

TOWN OF NORTH HAVEN, CONNECTICUT



COMPREHENSIVE ANNUAL
FINANCIAL REPORT
YEAR ENDED JUNE 30, 2010

TOWN OF NORTH HAVEN, CONNECTICUT



**COMPREHENSIVE
ANNUAL FINANCIAL
REPORT**

**For the Fiscal Year
July 1, 2009 to June 30, 2010**

Prepared By:
FINANCE DEPARTMENT

Edward J. Swinkoski
Director of Finance/Administration

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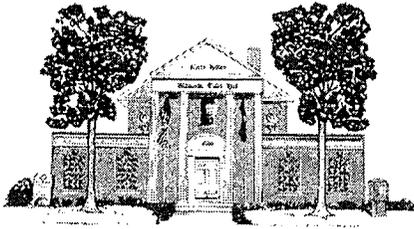
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Introductory Section



TOWN OF NORTH HAVEN

MEMORIAL TOWN HALL / 18 CHURCH STREET

NORTH HAVEN, CONNECTICUT 06473



REPLY TO:

Tel. (203) 239-5321
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December 23, 2010

Honorable Members of the Board of Selectmen
and the Board of Finance
Town of North Haven, Connecticut
18 Church Street
North Haven, CT 06473

State law requires that every general-purpose local government publish within six months of the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the fiscal year ended June 30, 2010.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

McGladrey & Pullen, LLP, Certified Public Accountants, have issued an unqualified "clean" opinion on the Town of North Haven, Connecticut's financial statements for the year ended June 30, 2010. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD and A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD and A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The Town of North Haven, settled around 1670 as part of the colony of New Haven, was incorporated as a separate town in 1786. Located in south central Connecticut adjacent to and northeast of the City of New Haven, the Town covers a land area of 21.0 square miles and serves a population of 23,916. The Town of North Haven is empowered to levy a property tax on both real and personal properties located within its boundaries.

It operates under a Board of Selectmen form of government and provides services as authorized by its charter including public safety (police and fire), sanitation, health and social services, recreation, education and general administrative services.

The Town of North Haven has a Board of three selectmen, who are elected for a two year term, and a Board of Finance. The Town Meeting is the legislative body and must approve the annual budget, all special appropriations or expenditures, and all bond and note authorizations.

The Town operates with a total of eight elective boards and seventeen appointed boards. Members of the elective boards are chosen on a staggered basis. Powers and privileges are conferred and granted to the Town under the Constitution and General Statutes of the State of Connecticut.

The First Selectman is the full-time Chief Executive and Administrative Officer of the Town and oversees the execution of all laws and ordinances governing the Town. He presides over the Board of Selectmen and has full voting privileges on the Board. The First Selectman is also an ex-officio member of all Town boards, commissions, and agencies with a vote only on the Board of Selectmen, the Board of Finance, the Police Retirement Board and the Water Pollution Control Authority.

The Board of Finance is the budget-making authority responsible for financial and taxation matters, presenting the annual operating budget and special appropriations to the Town Meeting for its approval, and establishing the tax rate.

The Town's full-time professional staff includes an appointed Director of Finance/Administration and five other Department Heads.

The annual budget serves as the foundation for the Town of North Haven's financial planning and control.

The budget is prepared for the General Fund by department. Transfers under \$20,000 may be made within a department. Required transfers are tracked continuously and are formally adopted immediately after the end of the fiscal year as part of the end of the fiscal year closing of the budget.

Budget-to-actual comparisons are provided in this report for each governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on pages 59 through 64.

LOCAL ECONOMY

Connecticut Route No. 15, the Wilbur Cross Parkway, passes through North Haven as does U.S. Route No. 5 and Connecticut Route Nos. 10, 17 and 22. North Haven is accessible from three full interchanges and two partial interchanges to Interstate Route No. 91. In addition, the Route 40 Connector provides a vital link between the center of North Haven, I-91 and Route 10 in the Mount Carmel Section of Hamden. Freight, and passenger service, is provided by Amtrak, Metro-North and Conrail, which also operates the Cedar Hill Classification Yard, one of the largest in the East. Most of this yard is located in the Town. Amtrak presently has its regional maintenance of operations in this area. In addition, interstate and intrastate buses and trucking companies provide freight and passenger service. The Tweed/New Haven Airport provides passenger and air freight service and is located 10 miles away on the New Haven/East Haven city lines.

North Haven is a suburban residential community with many commercial and manufacturing resources. The Town is part of a 12 town region comprising the New Haven labor market. An estimated 12,641 people are employed in North Haven.

There is a diverse commercial tax base including large and small manufacturers, distributors of food, beverage and industrial products, retail centers, entertainment and restaurants. In addition to the ten largest taxpayers (see table 9) other companies include: Brescombe Barton, liquor distributor; United Aluminum, aluminum products manufacturer; Candid Group, office buildings; O.F. Mossberg & Sons, firearm manufacturer; Target Corp., retail; Hertz Equipment Rental, construction equipment rental; Montowese Health & Rehabilitation, health care; Connecticut Container Corp., corrugated container manufacturer; Rosewood LLC, apartments, Fleetpride, heavy-truck parts supplier; H.B. Communications, AV systems provider, HID, commercial security system manufacturer; Praxair Surface Technologies, industrial coatings; North Haven Hotel LLC, Holiday Inn.

North Haven has many industrial parks, including the Mersick Industrial Park containing 35 acres; the Wharton Industrial Park containing 200 acres; the Leonardo Drive Industrial Park containing 70 acres; the Exit 10 Industrial Park containing 35 acres; and the Exit 9 Industrial Center containing 130 acres. Although much of the acreage included in these parks has been developed, there are some prime sites still available. Increased economic activity and population growth in the New Haven area combine to make North Haven a desirable residential suburb. In 1960, there were 4,766 dwellings, as compared with 8,544 in 2010, that include mostly single family, owner occupied homes and condominiums. The average sales price in 2010 of homes in North Haven was \$287,198, with homes ranging between \$170,000 and \$825,000. The Town's Planning and Zoning Commission is responsible for enforcing subdivision and other Town zoning regulations. In 2005, the Town adopted a new Plan of Conservation and Development to direct future growth and ensure its compatibility with existing uses.

MAJOR INITIATIVES

Selectmen's Office: The Town remains a desirable location for families and businesses. Today, few sizable tracts of residentially zoned real property exist, as the Town has invested in open space land acquisitions during the past decade. These purchases have kept the home inventory at a virtually constant level, while the demand for residences is very high due to the Town's location, tax rate, services and programs, economy and school system.

It is in the area of commercial and industrial development that the most substantial Grand List growth has occurred. In recent years, North Haven is home to over 1,300 businesses, and supports one of the largest commercial and industrial tax bases in Connecticut.

North Haven continues to attract new businesses to town. Eclipse Development has constructed a major shopping center on Universal Drive. The anchor stores are Best Buy, Toys R Us, and other retail stores and restaurants.

Julian Enterprises has constructed a Big Y grocery store and a restaurant at 345 Washington Avenue-Route 5. Across the street from this development is a new 22,000 square foot retail shopping center. These developments are the cornerstones of the Town's plan to create new mixed-use projects on Washington Avenue-Route 5, north of Interstate 91's Exit 12. The Big Y grocery store and shopping center are spurring such activity, as two retail centers, a new fast food restaurant and a light manufacturing facility have been built.

On the southern end of Washington Avenue-Route 5, the owners of two shopping plazas have completed a combination and expansion of their plazas and have added larger buildings, new stores, restaurants and a new free standing Walgreens store. Continuing south on Route 5, a development unique to the State and to the Northeast has been constructed by Gaylord Hospital. This nationally renowned rehabilitation company has built a 60,000 square foot health and wellness center. In the same area, 22,000 square feet of new office space and 33,000 square feet of retail space have been constructed. Also, a major construction company has purchased 14 acres, in order to relocate its headquarters, and is proposing the development of a new industrial park on the property.

With the addition of the Gaylord Health and Wellness Center, Route 5 South is becoming a corridor of interest to health care providers. A vascular surgery group and pharmacy have relocated their businesses to this area. Two other large medical groups have begun the due diligence phase on two separate sites.

The Town, in conjunction with the new owner, is seeking to connect property on Valley Service Road and Defco Park Road, to provide greater access to this industrially zoned land. The Town intends to take over the sewer pump station on the Pratt & Whitney site and run a sewer line to the industrial sites on Defco Park Road.

The purpose of these improvements is to enhance development of the additional hundreds of acres of vacant industrial property on Valley Service Road and Dodge Avenue. Funding has been obtained through grants from the Economic Development Administration in Washington, D.C. This request also covers over 200 acres of land off Universal Drive, property that was once part of the Cedar Hill rail yards. In particular, the Town seeks funding to build a road network through the property. Each of these large-scale developments involves active participation by property owners to develop these hundreds of acres of land for mixed uses such as technology, manufacturing, a hotel with conference center, health club, retail stores and other varied uses.

The Town is also utilizing a State grant to repair and expand the Muddy River/Universal Road bridge and is preparing to replace the Sackett Point Road bridge. Both bridges lead to the highly traveled Universal Road shopping district.

Quinnipiac University has acquired a large office campus and is in the process of renovating and upgrading the facilities to state of the art standards. This campus will be dedicated to use for their graduate-level programs that are being relocated from the Quinnipiac University campus in neighboring Hamden, CT.

North Haven is a remarkable community with a very rich tradition of being an outstanding place to both work and live. We are a community that will continue to grow. We are committed to stay focused on growing our grand list through productive economic development that is designed to minimize the tax burden for our town residents. By setting goals and objectives, embracing new ideas and being relentless on productive growth, North Haven will continue to be a wonderful community to be part of.

Finance Office: The Finance Office assists the Treasurer, Board of Finance and First Selectman. Its principal responsibility is the Town's day to day financial/administrative management and record keeping. Additional responsibilities include general administration, facilities management, personnel, purchasing, grants management, insurance/risk management, labor relations and wage/benefit administration.

Police: The North Haven Police Department provides full-time police services. The staff consists of 46 regular police officers, 4 dispatchers, 4 clerks and 1 maintenance person. Major equipment includes the Town's central radio communications and dispatch point E 911 PSAP, 6 unmarked cruisers, 10 marked cruisers and a traffic light and sign maintenance unit.

Fire: The North Haven Fire Department consists of a full-time career paid Headquarters staff and three volunteer fire companies. The Department has a career staff of 34 firefighters. Each volunteer company carries a maximum of 35 active firefighters and fire-police members. The major equipment includes: one 1,500 GPM pumper engine, six 1,250 GPM pumper engines, two emergency rescue vehicles and a 105' aerial ladder truck. There are over 650 fire hydrants within the Town.

Public Works: The Department encompasses the offices of the Building Official, Engineering, Land Use Administration, Zoning Enforcement and the operating divisions of Field Operations, Parks, Equipment Maintenance, Sanitation and Recycling. Additionally, the Department administers the Town's wastewater collection and treatment program under the direction of the Water Pollution Control Authority.

Water Pollution Control Authority: The Water Pollution Control Authority (WPCA) oversees the Town's sanitary sewage collection system, the extension of sewer mains, reviews and approves of the expense and capital budget items, establishes policy, procedures and regulations, authorizes expenditures, and approves of assessment and connection charges.

The WPCA also works with property developers in Town to establish new sewer collection systems and pump stations for proposed subdivisions and commercial developments in accordance with Town standards.

Water Pollution Control Division: The Water Pollution Control Facility provides preliminary, primary, and advanced secondary treatment of all sanitary sewer waste. The treatment of sanitary sewer waste is subject to state and federal NPDES permit requirements. No effluent violations were recorded during the past year.

Facility personnel provide operation and maintenance of the WPCF, nine pumping stations, and preventive maintenance of 100 miles of sewer lines. Facilities personnel performed 955 markings of underground sewer utilities as outlined in the "Call Before You Dig" program and performed 23 inspections of new sewer connections to the Town's sanitary sewer system.

In addition to these duties, facility personnel provided preventive and corrective maintenance of all mechanical systems at the town swimming pool and eight emergency generators located throughout the town.

Facility personnel also celebrated 5,964 days without a lost time accident this past year.

The secondary treatment process at the facility was upgraded in 2005 to allow for the reduction of nitrogen in the wastewater. The reduction of nitrogen in the wastewater is required by the Connecticut Department of Environmental Protection to achieve water quality standards for Long Island Sound. This past year the facility exceeded its allowable discharge limit resulting in the Town having to purchase \$4,971 of nitrogen credits from the Connecticut Department of Environmental Protection.

Projects completed this year included cleaning of both primary and secondary digesters, upgrade of the ultra violet disinfection system, and the replacement of the gravity thickener center drive mechanism.

The Water Pollution Control Facility, operated by Veolia Water North America, is a division of the Public Works Department and reports to the Director of Public Works.

Engineering Office: The Town Engineer provides technical assistance and support to various boards and commissions, including Planning and Zoning, Inland Wetlands and the Zoning Board of Appeals. The Town Engineer also works closely with the Office of the First Selectman and supports other Town departments and divisions within the Department of Public Works.

This assistance includes review of roadway and bridge design, drainage improvements, sanitary sewer installations, utilities, traffic control and property development issues. Coordination with State of Connecticut and Federal agencies, various consulting engineers, property developers, builders and the general public is provided in order to resolve potential problems prior to and during construction/development.

Other services provided by Engineering include design, technical administrative assistance and inspection for Town construction projects, coordination of Town map updating and the administration of the Town flood plain ordinance/regulatory process.

Field Operations: The Field Operations Division is comprised of staff who are assigned to Streets and Roads, Sanitation, Transfer Station operations, Recycling Center operations, Parks and Equipment and Vehicle Maintenance. The Field Operations Division provides year round maintenance services to the Town's 125 plus miles of roadways, public drainage courses, parking lots, parks and other Town-owned open space areas. Field Operations personnel also provide for annual curbside leaf collection and disposal, winter snow and deicing efforts, street sweeping, catch basin cleaning, and replacement of asphalt curbing and road patching services.

The Department's Director of Field Operations also functions as the Town's Tree Warden and oversees the maintenance of where applicable, removal of all trees located on Town property or within the Town's Right of Way (ROW). In the fall of each year, the division operates a leaf collection program, which includes a six week program for scheduled pickup for loose leaves placed at the curb and those placed in brown biodegradable bags.

Parks: The Parks Division, which is an integral part of the Department's Division of Field Operations, is responsible for maintaining nearly 200 acres of park land and other open space areas throughout Town including: 18 ball fields, 15 tennis and basketball courts, 7 playgrounds, and 8 passive or natural areas. Some of the Town's critical open spaces include: Peter's Rock, Hansen Park and Spring Road.

The Parks Division maintains the Town's Central Block and the Town cemeteries and assists with snow removal and deicing efforts as well as curbside leaf collection and removal. This division also provides assistance to other Town departments and support to Community Services and Recreation programs, affiliated sports leagues and special events held at the various Town Parks.

Equipment Maintenance: Supervised by the Field Operations Division, this section is responsible for keeping all of the Town's vehicles, trucks and equipment operational. Department equipment includes, but is not limited to, plow trucks, sanitation trucks, recycling trucks, large lawn mowing vehicles, street

sweepers, wood chippers, lawn maintenance equipment and more. A working foreman and three mechanics maintain and repair all Town-owned vehicles and equipment, including police vehicles and general Town vehicles utilized for day-to-day operations.

Sanitation: The Sanitation Division is responsible for the weekly collection of municipal solid waste (MSW) and recyclables. On average, this amounts to approximately 24,000 tons per year or 1.1 tons per Town resident annually. The Town also removes bulky waste items such as refrigerators, ranges, construction and demolition materials and mattresses.

The Sanitation Division provides curbside collection of State mandated recyclable items. These include: clear, green, and brown glass food and beverage containers; metal food and beverage containers, aluminum foil and pie plates; newspaper and corrugated cardboard.

Residential solid wastes are collected once weekly by the Town's staff and disposed of at the Wallingford Resource Recovery Facility. The Town has entered into a Municipal Solid Waste Services Delivery and Disposal Contract with the Connecticut Resource Recovery Authority (CRRA) pursuant to which it participates with four (4) other central Connecticut municipalities in the Wallingford Resource Recovery System. The system consists of a mass burn solid waste, resource recovery steam and electric generation facility located in the Town of Wallingford and various improvements and facilities related thereto, including solid waste landfills.

Under the Service Contract, the Town is required to deliver, or cause to be delivered to the system, solid waste generated within boundaries up to the minimum commitment, and to pay a uniform per ton disposal fee. The aggregate minimum commitment of the five participating municipalities is 125,000 tons per year. The Town's commitment to pay Municipal Disposal fees is a 'put-or-pay' commitment in that if the aggregate minimum commitment is not met by the five municipalities in any year, the Town must pay Municipal Disposal Fees for its full portion of the aggregate minimum commitment even if it did not deliver the full portion of the aggregate minimum commitment.

The Municipal Disposal Fee applicable in any contract year is calculated by estimating and netting out the System Cost and System Revenue for such contract year, as such terms are defined in the Service Contract. System Cost includes debt service on the Authority's revenue bonds issued to finance the System, costs of operation and administrative costs, among other things. System revenue includes revenues through the sale of steam and electricity. The contract with CRRA terminates on June 30, 2010.

Beginning July 1, 2010, disposal will be made at the same location, however from that date forward, the facility will be owned and operated by COVANTA PROJECTS OF WALLINGFORD, L.P. (Covanta) per agreement between the Town and Covanta dated December 17, 2008 (the Covanta Agreement).

Municipal Disposal Fees shall be payable so long as the System is accepting solid waste delivery by or on behalf of the Town, whether or not such waste is processed at the facility. The Town's obligation to Municipal Disposal Fees, so long as the Authority is accepting the Town's solid waste, is absolute and unconditional, and shall not be subject to any set-off, counterclaim, recoupment, defense, or other right which the Town may have against the Authority or any other person for any reason. The Town has pledged its full faith and credit to the payment of the Municipal Disposal Fees and has also agreed to enforce or levy and collect all taxes, cost sharing or other assessment or charges and take all such other action as may be necessary to provide for the payment of Municipal Disposal Fees.

The Town has a 'flow control' ordinance, which requires all collectors of solid waste in North Haven to deliver collected solid waste to the System.

Transfer Station: The Transfer Station is located on Universal Drive, approximately 500 feet south of the intersection with Sackett Point Road. Containers for normal household waste; metals; bulky waste, including brush, concrete, construction demolition materials and mattresses; tires and white goods are available for use by residents only.

All vehicles must obtain a permit to use the Transfer Station, including trailers for cars or trucks. Each year, residents must bring their registration and driver's license to the Public Works Office. Each resident is entitled to six (6) passes for the disposal of mixed solid waste, bulky wastes, tires and white goods. Passes are valid for the calendar year.

Recycling: The Town's Recycling Program annually ranks in the top 10% of Connecticut cities and towns with a total of over 1,100 pounds of recyclables generated per resident and processed annually. In addition, North Haven recycles over 50% of its municipal solid waste, far surpassing the State's goal of 40%. This figure attests to North Haven's consistent ranking in the State's top communities in percentage of recyclables.

Effective August 1, 2009, the Town of North Haven in contract with the City of New Haven and Willimantic Waste commenced single-stream recyclables collection including the acceptance of plastics, labeled 1 through 7, mixed paper materials including junk mail and telephone books, glass and metal food and beverage containers, etc.

Leaf Disposal: Leaves are a mandated recyclable item by the State of Connecticut and must be composted. They may be composted by residents in their backyard or through the Town's efforts during its fall leaf collection program. The Town collects leaves for a six-week period in the Fall (October and November) and does not collect leaves at any other time during the year. However, residents may bring leaves (year round) to the Town's Recycling Center on Elm Street.

Land Use Office: The land Use Office staff provides administrative support to the Planning and Zoning Commission, the Zoning Board of Appeals and the Inland Wetlands Commission.

Under the direction of the Land Use Administrator, the office assists residents, property owners and developers through the application process, to the appropriate Land Use Board and/or Commission. Procedurally, the office is responsible for accepting the formal application, preparing the legal notices, reviewing all applications for completeness and compliance, preparing the meeting agenda and organizing the actual meeting place(s).

The office also provides administrative support for the Zoning Enforcement Officer and works closely with the Building Department and Engineering offices of Public Works as well.

In addition to applications to the Planning and Zoning Commission, plot plans and Certificates of Compliance, the following are brought to the Land Use Office for review and approval: residential additions, garages, decks, fences and pools. Sign permits are reviewed and approved through the Land Use Office by the Zoning Enforcement Officer. Complaints regarding Zoning and Inland Wetland

violations are vigorously pursued by the Zoning Enforcement Officer. The Town continues to achieve a high rate of zoning compliance.

Zoning Enforcement: The Zoning Enforcement Officer is a key staff member to the Planning and Zoning and Inland Wetlands Commissions. This employee's primary responsibility is to ensure that Land Use Regulations are adhered to throughout the Town of North Haven.

Other responsibilities include reviewing all plot plans for new residences; reviewing all plot plans for residential additions, fences, and swimming pools, issuing certificates of Zoning Compliance for residential, commercial, and industrial properties and issuing permits for all free-standing and wall signs.

Building Department: The Building Office is responsible for assuring the safety of North Haven residents through the enforcement of all applicable building codes for new or existing structures within the Town. This process typically includes the review of plans and the issuance of a building permit prior to the start of construction, followed by inspection work in-progress, and ending in a Certificate of Occupancy when all work has been completed in compliance with the regulations.

The Building Code adopted by the Town of North Haven is the 2005 Connecticut State Building Code. This includes the 2003 International Building Code, the 2003 International Residential Code, the 2003 International Mechanical and Plumbing Code and the 2005 National Electric Code.

Building permit fees for the next fiscal year will remain unchanged.

Permits are required for:

- New residential homes;
- Additions or alterations to existing homes;
- New Commercial buildings;
- Additions or alterations to existing buildings;
- Electrical wiring, plumbing, heating, HVAC, fire places, wood stoves, roof and siding;
- Construction of sheds;
- Installation of swimming pools; and
- Demolition of swimming pools.

Health: The Quinnipiac Valley Health District is made up of North Haven, Hamden and Woodbridge, which joined together in 1978 to form a District Department of Health under provisions of Section 19-106 of the Connecticut General Statutes as amended. The District participates in per capita grants from the State of Connecticut, which help to defray the total cost of public health services.

The Town also participates in a Visiting Nurses Association Services, Inc. ("VNA"), which was formed in 1970 by the towns of North Haven, Woodbridge, Hamden and Bethany. The VNA provides home health care services.

Community Services and Recreation: The Department of Community Services/Recreation operates the Town's Comprehensive Human and Social Services program which includes Outpatient Psychiatric Services, Youth Services, Day Care, Food Program, Energy Assistance, and a Senior Citizen's Program and Center which serves over 1,200 members.

The Recreation component within the Department is responsible for the planning and execution of activities, programs and special events designed to appeal to all age groups including, but not limited to tournaments, trips and a summer concert program; and operation and up-keep of the Town's Community Pool. The Recreation programs operate from the Mildred Wakeley Community and Recreation Center, which is also the site of a multiplicity of indoor recreational programs.

Library: The North Haven Memorial Library is a full service library open 58 hours per week in winter and 48 hours per week in summer. A computerized circulation system makes the collections of four area towns available to North Haven residents. The library has 112,558 volumes, including audio visual and provides a variety of special information for business, industry and the personal needs of the Community.

Utilities: Electric Service – United Illuminating Company and Integrys Energy Services; Gas Service – Southern Connecticut Gas Company; Water Service – South Central Connecticut Regional Water Authority.

EDUCATION SYSTEM

The Town's school system services grades pre-kindergarten through twelve and is governed by the local Board of Education. The Town has a nine-member Board of Education elected to six-year staggered terms. The primary function of the Board is to establish policy. Some of the areas for which such policies are set include curriculum, budget requests submission, ensuring funds for education as appropriated by the Town are properly expended, implementation of both State and Federal laws, and planning for facilities needed by the system, including construction and renovation.

The Department of Education operates four elementary schools, each serving a quadrant of the Town for grades K-5. The middle school serves grades 6-8, and the senior high school serves grades 9-12.

Enrollment in grade kindergarten through twelve as of October 1, 2009 was 3,822. The rated capacity of the system facilities is 4,722.

LONG-TERM FINANCIAL PLANNING

Unreserved, undesignated fund balance in the general fund is 10.3% of total general fund revenues. A portion of the fund balance may be used to offset general fund expenditures in the near future.

CASH MANAGEMENT POLICIES AND PRACTICES

The Town of North Haven seeks to attain market rates of return on its investments, consistent with constraints imposed by its safety objectives, cash flow considerations and state laws that restrict the investment of certain public funds. No person may engage in an investment transaction except as authorized by the Treasurer and the Director of Finance, who shall be responsible for all transactions undertaken and shall establish reasonable controls to regulate the activities of subordinate officials.

Funds may be invested in a) U.S. Treasury Bills; b) Treasury Notes or Bonds maturing within one year, c) certificates of deposit of banks and savings and loan associations maturing within one year, d) repurchase agreements collateralized by U.S. Treasury securities; e) The State Short Term Investment Fund (STIF);

and funds made up of the instruments issued by the above authorized entities, such as Financial Guaranty Insurance Company, Fidelity Investments, and MBIA.

Investment depositories are approved by the Treasurer and invested funds are diversified to eliminate the risk of loss resulting from over concentration of funds in a specific maturity or a specific issuer. The following general policies and constraints are applied.

1. Maturities are staggered to avoid this and are selected to provide for stability of income and reasonable liquidity.
2. For cash management funds liquidity is assured through practices ensuring that the next disbursement date and payroll date are covered through maturing investments or marketable U.S. Treasury Bills.
3. Approximately 3 percent of the portfolio is invested in overnight instruments or in marketable securities, which can be sold to raise cash on one day's notice.

