Annual Financial Report

of the

Town of Griswold, Connecticut

Year Ended June 30, 2013

Town of Griswold, Connecticut

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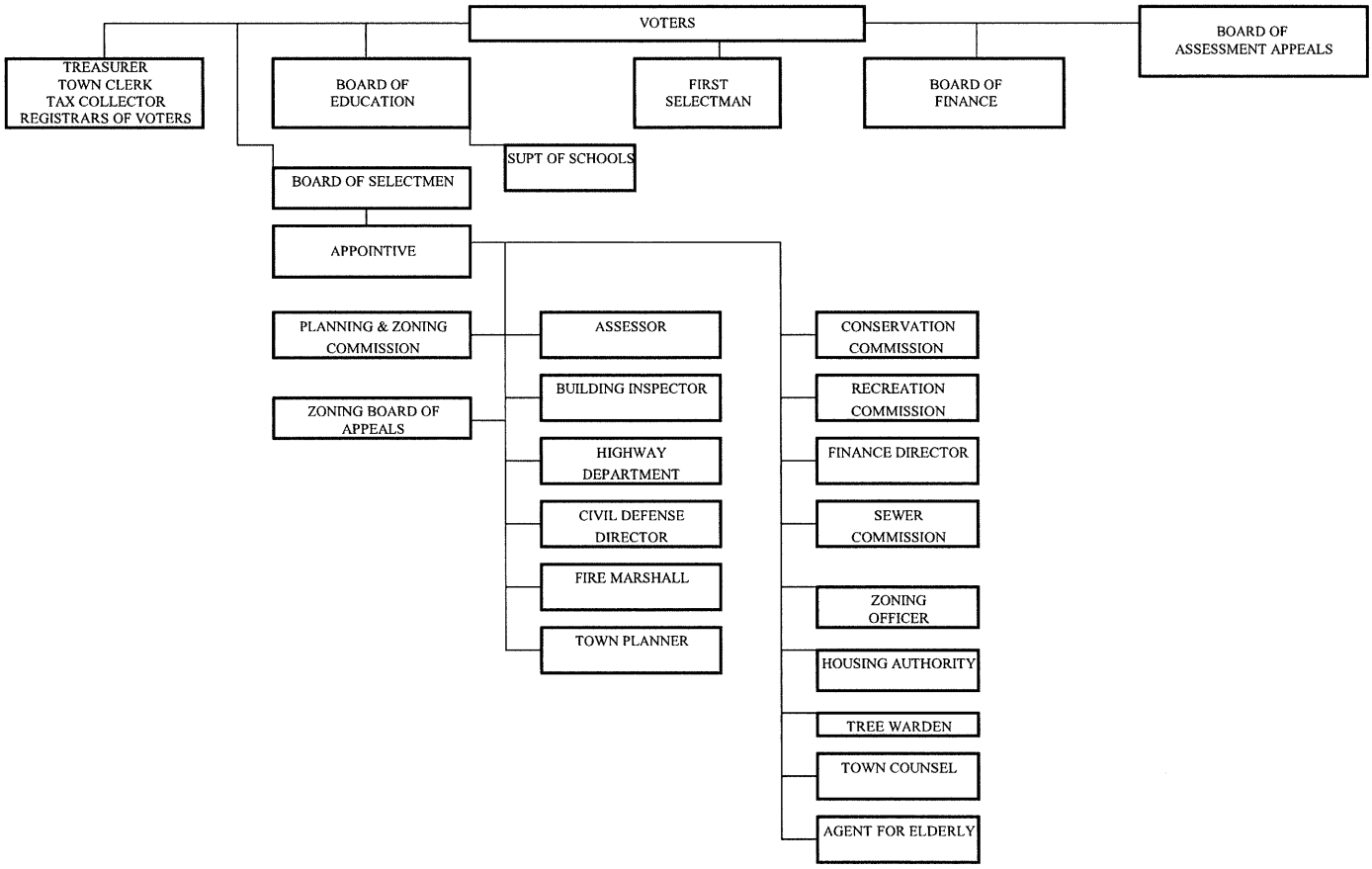
Introductory Section

Town of Griswold, Connecticut

Organizational Chart



Financial Section

Independent Auditor's Report

Board of Finance
Town of Griswold, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Griswold, Connecticut, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Griswold, Connecticut, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of Funding Progress and Employer Contributions - Griswold Other Post-Employment Benefit Plan on pages 5-11 and page 49, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Griswold, Connecticut's basic financial statements. The introductory section, supplemental schedules and the trend information section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of Federal awards, as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the schedule of expenditures of state financial assistance, as required by the State Single Audit Act, are presented for purposes of additional analysis and are also not a required part of the basic financial statements.

The supplemental schedules, the schedule of expenditures of Federal awards and the schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules, the schedule of expenditures of Federal awards and the schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and trend information sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated December 10, 2013, on our consideration of the Town of Griswold, 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town of Griswold, Connecticut's internal control over financial reporting and compliance.

CohnReznick LLP

New London, Connecticut
December 10, 2013

Town of Griswold

Finance Department
28 Main Street
Griswold, CT 06351
Phone: 860-376-7060, Fax: 860-376-7109

Management's Discussion and Analysis
For the Year Ended June 30, 2013

Management of the Town of Griswold, Connecticut, offers readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2013.

Financial Highlights

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by $85,899,780 (*net position*).
- The Town's total net position decreased by $43,290.
- As of the close of the current fiscal year, the Town's governmental funds reported a combined ending fund deficit of $1,904,602, a decrease of $214,009 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was $2,628,824, or 8.6% of total general fund budgetary expenditures and transfers out.
- The Town's total bonded debt decreased by $835,000 (4.4%) during the current fiscal year. The decrease is due to principal payments made during the year.

Overview of the Basic Financial Statements

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

Government-Wide Financial Statements. The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances in a manner similar to a private-sector business. All of the resources the Town has at its disposal are shown, including major assets such as buildings and infrastructure. They provide both long-term and short-term information about the Town's overall financial status.

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

Overview of the Basic Financial Statements (Continued)

The *statement of activities* presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position 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). The government-wide financial statements present only governmental activities whose functions are principally supported by taxes and intergovernmental revenues since the Town does not operate any business-type activities. The governmental activities of the Town include general government, public safety, public works, human services, civic and cultural, development and planning and education.

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

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

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

The Town maintains 25 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 and the Capital Projects Fund, which are considered to be major funds. Data from the other 23 governmental funds are combined into a single, aggregated presentation under the caption nonmajor governmental funds. Individual fund data for each of these nonmajor governmental funds is provided on Schedules 4 and 5 of this report.

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

Proprietary funds. The Town maintains one type of proprietary fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town uses internal service funds to account for its self-insured medical benefits. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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

Notes to Financial Statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the notes to financial statements.

Government-Wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a Town's financial position. In the case of the Town, assets exceeded liabilities by $85,899,780 at the close of the most recent fiscal year.

By far, the largest portion of the Town's net position, 96.8%, reflects its investment in capital assets (e.g. land, construction in progress, buildings and improvements, machinery and equipment and infrastructure) less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Town of Griswold, Connecticut
Net Position

	2013	2012
Current and other assets	$ 7,311,388	$ 8,387,578
Capital assets (net)	106,940,912	108,100,909
Total assets	114,252,300	116,488,487
Other liabilities	9,644,654	10,247,889
Noncurrent liabilities	18,707,866	20,297,528
Total liabilities	28,352,520	30,545,417
Net position:		
Net investment in capital assets	83,172,344	92,615,248
Restricted	221,413	371,702
Unrestricted	2,506,023	(7,043,880)
Total net assets	$ 85,899,780	$ 85,943,070

A portion of the Town's net position, 0.3 %, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, 2.9 %, may be used to meet the Town's ongoing obligations to citizens and creditors.

Governmental Activities. Governmental activities decreased the Town's net position by $43,290.

Town of Griswold, Connecticut

Changes in Net Position

	2013	2012
Revenues:		
Program revenues:		
Charges for services	$ 2,826,116	$ 2,877,527
Operating grants and contributions	15,263,317	15,693,743
Capital grants and contributions	645,532	3,800,183
General revenues:		
Property taxes	17,539,222	15,793,025
Grants and contributions not restricted to specific programs	347,886	470,614
Investment income	6,365	32,024
Total revenues	36,628,438	38,667,116
Expenses:		
General government	1,580,176	1,692,690
Public safety	503,864	476,586
Public works	1,788,452	1,739,954
Human services	335,846	334,814
Civic and cultural	226,509	311,838
Development and planning	104,235	171,170
Education	31,309,435	30,246,998
Interest expense	823,211	730,265
Total expenses	36,671,728	35,704,315
Increase (decrease) in net position	(43,290)	2,962,801
Net position - July 1	85,943,070	82,980,269
Net position - June 30	$ 85,899,780	$ 85,943,070

Major revenue factors included:

- Capital grants and contributions decreased by $3,154,651 primarily due to a reduction in school construction progress payments.
- Property taxes increased $1,746,197 as a result of an increase in the mill rate to account for decreases from other funding sources.

In some cases, increases in expenses closely paralleled inflation and growth in the demand for services. However, there were exceptions as noted below:

- General government expenses decreased $112,514 primarily due to funding of the revaluation in the prior year.

- Education expenses increased $1,062,437 primarily due to an increase in depreciation expense of approximately $643,000, as well as an increase in other operational expenses.

Financial Analysis of the Town's Funds

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

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

As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund deficit balance of $1,904,602, an increase of $214,009 in comparison with the prior year.

General Fund

The general fund is the operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the general fund was $2,628,824, while total fund balance reached $2,995,847. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures and transfers out. Unassigned fund balance represents 8.6% of total general fund budgetary expenditures and transfers out, while total fund balance represents 9.8% of that same amount.

The fund balance of the Town's general fund increased by $237,794 during the current fiscal year. The increase was primarily due to sound budget management.

Capital Projects Fund

Capital project expenditures exceeded revenues and transfers in by $360,240. This is primarily attributable to ongoing construction of the Griswold Elementary School. Additional State reimbursement for this project has not yet been requested.

General Fund Budgetary Highlights

During the year, there were $16,272 of additional appropriations from fund balance. Revenues fell short of budgetary estimates by $121,598. Charges for services were $54,298 below budgetary estimates due in part to tuition revenue being less than anticipated as fewer out of district students enrolled at the high school. Revenue from the use of Town money was $44,439 below budgetary estimates, which was due to market conditions related to interest rates and a decrease in available cash for investment. Expenditures were $546,079 less than budgetary estimates. Most notably was education, due to conservative spending as a result of lower than projected revenues and debt service, due to the final bond for the school project not being issued as anticipated as a result of the final audit of the school project not yet being complete. The combination of these variances led to a budgetary fund balance increase of $456,391.

Capital Assets and Debt Administration

Capital Assets. The Town's investment in capital assets for its governmental activities as of June 30, 2013, amounts to $106,940,912 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, machinery and equipment, and infrastructure.

Major capital asset events during the current fiscal year included the following:

- The elementary school was completed shifting $36,953,333 out of construction in progress and adding $37,615,955 to buildings and improvements.
- An increase in construction in progress for road and bridge projects of $633,152.
- Infrastructure (roads and bridges) additions of $1,494,208.

Additional information on the Town's capital assets can be found in Note III.C.

Town of Griswold, Connecticut

Capital Assets - Net

	2013	2012
Land	$ 1,121,218	$ 1,121,218
Construction in progress	1,364,798	39,684,357
Buildings and improvements	85,417,688	49,733,366
Machinery and equipment	2,181,926	1,856,674
Infrastructure	16,855,282	15,705,294
Total	$ 106,940,912	$ 108,100,909

Long-Term Debt. At the end of the current fiscal year, the Town had $18,320,000 of long-term debt outstanding. All outstanding debt of the Town is general obligation debt and is backed by the full faith and credit of the Town.

Town of Griswold Outstanding Debt
General Obligation Bonds

	2013	**2012**
School bonds	$18,320,000	$19,155,000

The Town maintains an "A1" rating from Moody's for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 7 times total tax collections including interest and lien fees and the tax relief for elderly freeze grant. The current debt limitation for the Town is $123,856,140, which is significantly in excess of the Town's outstanding general obligation debt.

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

Economic Factors and Next Year's Budget and Rates

- The unemployment rate for the Town as of June 2013 was 8.4%, which is a decrease from a rate of 8.6% a year ago. In comparison, as of June 2013, the state's unemployment rate was 8.0% and the national average rate was 7.6%.

- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the Town's budget for the 2013/2014 fiscal year.

During the current fiscal year, budgetary fund balance in the general fund increased to $2,735,586. The Town has not assigned any portion of fund balance for spending in the 2013/2014 fiscal year.

Requests for Information

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Office, Town of Griswold, 28 Main Street, Griswold, CT 06351.

