

**TOWN OF MONROE,
CONNECTICUT**



**Financial Statements
and
Supplemental Schedules**

**For the Year Ended
June 30, 2010**

**Together with
Independent Auditors' Report**

**TOWN OF MONROE, CONNECTICUT
BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

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**TOWN OF MONROE, CONNECTICUT
BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010**

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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, 2010, which collectively comprise the Town's basic financial statements as listed in the accompanying 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, 2010, and the respective changes in financial position thereof 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 March 9, 2011 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 60 through 66 and the schedules of funding progress on page 67 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 87 through 95 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
March 9, 2011

**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 - 59 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 60 – 67 of this report.

Combining and individual fund statements and schedules and other supplemental information can be found on pages 68 - 95 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Assets

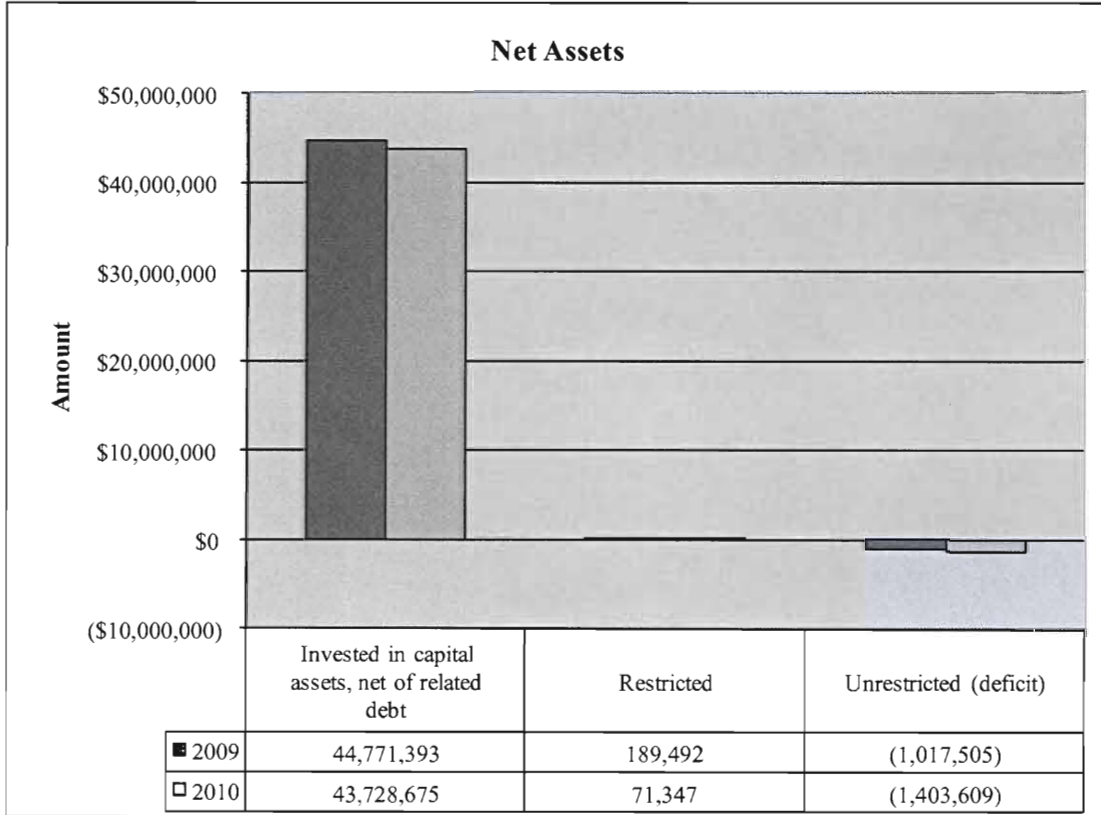
Over time, net assets may serve as one measure of a government's financial position. Total net assets of the Town totaled \$42,396,413 and \$43,943,380 as of June 30, 2010 and 2009, respectively, and are summarized as follows:

	Total	
	2010	2009
Current and other assets	\$ 19,181,908	\$ 16,138,096
Capital assets	91,548,780	92,783,291
Total assets	110,730,688	108,921,387
Other liabilities	9,383,840	3,762,302
Long-term liabilities	58,950,435	61,215,705
Total liabilities	68,334,275	64,978,007
Net assets:		
Invested in capital assets, net of related debt	43,728,675	44,771,393
Restricted	71,347	189,492
Unrestricted (deficit)	(1,403,609)	(1,017,505)
Total net assets	\$ 42,396,413	\$ 43,943,380

**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.

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 \$(1,403,609) includes the use of the Town's unrestricted available cash to temporarily finance capital projects in the prior years.

Overall, net assets decreased by \$1,546,967 (a current year decrease of \$1,885,025 offset by an adjustment of \$338,058) 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, 2010 and 2009 are as follows:

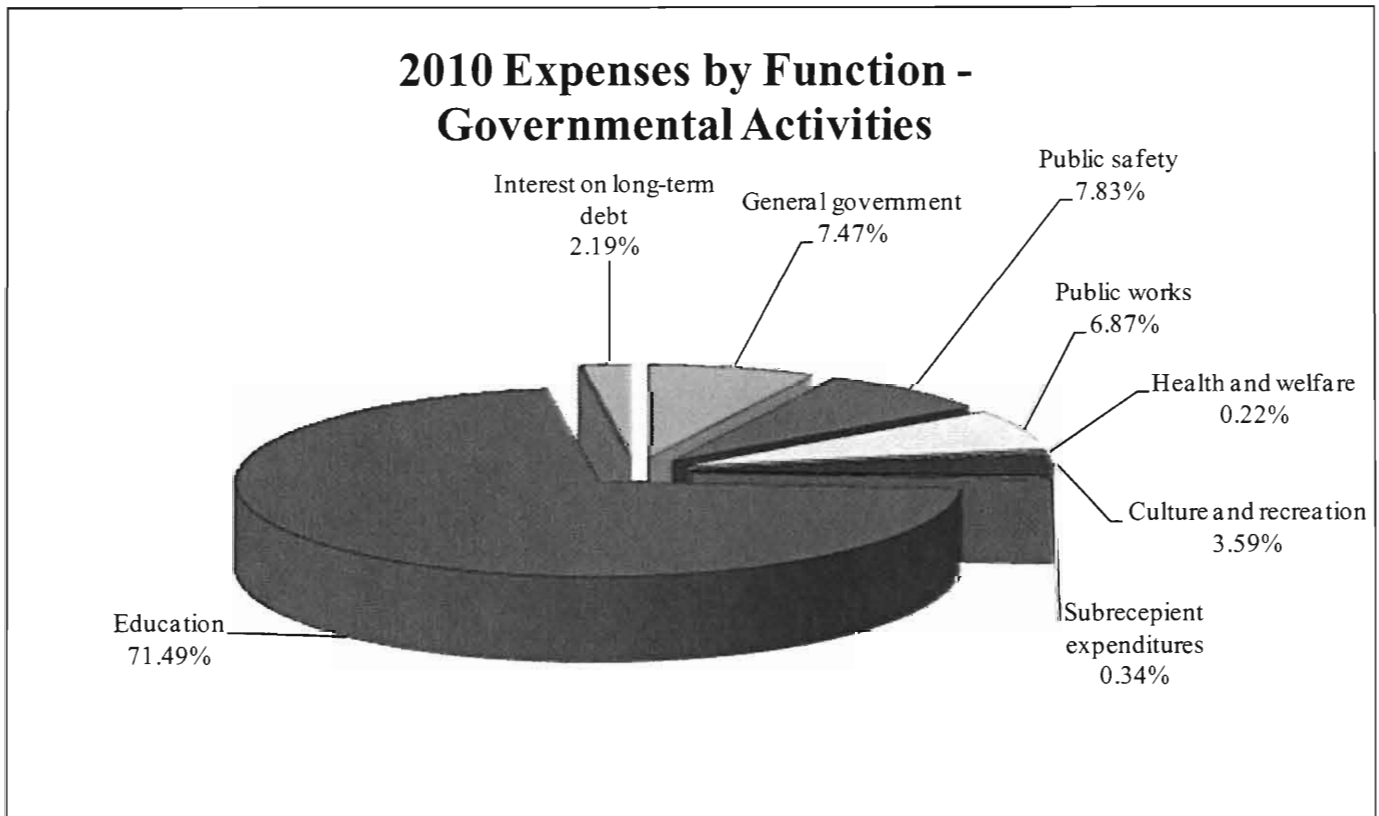
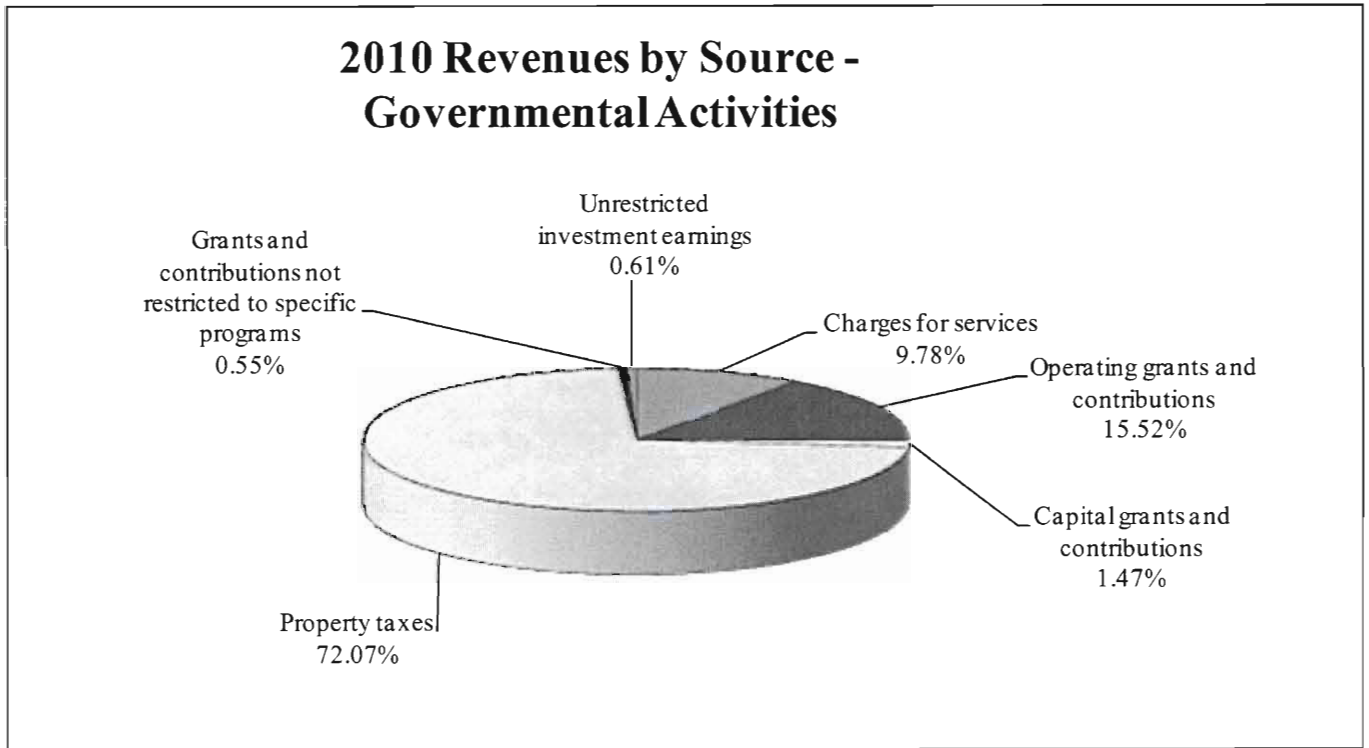
	Total	
	2010	2009
Revenues		
Program revenues:		
Charges for services	\$ 8,479,973	\$ 8,685,260
Operating grants and contributions	13,454,813	12,601,807
Capital grants and contributions	1,289,283	1,127,074
General revenues:		
Property taxes	62,496,456	61,007,640
Grants and contributions not restricted to specific programs	476,260	483,079
Unrestricted investment earnings	524,401	581,141
Total revenues	<u>86,721,186</u>	<u>84,486,001</u>
Expenses		
General government	6,619,837	6,553,044
Public safety	6,937,172	6,783,194
Public works	6,086,321	6,366,467
Health and welfare	189,603	175,593
Culture and recreation	3,183,429	2,852,323
Subrecipient expenditures	301,854	-
Education	63,345,854	61,718,188
Miscellaneous	-	33,803
Interest on long-term debt	1,942,141	2,094,758
Total expenses	<u>88,606,211</u>	<u>86,577,370</u>
Change in net assets	<u><u>\$(1,885,025)</u></u>	<u><u>\$(2,091,369)</u></u>

There were no significant variances in revenues and expenses between 2010 and 2009.

**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, unreserved 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 \$3,563,189, a decrease of \$3,048,623 from the prior year. This decrease is primarily due to the funding of capital outlays through the issuance of a bond anticipation note payable with a face amount of \$3,000,000 to fund new fire trucks.

General Fund

The general fund is the chief operating fund of the Town. At the end of the current fiscal year, unreserved fund balance of the general fund was \$3,549,250. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 4.7% of total GAAP basis general fund expenditures, while total fund balance represents 6.1% of the same amount. The fund balance of the general fund increased by \$162,999 during the current fiscal year.

Fire Truck Fund

The Fire Truck Fund was formed during the current fiscal year and has a deficit fund balance of \$2,958,225 as of June 30, 2010. This deficit is attributable to expenditures incurred for new fire trucks. The deficit is expected to be funded through the issuance of general obligation bonds.

GENERAL FUND BUDGETARY HIGHLIGHTS

The budget for 2010 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 \$142,996. Expenditures were \$287,094 less than budgeted and total budgetary revenues were \$277,769 higher than expected due to a favorable variance in property taxes, offset by unfavorable variances in intergovernmental revenues, charges for services and licenses, permits and other charges.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets for its governmental activities as of June 30, 2010 totaled \$91,548,780 (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 \$1,234,511 or 1.3%, comprised of the following:

- Current year additions of \$4,623,998, consisting of new fire trucks and various other additions to land improvements, machinery and equipment, vehicles, and construction in progress.