RISK MANAGEMENT

The Town is exposed to a variety of accidental losses and has established a risk management strategy that attempts to minimize losses and the carrying cost of insurance.

Risk control techniques have been established to reasonably ensure that the Town's employees are aware of their responsibilities regarding loss exposures related to their duties. In a similar manner, risk control techniques have been established to reduce possible losses to property owned by or under the control of the Town. Furthermore, supervisory personnel are held responsible for monitoring risk control techniques on an operational basis.

The primary technique used for risk financing is the purchase of insurance policies from commercial insurers that include a large deductible amount. The use of a large deductible clause reduces the cost of insurance, but, should losses occur, the portion of the uninsured loss is not expected to be significant with respect to the financial position of the Town.

PENSION AND OTHER POSTEMPLOYMENT BENEFITS

The Town is the Administrator of a Single Employer Public Employee Retirement System (PERS) established and administered by the Town to provide pension benefits for its employees. Contributions made by employees and the Town as well as retirement expenditures are accounted for in the fund. The Town maintains four contributory defined benefit pension plans and one defined contribution pension plan, which cover substantially all employees of the Town except certified teachers who participate in a contributory retirement plan administered by the Connecticut State Teachers' Retirement board. An independent actuary engaged by the Town calculates the amount of the annual contribution that the Town of North Haven must make to the pension plan to ensure that the plan will be able to fully meet its obligations to retired employees on a timely basis.

Teachers within the Town's school system participate in a retirement plan administered by the Connecticut State Teachers Retirement Board. The Town of North Haven also provides postretirement health benefits for certain retirees and their dependents. As of the end of the current fiscal year, there were 120 retired

employees receiving these benefits, which are financed on a pay-as-you-go basis. GAAP do not require governments to report a liability in the financial statement in connection with an employer's obligation to provide these benefits.

The financial statements are the responsibility of the Town. The responsibility of the certified public accountants is to express an opinion on the Town's financial statements based on their audit. An audit is conducted in accordance with generally accepted auditing standards. Those standards require that the audit be planned and performed in a manner to obtain reasonable assurance as to whether the financial statements are free of material misstatement.

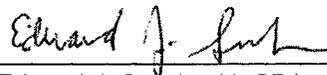
AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of North Haven for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2009. This was the seventh consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report on a timely basis could not have been accomplished without the efficient and dedicated services of management and staff of the Department of Finance and members of other departments who assisted in its compilation, to which I hereby express my appreciation. I also extend this appreciation to the Board of Selectmen and Board of Finance for their interest and support in planning and conducting the financial operations of the Town in a responsible and progressive manner.

Respectfully submitted,



Edward J. Swinkoski, CPA
Director of Finance/Administration

TOWN OF NORTH HAVEN, CONNECTICUT
As of June 30, 2010

PRINCIPAL OFFICIALS

FIRST SELECTMAN

Michael J. Freda

BOARD OF SELECTMEN

Timothy M. Doheny
Stephen A. Fontana

BOARD OF FINANCE

Richard Monico, Chairman
William J. Pieper, Vice Chairman
Michael T. Hallahan, Secretary
Michael J. Freda
James J. Lianos
William C. Kohlhepp
Dyann M. Vissicchio

ADMINISTRATION

Town Counsel	William R. Ryan, Ryan & Ryan, LLC
Town Clerk	J. Stacey Yarbrough
Treasurer	Laurie-Jean Hannon
Director of Finance/Administration	Edward J. Swinkoski
Manager, Information Technology	William Bennett
Assistant Office Manager/Staff Personnel Specialist	Rose Tryanow
Assessor	Gary Johns
Tax Collector	J. Stacey Yarbrough
Director of Public Works	Lynn Sadosky
Director of Field Operations	Victor Palma
Assistant Director of Field Operations, Highway	Robert DeMauro
Assistant Director of Field Operations, Sanitation	William Brencher
Land Use Administrator	Alan Fredricksen
Town Engineer	Jonathan Bodwell
Acting Building Official	Elio Floriano
Assistant Building Official	Vacant
Chief of Police	James DeCarlo
Deputy Chief of Police	Thomas McLoughlin
Fire Chief/Fire Marshall	Vincent Landisio
Deputy Fire Chief	Frank Gerz

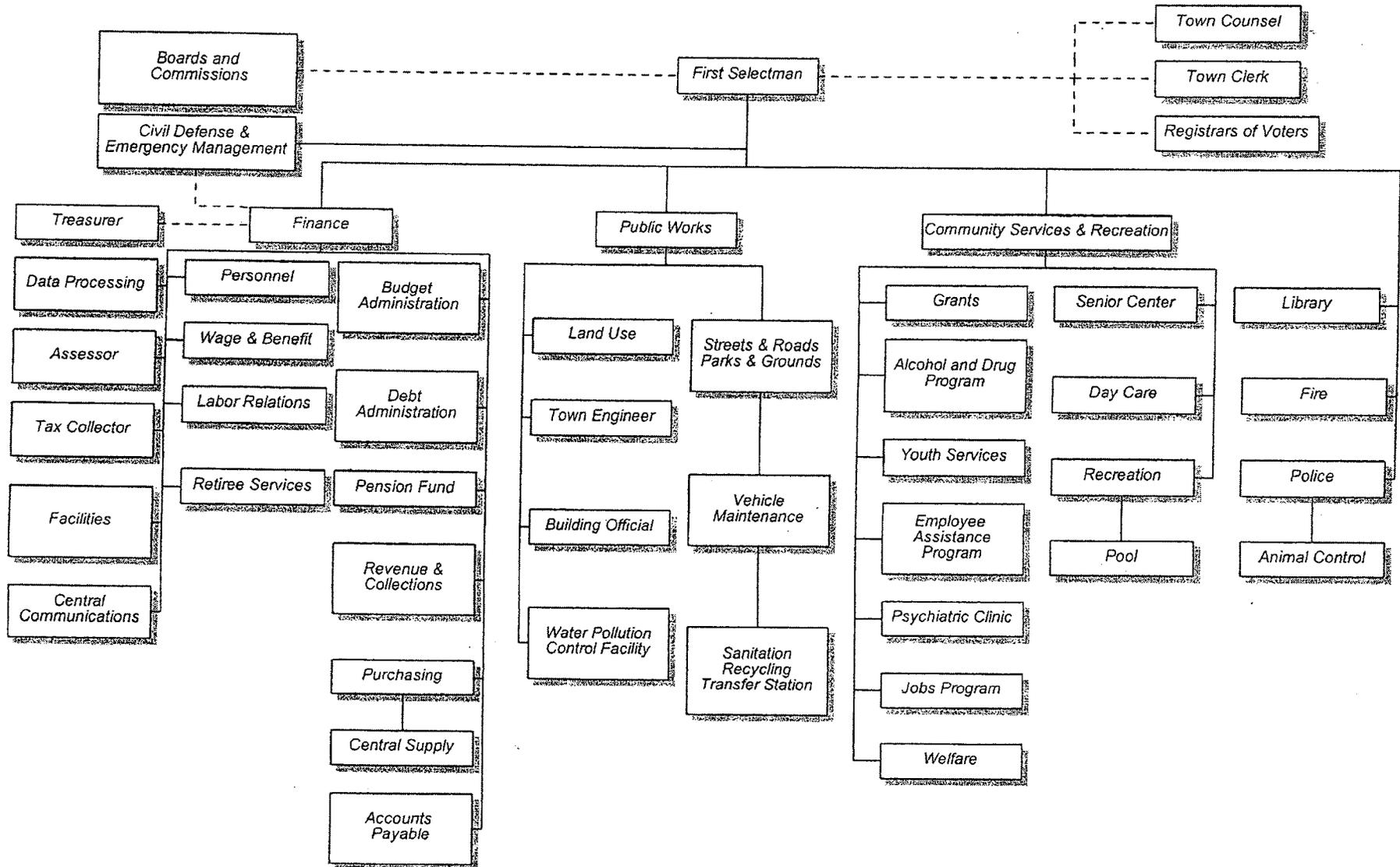
ADMINISTRATION, Continued

Animal Control Officer	David Carney
Director of Community Services and Recreation	Edward J. Swinkoski
Assistant Director of Recreation	Eileen Pettit
Assistant Director of Recreation/Pool	Andrew DelVecchio
Youth Services Administrator	Nancy Leddy
Manager of Senior Center	Judy Amarone
Director of Library Services	Lois Baldini
Assistant Director of Library Services	Patricia Dortenzio

BOARD OF EDUCATION

Sandra L. Cummings, Chairman
Stephen DiCapua, Vice Chairman
Alicia Clapp
Carole Franceschet
James C. Hogan, Jr.
Bert F. Mozealous
Wesley J. O'Brien
Anita B. Anderson
Bryan P. Bogen

Acting Superintendent of Schools	Patricia K. Brozek
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Financial Section



INDEPENDENT AUDITOR'S REPORT

To the Board of Finance
Town of North Haven, Connecticut

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of North Haven, Connecticut as of and for the year ended June 30, 2010, which collectively comprise the Town's basic financial statements, as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In accordance with "Government Auditing Standards," we have also issued our report dated December 23, 2010 on our consideration of the Town of North Haven, Connecticut'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.

The management discussion and analysis, budgetary comparison information, and the schedules of funding progress and schedules of employer contributions for the pension plans and other post-employment benefits are not a required part of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The introductory section, combining and individual nonmajor fund statements and schedules, capital assets schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund statements and schedules, and capital asset schedules, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

McGladrey & Pullen, LLP

New Haven, Connecticut
December 23, 2010

Town of North Haven, Connecticut
Management's Discussion and Analysis
June 30, 2010

As management of the Town of North Haven, we offer readers of the Town of North Haven's financial statements this narrative overview and analysis of the financial activities of the Town of North Haven for the fiscal year ended June 30, 2010. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i through xii, of this report.

Financial Highlights

- The assets of the Town of North Haven exceeded its liabilities at the close of the most recent fiscal year by \$73,933,133 (net assets). Of this amount, \$12,662,646 (unrestricted net assets) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net assets decreased by \$4,026,408.
- As of the close of the current fiscal year, the Town of North Haven's governmental funds reported combined ending fund balances of \$18,526,154, a decrease of \$2,291,125, in comparison with the prior year.
- At the end of the current fiscal year, unreserved and undesignated fund balance for the general fund was \$8,369,274, or 10.04% of total general fund expenditures.
- The Town of North Haven's total debt decreased by \$4,340,307 (7.1%) during the current fiscal year.

Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of the Town of North Haven that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the Town of North Haven include general government, public safety, highways and streets, sanitation, economic development, and culture and recreation. The business-type activity of the Town of North Haven is the Water Pollution Control Authority.

The government-wide financial statements include only the Town of North Haven itself (known as the primary government). The Town of North Haven does not have any component units to be reported separately from the financial information presented for the primary government itself. The Water Pollution Control Authority, although also legally separate, functions for all practical purposes as a department of the Town of North Haven, and therefore has been included as an integral part of the primary government.

The government-wide financial statements can be found on pages 11 and 12 of this report.

Fund financial statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of North Haven, like other state and local governments uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of North Haven can be divided into two categories: governmental funds and fiduciary funds.

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

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

The Town of North Haven maintains 52 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund which is considered to be a major fund. Data from the other 51 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The Town of North Haven adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 13 and 14 of this report.

Proprietary funds. The Town of North Haven maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town of North Haven uses an enterprise fund to account for its Water Pollution Control Authority. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the Town of North Haven's various functions. The Town of North Haven uses an internal service fund to account for its dental insurance and prescription programs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water Pollution Control Authority, which is considered to be a major fund of the Town of North Haven. Conversely, two internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 16-18 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources of those funds are not available to support the Town of North Haven's own programs.

The basic fiduciary statements can be found on pages 19 and 20 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 21 through 58 of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the Town of North Haven, Connecticut's progress in funding its obligation to provide pension benefits and other postemployment benefits to its employees and the General Fund budgetary comparison. This information can be found on pages 59 through 67 of this report.

Government-wide Financial Analysis

As noted, earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Town of North Haven, assets exceeded liabilities by \$73,933,133 at the close of the most recent fiscal year.

By far the largest portion of the Town of North Haven's net assets (82.6%) reflects its investment in capital assets (e.g., land, building, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding. The Town of North Haven uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town of North Haven'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.

Town of North Haven's Statement of Net Assets
As of June 30, 2010 and 2009

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Current and other assets	\$ 26,694,324	\$ 30,912,475	\$ 992,447	\$ 432,604	\$ 27,686,771	\$ 31,345,079
Capital assets	109,823,519	109,560,344	10,735,590	12,744,564	120,559,109	122,304,908
Total Assets	136,517,843	140,472,819	11,728,037	13,177,168	148,245,880	153,649,987
Long-term liabilities outstanding	70,066,163	71,413,761	-	-	70,066,163	71,413,761
Other liabilities	4,246,584	4,276,685	-	-	4,246,584	4,276,685
Total Liabilities	74,312,747	75,690,446	-	-	74,312,747	75,690,446
Net assets:						
Invested in capital assets, net of related debt	50,307,262	51,184,225	10,735,590	12,744,564	61,042,852	63,928,789
Restricted	227,635	227,635	-	-	227,635	227,635
Unrestricted	11,670,199	13,370,513	992,447	432,604	12,662,646	13,803,117
Total Net Assets	\$ 62,205,096	\$ 64,782,373	\$ 11,728,037	\$ 13,177,168	\$ 73,933,133	\$ 77,959,541

An additional portion of the Town of North Haven's net assets (\$227,635) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets \$12,662,646 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the Town of North Haven is able to report positive balances in all three categories of net assets. The same situation held true for the prior fiscal year.

The Town's total net assets decreased by \$4,026,408 during the current fiscal year.

Governmental activities. Governmental activities decreased the Town of North Haven's net assets by \$2,577,277. Key elements of this decrease are as follows:

Town Revenue-General included the receipt of \$1,091,929 from the Hartford Insurance Company and a transfer from the enterprise fund in the amount of \$1,437,150. This helped offset the use of \$1,875,000 of appropriated fund balance.

**Town of North Haven's Changes in Net Assets
Years Ended June 30, 2010 and 2009**

	Governmental Activities		Business-Type Activities		Total	
	2010	2009	2010	2009	2010	2009
Revenues:						
Program Revenues:						
Charges for services	\$ 3,181,701	\$ 3,668,115	\$ 2,909,703	\$ 2,419,323	\$ 6,091,404	\$ 6,087,438
Operating grants and contributions	11,427,537	9,847,702	-	-	11,427,537	9,847,702
Capital grants and contributions	839,675	379,113	-	-	839,675	379,113
General Revenues:						
Property taxes	67,316,651	67,237,887	-	-	67,316,651	67,237,887
Grants and contributions not restricted to specific programs	2,153,040	2,142,670	-	-	2,153,040	2,142,670
Interest income	163,639	441,733	-	4,568	163,639	446,301
Other	3,270,684	5,573,538	-	-	3,270,684	5,573,538
Total revenues	88,352,927	89,290,758	2,909,703	2,423,891	91,262,630	91,714,649
Expenses:						
General government	9,548,877	9,311,034	-	-	9,548,877	9,311,034
Public safety	13,907,039	13,436,844	-	-	13,907,039	13,436,844
Public works	7,563,157	8,563,617	-	-	7,563,157	8,563,617
Health and welfare	1,681,907	1,394,590	-	-	1,681,907	1,394,590
Culture and recreation	1,283,582	1,314,152	-	-	1,283,582	1,314,152
Education	56,945,642	56,085,019	-	-	56,945,642	56,085,019
WPCA	-	-	4,358,834	2,871,604	4,358,834	2,871,604
Total expenses	90,930,204	90,105,256	4,358,834	2,871,604	95,289,038	92,976,860
Excess of revenues over expenditures	(2,577,277)	(814,498)	(1,449,131)	(447,713)	(4,026,408)	(1,262,211)
Special item	-	(13,624,881)	-	13,624,881	-	-
Change in net assets	(2,577,277)	(14,439,379)	(1,449,131)	13,177,168	(4,026,408)	(1,262,211)
Net assets, beginning	64,782,373	79,221,752	13,177,168	-	77,959,541	79,221,752
Net assets, ending	<u>\$ 62,205,096</u>	<u>\$ 64,782,373</u>	<u>\$ 11,728,037</u>	<u>\$ 13,177,168</u>	<u>\$ 73,933,133</u>	<u>\$ 77,959,541</u>

Business-type activities. Business-type activities decreased the Town of North Haven's net assets by \$1,449,131. The major factor in the decrease was the fact that the Town transferred \$1,437,150 back to the general fund.

The depreciation charge for the year was \$571,824.

Financial Analysis of the Government's Funds

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

Governmental funds. The focus of the Town of North Haven'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 of North Haven's financial requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town of North Haven's governmental funds reported combined ending fund balances of \$18,526,154, a decrease of \$2,291,125 in comparison with the prior year. \$1,277,458 of this fund balance is reserved to indicate that it is not available for new spending because it has already been committed: 1) to liquidate contracts and purchase orders of the prior period \$1,002,941, or 2) for a variety of other restricted purposes \$274,517. Additionally, \$2,943,627 is designated for debt retirement.

The general fund is the chief operating fund of the Town of North Haven. At the end of the current fiscal year, unreserved and undesignated fund balance of the general fund was \$8,369,274, while total fund balance reached \$12,338,890. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved and undesignated fund balance represents 10.04% of the total general fund expenditures, while total fund balance represents 14.8% of that same amount.

The fund balance of the Town of North Haven's general fund decreased by \$1,360,739 during the current fiscal year. This was mainly the result of the Town's use of \$1,875,000 of the fund balance.

Proprietary funds. The Town of North Haven's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Water Pollution Control Authority at the end of the year amounted to \$992,447. The total decrease in net assets of the fund was \$1,449,131, \$1,437,150 of which was from the transfer of capital assets back to the General Fund.

General Fund Budgetary Highlights

The difference between the original budget and the final amended budget was a \$424,884 decrease in appropriations, and can be briefly summarized as follows:

General Government	\$ (600,158)
Public Safety	243,222
Contingency	(41,360)
Public Works	(26,588)
Total	<u><u>\$ (424,884)</u></u>

Budget variances in the General Fund were attributable to various revenue items. Actual revenues were less than budgeted revenues by \$3,556,449. Town Revenue-General was under budget by \$872,002 due to the \$2,000,000 CRRA refund being received and recorded in the prior fiscal year. This was offset by the Hartford Insurance Company refund of \$1,091,929.

Capital Asset and Debt Administration

Capital assets. The Town of North Haven's investment in capital assets for its governmental type activities as of June 30, 2010, amounts to \$109,823,519 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, roads, highways, and bridges. The Town of North Haven's investment in capital assets for its business-type activities as of June 30, 2010 amounts to \$10,735,590. This investment in capital assets includes buildings and systems along with machinery and equipment. The total decrease in the Town of North Haven's investment in capital assets for the current fiscal year was 4.5%.

Major capital asset events during the current fiscal year included various equipment purchases in the amount of \$896,807.

Town of North Haven's Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009	June 30, 2010	June 30, 2009
Land	\$ 2,526,507	\$ 2,526,507	\$ -	\$ -	\$ 2,526,507	\$ 2,526,507
Building and system Improvements other than building	123,464,413	120,803,435	12,922,130	14,359,280	136,386,543	135,162,715
Machinery and equipment	870,100	870,100	-	-	15,328,697	870,100
Infrastructure	15,328,697	14,442,900	4,776,485	4,776,485	31,965,628	19,219,385
	27,189,143	27,189,143	22,424,647	22,424,647	22,424,647	49,613,790
Total	\$169,378,860	\$165,832,085	\$ 40,123,262	\$ 41,560,412	\$209,502,122	\$207,392,497

Additional information on the Town of North Haven's capital assets can be found in Note 7 of this report.

Long-term debt. At the end of the current fiscal year, the Town of North Haven had total bonded debt outstanding of \$54,410,000 which is backed by the full faith and credit of the government.

**Town of North Haven's Outstanding Debt
General Obligation Bonds**

	Governmental Activities	
	June 30, 2010	June 30, 2009
General Obligation Bonds	\$ 54,410,000	\$ 57,800,000

The Town of North Haven's total bonded debt decreased by \$3,390,000 (5.9%) during the current fiscal year.

The Town of North Haven maintains an "Aa1" rating from Moody's for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to seven times total tax collections. The current debt limitation for the Town of North Haven's outstanding general obligation debt is \$480,324,628.

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

Economic Factors and Next Year's Budget and Rates.

- The unemployment rate from the Town of North Haven is currently 6.8 percent.
- Inflationary trends in the region are comparable to national indices.

These factors were considered in preparing the Town of North Haven's budget for the 2010 fiscal year.

During the current fiscal year, unreserved and undesignated fund balance in the general fund increased by \$1,462,771.

Requests for Information

This financial report is designed to provide a general overview of the Town of North Haven's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Office, Town of North Haven, 18 Church Street, North Haven, Connecticut 06473.

Basic Financial Statements

TOWN OF NORTH HAVEN, CONNECTICUT

STATEMENT OF NET ASSETS

June 30, 2010

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Cash and cash equivalents	\$ 20,976,952	\$ 773,713	\$ 21,750,665
Receivables, net of allowance for collection losses:			
Property taxes	3,257,967	-	3,257,967
Assessments and user charges	169,185	218,734	387,919
Intergovernmental	2,189,801	-	2,189,801
Other	45,740	-	45,740
Prepaid	30,373	-	30,373
Inventories	16,509	-	16,509
Pension assets	7,797	-	7,797
Capital assets not being depreciated	2,526,507	-	2,526,507
Capital assets being depreciated, net of accumulated depreciation	107,297,012	10,735,590	118,032,602
Total assets	136,517,843	11,728,037	148,245,880
Liabilities			
Current liabilities:			
Accounts payable	2,568,300	-	2,568,300
Accrued interest payable	985,285	-	985,285
Unearned revenue	692,999	-	692,999
Noncurrent liabilities:			
Due in less than one year	4,926,358	-	4,926,358
Due in more than one year	65,139,805	-	65,139,805
Total liabilities	74,312,747	-	74,312,747
Net Assets			
Investment in capital assets, net of related debt	50,307,262	10,735,590	61,042,852
Restricted:			
Permanently restricted	227,635	-	227,635
Unrestricted	11,670,199	992,447	12,662,646
Total net assets	\$ 62,205,096	\$ 11,728,037	\$ 73,933,133

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

TOWN OF NORTH HAVEN, CONNECTICUT

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2010

Functions/Programs	Expenses	Indirect Expense Allocations	Program Revenues			Net (Expense) Revenue and Change in Net Assets		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Primary government:								
Governmental activities:								
General government	\$ (9,236,513)	\$ (312,364)	\$ 592,311	\$ -	\$ -	\$ (8,956,566)	\$ -	\$ (8,956,566)
Public safety	(13,907,039)	-	448,051	353,981	-	(13,105,007)	-	(13,105,007)
Public works	(7,563,157)	-	255,098	886,518	-	(6,421,541)	-	(6,421,541)
Health and welfare	(1,681,907)	-	94,927	403,336	550,001	(633,643)	-	(633,643)
Cultural and recreation	(1,283,582)	-	345,572	20,182	-	(917,828)	-	(917,828)
Education	(54,134,369)	(2,811,273)	1,445,742	9,763,520	289,674	(45,446,706)	-	(45,446,706)
Interest on long-term debt	(3,123,637)	3,123,637	-	-	-	-	-	-
Total governmental activities	(90,930,204)	-	3,181,701	11,427,537	839,675	(75,481,291)	-	(75,481,291)
Business-type activities:								
WPCA	(2,921,684)	-	2,909,703	-	-	-	(11,981)	(11,981)
Total primary government	\$ (93,851,888)	\$ -	\$ 6,091,404	\$ 11,427,537	\$ 839,675	(75,481,291)	(11,981)	(75,493,272)
General revenues:								
Property taxes						67,316,651	-	67,316,651
Grants and contributions not restricted to specific programs						2,153,040	-	2,153,040
Investment income						163,639	-	163,639
Miscellaneous						1,833,534	-	1,833,534
Transfer of capital assets						1,437,150	(1,437,150)	-
Total general revenues						72,904,014	(1,437,150)	71,466,864
Change in net assets						(2,577,277)	(1,449,131)	(4,026,408)
Net assets - beginning						64,782,373	13,177,168	77,959,541
Net assets - ending						\$ 62,205,096	\$ 11,728,037	73,933,133

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

TOWN OF NORTH HAVEN, CONNECTICUT

BALANCE SHEET - GOVERNMENTAL FUNDS

June 30, 2010

	Major Fund		Total Governmental Funds
	General Fund	Nonmajor Governmental Funds	
Assets			
Cash and cash equivalents	\$ 14,365,083	\$ 6,414,363	\$ 20,779,446
Receivables (net of allowances for collection losses):			
Property taxes	3,257,967	-	3,257,967
Assessments and user charges	169,185	-	169,185
Intergovernmental	1,526,541	663,260	2,189,801
Other	42,841	-	42,841
Due from other funds	617,330	1,490,449	2,107,779
Prepaid items	23,048	7,325	30,373
Inventories	-	16,509	16,509
Total assets	\$ 20,001,995	\$ 8,591,906	\$ 28,593,901
Liabilities			
Accounts payable	\$ 1,356,376	\$ 1,123,345	\$ 2,479,721
Unearned revenues	56,032	636,967	692,999
Deferred revenues	4,787,248	-	4,787,248
Due to other funds	1,463,449	644,330	2,107,779
Total liabilities	7,663,105	2,404,642	10,067,747
Fund balances			
Reserved for:			
Encumbrances	1,002,941	-	1,002,941
Endowments	-	227,635	227,635
Prepaid items	23,048	7,325	30,373
Inventories	-	16,509	16,509
Unreserved, designated for:			
Debt retirement	2,943,627	-	2,943,627
Unreserved/undesignated, reported in:			
Special revenue funds	-	2,141,170	2,141,170
Capital projects funds	-	3,753,351	3,753,351
General Fund	8,369,274	-	8,369,274
Permanent funds	-	41,274	41,274
Total fund balances	12,338,890	6,187,264	18,526,154
Total liabilities and fund balances	\$ 20,001,995	\$ 8,591,906	