Basic Financial Statements

Town of Griswold, Connecticut

Statement of Net Position
June 30, 2013

	Governmental Activities
Assets	
Current assets:	
Cash	$ 615,222
Investments	3,715,812
Receivables:	
Property taxes	362,225
Intergovernmental	749,684
Other	639,935
Other	221,296
Total current assets	6,304,174
Noncurrent assets:	
Restricted assets:	
Temporarily restricted:	
Cash	2,824
Permanently restricted:	
Cash	18,000
Total restricted assets	20,824
Receivables (net):	
Property taxes	986,390
Capital assets (net of accumulated depreciation):	
Land	1,121,218
Construction in progress	1,364,798
Buildings and improvements	85,417,688
Machinery and equipment	2,181,926
Infrastructure	16,855,282
Total capital assets (net of accumulated depreciation)	106,940,912
Total noncurrent assets	107,948,126
Total assets	114,252,300

(Continued)

Town of Griswold, Connecticut

Statement of Net Position
June 30, 2013

	Governmental Activities
Liabilities	
Current liabilities:	
Accounts payable	$ 970,168
Accrued liabilities	1,810,158
Accrued interest payable	264,877
Unearned revenue	115,038
Performance bonds	86,827
Bond anticipation notes	5,000,000
Bonds and notes payable	865,000
Capital lease payable	144,632
Environmental remediation obligation	307,400
MIRMA assessment	34,397
Compensated absences	46,157
Total current liabilities	9,644,654
Noncurrent liabilities:	
Bonds and notes payable	17,455,000
Capital lease payable	303,936
Net OPEB obligation	764,300
Compensated absences	184,630
Total noncurrent liabilities	18,707,866
Total liabilities	28,352,520
Net Position	
Net investment in capital assets	83,172,344
Restricted for:	
Endowments:	
Nonexpendable	18,000
Expendable	2,824
Public works	133,756
Education	50,436
Other	16,397
Unrestricted	2,506,023
Total net position	$ 85,899,780

(Concluded)

See Notes to Financial Statements.

Exhibit B

Town of Griswold, Connecticut

Statement of Activities
Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Expenses and Changes in Net Position: Total Governmental Activities
Governmental activities:					
General government	$ 1,580,176	$ 244,245	$ 145,068	$ 491,947	$ (698,916)
Public safety	503,864	4,942			(498,922)
Public works	1,788,452	395,456	104,230	153,585	(1,135,181)
Human services	335,846				(335,846)
Civic and cultural	226,509	64,307	25,134		(137,068)
Development and planning	104,235	11,266			(92,969)
Education	31,309,435	2,105,900	14,988,885		(14,214,650)
Interest expense	823,211				(823,211)
Total	$ 36,671,728	$ 2,826,116	$ 15,263,317	$ 645,532	$ (17,936,763)

General revenues:	
Property taxes	$ 17,539,222
Grants and contributions not restricted to specific programs	347,886
Income from investments	6,365
Total general revenues	17,893,473
Change in net position	(43,290)
Net position - July 1, 2012	85,943,070
Net position - June 30, 2013	$ 85,899,780

See Notes to Financial Statements.

Town of Griswold, Connecticut

Balance Sheet
Governmental Funds
June 30, 2013

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets				
Cash	$ 559,502	$	$ 76,544	$ 636,046
Investments	3,715,812			3,715,812
Receivables:				
Property taxes	1,010,035			1,010,035
Intergovernmental	276,190	229,341	244,153	749,684
Other	350,192		5,066	355,258
Due from other funds	1,567,528	855,478	569,095	2,992,101
Other	207,052		14,244	221,296
Total assets	$ 7,686,311	$ 1,084,819	$ 909,102	$ 9,680,232
Liabilities				
Liabilities:				
Accounts payable	$ 440,312	$ 134,638	$ 129,922	$ 704,872
Accrued liabilities	1,810,158			1,810,158
Due to other funds	1,424,573	1,447,741	119,787	2,992,101
Unearned revenue	12,000	51,425	10,857	74,282
Bond anticipation notes		5,000,000		5,000,000
Performance bonds	86,827			86,827
Total liabilities	3,773,870	6,633,804	260,566	10,668,240
Deferred Inflows of Resources				
Unavailable revenue - property taxes	916,594			916,594
Fund Balances				
Nonspendable	207,052		18,000	225,052
Restricted			200,589	200,589
Committed			358,938	358,938
Assigned	159,971		99,274	259,245
Unassigned	2,628,824	(5,548,985)	(28,265)	(2,948,426)
Total fund balances	2,995,847	(5,548,985)	648,536	(1,904,602)
Total liabilities, deferred inflows of resources and fund balances	$ 7,686,311	$ 1,084,819	$ 909,102	$ 9,680,232

(Continued)

Town of Griswold, Connecticut

Reconciliation of Fund Balance
To Net Position of Governmental Funds

Amounts reported for governmental activities in the statement of net position (Exhibit A) are different from the governmental fund balance sheet. The details of this difference are as follows:

Total fund balance (Exhibit C, Page 1)	$ (1,904,602)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Beginning net capital assets	108,100,909
Current capital asset additions	1,394,499
Depreciation expense	(2,554,496)
Other long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds:	
Property tax interest and lien accrual	493,580
Property tax receivable - accrual basis change	916,594
Allowance for doubtful accounts	(155,000)
Internal service funds are used by management to charge the cost of medical insurance premiums to individual departments:	
The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position	(21,375)
Some liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:	
Bonds and notes payable	(18,320,000)
Capital lease payable	(448,568)
Net OPEB obligation	(764,300)
Environmental remediation obligation	(307,400)
MIRMA assessment	(34,397)
Compensated absences	(230,787)
Accrued interest payable	(264,877)
Net position of governmental activities	$ 85,899,780

(Concluded)

See Notes to Financial Statements.

Exhibit D

Town of Griswold, Connecticut

Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2013

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	$ 17,379,328	$	$	$ 17,379,328
Intergovernmental	14,081,308	500,090	1,670,902	16,252,300
Charges for services	2,175,043	450	650,623	2,826,116
Income from investments	5,561		443	6,004
Contributions			4,435	4,435
Total revenues	33,641,240	500,540	2,326,403	36,468,183
Expenditures:				
Current:				
General government	1,391,506		105,418	1,496,924
Public safety	435,281		350	435,631
Public works	1,291,544		287,266	1,578,810
Human services	325,743			325,743
Civic and cultural	140,562		82,387	222,949
Development and planning	104,235			104,235
Sundry	48,057			48,057
Education	27,317,952		1,955,045	29,272,997
Capital outlay	43,421	1,396,621		1,440,042
Debt service	1,772,645			1,772,645
Total expenditures	32,870,946	1,396,621	2,430,466	36,698,033
Excess (deficiency) of revenues over expenditures	770,294	(896,081)	(104,063)	(229,850)
Other financing sources (uses):				
Transfers in		520,000	13,405	533,405
Transfers out	(532,500)		(905)	(533,405)
BAN premium		15,841		15,841
Net other financing sources (uses)	(532,500)	535,841	12,500	15,841
Net change in fund balances	237,794	(360,240)	(91,563)	(214,009)
Fund balances - July 1, 2012	2,758,053	(5,188,745)	740,099	(1,690,593)
Fund balances - June 30, 2013	$ 2,995,847	$ (5,548,985)	$ 648,536	$ (1,904,602)

See Notes to Financial Statements.

Exhibit E

Town of Griswold, Connecticut

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to Statement of Activities
Year Ended June 30, 2013

Amounts reported for governmental activities in the statement of activities (Exhibit B) are due to:	
Net change in fund balances - total governmental funds (Exhibit D)	$ (214,009)
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:	
Capital outlay	1,394,499
Depreciation expense	(2,554,496)
Total	(1,159,997)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds and revenues recognized in the funds are not reported in the statement of activities:	
Change in property tax receivable - accrual basis change	156,340
Change in property tax interest and lien revenue	51,554
Change in property tax allowance for doubtful accounts	(48,000)
Other	(130,934)
Total	28,960
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 position Also, governmental funds report the effect of 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 these differences in the treatment of long-term debt and related items are as follows:	
Principal repayments:	
General obligation bonds	835,000
Capital lease payable	117,634
Environmental remediation obligation	255,600
School construction grant overpayment	109,371
MIRMA assessment	22,526
Total	1,340,131
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:	
Accrued interest payable	2,522
Net OPEB obligation	(34,258)
Compensated absences	14,736
Total	(17,000)
Internal service funds are used by management to charge costs of medical insurance premiums to individual departments	(21,736)
The net revenue of the activities of the internal service fund is reported with governmental activities	361
Change in net position of governmental activities (Exhibit B)	$ (43,290)

See Notes to Financial Statements.

Town of Griswold, Connecticut

Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Taxes, interest and lien fees	$ 17,400,995	$ 17,400,995	$ 17,379,328	$ (21,667)
Intergovernmental	11,570,614	11,570,614	11,569,420	(1,194)
Charges for services	2,222,324	2,222,324	2,168,026	(54,298)
Use of Town money	50,000	50,000	5,561	(44,439)
Total revenues	31,243,933	31,243,933	31,122,335	(121,598)
Expenditures:				
Current:				
General government	1,433,883	1,455,789	1,379,169	76,620
Public safety	443,849	443,849	429,669	14,180
Public works	1,365,327	1,365,327	1,291,544	73,783
Human services	335,263	346,208	324,743	21,465
Civic and cultural	124,093	124,093	127,410	(3,317)
Development and planning	111,275	111,275	104,235	7,040
Sundry	126,263	81,263	42,707	38,556
Education	24,666,847	24,666,847	24,551,083	115,764
Capital outlay	25,000	43,421	43,421	-
Debt service	1,974,633	1,974,633	1,772,645	201,988
Total expenditures	30,606,433	30,612,705	30,066,626	546,079
Excess (deficiency) of revenues over expenditures	637,500	631,228	1,055,709	424,481
Other financing sources (uses):				
Appropriation of fund balance		16,272		(16,272)
Cancellation of prior year encumbrances			48,182	48,182
Transfers out	(637,500)	(647,500)	(647,500)	-
Net other financing sources (uses)	(637,500)	(631,228)	(599,318)	31,910
Net change in fund balance	$ -	$ -	456,391	$ 456,391
Fund balance - July 1, 2012			2,279,195	
Fund balance - June 30, 2013			$ 2,735,586	

See Notes to Financial Statements.

Exhibit G

Town of Griswold, Connecticut

Statement of Net Position
Proprietary Fund
June 30, 2013

	Governmental Activities
	Internal Service Fund
Asset	
Accounts receivable	$ 284,677
Liabilities	
Claims payable	265,296
Unearned revenue	40,756
Total liabilities	306,052
Net Position	
Unrestricted	$ (21,375)

See Notes to Financial Statements.

Exhibit H

Town of Griswold, Connecticut

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
Year Ended June 30, 2013

	Governmental Activities
	Internal Service Fund
Operating revenues:	
Charges for services	$ 4,131,138
Refunds	365,451
Total operating revenues	4,496,589
Operating expenses:	
Claims and premiums incurred	4,485,700
Administration	32,625
Total operating expenses	4,518,325
Operating loss	(21,736)
Nonoperating revenues (expenses):	
Investment income	361
Change in net position	(21,375)
Net position - July 1, 2012	
Net position - July 30, 2013	$ (21,375)

See Notes to Financial Statements

Exhibit I

Town of Griswold, Connecticut

Statement of Cash Flows
Proprietary Fund
Year Ended June 30, 2013

	Governmental Activities Internal Service Fund
Cash flows from operating activities:	
Receipts from customers	$ 3,887,217
Receipts from vendors	365,451
Claims paid	(4,220,404)
Payments to vendors	(32,625)
Net cash used in operating activities	(361)
Cash flows from investing activities:	
Investment income	361
Net increase in cash and cash equivalents	-
Cash and cash equivalents - July 1, 2012	
Cash and cash equivalents - June 30, 2013	$ -
Reconciliation of operating loss to net cash used in operating activities:	
Operating loss	$ (21,736)
Adjustments to reconcile operating loss to net cash used in operating activities:	
(Increase) decrease in:	
Accounts receivable	(284,677)
Increase (decrease) in:	
Claims payable	265,296
Unearned revenue	40,756
Net cash used in operating activities	$ (361)

See Notes to Financial Statements.

Exhibit J

Town of Griswold, Connecticut

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013

	Private-Purpose Trust Funds	Agency Funds
Asset		
Cash	$ 157,191	$ 312,072
Liability		
Accounts payable		312,072
Net Position		
Net position held in trust	$ 157,191	$ -

See Notes to Financial Statements.

Exhibit K

Town of Griswold, Connecticut

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2013

	Private-Purpose Trust Funds
Additions:	
Contributions:	
Private contributions	$ 4,290
Investment income:	
Interest and dividends	1,167
Total additions	5,457
Deductions:	
Scholarships awarded	18,658
Change in net position	(13,201)
Net position - July 1, 2012	170,392
Net position - June 30, 2013	$ 157,191

See Notes to Financial Statements.

Town of Griswold, Connecticut

Notes to Financial Statements

History, Organization and Reporting Entity

The Town of Griswold, Connecticut (the "Town"), was incorporated in 1815. The Town covers 37 square miles located in Southeastern Connecticut.

