241,920</u>	<u>\$ -</u>	<u>\$ 1,812,636</u>	<u>\$ 2,566,780</u>	<u>\$ 71,446</u>	<u>\$ 6,426,694</u>
LIABILITIES AND FUND BALANCES (DEFICIT)								
Liabilities:								
Accounts payable	\$ -	\$ 4,515	\$ 18,324	\$ -	\$ 1,508,254	\$ 1,531,543	\$ -	\$ 1,829,636
Due to other funds	-	92,837	223,596	79,118	-	1,413,767	-	1,643,209
Unearned/deferred revenue	-	-	-	-	-	-	-	298,259
Total liabilities	<u>-</u>	<u>97,352</u>	<u>241,920</u>	<u>79,118</u>	<u>1,508,254</u>	<u>2,945,310</u>	<u>-</u>	<u>3,771,104</u>
Fund Balances (Deficit):								
Nonspendable:								
Prepaid items	-	-	-	-	-	-	-	2,726
Permanent fund principal	-	-	-	-	-	-	71,446	71,446
Restricted for:								
Public works	-	-	-	-	-	-	-	382,308
Debt service	-	-	-	-	-	68,170	-	68,170
Committed to:								
Public safety	-	-	-	-	-	-	-	158,507
Culture and recreation	-	-	-	-	-	-	-	940,273
Education	-	-	-	-	-	-	-	1,336,819
Capital projects	50,000	-	-	-	304,382	666,806	-	666,806
Other purposes	-	-	-	-	-	-	-	300,507
Unassigned	-	(16,172)	-	(79,118)	-	(1,113,506)	-	(1,271,972)
Total fund balances (deficit)	<u>50,000</u>	<u>(16,172)</u>	<u>-</u>	<u>(79,118)</u>	<u>304,382</u>	<u>(378,530)</u>	<u>71,446</u>	<u>2,655,590</u>
Total liabilities and fund balances (deficit)	<u>\$ 50,000</u>	<u>\$ 81,180</u>	<u>\$ 241,920</u>	<u>\$ -</u>	<u>\$ 1,812,636</u>	<u>\$ 2,566,780</u>	<u>\$ 71,446</u>	<u>\$ 6,426,694</u>

TOWN OF MONROE, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Special Revenue Funds					
	DEP Water Supply	Library Grants	School Cafeteria	Educational Grants	WMNR Radio Station	Seized Assets
REVENUES						
Intergovernmental	\$ -	\$ 15,300	\$ 256,800	\$ 2,011,587	\$ -	\$ -
Charges for services	-	-	1,063,970	-	532,476	-
Donations	-	-	-	-	154,804	-
Investment earnings	-	-	399	-	3,449	-
Miscellaneous	-	-	-	46,453	467	-
Total revenues	<u>-</u>	<u>15,300</u>	<u>1,321,169</u>	<u>2,058,040</u>	<u>691,196</u>	<u>-</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Public works	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	15,300	-	-	637,219	-
Subrecipient expenditures	-	-	-	-	-	-
Education	-	-	1,321,318	2,058,384	-	-
Capital outlays	-	-	-	-	-	-
Debt service:						
Interest and fiscal charges	-	-	-	-	-	-
Debt issuance costs	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>15,300</u>	<u>1,321,318</u>	<u>2,058,384</u>	<u>637,219</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	-	-	(149)	(344)	53,977	-
OTHER FINANCING SOURCES (USES)						
Proceeds from general obligations bonds	-	-	-	-	-	-
Premium on general obligation bonds issued	-	-	-	-	-	-
Transfers in	20,070	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>20,070</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances (deficit)	20,070	-	(149)	(344)	53,977	-
Fund balances (deficit) - beginning, as originally reported	(20,070)	(6,060)	126,319	1,877	406,804	2,656
Adjustments (<i>see Note 14</i>)	-	-	-	-	-	-
Fund balances (deficit) - beginning, as adjusted	<u>(20,070)</u>	<u>(6,060)</u>	<u>126,319</u>	<u>1,877</u>	<u>406,804</u>	<u>2,656</u>
Fund balances (deficit) - ending	<u>\$ -</u>	<u>\$ (6,060)</u>	<u>\$ 126,170</u>	<u>\$ 1,533</u>	<u>\$ 460,781</u>	<u>\$ 2,656</u>