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

Capital assets, net of accumulated depreciation, used in governmental fund are not financial resources and, therefore, are not reported in the funds.	109,823,519
Deferred revenue	4,787,248
Pension asset	7,797
Accrued interest	(985,285)
Internal service funds are used by management to charge the costs of risk management to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.	111,826
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds	(70,066,163)
Net assets of governmental activities	\$ 62,205,096

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

TOWN OF NORTH HAVEN, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010

	Major Fund		Total Governmental Funds
	General Fund	Nonmajor Governmental Funds	
REVENUES			
Property taxes	\$ 68,165,768	\$ -	\$ 68,165,768
Licenses, permits, fees and fines	881,725	-	881,725
Intergovernmental	8,802,832	5,412,218	14,215,050
Investment income	136,650	15,654	152,304
Charges for services	-	2,299,976	2,299,976
Net increase in fair value of investments	-	6,803	6,803
Contributions	-	145,281	145,281
Other	3,042,159	58,027	3,100,186
Total revenues	81,029,134	7,937,959	88,967,093
EXPENDITURES			
Current:			
General Government	5,676,959	-	5,676,959
Public Safety	7,752,025	814,116	8,566,141
Public Works	4,780,425	801,521	5,581,946
Health and Welfare	756,558	680,311	1,436,869
Culture and Recreation	590,147	367,697	957,844
Benefits and Insurance	8,085,522	-	8,085,522
Education	45,524,362	4,565,804	50,090,166
Other	1,392,234	-	1,392,234
Principal retirements	4,575,307	-	4,575,307
Interest	2,624,867	-	2,624,867
Capital outlay	1,049,456	1,792,744	2,842,200
Total expenditures	82,807,862	9,022,193	91,830,055
Revenues over (under) expenditures	(1,778,728)	(1,084,234)	(2,862,962)
OTHER FINANCING SOURCES (USES)			
Transfers in	429,644	583,492	1,013,136
Transfers out	(583,492)	(429,644)	(1,013,136)
Payment to escrow	(5,494,809)	-	(5,494,809)
Issuance of refunding bonds	5,460,000	-	5,460,000
Premium on bonds issued	132,489	-	132,489
Capital lease proceeds	474,157	-	474,157
Total other financing sources (uses)	417,989	153,848	571,837
Net change in fund balances	(1,360,739)	(930,386)	(2,291,125)
FUND BALANCES, beginning	13,699,629	7,117,650	20,817,279
FUND BALANCES, ending	\$ 12,338,890	\$ 6,187,264	\$ 18,526,154

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

TOWN OF NORTH HAVEN, CONNECTICUT

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

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

Net changes in fund balances - total governmental funds (Page 14)	\$ (2,291,125)
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	(1,173,975)
Net effect of various miscellaneous transactions involving capital assets is to decrease net assets	1,437,150
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(2,051,316)
Change in pension assets	(2,357)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	4,095,813
Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.	(2,685,424)
The net revenue (expense) of certain activities of internal service funds is reported with governmental activities.	<u>93,957</u>
Change in net assets of governmental activities (Page 12)	<u>\$ (2,577,277)</u>

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

TOWN OF NORTH HAVEN, CONNECTICUT

STATEMENT OF NET ASSETS - PROPRIETARY FUNDS

June 30, 2010

	Business-Type Activities Enterprise Fund Water Pollution Control Authority	Governmental Activities Internal Service Funds
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 773,713	\$ 197,506
Accounts receivable	218,734	2,899
Total current assets	<u>992,447</u>	<u>200,405</u>
Capital Assets, net of accumulated depreciation	<u>10,735,590</u>	<u>-</u>
Total assets	<u>11,728,037</u>	<u>200,405</u>
LIABILITIES		
Current liabilities:		
Accounts payable	-	2,899
Claims payable	-	85,680
Total current liabilities	<u>-</u>	<u>88,579</u>
Total liabilities	<u>-</u>	<u>88,579</u>
NET ASSETS		
Invested in capital assets, net of related debt	10,735,590	-
Unrestricted	992,447	111,826
Total net assets	<u>\$ 11,728,037</u>	<u>\$ 111,826</u>

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

TOWN OF NORTH HAVEN, CONNECTICUT

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS -
 PROPRIETARY FUNDS
 For the Year Ended June 30, 2010

	Business-Type Activities <u>Enterprise Fund</u> Water Pollution Control Authority	Governmental Activities <u>Internal Service Funds</u>
OPERATING REVENUES		
Water use fees and charges	\$ 2,909,703	\$ -
Premiums	-	1,915,276
Total operating revenues	<u>2,909,703</u>	<u>1,915,276</u>
OPERATING EXPENSES		
Claims	-	1,774,642
Depreciation	571,824	-
Administration and operations	2,349,860	46,677
Total operating expenses	<u>2,921,684</u>	<u>1,821,319</u>
Operating (loss) income before transfers	<u>(11,981)</u>	<u>93,957</u>
Transfer out	<u>(1,437,150)</u>	<u>-</u>
Change in net assets	<u>(1,449,131)</u>	<u>93,957</u>
FUND NET ASSETS, beginning	<u>13,177,168</u>	<u>17,869</u>
FUND NET ASSETS, ending	<u>\$ 11,728,037</u>	<u>\$ 111,826</u>

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

TOWN OF NORTH HAVEN, CONNECTICUT

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended June 30, 2010

	Business-Type Activities Enterprise Fund Water Pollution Control Authority	Governmental Activities Internal Service Funds
Cash Flows From Operating Activities		
Cash received from charges for services	\$ 2,890,839	\$ 1,916,109
Cash paid to vendors and beneficiaries	(2,465,935)	(1,767,370)
Net cash provided by operating activities	<u>424,904</u>	<u>148,739</u>
Net increase in cash and cash equivalents	424,904	148,739
Cash and Cash Equivalents		
Beginning	<u>348,809</u>	<u>48,767</u>
Ending	<u>\$ 773,713</u>	<u>\$ 197,506</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities		
Operating (loss) income	\$ (11,981)	\$ 93,957
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	571,824	-
Changes in assets and liabilities:		
Decrease (Increase) in accounts receivable	(18,864)	833
Increase in due to other funds	(116,075)	-
Increase in accounts payable	-	2,899
Decrease in claims payable	-	51,050
Net cash provided by operating activities	<u>\$ 424,904</u>	<u>\$ 148,739</u>
Noncash Capital and Related Financing Activities		
Transfer of capital assets	<u>\$ (1,437,150)</u>	<u>\$ -</u>

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

TOWN OF NORTH HAVEN, CONNECTICUT

STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
 June 30, 2010

	Pension Trust Funds	Agency Funds
	<u> </u>	<u> </u>
ASSETS		
Cash and cash equivalents	\$ 248,442	\$ 1,527,626
Accounts receivable	305,510	-
Investments, at fair value:		
U.S. government and agency notes and bonds	11,867,455	-
Corporate bonds	13,557,466	-
Money market mutual funds	1,645,758	-
Equity mutual funds	30,850,284	-
Total investments	<u>57,920,963</u>	<u>-</u>
Total assets	<u>58,474,915</u>	<u>1,527,626</u>
LIABILITIES		
Due to student groups and agencies	-	1,527,626
Total liabilities	<u>-</u>	<u>1,527,626</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	<u>\$ 58,474,915</u>	<u>\$ -</u>

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

TOWN OF NORTH HAVEN, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
For the Year Ended June 30, 2010

	<u>Pension Trust Funds</u>
ADDITIONS	
Contributions	
Employer	\$ 2,802,364
Plan members	139,380
Total contributions	<u>2,941,744</u>
Investment Income	
Net appreciation in fair value of investments	4,804,334
Interest and dividends	1,061,510
	<u>5,865,844</u>
Less investment expenses:	
Investment management fees	47,997
Net investment income	<u>5,817,847</u>
Total additions	<u>8,759,591</u>
DEDUCTIONS	
Benefits	4,275,583
Administration	18,141
	<u>4,293,724</u>
Changes in net assets	4,465,867
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	
Beginning of year	<u>54,009,048</u>
End of year	<u>\$ 58,474,915</u>

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

TOWN OF NORTH HAVEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 1. Significant Accounting Policies

Reporting entity

The Town of North Haven, Connecticut (the "Town"), was incorporated in 1786 under the provisions of the Home Rule Law of the State of Connecticut. It operates under a Board of Selectmen form of government and provides services as authorized by its charter including public safety (police and fire), sanitation, health and social services, recreation, education and general administrative services. The accompanying financial statements conform to accounting principles generally accepted in the United States of America as applicable to governments.

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

Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and intergovernmental revenues are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

Measurement focus, basis of accounting, and financial statement presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and the fiduciary fund financial statements. The agency funds are reported using the accrual basis of accounting but do not have a measurement focus. Revenues are recorded when earned and expenses are recorded when a liability is incurred,

TOWN OF NORTH HAVEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year when levied for. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred as under accrual accounting, however, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due (matured).

Property taxes, when levied for, intergovernmental revenue when eligibility requirements are met, licenses, charges for services and interest associated with the current fiscal period are all considered to be measurable and so have been recognized as revenues of the current fiscal period, if available. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental fund:

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

The Town reports the following major proprietary fund:

The *Water Pollution Control Authority Fund* accounts for the operations of the Town's sewer use.

Additionally, the Town reports the following fund types:

The *Internal Service Fund* accounts for dental costs provided to the Town and Board of Education.

The *Pension Trust Funds* account for the activities of the four individual retirement plans: General Employees, Police Department, Fire Department and Volunteer Firefighters of North Haven. These funds accumulate resources for pension benefit payments to qualified employees. These funds use the economic resources measurement focus.

The *Agency Funds* account for monies held on behalf of students and amounts held for bond deposits.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide financial statements and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private sector guidance for their business-type activities and enterprise funds, subject to the same limitation. The Town has elected not to follow FASB's pronouncements issued subsequent to November 30, 1989.

TOWN OF NORTH HAVEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Interfund services provided and used are not eliminated in the process of consolidation. Exceptions to this general rule are charges between the proprietary funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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 proprietary funds are charges to customers for services and other funds for premium costs. Operating expenses for proprietary funds, including both enterprise funds and internal service funds, include the cost of operations and maintenance, claims expense, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

Pension plan accounting

Pension Trust Funds:

The Pension Trust Funds are reported on the accrual basis of accounting. Employee contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the Town has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Administrative costs are financed through investment earnings. Stand-alone statements are not issued.

Governmental Activities:

The net pension obligation (asset), the cumulative difference between annual pension cost and the Town's contributions to the plan since 1986, is calculated on an actuarial basis consistent with the requirements of Government Accounting Standards Board Statement No. 27. Expenditures are recognized when they are paid or are expected to be paid with current available resources. The pension obligation (asset) is recorded as a non-current liability (asset) in the government-wide financial statements.

Funding Policy:

The Town funds the contributions to its pension plans based on actuarial valuations.

TOWN OF NORTH HAVEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Net other post-employment benefit obligations

In fiscal year 2009, the Town implemented GASB Statement No. 45, "Accounting and Financial Reporting by Employers for Post-employment Benefits Other than Pensions." This pronouncement required the Town to calculate and record a net other post-employment benefit obligation (NOPEBO) at June 30, 2009. The NOPEBO is, in general, the cumulative difference between the actuarial required contribution and the actual contributions since July 1, 2008.

Accounting estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses and expenditures during the reporting period. Actual results could differ from those estimates.

Encumbrances

Encumbrances represent commitments related to contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is utilized in the governmental funds. Encumbrances outstanding at year-end are reported as a reservation of fund balance as they do not constitute either expenditures or liabilities.

Property taxes

Property taxes are assessed as of October 1 and levied on the following June 1st. Real estate taxes are generally due and payable in two installments on July 1 and January 1. Motor vehicle taxes are due and payable in one installment on July 1. Payments not received within one month after the due date become delinquent, with interest charged at the rate of 1 ½% per month. Assessments for real and personal property, excluding motor vehicles, are computed at 70% of the market value. Liens are recorded July 1.

Cash equivalents

The Town considers all certificates of deposit, money market accounts and highly liquid short-term investment funds with maturities of three months or less to be cash equivalents.

Allowance for doubtful accounts

Accounts and notes receivable for the primary government are reported net of allowance for doubtful accounts. The allowance for doubtful accounts represents those accounts which are deemed uncollectible based upon past collection history and an assessment of the creditor's ability to pay.

TOWN OF NORTH HAVEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Investments

Investments for the government are reported at fair value based on quoted market prices. Most of the Town's investments are recorded in the Pension Trust Fund.

The Connecticut State Treasurer's Short-Term Investment Fund is an investment pool managed by the State of Connecticut Office of the State Treasurer. Investments must be made in instruments authorized by Connecticut General Statutes 3-27c through 3-27e. Investment guidelines are adopted by the State Treasurer. The fair value of the position in the pool is the same as the value of the pool shares.

The balance of the pooled fixed income investments were invested in a pool similar to a 2a-7. The fair value of the position in the pool is the same as the value of the pool shares. These investments are stated at amortized cost.

Inventory

Inventory is stated at the lower of cost or market, determined on a first-in, first-out basis. Governmental fund type inventory consists of expendable supplies and is recorded as an expenditure when consumed.

Restricted assets

The restricted assets for the Town are restricted for endowment purposes. The Town has several bequests that restrict expenditures to investment income and only for the donor designated purpose.

Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the governmental column in the government-wide financial statements. The government defines capital assets as assets with an initial, individual cost of more than \$1,000, and an estimated useful life in excess of two-years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

TOWN OF NORTH HAVEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

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

Assets	Years
Buildings	50
Building improvements	20
Public domain infrastructure	15-50
Vehicles	5-8
Office equipment	5-20
Computer equipment	5

In the governmental fund financial statements, capital assets are reported as expenditures and no depreciation expense is recorded.

Compensated absences

It is the Town's policy to permit employees to accumulate a limited amount of earned but unused vacation and sick pay benefits. Vacation pay and certain sick leave benefits are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements. Compensated absences are generally paid out of the General Fund.

Long-term obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount and deferred gains/losses on refundings. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. Bond principal payments are recorded as expenditures. 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 and net assets

In the government-wide financial statements and proprietary fund financial statements, net assets are classified in the following categories:

Invested in Capital Assets, Net of Related Debt - This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding

TOWN OF NORTH HAVEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

Restricted Net Assets - This category represents the net assets of the Town, which are restricted by external parties.

Unrestricted Net Assets - This category represents the net assets of the Town, which are not restricted for any project or other purpose. Deficit will require future funding.

In the fund financial statements, fund balances of governmental funds are classified in three separate categories. The categories, and their general meanings, are as follows:

Reserved fund balance – indicates that portion of fund equity that is not available for appropriation or which has been legally segregated for specific purposes.

Unreserved/Designated fund balance – indicates that portion of fund equity for which the Town has made tentative plans.

Unreserved/undesignated fund balance – indicates that portion of fund equity which is available for appropriation and expenditure in future periods.

Note 2. Reconciliation of Government-Wide and Fund Financial Statements

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets

The governmental fund balance sheet includes a reconciliation between fund balance - total governmental funds, and net assets - governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this difference are as follows:

Bond premium	\$ 1,897,361
Bonds payable	54,410,000
Capital leases payable	548,644
Net pension obligation	680,853
Landfill costs	150,000
Net loss on refunding	(326,823)
Notes payable	2,559,738
Claims payable	808,000
Compensated absences	4,305,016
OPEB obligation	<u>5,033,374</u>
Net adjustment to reduce fund balance - total governmental funds to arrive at net assets - governmental activities	<u>\$ 70,066,163</u>

TOWN OF NORTH HAVEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances - total governmental funds, and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this difference are as follows:

Capital outlay	\$ 2,125,540
Depreciation expense	<u>(3,299,515)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (1,173,975)</u>

Another element of that reconciliation states that "the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this difference are as follows:

Debt issued or incurred	
Issuance of general obligation bonds	\$ 5,460,000
Capital lease proceeds	474,157
Refunding, net	269,809
Principal repayments:	
Payment to escrow	5,494,809
General obligation debt and notes payable	4,575,307
Payment of capital lease	112,707
Amortization of premium	<u>116,956</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ 4,095,813</u>

TOWN OF NORTH HAVEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Another element of that reconciliation states that "some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of this difference are as follows:

Compensated absences	\$ (104,752)
Accrued interest	62,791
Net pension obligation	(71,804)
Amortization of refunding amounts	(46,690)
Landfill costs	10,000
OPEB obligation	<u>(2,534,969)</u>
Net adjustment to decrease net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities	<u>\$ (2,685,424)</u>

Note 3. Budgets and Budgetary Accounting

Budgetary Information

Town department heads, except for education, submit expenditure requests to the Board of Selectmen 90 days or more before the annual budget Town meeting, which is held on the second Monday in May unless otherwise scheduled. Not less than 70 days before the annual meeting, the Board of Selectmen after review of these initial estimates, compile the revised estimates and submit them to the Board of Finance. The Education Department, not less than 70 days before the annual meeting, submits its requests directly to the Board of Finance.

One or two more public hearings are held on the budget not less than 21 days before the annual meeting. The budget becomes effective when approved at the annual meeting. No appropriation can be made exceeding that which was originally recommended by the Board of Finance. An appropriation for less than was recommended can be instituted if approved by a majority of those present and voting.

Special budget appropriations must be approved by the Board of Finance and, if in excess of \$20,000, recommended to the Town Meeting for approval. During the fiscal year ended June 30, 2010 there were special appropriations totaling approximately \$35,000. The Board of Finance has the power to transfer any portion of the cash surplus not otherwise appropriated.

The annual operating budget for the Town of North Haven is approved at the line item level (e.g. Town Clerk). The budget for the Department of Education is approved as a single amount. The legal level of budgetary control is at the department level. Management can make transfers within a department without limit and without approval from the Board of Finance. The Board of Finance may also approve transfers from contingency for any lawful purpose. Required transfers are tracked continuously and are formally adopted immediately after the end of the fiscal year as part of the end of the fiscal closing of the budget. Appropriations for goods not received or for capital construction projects or work-in-progress may continue in force. Appropriations which have been continued but not utilized lapse if five fiscal years shall elapse without any expenditure or encumbrance.

TOWN OF NORTH HAVEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Only the General Fund has a legally adopted annual budget.

Additional appropriations may be made after the budget's adoption by either the Board of Finance or at a Town meeting.

Except for the Board of Education and Probate Court, all departments wishing to make budgetary transfers must have them approved by the Board of Finance.

The differences between the budgetary and GAAP basis of accounting are as follows:

- Encumbrances are recognized as valid and proper charges against budget appropriations in the year in which the purchase order is issued and, accordingly, encumbrances outstanding at year-end are reflected in budgetary reports as expenditures in the current year but are shown as a reservation of fund balance on a GAAP basis.
- State of Connecticut payments on behalf of the Town of North Haven teachers for the State Teachers' Retirement System are reported for GAAP purposes only.

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

Note 4. Cash, Cash Equivalents and Investments

Deposits: The Town has a policy that deposits can include demand and savings accounts and certificates of deposits. The Town's custodial credit risk policy is to only allow the Town to use banks that are in the State of Connecticut. The Town follows the State of Connecticut collateral requirements for deposits. The State of Connecticut requires that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk based capital ratio.

Investments: The investment policies of the Town conform to the policies as set forth by the State of Connecticut. The Town does not have a custodial credit risk policy. The Town's policy is to only allow prequalified financial institution broker/dealers and advisors. The Town policy allows investments in the following: (1) obligations of the United States and its agencies; (2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof; and (3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the Connecticut Short-Term Investment Fund, Cutwater Connecticut Class Plus, and the Tax Exempt Proceeds Fund.

TOWN OF NORTH HAVEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Other provisions of the Statutes cover specific municipal pension funds with particular investment authority and do not specify permitted investments. Therefore, investment of such funds is generally controlled by the laws applicable to fiduciaries (i.e., prudent person rule) and the provisions of the applicable plan. Their approved policies target an asset mix to provide the probability of meeting or exceeding the return objectives at the lowest possible risk. The set asset allocation parameters are as follows:

Equities	40-70%
Bonds	30-60%
Cash Equivalents	5-30%

Interest Rate Risk: The Town's and the pension fund's policy is to limit its exposure to fair value losses arising from changes in interest rates by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in shorter-term securities, money market mutual fund, or similar investment pools.

Concentrations: The Town's policy is to maintain a diversified portfolio to minimize the risk of loss resulting from over concentration of assets in a specific maturity.

The following represents the investments in the pension plans that represent more than 5% of the plan's net assets as of June 30, 2010:

Vanguard 500 Index Fund
Vanguard Instl Index Fund

Custodial credit risk:

Deposits: This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2010, \$13,459,000 of the Town's bank balance of \$14,955,000 was uninsured and uncollateralized.

Investments: This is the risk that in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Town and the pension funds do not have custodial credit risk policies for investments.

TOWN OF NORTH HAVEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Cash and investments of the Town consist of the following at June 30, 2010:

Cash and Cash Equivalents	
Deposits with financial institutions	\$ 13,929,944
State of Connecticut Short-Term Investment fund	8,249,202
Cutwater Connecticut Class Plus	<u>1,347,587</u>
Total cash and cash equivalents	<u>23,526,733</u>
Investments	
Pension Trust Funds:	
U.S. Government Securities	6,333,712 *
U.S. Treasury Notes	670,500 *
Municipal Bonds	4,863,242 *
Corporate Debt	13,557,466 *
Equity Mutual Funds	30,850,283
Money Market Mutual Funds	<u>1,645,760</u>
Total pension investments	<u>57,920,963</u>
Total cash, cash equivalents and investments	<u>\$ 81,447,696</u>

* These investments are uninsured and unregistered, with securities held by the counterparty, but not in the Town's or the pension fund's name.

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

Statement of Net Assets	
Cash and cash equivalents	<u>\$ 21,750,665</u>
	<u>21,750,665</u>
Fiduciary Funds:	
Cash and cash equivalents	1,776,068
Investments	<u>57,920,963</u>
	<u>59,697,031</u>
Total cash, cash equivalents and investments	<u>\$ 81,447,696</u>

TOWN OF NORTH HAVEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Interest rate risk: This is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the exposure of the Town's debt type investments to this risk using the segmented time distribution model is as follows:

Type of Investment	Fair Value	Investment Maturities (In Years)		
		Less Than 1 Year	1-5 Years	6-10 Years
U.S. Government Securities	\$ 6,333,712	\$ 2,107,287	\$ 3,796,617	\$ 429,808
U.S. Treasury Notes	670,500	670,500	-	-
Municipal Bonds	4,863,242	-	4,488,917	374,325
Corporate Debt	13,557,466	1,285,047	12,272,419	-
Pooled Fixed Income	9,596,789	9,596,789	-	-
Money Market Mutual Funds	1,645,760	1,645,760	-	-
Total	<u>\$ 36,667,469</u>	<u>\$ 15,305,383</u>	<u>\$ 20,557,953</u>	<u>\$ 804,133</u>

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

Average Rating	U.S. Treasury Notes	Municipal Bonds	Corporate Debt	Pooled Fixed Income	Money Market Mutual Funds
AAA	\$ 670,500	\$ 2,852,132	\$ 1,086,415	\$ -	\$ -
AAA/M	-	-	-	9,596,789	-
AA+	-	1,090,060	1,574,757	-	-
AA	-	546,725	254,337	-	-
AA-	-	374,325	529,245	-	-
A+	-	-	1,482,350	-	-
A	-	-	4,155,193	-	-
A-	-	-	3,611,324	-	-
BBB+	-	-	599,882	-	-
BB+	-	-	263,963	-	-
Unrated	-	-	-	-	1,645,760
Total	<u>\$ 670,500</u>	<u>\$ 4,863,242</u>	<u>\$ 13,557,466</u>	<u>\$ 9,596,789</u>	<u>\$ 1,645,760</u>

TOWN OF NORTH HAVEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Note 5. Deferred Revenue/Unearned Revenue

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

	Deferred Revenues	Unearned Revenue
General Fund:		
School building construction receivable	\$ 1,524,541	\$ -
Delinquent property taxes receivable	3,093,522	-
Water and Sewer assessments	169,185	-
Other	-	56,032
	4,787,248	56,032
Nonmajor Governmental Fund:		
Intergovernmental	-	636,967
	-	636,967
Total	\$ 4,787,248	\$ 692,999

Receivables and payables

Receivables as of year-end for the Town's individual major funds and non-major funds, in the aggregate, including the applicable allowance for uncollectible accounts, are as follows:

	General	Water Pollution Control Authority	Non-Major Funds	Internal Service Funds	Total Receivables
Taxes - property	\$ 3,731,092	\$ -	\$ -	\$ -	\$ 3,731,092
Sewer Use		218,734	-	-	218,734
Intergovernmental	2,000	-	663,260	-	665,260
School building construction receivable	1,524,541	-	-	-	1,524,541
Water and sewer assessment	169,185	-	-	-	169,185
Other	42,841	-	-	2,899	45,740
Total receivables	5,469,659	218,734	663,260	2,899	6,354,552
Less: allowance for doubtful accounts	473,125	-	-	-	473,125
Receivables, net	\$ 4,996,534	\$ 218,734	\$ 663,260	\$ 2,899	\$ 5,881,427

TOWN OF NORTH HAVEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Payables as of June 30, 2010 for the Town's individual major funds and non-major governmental funds were as follows:

	General	Non-Major Governmental Funds	Total Payables
Vendors	\$ 1,356,376	\$ 942,451	\$ 2,298,827
Retainage payable	-	180,894	180,894
Total payables	<u>\$ 1,356,376</u>	<u>\$ 1,123,345</u>	<u>\$ 2,479,721</u>

Note 6. Interfund Receivables, Payables and Transfers

At June 30, 2009, interfund balances that resulted from various interfund transactions were as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 617,330	\$ 1,463,449
Nonmajor Governmental Funds	1,490,449	644,330
	<u>\$ 2,107,779</u>	<u>\$ 2,107,779</u>

The outstanding balances between funds result mainly 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.