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

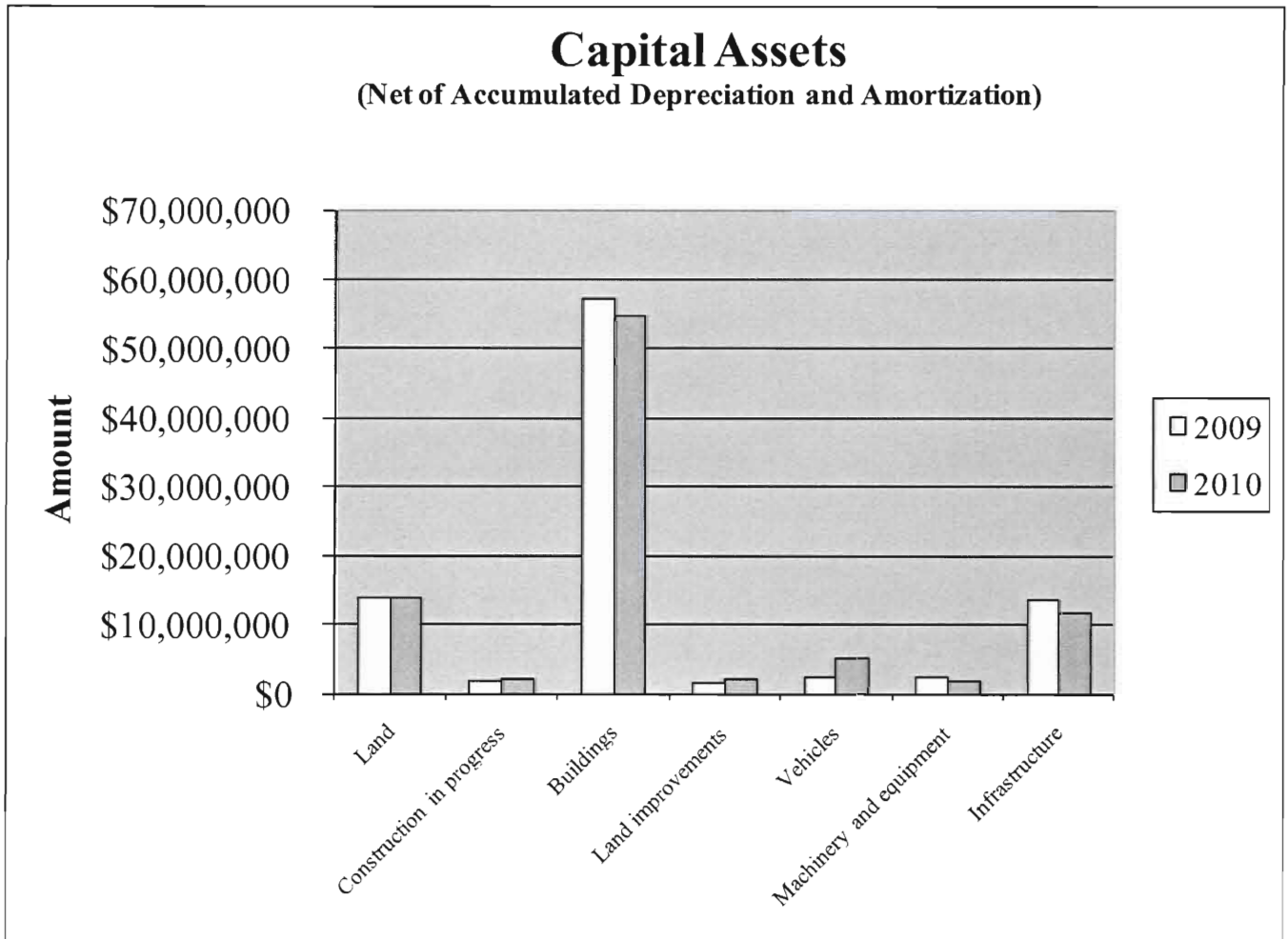
CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

Capital Assets (Continued)

- Current year depreciation expense of \$5,858,509.

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

	Governmental Activities	
	2010	2009
Land	\$ 13,922,971	\$ 13,922,971
Construction in progress	2,123,249	1,740,099
Buildings	54,788,001	57,295,978
Land improvements	2,013,736	1,399,403
Vehicles	5,016,747	2,436,362
Machinery and equipment	1,917,489	2,358,975
Infrastructure	11,766,587	13,629,503
Totals	<u>\$ 91,548,780</u>	<u>\$ 92,783,291</u>



Additional information on the Town's capital assets can be found in Note 4 on pages 35 - 36 of this report.

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

CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)

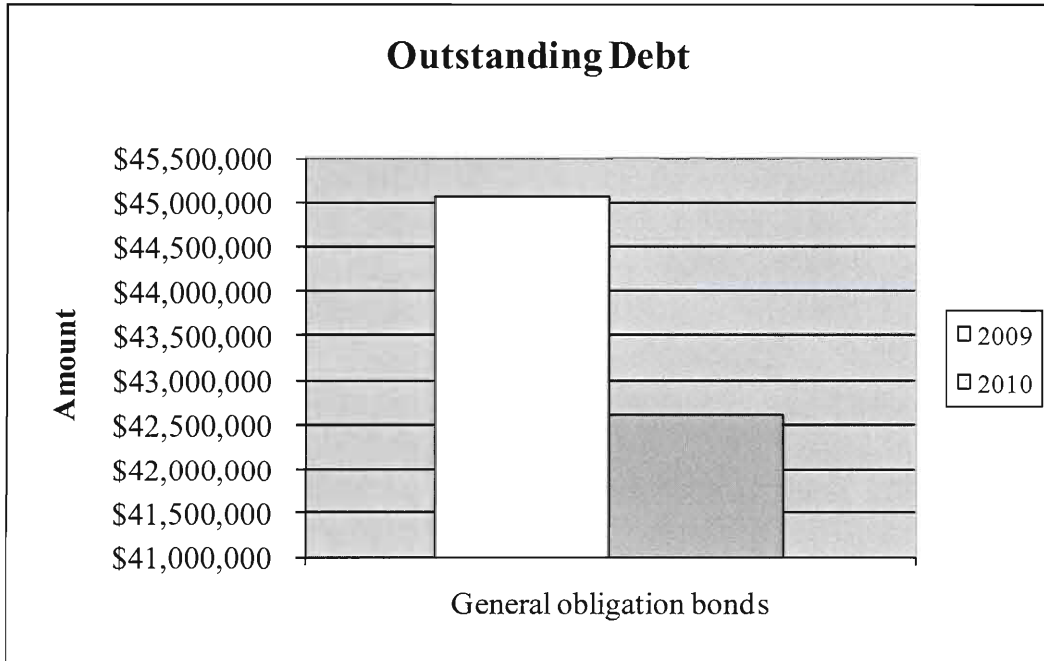
Long-term Debt

At the end of the current fiscal year, the Town had total bonded debt outstanding of \$42,610,000. This entire amount is comprised of debt backed by the full faith and credit of the Town. The Town's total bonded debt decreased by \$2,455,000 or 5.4% during the current fiscal year due to scheduled repayments. 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 \$436,807,133, 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	
	2010	2009
General obligation bonds	\$42,610,000	\$45,065,000
Totals	\$42,610,000	\$45,065,000



Additional information on the Town's long-term debt can be found in Note 8 on pages 37 - 41 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 7.0%. This compares favorably to the State's average unemployment rate of 8.9% and the national unemployment rate of 9.6%.
- 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 2011, 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 2011 and thereafter.

All of these factors were considered in preparing the Town's budget for fiscal year 2011.

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, 2010

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 7,803,590
Investments	6,205,533
Receivables:	
Property taxes receivable, net of allowance of \$250,000	974,095
Interest receivable, net of allowance of \$175,000	120,318
Grants and contracts receivable	446,567
Accounts receivable	466,757
Prepaid items	105,162
Grants and contracts receivable, long-term portion	2,595,521
Net pension asset	124,397
Deferred charges, net of accumulated amortization of \$55,408	339,968
Capital assets:	
Non-depreciable	16,046,220
Depreciable, net	75,502,560
Total assets	110,730,688
LIABILITIES	
Accounts payable	4,859,343
Accrued liabilities:	
Accrued interest	299,873
Other accrued liabilities	225,893
Unearned revenue	998,731
Bond anticipation note payable	3,000,000
Noncurrent liabilities:	
Due within one year	6,039,793
Due in more than one year	52,910,642
Total liabilities	68,334,275
NET ASSETS	
Invested in capital assets, net of related debt	43,728,675
Restricted for:	
Trust purposes-expendable	71,347
Unrestricted (deficit)	(1,403,609)
Total net assets	\$ 42,396,413

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

**TOWN OF MONROE, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets - Governmental Activities
	Expenses	Charges for Services	Operating Grants and Contributions	
Governmental activities:				
General government	\$ 6,619,837	\$ 2,709,335	\$ 30,165	\$ 23,320
Public safety	6,937,172	763,407	250,679	-
Public works	6,086,321	878,765	23,271	212,423
Health and welfare	189,603	29,977	-	-
Culture and recreation	3,183,429	1,328,896	154,019	450,000
Subrecipient expenditures	301,854	-	-	301,854
Education	63,345,854	2,769,593	12,996,679	301,686
Interest on long-term debt	1,942,141	-	-	-
Total governmental activities	\$ 88,606,211	\$ 8,479,973	\$ 13,454,813	\$ 1,289,283
General revenues:				
Property taxes				62,496,456
Grants and contributions not restricted to specific programs				476,260
Unrestricted investment earnings				524,401
Total general revenues				63,497,117
Change in net assets				(1,885,025)
Net assets - beginning, as originally reported				43,943,380
Adjustment (see Note 15)				338,058
Net assets - beginning, as adjusted				44,281,438
Net assets - ending				\$ 42,396,413

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

TOWN OF MONROE, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2010

	General Fund	Fire Truck Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 5,279,445	\$ -	\$ 899,436	\$ 6,178,881
Investments	6,003,211	-	202,322	6,205,533
Receivables:				
Property taxes receivable, net of allowance for uncollectibles of \$250,000	974,095	-	-	974,095
Interest receivable, net of allowance for uncollectibles of \$175,000	120,318	-	-	120,318
Grants and contracts receivable	3,007,798	-	34,290	3,042,088
Accounts receivable	76,950	-	389,807	466,757
Prepaid items	103,844	-	1,318	105,162
Due from other funds	1,430,049	41,775	2,439,869	3,911,693
Total assets	<u>\$ 16,995,710</u>	<u>\$ 41,775</u>	<u>\$ 3,967,042</u>	<u>\$ 21,004,527</u>
LIABILITIES AND FUND BALANCES (DEFICITS)				
Liabilities:				
Accounts payable	\$ 4,545,123	\$ -	\$ 314,220	\$ 4,859,343
Other accrued liabilities	225,893	-	-	225,893
Due to other funds	3,044,697	-	1,430,406	4,475,103
Unearned/deferred revenue	4,579,181	-	301,818	4,880,999
Bond anticipation note payable	-	3,000,000	-	3,000,000
Total liabilities	<u>12,394,894</u>	<u>3,000,000</u>	<u>2,046,444</u>	<u>17,441,338</u>
Fund Balances (Deficits):				
Unreserved	3,549,250	(2,958,225)	-	591,025
Reserved for:				
Encumbrances	947,722	-	-	947,722
Prepaid items	103,844	-	1,318	105,162
Trust purposes	-	-	71,347	71,347
Unreserved, reported in nonmajor:				
Special revenue funds	-	-	2,438,930	2,438,930
Capital project funds	-	-	(590,997)	(590,997)
Total fund balances (deficits)	<u>4,600,816</u>	<u>(2,958,225)</u>	<u>1,920,598</u>	<u>3,563,189</u>
Total liabilities and fund balances (deficits)	<u>\$ 16,995,710</u>	<u>\$ 41,775</u>	<u>\$ 3,967,042</u>	<u>\$ 21,004,527</u>

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, 2010

Total fund balances for governmental funds \$ 3,563,189

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	\$	16,496,114	
Construction in progress		2,123,249	
Buildings and improvements		91,393,235	
Vehicles		10,016,806	
Machinery and equipment		8,974,878	
Infrastructure		62,484,897	
Less accumulated depreciation and amortization		<u>(99,940,399)</u>	
Total capital assets, net			91,548,780

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		395,376	
Less accumulated amortization		<u>(55,408)</u>	
Total bond issuance costs, net			339,968

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. 754,152

Accrued interest receivable on property taxes are not susceptible to accrual, and therefore are reported as deferred revenue in the funds. 120,318

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. 3,007,798

The pension asset resulting from contributions in excess of the annual required contributions are not financial resources and therefore are not reported in the funds. 124,397

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 (*Continued*)
JUNE 30, 2010

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	\$	(42,610,000)	
Unamortized premiums		(1,719,807)	
Unamortized deferred amount on refundings		917,394	
Obligations under capital lease		(1,407,692)	
Accrued interest payable		(299,873)	
Other long-term liabilities:			
Net OPEB obligation		(2,134,678)	
Compensated absences		(1,997,674)	
Termination benefits		(8,010,073)	
Retired employee obligations		(863,817)	
Total long-term liabilities		(58,126,220)	\$ (58,126,220)

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.

Net assets of governmental activities	<u>1,064,031</u> <u>\$ 42,396,413</u>
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The accompanying notes are an integral part of these financial statements .