TOWN OF MONROE, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2011

	Special Revenue Funds					
	BOE Miscellaneous Programs	School Operations	Police Grants	Miscellaneous Donations	Miscellaneous Grants and Programs	
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 254,626	\$ -
Charges for services	1,718,804	227,996	17,187	-	26,754	-
Donations	-	-	-	17,197	35,104	42,729
Investment earnings	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	27,761
Total revenues	<u>1,718,804</u>	<u>227,996</u>	<u>17,187</u>	<u>17,197</u>	<u>316,484</u>	<u>70,490</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	2,710	-
Public safety	-	-	18,288	-	16,575	28,094
Public works	-	-	-	-	-	3,118
Health and welfare	-	-	-	-	42,233	30,218
Culture and recreation	-	-	-	15,597	13,423	15,259
Subrecipient expenditures	-	-	-	-	251,916	-
Education	1,554,561	236,901	-	-	-	-
Capital outlays	-	-	-	-	-	-
Debt service:						
Interest and fiscal charges	-	-	-	-	-	-
Debt issuance costs	-	-	-	-	-	-
Total expenditures	<u>1,554,561</u>	<u>236,901</u>	<u>18,288</u>	<u>15,597</u>	<u>326,857</u>	<u>76,689</u>
Excess (deficiency) of revenues over expenditures	164,243	(8,905)	(1,101)	1,600	(10,373)	(6,199)
OTHER FINANCING SOURCES (USES)						
Proceeds from general obligations bonds	-	-	-	-	-	-
Premium on general obligation bonds issued	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(633)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(633)</u>	<u>-</u>
Net change in fund balances (deficit)	164,243	(8,905)	(1,101)	1,600	(11,006)	(6,199)
Fund balances (deficit) - beginning, as originally reported	994,674	-	18,948	8,130	184,545	130,511
Adjustments (see Note 14)	-	59,104	-	-	-	-
Fund balances (deficit) - beginning, as adjusted	<u>994,674</u>	<u>59,104</u>	<u>18,948</u>	<u>8,130</u>	<u>184,545</u>	<u>130,511</u>
Fund balances (deficit) - ending	<u>\$ 1,158,917</u>	<u>\$ 50,199</u>	<u>\$ 17,847</u>	<u>\$ 9,730</u>	<u>\$ 173,539</u>	<u>\$ 124,312</u>

TOWN OF MONROE, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2011

	Waste Disposal	Police Private Duty	Recreation Programs	Senior Citizens Program	EMS Intercept	Canine
REVENUES						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	791,501	471,033	358,611	32,530	508,498	-
Donations	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	5
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>791,501</u>	<u>471,033</u>	<u>358,611</u>	<u>32,530</u>	<u>508,498</u>	<u>5</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	-
Public safety	-	387,064	-	-	479,779	-
Public works	713,706	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	315,790	29,608	-	-
Subrecipient expenditures	-	-	-	-	-	-
Education	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-
Debt service:						
Interest and fiscal charges	-	-	-	-	-	-
Debt issuance costs	-	-	-	-	-	-
Total expenditures	<u>713,706</u>	<u>387,064</u>	<u>315,790</u>	<u>29,608</u>	<u>479,779</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	77,795	83,969	42,821	2,922	28,719	5
OTHER FINANCING SOURCES (USES)						
Proceeds from general obligations bonds	-	-	-	-	-	-
Premium on general obligation bonds issued	-	-	-	-	-	-
Transfers in	-	-	-	-	10,000	-
Transfers out	-	(35,000)	-	-	-	(28,390)
Total other financing sources (uses)	<u>-</u>	<u>(35,000)</u>	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>(28,390)</u>
Net change in fund balances (deficit)	77,795	48,969	42,821	2,922	38,719	(28,385)
Fund balances (deficit) - beginning, as originally reported	(262,411)	34,939	83,048	(2,922)	11,096	53,169
Adjustments (see Note 14)	-	-	-	-	-	-
Fund balances (deficit) - beginning, as adjusted	<u>(262,411)</u>	<u>34,939</u>	<u>83,048</u>	<u>(2,922)</u>	<u>11,096</u>	<u>53,169</u>
Fund balances (deficit) - ending	<u>\$ (184,616)</u>	<u>\$ 83,908</u>	<u>\$ 125,869</u>	<u>\$ -</u>	<u>\$ 49,815</u>	<u>\$ 24,784</u>

TOWN OF MONROE, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2011

	Special Revenue Funds					Total Nonmajor Special Revenue Funds
	Local Capital Improvement Program	Town Aid Road	Flexible Spending Plan	Senior Center	Wheeler Library Trust	
REVENUES						
Intergovernmental	\$ -	\$ 181,697	\$ -	\$ 14,773	\$ -	\$ 2,734,783
Charges for services	10,248	-	-	-	-	5,759,608
Donations	-	-	-	13,956	-	263,790
Investment earnings	-	-	-	-	2,158	6,011
Miscellaneous	-	-	-	-	-	74,681
Total revenues	<u>10,248</u>	<u>181,697</u>	<u>-</u>	<u>28,729</u>	<u>2,158</u>	<u>8,838,873</u>
EXPENDITURES						
Current:						
General government	-	-	-	-	-	2,710
Public safety	-	-	-	-	-	929,800
Public works	-	172,197	-	-	-	889,021
Health and welfare	-	-	-	-	-	72,451
Culture and recreation	-	-	-	29,333	24,864	1,096,393
Subrecipient expenditures	-	-	-	-	-	251,916
Education	-	-	-	-	-	5,171,164
Capital outlays	12,855	9,500	-	-	-	22,355
Debt service:						
Interest and fiscal charges	-	-	-	-	-	-
Debt issuance costs	-	-	-	-	-	-
Total expenditures	<u>12,855</u>	<u>181,697</u>	<u>-</u>	<u>29,333</u>	<u>24,864</u>	<u>8,435,810</u>
Excess (deficiency) of revenues over expenditures	(2,607)	-	-	(604)	(22,706)	403,063
OTHER FINANCING SOURCES (USES)						
Proceeds from general obligations bonds	-	-	-	-	-	-
Premium on general obligation bonds issued	-	-	-	-	-	-
Transfers in	-	-	-	-	-	30,070
Transfers out	-	-	-	-	-	(64,023)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(33,953)</u>
Net change in fund balances (deficit)	(2,607)	-	-	(604)	(22,706)	369,110
Fund balances (deficit) - beginning, as originally reported	38,015	382,308	46,805	(2,594)	351,478	2,581,265
Adjustments (see Note 14)	-	-	(46,805)	-	-	12,299
Fund balances (deficit) - beginning, as adjusted	<u>38,015</u>	<u>382,308</u>	<u>-</u>	<u>(2,594)</u>	<u>351,478</u>	<u>2,593,564</u>
Fund balances (deficit) - ending	<u>\$ 35,408</u>	<u>\$ 382,308</u>	<u>\$ -</u>	<u>\$ (3,198)</u>	<u>\$ 328,772</u>	<u>\$ 2,962,674</u>