The Town operates under a Town Meeting form of government; the First Selectman serves as the Chief Executive Officer. The Town provides a full range of services including public safety, roads, sanitation, health, social services, culture and recreation, education, planning, zoning and general administrative services to its residents. The accompanying financial statements conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant accounting policies used by the Town.

I. Summary of Significant Accounting Policies

A. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. *Governmental activities* are supported by taxes and intergovernmental revenues.

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

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

B. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting,* as are the proprietary fund and fiduciary fund financial statements. Agency funds do not have a measurement focus but are accounted for on the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues 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 government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

Property taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

The Town reports the following major governmental funds:

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

The *Capital Projects Fund* accounts for the financial revenues to be used for major capital asset construction and/or purchases funded substantially by grants and general fund appropriations.

Additionally, the Town reports the following fund types:

The *Internal Service Fund* is used to account for self-insured health benefits for Town employees.

The *Private-Purpose Trust Funds* are used to account for resources legally held in trust for the benefit of individuals, private organizations or other governments. All resources of the fund, including any earnings on invested resources, may not be used to support the Town's activities. There is no requirement that any portion of these resources be preserved as capital.

The *Agency Funds* account for monies held on behalf of students and performance bonds.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the Town's sewer operations and various other functions of the Town. 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 *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Town's internal service fund is charges to customers for services. Operating expenses for the internal service fund include the cost of services and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

C. Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position or Equity

1. Deposits and Investments

Deposits - The Town's cash and cash equivalents consists of cash on hand, demand deposits, money market accounts and short-term investments with original maturities of three months or less from the date of acquisition.

Investments - In general, State of Connecticut Statutes allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust (as defined), in obligations of any State or political subdivision rated within the top two rating categories of any nationally recognized rating service or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. Investment income is recorded in the fund in which it was earned.

Investments for the Town are reported at fair value. State Treasurers 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 - 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 was invested in a 2a-7 like pool which operates under State Statutes. The fair value of the position in the pool is the same as the value of the pool shares.

2. Receivables and Payables

a. Interfunds

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans).

b. Property Taxes and Other Receivables

In the government-wide financial statements, all trade and property tax receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 9% to 13% of outstanding balances, and are calculated based upon prior collection history.

In the fund financial statements, all property taxes receivable which have not been collected within 60 days of June 30, have been recorded as deferred inflow of resources, since they are not considered to be available to finance expenditures of the current fiscal year. Taxes collected during the 60 day period have been recorded as revenue.

Property taxes are assessed on property as of October 1 and are billed the following July 1. Real estate and personal property taxes are payable in two installments, July 1 and January 1. Motor vehicle taxes are payable on July 1, and supplemental motor vehicle taxes are payable on January 1. Certificates of continuing lien are filed against delinquent real estate taxes within the first year after the first installment of the tax.

3. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than $5,000 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 market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

Assets	Years
Buildings	40-50
Building improvements	20
Public domain infrastructure	50
System infrastructure	30
Machinery and equipment	5-20

4. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Town does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Town does not have any items that qualify for reporting in this category.

For governmental funds, the Town reports unavailable revenue, which arises only under the modified accrual basis of accounting. Accordingly, unavailable revenue is reported only in the governmental funds' balance sheet. The governmental funds report unavailable revenues from one source: property taxes (including advance collections, if any). These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

5. Compensated Absences

Town employees accumulate vacation and sick leave hours for subsequent use or for payment upon termination or retirement.

Sick leave and vacation leave expenditures are recognized in the governmental funds in the current year to the extent they are paid during the year or the vested amount is expected to be paid with available resources. The vesting method, using historical data, was used to calculate the liability.

6. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities' statement of net position. Bond premiums and discounts 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenses.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

7. Fund Equity and Net Position

In the government-wide financial statements, net position is classified into the following categories:

Net Investment in Capital Assets

This category presents the net position that reflects capital assets net of only the debt applicable to the acquisition or construction of these assets. Debt issued for non-capital purposes, and unspent bond proceeds, are excluded.

Restricted Net Position

This category presents the net position restricted by external parties (creditors, grantors, contributors or laws and regulations).

Unrestricted Net Position

This category presents the net position of the Town, which is not restricted.

In the fund financial statements, fund balances are classified into the following categories:

Nonspendable

This category presents amounts that cannot be spent either because they are in nonspendable form or because they are legally or contractually required to be maintained intact.

Restricted

This category presents amounts that can be spent only for specific purposes because of enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors or the laws or regulations of other governments.

Committed

This category presents amounts that can be used only for specific purposes determined by a formal action at the highest level of decision-making authority for the Town. Commitments may be established, modified or rescinded only through ordinances or resolutions approved by the Board of Finance and Town Meeting, if necessary.

Assigned

This category presents amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Intent is expressed by the passage of a resolution by the Board or by a properly approved purchase order.

Unassigned

This category presents amounts that do not meet the criteria above and are available for any purpose. This category is only reported in the general fund for positive amounts and in any other fund that has a fund balance deficit.

The Town will sometimes fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted – net position to have been depleted before unrestricted - net position is applied.

The Town will sometimes fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, the Town considers amounts to have been spent first out of committed funds, then assigned funds and finally unassigned funds, as needed, unless the Board of Finance has provided otherwise in its commitment or assignment actions.

8. Use of Estimates

The preparation of the 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 including disclosures of contingent assets and liabilities and reported revenues, expenses and expenditures during the fiscal year. Accordingly, actual results could differ from those estimates.

9. Reclassifications

Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

II. Stewardship, Compliance and Accountability

A. Budgets and Budgetary Accounting

The Town establishes its general fund budget in accordance with provisions of the Connecticut General Statutes.

- A budget for the general fund is authorized annually by the Board of Finance. The Board of Finance follows these procedures in establishing the budgetary data reflected in the financial statements:

  -- Department heads submit to the Board of Finance detailed estimates of expenditures.
  -- The Board of Finance acts upon the department requests and approves the departmental budgets to be forwarded to the Town Meeting.
  -- The citizens of the Town vote on the recommended budget.
  -- The Board of Finance sets the tax rate for the fiscal year.

- During the year, additional appropriation requests are submitted by the department heads to the Board of Finance. The Board of Finance acts on the requests.

- The legal level of control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. The education department per State Statutes is appropriated as one department.

- All budget transfers must be approved by the Board of Finance. The Board of Finance may transfer unexpended balances between departments.

- The Board of Education may transfer unexpended balances between accounts within its total line appropriation.

- There were no additional appropriations during the year.

- Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year end are reported in budgetary reports (Exhibit F) as expenditures in the current year. Generally, all unencumbered appropriations lapse at year end, except those for the capital projects funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

B. Budget - GAAP Reconciliation

A reconciliation of revenues, expenditures and fund balance between the accounting treatment required by GAAP (Exhibit D) and budgetary requirements (Exhibit F) is as follows:

	Revenues	Expenditures	Fund Balance
Balance, budgetary basis, (Exhibit F)	$ 31,122,335	$ 30,066,626	$ 2,735,586
Encumbrances outstanding at June 30, 2012 liquidated during the year ended June 30, 2013		436,789	
Encumbrances outstanding at June 30, 2013 charged to budgetary expenditures		(159,971)	159,971
GASB 54 reconciling items	11,905	20,502	100,290
State Teachers' Retirement on-behalf payment	2,507,000	2,507,000	
Balance, GAAP basis, (Exhibit D)	$ 33,641,240	$ 32,870,946	$ 2,995,847

C. Excess of Expenditures over Appropriations

At June 30, 2013, expenditures exceeded appropriations in the following general fund departments:

Department	
Tax Collector	$ 5,282
Town Clerk	3,755
Highway Department	16,660
Recreation Commission	754
Youth and Family Services	2,563

D. Donor Restricted Endowments

The Town has received certain endowments to provide aid to local families in need. The amount is reflected in net position as restricted for endowments. Investment income is approved for disbursement by the applicable Trustee and is included in restricted fund balance. There is no appreciation available for appropriation.

E. Deficit Fund Balances

At June 30, 2013, the Town had a deficit fund balance in the following funds:

Nonmajor Governmental Funds	
CT Special Act Recreation	$ 7,548
Board of Education Miscellaneous	2,714
Municipal Energy & Conservation	18,003

The deficits will be eliminated by future grant proceeds.

III. Detailed Notes

A. Cash and Investments

Deposits - Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2013, $1,174,603 of the Town's bank balance of $3,473,394 (including certificates of deposit and money market accounts classified as investments) was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	$ 1,032,143
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	142,460
Total amount subject to custodial credit risk	$ 1,174,603

Financial instruments that potentially subject the Town to significant concentrations of credit risk consist primarily of cash. From time to time, the Town's cash account balances exceed the Federal Deposit Insurance Corporation limit. The Town reduces its credit risk by maintaining its cash deposits with major financial institutions and monitoring their credit ratings.

At June 30, 2013, the Town's investments consisted of the following types and maturities. Specific identification was used to determine the maturities.

		Investment Maturities (in years)	
Type of Investment	Fair Value	Less Than 1	1-5 Years
Certificates of deposit	$ 1,698,540	$ 1,448,020	$ 250,520
Pooled fixed Income	2,017,272	2,017,272	
Total	$ 3,715,812	$ 3,465,292	$ 250,520

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

Credit risk - The Town has no investment policy that would limit its investment choices due to credit risk other than State Statutes governing investments in obligations of any State or political subdivision or in obligations of the State of Connecticut or political subdivision.

The Town's investments subject to credit risk had average ratings by Standard & Poor's as follows:

Average Rating	Pooled Fixed Income
AAA	$ 2,017,272

Custodial credit risk - The Town has no formal policy regarding custodial credit risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

Certain investments are covered by the Securities Investor Protection Corporation ("SIPC") up to $500,000, including $100,000 of cash from sale or for purchase of investments, but not cash held solely for the purpose of earning interest. SIPC protects securities such as notes, stocks, bonds, debentures, certificates of deposit and money funds.

B. Receivables

Receivable balances have been disaggregated by type and presented separately in the financial statements. Only receivables for the Town's government-wide financial statements with allowances for uncollectible accounts as of June 30, 2013, including the applicable allowances for uncollectible accounts, are presented below.

	Property Taxes		
	Taxes	Interest & Lien Fees	Total
Current portion	$ 284,901	$ 77,324	$ 362,225
Long-term portion	$ 725,134	$ 416,256	$1,141,390
Less allowance for uncollectibles	(91,000)	(64,000)	(155,000)
Net long-term portion	$ 634,134	$ 352,256	$ 986,390

Town of Griswold, Connecticut

Notes to Financial Statements

C. Capital Assets

Capital asset activity for the year ended June 30, 2013 was as follows:

	Balance July 1, 2012	Increases	Decreases	Balance June 30, 2013
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 1,121,218	$	$	$ 1,121,218
Construction in progress	39,684,357	633,152	38,952,711	1,364,798
Total capital assets, not being depreciated	40,805,575	633,152	38,952,711	2,486,016
Capital assets, being depreciated:				
Buildings and improvements	65,125,504	37,615,955		102,741,459
Machinery and equipment	4,135,837	603,895	6,000	4,733,732
Infrastructure	23,993,000	1,494,208	27,464	25,459,744
Total capital assets being depreciated	93,254,341	39,714,058	33,464	132,934,935
Total capital assets	134,059,916	40,347,210	38,986,175	135,420,951
Less accumulated depreciation for:				
Buildings and improvements	15,392,138	1,931,633		17,323,771
Machinery and equipment	2,279,163	278,643	6,000	2,551,806
Infrastructure	8,287,706	344,220	27,464	8,604,462
Total accumulated depreciation	25,959,007	2,554,496	33,464	28,480,039
Total capital assets, being depreciated, net	67,295,334	37,159,562	-	104,454,896
Governmental activities capital assets, net	$ 108,100,909	$ 37,792,714	$ 38,952,711	$ 106,940,912

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

Governmental Activities:	
General government	$ 47,514
Public safety	68,233
Public works	418,393
Human services	10,103
Civic and cultural	3,560
Education	2,006,693
Total depreciation expense - governmental activities	$2,554,496

Construction Commitments

The Town has active construction projects as of June 30, 2013. At year end, the Town's commitments with contractors are as follows:

Various capital projects	$ 912,145

D. Interfund Accounts

1. Interfund Payables and Receivables

During the course of operations, transactions are processed through a fund on behalf of another fund. Additionally, revenues received in one fund are transferred to another fund. A summary of interfund balances at June 30, 2013, is presented below:

	Corresponding Fund	Due From	Due To
Due From/To Other Funds:			
Major funds:			
General fund:			
Capital projects	N/A	$ 1,447,741	$ 855,478
Town aid road fund	N/A		85,300
School cafeteria fund	N/A	24,068	
Special education grant fund	N/A		3,487
Board of education child care	N/A		42,015
GVFD EMS equipment grant fund	N/A		150
Sewer authority fund	N/A	959	
CT special act recreation	N/A	7,548	
Records preservation fund	N/A		4,204
Sheldon road park	N/A		7,087
Open space	N/A		56,566
Dog fund	N/A		27,013
Board of education miscellaneous	N/A	2,988	
Paw to Paw	N/A		130
Recreation fund	N/A		26,256
Plan of conservation and development	N/A		8,485
Municipal energy and conservation	N/A	18,003	
Main street phase I	N/A	63,208	
Senior center expansion	N/A		1,685
Anthony trust fund	N/A	3,013	
Capital nonrecurring fund	N/A		306,717
Total general fund		1,567,528	1,424,573

Town of Griswold, Connecticut

Notes to Financial Statements

	Corresponding Fund	Due From	Due To
Capital projects	General fund	$ 855,478	$ 1,447,741
Nonmajor funds:			
Special revenue:			
Town aid road fund	General fund	85,300	
School cafeteria fund	General fund		24,068
Special education grant fund	General fund	3,487	
Board of education child care	General fund	42,015	
GVFD EMS equipment grant fund	General fund	150	
Sewer authority fund	General fund		959
CT special act recreation	General fund		7,548
Records preservation fund	General fund	4,204	
Sheldon road park	General fund	7,087	
Open space	General fund	56,566	
Dog fund	General fund	27,013	
Board of education miscellaneous	General fund		2,988
Paw to Paw	General fund	130	
Recreation fund	General fund	26,256	
Plan of conservation and development	General fund	8,485	
Municipal energy and conservation	General fund		18,003
Main street phase I	General fund		63,208
Senior center expansion	General fund	1,685	
Total special revenue		262,378	116,774
Permanent:			
Anthony trust fund	General fund		3,013
Capital projects:			
Capital nonrecurring fund	General fund	306,717	
Total nonmajor funds		569,095	119,787
Grand total		$ 2,992,101	$ 2,992,101

All interfund balances resulted from the time lag between the dates payments occurred between funds for short-term internal financing.