**TOWN OF MONROE, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES (DEFICITS)
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2010**

	General Fund	Fire Truck Fund	Other Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	\$ 62,534,910	\$ -	\$ -	\$ 62,534,910
Intergovernmental revenues	11,597,967	-	3,377,672	14,975,639
Licenses, permits and other charges	522,924	-	-	522,924
Charges for services	376,778	-	5,385,179	5,761,957
Donations	-	-	163,950	163,950
Investment earnings	490,759	-	4,758	495,517
Miscellaneous	25,819	3,265	293,659	322,743
Total revenues	<u>75,549,157</u>	<u>3,265</u>	<u>9,225,218</u>	<u>84,777,640</u>
EXPENDITURES				
Current:				
General government	5,731,389	-	322,165	6,053,554
Public safety	5,426,717	-	837,881	6,264,598
Public works	2,940,916	-	893,749	3,834,665
Health and welfare	167,092	-	22,511	189,603
Culture and recreation	1,409,880	-	1,305,401	2,715,281
Subrecipient expenditures	-	-	301,854	301,854
Education	53,939,216	-	5,174,389	59,113,605
Capital outlays	193,703	2,961,490	1,705,587	4,860,780
Debt service:				
Principal payments	2,913,764	-	-	2,913,764
Interest and fiscal charges	2,097,120	-	5,497	2,102,617
Total expenditures	<u>74,819,797</u>	<u>2,961,490</u>	<u>10,569,034</u>	<u>88,350,321</u>
Excess (deficiency) of revenues over expenditures	729,360	(2,958,225)	(1,343,816)	(3,572,681)
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of capital assets	-	-	186,000	186,000
Transfers in	49,339	-	755,437	804,776
Transfers out	(615,700)	-	(189,076)	(804,776)
Total other financing sources (uses)	<u>(566,361)</u>	<u>-</u>	<u>752,361</u>	<u>186,000</u>
Net change in fund balances (deficits)	162,999	(2,958,225)	(591,455)	(3,386,681)
Fund balances - beginning, as originally reported	4,437,817	-	2,173,995	6,611,812
Adjustment (see Note 15)	-	-	338,058	338,058
Fund balances - beginning, as adjusted	<u>4,437,817</u>	<u>-</u>	<u>2,512,053</u>	<u>6,949,870</u>
Fund balances (deficits) - ending	<u>\$ 4,600,816</u>	<u>\$ (2,958,225)</u>	<u>\$ 1,920,598</u>	<u>\$ 3,563,189</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 (DEFICITS) OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2010

Net change in fund balances (deficits) - total governmental funds \$ (3,386,681)

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	\$ 4,623,998	
Depreciation and amortization expense	<u>(5,858,509)</u>	
Net adjustment		(1,234,511)

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. (413,976)

The pension asset resulting from contributions in excess of the annual required contributions are not financial resources and therefore are not reported in the funds. (43,680)

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:

Principal repayments:		
Bonds payable	2,455,000	
Obligations under capital lease	<u>458,764</u>	
Net adjustment		2,913,764
Amortization of bond premiums	123,847	
Amortization of bond issuance costs	(23,575)	
Amortization of deferred charge on refundings	<u>(70,818)</u>	
		29,454

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 (DEFICITS) OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES (*Continued*)
FOR THE YEAR ENDED JUNE 30, 2010

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	\$ (37,978)	
Termination benefits	(159,997)	
Retired employee obligations	302,440	
Accrued interest	107,447	
Net OPEB obligation	<u>(760,381)</u>	
		\$ (548,469)

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.	<u>22,314</u>
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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.	<u>776,760</u>
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Change in net assets of governmental activities	<u><u>\$ (1,885,025)</u></u>
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The accompanying notes are an integral part of these financial statements .

TOWN OF MONROE, CONNECTICUT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2010

	Governmental Activities <hr/> Internal Service Funds <hr/>
ASSETS	
Current assets:	
Cash and cash equivalents	\$ 1,624,709
Due from other funds	563,410
Total assets	<hr/> 2,188,119 <hr/>
LIABILITIES	
Current liabilities:	
Risk management claims	593,351
Other liabilities:	
Risk management claims, less current portion	530,737
Total liabilities	<hr/> 1,124,088 <hr/>
NET ASSETS	
Unrestricted	1,064,031
Total net assets	<hr/> \$ 1,064,031 <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, 2010**

	<u>Governmental Activities Internal Service Funds</u>
OPERATING REVENUES	
Employer contributions	\$ 6,952,145
Charges for services	<u>2,283,216</u>
Total operating revenues	<u>9,235,361</u>
 OPERATING EXPENSES	
Claims and benefits	7,504,933
Premiums and administrative charges	<u>982,551</u>
Total operating expenses	<u>8,487,484</u>
Operating income	747,877
 NON-OPERATING REVENUES	
Interest and investment income	<u>28,883</u>
Total non-operating revenues	<u>28,883</u>
Change in net assets	776,760
Net assets - beginning	<u>287,271</u>
Net assets - ending	<u>\$ 1,064,031</u>

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, 2010**

	<u>Governmental Activities</u> <u>Internal Service Funds</u>
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from employer contributions	\$ 7,373,138
Receipts from charges for services	2,283,216
Payments to employees, vendors and others	(8,432,036)
Net cash provided by operating activities	<u>1,224,318</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Investment income	<u>28,883</u>
Net cash provided by investing activities	<u>28,883</u>
Net increase in cash and cash equivalents	1,253,201
Cash and cash equivalents, beginning of year	<u>371,508</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,624,709</u></u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating income	\$ 747,877
Adjustments to reconcile operating income to net cash provided by operating activities:	
Decrease in assets:	
Due from other funds	520,932
Increase (decrease) in liabilities:	
Accounts payable	(90,098)
Risk management claims	45,607
Net cash provided by operating activities	<u><u>\$ 1,224,318</u></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, 2010

	Pension Trust Funds	Private- Purpose Trust Fund	Agency Funds
ASSETS			
Cash and cash equivalents	\$ -	\$ 73,714	\$ 801,800
Investments:			
Mutual funds	12,420,834	-	-
Guaranteed deposit account	1,079,745	-	-
Total assets	13,500,579	73,714	\$ 801,800
LIABILITIES			
Due to student groups	-	-	\$ 320,889
Benefits payable	-	4,000	-
Deposits	-	-	480,911
Total liabilities	-	4,000	\$ 801,800
NET ASSETS			
Held in trust for pension benefits and other purposes	\$ 13,500,579	\$ 69,714	

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, 2010

	Pension Trust Funds	Private- Purpose Trust Fund
ADDITIONS		
Contributions:		
Employer	\$ 402,336	\$ -
Plan members	299,874	-
Private donations	-	73,678
Total contributions	702,210	73,678
Investment earnings:		
Interest and dividends	219,555	36
Net appreciation in fair value of investments	1,462,792	-
Total investment earnings	1,682,347	36
Total additions	2,384,557	73,714
DEDUCTIONS		
Benefit payments	895,018	4,000
Administrative expenses	101,326	-
Total deductions	996,344	4,000
Change in net assets	1,388,213	69,714
Net assets - beginning	12,112,366	-
Net assets - ending	\$ 13,500,579	\$ 69,714

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

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010

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. Financial matters are the responsibility of the Selectman, the Town Council and a six member Board of Finance, in conjunction with a full-time Finance Director/Controller and a part-time treasurer. 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 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.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted resources first, then unrestricted resources as they are needed.

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2010

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

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

Government-wide Financial Statements (*Continued*)

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.

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 funds:

General Fund - This fund is the Town's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Fire Truck Fund – This fund is used to account for the financing and purchase of Town owned fire trucks.

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 11.

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 utilized 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, 2010

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, 2010 consist of Cooperative Liquid Asset Security Systems Funds (CLASS), State Treasurer's Short-Term Investment Fund (STIF), and money market accounts which totaled \$166,222, \$500,859, and \$4,903,753, respectively. CLASS is an investment pool managed by MBIA Municipal Investors Service Corp and STIF is an investment pool managed by the State Treasurer's Office. The fair value of the Town's positions in these pools is the same as 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, 2010

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	40
Land improvements	20
Infrastructure	30 - 50
Machinery and equipment	5 - 12
Vehicles	3 - 15

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2010

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

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. Designations of fund equity are discussed more fully in Note 10.

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2010

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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".

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reservation in the applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

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.

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.

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2010

NOTE 2 - DEFICIT FUND BALANCES

The following funds have deficit fund balances as of June 30, 2010, none of which constitutes a violation of statutory provisions:

Fund	Deficit Fund Balance	
Fire Truck Fund	\$ 2,958,225	**
DEP Water Supply	20,070	*
Rails-to-Trails	66,074	*
Library Grants	6,060	*
Waste Disposal	262,411	*
Senior Citizens Program	2,922	*
Plan of Conservation & Development	74,943	*
Senior Center	2,594	*
Police Renovations	3,396	**
Wolfe Park Improvements	85,330	*
Chalk Hill Asbestos Removal	303,667	***
Open Space Acquisitions	30,889	***
Masuk Renovations	434,278	**
Monroe Public Library	77,806	**
Town Hall Window Replacement	5,793	***

* 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.

NOTE- 3 - CASH DEPOSITS AND INVESTMENTS

CASH DEPOSITS

A reconciliation of the Town's cash and cash equivalents as of June 30, 2010 is as follows:

Government-wide statement of net assets:	
Cash equivalents	\$ 5,570,834
Cash deposits	2,232,756
	7,803,590
Less: cash equivalents considered investments under GASB Statement No. 40	(667,081)
	7,136,509
Statement of fiduciary net assets:	
Cash deposits - Agency Funds	801,800
Cash equivalents - Private-Purpose Trust Fund	73,714
	875,514
	\$ 8,012,023

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2010

NOTE- 3 - CASH DEPOSITS AND INVESTMENTS (Continued)

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, 2010, \$2,870,790 of the Town's bank balance of \$8,258,532 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 2,583,711
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	287,079
	\$ 2,870,790

All of the Town's deposits were in qualified public institutions as defined by Connecticut state statute. Under this statute, 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, 2010, the Town had deposits with one banking institution that exceeded the 10% limitation.

INVESTMENTS

A reconciliation of the Town's investments as of June 30, 2010 is as follows:

Government-wide statement of net assets:	
Investments	\$ 6,205,533
Add: cash equivalents considered	
investments under GASB	
Statement No. 40	667,081
	6,872,614
Statement of fiduciary net assets:	
Pension trust funds	13,500,579
	\$ 20,373,193

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2010

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (Continued)

INVESTMENTS (Continued)

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	\$ 6,003,211	\$ -	\$ -	\$ -	\$ 6,003,211
Certificates of Deposit	202,322	-	202,322	-	-
State Treasurer's Short Term Investment Fund (STIF)	500,859	500,859	-	-	-
Cooperative Liquid Asset Security Systems Fund (CLASS)	166,222	166,222	-	-	-
Bond Mutual Funds	2,500,672	-	1,792,724	707,948	-
Guaranteed Deposit Account	1,079,745	-	1,079,745	-	-
	<u>10,453,031</u>	<u>\$ 667,081</u>	<u>\$ 3,074,791</u>	<u>\$ 707,948</u>	<u>\$ 6,003,211</u>
Other investments:					
Equity mutual funds	9,920,162				
Total	<u>\$ 20,373,193</u>				

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.

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 state statutes. Connecticut state 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 was rated AAA and in its Guaranteed Deposit Account was rated A by Standard and Poor's and the Town's investment in CLASS was rated AAA by Fitch Ratings at June 30, 2010. No credit risk disclosures are required under GASB Statement No. 40 relating to investments in U.S. Agencies.

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2010

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (Continued)

INVESTMENTS (Continued)

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, 2010, as they are held by a trustee in the Town's name.

Concentrations of Credit Risk

The Town's formalized investment policy does not restrict investments in any one issuer that is in excess of five percent of the Town's total investments. The investments in U.S. Agencies are not exposed to concentrations of credit risk. However, more than 5 percent of the Town's 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 5%, 12% and 49% of the Town's total investments.

NOTE 4 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2010 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	1,740,099	383,150	-	2,123,249
Total capital assets, not being depreciated	<u>15,663,070</u>	<u>383,150</u>	<u>-</u>	<u>16,046,220</u>
Capital assets, being depreciated:				
Buildings	91,393,235	-	-	91,393,235
Land improvements	1,884,686	688,457	-	2,573,143
Vehicles	7,839,864	3,286,781	(1,109,839)	10,016,806
Machinery and equipment	8,845,687	265,610	(136,419)	8,974,878
Infrastructure	62,484,897	-	-	62,484,897
Total capital assets, being depreciated	<u>172,448,369</u>	<u>4,240,848</u>	<u>(1,246,258)</u>	<u>175,442,959</u>
Less accumulated depreciation and amortization for:				
Buildings	34,097,257	2,507,977	-	36,605,234
Land improvements	485,283	74,124	-	559,407
Vehicles	5,403,502	706,396	(1,109,839)	5,000,059
Machinery and equipment	6,486,712	707,096	(136,419)	7,057,389
Infrastructure	48,855,394	1,862,916	-	50,718,310
Total accumulated depreciation and amortization	<u>95,328,148</u>	<u>5,858,509</u>	<u>(1,246,258)</u>	<u>99,940,399</u>
Total capital assets, being depreciated, net	<u>77,120,221</u>	<u>(1,617,661)</u>	<u>-</u>	<u>75,502,560</u>
Governmental activities capital assets, net	<u>\$ 92,783,291</u>	<u>\$ (1,234,511)</u>	<u>\$ -</u>	<u>\$ 91,548,780</u>

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2010

NOTE 4 - CAPITAL ASSETS (Continued)

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

Governmental Activities:	
General government	\$ 326,006
Public safety	533,747
Public works	2,206,966
Culture and recreation	466,186
Education	<u>2,325,604</u>
Total depreciation and amortization expense - governmental activities	<u><u>\$ 5,858,509</u></u>

NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 2010 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds		
General Fund	Other Funds	\$ 1,430,049
Fire Truck Fund	General Fund	41,775
Other Funds	General Fund	2,439,512
Other Funds	Other Funds	357
		<u><u>\$ 3,911,693</u></u>
Proprietary Fund		
Internal Service Fund	General Fund	<u><u>\$ 563,410</u></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, 2010 consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Governmental Funds		
General Fund	Other Funds	\$ 49,339
Other Funds	General Fund	615,700
Other Funds	Other Funds	139,737
		<u><u>\$ 804,776</u></u>

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2010

NOTE 6 - INTERFUND TRANSFERS (Continued)

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.

NOTE 7 - SHORT-TERM DEBT

The following is a summary of changes in short-term debt for the year ended June 30, 2010:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental Activities				
Bond anticipation note payable	\$ 225,000	\$ 3,000,000	\$ (225,000)	\$ 3,000,000

The proceeds from the bond anticipation note will be used to fund the purchase of fire trucks.