**TOWN OF MONROE, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2011**

	Capital Projects Funds							
	Police Renovations	Rails to Trails	Plan of Conservation & Development	Capital Reserve	Wolfe Park Improvements	Monroe Elementary Roofs	Chalk Hill Roofs	Chalk Hill Asbestos Removal
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES								
Current:								
General government	-	-	39,706	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	350	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	10,850	-	-	-
Subrecipient expenditures	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Capital outlays	4,000	-	-	40,000	-	-	-	-
Debt service:								
Interest and fiscal charges	-	-	-	-	-	-	-	-
Debt issuance costs	-	-	-	1,150	-	-	-	-
Total expenditures	<u>4,000</u>	<u>-</u>	<u>39,706</u>	<u>41,500</u>	<u>10,850</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(4,000)	-	(39,706)	(41,500)	(10,850)	-	-	-
OTHER FINANCING SOURCES (USES)								
Proceeds from general obligations bonds	-	-	-	80,000	-	-	-	-
Premium on general obligation bonds issued	-	-	-	-	-	-	-	-
Transfers in	-	-	40,000	30,000	4,652	-	-	-
Transfers out	-	-	-	(57,656)	-	(317)	(4,143)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>40,000</u>	<u>52,344</u>	<u>4,652</u>	<u>(317)</u>	<u>(4,143)</u>	<u>-</u>
Net change in fund balances (deficit)	(4,000)	-	294	10,844	(6,198)	(317)	(4,143)	-
Fund balances (deficit) - beginning, as originally reported	(3,396)	(66,074)	(74,943)	129,379	(85,330)	317	4,143	(303,667)
Adjustments (<i>see Note 14</i>)	-	-	-	94,450	-	-	-	-
Fund balances (deficit) - beginning, as adjusted	<u>(3,396)</u>	<u>(66,074)</u>	<u>(74,943)</u>	<u>223,829</u>	<u>(85,330)</u>	<u>317</u>	<u>4,143</u>	<u>(303,667)</u>
Fund balances (deficit) - ending	<u>\$ (7,396)</u>	<u>\$ (66,074)</u>	<u>\$ (74,649)</u>	<u>\$ 234,673</u>	<u>\$ (91,528)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (303,667)</u>

TOWN OF MONROE, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS (Continued)
FOR THE YEAR ENDED JUNE 30, 2011

	Capital Projects Funds							
	School Renovations	Open Space Acquisitions	Clean Water Forest Road	Town Wide Telephone System	Masuk Renovations	Monroe Public Library	Radio Project	Fire Trucks
REVENUES								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Subrecipient expenditures	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-	113,257	-
Debt service:								
Interest and fiscal charges	-	-	-	-	-	-	-	3,265
Debt issuance costs	-	-	-	-	-	-	-	34,726
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>113,257</u>	<u>37,991</u>
Excess (deficiency) of revenues over expenditures	-	-	-	-	-	-	(113,257)	(37,991)
OTHER FINANCING SOURCES (USES)								
Proceeds from general obligations bonds	-	-	-	-	-	-	-	3,045,000
Premium on general obligation bonds issued	-	-	-	-	-	-	-	68,170
Transfers in	-	16,204	-	-	51,867	-	-	-
Transfers out	(1,160)	-	(22,544)	(395)	-	-	-	-
Total other financing sources (uses)	<u>(1,160)</u>	<u>16,204</u>	<u>(22,544)</u>	<u>(395)</u>	<u>51,867</u>	<u>-</u>	<u>-</u>	<u>3,113,170</u>
Net change in fund balances (deficit)	(1,160)	16,204	(22,544)	(395)	51,867	-	(113,257)	3,075,179
Fund balances (deficit) - beginning, as originally reported	1,160	(30,889)	22,544	395	(434,278)	(77,806)	142,224	(2,958,225)
Adjustments (see Note 14)	-	-	-	-	-	-	-	-
Fund balances (deficit) - beginning, as adjusted	<u>1,160</u>	<u>(30,889)</u>	<u>22,544</u>	<u>395</u>	<u>(434,278)</u>	<u>(77,806)</u>	<u>142,224</u>	<u>(2,958,225)</u>
Fund balances (deficit) - ending	<u>\$ -</u>	<u>\$ (14,685)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (382,411)</u>	<u>\$ (77,806)</u>	<u>\$ 28,967</u>	<u>\$ 116,954</u>