Interfund transfers during the year ended June 30, 2010 were as follows:

	Transfers In	Transfers Out
General Fund	\$ 429,644	\$ 583,492
Nonmajor Governmental Funds	583,492	429,644
	<u>\$ 1,013,136</u>	<u>\$ 1,013,136</u>

Transfers are used to account for funding of various capital improvements and fund close-outs.

TOWN OF NORTH HAVEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Note 7. Capital Assets

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

	Beginning Balance	Transfers from Enterprise Fund	Increases	Decreases/ Transfers	Ending Balance
Governmental activities:					
Capital assets, not being depreciated:					
Land	\$ 2,526,507	\$ -	\$ -	\$ -	\$ 2,526,507
Total capital assets, not being depreciated	2,526,507	-	-	-	2,526,507
Capital assets, being depreciated:					
Land improvements	870,100	-	-	-	870,100
Buildings	120,803,435	1,437,150	1,223,828	-	123,464,413
Computer equipment	689,092	-	4,905	(15,915)	678,082
Machinery and equipment	13,753,808	-	896,807	-	14,650,615
Infrastructure	27,189,143	-	-	-	27,189,143
Total capital assets being depreciated	163,305,578	1,437,150	2,125,540	(15,915)	166,852,353
Less accumulated depreciation for:					
Land improvements	781,731	-	14,069	-	795,800
Buildings	23,183,667	-	2,383,002	-	25,566,669
Computer equipment	489,575	-	48,902	(15,915)	522,562
Machinery and equipment	10,013,066	-	439,421	-	10,452,487
Infrastructure	21,803,702	-	414,121	-	22,217,823
Total accumulated depreciation	56,271,741	-	3,299,515	(15,915)	59,555,341
Total capital assets, being depreciated, net	107,033,837	1,437,150	(1,173,975)	-	107,297,012
Governmental activities capital assets, net	\$ 109,560,344	\$ 1,437,150	\$ (1,173,975)	\$ -	\$ 109,823,519

TOWN OF NORTH HAVEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Business-type activities:	Beginning Balance	Transfer to Governmental Fund Activities	Increases	Decreases/ Transfers	Ending Balance
Capital assets, being depreciated:					
Buildings	\$ 14,359,280	\$ (1,437,150)	\$ -	\$ -	\$ 12,922,130
Computer equipment	7,500	-	-	-	7,500
Machinery and equipment	4,768,985	-	-	-	4,768,985
Infrastructure	22,424,647	-	-	-	22,424,647
Total capital assets being depreciated	41,560,412	(1,437,150)	-	-	40,123,262
Less accumulated depreciation for:					
Buildings	5,988,448	-	324,138	-	6,312,586
Computer equipment	7,500	-	-	-	7,500
Machinery and equipment	4,750,102	-	8,056	-	4,758,158
Infrastructure	18,069,798	-	239,630	-	18,309,428
Total accumulated depreciation	28,815,848	-	571,824	-	29,387,672
Total capital assets, being depreciated, net	12,744,564	(1,437,150)	(571,824)	-	10,735,590
Business-type activities capital assets, net	<u>\$ 12,744,564</u>	<u>\$ (1,437,150)</u>	<u>\$ (571,824)</u>	<u>\$ -</u>	<u>\$ 10,735,590</u>

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

Government Activities:	
General Government	\$ 598,318
Public Safety	244,382
Public Works	293,314
Health and welfare	2,472
Culture and Rec	2,317
Education	2,158,712
Total depreciation expense-governmental activities	<u>\$ 3,299,515</u>
Business-type Activities:	
WPCA	<u>\$ 571,824</u>

TOWN OF NORTH HAVEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Construction commitments

The Town has the following major active construction projects as of June 30, 2010:

Project	Cumulative Authorization	Cumulative Expenditures	Balance June 30, 2010
North Haven High School	\$ 75,000,000	\$ 73,710,527	\$ 1,289,473
Town Hall Renovation	2,000,000	170,839	1,829,161
Streetscape	630,000	480,761	149,239
Total	\$ 77,630,000	\$ 74,362,127	\$ 3,267,873

Note 8. Long-Term Obligations

A summary of changes in outstanding long-term debt during the year ended June 30, 2010 is as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General Purpose	\$ 7,364,463	\$ 3,510,000	\$ 5,062,638	\$ 5,811,825	\$ 488,600
Schools	50,435,537	1,950,000	3,787,362	48,598,175	2,906,400
Add: Bond Issuance Premium	2,014,317	-	116,956	1,897,361	116,956
Less: Deferred Amounts on Refunding	(373,513)	-	(46,690)	(326,823)	(46,690)
Notes Payable - Pollution Facility Projects	3,510,045	-	950,307	2,559,738	951,098
Total bonds and notes payable	62,950,849	5,460,000	9,870,573	58,540,276	4,416,364
Estimated liabilities for landfill closure costs	160,000	-	10,000	150,000	10,000
Accrued compensated absences	4,200,264	104,752	-	4,305,016	300,000
Capital Leases	187,194	474,157	112,707	548,644	199,994
Claims payable	808,000	-	-	808,000	-
Net pension obligation	609,049	71,804	-	680,853	-
OPEB obligation	2,498,405	2,534,969	-	5,033,374	-
Governmental activity long- term debt	\$ 71,413,761	\$ 8,645,682	\$ 9,993,280	\$ 70,066,163	\$ 4,926,358

TOWN OF NORTH HAVEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Included within the Governmental Activities - Long-Term Obligations are liabilities for employee compensated absences, which are generally paid from the General Fund. The amounts of these are as follows:

	Sick Pay	Vacation Pay	Total
Town	\$ 3,102,335	\$ 1,117,429	\$ 4,219,764
Board of Education	85,252	-	85,252
Total	\$ 3,187,587	\$ 1,117,429	\$ 4,305,016

Bonds and notes payable at June 30, 2010 are comprised of the following individual issues:

Description	Interest Rate (%)	Issue Date	Maturity Date	Original Amount	Balance Outstanding June 30, 2010
Bonds Payable:					
School Bond - Refunding	1.0%-4.0%	4/29/10	10/15/20	\$ 758,000	\$ 758,000
School Bond - Refunding	3.0%-5.0%	3/15/05	9/1/17	10,970,775	6,573,100
General Imp. - Refunding	1.0%-4.0%	4/29/10	10/15/20	1,192,000	1,192,000
General Improvement Bond	3.5%-5.0%	6/15/02	6/14/22	6,000,000	300,000
General Imp. - Refunding	1.0%-4.0%	4/29/10	10/15/21	3,510,000	3,510,000
General Imp. - Refunding	3.0%-5.0%	3/15/05	9/1/17	1,914,225	1,146,900
School Bond	3.875%-5.0%	4/26/06	7/15/25	22,445,000	20,545,000
General Improvement Bond	3.875%-5.0%	4/26/06	7/15/25	935,000	835,000
School Bond	3.875%-4.75%	1/23/07	7/15/26	21,850,000	19,550,000
Total Bonds Payable					\$ 54,410,000
Notes Payable:					
General Improvement Note	2.0%	10/31/92	10/31/11	\$ 17,964,967	\$ 1,822,200
General Improvement Note	2.0%	4/20/06	4/30/26	889,772	737,538
Total Notes Payables					\$ 2,559,738

TOWN OF NORTH HAVEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

The annual debt service requirements of general obligation bonds and notes are as follows:

	Bonds		Notes		Total Principal	Total Interest
	Principal	Interest	Principal	Interest		
2011	\$ 3,395,000	\$ 2,262,441	\$ 951,098	\$ 50,829	\$ 4,346,098	\$ 2,313,270
2012	3,690,000	2,136,629	951,906	31,800	4,641,906	2,168,429
2013	3,665,000	2,002,163	41,629	12,754	3,706,629	2,014,917
2014	3,780,000	1,859,538	42,470	11,914	3,822,470	1,871,452
2015	3,925,000	1,704,002	43,327	10,457	3,968,327	1,714,459
2016	3,970,000	1,544,532	44,201	10,182	4,014,201	1,554,714
2017	3,975,000	1,382,989	45,093	9,290	4,020,093	1,392,279
2018	3,980,000	1,214,564	46,004	8,380	4,026,004	1,222,944
2019	3,060,000	1,060,007	46,932	7,452	3,106,932	1,067,459
2020	3,055,000	921,450	47,880	6,504	3,102,880	927,954
2021	3,055,000	780,463	48,846	5,538	3,103,846	786,001
2022	3,200,000	652,838	49,832	4,552	3,249,832	657,390
2023	2,610,000	504,813	50,838	3,546	2,660,838	508,359
2024	2,625,000	376,813	51,864	2,520	2,676,864	379,333
2025	2,635,000	248,188	52,911	2,443	2,687,911	250,631
2026	2,640,000	119,188	44,908	413	2,684,908	119,601
2027	1,150,000	27,313	-	-	1,150,000	27,313
	<u>\$ 54,410,000</u>	<u>\$ 18,797,931</u>	<u>\$ 2,559,738</u>	<u>\$ 178,575</u>	<u>\$ 56,969,738</u>	<u>\$ 18,976,506</u>

2010 General Obligation Bond – In-substance Defeasance

On April 29, 2010, the Town issued \$5,460,000 of general obligation bonds with interest rates ranging from 1.0% to 4.0%, of which were used to advance refund portions of the outstanding principal amounts of the general obligation bonds of the Town dated October 15, 2000 and June 15, 2002 (the "Refunding Bonds"). Of the net proceeds of \$5,592,489 (after payment of \$97,567 in underwriters fees and other costs), \$5,494,922 was placed in an irrevocable trust fund under an Escrow Agreement dated April 2010 between the Town and the Escrow Holder. The Escrow Holder used the proceeds to purchase a portfolio of non-callable direct obligations of the United States of America ("Government Obligations"). The Government Obligations will have maturities and interest rates sufficient to pay principal and interest payments and redemption premiums on the Refunding Bonds on the date the payments are due.

The Town advance refunded the above bonds to obtain an economic gain (difference between the present values of the debt service payments on the old and net debt of \$235,000 and cash savings of \$347,612.

The balance in the escrow was approximately \$5,495,000 at June 30, 2010. The balance of the defeased bonds was approximately \$5,225,000 at June 30, 2010. As a result, the refunded bonds are considered defeased and the liability has been removed from the basic financial statements.

TOWN OF NORTH HAVEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Bonds Authorized But Unissued

Authorization of bonds and bonds issued during the fiscal year ended June 30, 2010, are summarized below:

	Revised Authorized and Unissued July 1, 2009	Authorized	Bonds Issued and Funds Applied	Authorized and Unissued June 30, 2010
General Obligation Bonds	\$ 15,000,000	\$ -	\$ -	\$ 15,000,000
School Bonds	6,156,591		-	6,156,591
Total	\$ 21,156,591	\$ -	\$ -	\$ 21,156,591

Operating Leases

Commitments under operating lease agreements for equipment and real estate provide for annual payments for the next four years as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Amount</u>
2011	\$ 88,180
2012	36,614
	<u>\$ 124,794</u>

Rental expense was \$230,411 for the year ended June 30, 2010.

TOWN OF NORTH HAVEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Capital lease

The Town has entered into multi-year capital leases for the purchase of equipment at public schools. The following is a summary of capital lease commitments at June 30, 2010.

<u>Fiscal Year Ended June 30,</u>	<u>Amount</u>
2011	\$ 199,994
2012	117,123
2013	108,029
2014	62,563
2015 and thereafter	125,125
Total payments	<u>612,834</u>
Less interest	<u>(64,190)</u>
Principal balance	<u>\$ 548,644</u>

Legal debt limit

The Town's indebtedness (including authorized but unissued bonds), net of principal reimbursements expected from the state, does not exceed the legal debt limitation as required by the Connecticut General Statutes as reflected in the following schedule:

<u>Category</u>	<u>Debt Limit</u>	<u>Indebtedness</u>	<u>Balance</u>
General purpose	\$ 154,390,059	\$ 20,811,825	\$ 133,578,234
Unfunded Pension Benefit Obligation	205,853,412	-	205,853,412
Schools	308,780,118	53,230,225	255,549,893
Sewers	257,316,765	2,559,738	254,757,027
Urban renewal	223,007,863	-	223,007,863
	<u>\$ 1,149,348,217</u>	<u>\$ 76,601,788</u>	<u>\$ 1,072,746,429</u>

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, or \$480,310,628.

School bond reimbursements

The State of Connecticut reimburses the Town for eligible school bond principal and interest costs. The amount of such reimbursement for the year ended June 30, 2010 was \$197,000. Additional payments for principal and interest aggregating \$2,038,000 are to be received through the bonds' maturity dates.

TOWN OF NORTH HAVEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Note 9. Pension Plans

General

The Town of North Haven is the Administrator of five Single Employer Public Employee Retirement Systems, excluding public school teachers (PERS) established and administered by the Town to provide pension benefits for its employees. The pension plans are single employer defined benefit plans. The PERS is considered to be part of the Town of North Haven's financial reporting entity and is included in the Town's financial reports as a pension trust fund. Separate audited pension plan financial statements are not issued. The Town's payroll for general employees covered by the PERS for the year ended June 30, 2010 was \$4,658,763. The covered payroll for the Police Department Plan was \$2,976,738. The covered payroll for the Fire Department Plan was \$1,944,140. The cost for plan administration is paid for by the Plans. Benefits and refunds of the plans are recognized when due and payable in accordance with terms of the plan. Administrative costs are financed through the plans.

The Town's total current year payroll for all employees was \$40,108,760. Public school teachers are covered by a retirement plan administered by the Connecticut State Teacher's Retirement Board ("TRS") to which the Town does not contribute.

The PERS is Contributory Defined Benefit Plans covering all Town employees deemed eligible.

	General Employees	Policemen	Firefighters	Volunteer Firefighters	Elected Officials
Retirees and beneficiaries currently receiving benefits	174	42	24	33	4
Terminated employees not yet receiving benefits	13	3	-	6	-
Vested	124	25	21	13	-
Non-vested	85	19	13	69	2
Total number of participating employees	396	89	58	121	6

Plan Description

The Pension Plan for General Employees of the Town of North Haven

All Town full-time employees are eligible to participate except those eligible to participate in the Connecticut State Teacher's Retirement System, part-time employees, elected officials, Police, Firemen, and Volunteer Firemen. Employees who retire at or after age 65 (age 55 for the Town Government Management, Clerical/Administrative, Supervisors Union, Social Workers, and Public Works, age 62 for Nurses and Educational Support Staff) with 5 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to a percentage of final average compensation per year of service as follows:

Board of Education: 2% of final average compensation per year of service.

TOWN OF NORTH HAVEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Town Government: 2% of final average compensation per year of service (2.5% for Clerical/Administrative employees). Final average compensation is defined as the average of basic salary earned during the highest three years out of the last five years of employment prior to termination. Benefits fully vest on reaching 10 years of service. Vested employees including Librarians may retire at or after age 55 and receive reduced retirement benefits. Other vested employees including Town Government Management, Clerical/Administrative, Supervisors Unions, Social Workers, and Public Works may retire at or after age 55 and receive full retirement benefits. The Plan also provides death and disability benefits.

Covered Town Government and Board of Education Employees - are required to contribute 3% of their annual earnings to the Plan (4% for Public Works) while there are no required employee contributions for Town Government Management, Clerical/Administrative, Supervisors, Social Workers, or Library Unions. The Town is required to contribute the remaining amounts necessary to pay benefits when due.

The Retirement System for the Police Department of the Town of North Haven

All Police full-time employees are eligible to participate. Employees who retire with 25 years of credited service, but not later than age 65, are entitled to a retirement benefit, payable monthly for life, equal to 2.5% of average annual pay per year of service subject to a maximum of 75%.

Average annual pay is defined as the average of basic rate of compensation earned during the highest three years out of the last five years of employment prior to termination. Benefits fully vest on reaching 10 years of service. The Plan also provides death and disability benefits.

The Town is required by contract to contribute the entire amount necessary to pay benefits when due.

The Town of North Haven Fire Department Pension Plan

All Fire Department full-time employees are eligible to participate. Employees who retire with 25 years of service, but not later than age 65, are entitled to a retirement benefit, payable monthly for life, equal to 2.5% of average annual pay per year of service subject to a maximum of 75%.

Average annual pay is defined as the average of basic rate of compensation earned during the highest three years out of the last five years of employment prior to termination. Benefits fully vest on reaching 10 years of service. The Plan also provides death and disability benefits.

The Town is required by contract to contribute the entire amount necessary to pay benefits when due.

The Town of North Haven Volunteer Firefighters' Pension Plan

Effective July 1, 1991, the Town established a non-contributory Pension Plan exclusively for the benefit of its Volunteer Firefighters in accordance with Section 7-148(c)(5) of the State of Connecticut General Statutes. As the participants are volunteers, there is no payroll for members within the Plan.

Each Volunteer Firefighter who has performed fire duties for the Town prior to the effective date of July 1, 1991 and who was living on July 1, 1991 shall be eligible to participate. Each other Volunteer Firefighter

TOWN OF NORTH HAVEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

shall become eligible to participate in this Pension Plan on the date fire duties are first performed for the Town, provided the Volunteer Firefighter has not attained age 45 on the first day of performing duties. Volunteer Firefighters who retire at or after age 65 with 20 years of service are entitled to a retirement benefit, payable monthly for life, equal to \$200 per month, plus \$4 per month for each year of service in excess of 20 years up to a maximum monthly benefit of \$300. Volunteer Firefighters who as of their normal retirement date have completed at least 10 years of service as an officer are eligible to receive the Supplemental Officer Benefit up to a maximum monthly benefit of \$5 per month not exceeding \$300.

Benefits fully vest after completing at least 20 years of service. The Plan also provides death and disability benefits.

The Town shall have in effect an agreement or contract or both (the "Trust Agreement") with a corporate trustee or corporate trustees and/or insurance company and/or other financial institution selected by the Town to manage and operate the Trust Fund and to receive, hold, invest and disburse such contributions, interest and other income for the purposes of providing the benefits payable in accordance with the Plan and paying any reasonable expenses incident to the operation of the Plan or Fund to the extent authorized by the Town and consistent with the terms of the Plan and the Trust. The Town may modify the Trust Agreement from time to time to accomplish the purposes of the Plan, and the Town may remove any Trustee and appoint any successor or successors.

The Town will make periodic payments to the Trustee, determined on the basis of actuarial estimates furnished by a qualified actuary chosen by the Town which shall be in such amounts as the actuary deems necessary or appropriate for the accumulation to be sufficient to provide to the Participants the Retirement and Disability Benefits specified herein.

No part of the funds held by the Trustee pursuant to the Trust Agreement shall be used for or diverted to purposes other than for the exclusive benefit of Participants and Beneficiaries covered under this Pension Plan prior to the satisfaction of all liabilities hereunder with respect to them.

No person shall have any interest in or right to any of the funds contributed to or held by the Trust under this Pension Plan except as expressly provided in this Plan and then only to the extent that such funds have been contributed by the Town to the Trust.

The Town expressly reserves the right to change the method of funding at any time at its own election and without the consent of any person or organization of any kind.

The Pension Plan for the Chief Executive, Town Clerk and Tax Collector of the Town of North Haven

The Town of North Haven also maintains a non-contributor pension plan, which covers the chief executive and town clerk/tax collector of the Town of North Haven. The current year covered payroll was approximately \$169,000. Amounts paid for benefits were approximately \$147,400 and are pay-as-you-go, paid out of the General Fund as no formal trust has been set up (see Schedule of Funding Progress on page 64).

TOWN OF NORTH HAVEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Plan Description

The Plan covers any person serving as the elected chief executive, town clerk or tax collector of the Town of North Haven with eight years cumulative services in such position or combination thereof upon reaching age 65.

The amount of said annual pension after eight years of cumulative service shall be equal to 40% of the average annual salary received by said person during the last five years of service to the town while serving in any of the aforementioned elected positions and be computed at the rate of 5% per year for years of service in excess of eight years of cumulative service not to exceed 50% of such average salary. Any salary received from the Town of North Haven or the Board of Education shall be deducted from the amount of their pension.

Early retirement may also be elected at age 62 provided it is approved by the Board of Selectmen. The retirement allowance would be 80% if the individual retired at age 62, 85% at age 63, and 90% at age 64.

ANNUAL PENSION COST AND NET PENSION OBLIGATION (ASSET)

The Town's Annual Pension Cost and Net Pension Obligation (Asset) to the PERS for the current year were as follows:

	General Employees	Police Department	Fire Department	Volunteer Fire	Elected Officials
Annual Required Contribution	\$ 1,442,647	\$ 808,780	\$ 491,673	\$ 95,692	\$ 185,948
Interest on Net Pension Obligation	2,470	-	-	(588)	40,163
Adjustment to Annual Required Contribution	(2,566)	-	-	2,945	(43,249)
Annual Pension Cost	1,442,551	808,780	491,673	98,049	182,862
Contributions Made	1,406,219	808,780	491,673	95,692	147,390
Increase (Decrease) in Net Pension Obligation (Asset)	36,332	-	-	2,357	35,472
Net Pension Obligation (Asset), Beginning of Year	35,293	-	-	(10,154)	573,756
Net Pension Obligation (Asset), End of Year	\$ 71,625	\$ -	\$ -	\$ (7,797)	\$ 609,228

TOWN OF NORTH HAVEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Fiscal Year Ending	Three Year Trend Information		
	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation (Asset)
General Employees			
6/30/10	\$ 1,442,551	97.50%	\$ 71,625
6/30/09	1,405,472	100.20%	35,293
6/30/08	1,150,747	100.02%	38,211
Police Department			
6/30/10	\$ 808,780	100.00%	\$ -
6/30/09	948,141	100.00%	-
6/30/08	867,449	100.00%	-
Fire Department			
6/30/10	\$ 491,673	100.00%	\$ -
6/30/09	594,455	100.00%	-
6/30/08	570,584	100.00%	-
Volunteer Fire			
6/30/10	\$ 98,049	97.60%	\$ (7,797)
6/30/09	155,389	98.64%	(10,154)
6/30/08	156,808	97.75%	(12,266)
Elected Officials			
6/30/10	\$ 182,862	80.60%	\$ 609,228
6/30/09	151,812	100.20%	573,756
6/30/08	146,933	93.75%	565,295

TOWN OF NORTH HAVEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

SCHEDULE OF FUNDING PROGRESS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	(Over) Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
General Employees:						
7/1/09	\$ 38,940,688	\$ 49,343,283	\$ 10,402,595	78.92%	\$ 8,170,904	127.31%
Police Department:						
7/1/08	\$ 17,674,899	\$ 21,494,845	\$ 3,819,946	82.23%	\$ 2,975,442	128.38%
Fire Department:						
7/1/08	\$ 11,218,605	\$ 13,420,680	\$ 2,202,075	83.59%	\$ 1,825,641	120.62%
Volunteer Fire:						
7/1/09	530,277	914,946	384,669	57.96%	N/A	N/A
Elected Officials:						
6/30/10	-	1,540,084	1,540,084	0.00%	173,558	887.36%

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

ACTUARIAL ASSUMPTIONS - PENSIONS

	General Employees	Police Department	Fire Department	Volunteer Fire	Elected Officials
Valuation Date	7/1/09	7/1/08	7/1/08	7/1/09	7/1/09
Actuarial Cost Method	Projected Unit Credit	Projected Unit Credit	Projected Unit Credit	Unit Credit	Pro Rata Projected Unit Credit
Amortization Method	Level Dollar, Closed	Level Percentage of Payroll, Closed	Level Percentage of Payroll, Closed	Level Dollar, Closed	Level Percentage of Payroll, Open
Remaining Amortization Period	20 Years	15 Years	15 Years	10 Years	20 Years
Asset Valuation Method	Market Value of Assets Less Unrecognized Returns in Each of the Last Five Years	5-Year Smoothing of Investment Returns Greater (Less) Than Expected	5-Year Smoothing of Investment Returns Greater (Less) Than Expected	Market Value Assets As Reported By The Town	N/A
Actuarial Assumptions:					
Inflation Rate	3.0%	4.5%	4.5%	N/A	3.0%
Investment Rate of Return	7.0%	7.5%	7.5%	7.0%	7.0%
Projected Salary Increases	0.0 to 3.7%	5.0%	5.0%	N/A	4.5%
Cost-of-living adjustment	3.0%	N/A	N/A	N/A	3.0%

TOWN OF NORTH HAVEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

SCHEDULE OF PLAN NET ASSETS
June 30, 2010

	Pension Trust Funds				Total Pension Trust Funds
	Municipal Employees Retirement	Police Department Retirement	Fire Department Retirement	Volunteer Firefighters' Pension Plan	
ASSETS					
Cash	\$ 133,751	\$ 69,171	\$ 45,282	\$ 238	\$ 248,442
Accounts Receivable	172,788	92,248	40,474		305,510
Investments					
U.S. government and agency bonds/notes	7,417,314	3,011,930	1,438,211	-	11,867,455
Corporate bonds	7,577,009	3,399,385	2,581,072	-	13,557,466
Money market mutual funds	951,726	415,408	254,373	24,251	1,645,758
Equity mutual funds	17,867,705	7,678,524	4,721,905	582,150	30,850,284
Total investments	33,813,754	14,505,247	8,995,561	606,401	57,920,963
Total assets	34,120,293	14,666,666	9,081,317	606,639	58,474,915
Net Assets Held in Trust for Pension Benefits	\$ 34,120,293	\$ 14,666,666	\$ 9,081,317	\$ 606,639	\$ 58,474,915

TOWN OF NORTH HAVEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

SCHEDULE OF CHANGES IN PLAN NET ASSETS
Year Ended June 30, 2010

	Pension Trust Funds				
	Municipal Employees Retirement	Police Department Retirement	Fire Department Retirement	Volunteer Firefighters' Pension Plan	Total Pension Trust Funds
Additions:					
Employer contributions	\$ 1,406,219	\$ 808,780	\$ 491,673	\$ 95,692	\$ 2,802,364
Employee contributions	139,380	-	-	-	139,380
Total additions	1,545,599	808,780	491,673	95,692	2,941,744
Investment Income:					
Net appreciation in fair value of investments	2,861,208	1,170,953	712,885	59,288	4,804,334
Interest and dividends	604,518	269,790	178,218	8,984	1,061,510
	3,465,726	1,440,743	891,103	68,272	5,865,844
Less investment expenses:					
Investment management fees	28,053	12,013	7,459	472	47,997
Net investment income	3,437,673	1,428,730	883,644	67,800	5,817,847
Total additions	4,983,272	2,237,510	1,375,317	163,492	8,759,591
Deductions:					
Benefits	2,380,004	1,122,445	689,740	83,394	4,275,583
Administration	8,198	3,424	2,784	3,735	18,141
Total deductions	2,388,202	1,125,869	692,524	87,129	4,293,724
Change in net assets	2,595,070	1,111,641	682,793	76,363	4,465,867
Net Assets Held in Trust, beginning of year	31,525,223	13,555,025	8,398,524	530,276	54,009,048
Net Assets Held in Trust, end of year	\$ 34,120,293	\$ 14,666,666	\$ 9,081,317	\$ 606,639	\$ 58,474,915

TOWN OF NORTH HAVEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Connecticut State Teachers' Retirement System

The faculty and professional personnel of the Board of Education participate in a contributory defined benefit plan, established under Chapter 167a of the Connecticut General Statutes, which is administered by the Connecticut State Teachers' Retirement Board. A teacher is eligible to receive normal retirement benefits if he or she has attained age sixty and has accumulated twenty years of credited service in the public schools of Connecticut or has attained any age and has accumulated thirty-five years of credited service, at least twenty-five of which are service in the public schools of Connecticut. The State of Connecticut Teacher's Retirement System is to be considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial report 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, CT 06106.