NOTE 8 - LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2010:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Bonds payable:					
General obligation bonds	\$ 45,065,000	\$ -	\$ (2,455,000)	\$ 42,610,000	\$ 2,895,000
Unamortized amounts:					
Deferred amount on refunding	(988,212)	-	70,818	(917,394)	-
Premium	1,843,654	-	(123,847)	1,719,807	-
Total bonds payable	45,920,442	-	(2,508,029)	43,412,413	2,895,000
Other liabilities:					
Capital leases	1,866,456	-	(458,764)	1,407,692	496,720
Net OPEB obligation	1,374,297	760,381	-	2,134,678	-
Compensated absences	1,959,696	43,106	(5,128)	1,997,674	776,714
Termination benefits	7,850,076	317,497	(157,500)	8,010,073	808,600
Retired employee obligations	1,166,257	330,000	(632,440)	863,817	469,408
Risk management claims	1,078,481	7,550,540	(7,504,933)	1,124,088	593,351
	<u>\$ 61,215,705</u>	<u>\$ 9,001,524</u>	<u>\$ (11,266,794)</u>	<u>\$ 58,950,435</u>	<u>\$ 6,039,793</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, 2010

NOTE 8 - LONG-TERM LIABILITIES (Continued)

GENERAL OBLIGATION BONDS

A summary of general obligation bonds outstanding at June 30, 2010 is as follows:

Description	Final Maturity Dates	Interest Rates	Amount Outstanding
Governmental Activities			
School and municipal improvement bonds issued 2002, original amount \$665,000	2012	3.25% - 4.0%	\$ 150,000
Refunding bonds issued 2002, original amount \$14,905,000	2022	2.0% - 4.75%	7,105,000
School project bonds issued 2002, original amount \$7,000,000	2022	2.5% - 4.4%	4,500,000
School and library improvement bonds issued 2005, original amount \$11,280,000	2025	4.0% - 5.5%	2,150,000
General obligation bonds issued 2006, original amount \$8,385,000	2026	3.625% - 5.5%	5,045,000
General obligation bonds issued 2008, original amount \$4,855,000	2023	3.25% - 5.0%	4,855,000
Refunding bonds issued 2009, original amount \$18,975,000	2024	2.0% - 5.0%	18,805,000
			<u>\$ 42,610,000</u>

Annual debt service requirements to maturity on general obligation bonds are as follows as of June 30, 2010:

Year ending June 30:	Governmental Activities		
	Principal	Interest	Total
2011	\$ 2,895,000	\$ 1,688,873	\$ 4,583,873
2012	3,200,000	1,601,342	4,801,342
2013	3,450,000	1,487,904	4,937,904
2014	3,480,000	1,367,634	4,847,634
2015	3,565,000	1,242,547	4,807,547
2016-2020	15,495,000	4,099,387	19,594,387
2021-2025	10,050,000	1,278,957	11,328,957
2026	475,000	19,594	494,594
	<u>\$ 42,610,000</u>	<u>\$ 12,786,238</u>	<u>\$ 55,396,238</u>

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2010

NOTE 8 - LONG-TERM LIABILITIES (Continued)

GENERAL OBLIGATION BONDS (Continued)

Debt Refunding

On February 11, 2009, the Town issued general obligation refunding bonds. 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.

During the year ended June 30, 2009, the Town issued \$18,975,000 of general obligation bonds with an average interest rate of 3.93% to advance refund \$20,255,000 of general obligation bonds with an average interest rate of 4.13%. The Town advance refunded these bonds to reduce its total debt service payments by \$2,867,770 and to obtain an economic gain (difference between the present values of the debt service payments of the old and new bonds) of \$2,447,984. The reacquisition price exceeded the carrying amount of the old debt by \$366,000. 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.

As of June 30, 2010, \$9,490,000 of previously outstanding general obligation bonds are considered defeased.

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 \$436,807,133 as of June 30, 2010. 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, 2010.

As of June 30, 2010 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, 2010 was \$544,173. Additional reimbursements of principal and interest aggregating \$3,007,798 and \$486,199, 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 \$2,595,521 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, 2010:

	Governmental Activities
Vehicles	\$ 2,227,655
Machinery and equipment	809,984
	<u>3,037,639</u>
Less: accumulated amortization	1,657,761
	<u>\$ 1,379,878</u>

Amortization expense relative to leased property under capital leases totaled \$530,687 for the year ended June 30, 2010 and is included in depreciation and amortization expense disclosed in Note 4.

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2010

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, 2010 are as follows:

	Governmental Activities
Year Ending June 30:	
2011	\$ 564,389
2012	354,916
2013	293,711
2014	192,693
2015	130,302
2016-2019	36,618
Total minimum lease payments	1,572,629
Less: amount representing interest	164,937
Present value of minimum lease payments	\$ 1,407,692

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	\$ 356,228
Board of Education:	
Vested:	
Sick	1,062,058
Vacation	154,683
Non-vested:	
Sick	424,705 *
	\$ 1,997,674

* 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, 2010

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	\$ 2,951,100
Non-vested:	
Retirement incentives	5,058,973 *
	\$ 8,010,073

* 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 \$524,573 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, \$339,244 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, 2010:

	Governmental Activities
Year Ending June 30:	
2011	\$ 469,409
2012	334,408
2013	60,000
	\$ 863,817

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2010

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:

	Unavailable	Unearned	Total
General Fund:			
Property taxes	\$ 874,470	\$ 696,913	\$ 1,571,383
School building construction grant receivables	3,007,798	-	3,007,798
Nonmajor Governmental Funds:			
Advance summer program fee collections	-	54,315	54,315
Advance EMS fee collections	-	44,475	44,475
Grant drawdowns prior to meeting all eligibility requirements	-	203,028	203,028
	\$ 3,882,268	\$ 998,731	\$ 4,880,999

NOTE 10 - DESIGNATION OF FUND BALANCE

Designations of unreserved fund balance reported in the governmental funds balance sheet represent the Town's self-imposed limitations on the use of otherwise available expendable financial resources of governmental funds. The Town designated unreserved fund balance of the General Fund of \$370,000 for use in the subsequent year's budget.

NOTE 11 - 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, 2010

NOTE 11 - 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	48
Active plan members without vested rights	14
	<u>125</u>

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, 2010

NOTE 11 - 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	\$ 897,634
Dryden S&P 500 Index	Prudential Financial	840,161
Corporate Bond/PIM Fund	Prudential Financial	712,301
Private Placement Fund	Prudential Financial	711,761
Core Plus Bond/Reams Fund	Prudential Financial	707,949
Large Cap Value/LSV Asset Mgmt	Prudential Financial	382,765
Large Cap Growth/ Turner Inv	Prudential Financial	376,316

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:	6 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 Asset

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

Annual required contribution	\$ 146,417
Interest on net pension asset	4,234
Adjustment to annual required contribution	<u>(10,286)</u>
Annual pension cost	140,365
Contributions made	<u>106,684</u>
Increase in net pension obligation	(33,681)
Net pension obligation, beginning of year	<u>(90,353)</u>
Net pension obligation, end of year	<u><u>\$ (124,034)</u></u>

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2010

NOTE 11 - 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) Asset
2008	\$ 101,102	0%	\$ 54,387
2009	144,740	0%	(90,353)
2010	140,365	76%	(124,034)

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
2005	\$ 81,640	118%
2006	88,422	121%
2007	81,560	100%
2008	89,239	13%
2009	138,305	16%
2010	146,417	77%

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.

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2010

NOTE 11 - PENSION PLANS (*Continued*)

TOWN OF MONROE BOARD OF EDUCATION PENSION PLAN (*Continued*)

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, 2009 (the date of the latest actuarial valuation):

Retirees and beneficiaries receiving benefits	49
Terminated plan members entitled to but not yet receiving benefits	17
Active plan members with fully vested rights	64
Active plan members without vested rights	23
	<u>153</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 7.7% 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, 2010

NOTE 11 - 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>Investment Type</u>	<u>Issuer</u>	<u>Fair Value</u>
Fixed Income Index Portfolio	Wilmington Trust Co.	\$ 1,558,942
Intermediate Fixed Income Portfolio	Wilmington Trust Co.	1,557,121
Large Co Value Portfolio	Wilmington Trust Co.	990,684
Strategic Growth Portfolio	Wilmington Trust Co.	985,868

Additional Information and Actuarial Assumptions

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

Valuation date:	January 1, 2009
Actuarial cost method:	Entry Age Normal Cost Method
Amortization method:	Level Dollar, Closed
Remaining amortization period:	13 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	\$ 295,652
Interest on net pension asset	(19,382)
Adjustment to annual required contribution	29,381
Annual pension cost	<u>305,651</u>
Contributions made	<u>295,652</u>
Decrease in net pension asset	(9,999)
Net pension asset, beginning of year	<u>258,430</u>
Net pension asset, end of year	<u><u>\$ 248,431</u></u>

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2010

NOTE 11 - 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
2008	\$ 235,514	96%	\$ 267,619
2009	244,866	96%	258,430
2010	305,651	97%	248,431

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, 2009	\$ 7,735,096	\$ 8,601,200	\$ (866,104)	90%	\$ 3,828,126	-23%

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
2005	\$ 189,652	118%
2006	221,664	100%
2007	230,521	100%
2008	227,071	100%
2009	235,677	100%
2010	295,652	100%

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2010

NOTE 11 - PENSION PLANS (Continued)

PLAN FINANCIAL STATEMENTS

TOWN OF MONROE, CONNECTICUT
STATEMENT OF PLAN NET ASSETS
JUNE 30, 2010

	Pension Trust Funds		
	Town Employees' Retirement Plan	Board of Education Pension Plan	Total
ASSETS			
Investments, at fair value:			
Mutual funds	\$ 5,640,733	\$ 6,780,101	\$ 12,420,834
Guaranteed deposit account	1,079,745	-	1,079,745
Total assets	6,720,478	6,780,101	13,500,579
NET ASSETS			
Held in trust for pension benefits	6,720,478	6,780,101	13,500,579
Total net assets	\$ 6,720,478	\$ 6,780,101	\$ 13,500,579

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2010

NOTE 11 - PENSION PLANS (Continued)

PLAN FINANCIAL STATEMENTS (Continued)

TOWN OF MONROE, CONNECTICUT
STATEMENT OF CHANGES IN PLAN NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2010

	Pension Trust Funds		
	Town Employees' Retirement Plan	Board of Education Pension Plan	Total
ADDITIONS			
Contributions:			
Employer	\$ 106,684	\$ 295,652	\$ 402,336
Plan members	108,661	191,213	299,874
Total contributions	<u>215,345</u>	<u>486,865</u>	<u>702,210</u>
Investment earnings:			
Interest and dividends	219,545	10	219,555
Net appreciation in the fair value of investments	618,169	844,623	1,462,792
Total investment earnings	<u>837,714</u>	<u>844,633</u>	<u>1,682,347</u>
Total additions	<u>1,053,059</u>	<u>1,331,498</u>	<u>2,384,557</u>
DEDUCTIONS			
Benefit payments	404,806	490,212	895,018
Administrative expenses	37,792	63,534	101,326
Total deductions	<u>442,598</u>	<u>553,746</u>	<u>996,344</u>
NET INCREASE	610,461	777,752	1,388,213
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS			
Beginning of year	<u>6,110,017</u>	<u>6,002,349</u>	<u>12,112,366</u>
End of year	<u>\$ 6,720,478</u>	<u>\$ 6,780,101</u>	<u>\$ 13,500,579</u>

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (*Continued*)
JUNE 30, 2010

NOTE 11 - 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, 2010, Town teachers contributed \$1,874,892 to the plan and covered payroll for the year was \$25,860,579.

In accordance with the provisions of Governmental Accounting Standards Board Statement No. 24, the Town has reported "on behalf" payments of \$4,000,632 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 8.7% 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, 2010, 2009 and 2008 were \$417,474, \$374,951 and \$340,781, respectively, equal to the required contributions for each year.

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2010

NOTE 11 - 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, 2009, 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, 2009	\$ 1,619	\$ 1,821	\$ (202)	89%	\$ 427	-47%

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, 2009.

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, 2010

NOTE 12 - 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 its 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, however, the activities of this program are reported in the Town's Post Retirement Medical Benefits Fund. 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	\$ 109,531
Interest on net OPEB obligation	3,588
Adjustment to annual required contribution	<u>(4,685)</u>
Annual OPEB cost (expense)	108,434
Contributions made	<u>20,631</u>
Increase in net OPEB obligation	87,803
Net OPEB obligation, beginning of year	<u>79,732</u>
Net OPEB obligation, end of year	<u><u>\$ 167,535</u></u>

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2010

NOTE 12 - OTHER POST EMPLOYMENT BENEFITS (OPEB) (Continued)

TOWN POLICE PLAN (Continued)

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2010 and 2009 (the only years with available data) is as follows:

Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2009	\$ 107,102	25.6%	\$ 79,732
2010	108,434	19.0%	167,535

Funded Status and Funding Progress

The funded status of the plan as of July 1, 2008 (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)
\$ -	\$ 884,014	\$ (884,014)	0.0%	\$ 2,567,152	-34%

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, 2010

NOTE 12 - 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, 2008
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 (2013 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, 2010

NOTE 12 - 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 of 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	\$ 1,294,565
Interest on net OPEB obligation	58,255
Adjustment to annual required contribution	(47,249)
Annual OPEB cost (expense)	<u>1,305,571</u>
Contributions made	<u>632,993</u>
Increase in net OPEB obligation	672,578
Net OPEB obligation, beginning of year	<u>1,294,565</u>
Net OPEB obligation, end of year	<u><u>\$ 1,967,143</u></u>

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2010 and 2009 (the only years with available data) is as follows:

Year Ended	Annual	Percentage of	Net OPEB
June 30	OPEB Cost	Annual OPEB Cost Contributed	Obligation
2009	\$ 1,294,565	0.0%	\$ 1,294,565
2010	1,305,571	48.5%	1,967,143

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2010

NOTE 12 - 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:	Market value
Actuarial assumptions:	
Discount rate	4.50%
Inflation rate	4.00%
Healthcare cost trend rate	9.00% initial 5.00% final
Dental cost trend rate	5.00%

TOWN OF MONROE, CONNECTICUT
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2010

NOTE 13 - LITIGATION

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.