TOWN OF MONROE, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICIT)
NONMAJOR GOVERNMENTAL FUNDS (Concluded)
FOR THE YEAR ENDED JUNE 30, 2011

	Capital Projects Funds					Total Nonmajor Capital Projects Funds	Permanent Fund	Total Nonmajor Governmental Funds
	Fire Hoses	Town Hall Window Replacement	Cross Hill Reclamation	Elm Street Grant	Town Paving Program		Cornelia Rogers Trust	
REVENUES								
Intergovernmental	\$ -	\$ 81,180	\$ 756,314	\$ -	\$ -	\$ 837,494	\$ -	\$ 3,572,277
Charges for services	-	-	-	-	-	-	-	5,759,608
Donations	-	-	-	-	-	-	-	263,790
Investment earnings	-	-	-	-	-	-	99	6,110
Miscellaneous	-	-	-	-	-	-	-	74,681
Total revenues	-	81,180	756,314	-	-	837,494	99	9,676,466
EXPENDITURES								
Current:								
General government	-	-	-	-	-	39,706	-	42,416
Public safety	-	-	-	-	-	-	-	929,800
Public works	-	-	-	-	-	350	-	889,371
Health and welfare	-	-	-	-	-	-	-	72,451
Culture and recreation	-	-	-	-	-	10,850	-	1,107,243
Subrecipient expenditures	-	-	-	-	-	-	-	251,916
Education	-	-	-	-	-	-	-	5,171,164
Capital outlays	-	91,559	756,314	79,118	1,870,645	2,954,893	-	2,977,248
Debt service:								
Interest and fiscal charges	-	-	-	-	-	3,265	-	3,265
Debt issuance costs	-	-	-	-	24,973	60,849	-	60,849
Total expenditures	-	91,559	756,314	79,118	1,895,618	3,069,913	-	11,505,723
Excess (deficiency) of revenues over expenditures	-	(10,379)	-	(79,118)	(1,895,618)	(2,232,419)	99	(1,829,257)
OTHER FINANCING SOURCES (USES)								
Proceeds from general obligations bonds	-	-	-	-	2,200,000	5,325,000	-	5,325,000
Premium on general obligation bonds issued	-	-	-	-	-	68,170	-	68,170
Transfers in	-	-	-	-	-	142,723	-	172,793
Transfers out	-	-	-	-	-	(86,215)	-	(150,238)
Total other financing sources (uses)	-	-	-	-	2,200,000	5,449,678	-	5,415,725
Net change in fund balances (deficit)	-	(10,379)	-	(79,118)	304,382	3,217,259	99	3,586,468
Fund balances (deficit) - beginning, as originally reported	50,000	(5,793)	-	-	-	(3,690,239)	71,347	(1,037,627)
Adjustments (see Note 14)	-	-	-	-	-	94,450	-	106,749
Fund balances (deficit) - beginning, as adjusted	50,000	(5,793)	-	-	-	(3,595,789)	71,347	(930,878)
Fund balances (deficit) - ending	<u>\$ 50,000</u>	<u>\$ (16,172)</u>	<u>\$ -</u>	<u>\$ (79,118)</u>	<u>\$ 304,382</u>	<u>\$ (378,530)</u>	<u>\$ 71,446</u>	<u>\$ 2,655,590</u>

**TOWN OF MONROE, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICIT)
CAPITAL RESERVE FUND
FOR THE YEAR ENDED JUNE 30, 2011**

	Fund Balance (Deficit) July 1, 2010	Adjustment (See Note 14)	Expenditures	Other Financing (Sources) Uses	Fund Balance (Deficit) June 30, 2011
Board of Education Data Processing	\$ 8,835	\$ -	\$ -	\$ (8,835)	\$ -
Board of Education Maintenance Reserve	162,866	-	-	-	162,866
Douglas Farm	30,000	-	-	-	30,000
EMS	48,305	-	-	30,000	78,305
Food Pantry	3,801	-	-	(3,801)	-
Jockey Hollow Fire Station HVAC	5,538	-	-	(5,538)	-
Masuk Roof Reserve	51,867	-	-	(51,867)	-
Monroe Investment Group	(9,691)	-	-	9,691	-
Open Space	16,000	-	-	-	16,000
Police Vehicles	3,274	-	-	(3,274)	-
PW Equipment and Vehicles	(55,805)	-	41,150	80,000	(16,955)
PW Salt Shed	(40,621)	-	-	-	(40,621)
Revaluation	(94,450)	94,450	-	-	-
Tree Planting	5,428	-	350	-	5,078
Water Supply Installation	(5,968)	-	-	5,968	-
Total	<u>\$ 129,379</u>	<u>\$ 94,450</u>	<u>\$ 41,500</u>	<u>\$ 52,344</u>	<u>\$ 234,673</u>

TOWN OF MONROE, CONNECTICUT
COMBINING STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2011