2. Interfund Transfers

A summary of interfund transfers for the year ended June 30, 2013 is as follows:

	Corresponding Fund	Transfers In	Transfers Out
General fund:			
Capital projects	N/A	$	$ 520,000
Ashland park fund	N/A		1,500
Recreation fund	N/A		11,000
Total general fund		-	532,500
Major fund:			
Capital projects	General Fund	520,000	
Nonmajor funds:			
Ashland park fund	General fund	1,500	
Ashland park fund	Recreation fund	905	
Recreation fund	General fund	11,000	
Recreation fund	Ashland park fund		905
Total nonmajor funds		13,405	905
Grand total		$ 533,405	$ 533,405

Transfers are used to account for the financing by the general fund of various program and activities in other funds.

E. Short-Term Obligations - Bond Anticipation Notes

The Town uses bond anticipation notes to fund construction costs prior to issuance of bonds.

Short-term obligation activity for the year ended June 30, 2013 was as follows:

Type of Obligation	Balance July 1, 2012	Additions	Reductions	Balance June 30, 2013
General purpose	$5,000,000	$5,000,000	$5,000,000	$5,000,000

The bond anticipation notes carry an interest rate of 0.75% and matured in November 2013.

A $5,000,000 bond anticipation note was issued in November 2013 at a rate of 1.0% and matures in August 2014.

F. Changes in Long-Term Obligations

1. Summary of Changes

The following is a summary of changes in long-term obligations during the fiscal year:

Description	Original Principal	Date Of Issue	Final Maturity	Interest Rates	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013	Current Portion
Bonds/Notes									
Schools:									
Improvement bond	$ 350,000	01/29/01	01/15/16	4.90% - 4.90%	$ 80,000	$	$ 20,000	$ 60,000	$ 20,000
Improvement bond	10,000,000	09/15/08	09/15/28	3.00% - 4.25%	8,905,000		385,000	8,520,000	400,000
Improvement bond	11,000,000	02/01/10	02/01/30	2.00% - 4.00%	10,170,000		430,000	9,740,000	445,000
Total bonds					19,155,000	-	835,000	18,320,000	865,000
Net OPEB obligation					730,042	135,165	100,907	764,300	
Capital lease					566,202		117,634	448,568	144,632
Environmental remediation obligation					563,000		255,600	307,400	307,400
MIRMA assessment					56,923		22,526	34,397	34,397
School construction due to State					109,371		109,371	-	
Compensated absences					245,523	101,376	116,112	230,787	46,157
Total long-term obligations					$21,426,061	$ 236,541	$ 1,557,150	$ 20,105,452	$ 1,397,586

All long-term liabilities are generally liquidated by the General Fund.

The following is a summary of bond maturities:

Fiscal Year-Ended	Principal	Interest
2014	$ 865,000	$ 667,534
2015	885,000	645,248
2016	910,000	617,986
2017	915,000	589,732
2018	945,000	559,465
2019	975,000	525,337
2020	1,020,000	484,416
2021	1,055,000	448,837
2022	1,090,000	410,326
2023	1,135,000	369,725
2024	1,175,000	326,826
2025	1,220,000	282,325
2026	1,270,000	235,351
2027	1,315,000	185,256
2028	1,370,000	130,906
2029	1,425,000	73,781
2030	750,000	30,000
TOTALS	$18,320,000	$ 6,583,051

2. Statutory Debt Limitation

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

Category	Debt Limit	Net Indebtedness	Balance
General purpose	$ 39,810,902	$	$ 39,810,902
Schools	79,621,804	23,320,000	56,301,804
Sewers	66,351,504		66,351,504
Urban renewal	57,504,637		57,504,637
Pension deficit	53,081,203		53,081,203

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, $123,856,140.

The indebtedness reflected above includes bonds outstanding and Borough of Jewett City debt, in addition to the amount of bonds authorized and unissued against which bond anticipation notes are issued and outstanding (if any).

3. Capital Leases

At June 30, 2013, the Town is committed under capital leases for equipment. These lease agreements qualify as capital leases for accounting purposes (title transfers at the end of the lease term) and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

Equipment totaling $566,202 and accumulated amortization of $9,365 are recorded under capital leases as of June 30, 2013.

Amortization of leased equipment under capital assets is included with depreciation expense.

The following is a schedule of the future minimum lease payments under this capital lease, and the present value of the net minimum lease payments as of June 30, 2013:

Year ending June 30,	
2014	$ 159,632
2015	159,633
2016	159,632
Total minimum lease payments	478,897
Less amount representing interest	(30,329)
Present value of minimum lease payments	$ 448,568

4. Environmental Remediation Obligation

The Town acquired property located at 226 East Main Street through foreclosure proceedings in March of 2009 from the former owner, Working Realty Ltd. The property has been identified as a Brownfields site by the CT DEEP. Brownfields are real property; the expansion, development or reuse of which may be complicated by the presence or potential presence of a hazardous substance, pollutant or contaminant. The Town estimates the cost of remediation, which includes but is not limited to hazardous materials abatement, demolition, soil cleanup and site restoration, to range from $550,500 to $575,500. A liability has been reported in the amount of $563,000. The liability was determined based on information obtained from a consultant retained by the Town using the expected cash flow technique, which measured the liability as the sum of probability-weighted amounts within the range of possible amounts. The estimate is subject to change due to price changes, technology changes or other changes. The environmental remediation liability does not include any recovery of outlays that the Town may or may not recover from other parties. Additionally, the liability does not reflect Federal and state grant awards approximating $500,000 for site cleanup.

5. Authorized/Unissued Bonds

At June 30, 2013 the Town had the following authorized, unissued bonds:

Project Name	Amount Unissued
School improvements	$ 49,000,000

G. Restricted Net Position

The amount of restricted net position, which was restricted by enabling legislation, totaled $200,589 at June 30, 2013.

H. Fund Balance Classifications

As of June 30, 2013, fund balances are composed of the following:

Fund Balance Component	General Fund	Capital Projects	Nonmajor Funds	Total
Nonspendable:				
Permanent fund principal	$	$	$ 18,000	$ 18,000
Inventory/prepaid items	207,052			207,052
Total Nonspendable	207,052	-	18,000	225,052
Restricted:				
General government			4,237	4,237
Public safety			150	150
Public works			133,756	133,756
Human services			2,824	2,824
Civic and cultural			9,186	9,186
Education			50,436	50,436
Total Restricted	-	-	200,589	200,589
Committed:				
Public safety			26,856	26,856
Civic and cultural			24,098	24,098
Development and planning			1,168	1,168
Approved projects			306,816	306,816
Total Committed	-	-	358,938	358,938
Assigned:				
Civic and cultural	2,000		56,566	58,566
Education	157,971		42,708	200,679
Total Assigned	159,971	-	99,274	259,245
Unassigned	2,628,824	(5,548,985)	(28,265)	(2,948,426)
Total	$ 2,995,847	$ (5,548,985)	$ 648,536	$ (1,904,602)

IV. Other Information

A. Risk Management

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.

Generally, the Town obtains commercial insurance for these risks, but has chosen to retain the risk for the Town and Board of Education employees' medical claims. The funds are reported as internal service funds. During the year, deductibles paid by the Town were insignificant. Settled claims have not exceeded insurance in any of the past three years. There were no significant reductions in insurance coverage from amounts held the prior year.

A third party administers the medical insurance plans for which the Town pays a fee. The Town has purchased a stop loss policy for total claims in any one year exceeding an aggregate of 120% of expected claims and for individual claims exceeding $160,000.

The medical insurance funds are substantially funded by the Town's general fund based upon estimates for the number of employees and type of coverage (single or family) and trends in the insurance claims and estimates for administration. The claims liability is based on the requirements of GASB Statements No. 10 and 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the possible loss can be reasonably estimated. The amount of claim accrual is based on the ultimate costs of settling the claim, which includes past experience data, inflation and other future economic and societal factors and incremental claim adjustment expenses, net of estimated subrogation recoveries. The claim accrual does not include other allocated or unallocated claims adjustment expenses.

An analysis of the activity in the claims liability for the medical insurance fund is as follows:

	Claims Payable July 1	Current Year Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
2012-2013	$	$4,485,700	$4,220,404	$ 265,296

B. Commitments and Litigation

The Town has been named as defendant in several claims and legal actions. The Town's management estimates that the potential claims against the Town, which are not covered by insurance, would not materially affect the financial condition of the Town.

The Town has received Federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursement to the grantor agency for any expenditures disallowed under terms of the grant. Based upon prior experience, Town management believes such disallowances, if any, will not be material.

C. Pension Plans

Municipal Employees' Retirement Fund

The Town makes contributions to one public employee retirement system covering substantially all municipal employees except teachers and firemen. Teachers are covered by the State Teachers' Retirement System, which does not require a municipal contribution.

1. Plan Description

All full-time employees of the Town, except for certified Board of Education personnel, participate in the Municipal Employees' Retirement System ("MERS"). MERS is a cost sharing multiple employer Public Employee Retirement System defined benefit plan established by the State of Connecticut and administered by the State Retirement Commission to provide pension benefits for the employees of participating municipalities. MERS is considered to be a part of the State of Connecticut's financial reporting entity and is included in the State's financial reports as a pension trust fund. MERS issues a publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the State of Connecticut Retirement and Benefit Services Division, Office of the State Controller, 55 Elm Street, Hartford, CT 06106.

2. Plan Provisions

Plan provisions are set by Statute of the State of Connecticut. MERS provides retirement benefits, as well as death and disability benefits. Annual cost of living increases between 3% and 5% are paid to disabled members and nondisabled retired members who have reached age 65. All benefits vest after 10 years of continuous service. Members who retire after age 55 with 5 years of continuous service or after 25 years of service, irrespective of age, are entitled to an annual retirement benefit, payable monthly for life.

3. Funding Policy

Covered employees are required by State Statute to contribute 2-1/4% of earnings upon which Social Security tax is paid plus 5% of earnings on which no Social Security tax is paid. Each participating municipality is required to contribute the amounts necessary to finance the remaining costs of the plan.

The required and actual contributions for the years ended June 30, 2011, 2012 and 2013 were $449,326, $484,365 and $499,320, respectively.

D. Other Post-Employment Benefits Plan

1. Plan Description

The Town administers one single-employer, post retirement healthcare plan for the Town and Board of Education, the Town of Griswold Other Post Employment Benefits Plan ("OPEB"). The plan provides medical, dental benefits and life insurance to eligible retirees and their spouses. The plan does not issue a stand alone financial report.

2. Classes of Employees Covered

As of July 1, 2012 for Town and Board of Education, the plan's membership consisted of:

	Town	Board of Education
Retirees and beneficiaries currently receiving benefits	6	32
Active plan members	25	271
Total	31	303

3. Benefit Provisions

a. Benefit Provisions

The Town plan provides for medical, dental and life insurance benefits for all eligible Town and Board of Education retirees. Benefits and contributions are established by contract and may be amended by union negotiations. Administration costs are financed from current operations.

b. Employer Contributions

The Town's contributions are actuarially determined on an annual basis using the projected unit credit method. The Town and Board of Education's total plan contribution was $100,907.

c. Employee Contributions

There are no employee contributions to the plan.