NOTE 14 - 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, 2010. 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 \$6,700 for this program reported at June 30, 2010 is based on estimated claims incurred but not reported. A summary of claims activity for the years ended June 30, 2010 and 2009 is as follows:

Year Ended June 30	Claims Payable, Beginning of Year	Claims and Changes in Estimates	Claims Paid	Claims Payable, End of Year
2009	\$ 6,244	\$ 64,596	\$ 61,736	\$ 9,104
2010	9,104	93,435	95,839	6,700

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, 2010

NOTE 14 - 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, 2010 and 2009 is as follows:

Year Ended June 30	Claims Payable, Beginning of Year	Claims and Changes in Estimates	Claims Paid	Claims Payable, End of Year
2009	\$ 1,350,794	\$ 6,267,662	\$ 7,109,699	\$ 508,757
2010	508,757	7,330,244	7,270,031	568,970

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 2010 and 2009, respectively. A summary of claims activity for the years ended June 30, 2010 and 2009 is as follows:

Year Ended June 30	Claims Payable, Beginning of Year	Claims and Changes in Estimates	Claims Paid	Claims Payable, End of Year
2009	\$ 563,991	\$ 108,340	\$ 111,711	\$ 560,620
2010	560,620	71,413	83,615	548,418

NOTE 15 - ADJUSTMENT

Net assets in the government-wide financial statements and fund balance in the governmental funds financial statements as of July 1, 2009 have been increased to properly reflect investment balances in the Wheeler Library Trust as of that date. The effect of the adjustment on the changes in net assets and fund balance for the year ended June 30, 2009 is not readily determinable.

NOTE 16 - SUBSEQUENT EVENTS

In September 2010, the Town issued \$5,325,000 of General Obligation Bonds with interest rates ranging from 2.0% to 3.0% and a maturity date of September 2025. In addition, in September 2010, the Town issued \$10,805,000 in General Obligation Refunding Bonds with interest rates ranging from 2.0% to 4.0% and a maturity date of April 2026. The bonds refund the 2002 school and municipal improvement bonds and the 2005 school and library improvement bonds and partially refund the 2002 refunding bonds and 2006 general obligation bonds.

NOTE 17 - PRONOUNCEMENT ISSUED BUT NOT YET EFFECTIVE

The Town has not completed the process of implementing GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The Town is therefore unable to disclose the impact that adopting this statement will have on its financial position when such statement is implemented. GASB Statement No. 54 establishes fund balance classifications based primarily on the extent to which a government is bound to observe constraints imposed upon the use of resources reported in governmental funds, and clarifies existing governmental fund type definitions. GASB Statement No. 54 is effective for fiscal periods beginning after June 15, 2010.

**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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
REVENUES				
Property taxes	\$ 61,711,889	\$ 61,711,889	\$ 62,474,142	\$ 762,253
Licenses, permits and other charges	776,450	776,450	522,924	(253,526)
Intergovernmental	7,734,184	7,734,184	7,683,317	(50,867)
Charges for services	431,210	431,210	376,778	(54,432)
Investment earnings	600,000	600,000	490,759	(109,241)
Miscellaneous	50,000	50,000	33,582	(16,418)
Total revenues	<u>71,303,733</u>	<u>71,303,733</u>	<u>71,581,502</u>	<u>277,769</u>
EXPENDITURES				
Current:				
General government	6,145,732	6,129,566	5,992,302	(137,264)
Public safety	5,516,365	5,512,553	5,454,362	(58,191)
Public works	2,964,528	2,940,916	2,940,916	-
Health and welfare	175,200	171,709	167,092	(4,617)
Culture and recreation	1,384,407	1,428,976	1,409,880	(19,096)
Education	50,530,218	50,530,218	50,530,218	-
Capital outlay - special projects	5,500	8,012	4,364	(3,648)
Debt service	4,838,650	4,838,650	4,774,372	(64,278)
Total expenditures	<u>71,560,600</u>	<u>71,560,600</u>	<u>71,273,506</u>	<u>(287,094)</u>
Excess (deficiency) of revenues over expenditures	(256,867)	(256,867)	307,996	564,863
OTHER FINANCING SOURCES (USES)				
Appropriation of fund balance	370,000	370,000	-	(370,000)
Transfers in	51,867	51,867	-	(51,867)
Transfers out	(165,000)	(165,000)	(165,000)	-
Total other financing sources (uses)	<u>256,867</u>	<u>256,867</u>	<u>(165,000)</u>	<u>(421,867)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	142,996	<u>\$ 142,996</u>
Fund balance - beginning			<u>3,510,098</u>	
Fund balances - ending			<u>\$ 3,653,094</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
PROPERTY TAXES				
Tax levies	\$ 61,511,889	\$ 61,511,889	\$ 62,163,825	\$ 651,936
Interest and lien fees	200,000	200,000	310,317	110,317
Total property taxes	<u>61,711,889</u>	<u>61,711,889</u>	<u>62,474,142</u>	<u>762,253</u>
LICENSES AND PERMITS				
Police Department permits	8,000	8,000	10,452	2,452
Building permits	300,000	300,000	116,499	(183,501)
Burning permits	2,000	2,000	2,200	200
Planning and Zoning	30,000	30,000	15,999	(14,001)
Library	20,000	20,000	20,984	984
Hauler fees	60,000	60,000	-	(60,000)
Refuse permits	3,700	3,700	4,700	1,000
Canine licenses	2,000	2,000	1,445	(555)
Town Clerk's fees	350,000	350,000	350,495	495
Driveway permits	750	750	150	(600)
Total licenses and permits	<u>776,450</u>	<u>776,450</u>	<u>522,924</u>	<u>(253,526)</u>
INTERGOVERNMENTAL				
State and Federal Education Grants:				
Education Cost Sharing	6,572,186	6,572,186	5,634,495	(937,691)
School Transportation	121,996	121,996	90,778	(31,218)
Education Stabilizatoin	-	-	604,382	604,382
Government Services	-	-	333,229	333,229
Other:				
Elderly property tax rebates	2,000	2,000	2,000	-
Tax grant - disabled persons	2,000	2,000	2,537	537
PILOT - State property	10,912	10,912	10,989	77
Tax grant - circuit breaker	135,000	135,000	148,251	13,251
Bond subsidy payments	544,172	544,172	544,172	-
PILOT - capital equipment	180,000	180,000	208,828	28,828
Boat tax reimbursement	3,918	3,918	2,007	(1,911)
Veteran exemption	8,000	8,000	10,266	2,266
Mashantucket Pequot Grant	44,000	44,000	30,614	(13,386)
Telephone Access	110,000	110,000	60,769	(49,231)
Total intergovernmental	<u>7,734,184</u>	<u>7,734,184</u>	<u>7,683,317</u>	<u>(50,867)</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, 2010

	<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	285,000	285,000	288,161	3,161
Landfill lease	42,000	42,000	42,299	299
Nutrition	3,750	3,750	1,197	(2,553)
Tuition	15,000	15,000	10,921	(4,079)
Senior citizens transportation	5,000	5,000	6,002	1,002
Senior citizens registration	3,500	3,500	4,051	551
Special police assignments	45,000	45,000	-	(45,000)
Inland Wetlands Commission	16,000	16,000	8,187	(7,813)
Total charges for services	<u>431,210</u>	<u>431,210</u>	<u>376,778</u>	<u>(54,432)</u>
INTEREST AND DIVIDENDS	<u>600,000</u>	<u>600,000</u>	<u>490,759</u>	<u>(109,241)</u>
OTHER REVENUES	<u>50,000</u>	<u>50,000</u>	<u>33,582</u>	<u>(16,418)</u>
Total revenue	<u>71,303,733</u>	<u>71,303,733</u>	<u>71,581,502</u>	<u>277,769</u>
OTHER FINANCING SOURCES				
Appropriation of fund balance	370,000	370,000	-	(370,000)
Operating transfers in	51,867	51,867	-	(51,867)
Total other financing sources	<u>421,867</u>	<u>421,867</u>	<u>-</u>	<u>(421,867)</u>
 Total revenues and other financing sources	 <u>\$ 71,725,600</u>	 <u>\$ 71,725,600</u>	 <u>\$ 71,581,502</u>	 <u>\$ (144,098)</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
GENERAL GOVERNMENT				
Selectmen	\$ 240,982	\$ 262,582	\$ 262,582	\$ -
Town Council	4,845	4,845	4,684	(161)
Board of Finance	41,000	41,000	40,382	(618)
Registrar of Voters	78,300	77,517	75,951	(1,566)
Town Clerk	183,079	171,293	170,878	(415)
Tax Collector	156,294	143,010	143,010	-
Town Treasurer	10,180	10,180	9,984	(196)
Boards and commissions	18,650	11,955	9,460	(2,495)
Senior citizen	211,636	200,232	197,921	(2,311)
Economic Development	50,039	50,388	50,387	(1)
Inland Wetlands Commission	59,637	56,812	56,348	(464)
Human resource - fringe benefits	3,354,986	3,343,901	3,224,577	(119,324)
Finance Department	261,175	285,781	285,781	-
Technology	364,275	378,168	378,168	-
Assessor	203,076	207,484	207,484	-
Building Inspection Department	169,199	167,507	166,150	(1,357)
Planning and Zoning Department	191,090	184,772	181,924	(2,848)
Town hall maintenance	315,517	302,367	301,127	(1,240)
Special programs	181,453	179,453	175,672	(3,781)
Regional programs	50,319	50,319	49,832	(487)
Total general government	<u>6,145,732</u>	<u>6,129,566</u>	<u>5,992,302</u>	<u>(137,264)</u>
PUBLIC SAFETY				
Police Department	4,223,928	4,213,928	4,163,288	(50,640)
Animal Control	113,947	109,070	103,115	(5,955)
Park Ranger	50,999	50,999	49,828	(1,171)
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	475,000	482,046	482,046	-
Fire Marshal	85,825	89,844	89,844	-
Emergency Management	8,425	8,425	8,000	(425)
Total public safety	<u>5,516,365</u>	<u>5,512,553</u>	<u>5,454,362</u>	<u>(58,191)</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, 2010

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
PUBLIC WORKS				
Highway administration	\$ 290,360	\$ 292,171	\$ 292,171	\$ -
General maintenance	1,192,347	1,251,681	1,251,681	-
Snow removal	386,250	304,853	304,853	-
Operations	668,000	690,366	690,366	-
Tree Warden	34,800	32,845	32,845	-
Traffic control	60,000	59,927	59,927	-
Sanitation:				
Solid waste	14,021	11,137	11,137	-
Recycling	318,750	297,936	297,936	-
Total public works	<u>2,964,528</u>	<u>2,940,916</u>	<u>2,940,916</u>	<u>-</u>
HEALTH AND WELFARE				
Health Department	126,100	128,500	128,500	-
Department of Social Services	49,100	43,209	38,592	(4,617)
Total health and welfare	<u>175,200</u>	<u>171,709</u>	<u>167,092</u>	<u>(4,617)</u>
CULTURE AND RECREATION				
Library	705,431	698,431	679,335	(19,096)
Recreation Department	678,976	730,545	730,545	-
Total culture and recreation	<u>1,384,407</u>	<u>1,428,976</u>	<u>1,409,880</u>	<u>(19,096)</u>
EDUCATION				
	<u>50,530,218</u>	<u>50,530,218</u>	<u>50,530,218</u>	<u>-</u>
DEBT SERVICE				
	<u>4,838,650</u>	<u>4,838,650</u>	<u>4,774,372</u>	<u>(64,278)</u>
CAPITAL OUTLAY - SPECIAL PROJECTS				
	<u>5,500</u>	<u>8,012</u>	<u>4,364</u>	<u>(3,648)</u>
Total budgetary expenditures	<u>71,560,600</u>	<u>71,560,600</u>	<u>71,273,506</u>	<u>(287,094)</u>
OTHER FINANCING USES				
Operating transfers out	165,000	165,000	165,000	-
Total other financing uses	<u>165,000</u>	<u>165,000</u>	<u>165,000</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 71,725,600</u>	<u>\$ 71,725,600</u>	<u>\$ 71,438,506</u>	<u>\$ (287,094)</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, 2010

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 undesignated fund balance. A Special Town Meeting must be called to authorize the transfer of undesignated 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 11*) 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, 2010

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"). 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, 2010:

	<u>Total</u> <u>Revenues</u>	<u>Total</u> <u>Expenditures</u>	<u>Other</u> <u>Financing Sources</u> <u>(Uses), net</u>	<u>Net Change</u> <u>in</u> <u>Fund Balance</u>
Budgetary basis	\$ 71,581,502	\$ 71,273,506	\$ (165,000)	\$ 142,996
"On-behalf" payments - State Teachers Retirement Fund (see Note 11)	4,000,632	4,000,632	-	-
Adjustment for encumbrances	-	(20,003)	-	20,003
Certain grant revenues netted in expense for budgetary purposes	(32,977)	16,362	49,339	-
Certain expenditures recorded as transfers for budgetary purposes	-	(450,700)	(450,700)	-
GAAP basis	<u>\$ 75,549,157</u>	<u>\$ 74,819,797</u>	<u>\$ (566,361)</u>	<u>\$ 162,999</u>

**TOWN OF MONROE, CONNECTICUT
SCHEDULES OF FUNDING PROGRESS
JUNE 30, 2010**

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

July 1, 2009	\$ 7,735,096	\$ 8,601,200	\$ (866,104)	90%	\$ 3,828,126	-23%
July 1, 2007	7,241,315	7,743,658	(502,343)	94%	3,140,757	-16%
July 1, 2005	6,192,809	6,625,058	(432,249)	93%	3,221,036	-13%

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

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%
July 1, 2004	1,434	1,393	41	103%	313	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 \$374,951 to the MERS for the year ended June 30, 2009 while total contributions to the MERS totaled \$53,095,460 (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, 2008	\$ -	\$ 884,014	\$ (884,014)	0.0%	\$ 2,567,152	-34%
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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, 2010**