Governmental Activities - Internal Service Funds

	Town Dental	Board of Education Medical and Dental	Heart and Hypertension	Post Retirement Medical Benefits	Total
ASSETS					
Current assets:					
Cash and cash equivalents	\$ -	\$ 2,238,930	\$ -	\$ -	\$ 2,238,930
Due from other funds	32,531	-	359,332	174,263	566,126
Total assets	<u>32,531</u>	<u>2,238,930</u>	<u>359,332</u>	<u>174,263</u>	<u>2,805,056</u>
LIABILITIES					
Current liabilities:					
Risk management claims	7,975	854,723	18,896	-	881,594
Other liabilities:					
Risk management claims, less current portion	-	-	518,243	-	518,243
Total liabilities	<u>7,975</u>	<u>854,723</u>	<u>537,139</u>	<u>-</u>	<u>1,399,837</u>
NET ASSETS (DEFICIT)					
Unassigned (deficit)	24,556	1,384,207	(177,807)	174,263	1,405,219
Total net assets (deficit)	<u>\$ 24,556</u>	<u>\$ 1,384,207</u>	<u>\$ (177,807)</u>	<u>\$ 174,263</u>	<u>\$ 1,405,219</u>

TOWN OF MONROE, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS (DEFICIT)
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011

	Governmental Activities - Internal Service Funds				Total
	Town Dental	Board of Education Medical and Dental	Heart and Hypertension	Post Retirement Medical Benefits	
OPERATING REVENUES					
Employer contributions	\$ -	\$ 6,777,793	\$ 136,435	\$ -	\$ 6,914,228
Charges for services	95,223	1,796,075	-	17,612	1,908,910
Total operating revenues	<u>95,223</u>	<u>8,573,868</u>	<u>136,435</u>	<u>17,612</u>	<u>8,823,138</u>
OPERATING EXPENSES					
Claims and benefits	91,020	7,570,894	139,102	-	7,801,016
Premiums and administrative charges	5,478	679,152	-	950	685,580
Total operating expenses	<u>96,498</u>	<u>8,250,046</u>	<u>139,102</u>	<u>950</u>	<u>8,486,596</u>
Operating income (loss)	(1,275)	323,822	(2,667)	16,662	336,542
NON-OPERATING REVENUES					
Investment income	-	4,646	-	-	4,646
Total non-operating revenues	<u>-</u>	<u>4,646</u>	<u>-</u>	<u>-</u>	<u>4,646</u>
Change in net assets (deficit)	(1,275)	328,468	(2,667)	16,662	341,188
Net assets (deficit) - beginning	<u>25,831</u>	<u>1,055,739</u>	<u>(175,140)</u>	<u>157,601</u>	<u>1,064,031</u>
Net assets (deficit) - ending	<u>\$ 24,556</u>	<u>\$ 1,384,207</u>	<u>\$ (177,807)</u>	<u>\$ 174,263</u>	<u>\$ 1,405,219</u>

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

	Governmental Activities - Internal Service Funds				Total
	Town Dental	Board of Education Medical and Dental	Heart and Hypertension	Post Retirement Medical Benefits	
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from employer contributions	\$ -	\$ 6,777,793	\$ 136,435	\$ -	\$ 6,914,228
Receipts from charges for services	95,223	1,796,075	-	17,612	1,908,910
Payments to employees, vendors and others	(95,223)	(7,964,293)	(136,435)	(17,612)	(8,213,563)
Net cash provided by operating activities	<u>-</u>	<u>609,575</u>	<u>-</u>	<u>-</u>	<u>609,575</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	-	4,646	-	-	4,646
Net cash provided by investing activities	<u>-</u>	<u>4,646</u>	<u>-</u>	<u>-</u>	<u>4,646</u>
Net increase in cash and cash equivalents	-	614,221	-	-	614,221
Cash and cash equivalents, beginning of year	<u>-</u>	<u>1,624,709</u>	<u>-</u>	<u>-</u>	<u>1,624,709</u>
Cash and cash equivalents, end of year	<u>\$ -</u>	<u>\$ 2,238,930</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,238,930</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:					
Operating income (loss)	\$ (1,275)	\$ 323,822	\$ (2,667)	\$ 16,662	\$ 336,542
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Decrease (increase) in assets:					
Due from other funds	-	-	13,946	(16,662)	(2,716)
(Decrease) increase in liabilities:					
Risk management claims	1,275	285,753	(11,279)	-	275,749
Net cash provided by operating activities	<u>\$ -</u>	<u>\$ 609,575</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 609,575</u>

*Fiduciary
Funds*

TOWN OF MONROE, CONNECTICUT
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2011

	Performance and Driveway Bonds	Student Activity Fund	Total Agency Funds
ASSETS			
Cash	\$ 505,542	\$ 237,240	\$ 742,782
Total assets	<u>\$ 505,542</u>	<u>\$ 237,240</u>	<u>\$ 742,782</u>
LIABILITIES			
Due to student groups	\$ -	\$ 237,240	\$ 237,240
Due to others	505,542	-	505,542
Total liabilities	<u>\$ 505,542</u>	<u>\$ 237,240</u>	<u>\$ 742,782</u>