4. Funded Status and Funding Progress

The funded status of the plan as of July 1, 2012 was as follows:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Under Funded AAL	Funded AAL Ratio	Covered Payroll	Underfunded AAL AS a Percentage of Covered Payroll
Town						
July 1, 2012	$	$3,698,582	$3,698,582	0.0%	$15,989,000	23.3%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The required schedule of funding progress immediately following the notes to the financial statements presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time, relative to the actuarial accrued liability for benefits.

5. Actuarial Methods and Assumptions

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

The data presented in the schedule of funding progress and schedule of contributions were determined as part of the actuarial valuation at the date indicated. Additional information for all plans as of the latest valuation date is as follows:

Valuation date	July 1, 2012
Actuarial cost method	Projected Unit Credit
Amortization method	Level Dollar
Remaining amortization period	26 years closed
Asset valuation method	Fair Value
Actuarial Assumptions:	
Investment rate of return	4.0%
Inflation rate	2.5%
Annual compensation increases	3.0%
Healthcare cost trend rate – medical	6.0%
Healthcare cost tend rate – dental	5.5%

6. Annual OPEB Cost and Net OPEB Obligation (NOO)

The changes in the NOO were as follows:

	Town
Annual required contribution	$ 280,609
Interest on net OPEB obligation	29,201
Adjustment to annual required contribution	(174,645)
Annual OPEB cost	135,165
Contributions made	100,907
Change in net OPEB obligation	34,258
Net OPEB obligation - July 1, 2012	730,042
Net OPEB obligation - June 30, 2013	$ 764,300

7. Three Year Trend Information

Year Ending June 30	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation
Town			
2013	$ 135,165	74.7	$ 764,300
2012	151,324	78.6%	730,042
2011	146,849	68.5	697,585

E. On-Behalf Payments

The amount recognized in the general fund intergovernmental revenues and education expenditures for contributions made by the state into the State Teachers' Retirement System Pension Plan on-behalf of the Town's teachers was $2,507,000.

Required Supplementary Information

Town of Griswold, Connecticut

Required Supplementary Information

Griswold OPEB Plan

Schedule of Funding Progress

Town Plan

Actuarial Valuation Date July 1	A Actuarial Value of Assets	B Actuarial Accrued Liability (AAL)	(A-B) Unfunded AAL	(A/B) Funded AAL Ratio	C Covered Payroll	[(B-A)/C] Unfunded AAL as a Percentage of Covered Payroll
2008	$	$ 3,451,338	$ 3,451,338	0.0%	$ 15,213,934	22.7%
2009		3,698,582	3,698,582	0.0%	15,518,213	23.8%
2010		2,034,080	2,034,080	0.0%	16,571,794	12.3%
2012		3,698,582	3,698,582	0.0%	15,899,000	23.3%

Schedule of Employer Contributions

Year Ended June 30,	Annual Required Contributions	Actual Contributions	Percentage Contributed
2010	$ 396,193	$ 71,699	18.1%
2011	291,326	100,604	34.5%
2012	293,949	118,867	40.4%
2013	280,609	100,907	36.0%

Supplemental Schedules

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 Griswold, Connecticut

General Fund
Schedule of Revenues and Other Financing Sources -
Budget and Actual
Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
Taxes, interest and lien fees:				
General property taxes	$ 17,240,328	$ 17,240,328	$ 17,168,141	$ (72,187)
Interest and lien fees	125,000	125,000	177,706	52,706
Telephone access line tax	35,667	35,667	33,481	(2,186)
Total taxes, interest and lien fees	17,400,995	17,400,995	17,379,328	(21,667)
Intergovernmental:				
State grants for school aid:				
ECS grant	10,878,817	10,878,817	10,881,779	2,962
Transportation	183,051	183,051	172,170	(10,881)
Total state grants for school aid	11,061,868	11,061,868	11,053,949	(7,919)
State grants - unspecified:				
PILOT - state property	44,878	44,878	43,081	(1,797)
Mashantucket Pequot fund	99,267	99,267	100,852	1,585
Tax relief for elderly	51,215	51,215	42,349	(8,866)
Tax relief for veterans	10,165	10,165	12,148	1,983
Tax relief - totally disabled	838	838	1,098	260
New machinery and equipment	35,790	35,790	34,259	(1,531)
Property tax relief grant	152,853	152,853	110,044	(42,809)
Local capital improvement	94,740	94,740	153,585	58,845
Judicial fine from State	2,000	2,000	4,055	2,055
Civil preparedness	3,000	3,000		(3,000)
Youth services	14,000	14,000	14,000	-
Total state grants - unspecified	508,746	508,746	515,471	6,725
Total intergovernmental	11,570,614	11,570,614	11,569,420	(1,194)
Charges for services:				
Finance department	35,824	35,824	43,844	8,020
Town clerk	128,000	128,000	120,871	(7,129)
Planning and development	10,700	10,700	11,266	566
Building official	70,000	70,000	83,429	13,429
Rental income	16,000	16,000	14,667	(1,333)
Education tuition	1,600,000	1,600,000	1,523,795	(76,205)
Use of facilities	36,000	36,000	42,196	6,196
Selectman	300	300	306	6
Towers	5,000	5,000		(5,000)
Miscellaneous	10,000	10,000	16,075	6,075
Solid waste	310,500	310,500	311,577	1,077
Total charges for services	2,222,324	2,222,324	2,168,026	(54,298)

(Continued)

Town of Griswold, Connecticut

General Fund
Schedule of Revenues and Other Financing Sources -
Budget and Actual
Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
Use of Town money:				
Investment interest	$ 50,000	$ 50,000	$ 5,561	$ (44,439)
Total revenues	31,243,933	31,243,933	31,122,335	(121,598)
Other financing sources:				
Appropriation of fund balance		16,272		(16,272)
Cancellation of prior year encumbrances			48,182	48,182
Total other financing sources	-	16,272	48,182	31,910
Total revenues and other financing sources	$ 31,243,933	$ 31,260,205	$ 31,170,517	$ (89,688)

(Concluded)

Town of Griswold, Connecticut

General Fund
Schedule of Expenditures and Other Financing Uses -
Budget and Actual
Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
General government:				
Board of Finance:				
Financial director - regular full-time	$ 76,116	$ 76,116	$ 76,008	$ 108
Bookkeeper and clerk	37,146	37,146	37,111	35
Assistant bookkeeper	29,175	29,175	26,095	3,080
Overtime payroll	500	500	385	115
Longevity	750	750	750	-
Purchasing agent salary	3,826	3,826	3,826	-
Health insurance	50,324	50,324	58,147	(7,823)
FICA	12,121	12,121	11,201	920
Pension	17,392	17,392	17,071	321
Meetings and dues	600	600	597	3
Education and training	600	600	384	216
Advertising	750	750	257	493
Annual report	500	500	500	-
Postage	3,800	3,800	1,194	2,606
Service contracts and leases	8,000	8,000	6,931	1,069
Finance and accounting	38,750	38,750	29,008	9,742
Technology maintenance	2,500	2,500	2,348	152
Contracted services	10,000	10,000	9,800	200
Total Board of Finance	292,850	292,850	281,613	11,237
Board of Selectmen:				
Regular full-time payroll	38,147	38,147	38,147	-
Contractual Temp and Occ	1,000	1,000		1,000
First selectman - elected official	50,625	50,625	50,625	-
Second selectman - elected official	11,008	11,008	11,006	2
Third selectman - elected official	11,008	11,008	11,006	2
Health insurance	31,584	31,584	37,977	(6,393)
FICA	8,973	8,973	8,229	744
Pension	10,820	10,820	10,464	356
First selectman - travel	3,000	3,000	645	2,355
Second selectman - travel	1,250	1,250	176	1,074
Third selectman - travel	1,250	1,250		1,250
First selectman - meetings	1,500	1,500	826	674
Second selectman - meetings	300	300		300
Third selectman - meetings	300	300		300
Advertising	5,000	5,000	4,862	138
Office supplies/central purchasing	20,000	20,000	19,647	353
Postage	1,000	1,000	438	562
School building committee expenses	200	200		200
Health and safety committee expenses	100	100		100
Town Historian	100	100		100
Liability auto and property insurance - municipal	60,000	60,000	52,567	7,433
Workers' compensation - municipal insurance	105,000	95,926	76,553	19,373
Service contracts	6,800	7,939	7,939	-
Technology maintenance	4,750	12,685	12,685	-
Connecticut Conference of Municipalities	7,252	7,252	7,109	143
S.E. CT Council of Government	6,573	6,573	6,573	-
Total Board of Selectmen	387,540	387,540	357,474	30,066
Treasurer:				
Deputy treasurer	1,820	1,820	1,820	-
Elected officials	7,350	7,350	7,350	-
FICA	702	702	699	3
Pension	215	215	141	74
Travel	25	25		25
Meetings and dues	25	25		25
Total treasurer	10,137	10,137	10,010	127

(Continued)

Town of Griswold, Connecticut

General Fund
Schedule of Expenditures and Other Financial Uses -
Budget and Actual
Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
Tax collector:				
Regular full-time payroll	$ 29,702	$ 29,702	$ 29,678	$ 24
Overtime payroll	300	300	110	190
Longevity	1,150	1,150	1,150	-
DMV collection fee	2,800	2,800	2,737	63
Elected officials	56,200	56,200	56,200	-
Health insurance	34,233	33,188	41,194	(8,006)
FICA	6,682	6,682	6,256	426
Pension	10,299	10,299	10,274	25
Travel	600	600	428	172
Meetings and dues	500	500	346	154
Advertising	1,500	1,500	937	563
Postage	10,000	10,000	9,256	744
Service contracts/leases	13,500	13,129	12,766	363
Tax refunds	8,000	9,416	9,416	-
Total tax collector	175,466	175,466	180,748	(5,282)
Tax assessment:				
Assessor	50,050	50,050	50,050	-
Assistant assessor	16,614	16,457		16,457
Overtime payroll	400	557	557	-
Longevity	350	350	350	-
Elected officials	3,000	3,000	3,000	-
Health insurance	10,456	10,456	9,730	726
FICA	5,993	5,993	4,530	1,463
Pension	7,948	7,948	6,004	1,944
Assessor - travel	500	500	167	333
Assessor - meetings	800	800	505	295
Assessor - advertising	300	300	129	171
Board tax review - advertising	350	350		350
Postage	3,000	3,000	899	2,101
Postage - BAA	500	500	39	461
Service contracts/leases	20,550	20,550	20,386	164
Technology maintenance	500	500	500	-
Update maps - data processing	7,485	7,485	7,485	-
Motor vehicle - data processing	700	700	674	26
Personal property forms	250	250	80	170
Total tax assessment	129,746	129,746	105,085	24,661
Elections and registrations:				
Contractual temporary and occasional	27,000	27,000	18,769	8,231
Registrars - elected officials	18,215	18,215	18,214	1
FICA	3,459	3,459	2,829	630
Registrars - travel	200	200	196	4
Meetings and dues	2,000	2,143	2,143	-
Advertising	250	250		250
Registrars annual canvas	200	200	70	130
Office/election supplies	12,000	11,552	8,029	3,523
Postage	500	789	789	-
Service contracts/leases	200	216	216	-
Total elections and registrations	64,024	64,024	51,255	12,769
Town clerk:				
Regular full-time payroll	30,995	31,387	31,387	-
Overtime payroll	250	305	305	-
Longevity	1,550	1,550	1,550	-
Elected officials	52,000	52,000	52,000	-
Health insurance	25,949	25,426	30,964	(5,538)
FICA	6,487	6,487	6,143	344
Pension	9,997	10,073	10,073	-
Travel	100	100	44	56
Meetings and dues	1,200	601	510	91
Advertising	3,000	3,000	2,414	586
Postage	700	1,299	1,299	-
Service contracts/leases	1,020	1,020	835	185
Indexing and recording	25,000	24,058	23,685	373
Vital statistics	500	500	352	148
Update Town codes	2,000	2,942	2,942	-
Total Town clerk	160,748	160,748	164,503	(3,755)

(Continued)