Certain part-time and full-time certified teachers are eligible to participate in the plan and are required to contribute 7.25% of their annual earnings to the plan. The Town does not, and is not legally responsible to, contribute to the plan.

The State of Connecticut contributes based on actuarially determined amounts. The funding level was determined based on an actuarial valuation of the plan as a whole, which does not provide actuarial information on an individual city/town basis.

In addition, the Town has recognized revenues and expenditures for on-behalf payments for pension contributions paid directly to the Connecticut State Teachers' Retirement System by the State of Connecticut. Such on-behalf payments were approximately \$3,368,000 for the year ended June 30, 2010.

Note 10. Other Postemployment Benefits

Post-retirement benefits

The Town provides post-retirement benefits for certain employees for current and future health and life insurance benefit expenses through a single-employer defined benefit plan. An annual actuarial valuation is made to determine whether the contributions are sufficient to meet the plan obligations. The latest actuarial valuation was made June 30, 2009. The post-retirement plan does not issue standalone financial reports.

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

TOWN OF NORTH HAVEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

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

Membership in the plan consisted of the following at June 30, 2009, the date of the last actuarial valuation.

Retirees and beneficiaries receiving benefits	\$ 215
Active plan members	624
Total	<u><u>839</u></u>

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

Fiscal Year Ending	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/09	\$ 4,116,231	\$ 1,617,826	39.3%	\$ 2,498,405
6/30/10	\$ 4,341,036	\$ 1,806,067	41.6%	\$ 5,033,374

OPEB Obligation

Annual required contribution	\$ 4,320,380
Interest on net pension obligation	99,936
ARC adjustment	(79,280)
Annual OPEB cost	<u>4,341,036</u>
Contributions made	<u>1,806,067</u>
Increase in net OPEB liability	2,534,969
Net OPEB obligation, beginning of year	<u>2,498,405</u>
Net OPEB obligation, end of year	<u><u>\$ 5,033,374</u></u>

TOWN OF NORTH HAVEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

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

Actuarial Valuation Date	Actuarial Value of Assets (a)	Accrued Liability (b)	Unfunded Accrued Liability (UAL) (b-a)	FundedCovered Ratio (a/b)	Payroll (c)	UAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2009	\$ -	\$ 53,767,756	\$ 53,767,756	0%	\$ 40,108,760	134%

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

ACTUARIAL ASSUMPTIONS - OPEB

Valuation Date:	June 30, 2009
Actuarial Cost Method:	Projected Unit Credit
Asset Valuation Method:	Market Value
Amortization Method:	Level Percent
Remaining Amortization Period:	30 Years Decreasing
Actuarial Assumptions:	
Investment rate of return	4.00%
Inflation rate	4.50%
Health Cost Trend Rates:	Annual increases in premium for retired medical and benefits are assumed to be as follows:

Year After Valuation Date	Increase	
	Board of Education	Town
1	10.00%	9.00%
2	9.00%	8.50%
3	8.00%	8.00%
4	7.00%	7.50%
5	6.00%	7.00%
6	5.00%	6.50%
7	5.00%	6.00%
8	5.00%	5.50%
9 or more	5.00%	5.00%

TOWN OF NORTH HAVEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

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

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

Note 11. Employee Retirement System

Defined Contribution Retirement Savings Plan

Town employees are eligible to participate in a defined contribution retirement savings plan administered by the Town. In a defined contribution plan, benefits depend solely on amounts contributed to the Plan plus investment earnings. Employer contributions are based on union contracts. Employees may make additional contributions subject to IRS regulations. The Plan is not reported as a fiduciary fund by the Town as it does not meet the reporting criterion.

The Plan requires the Town to contribute specified amounts per union bi-weekly. Employees elected to contribute 10% of their earnings. Employees are 100% vested.

Upon termination of employment, for any reason other than death or retirement, an employee shall be entitled to a deferred vested benefit based upon the number of years of credited service completed. Payment of benefits is deferred until the later of the employee's normal retirement date, the seventh anniversary of the Plan year in which participation commenced or the date of termination. The unvested accrued benefit of the employee is forfeited and allocated to each participant.

The assets for the plan are held by ICMA Retirement Corporation. The balance of the plan amounted to approximately \$91,000 at June 30, 2010 and is not reflected in the accompanying financial statements of the Town, as the Town's role in the administration of the Plan is limited.

TOWN OF NORTH HAVEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Note 12. Fund Deficits

The Town has the following fund deficits at June 30, 2010:

	<u>Fund Deficit</u>
<u>Special Revenue Funds</u>	
Senior Center	\$ 91,743
<u>Capital Projects Funds</u>	
Sackett Point Road Bridge	37,000
Streetscapes	4,481
DEFCO Park	7,800

The Town anticipates financing the fund deficits in the Capital Projects funds through future bond issues and/or revenues. The Special Revenue Fund deficits will be recovered through grants and future operations.

Note 13. Risk Management and Insurance

The Town is exposed to various risks of loss related to public official liability, police professional liability, theft or impairment of assets, errors and omissions, injury to employees, natural disasters, and owners and contractors protective liability.

The Town has a Comprehensive Risk Management Program, which is managed by the Finance Office.

The Town is self-insured for the deductibles required on its dental insurance, and as of July 1, 2009, it also became self-insured for prescriptions.

Commercial insurance is used to handle the various risks of loss. The more significant policies include workers compensation, property and umbrella, professional liability counseling, public officials liability, police professional liability, educators liability, errors and omissions and a fidelity and fiduciary bond.

The amount of settlements did not exceed insurance coverage for the fiscal years ended June 30, 2010, 2009 and 2008.

TOWN OF NORTH HAVEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Changes in the balances of claim liabilities during the past year is as follows:

Fiscal Year Ended	Claims Payable July 1	Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
2010	\$ 34,630	\$ 1,774,642	\$ 1,723,592	\$ 85,680
2009	\$ -	\$ 500,102	\$ 465,472	\$ 34,630

Note 14. Municipal Solid Waste Landfill Closure and Postclosure Care Costs

State and Federal laws and regulations require that the Town of North Haven place a final cover on its closed landfill and perform certain maintenance and monitoring functions at the landfill site for thirty years. The site which was covered according to Regulations in 1989 had estimated total current costs of landfill closure and postclosure care, aggregating approximately \$150,000 which is based on the amount estimated to be paid for all equipment, facilities and services required to close, monitor and maintain the landfill as of June 30, 2010, and is recorded in the government-wide financial statements. However, the actual cost of monitoring and other postclosure care may be higher due to inflation, changes in technology or changes in landfill laws and regulations. Costs will continue to be funded through the current Public Works operating budget, at approximately \$10,000 annually.

Note 15. Litigation

The Town and the Board of Education is contingently liable in connection with litigation involving zoning matters, tax appeals, personal injury claims, discrimination suits, union contract suits, and other miscellaneous suits and unasserted claims. The Town intends to vigorously defend these actions; however, there can be no assurance that the Town will prevail.

Note 16. Fund Equity - Designated For Debt Retirement

As detailed below, this is composed of amounts relating to sewer assessments and capital project funds and is designated for repayments of bonded debt relative to these items.

TOWN OF NORTH HAVEN, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

The amount designated for debt retirement at June 30, 2010 amounted to \$2,943,627 and consisted of the following:

	Amount	Date of Borrowing	Amortization Schedule	Bond Maturity Schedule
Sewer assessment and interest collections	\$ 1,547,920	Various	Unscheduled	1992-2011
Accumulated interest income and grant revenue associated with capital projects:				
Capital project:				
Loan grant	633,584	10/31/92	1992-2012	1992-2012
School renovations	433,214	9/1/97	1997-2018	1997-2018
Public building	72,321	6/15/02	2002-2022	2002-2022
North Haven High School	256,588	4/26/06	2006-2026	2006-2026
	<u>\$ 2,943,627</u>			

Note 17. Pronouncements Issued, Not Yet Effective

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

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

Statement No. 54

Fund Balance Reporting and Governmental Fund Type Definitions

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

Statement No. 57

OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans

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

Statement No. 59

Financial Instrument Omnibus

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

**Required Supplementary
Information**

TOWN OF NORTH HAVEN, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION
 GENERAL FUND REVENUES AND OTHER FINANCING SOURCES - BUDGETARY BASIS -
 BUDGET AND ACTUAL

For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
PROPERTY TAXES, INTEREST AND LIENS				
Current Taxes	\$ 65,857,103	\$ 65,857,103	\$ 66,273,442	\$ 416,339
Arrears Taxes	1,000,000	1,000,000	439,807	(560,193)
Interest and Lines	450,000	450,000	523,741	73,741
Supplemental Auto Tax - Current	500,000	500,000	410,277	(89,723)
Personal Property Audit Taxes	200,000	200,000	518,501	318,501
Total Property Taxes, Interest and Liens	68,007,103	68,007,103	68,165,768	158,665
EDUCATION GRANTS				
Education Grant - ECS	3,174,940	3,174,940	2,812,974	(361,966)
School Transportation	260,716	260,716	177,405	(83,311)
Adult Education	23,067	23,067	24,169	1,102
School Building Grants	330,000	330,000	197,479	(132,521)
School Interest Subsidy	70,000	70,000	67,044	(2,956)
Total Education Grants	3,858,723	3,858,723	3,279,071	(579,652)
OTHER GOVERNMENT GRANTS				
Tax Relief-Elderly Disabled Homeowner	235,000	235,000	243,590	8,590
Tax Relief-Totally Disabled	2,800	2,800	3,311	511
Boat Grant	10,549	10,549	5,405	(5,144)
Telephone Access Line	130,000	130,000	118,590	(11,410)
PILOT	211,788	211,788	210,548	(1,240)
DOT Street Lighting	2,500	2,500	3,452	952
Tax Relief for Veterans	27,000	27,000	32,448	5,448
Mashantucket Pequot	225,824	225,824	155,779	(70,045)
Machinery and Equipment Exemption	1,300,000	1,300,000	1,226,581	(73,419)
Fire Safety Grant	-	-	156,057	156,057
Total Other Government Grants	2,145,461	2,145,461	2,155,761	10,300
INVESTMENT INCOME				
Interest on Short-Term Investments	500,000	500,000	136,650	(363,350)
Total Investment Income	500,000	500,000	136,650	(363,350)

(Continued)

TOWN OF NORTH HAVEN, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION
 GENERAL FUND REVENUES AND OTHER FINANCING SOURCES - BUDGETARY BASIS -
 BUDGET AND ACTUAL, Continued
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
TOWN REVENUE-GENERAL				
Sale of Town Property	2,500	2,500	-	(2,500)
In Lieu of Taxes	215,000	215,000	206,605	(8,395)
Rental Town Property	70,000	70,000	79,728	9,728
Parking Violation	4,000	4,000	2,870	(1,130)
Pump-Out Service	600	600	-	(600)
Town Miscellaneous Receipts	200,000	200,000	238,966	38,966
CRRRA Settlement	2,000,000	2,000,000	-	(2,000,000)
Stipulated Judgment	1,000,000	1,000,000	1,000,000	-
Rent-Mill Road School	87,329	87,329	87,329	-
Insurance Refund	-	-	1,091,929	1,091,929
Town Revenue-General	3,579,429	3,579,429	2,707,427	(872,002)
LICENSES, PERMITS, FEES AND FINES				
Cemetery	30,000	30,000	63,413	33,413
Assessor's Office	1,000	1,000	1,331	331
Town Clerk Fees	306,000	306,000	410,193	104,193
Registrar of Vital Statistics	8,000	8,000	15,256	7,256
Miscellaneous Licenses/Permits	3,500	3,500	5,715	2,215
Alarm Use Fee	27,000	27,000	22,800	(4,200)
Police Photocopies	3,000	3,000	2,770	(230)
Dog License Fees	8,000	8,000	8,746	746
Building Fees	325,000	325,000	249,623	(75,377)
Engineering Fees	2,000	2,000	630	(1,370)
Road Permit Fees	9,000	9,000	4,200	(4,800)
Public Works Fees	3,000	3,000	1,275	(1,725)
Sale of Recyclables	300	300	575	275
Application Inspection	5,000	5,000	9,780	4,780
WPCP-Septage Fees	25,000	25,000	-	(25,000)
P&Z Commission Fees	11,000	11,000	11,231	231
Inland Wetlands Commission Fees	1,500	1,500	1,368	(132)
Community Service Fees	50,000	50,000	67,713	17,713
Zoning Board of Appeals	5,000	5,000	5,106	106
Total Licenses, Permits, Fees and Fines	823,300	823,300	881,725	58,425
Total Revenues	78,914,016	78,914,016	77,326,402	(1,587,614)

(Continued)

TOWN OF NORTH HAVEN, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION
 GENERAL FUND REVENUES AND OTHER FINANCING SOURCES - BUDGETARY BASIS -
 BUDGET AND ACTUAL, Continued
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
OTHER FINANCING SOURCES				
Transfer From Other Funds:				
Police Outside Duty	325,000	325,000	325,000	-
Community Services Recreation	100,000	100,000	100,000	-
Other Fund Transfers	225,000	225,000	4,644	(220,356)
Appropriated fund balance	1,875,000	1,875,000	-	(1,875,000)
Other	-	-	126,521	126,521
Total Other Financing Sources	2,525,000	2,525,000	556,165	(1,968,835)
Total Budgetary Revenue	81,439,016	81,439,016	77,882,567	(3,556,449)

Budgetary Revenues are different than GAAP because:

State of Connecticut "on-behalf" contributions to the Connecticut State Teachers Retirement System for Town Teachers are not budgeted. 3,368,000

Revenues and transfers from other funds charged directly to reserve for debt retirement/claims 208,211

Proceeds for capital lease 474,157

Total revenues and other financing sources as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds - page 14. \$ 81,932,935

TOWN OF NORTH HAVEN, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION
 GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
 BUDGETARY BASIS - BUDGET AND ACTUAL
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES				
Current:				
General Government:				
Selectmen	\$ 188,463	\$ 146,942	\$ 146,942	\$ -
Town Clerk	166,383	161,429	161,429	-
Election	99,600	94,697	94,697	-
Legal	199,800	309,699	309,699	-
Probate Court	5,925	6,951	6,951	-
Economic Development	2,900	329	329	-
Land Use Administration	182,134	177,362	177,362	-
Planning and Zoning	15,900	6,132	6,132	-
Inland Wetlands Commission	8,250	4,201	4,201	-
Zoning Board of Appeals	6,100	3,712	3,712	-
Building Inspection/Permit	212,048	202,228	202,228	-
Public Libraries	948,729	897,962	897,962	-
Cemetery Commission	48,400	86,297	86,297	-
Treasurer Finance	585,521	545,552	506,706	38,846
Board of Finance	9,250	4,566	4,566	-
Contingent Fund	550,000	300,000	-	300,000
Annual/special Audit	81,400	73,705	73,705	-
Personnel Policy Expenses	338,273	514,331	462,571	51,760
Central Supply Services	322,027	294,666	294,666	-
Central Facilities	329,888	314,763	314,763	-
Information Technology	450,676	451,927	451,927	-
Assessor	200,240	185,987	185,987	-
Board of Assessment Appeals	3,850	3,951	3,951	-
Tax Collector	157,481	142,205	142,205	-
Insurance-General	1,191,792	1,221,506	1,221,506	-
Total General Government	6,305,030	6,151,100	5,760,494	390,606
Public Safety:				
Police	4,593,152	4,529,834	4,529,834	-
Animal Control/Dog Warden	86,092	85,042	85,042	-
Fire	2,825,238	3,133,609	3,133,609	-
Civil Defense/Energy Conservation	3,400	2,619	2,619	-
Total Public Safety	7,507,882	7,751,104	7,751,104	-

(Continued)

TOWN OF NORTH HAVEN, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION
 GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
 BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES, Continued				
Current, Continued:				
Public Works:				
Department of Public Works	218,064	214,310	214,310	-
Transfer Station/Recycling	509,020	483,299	483,299	-
Sanitation	1,562,471	1,551,491	1,430,349	121,142
Streets and Roads	2,028,930	2,079,479	2,079,479	-
Maintenance	250,549	229,528	229,528	-
Parks	257,700	248,339	248,339	-
Engineering	103,231	96,931	96,931	-
Total Public Works	4,929,965	4,903,377	4,782,235	121,142
Public Services				
Regional Health District	124,690	124,690	124,690	-
Regional Visiting Nurse Association	37,247	37,247	37,247	-
Community Services	369,496	355,465	355,465	-
Welfare	5,100	5,582	5,582	-
Senior Center	246,975	233,339	233,339	-
Total Public Services	783,508	756,323	756,323	-
Recreation				
	604,304	590,129	590,129	-
Total Recreation	604,304	590,129	590,129	-
Employee Benefits				
Pension and Social Security	4,091,808	4,012,774	4,012,774	-
Insurance Employees	4,052,780	4,132,153	4,132,153	-
Total Employee Benefits	8,144,588	8,144,927	8,144,927	-
Education				
	43,305,647	42,845,763	42,845,763	-
Total Education	43,305,647	42,845,763	42,845,763	-
Miscellaneous				
Miscellaneous	357,257	352,598	331,666	20,932
Utilities	1,167,000	1,190,466	1,064,603	125,863
Total Miscellaneous	1,524,257	1,543,064	1,396,269	146,795

(Continued)

TOWN OF NORTH HAVEN, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION
 GENERAL FUND EXPENDITURES AND OTHER FINANCING USES -
 BUDGETARY BASIS - BUDGET AND ACTUAL, Continued
 For the Year Ended June 30, 2010

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
EXPENDITURES, Continued				
Current, Continued:				
Capital	573,862	568,372	568,372	-
Total Capital	<u>573,862</u>	<u>568,372</u>	<u>568,372</u>	<u>-</u>
Debt Service				
Principal	4,575,307	4,575,307	4,575,307	-
Interest	2,601,174	2,601,174	2,527,187	73,987
Total Debt Service	<u>7,176,481</u>	<u>7,176,481</u>	<u>7,102,494</u>	<u>73,987</u>
Total Expenditures	<u>80,855,524</u>	<u>80,430,640</u>	<u>79,698,110</u>	<u>732,530</u>
OTHER FINANCING USES				
Operating Transfers Out:				
Capital Improvement	283,492	283,492	283,492	-
State/ Federal Grants	100,000	100,000	100,000	-
Capital Improvement - BOE	200,000	200,000	200,000	-
Total Other Financing Uses	<u>583,492</u>	<u>583,492</u>	<u>583,492</u>	<u>-</u>
Total Budgetary Expenditures	<u>\$ 81,439,016</u>	<u>\$ 81,014,132</u>	80,281,602	<u>\$ 732,530</u>

Budgetary Expenditures are different than GAAP because:

State of Connecticut "on-behalf" payments to the Connecticut State Teachers Retirement System for Town Teachers are not budgeted. 3,368,000

Encumbrances for purchases and commitments ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year received for financial reporting purposes. (1,002,941)

Encumbrances for purchases and commitments ordered in the previous year, that were received and liquidated in the current year are reported for financial statement reporting purposes. 172,856

Refunding, net 97,680

Capital outlay 474,157

Total expenditures and other financing uses as reported in the statement of revenues, expenditures and changes in fund balances - governmental funds - Page 14. \$ 83,391,354

THE TOWN OF NORTH HAVEN, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS - PENSIONS
 June 30, 2010

SCHEDULE OF FUNDING PROGRESS - PENSIONS

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	(Over) Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
General Employees:						
7/1/09	\$ 38,940,688	\$ 49,343,283	\$ 10,402,595	78.92%	\$ 8,170,904	127.31%
7/1/08	N/A	N/A	N/A	N/A	N/A	N/A
7/1/07	41,115,104	44,099,379	2,984,275	93.23%	8,259,819	36.13%
7/1/06	N/A	N/A	N/A	N/A	N/A	N/A
7/1/05	38,375,737	39,650,681	1,274,944	96.78%	7,596,156	16.78%
7/1/04	N/A	N/A	N/A	N/A	N/A	N/A
Police Department:						
7/1/09	N/A	N/A	N/A	N/A	N/A	N/A
7/1/08	17,674,899	21,494,845	3,819,946	82.23%	2,975,442	128.38%
7/1/07	N/A	N/A	N/A	N/A	N/A	N/A
7/1/06	16,512,240	19,727,754	3,215,514	83.70%	2,641,886	121.71%
7/1/05	N/A	N/A	N/A	N/A	N/A	N/A
7/1/04	15,811,597	16,959,618	1,148,021	93.23%	2,421,914	47.40%
Fire Department:						
7/1/09	N/A	N/A	N/A	N/A	N/A	N/A
7/1/08	11,218,605	13,420,680	2,202,075	83.59%	1,825,641	120.62%
7/1/07	N/A	N/A	N/A	N/A	N/A	N/A
7/1/06	10,518,860	12,530,477	2,011,617	83.95%	1,433,161	140.36%
7/1/05	N/A	N/A	N/A	N/A	N/A	N/A
7/1/04	10,153,705	11,176,074	1,022,369	90.85%	1,228,383	83.23%
Volunteer Fire:						
7/1/09	\$ 530,277	\$ 914,946	\$ 384,669	57.96%	N/A	N/A
7/1/08	N/A	N/A	N/A	N/A	N/A	N/A
7/1/07	577,105	937,187	360,082	61.58%	N/A	N/A
7/1/06	N/A	N/A	N/A	N/A	N/A	N/A
7/1/05	388,329	958,512	570,183	40.51%	N/A	N/A
7/1/04	N/A	N/A	N/A	N/A	N/A	N/A
Elected Officials:						
7/1/09	-	1,540,084	1,540,084	0.00%	\$ 173,558	887.36%
7/1/08	N/A	N/A	N/A	N/A	N/A	N/A
7/1/07	-	1,536,838	1,536,838	0.00%	183,719	836.52%
7/1/06	N/A	N/A	N/A	N/A	N/A	N/A
7/1/05	-	1,357,230	1,357,230	0.00%	174,907	775.97%
7/1/04	N/A	N/A	N/A	N/A	N/A	N/A

THE TOWN OF NORTH HAVEN, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSIONS
 June 30, 2010

SCHEDULE OF EMPLOYER CONTRIBUTIONS - PENSIONS						
Year Ended June 30,	General Employees		Police Department		Fire Department	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2010	\$ 1,442,647	97.5%	\$ 808,780	100.0%	\$ 491,673	100.0%
2009	1,408,390	100.0%	976,484	100.0%	594,455	100.0%
2008	1,153,433	100.0%	867,449	100.0%	570,584	100.0%
2007	1,177,883	100.0%	615,624	100.0%	426,958	100.0%
2006	884,007	100.0%	599,774	100.0%	424,659	100.0%
2005	899,569	92.9%	376,757	100.0%	318,734	100.0%

Year Ended June 30,	Volunteer Firefighters		Elected Officials	
	Annual Required Contribution	Percentage Contributed	Annual Required Contribution	Percentage Contributed
2010	\$ 95,692	100.0%	\$ 185,948	79.3%
2009	95,692	100.0%	152,129	94.2%
2008	153,277	100.0%	147,245	93.5%
2007	153,277	100.0%	114,415	84.8%
2006	145,034	100.0%	130,577	77.1%
2005	145,034	100.0%	115,957	84.0%

THE TOWN OF NORTH HAVEN, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF FUNDING PROGRESS AND EMPLOYER CONTRIBUTIONS - OPEB
 June 30, 2010

SCHEDULE OF FUNDING PROGRESS - OPEB

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	(Over) Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2009	\$ -	\$ 53,767,756	\$ 53,757,756	0.00%	N/A	N/A
6/30/2010	N/A	N/A	N/A	N/A	N/A	N/A

SCHEDULE OF EMPLOYER CONTRIBUTIONS - OPEB

Year Ended June 30,	Annual Required Contribution	Percentage Contributed
2010	\$ 4,320,380	42.7%
2009	4,116,231	39.3%

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**Supplemental and Combining Nonmajor
Fund Statements and Schedules**

General Fund

General Fund

The general fund is the principal fund of the Town and is used to account for all activities of the Town, except those required to be accounted for in another fund. The general fund accounts for the normal recurring activities of the Town (i.e., general government, public safety, public works, health, social services, recreation, education, etc.). These activities are funded principally by property taxes, user fees and grants from other governmental units.