**TOWN OF MONROE, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN
FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Balance, July 1, 2010</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2011</u>
Student Activity Fund				
Assets				
Cash	\$ 320,889	\$ 754,674	\$ 838,323	\$ 237,240
Total assets	<u>\$ 320,889</u>	<u>\$ 754,674</u>	<u>\$ 838,323</u>	<u>\$ 237,240</u>
Liabilities				
Due to student groups	\$ 320,889	\$ 754,674	\$ 838,323	\$ 237,240
Total liabilities	<u>\$ 320,889</u>	<u>\$ 754,674</u>	<u>\$ 838,323</u>	<u>\$ 237,240</u>
Performance and Driveway Fund				
Assets				
Cash	\$ 480,911	\$ 87,562	\$ 62,931	\$ 505,542
Total assets	<u>\$ 480,911</u>	<u>\$ 87,562</u>	<u>\$ 62,931</u>	<u>\$ 505,542</u>
Liabilities				
Due to others	\$ 480,911	\$ 87,562	\$ 62,931	\$ 505,542
Total liabilities	<u>\$ 480,911</u>	<u>\$ 87,562</u>	<u>\$ 62,931</u>	<u>\$ 505,542</u>
Total All Funds				
Assets				
Cash	\$ 801,800	\$ 842,236	\$ 901,254	\$ 742,782
Total assets	<u>\$ 801,800</u>	<u>\$ 842,236</u>	<u>\$ 901,254</u>	<u>\$ 742,782</u>
Liabilities				
Due to student groups	\$ 320,889	\$ 754,674	\$ 838,323	\$ 237,240
Due to others	480,911	87,562	62,931	505,542
Total liabilities	<u>\$ 801,800</u>	<u>\$ 842,236</u>	<u>\$ 901,254</u>	<u>\$ 742,782</u>

**Other
Supplementary
Information**

Table 1

**TOWN OF MONROE, CONNECTICUT
GOVERNMENT-WIDE EXPENSES BY FUNCTION
LAST FIVE FISCAL YEARS**

(Unaudited)

FISCAL YEAR ENDED JUNE 30	GENERAL GOVERNMENT	PUBLIC SAFETY	PUBLIC WORKS	HEALTH AND WELFARE	CULTURE AND RECREATION	SUBRECIPIENT EXPENDITURES	EDUCATION	MISCELLANEOUS	INTEREST ON LONG-TERM DEBT	TOTAL
2011	\$ 6,972,475	\$ 7,339,882	\$ 5,260,746	\$ 246,230	\$ 2,987,392	\$ 251,916	\$ 65,757,974	\$ -	\$ 2,334,757	\$ 91,151,372
2010	6,619,837	6,937,172	6,086,321	189,603	3,183,429	301,854	63,345,854	-	1,942,141	88,606,211
2009	6,553,044	6,783,194	6,366,467	175,593	2,852,323	-	61,718,188	33,803	2,094,758	86,577,370
2008	6,559,838	6,232,468	5,813,373	193,028	2,884,386	-	71,092,737	62,120	2,081,654	94,919,604
2007	5,657,806	6,056,071	5,528,652	193,464	2,580,348	-	55,606,452	31,020	2,122,209	77,776,022

Table 2

**TOWN OF MONROE, CONNECTICUT
GOVERNMENT-WIDE REVENUES
LAST FIVE FISCAL YEARS**
(Unaudited)

FISCAL YEAR ENDED JUNE 30	PROGRAM REVENUES			GENERAL REVENUES			TOTAL
	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTION	PROPERTY TAXES	GRANTS AND CONTRIBUTIONS NOT RESTRICTED TO SPECIFIC PURPOSES	UNRESTRICTED INVESTMENT EARNINGS	
2011	\$ 8,486,797	\$ 13,449,453	\$ 1,384,919	\$ 64,727,759	\$ 375,640	\$ 410,461	\$88,835,029
2010	8,479,973	13,454,813	1,289,283	62,496,456	476,260	524,401	86,721,186
2009	8,685,260	12,601,807	1,127,074	61,007,640	483,079	581,141	84,486,001
2008	6,739,165	29,269,737	303,762	57,850,829	496,329	653,247	95,313,069
2007	9,594,820	11,329,908	795,052	54,059,439	581,752	874,105	77,235,076

Table 3

**TOWN OF MONROE, CONNECTICUT
PROPERTY TAX LEVIES AND COLLECTIONS -
LAST TEN FISCAL YEARS**

(Unaudited)

<u>FISCAL YEAR ENDED JUNE 30</u>	<u>GRAND LIST OF OCTOBER 1</u>	(1) <u>NET TAXABLE GRAND LIST</u>	<u>TAX RATE (IN MILLS)</u>	<u>TOTAL ADJUSTED TAX LEVY</u>	(2) <u>% COLLECTED END OF EACH FISCAL YEAR</u>	<u>UNCOLLECTED END OF EACH FISCAL YEAR</u>	<u>UNCOLLECTED AS OF JUNE 30, 2011</u>
2011	2009	\$2,286,815,228	28.26	\$64,320,324	98.5%	\$ 936,551	\$ 936,551
2010	2008	2,117,900,075	29.50	62,225,568	98.6%	866,701	270,375
2009	2007	2,116,304,857	28.68	60,656,250	99.0%	601,302	83,999
2008	2006	2,095,924,088	27.42	57,583,055	99.0%	588,841	61,712
2007	2005	2,068,914,417	26.08	53,915,213	99.3%	371,688	1,126
2006	2004	2,036,119,470	24.05	49,057,616	99.3%	355,202	778
2005	2003	2,008,684,515	22.88	45,912,450	99.4%	294,991	580
2004	2002	1,433,022,598	30.58	44,005,037	99.0%	425,159	833
2003	2001	1,417,383,475	29.34	41,844,528	98.8%	512,292	1,207
2002	2000	1,391,895,221	27.95	39,220,214	98.5%	570,352	550

(1) All real estate assessments are based on 70% of fair market value as of October 1, 2003. Personal Property and Motor Vehicles are based upon 100% of current market value and are revalued annual. Supplemental Motor Vehicle assessments are not included. The last revaluation was October 1, 2009.