Town of Griswold, Connecticut

General Fund
Schedule of Expenditures and Other Financial Uses -
Budget and Actual
Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
Legal:				
Legal matters labor	$ 22,000	$ 26,545	$ 26,545	$ -
Probate court	7,589	7,590	7,590	-
Town counsel	45,000	62,360	62,360	-
Total legal	74,589	96,495	96,495	-
Maintenance of Town building - 28 Main:				
Regular full-time payroll	39,998	39,998	39,998	-
Overtime payroll	300	300		300
Health insurance	22,751	22,751	22,224	527
FICA	3,083	3,083	8,145	(5,062)
Pension	4,751	4,751	4,714	37
Telephone	13,500	13,536	13,536	-
Electricity	18,000	18,000	15,562	2,438
Heating fuel	11,000	11,000	7,620	3,380
Water	850	850	789	61
Building repairs	5,000	5,252	5,252	-
Maintenance	6,500	6,212	6,039	173
Total maintenance of Town building - 28 Main	125,733	125,733	123,879	1,854
Maintenance of Town building - Pachaug:				
Telephone	1,500	1,525	1,525	-
Electricity	850	850	850	-
Heating fuel	2,000	1,975	619	1,356
Building repairs	400	400		400
Maintenance	600	600	83	517
Total maintenance of Town building - Pachaug	5,350	5,350	3,077	2,273
Maintenance of Town building - Highway:				
Electricity	6,000	5,507	3,125	2,382
Building repairs	500	993	993	-
Maintenance	1,200	1,200	912	288
Total maintenance of Town building - Highway	7,700	7,700	5,030	2,670
Total general government	1,433,883	1,455,789	1,379,169	76,620
Public safety:				
Emergency services:				
Contractual temporary and occasional	12,000	17,010	17,010	-
Postage	100	125	125	-
Other purchased supplies	1,600	1,575	1,212	363
Finance and accounting	450	450	450	-
Municipal insurance GVFD	21,500	21,500	20,958	542
AA young municipal insurance	21,500	21,500	21,389	111
OSHA physicals and testing GVFD	5,000	5,000	5,000	-
OSHA physicals and testing JCFD	5,000	5,000	5,000	-
Office of emergency management	2,600	2,600	1,778	822
Griswold Volunteer Fire Department	89,750	89,750	89,195	555
Dispatch service	22,702	22,702	22,702	-
Ambulance	20,000	20,000	20,000	-
AA Young Volunteer Fire Department	89,750	89,750	88,856	894
Retention and recruitment GVFD	35,000	35,000	33,641	1,359
Retention and recruitment JCFD	35,000	29,990	26,751	3,239
Paramedic bundle billing	36,000	36,000	31,908	4,092
Hydrants - Town of Griswold	26,000	26,000	25,886	114
Total emergency services	423,952	423,952	411,861	12,091

(Continued)

Town of Griswold, Connecticut

General Fund
Schedule of Expenditures and Other Financial Uses -
Budget and Actual
Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
Animal control:				
Regular part-time payroll	$ 8,515	$ 8,515	$ 8,515	$ -
FICA	1,048	1,048	651	397
Travel	5,174	5,174	5,174	-
Advertising	150	150		150
Postage	10	10		10
Other purchased supplies	400	400	400	-
Telephone	600	600	600	-
Electricity	750	750	578	172
Heating fuel	1,000	1,000	1,000	-
Building repairs	500	500		500
Maintenance	500	500		500
Other professional services	400	400	40	360
Food	850	850	850	-
Total animal control	19,897	19,897	17,808	2,089
Total public safety	443,849	443,849	429,669	14,180
Public works:				
Highway department:				
Regular full-time payroll	297,357	296,568	292,854	3,714
Director of public works	64,952	64,952	64,375	577
Overtime payroll	15,000	9,992	9,992	-
Overtime bulky waste	7,500	7,842	7,842	-
Overtime snow removal	25,000	25,000	25,000	-
Longevity	3,650	3,650	3,650	-
Tree warden - contractual, temporary	1,000	1,000	1,000	-
Safety training	5,000	5,000	4,561	439
Tree maintenance	6,000	6,000	6,000	-
Health insurance	127,755	121,764	146,932	(25,168)
FICA	32,259	32,542	32,542	-
Pension	48,747	48,464	47,083	1,381
Other purchased supplies	15,000	16,126	16,126	-
JCDPU - street lighting	18,000	16,826	15,782	1,044
CL&P - street lighting	15,500	16,674	16,674	-
Gasoline fuel and fluids	50,000	55,991	55,991	-
Architects and engineers	8,500	7,374	7,310	64
Snow removal meals	1,000	1,000	1,000	-
Cemeteries	1,500	1,500	467	1,033
Equipment repairs and purchase	35,000	40,455	40,199	256
Snow removal	50,000	50,000	50,000	-
Contractual road repairs	60,000	60,000	60,000	-
Road signage	5,000	5,000	5,000	-
Total highway department	893,720	893,720	910,380	(16,660)
Waste disposal:				
Meetings and dues	100	100		100
Advertising	50	50		50
Office supplies/central purchasing	700	700		700
Contracted services	1,000	1,085	1,085	-
SCRRA - tipping fees	320,000	319,910	265,452	54,458
Recycling	500	500		500
Bulky waste tipping fees	50,000	50,000	22,605	27,395
Maintenance transfer station	500	500	500	-
Fuel	1,000	1,000	1,000	-
Electricity - transfer station	100	105	105	-
Dumpster replacement	4,900	4,900	4,900	-
Total waste disposal	378,850	378,850	295,647	83,203

(Continued)

Town of Griswold, Connecticut

General Fund
Schedule of Expenditures and Other Financial Uses -
Budget and Actual
Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
Building official:				
Regular full-time payroll	$ 38,552	$ 38,552	$ 38,552	$ -
Secretary	26,567	26,567	24,319	2,248
Overtime payroll	500	500	44	456
Longevity	700	700	688	12
Contractual temp and occasional	4,000	4,000	958	3,042
Demolition	200	200		200
Health insurance	10,456	10,456	9,939	517
FICA	5,909	5,909	5,627	282
Pension	3,223	3,223	2,885	338
Meetings and dues	500	500	460	40
Postage	300	340	340	-
Gasoline fuel and fluids	600	600	595	5
Service contracts/leases	1,250	1,210	1,110	100
Total building official	92,757	92,757	85,517	7,240
Total public works	1,365,327	1,365,327	1,291,544	73,783
Human services:				
Senior citizens:				
Senior center director	29,921	29,921	29,863	58
Senior center driver	23,787	23,787	23,784	3
Part time payroll	9,126	10,791	10,791	-
Overtime payroll	1,000	1,000	244	756
Longevity	800	800	800	-
Contractual temp and occasional	1,000	1,000	78	922
Municipal agent	3,000	3,000	3,000	-
Health insurance	17,666	17,666	18,477	(811)
FICA	5,174	5,949	5,945	4
Pension	6,898	6,898	6,810	88
Postage	250	250	129	121
Recreation supplies/subcontractors	6,000	6,000	4,768	1,232
Telephone	1,500	1,500	1,442	58
Electricity	7,920	5,480	5,466	14
Heating fuel	4,000	3,458	2,286	1,172
Water	1,000	1,446	1,446	-
Maintenance	6,000	6,000	4,345	1,655
Gasoline, fuel and fluids	6,000	6,096	6,096	-
Vehicle maintenance	2,000	2,000	533	1,467
Transportation	1,500	1,500	928	572
Meals on wheels	11,210	11,210	9,064	2,146
Total senior citizens	145,752	145,752	136,295	9,457
Contributions:				
SEAT	3,000	13,545	13,545	-
TVCCA	2,000	2,000	2,000	-
Slater Library	82,000	82,000	82,000	-
Southeastern Connecticut Enterprise Region	500	500	500	-
Women's Center	500	500	500	-
Local Veterans Council	1,500	1,500	1,500	-
Legion baseball	1,200	1,200	1,200	-
Youth football	1,000	1,000	1,000	-
Snowflake festival		400	400	-
LL baseball	1,000	1,000	1,000	-
Youth soccer	1,000	1,000	1,000	-
Sexual Assault Crisis Center	200	200	200	-
UCFS	1,000	1,000	1,000	-
Total contributions	94,900	105,845	105,845	-

(Continued)

Town of Griswold, Connecticut

General Fund
Schedule of Expenditures and Other Financial Uses -
Budget and Actual
Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
Health department:				
Contractual temporary and occasional	$ 77,611	$ 77,611	$ 77,611	$ -
Public health nursing:				
Building repairs	2,000	2,000		2,000
Day Kimball Hospital	15,000	15,000	4,992	10,008
Total public health nursing	17,000	17,000	4,992	12,008
Total human services	335,263	346,208	324,743	21,465
Civic and cultural:				
Recreation commission:				
Recreation director	16,524	16,524	16,524	-
Longevity	175	175	175	-
Rental fees to school for gym	1,000	1,000		1,000
Health insurance	9,886	9,886	12,113	(2,227)
FICA	1,277	1,277	1,207	70
Pension	1,969	1,969	1,967	2
Education and training	1,000	1,000	1,000	-
Electricity	900	900	713	187
Water	500	488	280	208
Maintenance	5,200	5,212	5,212	-
Technology maintenance	1,000	1,000	994	6
Total recreation commission	39,431	39,431	40,185	(754)
Youth and family services:				
Youth and family service director	21,627	21,627	21,627	-
Longevity	175	175	175	-
Health insurance	12,866	12,866	15,497	(2,631)
FICA	1,668	1,668	1,600	68
Pension	2,570	2,570	2,570	-
Travel	600	600	600	-
Education and training	600	600	600	-
Postage	25	25	25	-
Program development	44,531	44,531	44,531	-
Total youth and family services	84,662	84,662	87,225	(2,563)
Total civic and cultural	124,093	124,093	127,410	(3,317)
Development and planning:				
Planning and community development:				
Regular full-time payroll	36,248	33,800	31,088	2,712
Secretary	30,995	30,995	30,995	-
Overtime payroll	1,563	1,922	1,922	-
Longevity	1,000	1,000	1,000	-
Professional services - contractual	750	1,642	1,642	-
Hearing officer - contractual	1	1		1
Economic development coordinator	1	1		1
Health insurance	8,833	8,833	10,367	(1,534)
FICA	5,340	5,340	4,904	436
Pension	3,956	4,109	4,109	-
Travel	500	500	290	210
Planner - meetings	500	500	200	300
Planning and zoning - meetings	200	200	90	110
ZBA - meetings	100	100		100
CC - meetings	200	200	75	125
Economic Development Commission	500	500		500
Education and training	400	400	303	97
Planner - advertising	1	1		1
Planning and zoning - advertising	4,500	5,161	5,161	-
ZBA - advertising	4,500	4,500	3,220	1,280
CC - advertising	4,000	4,000	2,629	1,371
Postage	500	883	883	-
Service contracts/leases	3,600	3,600	3,170	430
Plan of Conservation and Development	800	800		800
State of Connecticut - MS4 Program	2,287	2,287	2,187	100
Total planning and community development	111,275	111,275	104,235	7,040
Total development and planning	111,275	111,275	104,235	7,040

(Continued)

Town of Griswold, Connecticut

General Fund
Schedule of Expenditures and Other Financial Uses -
Budget and Actual
Year Ended June 30, 2013

	Original Budget	Final Budget	Actual	Variance With Final Budget
Sundry:				
Emergency and contingency:				
Exchanges	$ 45,000	$	$	$ -
Fringe benefits:				
Accumulated sick time	30,000	30,000	30,000	-
Health insurance	425	425	281	144
MERF - amortization	1,342	1,342	1,342	-
MERF - administrative assessor	6,440	6,440	6,440	-
Unemployment compensation	43,056	43,056	4,644	38,412
Total fringe benefits	81,263	81,263	42,707	38,556
Total sundry	126,263	81,263	42,707	38,556
Education:				
Board of Education	24,666,847	24,666,847	24,551,083	115,764
Capital outlay:				
Highway - pickup truck	25,000	25,000	25,000	-
School - locks		18,421	18,421	-
Total capital outlay	25,000	43,421	43,421	-
Debt service:				
Bond and loan retirement	1,132,688	1,132,688	952,635	180,053
Interest - bonds and loans	841,945	841,945	820,010	21,935
Total debt service	1,974,633	1,974,633	1,772,645	201,988
Total expenditures	30,606,433	30,612,705	30,066,626	546,079
Other financing uses:				
Transfers out - public health nursing	10,000	10,000	10,000	-
Transfers out - Ashland Park fund	1,500	1,500	1,500	-
Transfers out - recreation fund	11,000	11,000	11,000	-
Transfers out - Bicentennial celebration	5,000	5,000	5,000	-
Transfers out - capital projects	610,000	620,000	620,000	-
Total other financing uses	637,500	647,500	647,500	-
Total expenditures and other financing uses	$31,243,933	$31,260,205	$ 30,714,126	$ 546,079

(Concluded)

Town of Griswold, Connecticut

Report of Tax Collector
Year Ended June 30, 2013

Grand List Year	Uncollected Taxes July 1, 2012	Current Year Levy	Lawful Corrections		Transfers to Suspense	Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2013
			Additions	Deductions			Taxes	Interest & Lien Fees	Total	
1996	$ 791	$	$	$ 791	$	$ -	$	$	$ -	$ -
1997	1,179					1,179			-	1,179
1998	3,519					3,519			-	3,519
1999	28,890					28,890	34	79	113	28,856
2000	10,580					10,580			-	10,580
2001	14,288					14,288			-	14,288
2002	15,748		14			15,762			-	15,762
2003	18,454					18,454			-	18,454
2004	20,367					20,367			-	20,367
2005	22,293					22,293	399	952	1,351	21,894
2006	20,442					20,442	1,022	39	1,061	19,420
2007	61,334			71	34,901	26,362	4,379	3,232	7,611	21,983
2008	86,561			345		86,216	14,972	12,327	27,299	71,244
2009	168,358		85	2,653		165,790	53,389	21,087	74,476	112,401
2010	334,482		263	4,773		329,972	161,713	40,584	202,297	168,259
Total Prior years	807,286	-	362	8,633	34,901	764,114	235,908	78,300	314,208	528,206
2011		17,438,936	7,237	98,797		17,347,376	16,865,547	85,767	16,951,314	481,829
Total	$ 807,286	$ 17,438,936	$ 7,599	$ 107,430	$ 34,901	$ 18,111,490	$ 17,101,455	$ 164,067	17,265,522	$ 1,010,035

Property taxes considered available:

Overpayment of taxes and suspense collections	33,916
June 30, 2012 - 60 day	(47,032)
June 30, 2013 - 60 day	93,441
Total property tax revenues	$ 17,345,847

Nonmajor Governmental Funds

Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

Capital Project Funds

Capital project funds are used to account for the acquisition and construction of major capital assets other than those financed by proprietary and trust funds.