TOWN OF NORTH HAVEN, CONNECTICUT

GENERAL FUND
BALANCE SHEET
June 30, 2010

ASSETS

Cash and cash equivalents	\$ 14,365,083
Receivables (net of allowances for collection losses):	
State and federal grants	1,526,541
Sewer assessments receivable	169,185
Property taxes	3,257,967
Other	42,841
Due from other funds	617,330
Prepayments	23,048
Total assets	<u><u>\$ 20,001,995</u></u>

LIABILITIES AND FUND EQUITY

Accounts payable	\$ 1,356,376
Unearned revenues	56,032
Deferred revenue	4,787,248
Due to other funds	1,463,449
Total liabilities	<u><u>7,663,105</u></u>

Fund Equity:

Fund balance:	
Reserved for encumbrances	1,002,941
Reserved for prepayments	23,048
Unreserved:	
Designated for debt retirement	2,943,627
Undesignated	8,369,274
Total fund equity	<u><u>12,338,890</u></u>

Total liabilities and fund equity	<u><u>\$ 20,001,995</u></u>
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Nonmajor Governmental Funds

Special Revenue Funds

State Grant P.A. 701

To account for the annual grant from the State Department of Transportation for the repairs and maintenance of Town roads.

Community Services

To account for expenditures for Outreach programs, Project Graduation and Weekend counselors.

School Cafeteria

To account for the operations of the food program by the school system.

DCYS Grant

To account for expenditures for youth service programs.

Economic Development

Provided as donation to enhance the Town's ability to reach out to potential business/industry initiatives.

Crime Control Seizure

To account for monies received under General Statutes Section 54-361.

Board of Education Funds

To account for expenditures of State and Federal grants received for a variety of school programs.

Education Grants

To account for expenditure of State and Federal grants received for a variety of school programs.

Substance Abuse Prevention Council Grant

To account for expenditures for the education of youth on drugs, alcohol and tobacco prevention.

Day Care

To account for grant funds from the State of Connecticut received by the Town.

Equipment Replacement

To account for cost of significant equipment replacement required by EPA and CT DEP regulations.

Special Revenue Funds, Continued

Senior Center

To account for fees collected and related expenditures.

Harbor Health

To account for Mental Health Grant.

Police Outside Duty

To account for operations for jobs requiring policemen on duty to outside contractors.

Fire Outside Duty

To account for operations for jobs requiring firemen on duty to outside contractors.

Community Services Recreation

To account for program fees and related expenditures.

Library Reimbursable

To account for fees collected and expenditures.

Library Grant

To account for Connecticard grant and State Library grant received from the State.

Retired Teachers Health Insurance

To account for medical premium expenditures for retired teachers.

Fire EMS

For the purpose of accounting for EMS receipts to be used to subsidize the cost of future significant capital purchases.

Cemetery Perpetual Care

This fund is used to account for resources legally held for the perpetual care of the cemetery. All resources of the fund, including any earnings on invested resources, may be used to support the maintenance of the cemetery. This is no requirement that any portion of these resources be preserved as capital.

Land Option Mall

To account for payments on expired option relating to proposed mall site on Valley Service Road.

Special Revenue Funds, Continued

Center Block Beautification Fund

To account for funds used for the Center Block Beautification.

Board of Education Scholarship Funds

To account for expenditures of scholarship monies.

Emergency Fund

To account for donated funds received for members of the community in need.

Show and Sell

Funds donated and used for economic development project.

Firemen's Benevolent

To provide relief to volunteer and paid fire personnel and families should the need arise.

Claims Fund

To account for charges on various claims.

State/Federal Grants

To account for certain Federal and State grants.

Workforce Alliance

To account for a state grant that provides job opportunities for students that meet the grant requirements.

Capital Projects Funds

North Haven High School

To account for expenditures for building the new school.

Capital Improvement

To account for expenditures used in the acquisition and construction of capital facilities and other fixed assets.

Sewer General

To account for capital projects approved by the WPCA

Sackett Point Road Bridge

To account for expenditures of the Sackett Point Road Bridge renovation.

Capital Projects Funds, Continued

Streetscapes

To account for expenditures for central block.

Local Capital Improvement Program (LoCIP)

To account for monies reimbursed by the State for pre-approval Local Capital Improvement Programs performed by the Town of North Haven.

DEFECO Park

To account for expenditures of DEFECO Park.

BOE Capital Improvement

To account for expenditures used in the acquisition and construction of capital facilities and other fixed assets.

Todd Drive Drainage

To account for expenditures of the Todd Drive Drainage Project.

Permanent Funds

Bradley Trust

This fund was established by a bequest from Andrew R. Bradley. The income derived from this bequest is to be used as follows: care of Pierpont Park, maintenance and support of the Library and care of Andrew R. Bradley's cemetery lot.

Stiles Library Maintenance

This fund was established by a bequest from Frank L. Stiles. The income is to be used for repairs to library and purchase of books of reference or other permanent value.

Banton Civic Association Scholarship

This scholarship fund was created in 1976. A portion of the income is to be awarded to a deserving student from the North Haven High School graduating class.

Permanent Funds, Continued

Walter Kraemer Memorial

This fund was established to use income to purchase books for the North Haven Library.

William E. Dickerman Memorial

This fund was established in the memory of William E. Dickerman. The income is to be used for the general educational purposes of the North Haven Library.

Walter T. Berniere Scholarship

This fund was established in 1990 to provide a scholarship to an individual pursuing a career in law enforcement.

Roger Blood Memorial

This fund was established by a bequest from Ida Mastroianni Caccese. The income is to be used to purchase books in English Literature, History and Travel.

Louis and Mary Tagliatella Foundation Scholarship

A scholarship was established by a bequest from Louis F. Tagliatella, Sr. to be available for annual awards to graduates of North Haven High School under the PTSA Scholarship Program.

Louis Mastroianni Endowment Fund

This fund was established by a bequest from Ida Mastroianni Caccese in memory of Louis D. Mastroianni. The income from this fund is to be used for the purpose of purchasing children's books on nature, environment and gardening.

Lester W. Gott Scholarship

A scholarship fund established by a bequest from Louis F. and Mary A. Tagliatella Foundation, Inc. to provide a scholarship to a high school graduate.

Abercrombie Scholarship

A scholarship fund was established in memory of Paul D. Abercrombie to provide a scholarship to a high school graduate.

Carol E. White Endowment Fund

This fund was established by a bequest from Steven D. White in memory of Carol E. White for the purpose of purchasing high quality non-fiction books.

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TOWN OF NORTH HAVEN, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2010

	Special Revenue Funds				
	State Grant P.A. 701	Community Services	School Cafeteria	DCYS Grant	Economic Development
ASSETS					
Cash and cash equivalents	\$ -	\$ 53,611	\$ 64,307	\$ -	\$ -
Receivables:					
Intergovernmental	-	-	31,133	-	-
Prepays	-	-	-	-	-
Due from other funds	206,891	-	-	1,657	10,000
Inventories	-	-	16,509	-	-
Total assets	\$ 206,891	\$ 53,611	\$ 111,949	\$ 1,657	\$ 10,000
LIABILITIES AND FUND BALANCES (DEFICITS)					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ 55,649	\$ 1,657	\$ -
Unearned revenue	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	-	-	55,649	1,657	-
FUND BALANCES (DEFICITS)					
Reserved for endowments	-	-	-	-	-
Reserved for other purposes	-	-	16,509	-	-
Unreserved:					
Unreserved and undesignated	206,891	53,611	39,791	-	10,000
Total fund balances (deficits)	206,891	53,611	56,300	-	10,000
Total liabilities and fund balances (deficits)	\$ 206,891	\$ 53,611	\$ 111,949	\$ 1,657	\$ 10,000

Special Revenue Funds							
Crime Control Seizure	Board of Education Funds	Education Grants	Substance Abuse Prevention Council Grant	Day Care	Equipment Replacement	Senior Center	Harbor Health
\$ -	\$ 226,689	\$ 872,333	\$ -	\$ -	\$ -	\$ 2,793	\$ -
-	-	-	-	-	-	79,393	11,267
14,951	-	-	45	42,918	49,971	-	-
-	-	-	-	-	-	-	-
<u>\$ 14,951</u>	<u>\$ 226,689</u>	<u>\$ 872,333</u>	<u>\$ 45</u>	<u>\$ 42,918</u>	<u>\$ 49,971</u>	<u>\$ 82,186</u>	<u>\$ 11,267</u>

\$ -	\$ -	\$ 420,873	\$ -	\$ -	\$ -	\$ 94,536	\$ -
-	-	340,818	-	-	-	79,393	-
-	-	70,000	-	-	-	-	11,267
-	-	831,691	-	-	-	173,929	11,267

-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
14,951	226,689	40,642	45	42,918	49,971	(91,743)	-
14,951	226,689	40,642	45	42,918	49,971	(91,743)	-
<u>\$ 14,951</u>	<u>\$ 226,689</u>	<u>\$ 872,333</u>	<u>\$ 45</u>	<u>\$ 42,918</u>	<u>\$ 49,971</u>	<u>\$ 82,186</u>	<u>\$ 11,267</u>

(Continued)

TOWN OF NORTH HAVEN, CONNECTICUT

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

	Special Revenue Funds					
	Police Outside Duty	Fire Outside Duty	Community Services Recreation	Library Reimbursable	Library Grant	Retired Teachers Health Insurance
ASSETS						
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,578
Receivables:						
Intergovernmental	-	-	-	-	-	-
Prepays	-	-	7,325	-	-	-
Due from other funds	30,350	9,485	170,653	19,308	16,178	-
Inventories	-	-	-	-	-	-
Total assets	<u>\$ 30,350</u>	<u>\$ 9,485</u>	<u>\$ 177,978</u>	<u>\$ 19,308</u>	<u>\$ 16,178</u>	<u>\$ 29,578</u>
LIABILITIES AND FUND BALANCES (DEFICITS)						
LIABILITIES						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned revenue	-	-	137,284	-	-	24,970
Due to other funds	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>137,284</u>	<u>-</u>	<u>-</u>	<u>24,970</u>
FUND BALANCES (DEFICITS)						
Reserved for endowments	-	-	-	-	-	-
Reserved for other purposes	-	-	7,325	-	-	-
Unreserved:						
Unreserved and undesignated	30,350	9,485	33,369	19,308	16,178	4,608
Total fund balances (deficits)	<u>30,350</u>	<u>9,485</u>	<u>40,694</u>	<u>19,308</u>	<u>16,178</u>	<u>4,608</u>
Total liabilities and fund balances (deficits)	<u>\$ 30,350</u>	<u>\$ 9,485</u>	<u>\$ 177,978</u>	<u>\$ 19,308</u>	<u>\$ 16,178</u>	<u>\$ 29,578</u>

Special Revenue Funds

Fire EMS	Cemetery Perpetual Care	Center Block Beautification Fund	Board of Education Scholarship Funds	Emergency Fund	Show and Sell	Firemen's Benevolent
\$ -	\$ 335,663	\$ -	\$ 237,439	\$ 68,390	\$ -	\$ 53,733
-	-	-	-	-	-	-
3,195	-	8,539	-	-	3,043	-
-	-	-	-	-	-	-
<u>\$ 3,195</u>	<u>\$ 335,663</u>	<u>\$ 8,539</u>	<u>\$ 237,439</u>	<u>\$ 68,390</u>	<u>\$ 3,043</u>	<u>\$ 53,733</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3,195	335,663	8,539	237,439	68,390	3,043	53,733
<u>3,195</u>	<u>335,663</u>	<u>8,539</u>	<u>237,439</u>	<u>68,390</u>	<u>3,043</u>	<u>53,733</u>
<u>\$ 3,195</u>	<u>\$ 335,663</u>	<u>\$ 8,539</u>	<u>\$ 237,439</u>	<u>\$ 68,390</u>	<u>\$ 3,043</u>	<u>\$ 53,733</u>

(Continued)

TOWN OF NORTH HAVEN, CONNECTICUT

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

	Special Revenue Funds			Capital Projects Funds	
	Claims Fund	State/Federal Grants	Workforce Alliance	North Haven High School	Capital Improvement
ASSETS					
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 2,540,559	\$ 1,660,359
Receivables:					
Intergovernmental	-	232,400	-	97,460	-
Prepays	-	-	-	-	-
Due from other funds	646,620	-	35,609	-	-
Inventories	-	-	-	-	-
Total assets	<u>\$ 646,620</u>	<u>\$ 232,400</u>	<u>\$ 35,609</u>	<u>\$ 2,638,019</u>	<u>\$ 1,660,359</u>
LIABILITIES AND FUND BALANCES (DEFICITS)					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ 550,630	\$ -
Unearned revenue	-	7,497	-	-	42,005
Due to other funds	-	183,028	-	6,189	106,458
Total liabilities	<u>-</u>	<u>190,525</u>	<u>-</u>	<u>556,819</u>	<u>148,463</u>
FUND BALANCES (DEFICITS)					
Reserved for endowments	-	-	-	-	-
Reserved for other purposes	-	-	-	-	-
Unreserved:					
Unreserved and undesignated	646,620	41,875	35,609	2,081,200	1,511,896
Total fund balances (deficits)	<u>646,620</u>	<u>41,875</u>	<u>35,609</u>	<u>2,081,200</u>	<u>1,511,896</u>
Total liabilities and fund balances (deficits)	<u>\$ 646,620</u>	<u>\$ 232,400</u>	<u>\$ 35,609</u>	<u>\$ 2,638,019</u>	<u>\$ 1,660,359</u>

Capital Projects Funds

Sewer General	Sackett Point Road Bridge	Streetscapes	Local Capital Improvement Program	DEFECO Park	BOE Capital Improvement	Todd Drive Drainage
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	38,057	-	-	-	173,550
14,536	-	-	-	6,500	200,000	-
\$ 14,536	\$ -	\$ 38,057	\$ -	\$ 6,500	\$ 200,000	\$ 173,550

\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
5,000	-	-	-	-	-	-
-	37,000	42,538	-	14,300	-	173,550
5,000	37,000	42,538	-	14,300	-	173,550

-	-	-	-	-	-	-
-	-	-	-	-	-	-
9,536	(37,000)	(4,481)	-	(7,800)	200,000	-
9,536	(37,000)	(4,481)	-	(7,800)	200,000	-
\$ 14,536	\$ -	\$ 38,057	\$ -	\$ 6,500	\$ 200,000	\$ 173,550

(Continued)

TOWN OF NORTH HAVEN, CONNECTICUT

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

	Permanent Funds				
	Bradley Trust	Stiles Library Maintenance	Banton Civic Association Scholarship	Walter Kraemer Memorial	William E. Dickerman Memorial
ASSETS					
Cash and cash equivalents	\$ 3,863	\$ 26,401	\$ 3,284	\$ 2,053	\$ 78,331
Receivables:					
Intergovernmental	-	-	-	-	-
Prepays	-	-	-	-	-
Due from other funds	-	-	-	-	-
Inventories	-	-	-	-	-
Total assets	<u>\$ 3,863</u>	<u>\$ 26,401</u>	<u>\$ 3,284</u>	<u>\$ 2,053</u>	<u>\$ 78,331</u>
LIABILITIES AND FUND BALANCES (DEFICITS)					
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Unearned revenue	-	-	-	-	-
Due to other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES (DEFICITS)					
Reserved for endowments	2,500	10,000	3,250	1,675	68,297
Reserved for other purposes	-	-	-	-	-
Unreserved:					
Unreserved and undesignated	1,363	16,401	34	378	10,034
Total fund balances (deficits)	<u>3,863</u>	<u>26,401</u>	<u>3,284</u>	<u>2,053</u>	<u>78,331</u>
Total liabilities and fund balances (deficits)	<u>\$ 3,863</u>	<u>\$ 26,401</u>	<u>\$ 3,284</u>	<u>\$ 2,053</u>	<u>\$ 78,331</u>

Permanent Funds

Walter T. Berniere Scholarship	Roger Blood Memorial	Louis & Mary Tagliatella Foundation Scholarship	Louis Mastroianni Endowment Fund	Lester W. Gott Scholarship	Abercrombie Scholarship	Carol E. White Endowment Fund	Totals
\$ 17,258	\$ 15,181	\$ 65,088	\$ 5,324	\$ 30,541	\$ 11,422	\$ 10,163	\$ 6,414,363
-	-	-	-	-	-	-	663,260
-	-	-	-	-	-	-	7,325
-	-	-	-	-	-	-	1,490,449
-	-	-	-	-	-	-	16,509
<u>\$ 17,258</u>	<u>\$ 15,181</u>	<u>\$ 65,088</u>	<u>\$ 5,324</u>	<u>\$ 30,541</u>	<u>\$ 11,422</u>	<u>\$ 10,163</u>	<u>8,591,906</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,123,345
-	-	-	-	-	-	-	636,967
-	-	-	-	-	-	-	644,330
-	-	-	-	-	-	-	2,404,642
10,000	10,000	65,000	5,000	30,503	11,410	10,000	227,635
-	-	-	-	-	-	-	23,834
7,258	5,181	88	324	38	12	163	5,935,795
<u>17,258</u>	<u>15,181</u>	<u>65,088</u>	<u>5,324</u>	<u>30,541</u>	<u>11,422</u>	<u>10,163</u>	<u>6,187,264</u>
<u>\$ 17,258</u>	<u>\$ 15,181</u>	<u>\$ 65,088</u>	<u>\$ 5,324</u>	<u>\$ 30,541</u>	<u>\$ 11,422</u>	<u>\$ 10,163</u>	<u>\$ 8,591,906</u>

TOWN OF NORTH HAVEN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES (DEFICITS)
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010

	Special Revenue Funds				
	State Grant P.A. 701	Community Services	School Cafeteria	DCYS Grant	Economic Development
REVENUES					
Charges for services	\$ -	\$ 3,495	\$ 786,701	\$ -	\$ -
Intergovernmental	182,510	-	184,379	23,591	-
Investment income	-	-	-	-	-
Net increase in fair value of investments	-	-	-	-	-
Contributions	-	8,525	-	-	-
Other	-	-	-	-	-
Total revenues	182,510	12,020	971,080	23,591	-
EXPENDITURES					
Current:					
Public safety	-	-	-	-	-
Public works	278,077	-	-	-	-
Health and welfare	-	-	-	23,591	-
Culture and recreation	-	22,565	-	-	-
Education	-	-	950,169	-	-
Capital outlay	-	-	-	-	-
Total expenditures	278,077	22,565	950,169	23,591	-
Revenues over (under) expenditures	(95,567)	(10,545)	20,911	-	-
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Net other financing sources (uses)	-	-	-	-	-
Net change in fund balances (deficits)	(95,567)	(10,545)	20,911	-	-
FUND BALANCES (DEFICITS), beginning of year	302,458	64,156	35,389	-	10,000
FUND BALANCES (DEFICITS), end of year	\$ 206,891	\$ 53,611	\$ 56,300	\$ -	\$ 10,000

Special Revenue

Crime Control Seizure	Board of Education Funds	Education Grants	Substance Abuse Prevention Council Grant	Day Care	Equipment Replacement	Senior Center	Harbor Health
\$ -	\$ 659,041	\$ -	-	\$ 94,927	\$ -	\$ -	\$ -
10,871	-	2,775,978	4,245	237,940	-	550,001	45,066
-	7	-	-	-	-	-	-
-	-	-	-	-	-	-	-
3,105	-	-	-	-	54,112	-	-
13,976	659,048	2,775,978	4,245	332,867	54,112	550,001	45,066
6,504	-	-	5,175	-	-	-	-
-	-	-	-	-	61,145	-	-
-	-	-	-	328,370	-	-	45,066
-	664,380	2,775,978	-	-	-	-	-
-	-	-	-	-	-	645,508	-
6,504	664,380	2,775,978	5,175	328,370	61,145	645,508	45,066
7,472	(5,332)	-	(930)	4,497	(7,033)	(95,507)	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
7,472	(5,332)	-	(930)	4,497	(7,033)	(95,507)	-
7,479	232,021	40,642	975	38,421	57,004	3,764	-
\$ 14,951	\$ 226,689	\$ 40,642	\$ 45	\$ 42,918	\$ 49,971	\$ (91,743)	\$ -

(Continued)

TOWN OF NORTH HAVEN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES (DEFICITS), Continued
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010

	Special Revenue Funds					
	Police Outside Duty	Fire Outside Duty	Community Services Recreation	Library Reimbursable	Library Grant	Retired Teachers Health Insurance
REVENUES						
Charges for services	\$ 398,634	\$ 11,906	\$ 319,850	\$ 22,227	\$ -	\$ -
Intergovernmental	-	-	-	-	8,421	108,350
Investment income	-	-	-	-	-	-
Net increase in fair value of investments	-	-	-	-	-	-
Contributions	-	-	-	2,226	-	-
Other	-	-	-	-	-	-
Total revenues	<u>398,634</u>	<u>11,906</u>	<u>319,850</u>	<u>24,453</u>	<u>8,421</u>	<u>108,350</u>
EXPENDITURES						
Current:						
Public safety	359,663	12,330	-	-	-	-
Public works	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	288,761	33,421	4,466	-
Education	-	-	-	-	-	109,450
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>359,663</u>	<u>12,330</u>	<u>288,761</u>	<u>33,421</u>	<u>4,466</u>	<u>109,450</u>
Revenues over (under) expenditures	<u>38,971</u>	<u>(424)</u>	<u>31,089</u>	<u>(8,968)</u>	<u>3,955</u>	<u>(1,100)</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	-	-	-	-	-
Transfers out	(325,000)	-	(100,000)	-	-	-
Net other financing sources (uses)	<u>(325,000)</u>	<u>-</u>	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances (deficits)	<u>(286,029)</u>	<u>(424)</u>	<u>(68,911)</u>	<u>(8,968)</u>	<u>3,955</u>	<u>(1,100)</u>
FUND BALANCES (DEFICITS), beginning of year	<u>316,379</u>	<u>9,909</u>	<u>109,605</u>	<u>28,276</u>	<u>12,223</u>	<u>5,708</u>
FUND BALANCES (DEFICITS), end of year	<u>\$ 30,350</u>	<u>\$ 9,485</u>	<u>\$ 40,694</u>	<u>\$ 19,308</u>	<u>\$ 16,178</u>	<u>\$ 4,608</u>

Special Revenue Funds

Fire EMS	Cemetery Perpetual Care	Center Block Beautification Fund	Board of Education Scholarship Fund	Emergency Fund	Show and Sell	Firemen's Benevolent
\$ 3,195	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	1,416	-	527	-	-	64
-	-	-	-	-	-	-
-	-	-	105,660	24,078	-	80
-	-	-	-	-	-	-
3,195	1,416	-	106,187	24,078	-	144
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	12,544	-	-
-	-	-	-	-	-	-
-	-	-	15,400	-	-	-
-	-	-	-	-	-	-
-	-	-	15,400	12,544	-	-
3,195	1,416	-	90,787	11,534	-	144
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
3,195	1,416	-	90,787	11,534	-	144
-	334,247	8,539	146,652	56,856	3,043	53,589
\$ 3,195	\$ 335,663	\$ 8,539	\$ 237,439	\$ 68,390	\$ 3,043	\$ 53,733

(Continued)

TOWN OF NORTH HAVEN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES (DEFICITS), Continued
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010

	Special Revenue Funds			Capital Projects Funds	
	Claims Fund	State/ Federal Grants	Workforce Alliance	North Haven High School	Capital Improvement
REVENUES					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	335,680	72,661	222,629	-
Investment income	-	-	-	7,301	4,644
Net increase in fair value of investments	-	-	-	-	-
Contributions	-	-	-	-	-
Other	-	510	-	-	-
Total revenues	<u>-</u>	<u>336,190</u>	<u>72,661</u>	<u>229,930</u>	<u>4,644</u>
EXPENDITURES					
Current:					
Public safety	417,155	13,289	-	-	-
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	270,740
Culture and recreation	-	-	-	-	5,960
Education	-	-	50,427	-	-
Capital outlay	-	292,011	-	569,692	111,683
Total expenditures	<u>417,155</u>	<u>305,300</u>	<u>50,427</u>	<u>569,692</u>	<u>388,383</u>
Revenues over (under) expenditures	<u>(417,155)</u>	<u>30,890</u>	<u>22,234</u>	<u>(339,762)</u>	<u>(383,739)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	100,000	-	-	283,492
Transfers out	-	-	-	-	(4,644)
Net other financing sources (uses)	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>278,848</u>
Net change in fund balances (deficits)	<u>(417,155)</u>	<u>130,890</u>	<u>22,234</u>	<u>(339,762)</u>	<u>(104,891)</u>
FUND BALANCES (DEFICITS), beginning of year	<u>1,063,775</u>	<u>(89,015)</u>	<u>13,375</u>	<u>2,420,962</u>	<u>1,616,787</u>
FUND BALANCES (DEFICITS), end of year	<u>\$ 646,620</u>	<u>\$ 41,875</u>	<u>\$ 35,609</u>	<u>\$ 2,081,200</u>	<u>\$ 1,511,896</u>