Grand List Year	Uncollected Taxes July 1, 2009	Current Year Levy	Lawful Corrections		Adjusted Taxes Collectible	Collections		Liens	Uncollected Taxes June 30, 2010
			Additions	Deletions		Taxes	Interest		
2008	\$ -	\$62,499,448	\$ 243,634	\$285,904	\$62,457,178	\$ 61,590,477	\$ 180,784	\$ 1,224	\$ 866,701
2007	601,302	-	40,203	21,079	620,426	405,679	85,865	2,112	214,747
2006	149,497	-	-	646	148,851	71,957	16,587	504	76,894
2005	52,206	-	3,261	627	54,840	8,475	1,941	120	46,365
2004	50,616	-	-	46,044	4,572	1,455	1,065	72	3,117
2003	3,202	-	-	-	3,202	398	389	72	2,804
2002	3,188	-	-	-	3,188	266	518	48	2,922
2001	3,530	-	-	-	3,530	2,005	2,766	72	1,525
2000	2,712	-	-	-	2,712	1,912	3,085	96	800
1999	2,550	-	-	-	2,550	1,883	3,258	120	667
1998	2,653	-	-	-	2,653	1,125	2,167	120	1,528
1997	2,346	-	-	-	2,346	982	2,053	120	1,364
1996	2,463	-	-	-	2,463	1,177	2,640	144	1,286
1995	1,540	-	-	-	1,540	311	759	120	1,229
1994	1,512	-	-	-	1,512	303	797	120	1,209
1993 and prior	12,449	-	-	11,215	1,234	297	459	120	937
	<u>\$ 891,766</u>	<u>\$62,499,448</u>	<u>\$ 287,098</u>	<u>\$365,515</u>	<u>\$63,312,797</u>	<u>\$ 62,088,702</u>	<u>\$ 305,133</u>	<u>\$ 5,184</u>	<u>\$ 1,224,095</u>

**TOWN OF MONROE, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2010**

Special Revenue Funds

	DEP Water Supply	Rails To Trails	Library Grants	School Cafeteria	Educational Grants	WMNR Radio Station	Seized Assets
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 188,326	\$ -	\$ 409,083	\$ -
Investments	-	-	-	-	-	-	-
Grants and contracts receivable	-	-	-	30,995	3,295	-	-
Accounts receivable	-	-	-	5,398	930	5,004	-
Prepaid items	-	-	-	-	-	1,318	-
Due from other funds	-	-	19,318	-	5,298	-	2,656
Total assets	\$ -	\$ -	\$ 19,318	\$ 224,719	\$ 9,523	\$ 415,405	\$ 2,656

LIABILITIES AND FUND BALANCES (DEFICIT)

Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ 98,400	\$ 3,996	\$ 8,601	\$ -
Due to other funds	20,070	66,074	-	-	2,431	-	-
Unearned/deferred revenue	-	-	25,378	-	1,219	-	-
Total liabilities	20,070	66,074	25,378	98,400	7,646	8,601	-

Fund Balances (Deficit):

Reserved for:							
Prepaid items	-	-	-	-	-	1,318	-
Trust purposes	-	-	-	-	-	-	-
Unreserved:							
Undesignated	(20,070)	(66,074)	(6,060)	126,319	1,877	405,486	2,656
Total fund balances (deficit)	(20,070)	(66,074)	(6,060)	126,319	1,877	406,804	2,656
Total liabilities and fund balances (deficit)	\$ -	\$ -	\$ 19,318	\$ 224,719	\$ 9,523	\$ 415,405	\$ 2,656

**TOWN OF MONROE, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (Continued)**

JUNE 30, 2010

	Special Revenue Funds						
	Board of Education Contra	Police Grants	Miscellaneous Donations	Miscellaneous Grants and Programs	Exchange Programs	Waste Disposal	Police Private Duty
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 106,634	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-
Grants and contracts receivable	-	-	-	-	-	-	-
Accounts receivable	115,416	-	-	500	-	85,747	45,042
Prepaid items	-	-	-	-	-	-	-
Due from other funds	942,916	20,298	8,130	84,442	131,566	-	-
Total assets	\$ 1,058,332	\$ 20,298	\$ 8,130	\$ 191,576	\$ 131,566	\$ 85,747	\$ 45,042
LIABILITIES AND FUND BALANCES (DEFICIT)							
Liabilities:							
Accounts payable	\$ 4,045	\$ 1,350	\$ -	\$ 3,228	\$ 1,055	\$ 81,730	\$ 2,634
Due to other funds	5,298	-	-	-	-	266,428	7,469
Unearned/deferred revenue	54,315	-	-	3,803	-	-	-
Total liabilities	63,658	1,350	-	7,031	1,055	348,158	10,103
Fund Balances (Deficit):							
Reserved for:							
Prepaid items	-	-	-	-	-	-	-
Trust purposes	-	-	-	-	-	-	-
Unreserved:							
Undesignated	994,674	18,948	8,130	184,545	130,511	(262,411)	34,939
Total fund balances (deficit)	994,674	18,948	8,130	184,545	130,511	(262,411)	34,939
Total liabilities and fund balances (deficit)	\$ 1,058,332	\$ 20,298	\$ 8,130	\$ 191,576	\$ 131,566	\$ 85,747	\$ 45,042

**TOWN OF MONROE, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (Continued)**

JUNE 30, 2010

	Special Revenue Funds						
	Recreation Programs	Senior Citizens Program	EMS Intercept	Canine	Local Capital Improvement Program	Town Aid Road	Plan of Conservation & Development
ASSETS							
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-
Grants and contracts receivable	-	-	-	-	-	-	-
Accounts receivable	-	-	131,770	-	-	-	-
Prepaid items	-	-	-	-	-	-	-
Due from other funds	101,003	-	-	53,169	38,015	496,254	-
Total assets	<u>\$ 101,003</u>	<u>\$ -</u>	<u>\$ 131,770</u>	<u>\$ 53,169</u>	<u>\$ 38,015</u>	<u>\$ 496,254</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES (DEFICIT)							
Liabilities:							
Accounts payable	\$ 17,955	\$ -	\$ 32,344	\$ -	\$ -	\$ 4,476	\$ -
Due to other funds	-	2,922	43,855	-	-	-	74,943
Unearned/deferred revenue	-	-	44,475	-	-	109,470	-
Total liabilities	<u>17,955</u>	<u>2,922</u>	<u>120,674</u>	<u>-</u>	<u>-</u>	<u>113,946</u>	<u>74,943</u>
Fund Balances (Deficit):							
Reserved for:							
Prepaid items	-	-	-	-	-	-	-
Trust purposes	-	-	-	-	-	-	-
Unreserved:							
Undesignated	83,048	(2,922)	11,096	53,169	38,015	382,308	(74,943)
Total fund balances (deficit)	<u>83,048</u>	<u>(2,922)</u>	<u>11,096</u>	<u>53,169</u>	<u>38,015</u>	<u>382,308</u>	<u>(74,943)</u>
Total liabilities and fund balances (deficit)	<u>\$ 101,003</u>	<u>\$ -</u>	<u>\$ 131,770</u>	<u>\$ 53,169</u>	<u>\$ 38,015</u>	<u>\$ 496,254</u>	<u>\$ -</u>

**TOWN OF MONROE, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (Continued)**

JUNE 30, 2010

	Special Revenue Funds							Total Nonmajor Special Revenue Funds
	Scholarships	Flexible Spending Plan	Senior Center	Wheeler Library Trust	Cornelia Rogers Trust	HRA Medical	Total Nonmajor Special Revenue Funds	
		\$	\$	\$	\$	\$		
ASSETS								
Cash and cash equivalents	\$ -	\$ 46,805	\$ -	\$ 148,588	\$ -	\$ -	\$ 899,436	
Investments	-	-	-	202,322	-	-	202,322	
Grants and contracts receivable	-	-	-	-	-	-	34,290	
Accounts receivable	-	-	-	-	-	-	389,807	
Prepaid items	-	-	-	-	-	-	1,318	
Due from other funds	-	-	60,564	568	71,347	-	2,035,544	
Total assets	\$ -	\$ 46,805	\$ 60,564	\$ 351,478	\$ 71,347	\$ -	\$ 3,562,717	
LIABILITIES AND FUND BALANCES (DEFICIT)								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 259,814	
Due to other funds	-	-	-	-	-	-	489,490	
Unearned/deferred revenue	-	-	63,158	-	-	-	301,818	
Total liabilities	-	-	63,158	-	-	-	1,051,122	
Fund Balances (Deficit):								
Reserved for:								
Prepaid items	-	-	-	-	-	-	1,318	
Trust purposes	-	-	-	-	71,347	-	71,347	
Unreserved:								
Undesignated	-	46,805	(2,594)	351,478	-	-	2,438,930	
Total fund balances (deficit)	-	46,805	(2,594)	351,478	71,347	-	2,511,595	
Total liabilities and fund balances (deficit)	\$ -	\$ 46,805	\$ 60,564	\$ 351,478	\$ 71,347	\$ -	\$ 3,562,717	

TOWN OF MONROE, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (Continued)
JUNE 30, 2010

	Capital Projects Funds									
	Police Renovations	Capital Reserve	Wolfe Park Improvements	Monroe Elementary Roofs	Chalk Hill Roofs	Chalk Hill Asbestos Removal	School Renovations	Board of Education Technology Improvements	Open Space Acquisitions	Clean Water Forest Road
ASSETS										
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-	-	-	-
Grants and contracts receivable	-	-	-	-	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-	-	-	-	-
Due from other funds	-	183,542	-	317	4,143	-	1,160	-	-	22,544
Total assets	\$ -	\$ 183,542	\$ -	\$ 317	\$ 4,143	\$ -	\$ 1,160	\$ -	\$ -	\$ 22,544
LIABILITIES AND FUND BALANCES (DEFICIT)										
Liabilities:										
Accounts payable	\$ -	\$ 54,163	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	3,396	-	85,330	-	-	303,667	-	-	30,889	-
Unearned/deferred revenue	-	-	-	-	-	-	-	-	-	-
Total liabilities	3,396	54,163	85,330	-	-	303,667	-	-	30,889	-
Fund Balances (Deficit):										
Reserved for:										
Prepaid items	-	-	-	-	-	-	-	-	-	-
Trust purposes	-	-	-	-	-	-	-	-	-	-
Unreserved:										
Undesignated	(3,396)	129,379	(85,330)	317	4,143	(303,667)	1,160	-	(30,889)	22,544
Total fund balances (deficit)	(3,396)	129,379	(85,330)	317	4,143	(303,667)	1,160	-	(30,889)	22,544
Total liabilities and fund balances (deficit)	\$ -	\$ 183,542	\$ -	\$ 317	\$ 4,143	\$ -	\$ 1,160	\$ -	\$ -	\$ 22,544

**TOWN OF MONROE, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (Concluded)
JUNE 30, 2010**

	Capital Projects Funds										Total Nonmajor Governmental Funds
	Town Wide Telephone System	Pequonnock Valley Rail Trail	Masuk Renovations	Town Hall Air Conditioning	Monroe Public Library	Radio Project	Fire Hoses	Town Hall Window Replacement	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds	
ASSETS											
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
Investments	-	-	-	-	-	-	-	-	-	-	
Grants and contracts receivable	-	-	-	-	-	-	-	-	-	-	
Accounts receivable	-	-	-	-	-	-	-	-	-	-	
Prepaid items	-	-	-	-	-	-	-	-	-	-	
Due from other funds	395	-	-	-	-	142,224	50,000	-	404,325	2,439,869	
Total assets	<u>\$ 395</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 142,224</u>	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ 404,325</u>	<u>\$ 3,967,042</u>	
LIABILITIES AND FUND BALANCES (DEFICIT)											
Liabilities:											
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 243	\$ 54,406	\$ 314,220	
Due to other funds	-	-	434,278	-	-	-	-	5,550	940,916	1,430,406	
Unamed/d/deferred revenue	-	-	-	-	-	-	-	-	-	301,818	
Total liabilities	-	-	<u>434,278</u>	-	-	-	-	<u>5,793</u>	<u>995,322</u>	<u>2,046,444</u>	
Fund Balances (Deficit):											
Reserved for:											
Prepaid items	-	-	-	-	-	-	-	-	-	1,318	
Trust purposes	-	-	-	-	-	-	-	-	-	71,347	
Unreserved:											
Undesignated	395	-	(434,278)	-	(77,806)	142,224	50,000	(5,793)	(590,997)	1,847,933	
Total fund balances (deficit)	<u>395</u>	<u>-</u>	<u>(434,278)</u>	<u>-</u>	<u>(77,806)</u>	<u>142,224</u>	<u>50,000</u>	<u>(5,793)</u>	<u>(590,997)</u>	<u>1,920,598</u>	
Total liabilities and fund balances (deficit)	<u>\$ 395</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 142,224</u>	<u>\$ 50,000</u>	<u>\$ -</u>	<u>\$ 404,325</u>	<u>\$ 3,967,042</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, 2010**

	Special Revenue Funds							Seized Assets
	DEP Water Supply	Rails To Trails	Library Grants	School Cafeteria	Educational Grants	WMNR Radio Station		
REVENUES								
Intergovernmental	\$ -	\$ -	\$ 3,195	\$ 249,068	\$ 1,907,838	\$ -	\$ -	
Charges for services	-	-	-	1,095,401	-	678,042	-	
Donations	-	-	-	-	-	-	-	
Investment earnings	-	-	-	338	-	-	-	
Miscellaneous	-	-	-	-	50,195	-	-	
Total revenues	-	-	3,195	1,344,807	1,958,033	678,042	-	
EXPENDITURES								
Current:								
General government	-	-	-	-	-	-	-	
Public safety	-	-	-	-	-	-	-	
Public works	18,712	-	-	-	-	-	-	
Health and welfare	-	-	-	-	-	-	-	
Culture and recreation	-	-	3,195	-	-	651,178	-	
Subrecipient expenditures	-	-	-	-	-	-	-	
Education	-	-	-	1,319,966	1,899,703	-	-	
Capital outlays	-	-	-	18,126	12,350	-	-	
Debt service:								
Interest and fiscal charges	-	-	-	-	-	-	-	
Total expenditures	18,712	-	3,195	1,338,092	1,912,053	651,178	-	
Excess (deficiency) of revenues over expenditures	(18,712)	-	-	6,715	45,980	26,864	-	
OTHER FINANCING SOURCES (USES)								
Proceeds from sale of capital assets	-	-	-	-	-	-	-	
Transfers in	-	-	-	-	-	-	-	
Transfers out	-	-	-	-	(49,339)	-	-	
Total other financing sources (uses)	-	-	-	-	(49,339)	-	-	
Net change in fund balances (deficit)	(18,712)	-	-	6,715	(3,359)	26,864	-	
Fund balances (deficit) - beginning, as originally reported	(1,358)	(66,074)	(6,060)	119,604	5,236	379,940	2,656	
Adjustment (see Note 15)	-	-	-	-	-	-	-	
Fund balances (deficit) - beginning, as adjusted	(1,358)	(66,074)	(6,060)	119,604	5,236	379,940	2,656	
Fund balances (deficit) - ending	\$ (20,070)	\$ (66,074)	\$ (6,060)	\$ 126,319	\$ 1,877	\$ 406,804	\$ 2,656	