Permanent Funds

Permanent funds are used to account for resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes that support the reporting Town's programs.

Town of Griswold, Connecticut

Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2013

	Special Revenue							
	Town Aid Road Fund	School Cafeteria Fund	Special Education Grant Fund	Board of Education Child Care	GVFD EMS Equipment Grant Fund	Sewer Authority Fund	CT Special Act Recreation	Records Preservation Fund
Assets								
Cash	$	$	$	$	$	$ 55,773	$	$
Receivables:								
Intergovernmental		62,790	71,991					
Other	108			693		216		33
Due from other funds	85,300		3,487	42,015	150			4,204
Other		14,244						
Total assets	$ 85,408	$ 77,034	$ 75,478	$ 42,708	$ 150	$ 55,989	$ -	$ 4,237
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	$ 5,962	$ 2,530	$ 73,826	$	$	$	$	$
Due to other funds		24,068				959	7,548	
Unearned revenue			1,652			720		
Total liabilities	5,962	26,598	75,478	-	-	1,679	7,548	-
Fund balances:								
Restricted	79,446	50,436			150	54,310		4,237
Assigned				42,708				
Unassigned							(7,548)	
Total fund balances	79,446	50,436	-	42,708	150	54,310	(7,548)	4,237
Total liabilities and fund balances	$ 85,408	$ 77,034	$ 75,478	$ 42,708	$ 150	$ 55,989	$ -	$ 4,237

(Continued)

Town of Griswold, Connecticut

Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2013

	Special Revenue							
	Ashland Park Fund	Sheldon Road Park	Open Space	Dog Fund	Board of Education Miscellaneous	Board of Education Youth Grant	Paw to Paw	Recreation Fund
Assets								
Cash	$	$	$	$	$	$	$	$
Receivables:								
Other				120	447			
Due from other funds		7,087	56,566	27,013			130	26,256
Total assets	$ -	$ 7,087	$ 56,566	$ 27,133	$ 447	$ -	$ 130	$ 26,256
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	$	$	$	$ 277	$ 173	$	$	$ 2,158
Due to other funds					2,988			
Total liabilities	-	-	-	277	3,161	-	-	2,158
Fund balances:								
Restricted		7,087					130	
Committed				26,856				24,098
Assigned			56,566					
Unassigned					(2,714)			
Total fund balances	-	7,087	56,566	26,856	(2,714)	-	130	24,098
Total liabilities and fund balances	$ -	$ 7,087	$ 56,566	$ 27,133	$ 447	$ -	$ 130	$ 26,256

(Continued)

Town of Griswold, Connecticut

Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2013

	Special Revenue						Capital Projects	Permanent	
	Plan of Conservaton & Development	Municpal Energy & Conservation	Main Street Phase I	Historical Society Certencentary	Senior Center Expansion	Total	Capital Nonrecurring Fund	Anthony Trust Fund	Total Nonmajor Funds
Assets									
Cash	$	$	$	$ 284	$	$ 56,057	$	$ 20,487	$ 76,544
Receivables:									
Intergovernmental			109,372			244,153			244,153
Other						1,617	99	3,350	5,066
Due from other funds	8,485				1,685	262,378	306,717		569,095
Other						14,244			14,244
Total assets	$ 8,485	$ -	$ 109,372	$ 284	$ 1,685	$ 578,449	$ 306,816	$ 23,837	$ 909,102
Liabilities and Fund Balances									
Liabilities:									
Accounts payable	$	$	$ 44,996	$	$	$ 129,922	$	$	$ 129,922
Due to other funds		18,003	63,208			116,774		3,013	119,787
Unearned revenue	8,485					10,857			10,857
Total liabilities	8,485	18,003	108,204	-	-	257,553	-	3,013	260,566
Fund balances:									
Nonspendable						-		18,000	18,000
Restricted				284	1,685	197,765		2,824	200,589
Committed			1,168			52,122	306,816		358,938
Assigned						99,274			99,274
Unassigned		(18,003)				(28,265)			(28,265)
Total fund balances	-	(18,003)	1,168	284	1,685	320,896	306,816	20,824	648,536
Total liabilities and fund balances	$ 8,485	$ -	$ 109,372	$ 284	$ 1,685	$ 578,449	$ 306,816	$ 23,837	$ 909,102

(Concluded)

Town of Griswold, Connecticut

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2013

	Special Revenue							
	Town Aid Road Fund	School Cafeteria Fund	Special Education Grant Fund	Board of Education Child Care	GVFD EMS Equipment Grant Fund	Sewer Authority Fund	CT Special Act Recreation	Records Preservation Fund
Revenues:								
Intergovernmental	$ 96,087	$ 360,554	$ 1,067,382	$	$	$	$	$ 4,000
Charges for services	39,337	444,191		54,431		2,808		2,302
Interest income						360		
Total revenues	135,424	804,745	1,067,382	54,431	-	3,168	-	6,302
Expenditures:								
Current:								
General government								4,042
Public safety					350			
Public works	286,050					1,216		
Education		803,013	1,067,382	46,276				
Total expenditures	286,050	803,013	1,067,382	46,276	350	1,216	-	4,042
Net change in fund balances	(150,626)	1,732	-	8,155	(350)	1,952		2,260
Fund balances - July 1, 2012	230,072	48,704		34,553	500	52,358	(7,548)	1,977
Fund balances - June 30, 2013	$ 79,446	$ 50,436	$ -	$ 42,708	$ 150	$ 54,310	$ (7,548)	$ 4,237

(Continued)

Town of Griswold, Connecticut

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2013

	Special Revenue							
	Ashland Park Fund	Sheldon Road Park	Open Space	Dog Fund	Board of Education Miscellaneous	Board of Education Youth Grant	Paw to Paw	Recreation Fund
Revenues:								
Intergovernmental	$	$	$	$	$	$	$	$ 1,811
Charges for services	150			4,942	41,287			54,332
Contributions		2,391					75	
Total revenues	150	2,391	-	4,942	41,287	-	75	56,143
Expenditures:								
Current:								
General government				2,951				
Public works								
Education					38,374			
Civic and cultural	1,153	9,976						71,258
Total expenditures	1,153	9,976	-	2,951	38,374	-	-	71,258
Excess (deficiency) of revenues over expenditures	(1,003)	(7,585)	-	1,991	2,913	-	75	(15,115)
Other financial sources (uses):								
Transfers in	2,405							11,000
Transfers out								(905)
Net other financing sources (uses)	2,405	-	-	-	-	-	-	10,095
Net change in fund balances	1,402	(7,585)	-	1,991	2,913	-	75	(5,020)
Fund balances - July 1, 2012	(1,402)	14,672	56,566	24,865	(5,627)		55	29,118
Fund balances - June 30, 2013	$ -	$ 7,087	$ 56,566	$ 26,856	$ (2,714)	$ -	$ 130	$ 24,098

(Continued)

Town of Griswold, Connecticut

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2013

	Special Revenue						Capital Projects	Permanent	
	Plan of Conservaton & Development	Municpal Energy & Conservation	Main Street Phase I	Historical Society Certencentary	Senior Center Expansion	Total	Capital Nonrecurring Fund	Anthony Trust Fund	Total Nonmajor Funds
Revenues:									
Intergovernmental	$ 2,818	$ 28,878	$ 109,372	$	$	$ 1,670,902	$	$	$ 1,670,902
Charges for services						643,780	6,843		650,623
Interest Income						360		83	443
Contributions				284	1,685	4,435			4,435
Total revenues	2,818	28,878	109,372	284	1,685	2,319,477	6,843	83	2,326,403
Expenditures:									
Current:									
General government	2,818		95,107			104,918	500		105,418
Public safety						350			350
Public works						287,266			287,266
Civic and cultural						82,387			82,387
Education						1,955,045			1,955,045
Total expenditures	2,818	-	95,107	-	-	2,429,966	500	-	2,430,466
Excess (deficiency) of revenues over expenditures	-	28,878	14,265	284	1,685	(110,489)	6,343	83	(104,063)
Other financing sources (uses):									
Transfers in						13,405			13,405
Transfers out						(905)			(905)
Net other financing sources (uses)	-	-	-	-	-	12,500	-	-	12,500
Net change in fund balances	-	28,878	14,265	284	1,685	(97,989)	6,343	83	(91,563)
Fund balances - July 1, 2012		(46,881)	(13,097)			418,885	300,473	20,741	740,099
Fund balances - June 30, 2013	$ -	$ (18,003)	$ 1,168	$ 284	$ 1,685	$ 320,896	$ 306,816	$ 20,824	$ 648,536

(Concluded)

Fiduciary Funds

Fiduciary funds are used to account for assets held by the Town in a trustee capacity for individuals, private organizations or other governments.

Private-Purpose Trust Funds

A fiduciary trust fund type used to report all trust arrangements, other than those properly reported in pension trust funds or investment trust funds, under which principal and income benefit individuals, private organizations, or other governments.

Agency Funds

Agency funds are used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities).

Schedule 6

Town of Griswold, Connecticut

Agency Funds
Statement of Changes in Asset and Liability
Year Ended June 30, 2013

	Balance July 1, 2012	Additions	Deductions	Balance June 30, 2013
Asset				
Cash:				
Student activity fund	$ 358,663	$ 412,640	$ 459,231	$ 312,072
Liability				
Accounts payable:				
Student activity fund	$ 358,663	$ 412,640	$ 459,231	$ 312,072

Trend Information

Table 1

Town of Griswold, Connecticut

Net Position by Component
Last Ten Years
(Unaudited)

	Fiscal Year									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Governmental activities:										
Net investment in capital assets	$ 83,172,344	$ 92,615,248	$ 78,723,664	$ 62,695,216	$ 48,068,215	$ 39,272,870	$ 35,770,841	$ 32,628,621	$ 32,017,962	$ 30,884,601
Restricted	221,413	371,702	325,201	323,380	15,383,777	2,683,683	162,433	704,700	900,803	
Unrestricted	2,506,023	(7,043,880)	3,931,404	9,621,178	(4,620,135)	7,334,833	13,354,293	12,482,306	10,980,171	11,778,037
Total net position	$ 85,899,780	$ 85,943,070	$ 82,980,269	$ 72,639,774	$ 58,831,857	$ 49,291,386	$ 49,287,567	$ 45,815,627	$ 43,898,936	$ 42,662,638

Table 2

Town of Griswold, Connecticut

Changes in Net Position
Last Ten Years
(Unaudited)