Capital Projects Funds

Sewer General	Sackett Point Road Bridge	Streetscapes	Local Capital Improvement Program	DEFCO Park	BOE Capital Improvement	Todd Drive Drainage
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	476,346	-	-	173,550
6	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	300
6	-	-	476,346	-	-	173,850
-	-	-	-	-	-	-
-	-	-	462,299	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	173,850
-	-	-	462,299	-	-	173,850
6	-	-	14,047	-	-	-
-	-	-	-	-	200,000	-
-	-	-	-	-	-	-
-	-	-	-	-	200,000	-
6	-	-	14,047	-	200,000	-
9,530	(37,000)	(4,481)	(14,047)	(7,800)	-	-
\$ 9,536	\$ (37,000)	\$ (4,481)	\$ -	\$ (7,800)	\$ 200,000	\$ -

(Continued)

TOWN OF NORTH HAVEN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES (DEFICITS), Continued
 NONMAJOR GOVERNMENTAL FUNDS
 For the Year Ended June 30, 2010

	Permanent Funds				
	Bradley Trust	Stiles Library Maintenance	Banton Civic Association Scholarship	Walter Kraemer Memorial	William E. Dickerman Memorial
REVENUES					
Charges for services	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Investment income	16	667	14	9	330
Net increase in fair value of investments	-	6,803	-	-	-
Contributions	-	-	-	-	-
Other	-	-	-	-	-
Total revenues	<u>16</u>	<u>7,470</u>	<u>14</u>	<u>9</u>	<u>330</u>
EXPENDITURES					
Current:					
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Health and welfare	-	-	-	-	-
Culture and recreation	-	7,795	50	136	-
Education	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	<u>-</u>	<u>7,795</u>	<u>50</u>	<u>136</u>	<u>-</u>
Revenues over (under) expenditures	<u>16</u>	<u>(325)</u>	<u>(36)</u>	<u>(127)</u>	<u>330</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Net other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances (deficits)	<u>16</u>	<u>(325)</u>	<u>(36)</u>	<u>(127)</u>	<u>330</u>
FUND BALANCES (DEFICITS), beginning of year	<u>3,847</u>	<u>26,726</u>	<u>3,320</u>	<u>2,180</u>	<u>78,001</u>
FUND BALANCES (DEFICITS), end of year	<u>\$ 3,863</u>	<u>\$ 26,401</u>	<u>\$ 3,284</u>	<u>\$ 2,053</u>	<u>\$ 78,331</u>

Permanent Funds

Walter T. Berniere Scholarship	Roger Blood Memorial	Louis & Mary Tagliatella Foundation Scholarship	Louis Mastroianni Endowment Fund	Lester W. Gott Scholarship	Abercrombie Scholarship	Carol E. White Endowment Fund	Totals
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,299,976
-	-	-	-	-	-	-	5,412,218
82	53	275	22	129	48	44	15,654
-	-	-	-	-	-	-	6,803
500	4,212	-	-	-	-	-	145,281
-	-	-	-	-	-	-	58,027
582	4,265	275	22	129	48	44	7,937,959
-	-	-	-	-	-	-	814,116
-	-	-	-	-	-	-	801,521
-	-	-	-	-	-	-	680,311
3,500	190	200	-	100	50	503	367,697
-	-	-	-	-	-	-	4,565,804
-	-	-	-	-	-	-	1,792,744
3,500	190	200	-	100	50	503	9,022,193
(2,918)	4,075	75	22	29	(2)	(459)	(1,084,234)
-	-	-	-	-	-	-	583,492
-	-	-	-	-	-	-	(429,644)
-	-	-	-	-	-	-	153,848
(2,918)	4,075	75	22	29	(2)	(459)	(930,386)
20,176	11,106	65,013	5,302	30,512	11,424	10,622	7,117,650
\$ 17,258	\$ 15,181	\$ 65,088	\$ 5,324	\$ 30,541	\$ 11,422	\$ 10,163	\$ 6,187,264

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Internal Service Funds

Dental Self-Insurance Fund

This fund is used to account for the charges and claims of the Town's dental insurance fund.

Prescription Self-Insurance Fund

This fund is used to account for the charges and claims of the Town's prescription fund.

TOWN OF NORTH HAVEN, CONNECTICUT

COMBINING STATEMENT OF NET ASSETS - INTERNAL SERVICE FUNDS

June 30, 2010

	Dental Self-Insurance Fund	Prescription Self-Insurance Fund	Total
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 84,886	\$ 112,620	\$ 197,506
Accounts receivable	-	2,899	2,899
Total current assets	84,886	115,519	200,405
Total assets	84,886	115,519	200,405
LIABILITIES			
Current liabilities:			
Accounts Payable	2,899	-	2,899
Claims payable	30,727	54,953	85,680
Total current liabilities	33,626	54,953	88,579
Total liabilities	33,626	54,953	88,579
NET ASSETS			
Unrestricted	\$ 51,260	\$ 60,566	\$ 111,826

TOWN OF NORTH HAVEN, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS -
 INTERNAL SERVICE FUNDS
 For the Year Ended June 30, 2010

	Dental Self-Insurance Fund	Prescription Self-Insurance Fund	Total
OPERATING REVENUES			
Premiums	\$ 612,082	\$ 1,303,194	\$ 1,915,276
Total operating revenues	<u>612,082</u>	<u>1,303,194</u>	<u>1,915,276</u>
OPERATING EXPENSES			
Claims	532,014	1,242,628	1,774,642
Administration and operations	46,677	-	46,677
Total operating expenses	<u>578,691</u>	<u>1,242,628</u>	<u>1,821,319</u>
Operating income	33,391	60,566	93,957
FUND NET ASSETS, beginning	<u>17,869</u>	-	<u>17,869</u>
FUND NET ASSETS, ending	<u>\$ 51,260</u>	<u>\$ 60,566</u>	<u>\$ 111,826</u>

TOWN OF NORTH HAVEN, CONNECTICUT

COMBINING STATEMENT OF CASH FLOWS - INTERNAL SERVICE FUNDS
For the Year Ended June 30, 2010

	Dental Self-Insurance Fund	Prescription Self-Insurance Fund	Total
Cash Flows From Operating Activities			
Cash received from charges for services	\$ 615,814	\$ 1,300,295	\$ 1,916,109
Cash paid to vendors and beneficiaries	(579,695)	(1,187,675)	(1,767,370)
Net cash provided by operating activities	36,119	112,620	148,739
Net increase in cash and cash equivalents	36,119	112,620	148,739
Cash and Cash Equivalents			
Beginning	48,767	-	48,767
Ending	\$ 84,886	\$ 112,620	\$ 197,506
Reconciliation of Operating Income to Net Cash Provided by Operating Activities			
Operating income	\$ 33,391	\$ 60,566	\$ 93,957
Adjustments to reconcile operating income to net cash provided by operating activities:			
Changes in assets and liabilities:			
Decrease (Increase) in accounts receivable	3,732	(2,899)	833
Increase in accounts payable	2,899	-	2,899
Decrease in claims payable	(3,903)	54,953	51,050
Net cash provided by operating activities	\$ 36,119	\$ 112,620	148,739

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Fiduciary Funds

TOWN OF NORTH HAVEN, CONNECTICUT

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES - AGENCY FUNDS
For the Year Ended June 30, 2010

	Balance July 1, 2009	Additions	Deductions	Balance June 30, 2010
SCHOOL ACTIVITY FUND				
Assets:				
Cash and cash equivalents	\$ 52,443	\$ 182,394	\$ 158,278	\$ 76,559
Total assets	\$ 52,443	\$ 182,394	\$ 158,278	\$ 76,559
Liabilities:				
Accounts payable	\$ 52,443	\$ 182,394	\$ 158,278	\$ 76,559
Total liabilities	\$ 52,443	\$ 182,394	\$ 158,278	\$ 76,559
PERFORMANCE BONDS				
Assets:				
Cash and cash equivalents	\$ 2,240,996	\$ 29,915	\$ 819,844	\$ 1,451,067
Total assets	\$ 2,240,996	\$ 29,915	\$ 819,844	\$ 1,451,067
Liabilities:				
Accounts payable	\$ 2,240,996	\$ 29,915	\$ 819,844	\$ 1,451,067
Total liabilities	\$ 2,240,996	\$ 29,915	\$ 819,844	\$ 1,451,067
TOTAL				
Assets:				
Cash and cash equivalents	\$ 2,293,439	\$ 212,309	\$ 978,122	\$ 1,527,626
Total assets	\$ 2,293,439	\$ 212,309	\$ 978,122	\$ 1,527,626
Liabilities:				
Accounts payable	\$ 2,293,439	\$ 212,309	\$ 978,122	\$ 1,527,626
Total liabilities	\$ 2,293,439	\$ 212,309	\$ 978,122	\$ 1,527,626

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**Capital Assets Used in the Operation
of Governmental Funds**

TOWN OF NORTH HAVEN, CONNECTICUT

SCHEDULE BY CATEGORY AND SOURCE

June 30, 2010

CAPITAL ASSETS

Land	\$ 2,526,507
Land improvements	870,100
Buildings	123,464,413
Computer equipment	678,082
Machinery and equipment	14,650,615
Infrastructure	<u>27,189,143</u>
Total capital assets	<u>\$ 169,378,860</u>

Investments in governmental funds capital assets:

Assets put into service prior to July 1, 2010	<u>\$ 169,378,860</u>
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Other Schedules

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TOWN OF NORTH HAVEN, CONNECTICUT

SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
For the Year Ended June 30, 2010

Grand List Year	Balance Uncollected July 1, 2009	Current Levy	Lawful Corrections		Transfers to Suspense	Balance to be Collected
			Additions	Deletions		
1993	46,349	\$ -	\$ -	\$ -	\$ 46,317	\$ 32
1994	75,302	-	-	-	73,219	2,083
1995	57,717	-	-	-	(717)	58,434
1996	58,336	-	-	-	(260)	58,596
1997	59,996	-	-	-	(451)	60,447
1998	59,998	-	-	-	(636)	60,634
1999	63,084	-	-	-	(1,828)	64,912
2000	50,491	-	-	-	(871)	51,362
2001	61,244	-	42	-	4,485	56,801
2002	67,376	-	-	86	7,265	60,025
2003	80,214	-	-	183	7,931	72,100
2004	296,837	-	-	1,329	198,007	97,501
2005	323,110	-	2,076	7,186	9,121	308,879
2006	467,943	-	122,929	36,680	5,417	548,775
2007	1,219,552	-	250,324	127,785	296,344	1,045,747
2008	-	67,643,247	267,017	332,166	13,775	67,564,323
	<u>\$ 2,987,549</u>	<u>\$ 67,643,247</u>	<u>\$ 642,388</u>	<u>\$ 505,415</u>	<u>\$ 657,118</u>	<u>\$ 70,110,651</u>

Collections						Balance Uncollected June 30, 2010
Taxes	Overpayments	Net Taxes Collected	Interest and Lien Fees	Total		
\$ 32	\$ -	\$ 32	\$ 85	\$ 117	\$ -	
2,083	-	2,083	5,373	7,456	-	
2,188	-	2,188	5,199	7,387	56,246	
1,732	-	1,732	3,766	5,498	56,864	
451	-	451	940	1,391	59,996	
636	-	636	1,213	1,849	59,998	
1,828	-	1,828	3,226	5,054	63,084	
871	-	871	2,140	3,011	50,491	
1,667	-	1,667	2,018	3,685	55,134	
2,023	-	2,023	4,878	6,901	58,002	
9,563	-	9,563	6,044	15,607	62,537	
21,762	-	21,762	17,872	39,634	75,739	
53,826	-	53,826	27,193	81,019	255,053	
288,236	-	288,236	111,348	399,584	260,539	
680,986	-	680,986	128,575	809,561	364,761	
66,776,879	-	66,776,879	207,581	66,984,460	787,444	
<u>\$ 67,844,763</u>	<u>\$ -</u>	<u>\$ 67,844,763</u>	<u>\$ 527,451</u>	<u>\$ 68,372,214</u>	<u>\$ 2,265,888</u>	

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Statistical Section

Statistical Section

This part of the Town of North Haven, Connecticut's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the government's overall financial health.

Contents

Financial Trends

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

TABLE 1

TOWN OF NORTH HAVEN
NET ASSETS BY COMPONENT
LAST EIGHT YEARS

	FISCAL YEAR ENDED							
	2010	2009	2008	2007	2006	2005	2004	2003
GOVERNMENTAL ACTIVITIES:								
Invested in Capital Assets, Net of Related Debt	\$ 50,307,262	\$ 51,184,225	\$ 61,596,577	\$ 62,384,288	\$ 58,366,141	\$ 46,656,917	\$ 25,539,104	\$ 20,559,530
Restricted for:								
Debt Retirement	-	-	-	216,342	2,083,687	1,691,229	1,874,121	2,211,421
Other Purposes	227,635	227,635	219,635	-	3,642	211,274	17,839	205,892
Unrestricted	11,670,199	13,370,513	17,405,540	19,023,633	9,605,058	8,022,093	10,048,545	10,711,741
TOTAL GOVERNMENTAL ACTIVITIES	62,205,096	64,782,373	79,221,752	81,624,263	70,058,528	56,581,513	37,479,609	33,688,584
BUSINESS-TYPE ACTIVITIES:								
Invested in Capital Assets, Net of Related Debt	10,735,590	12,744,564	-	-	-	-	-	-
Unrestricted	992,447	432,604	-	-	-	-	-	-
TOTAL BUSINESS-TYPE ACTIVITIES NET ASSETS	11,728,037	13,177,168	-	-	-	-	-	-
PRIMARY GOVERNMENT:								
Invested in Capital Assets, Net of Related Debt	61,042,852	63,928,789	61,596,577	62,384,288	58,366,141	46,656,917	25,539,104	20,559,530
Restricted	227,635	227,635	219,635	216,342	2,087,329	1,902,503	1,891,960	2,417,313
Unrestricted	12,662,646	13,803,117	17,405,540	19,023,633	9,605,058	8,022,093	10,048,545	10,711,741
TOTAL PRIMARY GOVERNMENT NET ASSETS	\$ 73,933,133	\$ 77,959,541	\$ 79,221,752	\$ 81,624,263	\$ 70,058,528	\$ 56,581,513	\$ 37,479,609	\$ 33,688,584

Note: Data is only available from Fiscal Year 2003 when GASB 34 took effect.

2009 was the first year for Business-Type Activities.

**TOWN OF NORTH HAVEN
CHANGES IN NET ASSETS
LAST EIGHT YEARS**

	FISCAL YEAR ENDED							
	2010	2009	2008	2007	2006	2005	2004	2003
EXPENSES:								
Governmental Activities:								
General Government	\$ 9,236,513	\$ 9,037,911	\$ 9,679,197	\$ 10,251,737	\$ 8,149,683	\$ 7,748,675	\$ 7,121,727	\$ 6,501,451
Public Safety	13,907,039	13,436,844	12,440,770	11,701,179	7,219,526	7,329,239	6,506,380	6,864,711
Public Works	7,563,157	8,563,617	9,186,468	8,369,826	7,884,891	7,258,319	6,802,809	7,291,095
Health and Welfare	1,681,907	1,394,590	1,185,275	1,309,582	1,147,312	1,214,935	1,138,933	1,089,866
Cultural and Recreation	1,283,582	1,314,152	1,095,331	1,112,982	1,021,054	1,019,127	1,120,844	986,060
Education	54,134,369	53,626,915	50,932,151	47,210,165	44,042,805	40,907,739	39,749,260	38,818,662
Benefits and Insurance	-	-	-	-	6,629,138	5,795,099	5,588,750	4,997,987
Other	-	-	-	-	1,103,351	1,006,199	996,646	1,117,089
Interest Expense	3,123,637	2,731,227	2,812,470	1,674,608	1,328,443	1,256,564	1,390,797	1,537,128
TOTAL GOVERNMENTAL EXPENSES	\$ 90,930,204	\$ 90,105,256	\$ 87,331,662	\$ 81,630,079	\$ 78,526,203	\$ 73,535,896	\$ 70,416,146	\$ 69,204,049
BUSINESS-TYPE ACTIVITIES:								
WPCA	\$ 2,921,684	\$ 2,871,604	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL PRIMARY GOVERNMENT EXPENSES	\$ 93,851,888	\$ 92,976,860	\$ 87,331,662	\$ 81,630,079	\$ 78,526,203	\$ 73,535,896	\$ 70,416,146	\$ 69,204,049
PROGRAM REVENUES:								
Governmental Activities:								
Charges for Services:								
General Government	\$ 592,311	\$ 432,740	\$ 630,163	\$ 1,543,937	\$ 1,100,596	\$ 1,107,761	\$ 1,267,780	\$ 817,548
Public Safety	448,051	578,624	1,093,901	434,354	621,714	423,695	411,340	304,877
Public Works	255,098	646,200	3,351,681	2,136,725	2,228,266	2,095,611	2,136,841	1,975,243
Health and Welfare	94,927	102,367	111,039	93,694	95,937	80,191	159,998	221,827
Culture and Recreation	345,572	417,581	489,580	410,957	480,800	512,956	520,383	462,729
Education	1,445,742	1,490,603	1,531,868	1,669,080	1,571,934	1,429,389	1,403,790	1,450,936
Operating Grants & Contributions	11,427,537	9,847,702	9,596,836	7,189,649	7,745,445	5,572,450	4,207,628	4,635,685
Capital Grants & Contributions	839,675	379,113	233,083	2,353,179	7,798,610	16,611,207	2,681,729	910,671
TOTAL GOVERNMENTAL PROGRAM REVENUES	\$ 15,448,913	\$ 13,894,930	\$ 17,038,151	\$ 15,840,575	\$ 21,653,302	\$ 27,833,260	\$ 12,789,489	\$ 10,779,516
BUSINESS-TYPE ACTIVITIES:								
WPCA	\$ 2,909,703	\$ 2,419,323	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL PRIMARY GOVERNMENT REVENUES	\$ 18,358,616	\$ 16,314,253	\$ 17,038,151	\$ 15,840,575	\$ 21,653,302	\$ 27,833,260	\$ 12,789,489	\$ 10,779,516
NET EXPENSES:								
Governmental Activities	\$ (75,481,291)	\$ (76,210,326)	\$ (70,293,511)	\$ (65,789,504)	\$ (56,872,901)	\$ (45,702,636)	\$ (57,626,657)	\$ (58,424,533)
BUSINESS-TYPE	\$ (11,981)	\$ (452,281)	\$ -					
TOTAL PRIMARY GOVERNMENT NET EXPENSES	\$ (75,493,272)	\$ (76,662,607)	\$ (70,293,511)	\$ (65,789,504)	\$ (56,872,901)	\$ (45,702,636)	\$ (57,626,657)	\$ (58,424,533)

**TOWN OF NORTH HAVEN
CHANGES IN NET ASSETS, CONTINUED
LAST EIGHT YEARS**

FISCAL YEAR ENDED

	2010	2009	2008	2007	2006	2005	2004	2003
GENERAL REVENUES AND OTHER CHANGES IN NET ASSETS:								
Governmental Activities:								
Property Taxes	\$ 67,316,651	\$ 67,237,887	\$ 64,446,265	\$ 65,341,125	\$ 63,123,592	\$ 58,637,252	\$ 53,894,546	\$ 56,280,620
Grants & Contributions Not Restricted to Specific Programs	2,153,040	2,142,670	1,848,601	1,787,885	1,793,225	1,869,621	1,929,457	2,635,302
Investment Earnings	163,639	446,301	1,064,896	1,538,461	1,588,505	846,061	361,013	356,030
Settlement	-	-	-	-	1,000,000	750,000	750,000	750,000
Miscellaneous	1,833,534	5,573,538	531,238	1,925,262	2,844,594	2,351,615	817,209	1,043,617
Total General Revenues	\$ 71,466,864	\$ 75,400,396	\$ 67,891,000	\$ 70,592,733	\$ 70,349,916	\$ 64,454,549	\$ 57,752,225	\$ 61,065,569
CHANGE IN NET ASSETS	\$ (4,026,408)	\$ (1,262,211)	\$ (2,402,511)	\$ 4,803,229	\$ 13,477,015	\$ 18,751,913	\$ 125,568	\$ 2,641,036

* Data is only available from Fiscal Year 2003 when GASB 34 took effect.

2009 was the first year with Business-Type Activities.

TABLE 3

TOWN OF NORTH HAVEN

GENERAL FUND REVENUES AND OTHER FINANCING SOURCES BY SOURCE
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Taxes (1)	Educational Grants	Other Governmental Grants	Charges For Services Programs Receipts	Investment Income	Town Revenue General	Licenses, Permits, Fees Fines	Transfers From Other Funds and Other	Total
2010	\$68,165,768	\$ 6,647,071	\$ 2,155,761	\$ -	\$ 136,650	\$ 3,042,159	\$ 881,725	\$ 6,496,290	\$87,525,424
2009	68,084,739	6,995,868	2,142,670	-	384,205	5,748,213	1,114,246	505,125	84,975,066
2008	66,035,552	4,570,865	1,848,601	2,156,107	824,866	1,679,470	1,253,936	3,401,273	81,770,670
2007	64,497,427	4,786,111	1,748,543	1,935,764	1,256,632	2,616,785	1,148,521	47,945	78,037,728
2006	63,125,559	4,737,926	1,862,288	2,008,646	753,634	1,887,578	1,100,596	441,670	75,917,897
2005	58,599,629	3,461,831	1,922,961	1,842,727	470,244	1,870,414	1,107,761	21,329	69,296,896
2004	55,583,834	3,848,127	1,673,486	1,748,472	267,351	1,507,283	1,267,780	36,110	65,932,443
2003	55,238,799	2,041,291	2,635,302	1,782,449	304,509	3,139,152	817,548	51,677	66,010,727
2002	50,987,068	3,667,015	3,666,976	1,655,623	443,234	3,354,026	703,127	238,278	64,715,347
2001	48,408,305	3,726,602	3,909,633	1,574,910	952,094	2,087,787	663,881	154,946	61,478,158

(1) Includes interest and lien fees.