(2) Taxes for each fiscal year are levied on the Grand List of October 1, payable in semi-annual installments: July 1 and January 1. If the first installment is not paid by August 1, the tax becomes delinquent and a penalty of 1.5% per month (18% annually) is charged from the due date on the tax. Real Estate is liened for delinquent taxes within one year after the due date. The amount collected to the end of each fiscal year represents collections of twelve months.

Source: Town Officials

Table 4

TOWN OF MONROE, CONNECTICUT
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY -
LAST TEN FISCAL YEARS

(Unaudited)

GRAND LIST DATED	RESIDENTIAL PROPERTY	COMMERCIAL/ INDUSTRIAL PROPERTY	ALL LAND	MOTOR VEHICLES	PERSONAL PROPERTY	GROSS TAXABLE GRAND LIST	EXEMPTIONS	NET TAXABLE (1) GRAND LIST
10/1/2009	\$ 1,781,417,088	\$ 211,395,000	\$86,139,758	\$144,510,773	\$85,468,422	\$2,308,931,041	\$ 22,115,813	\$ 2,286,815,228
10/1/2008	1,678,449,336	174,542,600	61,138,164	144,037,577	82,022,355	2,140,190,032	22,289,957	2,117,900,075
10/1/2007	1,672,037,365	170,000,130	59,429,704	157,545,290	79,680,836	2,138,693,325	22,388,468	2,116,304,857
10/1/2006	1,658,832,885	153,453,595	64,241,269	156,136,365	76,424,263	2,109,088,377	13,164,289	2,095,924,088
10/1/2005	1,645,701,218	150,728,010	58,645,950	156,699,426	73,748,290	2,085,522,894	16,608,477	2,068,914,417
10/1/2004	1,629,691,796	143,739,128	57,148,770	148,487,868	73,227,443	2,052,295,005	14,731,031	2,037,563,974
10/1/2003	1,618,620,220	132,820,410	63,786,520	138,995,628	69,171,410	2,023,394,188	11,437,819	2,011,956,369
10/1/2002	1,097,857,556	95,988,730	46,898,023	140,293,819	65,350,630	1,446,388,758	13,366,160	1,433,022,598
10/1/2001	1,088,432,630	94,494,840	46,245,390	136,873,525	61,342,950	1,427,389,335	10,005,860	1,417,383,475
10/1/2000	1,073,201,840	92,080,940	47,407,950	131,376,451	56,924,200	1,400,991,381	9,096,160	1,391,895,221

(1) The latest revaluation was effective October 1, 2009.

Source: Town Officials

Table 5

**TOWN OF MONROE, CONNECTICUT
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED VALUE
AND NET GENERAL BONDED DEBT PER CAPITA -
LAST TEN FISCAL YEARS**

(Unaudited)

<u>FISCAL YEAR ENDED JUNE 30</u>	<u>POPULATION</u>	<u>ASSESSED VALUE</u>	<u>DIRECT NET BONDED DEBT</u>	<u>RATIO OF NET BONDED DEBT TO ASSESSED VALUE</u>	<u>NET BONDED DEBT PER CAPITA</u>
2011	19,402 (2)	\$ 3,277,578,057 (1)	\$ 42,439,479	1.29	\$ 2,187
2010	19,435 (2)	3,562,432,689 (3)	42,602,202	1.20	2,192
2009	19,359 (2)	3,562,432,689 (3)	41,868,226	1.18	2,163
2008	19,359 (2)	3,845,023,945 (3)	41,112,552	1.07	2,124
2007	19,402 (2)	3,849,660,841 (3)	43,981,878	1.14	2,267
2006	19,599 (2)	3,624,726,036 (3)	46,212,714	1.27	2,358
2005	19,650 (2)	2,882,295,437 (3)	45,603,077	1.58	2,325
2004	19,656 (2)	2,883,050,135 (3)	37,466,355	1.30	1,913
2003	19,450 (2)	2,126,663,700 (3)	30,632,086	1.44	1,575
2002	19,247 (2)	1,944,171,843 (3)	21,882,496	1.13	1,137

(1) Unaudited estimate.

(2) U.S. Department of Commerce, Bureau of Census

(3) Office of Policy and Management, State of Connecticut

Table 6

**TOWN OF MONROE, CONNECTICUT
RATIO OF DIRECT GROSS GENERAL BONDED DEBT TO
ASSESSED VALUE AND GROSS BONDED DEBT PER CAPITA -
LAST TEN FISCAL YEARS**

(Unaudited)