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, 2010

	Special Revenue Funds						
	Board of Education Contra	Police Grants	Miscellaneous Donations	Miscellaneous Grants and Programs	Exchange Programs	Waste Disposal	Police Private Duty
REVENUES							
Intergovernmental	-	-	-	302,648	-	-	-
Charges for services	1,499,977	-	-	28,780	8,890	821,701	211,652
Donations	-	-	51,198	58,695	29,206	-	-
Investment earnings	-	-	-	-	-	-	-
Miscellaneous	-	3,855	-	-	49,274	-	-
Total revenues	<u>1,499,977</u>	<u>13,855</u>	<u>51,198</u>	<u>390,123</u>	<u>87,370</u>	<u>821,701</u>	<u>211,652</u>
EXPENDITURES							
Current:							
General government	-	-	-	-	-	-	-
Public safety	-	13,959	9,839	1,000	23,635	-	213,213
Public works	-	-	-	-	4,509	802,229	-
Health and welfare	-	-	-	-	22,511	-	-
Culture and recreation	-	-	99,538	54,204	17,023	-	-
Subrecipient expenditures	-	-	-	301,854	-	-	-
Education	1,521,822	-	-	-	-	-	-
Capital outlays	-	-	-	-	-	-	-
Debt service:							
Interest and fiscal charges	-	-	-	-	-	-	-
Total expenditures	<u>1,521,822</u>	<u>13,959</u>	<u>109,377</u>	<u>357,058</u>	<u>67,678</u>	<u>802,229</u>	<u>213,213</u>
Excess (deficiency) of revenues over expenditures	(21,845)	(104)	(58,179)	33,065	19,692	19,472	(1,561)
OTHER FINANCING SOURCES (USES)							
Proceeds from sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Net change in fund balances (deficit)	(21,845)	(104)	(58,179)	33,065	19,692	19,472	(1,561)
Fund balances (deficit) - beginning, as originally reported	1,016,519	19,052	66,309	151,480	110,819	(281,883)	36,500
Adjustment (see Note 15)	-	-	-	-	-	-	-
Fund balances (deficit) - beginning, as adjusted	<u>1,016,519</u>	<u>19,052</u>	<u>66,309</u>	<u>151,480</u>	<u>110,819</u>	<u>(281,883)</u>	<u>36,500</u>
Fund balances (deficit) - ending	<u>\$ 994,674</u>	<u>\$ 18,948</u>	<u>\$ 8,130</u>	<u>\$ 184,545</u>	<u>\$ 130,511</u>	<u>\$ (262,411)</u>	<u>\$ 34,939</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, 2010

	Recreation Programs	Senior Citizens Program	EMS Intercept	Canine	Local Capital Improvement Program	Town Aid Road	Plan of Conservation & Development
REVENUES							
Intergovernmental	-	-	\$ -	-	144,124	\$ 68,299	\$ -
Charges for services	310,172	31,537	541,295	8	10,065	-	-
Donations	-	-	-	-	-	-	-
Investment earnings	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	21,500	-
Total revenues	310,172	31,537	541,295	8	154,189	89,799	-
EXPENDITURES							
Current:							
General government	-	-	-	-	-	-	88,500
Public safety	-	-	527,515	-	-	-	-
Public works	-	-	-	-	-	68,299	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	294,180	33,284	-	-	-	-	-
Subrecipient expenditures	-	-	-	-	-	-	-
Education	-	-	-	-	-	-	-
Capital outlays	-	-	5,445	-	37,344	-	-
Debt service:							
Interest and fiscal charges	-	-	-	-	-	-	-
Total expenditures	294,180	33,284	532,960	-	37,344	68,299	88,500
Excess (deficiency) of revenues over expenditures	15,992	(1,747)	8,335	8	116,845	21,500	(88,500)
OTHER FINANCING SOURCES (USES)							
Proceeds from sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	30,000	-	-	139,737	15,000
Transfers out	-	-	-	-	(139,737)	-	-
Total other financing sources (uses)	-	-	30,000	-	(139,737)	139,737	15,000
Net change in fund balances (deficit)	15,992	(1,747)	38,335	8	(22,892)	161,237	(73,500)
Fund balances (deficit) - beginning, as originally reported	67,056	(1,175)	(27,239)	53,161	60,907	221,071	(1,443)
Adjustment (see Note 15)	-	-	-	-	-	-	-
Fund balances (deficit) - beginning, as adjusted	67,056	(1,175)	(27,239)	53,161	60,907	221,071	(1,443)
Fund balances (deficit) - ending	\$ 83,048	\$ (2,922)	\$ 11,096	\$ 53,169	\$ 38,015	\$ 382,308	\$ (74,943)

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, 2010

	Special Revenue Funds						Total Nonmajor Special Revenue Funds
	Scholarships	Flexible Spending Plan	Senior Center	Wheeler Library Trust	Cornelia Rogers Trust	HRA Medical	
REVENUES							
Intergovernmental	\$ -	\$ -	\$ 15,920	\$ -	\$ -	\$ -	\$ 2,701,092
Charges for services	-	147,334	-	-	-	-	5,384,854
Donations	-	-	8,851	16,000	-	-	163,950
Investment earnings	-	-	-	4,206	170	-	4,714
Miscellaneous	-	-	-	-	-	-	124,824
Total revenues	-	147,334	24,771	20,206	170	-	8,379,434
EXPENDITURES							
Current:							
General government	-	-	-	-	-	210,203	298,703
Public safety	-	-	-	-	-	-	789,161
Public works	-	-	-	-	-	-	893,749
Health and welfare	-	-	-	-	-	-	22,511
Culture and recreation	-	-	24,771	7,354	-	-	1,184,727
Subrecipient expenditures	-	-	-	-	-	-	301,854
Education	64,017	154,259	-	-	-	-	4,959,767
Capital outlays	-	-	-	-	-	-	73,265
Debt service:							
Interest and fiscal charges	-	-	-	-	-	-	-
Total expenditures	64,017	154,259	24,771	7,354	-	210,203	8,523,737
Excess (deficiency) of revenues over expenditures	(64,017)	(6,925)	-	12,852	170	(210,203)	(144,303)
OTHER FINANCING SOURCES (USES)							
Proceeds from sale of capital assets	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	210,203	394,940
Transfers out	-	-	-	-	-	-	(189,076)
Total other financing sources (uses)	-	-	-	-	-	210,203	205,864
Net change in fund balances (deficit)	(64,017)	(6,925)	-	12,852	170	-	61,561
Fund balances (deficit) - beginning, as originally reported	64,017	53,730	(2,594)	568	71,177	-	2,111,976
Adjustment (see Note 15)	-	-	-	338,058	-	-	338,058
Fund balances (deficit) - beginning, as adjusted	64,017	53,730	(2,594)	338,626	71,177	-	2,450,034
Fund balances (deficit) - ending	\$ -	\$ 46,805	\$ (2,594)	\$ 351,478	\$ 71,347	\$ -	\$ 2,511,595

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, 2010

	Capital Projects Funds									
	Police Renovations	Capital Reserve	Wolfe Park Improvements	Monroe Elementary Roofs	Chalk Hill Roofs	Chalk Hill Asbestos Removal	School Renovations	Board of Education Technology Improvements	Open Space Acquisitions	Clean Water Forest Road
REVENUES										
Intergovernmental	\$ -	\$ 30,000	\$ 450,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-	-	-	-	-
Donations	-	-	-	-	-	-	-	-	-	-
Investment earnings	-	-	20	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Total revenues	-	30,000	450,020	-	-	-	-	-	-	-
EXPENDITURES										
Current:										
General government	-	23,462	-	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-	-	-
Subrecipient expenditures	-	-	-	-	-	-	-	-	-	-
Education	-	-	-	-	-	75,403	120,531	18,688	-	-
Capital outlays	-	510,779	688,457	-	-	-	-	-	-	-
Debt service:										
Interest and fiscal charges	-	-	-	-	-	-	-	5,497	-	-
Total expenditures	-	534,241	688,457	-	-	75,403	120,531	24,185	-	-
Excess (deficiency) of revenues over expenditures	-	(504,241)	(238,437)	-	-	(75,403)	(120,531)	(24,185)	-	-
OTHER FINANCING SOURCES (USES)										
Proceeds from sale of capital assets	-	-	-	-	-	-	-	-	-	-
Transfers in	-	130,000	-	-	-	-	-	230,497	-	-
Transfers out	-	-	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	130,000	-	-	-	-	-	230,497	-	-
Net change in fund balances (deficit)	-	(374,241)	(238,437)	-	-	(75,403)	(120,531)	206,312	-	-
Fund balances (deficit) - beginning, as originally reported	(3,396)	503,620	153,107	317	4,143	(228,264)	121,691	(206,312)	(30,889)	22,544
Adjustment (see Note 15)	-	-	-	-	-	-	-	-	-	-
Fund balances (deficit) - beginning, as adjusted	(3,396)	503,620	153,107	317	4,143	(228,264)	121,691	(206,312)	(30,889)	22,544
Fund balances (deficit) - ending	\$ (3,396)	\$ 129,379	\$ (85,330)	\$ 317	\$ 4,143	\$ (303,667)	\$ 1,160	\$ -	\$ (30,889)	\$ 22,544

**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, 2010**

	Capital Projects Funds										Total Nonmajor Governmental Funds
	Town Wide Telephone System	Pequonnock Valley Rail Trail	Masak Renovations	Town Hall Air Conditioning	Monroe Public Library	Radio Project	Fire Hoses	Town Hall Window Replacement	Total Nonmajor Capital Projects Funds	Total Nonmajor Governmental Funds	
REVENUES											
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-
Charges for services	-	1,771	\$ 171,489	\$ 23,320	\$ -	\$ -	\$ -	\$ -	\$ 676,580	\$ 3,377,672	
Donations	-	-	-	-	-	-	-	325	-	5,385,179	
Investment earnings	-	-	-	-	-	-	-	-	-	163,950	
Miscellaneous	-	-	-	-	-	-	-	-	-	4,758	
Total revenues	-	1,771	340,348	23,320	-	-	-	325	168,835	9,225,218	
EXPENDITURES											
Current:											
General government	-	-	-	-	-	-	-	-	23,462	322,165	
Public safety	-	-	-	-	-	-	-	-	48,720	837,881	
Public works	-	-	-	-	-	-	-	-	-	893,749	
Health and welfare	-	-	-	-	-	-	-	-	-	22,511	
Culture and recreation	-	-	-	-	120,674	-	-	-	120,674	1,305,401	
Subrecipient expenditures	-	-	-	-	-	-	-	-	-	301,854	
Education	-	-	-	-	-	-	-	-	214,622	5,174,389	
Capital outlays	-	1,771	-	-	-	337,917	87,280	6,118	1,632,322	1,705,587	
Debt service:											
Interest and fiscal charges	-	-	-	-	-	-	-	-	5,497	5,497	
Total expenditures	-	1,771	-	-	120,674	337,917	136,000	6,118	2,045,297	10,569,034	
Excess (deficiency) of revenues over expenditures	-	-	340,348	23,320	(120,674)	(337,917)	(136,000)	(5,793)	(1,199,513)	(1,343,816)	
OTHER FINANCING SOURCES (USES)											
Proceeds from sale of capital assets	-	-	-	-	-	-	186,000	-	186,000	186,000	
Transfers in	-	-	-	-	-	-	-	-	360,497	755,437	
Transfers out	-	-	-	-	-	-	-	-	-	(189,076)	
Total other financing sources (uses)	-	-	-	-	-	-	186,000	-	546,497	752,361	
Net change in fund balances (deficit)	-	-	340,348	23,320	(120,674)	(337,917)	50,000	(5,793)	(653,016)	(591,455)	
Fund balances (deficit) - beginning, as originally reported	395	-	(774,626)	(23,320)	42,868	480,141	-	-	62,019	2,173,995	
Adjustment (see Note 13)	-	-	-	-	-	-	-	-	-	338,058	
Fund balances (deficit) - beginning, as adjusted	395	-	(774,626)	(23,320)	42,868	480,141	-	-	62,019	2,512,053	
Fund balances (deficit) - ending	395	-	(434,278)	-	(77,806)	142,224	50,000	(5,793)	(590,997)	1,920,598	

**TOWN OF MONROE, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
CAPITAL RESERVE FUND
FOR THE YEAR ENDED JUNE 30, 2010**

	Fund Balance (Deficit) July 1, 2009	Revenues	Expenditures	Transfers In	Fund Balance (Deficit) June 30, 2010
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	33,305	-	15,000	30,000	48,305
Food Pantry	3,801	-	-	-	3,801
Jockey Hollow Fire Station HVAC	5,537	-	-	-	5,537
Masuk Roof Reserve	51,867	-	-	-	51,867
Monroe Investment Group	(9,691)	-	-	-	(9,691)
Open Space	16,000	-	-	-	16,000
Police JAG Grant	-	30,000	30,000	-	-
Police Vehicles	3,274	-	-	-	3,274
PW Equipment and Vehicles	190,480	-	246,284	-	(55,804)
PW Salt Shed	-	-	40,621	-	(40,621)
Revaluation	1,918	-	196,368	100,000	(94,450)
Tree Planting	5,428	-	-	-	5,428
Water Supply Installation	-	-	5,968	-	(5,968)
Total	<u>\$ 503,620</u>	<u>\$ 30,000</u>	<u>\$ 534,241</u>	<u>\$ 130,000</u>	<u>\$ 129,379</u>