TOWN OF NORTH HAVEN
 GENERAL FUND EXPENDITURES AND OTHER FINANCING USES

LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Board of Education	General Government	Public Safety	Public Works	Public Services	Recreation	Employee Benefits	Reimbursables	Miscellaneous	Capital Outlay	Debt Service	Operating Transfers and Other	Total
2010	\$ 45,524,362	\$ 5,676,959	\$ 7,752,025	\$ 4,780,425	\$ 756,558	\$ 590,147	8,085,522	\$ -	* \$ 1,392,234	\$ 1,049,456	\$ 7,200,174	\$ 6,078,301	\$ 88,886,163
2009	45,468,390	5,941,039	7,454,687	5,192,010	686,075	562,389	7,774,337	-	* 1,207,761	1,510,056	7,739,178	1,060,242	84,596,164
2008	43,745,733	6,103,676	7,176,031	6,732,334	694,060	521,640	7,807,315	-	* 1,305,530	911,245	5,744,928	380,000	81,122,492
2007	41,162,636	6,686,740	6,792,625	6,112,152	787,500	495,214	7,089,218	-	* 1,049,992	372,051	3,868,236	350,000	74,766,364
2006	40,128,977	7,110,160	6,390,132	5,955,660	754,651	495,734	6,629,138	-	* 1,014,537	501,224	3,945,274	476,678	73,402,165
2005	37,478,231	6,791,710	6,653,822	5,907,320	765,992	521,607	5,795,099	-	* 1,012,173	213,540	4,488,468	481,353	70,109,315
2004	36,236,183	6,258,398	5,796,377	5,372,517	765,400	598,698	5,588,750	-	* 1,022,014	1,729,610	4,559,208	1,424,005	69,351,160
2003	35,074,815	5,742,676	6,266,137	5,781,251	724,708	457,732	4,997,987	-	* 976,654	416,663	5,036,268	217,952	65,692,843
2002	33,327,056	5,552,058	6,045,522	5,523,553	710,275	495,901	4,327,811	1,128,079	955,035	298,281	3,798,106	238,095	62,399,772
2001	31,886,556	4,863,437	5,924,537	5,536,917	706,254	438,173	4,223,714	1,059,408	956,078	1,404,926	3,704,266	817,075	61,521,341

*Part of Debt Service

TABLE 5

**TOWN OF NORTH HAVEN
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS**

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
General Fund										
Reserved	\$ 3,557,914	\$ 2,953,717	\$ 2,614,822	\$ 2,661,581	\$ 2,256,304	\$ 2,507,665	\$ 697,435	\$ 391,112	\$ 182,710	\$ 1,025,989
Unreserved	4,925,216	7,844,988	8,501,767	5,036,291	4,629,149	6,893,520	11,975,114	12,929,615	13,516,919	11,312,901
Total General Fund	<u>\$ 8,483,130</u>	<u>\$ 10,798,705</u>	<u>\$ 11,116,589</u>	<u>\$ 7,697,872</u>	<u>\$ 6,885,453</u>	<u>\$ 9,401,185</u>	<u>\$ 12,672,549</u>	<u>\$ 13,320,727</u>	<u>\$ 13,699,629</u>	<u>\$ 12,338,890</u>
All Other Governmental Funds										
Reserved	\$ 562,148	\$ 589,806	\$ 200,968	\$ -	\$ 201,577	\$ 201,577	\$ 243,580	\$ 267,089	\$ 240,440	\$ 251,469
Unreserved, Reported In:										
Special Revenue Funds	2,328,252	2,298,352	2,376,221	1,377,171	2,808,748	2,045,455	2,240,420	1,545,843	2,852,665	2,141,170
Capital Project Funds	(819,924)	1,329,401	1,142,478	(8,186,200)	(36,905,183)	(16,475,224)	4,276,668	4,776,683	3,983,951	3,753,351
Permanent Funds	410,836	412,112		213,568	33,382	31,565	47,248	62,046	40,594	41,274
Total All Other Government Funds	<u>\$ 2,481,312</u>	<u>\$ 4,629,671</u>	<u>\$ 3,719,667</u>	<u>\$ 5,395,461</u>	<u>\$ (33,861,476)</u>	<u>\$ (14,196,627)</u>	<u>\$ 6,807,916</u>	<u>\$ 6,651,661</u>	<u>\$ 7,117,650</u>	<u>\$ 6,187,264</u>

TABLE 6

TOWN OF NORTH HAVEN
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS

	FISCAL YEAR									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
REVENUES										
Property Taxes	\$ 48,408,305	\$ 50,987,068	\$ 55,238,799	\$ 55,583,834	\$ 58,599,629	\$ 63,125,559	\$ 64,497,427	\$ 66,035,552	\$ 68,084,739	\$ 68,165,768
Licenses and Permits	663,881	703,127	817,548	1,267,780	1,107,761	1,100,596	1,148,521	1,253,936	1,114,246	881,725
Intergovernmental	9,273,289	10,406,308	8,181,658	8,818,814	24,380,153	17,581,159	11,316,130	12,380,432	12,622,667	14,215,050
Charges for Services	4,012,638	4,068,728	4,415,612	4,632,352	4,596,032	5,008,651	4,780,642	4,907,129	2,553,869	2,299,976
Investment Earnings	1,128,600	530,684	356,030	361,013	846,061	1,588,505	1,521,124	1,064,896	445,855	152,304
Miscellaneous	2,167,741	3,536,585	1,793,617	1,567,209	2,252,424	2,550,876	2,893,473	2,578,405	6,969,583	3,252,270
Total Revenues	65,654,454	70,232,500	70,803,264	72,231,002	91,782,060	90,955,346	86,157,317	88,220,350	91,790,959	88,967,093
EXPENDITURES										
General Government	4,863,437	5,552,058	5,807,832	6,366,244	7,022,974	7,465,831	6,708,165	6,103,676	5,941,039	5,676,959
Public Safety	5,924,537	6,045,522	6,575,152	6,213,852	7,040,254	6,940,209	7,356,424	7,883,949	8,316,868	8,566,141
Public Works	5,536,917	7,296,876	6,262,982	5,781,437	6,237,293	6,885,881	6,458,129	7,632,089	5,515,392	5,581,946
Health & Welfare	1,929,590	710,275	1,086,070	1,135,188	1,211,211	1,144,487	1,179,218	1,053,225	1,159,387	1,436,869
Benefits & Insurance	4,223,714	4,327,811	4,997,987	5,588,750	5,795,099	6,629,138	7,089,218	7,807,315	7,774,337	8,085,522
Education	34,234,564	35,555,099	38,010,854	39,004,157	40,254,625	43,423,542	45,359,243	48,089,380	49,488,631	50,090,166
Other	881,496	1,275,388	976,654	1,022,014	1,012,173	1,014,537	1,049,992	1,305,530	1,207,761	1,392,234
Culture & Recreation	438,173	495,901	975,119	1,117,417	1,015,942	1,018,407	922,974	915,114	1,000,952	957,844
Capital Outlay	5,696,866	5,881,506	1,246,261	14,835,285	47,350,196	16,185,950	4,785,137	1,193,221	2,802,523	2,842,200
Debt Service:										
Principal	3,200,682	3,156,100	3,456,100	3,131,100	3,131,100	2,846,100	2,833,026	2,833,771	4,964,540	4,575,307
Interest	1,637,574	1,481,677	1,580,168	1,428,108	1,357,368	1,099,174	1,035,210	2,911,157	2,774,638	2,624,867
Total Expenditures	68,567,550	71,778,213	70,975,179	85,623,552	121,428,235	94,653,256	84,776,736	87,728,427	90,946,068	91,830,055
Excess of Revenues										
Over(Under) Expenditures	\$ (2,913,096)	\$ (1,545,713)	\$ (171,915)	\$ (13,392,550)	\$ (29,646,175)	\$ (3,697,910)	\$ 1,380,581	\$ 491,923	\$ 844,891	\$ (2,862,962)
Debt service as a percentage of noncapital expenditures	8.1%	7.4%	7.6%	6.7%	6.3%	5.2%	5.0%	6.9%	8.8%	8.1%

TABLE 7

TOWN OF NORTH HAVEN
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Real Property		Personal Property		Less: Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage of Actual Value
	Residential Property	Commercial Property	Motor Vehicles	Other					
2001	\$ 959,275,704	\$ 564,779,461	\$ 156,947,720	\$ 318,142,043	\$ 113,547,730	\$1,885,597,198	25.34	\$2,855,921,326	70.00%
2002	1,042,053,580	498,950,380	169,721,018	315,398,104	102,327,295	1,923,795,787	25.89	2,894,461,545	70.00%
2003	1,044,645,322	500,476,440	174,877,260	277,228,092	84,130,802	1,913,096,312	28.27	2,853,181,591	70.00%
2004	1,051,180,950	494,847,140	178,711,265	248,049,745	70,348,990	1,902,440,110	28.76	2,818,270,143	70.00%
2005	1,064,225,200	494,958,130	172,330,295	235,146,411	55,372,670	1,911,287,366	30.53	2,809,514,337	70.00%
2006	1,084,106,170	510,105,510	186,194,560	218,702,011	53,564,100	1,945,544,151	32.17	2,855,868,930	70.00%
2007	1,947,013,184	570,178,769	197,622,160	212,344,027	675,909,118	2,251,249,022	28.70	4,181,654,485	70.00%
2008	1,963,474,103	571,472,776	199,951,055	220,516,980	377,955,402	2,577,459,512	25.44	4,222,021,306	70.00%
2009	1,971,946,093	561,236,627	201,720,557	245,092,193	92,111,518	2,887,883,952	23.50	4,257,136,386	70.00%
2010	1,924,538,674	621,759,361	187,185,428	245,564,092	91,798,027	2,887,249,528	23.48	4,255,782,222	70.00%

⁽¹⁾ Statutory revaluation completed for October 1, 2000 Grand list
Effective fiscal year beginning July 1, 2001

* Source: Town records.

TABLE 8

TOWN OF NORTH HAVEN

PROPERTY TAX RATES-DIRECT AND OVERLAPPING GOVERNMENTS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	<u>Town of North Haven</u>			<u>Overlapping Rates</u>
	<u>Operating Millage</u>	<u>Debt Service Millage</u>	<u>Total Town Millage</u>	2010
2001	23.81	1.53	25.34	NONE
2002	24.31	1.58	25.89	
2003	26.10	2.17	28.27	
2004	26.87	1.89	28.76	
2005	28.58	1.95	30.53	
2006	30.41	1.76	32.17	
2007	27.16	1.54	28.70	
2008	23.92	1.52	25.44	
2009	21.71	1.80	23.50	
2010	21.21	2.27	23.48	

Source: Town records.

TABLE 9

TOWN OF NORTH HAVEN
 PRINCIPAL PROPERTY TAXPAYERS

Name	Type fo Business	2010		2001*	
		Percent of Grand List	Taxable Valuation as of 10/1/09	Percent of Grand List	Taxable Valuation as of 10/1/98
Covidien	Mfg. Surgical Equipment	4.87%	\$143,187,640		\$ -
North Haven Industrial LLC	Distribution Center	0.97%	28,424,480		
Price REIT	Retail/Shopping Center	0.79%	23,317,700		
North Haven Commons	Retail/Shopping Center	0.74%	21,730,380		
Quinnipiac University	Insurance	0.67%	19,677,560		
North Haven Holdings	Retail/Shopping Center	0.59%	17,250,310		
Bouwfonds Preston Crossing	Apartments	0.47%	13,890,660		
Quebecor/Northeast Graphics	Printing	0.47%	13,883,850		
Drazen Properties	Retail/Shopping Center	0.40%	11,837,210		
Anthem Health Plans	Insurance	0.40%	11,689,810		
Target Corporation	Retail/Shopping Center	0.38%	11,122,020		
United Illuminating Co.	Public Utility	0.38%	11,119,030		
Galileo Combs	Retail/Shopping Center	0.38%	11,059,930		
Marlin Firearms	Manufacturing	0.36%	10,498,110		
Brescombe Barton Inc.	Distribution	0.32%	9,269,920		
Rosewood LLC	Apartments	0.31%	9,212,210		
Briarwood Connecticut	Apartments	0.30%	8,881,600		
325 Lafayette Street Associates LLC	Retail/Shopping Center	0.30%	8,739,570		
600 Washington Avenue	Auto Dealerships	0.29%	8,614,410		
Southern Connecticut Gas Co.	Public Utility	0.28%	8,214,830		
			<u>\$401,621,230</u>		<u>\$ -</u>

* Data not available.

TABLE 10

TOWN OF NORTH HAVEN
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Tax Rate In Mills	Grand List of October 1,	Total Tax Levy	Current Collections	Percent of Levy Collections	Delinquent Taxes Collected	Total Tax Collections	Collections as a Percent of Current Levy	Outstanding Delinquent Taxes	Delinquent Taxes as a Percent of Current Levy
2001	24.10	1999	\$ 47,858,594	\$ 46,207,119	96.55%	\$ 1,300,845	\$ 47,507,964	99.27%	\$ 4,715,096	9.85%
2002	25.34	(1) 2000	49,874,568	48,712,922	97.67%	1,456,521	50,169,443	100.59%	4,420,591	8.86%
2003	25.89	2001	54,362,921	52,803,340	97.13%	1,322,137	54,125,477	99.56%	3,947,878	7.26%
2004	28.27	2002	54,240,488	53,854,651	99.29%	1,400,482	55,255,133	101.87%	3,647,130	6.72%
2005	28.76	2003	58,741,641	56,985,430	97.01%	979,607	57,965,037	98.68%	3,857,782	6.57%
2006	30.53	2004	62,954,772	61,733,322	98.01%	938,657	62,671,979	99.55%	3,823,381	6.07%
2007	28.70	2005	64,775,645	63,418,367	97.90%	833,085	64,251,452	99.19%	4,237,164	6.54%
2008	25.44	2006	65,579,710	64,297,284	98.01%	1,094,415	65,391,699	99.71%	2,338,315	3.57%
2009	23.50	2007	67,749,436	66,453,146	98.09%	831,247	67,284,393	99.31%	1,766,997	2.61%
2010	23.48	2008	67,643,247	66,776,879	98.72%	1,067,884	67,844,763	100.30%	1,478,444	2.19%

(1) Statutory revaluation completed for Grand List of October 1, 2000
Effective fiscal year beginning July 1, 2001

TOWN OF NORTH HAVEN

SCHEDULE OF SEWER ASSESSMENT COLLECTIONS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Current Assessment Due	Current Assessment Collected	Ratio of Collections To Amount Due	Total Outstanding Current and Deferred Assessments
2001	\$ 374,446	\$ 77,503	20.70%	\$ 296,943
2002	296,943	37,950	12.78%	258,993
2003	274,965	46,502	16.91%	228,463
2004	298,848	77,089	25.79%	221,759
2005	242,440	42,286	17.44%	200,154
2006	203,558	6,413	3.15%	197,145
2007	197,145	17,372	8.81%	179,772
2008	188,320	10,916	5.80%	177,404
2009	202,638	30,732	15.17%	171,906
2010	173,906	4,722	2.72%	169,185

TOWN OF NORTH HAVEN

OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS (Unaudited)

Fiscal Year	Governmental			Total Long-Term Debt	Percentage of Personal Income	Per Capita ⁽²⁾	Estimated Actual Taxable Value ⁽¹⁾
	General Obligation Bonds	Notes Payable	Capital Leases				
2001	\$25,155,000	\$10,022,100	\$ -	\$35,177,100	-	\$ 1,744	1.41%
2002	28,910,000	9,111,000	157,395	38,178,395	-	1,651	1.31%
2003	26,365,000	8,199,900	101,261	34,666,161	5.0%	1,501	1.21%
2004	24,145,000	7,288,800	64,727	31,498,527	4.5%	1,365	1.12%
2005	22,290,000	6,377,700	11,277	28,678,977	4.2%	1,245	1.02%
2006	43,735,000	6,356,372	315,860	50,407,232	7.1%	2,120	1.75%
2007	63,700,000	5,408,346	288,198	69,396,544	9.7%	2,891	1.65%
2008	61,815,000	4,459,575	248,173	66,522,748	9.3%	2,782	1.58%
2009	57,800,000	3,510,045	187,194	61,497,239	8.9%	2,664	1.44%
2010	54,410,000	2,559,738	548,644	57,518,382	8.2%	2,405	1.35%

* **Note:** Details regarding the Town's outstanding debt may be found in the notes to the basic financial statements.

⁽¹⁾ See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property on page 110 for property value data.

⁽²⁾ Population data can be found in the Schedule of Demographic and Economic Statistics on page 119.

TOWN OF NORTH HAVEN

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2010

NONE

TABLE 14

TOWN OF NORTH HAVEN
SCHEDULE OF DEBT LIMITATION
June 30, 2010

Total Tax Collections (Including Interest and Lien Fees For the Fiscal Year Ended June 30, 2010	\$ 68,372,214
Reimbursement For Revenue Loss On: Tax Relief For Elderly	<u>245,590</u>
Base	<u><u>\$ 68,617,804</u></u>

	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt Limitation:					
2 1/4 Times Base	\$ 154,390,059	\$ -	\$ -	\$ -	\$ -
4 1/2 Times Base	-	308,780,118	-	-	-
3 3/4 Times Base	-	-	257,316,765	-	-
3 1/4 Times Base	-	-	-	223,007,863	-
3 Times Base	-	-	-	-	205,853,412
Total Debt Limitation	154,390,059	308,780,118	257,316,765	223,007,863	205,853,412
Indebtedness:					
Bonds Payable	5,811,825	48,598,175	-	-	-
Loans Payable - Pollution Facility	-	-	2,559,738	-	-
School Grants Receivable	-	(1,524,541)	-	-	-
Bond Anticipation Note	-	-	-	-	-
Bonds Authorized and Unissued	15,000,000	6,156,591	-	-	-
Total Indebtedness	20,811,825	53,230,225	2,559,738	-	-
Debt Limitation In Excess of Outstanding and Authorized Debt	<u>\$ 133,578,234</u>	<u>\$ 255,549,893</u>	<u>\$ 254,757,027</u>	<u>\$ 223,007,863</u>	<u>\$ 205,853,412</u>

TOWN OF NORTH HAVEN

DEBT SUMMARY
JUNE 30, 2010

Short-Term General Obligation Debt Outstanding		\$	-
Long-Term General Obligation Debt Outstanding:			
Payable From The General Fund:			
General Purposes	\$	5,811,825	
Schools		48,598,175	
Sewers		-	\$ 54,410,000
			<hr/>
Loans Payable - Pollution Control Facility	\$	2,559,738	2,559,738
			<hr/>
Total Overall General Obligation Debt			\$ 56,969,738
Less:			
State School Building Grants Receivable	\$	1,524,541	
General Fund Reserve For Debt		-	
			<hr/>
Total Deductions	\$	1,524,541	1,524,541
Total Overall Net General Obligation Debt			\$ 55,445,197
Total Overlapping and Underlying General Obligation Debt			<hr/>
Total Overall Net General Obligation Debt (Including Overlapping and Underlying)			<u>\$ 55,445,197</u>
Population (1)		23,916	
Net Taxable Grand List 10/1/09	\$	2,887,249,528	
Per Capita Income 1999 (2)		29,919	
		Total Overall Debt	Total Overall Net Debt
		<hr/>	<hr/>
Debt Per Capita		\$2,405	\$0
Ratio To Net taxable Grand List 10/1/09		1.88%	0.00%
Debt Per Capita To Income Per Capita		0.00%	0.00%

(1) State of Connecticut Department of Economic and Community Development

(2) Data Core Partners

TABLE 16

TOWN OF NORTH HAVEN
 DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Population ⁽¹⁾	Personal Income	Per Capita Personal Income ⁽²⁾	School Enrollment ⁽³⁾	Unemployment Rate
2001	23,035	*	*	3,717	2.4%
2002	23,035	*	*	3,729	3.2%
2003	23,035	689,184,165	29,919	3,730	3.9%
2004	23,460	701,899,740	29,919	3,761	4.0%
2005	23,710	*	*	3,805	4.9%
2006	23,628	*	*	3,927	5.7%
2007	23,908	*	*	4,000	4.3%
2008	23,908	*	*	4,084	5.5%
2009	23,035	*	*	3,932	6.2%
2010	23,916	*	*	3,822	6.8%

Source:

⁽¹⁾ State of Connecticut, Department of Health Estimate, 7/1/04

⁽²⁾ U.S. Department of Commerce, Bureau of the Census, Census of Population and Housing

⁽³⁾ North Haven Board of Education as of 10/1

* Information not available

TOWN OF NORTH HAVEN

MAJOR EMPLOYERS

Employer	Type of Business	2010		2001*	
		Employees	Percentage of Total Town Employment*	Employees	Percentage of Total of Town Employment
Covidien	Wound Closer Devices	2,700			
Anthem Health Plans, Inc.	Medical Insurance - Blue Cross / Blue Shield	1,450			
Town of North Haven	Municipality	600			
Marlin Firearms Co., Inc.	Sporting Firearms	300			
Area Cooperative Education Services	Educational	364			
Pennant Foods (Chef Solutions)	Frozen Bakery Products	100			
HB Communications	Sale/Service Audio Visual and Video Eqmt	224			
Connecticut Container Corporation	Corrugated Shipping Containers and Displays	114			
Mossberg, OF & Sons	Firearms	136			
Vertis Inc. - The BLTC Group	Offset Color Separations	43			

(*) Data Not Available

TABLE 18

TOWN OF NORTH HAVEN

TOWN GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
<u>Town:</u>										
General Government	25	25	25	24	25	24	23	23	23	23
Public Services & Recreation	34	34	35	34	34	33	31	33	33	32
Public Safety	85	85	87	86	89	85	87	89	89	91
Public Works	49	51	50	53	49	50	47	49	48	49
Total Full-Time	193	195	197	197	197	192	188	194	193	195
Part-Time	168	169	160	158	155	148	141	141	147	152
<u>Total Town</u>	<u>361</u>	<u>364</u>	<u>357</u>	<u>355</u>	<u>352</u>	<u>340</u>	<u>329</u>	<u>335</u>	<u>340</u>	<u>347</u>
<u>Education:</u>										
Teachers	302	303	305	299	301	294	304	310	315	315
Administration	17	17	17	16	16	14	16	17	17	17
Custodial Maintenance	24	24	24	23	23	22	23	23	23	23
Other	90	92	92	87	84	82	81	84	86	83
Total Full-Time	433	436	438	425	424	412	424	434	441	438
Part-Time	57	63	66	68	78	81	86	76	71	71
<u>Total Education</u>	<u>490</u>	<u>499</u>	<u>504</u>	<u>493</u>	<u>502</u>	<u>493</u>	<u>510</u>	<u>510</u>	<u>512</u>	<u>509</u>
Grand Total	851	863	861	848	854	833	839	845	852	856

Source: Town Records

TOWN OF NORTH HAVEN

SUPPLEMENTAL DATA
JUNE 30, 2010

Settled		1670	
Date of Incorporation		1786	
Form of Government		Board of Selectmen / Town Meeting	
Current Charter Adopted		January 1, 1981	
Area of Town		21.0 Square Miles	
<u>Miles of Streets</u>			<u>Education</u>
Town	146.5	Number of Teachers	315
State	58.9	Number of Other Employees	197
		Total enrollment (10/1/2008)	3,932
<u>Miles of Sidewalks</u>			<u>Elections</u>
<u>Recreation</u>			Registered Voters
Acres	210	Number Votes Cast-Last Election	15,163
Baseball Fields Lighted	1	Percentage of Registered Voters	3,879
Basketball Courts(Outdoor)	7	Voting	25%
Little League Fields	4		
Parks	18	<u>Police Protection</u>	
Picnic groves	8	Stations	1
Playground and Ball fields	11	Employees-Uniformed	48
Senior Citizens Center	1	-Civilian	9
Skating Rink	1	Vehicles(Includes Support Vehicles)	20
Softball Diamonds	11		
Softball Diamonds(Lighted)	2	<u>Fire Protection</u>	
Swimming Pool(Indoor)	1	Stations-Full Time	1
Tennis Courts(Lighted)	4	-Volunteer	3
Tennis Courts	14	Career Fire Fighters	34
		Volunteer Fire Fighters	105
<u>Library</u>			
Main Building	1		
Volumes-Collection	112,558		
Annual Circulation(est)	185,667		
<u>Employees</u>			
Town-Full Time	193		
-Part Time	147		
Education-Full Time	444		
-Part Time	71		
Total Employees	855		

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TOWN OF NORTH HAVEN, CONNECTICUT

Operating Indicators By Function/Program
Last Ten Fiscal Years
(Unaudited)

Function/Program	Calendar Year			
	2001	2002	2003	2004
Police:				
Calls for service	25,808	25,778	24,184	27,100
Adult arrest	634	713	643	662
Juvenile arrest	-	-	-	-
Citations	3,330	3,213	2,216	2,831
Fire:				
Total fire runs	3,433	3,619	3,719	4,198
Total rescue runs	2,445	2,622	2,719	3,039
Property loss	2,041,096	1,998,360	660,100	3,777,100
Building safety:				
Total building permits	365	454	464	542
Total value all permits	\$142,985,856	\$ 14,408,700	\$ 27,434,649	\$56,754,443
Total mechanical permits	612	602	767	973
Total value all permits	\$ 5,283,114	\$ 18,588,404	\$ 32,481,501	\$14,738,785
Library, volumes in collection	90,466	95,265	97,215	93,949
Public service:				
Garbage collected (ton)	-	-	-	-
Recycle collected (ton)	-	-	-	-
Parks and Recreation:				
Recreation program attendance	-	-	-	-
Aquatics program attendance	-	-	-	-
Street trees maintained - miles	125	125	125	146.5

Source: Town Records

Note: * Indicator not available

TABLE 20

Calendar Year					
2005	2006	2007	2008	2009	2010
27,328	25,658	24,330	25,500	24,304	*
607	611	677	693	671	*
-	-	-	-	-	*
2,625	2,590	2,398	2,429	2,820	*
4,224	4,308	4,367	4,243	*	*
3,055	3,156	3,151	3,065	*	*
934,800	551,000	1,294,330	2,409,673	*	*
525	617	579	537	427	*
\$ 29,172,946	\$ 23,892,383	\$ 22,842,701	\$ 29,887,926	\$ 25,636,659	*
959	949	861	711	846	*
\$ 11,711,177	\$ 12,616,121	\$ 11,229,003	\$ 61,166,521	\$ 29,919,892	*
11,524	11,524	109,841	112,387	111,908	*
-	-	-	-	-	*
-	-	-	-	-	*
-	-	-	-	-	*
-	-	-	-	-	*
146.5	146.5	146.5	146.5	146.5	*

TOWN OF NORTH HAVEN, CONNECTICUT

Capital Asset Statistics By Function/Program
 Last Ten Fiscal Years
 (Unaudited)

Function/Program	2001	2002	2003	2004
Police:				
Stations	1	1	1	1
Fire, Fire Stations Full time	1	1	1	1
Fire, Fire Stations Volunteer	3	3	3	3
Refuse Collection:				
Collection Trucks	4	4	4	4
Streets (Miles)	125	125	125	146.5
Traffic Signals - Town Owned	*	*	*	*
Parks & Recreation:				
Acreage	*	*	*	*
Parks	*	*	*	*
Baseball/Softball Diamonds	12	12	12	12
Soccer/Football Fields	*	*	*	*
Basketball Courts	*	*	*	*
Tennis Courts	*	*	*	*
Swimming pools	*	*	*	*
Parks with Playground Equipment	5	5	5	5
Picnic Shelters	8	8	8	8
Community Centers	1	1	1	1
Library:				
Facilities	1	1	1	1
Volumes	90,466	95,265	97,215	93,949
Wastewater:				
Sanitary Sewers (miles)	*	*	*	*
Storm Sewers (miles)	*	*	*	*
Combination Sanitary and Storm (miles)	*	*	*	*

Source: Town Records

Note: * Data not available.

TABLE 21

2005	2006	2007	2008	2009	2010
1	1	1	1	1	1
1	1	1	1	1	1
3	3	3	3	3	3
4	4	4	4	4	4
146.5	146.5	146.5	146.5	146.5	146.5
*	*	*	*	*	*
*	*	210	210	210	210
*	*	18	18	18	18
12	12	12	12	12	12
*	*	*	*	*	*
*	*	7	7	7	7
*	*	14	14	14	14
*	*	1	1	1	1
5	5	5	5	5	5
8	8	8	8	8	8
1	1	1	1	1	1
1	1	1	1	1	1
111,524	111,524	109,841	112,387	111,908	112,558
*	*	*	*	*	*
*	*	*	*	*	*
*	*	*	*	*	*

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