<u>FISCAL YEAR ENDED JUNE 30</u>	<u>POPULATION</u>	<u>ASSESSED VALUE</u>	<u>DIRECT GROSS INDEBTEDNESS</u>	<u>RATIO OF GROSS INDEBTEDNESS TO ASSESSED VALUE</u>	<u>GROSS INDEBTEDNESS PER CAPITA</u>
2011	19,402 (2)	\$ 3,277,578,057 (1)	\$ 45,035,000	1.37	\$ 2,321
2010	19,435 (2)	3,562,432,689 (3)	45,610,000	1.28	2,347
2009	19,359 (2)	3,562,432,689 (3)	45,290,000	1.27	2,339
2008	19,359 (2)	3,845,023,945 (3)	44,950,000	1.17	2,322
2007	19,402 (2)	3,849,660,841 (3)	48,235,000	1.25	2,486
2006	19,599 (2)	3,624,726,036 (3)	50,881,510	1.40	2,596
2005	19,650 (2)	2,882,295,437 (3)	50,665,000	1.76	2,578
2004	19,656 (2)	2,883,050,135 (3)	43,005,000	1.49	2,188
2003	19,450 (2)	2,126,663,700 (3)	36,571,070	1.72	1,880
2002	19,247 (2)	1,944,171,843 (3)	28,252,205	1.45	1,468

(1) Unaudited estimate.

(2) U.S. Department of Commerce, Bureau of Census

(3) Office of Policy and Management, State of Connecticut

Table 7

TOWN OF MONROE, CONNECTICUT
COMPUTATION OF NET DIRECT DEBT
JUNE 30, 2011
(Unaudited)

<u>DESCRIPTION</u>	<u>DEBT OUTSTANDING</u>	<u>PERCENTAGE APPLICABLE TO TOWN</u>	<u>TOWN SHARE OF DEBT</u>
Current Bonded Debt:			
General purpose	\$ 19,966,000	100%	\$ 19,966,000
Schools	25,069,000	100%	25,069,000
Total Current Bonded Indebtedness			<u>45,035,000</u>
Direct Bonded Indebtedness			45,035,000
Short-term direct indebtedness			-
Gross direct indebtedness			<u>45,035,000</u>
Exclusion: State School Bond Reimbursement Receivable (1)			<u>(2,595,521)</u>
Total net direct indebtedness			<u><u>\$ 42,439,479</u></u>

(1) The Town anticipates receiving State reimbursement for school projects financed by bond issues.

TOWN OF MONROE, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)
FOR THE YEAR ENDED JUNE 30, 2011
(Unaudited)

Total cash collections for the year ended
June 30, 2011:

Taxes	\$ 64,170,815
Interest and lien fees	337,502
Total	<u>64,508,317</u>

Reimbursement for revenue loss:

Tax relief for elderly freeze (CGS 12-129d)	666
Base	<u>\$ 64,508,983</u>

	<u>General Purposes</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt limitation:					
2-1/4 times base	\$ 145,145,212	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	290,290,424	-	-	-
3-3/4 times base	-	-	241,908,686	-	-
3-1/4 times base	-	-	-	209,654,195	-
3 times base	-	-	-	-	193,526,949
Total debt limitation	<u>145,145,212</u>	<u>290,290,424</u>	<u>241,908,686</u>	<u>209,654,195</u>	<u>193,526,949</u>
Indebtedness:					
Bonds payable	19,966,000	25,069,000	-	-	-
Debt authorized - unissued	253,000	656,466	-	-	-
	<u>20,219,000</u>	<u>25,725,466</u>	<u>-</u>	<u>-</u>	<u>-</u>
Less: amounts to be provided by the state	-	2,595,521	-	-	-
Total indebtedness	<u>20,219,000</u>	<u>23,129,945</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u>\$ 124,926,212</u>	<u>\$ 267,160,479</u>	<u>\$ 241,908,686</u>	<u>\$ 209,654,195</u>	<u>\$ 193,526,949</u>
Total capacity of borrowing (7 times base)	\$ 451,562,881				
Total present indebtedness	<u>43,348,945</u>				
Margin for additional borrowing	<u>\$ 408,213,936</u>				

Table 9

**TOWN OF MONROE, CONNECTICUT
TEN LARGEST PRINCIPAL TAXPAYERS
2009 GRAND LIST**

(Unaudited)

<u>NAME OF TAXPAYER</u>	<u>NATURE OF BUSINESS</u>	<u>LIST AMOUNT (1)</u>	<u>ESTIMATED TAXES (2)</u>
First Light Hydro Generating Company	Electrical Generator	\$ 29,388,780	\$ 830,527
Connecticut Light and Power Company Inc.	Electrical Supplier	26,600,480	751,730
Aquarion Water Company of Connecticut Corp.	Headquarters & Water Supplier	10,937,630	309,097
Swiss Army Land Inc.	Headquarters & Distribution	10,347,055	292,408
One Eleven Century Plaza LLC	Big Y Shopping Center	8,098,000	228,849
Lake Zoar Properties & The Waterview LLC	The Waterview Banquet Facility	7,380,430	208,571
Really Good Stuff & SB Realty	Teaching Tools	6,468,477	182,799
MARIL LLC	Stop & Shop Plaza	6,395,650	180,741
Tartaglia / Salce LLC #1	Clock Tower Shopping Center	6,220,890	175,802
CBL Inc.	Whitney Farms Golf Course	6,080,140	171,825
Totals		<u>\$ 117,917,532</u>	<u>\$ 3,332,349</u>

(1) Represents 5.16% of the net taxable grand list of \$2,286,815,228 dated October 1, 2009.

(2) Represents 5.17% of the adopted tax levy of \$64,447,025 for fiscal year 2010-11.

Source: Town Officials