**TOWN OF MONROE, CONNECTICUT
COMBINING STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
JUNE 30, 2010**

	Governmental Activities - Internal Service Funds				Total
	Town Dental	Board of Education Medical and Dental	Heart and Hypertension	Post Retirement Medical Benefits	
ASSETS					
Current assets:					
Cash and cash equivalents	\$ -	\$ 1,624,709	\$ -	\$ -	\$ 1,624,709
Due from other funds	32,531	-	373,278	157,601	563,410
Total assets	32,531	1,624,709	373,278	157,601	2,188,119
LIABILITIES					
Current liabilities:					
Risk management claims	6,700	568,970	17,681	-	593,351
Other liabilities:					
Risk management claims, less current portion	-	-	530,737	-	530,737
Total liabilities	6,700	568,970	548,418	-	1,124,088
NET ASSETS (DEFICIT)					
Unrestricted (deficit)	25,831	1,055,739	(175,140)	157,601	1,064,031
Total net assets (deficit)	\$ 25,831	\$ 1,055,739	\$ (175,140)	\$ 157,601	\$ 1,064,031

**TOWN OF MONROE, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS (DEFICIT)
PROPRIETARY FUNDS**

FOR THE YEAR ENDED JUNE 30, 2010

	Governmental Activities - Internal Service Funds				
	Town Dental	Board of Education Medical and Dental	Heart and Hypertension	Post Retirement Medical Benefits	Total
OPERATING REVENUES					
Employer contributions	\$ 22,073	\$ 6,911,863	\$ -	\$ 18,209	\$ 6,952,145
Charges for services	79,277	2,120,324	83,615	-	2,283,216
Total operating revenues	<u>101,350</u>	<u>9,032,187</u>	<u>83,615</u>	<u>18,209</u>	<u>9,235,361</u>
OPERATING EXPENSES					
Claims and benefits	93,435	7,240,146	171,352	-	7,504,933
Premiums and administrative charges	5,511	965,472	-	11,568	982,551
Total operating expenses	<u>98,946</u>	<u>8,205,618</u>	<u>171,352</u>	<u>11,568</u>	<u>8,487,484</u>
Operating income (loss)	2,404	826,569	(87,737)	6,641	747,877
NON-OPERATING REVENUES					
Investment income	-	28,883	-	-	28,883
Total non-operating revenues	<u>-</u>	<u>28,883</u>	<u>-</u>	<u>-</u>	<u>28,883</u>
Change in net assets (deficit)	2,404	855,452	(87,737)	6,641	776,760
Net assets (deficit) - beginning	<u>23,427</u>	<u>200,287</u>	<u>(87,403)</u>	<u>150,960</u>	<u>287,271</u>
Net assets (deficit) - ending	<u>\$ 25,831</u>	<u>\$ 1,055,739</u>	<u>\$ (175,140)</u>	<u>\$ 157,601</u>	<u>\$ 1,064,031</u>

**TOWN OF MONROE, CONNECTICUT
COMBINING STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2010**

	Governmental Activities - Internal Service Funds				
	Town Dental	Board of Education Medical and Dental	Heart and Hypertension	Post Retirement Medical Benefits	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from employer contributions	\$ 22,073	\$ 7,339,497	\$ -	\$ 11,568	\$ 7,373,138
Receipts from charges for services	79,277	2,120,324	83,615	-	2,283,216
Payments to employees, vendors and others	(101,350)	(8,235,503)	(83,615)	(11,568)	(8,432,036)
Net cash provided by operating activities	-	1,224,318	-	-	1,224,318
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment income	-	28,883	-	-	28,883
Net cash provided by investing activities	-	28,883	-	-	28,883
Net increase in cash and cash equivalents	-	1,253,201	-	-	1,253,201
Cash and cash equivalents, beginning of year	-	371,508	-	-	371,508
Cash and cash equivalents, end of year	\$ -	\$ 1,624,709	\$ -	\$ -	\$ 1,624,709
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES:					
Operating income (loss)	\$ 2,404	\$ 826,569	\$ (87,737)	\$ 6,641	\$ 747,877
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Decrease (increase) in assets:					
Due from other funds	-	427,634	99,939	(6,641)	520,932
(Decrease) increase in liabilities:					
Accounts payable	-	(90,098)	-	-	(90,098)
Risk management claims	(2,404)	60,213	(12,202)	-	45,607
Net cash provided by operating activities	\$ -	\$ 1,224,318	\$ -	\$ -	\$ 1,224,318

*Fiduciary
Funds*

TOWN OF MONROE, CONNECTICUT
COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
AGENCY FUNDS
JUNE 30, 2010

	Performance and Driveway	Student Activity Fund	Total Agency Funds
ASSETS			
Cash	\$ 480,911	\$ 320,889	\$ 801,800
Total assets	<u>\$ 480,911</u>	<u>\$ 320,889</u>	<u>\$ 801,800</u>
LIABILITIES			
Due to student groups	\$ -	\$ 320,889	\$ 320,889
Deposits	480,911	-	480,911
Total liabilities	<u>\$ 480,911</u>	<u>\$ 320,889</u>	<u>\$ 801,800</u>

**TOWN OF MONROE, CONNECTICUT
 COMBINING STATEMENT OF CHANGES IN
 FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2010**

	<u>Balance, July 1, 2009</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2010</u>
Student Activity Fund				
Assets				
Cash	\$ 387,509	\$ 1,038,051	\$ 1,104,671	\$ 320,889
Total assets	<u>\$ 387,509</u>	<u>\$ 1,038,051</u>	<u>\$ 1,104,671</u>	<u>\$ 320,889</u>
Liabilities				
Due to student groups	\$ 387,509	\$ 1,038,051	\$ 1,104,671	\$ 320,889
Total liabilities	<u>\$ 387,509</u>	<u>\$ 1,038,051</u>	<u>\$ 1,104,671</u>	<u>\$ 320,889</u>
Performance and Driveway Fund				
Assets				
Cash	\$ 524,998	\$ 35,563	\$ 79,650	\$ 480,911
Total assets	<u>\$ 524,998</u>	<u>\$ 35,563</u>	<u>\$ 79,650</u>	<u>\$ 480,911</u>
Liabilities				
Deposits	\$ 524,998	\$ 35,563	\$ 79,650	\$ 480,911
Total liabilities	<u>\$ 524,998</u>	<u>\$ 35,563</u>	<u>\$ 79,650</u>	<u>\$ 480,911</u>
Total All Funds				
Assets				
Cash	\$ 912,507	\$ 1,073,614	\$ 1,184,321	\$ 801,800
Total assets	<u>\$ 912,507</u>	<u>\$ 1,073,614</u>	<u>\$ 1,184,321</u>	<u>\$ 801,800</u>
Liabilities				
Due to student groups	\$ 387,509	\$ 1,038,051	\$ 1,104,671	\$ 320,889
Deposits	524,998	35,563	79,650	480,911
Total liabilities	<u>\$ 912,507</u>	<u>\$ 1,073,614</u>	<u>\$ 1,184,321</u>	<u>\$ 801,800</u>

**Other
Supplemental
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
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
2006	5,269,542	5,873,094	3,852,069	187,065	2,149,895	-	51,237,702	-	2,191,498	70,760,865

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		
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	
2006	8,871,384	10,958,062	798,366	49,224,608	508,431	609,701	70,970,552	

Table 3

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

(Unaudited)

FISCAL YEAR ENDED JUNE 30	GRAND LIST OF OCTOBER 1	(1)		TAX RATE (IN MILLS)	TOTAL ADJUSTED TAX LEVY	(2)		UNCOLLECTED END OF EACH FISCAL YEAR	UNCOLLECTED AS OF JUNE 30, 2010
		NET TAXABLE GRAND LIST	% COLLECTED END OF EACH FISCAL YEAR						
2010	2008	\$ 2,117,900,075		29.50	\$ 62,457,178	98.6%	\$ 866,701	\$ 866,701	
2009	2007	2,116,304,857		28.68	60,656,250	99.0	601,302	214,747	
2008	2006	2,095,924,088		27.42	57,583,056	99.1	568,842	76,894	
2007	2005	2,068,914,417		26.08	53,915,213	99.3	371,688	46,365	
2006	2004	2,037,563,974		24.05	49,057,616	99.2	355,202	3,117	
2005	2003	2,011,956,369		22.88	45,912,450	99.4	294,991	2,804	
2004	2002	1,433,022,598		30.58	44,005,037	99.0	425,159	2,922	
2003	2001	1,417,383,475		29.34	41,844,528	98.8	512,292	1,525	
2002	2000	1,391,895,221		27.95	39,220,214	98.5	570,352	800	
2001	1999	1,367,749,220		26.53	36,509,004	98.2	666,506	667	

(1) The latest statistical revaluation was effective October 1, 2003. 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 annually. Supplemental Motor Vehicle assessments are not included. The last physical revaluation was October 1, 1999.

(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 lien 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
10/1/2008	\$ 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
10/1/1999	1,054,998,760	90,435,700	50,814,360	123,762,910	56,816,860	1,376,828,590	9,079,370	1,367,749,220

(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)

FISCAL YEAR ENDED JUNE 30	POPULATION	ASSESSED VALUE	DIRECT NET BONDED DEBT	RATIO OF NET BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
2010	19,435 (2)	\$ 3,562,432,689 (1)	\$ 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
2001	19,249 (2)	1,889,506,656 (3)	15,442,904	0.82	802

(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)

FISCAL YEAR ENDED JUNE 30	POPULATION	ASSESSED VALUE	DIRECT GROSS INDEBTEDNESS	RATIO OF GROSS INDEBTEDNESS TO ASSESSED VALUE	GROSS INDEBTEDNESS PER CAPITA
2010	19,435 (2)	\$ 3,562,432,689 (1)	\$ 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
2001	19,249 (2)	1,889,506,656 (3)	22,489,340	1.19	1,168

(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, 2010
(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	\$ 14,623,961	100%	\$ 14,623,961
Schools	27,986,039	100%	<u>27,986,039</u>
Total Current Bonded Indebtedness			<u>42,610,000</u>
Direct Bonded Indebtedness			42,610,000
Short-term direct indebtedness			<u>3,000,000</u>
Gross direct indebtedness			45,610,000
Exclusion: State School Bond Reimbursement Receivable (1)			<u>(3,007,798)</u>
Total net direct indebtedness			<u>\$ 42,602,202</u>

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

Table 8

**TOWN OF MONROE, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)
FOR THE YEAR ENDED JUNE 30, 2010**

(Unaudited)

Total cash collections for the year ended June 30, 2010: Taxes \$ 62,088,702 Interest and lien fees 310,317 Total <u>62,399,019</u> Reimbursement for revenue loss: 2,000 Tax relief for elderly freeze (CGS 12-129d) <u>\$ 62,401,019</u> Base	<table border="0" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"></th> <th style="text-align: right;">General Purposes</th> <th style="text-align: right;">Schools</th> <th style="text-align: right;">Sewers</th> <th style="text-align: right;">Urban Renewal</th> <th style="text-align: right;">Pension Deficit</th> </tr> </thead> <tbody> <tr> <td>Debt limitation:</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> 2-1/4 times base</td> <td style="text-align: right;">\$ 140,402,293</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td> 4-1/2 times base</td> <td style="text-align: right;">-</td> <td style="text-align: right;">280,804,586</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td> 3-3/4 times base</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">234,003,821</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td> 3-1/4 times base</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">202,803,312</td> <td style="text-align: right;">-</td> </tr> <tr> <td> 3 times base</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">187,203,057</td> </tr> <tr> <td>Total debt limitation</td> <td style="text-align: right;"><u>140,402,293</u></td> <td style="text-align: right;"><u>280,804,586</u></td> <td style="text-align: right;"><u>234,003,821</u></td> <td style="text-align: right;"><u>202,803,312</u></td> <td style="text-align: right;"><u>187,203,057</u></td> </tr> <tr> <td>Indebtedness:</td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> Bonds payable</td> <td style="text-align: right;">14,623,961</td> <td style="text-align: right;">27,986,039</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> <td style="text-align: right;">-</td> </tr> <tr> <td> Debt authorized - 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unissued	253,000	656,466	-	-	-	Bond anticipation note payable	3,000,000	-	-	-	-	Less: amounts to be provided by the state	17,876,961	28,642,505	-	-	-	Total indebtedness	<u>17,876,961</u>	<u>3,007,798</u>	<u>-</u>	<u>-</u>	<u>-</u>	Debt limitation in excess of outstanding and authorized debt	<u>\$ 122,525,331</u>	<u>\$ 255,169,879</u>	<u>\$ 234,003,821</u>	<u>\$ 202,803,312</u>	<u>\$ 187,203,057</u>	Total capacity of borrowing (7 times base)	<u>\$ 436,807,133</u>					Total present indebtedness	<u>43,511,668</u>					Margin for additional borrowing	<u>\$ 393,295,465</u>				
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Table 9

**TOWN OF MONROE, CONNECTICUT
TEN LARGEST PRINCIPAL TAXPAYERS
2008 GRAND LIST**

(Unaudited)

<u>NAME OF TAXPAYER</u>	<u>NATURE OF BUSINESS</u>	<u>GRAND LIST AMOUNT (1)</u>	<u>ESTIMATED TAXES (2)</u>
First Light Hydro Generating Company	Electrical Generator	\$ 11,946,870	\$ 352,433
Quarry Ridge Associates LLC	Home Improvement	4,214,390	124,325
Fifteen Eighty Five Monroe Turnpike LLC	Lumber Company	3,804,820	112,242
Swiss Army Land Inc.	Headquarters & Distribution	11,429,710	337,176
One Eleven Century Plaza LLC	Big Y Shopping Center	7,127,330	210,256
Lake Zoar Properties & The Waterview LLC	The Waterview Banquet Facility	7,359,780	217,114
Stepney LLC	Retail	3,996,130	117,886
MARIL LLC	Stop & Shop Plaza	3,635,863	107,258
Tartaglia / Salce LLC #1	Clock Tower Shopping Center	5,140,860	151,655
CBL Inc.	Whitney Farms Golf Course	5,815,900	171,569
Totals		\$ 64,471,653	\$1,901,914

(1) Represents 3.04% of the net taxable grand list of \$2,117,900,075 dated October 1, 2008.

(2) Represents 3.04% of the adopted tax levy of \$62,499,448 for fiscal year 2009-10.

Source: Town Officials