	Fiscal Year Ended									
	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Expenses:										
Governmental activities:										
General government	$ 1,580,176	$ 1,692,690	$ 1,493,276	$ 729,535	$ 1,973,224	$ 2,239,463	$ 1,791,238	$ 1,379,861	$ 1,346,892	$ 1,158,240
Public safety	503,864	476,586	481,342	524,784	632,731	610,383	543,983	551,140	479,410	454,026
Public works	1,788,452	1,739,954	2,421,351	1,897,742	2,451,508	3,110,081	2,836,369	2,977,278	1,798,145	1,598,034
Human services	335,846	334,814	327,436	462,444	826,134	1,583,022	1,609,594	1,442,873	1,340,364	1,283,376
Civic and cultural	226,509	311,838	226,484	175,978	177,548	162,441	168,496	119,163	88,622	145,385
Development and planning	104,235	171,170	142,658	183,564	228,632	361,753	322,921	196,072	152,672	82,875
Sundry										454,407
Education	31,309,435	30,246,998	29,740,423	29,189,521	29,142,673	30,478,582	25,454,758	25,213,460	23,031,811	22,718,609
Interest expense	823,211	730,265	771,030	643,578	470,327	255,833	337,347	418,213	514,068	546,225
Total expenses	36,671,728	35,704,315	35,604,000	33,807,146	35,902,777	38,801,558	33,064,706	32,298,060	28,751,984	28,441,177
Program revenues:										
Governmental activities:										
Charges for services:										
General government	244,245	267,723	440,146	396,724	363,611	821,724	1,739,951	799,485	428,037	406,675
Public safety	4,942	766	14,999	781	811	856	721	4,766		
Public works	395,456	376,999	413,468	501,600	517,993	188,837	241,622	112,298	423,583	436,779
Human services				56,104	96,644	1,002,973	1,102,360	1,030,544	1,051,130	928,845
Civic and cultural	64,307	57,343	33,691	26,557	15,358	27,036	20,153	21,525		32,372
Development and planning	11,266	7,950	15,118	14,478	13,868	52,306	39,911	61,841	12,365	24,429
Education	2,105,900	2,166,746	2,299,245	2,344,977	2,411,338	2,620,222	2,666,023	2,566,893	2,194,911	2,132,253
Operating grants and contributions	15,263,317	15,693,743	14,976,597	14,974,923	15,079,614	17,745,091	11,784,858	12,476,351	10,964,044	10,463,840
Capital grants and contributions	645,532	3,800,183	11,759,746	15,069,252	12,334,797	1,207,554	3,724,566	1,326,644	1,382,744	424,033
Total program revenues	18,734,965	22,371,453	29,953,010	33,385,396	30,834,034	23,666,599	21,320,165	18,400,347	16,456,814	14,849,226
Net (expense) revenue	(17,936,763)	(13,332,862)	(5,650,990)	(421,750)	(5,068,743)	(15,134,959)	(11,744,541)	(13,897,713)	(12,295,170)	(13,591,951)
General revenues:										
Governmental activities:										
Property taxes	17,539,222	15,793,025	15,560,406	13,808,507	13,808,461	13,564,837	14,471,434	13,757,906	12,731,371	11,891,708
Grants and contributions not restricted to specific programs	347,886	470,614	334,926	356,873	520,628	381,922	510,746	759,148	659,486	2,054,729
Investment income	6,365	32,024	96,153	64,287	260,288	320,734	234,301	375,645	170,611	79,098
Total governmental activities	17,893,473	16,295,663	15,991,485	14,229,667	14,589,377	14,267,493	15,216,481	14,892,699	13,561,468	14,025,535
Change in net position	$ (43,290)	$ 2,962,801	$ 10,340,495	$ 13,807,917	$ 9,520,634	$ (867,466)	$ 3,471,940	$ 994,986	$ 1,266,298	$ 433,584

Table 3

Town of Griswold, Connecticut

Schedule of Debt Limitation
Year Ended June 30, 2013
((Unaudited)

Total tax collections (incuding interest and lien fees) for the year ended June 30, 2013:	
Town of Griswold	$ 17,265,522
Borough of Jewett City	428,212
Total tax collections (including interest and lien fees) - base for debt limitation computation	$ 17,693,734

	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2 1/4 times base	$ 39,810,902	$	$	$	$
4 1/2 times base		79,621,804			
3 3/4 times base			66,351,504		
3 1/4 times base				57,504,637	
3 times base					53,081,203
Total debt limitation	39,810,902	79,621,804	66,351,504	57,504,637	53,081,203
Indebtedness:					
Bonds payable		18,320,000			
BANs payable		5,000,000			
Borough of Jewett City			4,382,676		
Less self-supporting debt of the Borough of Jewett City			(4,382,676)		
Total indebtedness	-	23,320,000	-	-	-
Debt limitation in excess of outstanding debt	$ 39,810,902	$ 56,301,804	$ 66,351,504	$57,504,637	$ 53,081,203

Notes: (1) The total of the above indebtedness amounts to: $ 23,320,000

In no event shall total indebtedness exceed seven times the base for debt limitation computation: $123,856,140

Table 4

Town of Griswold, Connecticut

Current Debt Schedule
Year Ended June 30, 2013
(Unaudited)

Bonded debt:	
Schools	$ 18,320,000
General purpose	
Total bonded debt	18,320,000
Short-term debt	5,000,000
Direct debt	23,320,000
Less School construction grants	
	$ 23,320,000
Population July 1, 2012 (CT Dept. of Health)	11,986
Equalized net grand list 2011 (CT - O.P.M.)	$ 697,647,931

Current Debt Ratios

	Direct Debt	Net Direct Debt	Overall Net Debt
Debt per Capita	$ 1,946	$ 1,946	$ 1,946
Percent of equalized net grand list	3.34%	3.34%	3.34%

Table 5

Town of Griswold, Connecticut

Ten Year History
Property Tax Levies and Collections
(Unaudited)

Fiscal Year End	Adjusted Property Tax Levy	Total Collections	Percentage Annual Levy Collected	Uncollected	Percentage Annual Levy Uncollected
2013	$ 17,347,376	$ 16,865,547	97.22%	$ 481,829	2.78%
2012	15,538,436	15,203,954	97.85%	334,482	2.15%
2011	15,394,644	15,063,213	97.85%	331,431	2.15%
2010	13,640,640	13,358,080	97.93%	282,560	2.07%
2009	13,613,843	13,292,677	97.64%	321,166	2.36%
2008	13,360,704	13,051,472	97.69%	309,232	2.31%
2007	14,245,111	13,820,113	97.02%	424,998	2.98%
2006	13,620,267	13,237,894	97.19%	382,373	2.81%
2005	12,553,802	12,167,511	96.92%	386,291	3.08%
2004	11,738,527	11,300,784	96.27%	437,743	3.73%

Table 6

Town of Griswold, Connecticut

Top Ten Taxpayers
(Grand List October 1, 2011)
Year Ended June 30, 2013
(Unaudited)

Name	Nature of Business	Taxable Valuation	Percent Net Taxable Grand List
Connecticut Light and Power	Utility	$ 4,744,740	0.68%
Pachaug Marina & Campground Assoc	Camp ground	3,412,710	0.49%
OSJ of Griswold LLC	Department store	3,136,280	0.45%
Jewett City Water Company	Utility	2,163,300	0.31%
Jewett City Savings Bank	Banking	2,081,240	0.30%
395 Associates LLC	Hotel	1,937,930	0.28%
Green Sea LLC	Golf course	1,920,460	0.27%
Soverign RA II LLC	Commercial building	1,912,470	0.27%
PA Residential LLC	Apartment complex	1,753,780	0.25%
Harvey Polinski	Building lots	1,638,870	0.23%
Net taxable grand list		$ 700,506,311	

Table 7

Town of Griswold, Connecticut

Ten Year History
Comparative Assessed Valuations
(Thousands)
(Unaudited)

Grand List Year	Gross Taxable Grand List	Net Taxable Grand List	Net % Increase (Decrease)
2011 *	$ 788,313	$ 700,506	-17.94%
2010	906,971	826,170	0.70%
2009	903,319	820,349	1.11%
2008	823,217	811,218	0.63%
2007	889,032	806,092	1.97%
2006 *	875,050	790,531	61.62%
2005	561,188	489,133	2.78%
2004	547,695	475,881	4.88%
2003	526,095	453,717	1.16%
2002	506,973	448,526	2.34%

* Revaluation year

Federal Single Audit

Town of Griswold, Connecticut

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2013

Federal Grantor/Pass-through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures
U.S. Department of Agriculture			
Passed through State Department of Education:			
Child Nutrition Cluster:			
National School Breakfast Program	10.553		$ 49,705
National School Lunch Program - Cash	10.555		251,073
National School Lunch Program - Commodities	10.555		37,228
Special Milk Program for Children	10.556		2,138
Summer Food Service Program for Children	10.559		2,347
Total Child Nutrition Cluster			342,491
U.S. Department of Justice			
Passed through State Office of Policy and Management:			
ARRA - Edward Byrne Memorial Justice Assistance Grant (JAG) Program/ Grants to Units of Local Government, Recovery Act	16.804		1,811
U.S. Department of Transportation			
Passed through State Department of Transportation:			
Highway Planning & Construction	20.205		491,035
U.S. Department of Energy			
Passed through Connecticut Clean Energy Fund:			
State Energy Program	81.041		1,200
Passed through State Department of Energy and Environmental Protection:			
ARRA - Energy Efficiency and Conservation Block Grant Program, Recovery Act	81.128		28,878
Total U.S. Department of Energy			30,078
U.S. Department of Education			
Passed through State Department of Education:			
Title I Grants to Local Educational Agencies		12060-20679-82070-2012-17002	37,818
Title I Grants to Local Educational Agencies		12060-20679-82070-2013-17002	188,993
Total Title I Grants to Local Educational Agencies	84.010		226,811
Special Education Cluster:			
Special Education - Grants to States (IDEA Part B)		12060-20977-82032-2012-170002	22,760
Special Education - Grants to States (IDEA Part B)		12060-20977-82032-2011-170002	372,218
Total Special Education - Grants to States (IDEA Part B)	84.027		394,978
Special Education - Preschool Grants (IDEA Part B)		12060-20983-82032-2012-170002	12,378
Special Education - Preschool Grants (IDEA Part B)		12060-20983-82032-2011-170002	18,279
Total Special Education - Preschool Grants (IDEA Part B)	84.173		30,657
Total Special Eduaction Cluster			425,635
Vocational Education - Basic Grants to States	84.048	12060-20742-84010-2013-170002	18,486
Improving Teacher Quality State Grants		12060-20858-84131-2012-170002	70,614
Improving Teacher Quality State Grants		12060-20858-84131-2013-170002	43,490
Total Improving Teacher Quality State Grants	84.367		114,104
Total U.S. Department of Education			785,036
U.S. Department of Homeland Security			
Passed through State Department of Emergency Management and Homeland Secur			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036		31,100
Grand Total Federal Awards			$ 1,681,551

See Notes to Schedule of Expenditures of Federal Awards.

Town of Griswold, Connecticut

Notes to Schedule of Expenditures of Federal Awards

1. Significant Accounting Policy:

   The accounting policies of the Town of Griswold, Connecticut, conform to accounting principles generally accepted in the United States of America promulgated by the Governmental Accounting Standards Board. The following is the significant policy relating to Federal awards:

   Basis of Presentation

   The accompanying schedule of expenditures of Federal awards is presented on the modified accrual basis of accounting and a current financial resources measurement focus. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.*

2. Noncash Federal Awards:

   The Town received and expended $37,228 of USDA donated commodities under the National School Lunch Program.

3. Prior Year Findings and Questioned Costs:

   There were no prior year audit findings or questioned costs.

Town of Griswold, Connecticut

Schedule of Findings and Questioned Costs

Year Ended June 30, 2013

I. Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:
Material weakness(es) identified? ____yes __x__no
Significant deficiency(ies) identified? ____yes __x__none reported

Noncompliance material to financial statements noted? ____yes __x__no

Federal Awards

Internal control over major programs:
Material weakness(es) identified ____yes __x__no
Significant deficiency(ies) identified? ____yes __x__none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section .510(a)? ____yes __x__no

Identification of major programs:

CFDA Number	Name of Federal Program
10.553/10.555/10.556/10.559	Child Nutrition Cluster
20.205	Highway Planning & Construction
84.027/84.173	Special Education Cluster

Dollar threshold used to distinguish between Type A and Type B programs: $ 300,000

Auditee qualified as low-risk auditee? __x__yes ____no

II. Financial Statement Findings:

None

III. Federal Award Findings and Questioned Costs:

There were no findings or questioned costs related to Federal Award programs.

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Finance
Town of Griswold, Connecticut

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Griswold, Connecticut, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated December 10, 2013.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CohnReznick LLP

New London, Connecticut
December 10, 2013

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control Over Compliance Required by OMB Circular A-133

Board of Finance
Town of Griswold, Connecticut

Report on Compliance for Each Major Federal Program

We have audited the Town of Griswold, Connecticut's compliance with the types of compliance requirements described in the OMB Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the Town's major Federal programs for the year ended June 30, 2013. The Town's major Federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its Federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town's major Federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major Federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major Federal program. However, our audit does not provide a legal determination of the Town's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major Federal programs for the year ended June 30, 2013.

Report on Internal Control over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major Federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each Federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a Federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a Federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a Federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

CohnReznick LLP

New London, Connecticut
December 10, 2013

State Single Audit

Town of Griswold, Connecticut

Schedule of Expenditures of State Financial Assistance
Year Ended June 30, 2013

State Grantor/Pass-through Grantor/Program Title	State Grant Program Core-CT Number	Expenditures
Office of Policy and Management:		
Property Tax Relief for Elderly and Totally Disabled Homeowners	11000-OPM20600-17018	$ 42,349
Property Tax Relief for Veterans	11000-OPM20600-17024	12,148
Property Tax Relief on Property of Totally Disabled Persons	11000-OPM20600-17011	1,098
Prepare / Revise Muni Plans	12052-OPM12600-43127	2,818
Local Capital Improvement Program	12050-OPM20600-40254	153,585
Payment in Lieu of Taxes (PILOT) on State-Owned Property	11000-OPM20600-17004	43,081
Connecticut State Library:		
Historic Documents Preservation Grants	12060-CSL66094-35150	4,000
Department of Education:		
School Readiness and Child Care in Competitive Grant Municipalities	11000-SDE64000-12113	176,145
Competitive School Readiness	11000-SDE64000-17097	4,487
Child Nutrition State Matching Grant	11000-SDE64000-16211	8,241
School Breakfast	11000-SDE64000-17046	9,000
School Breakfast	11000-SDE64000-17046	822
Youth Service Bureau	11000-SDE64000-17052	14,000
Youth Service Bureau - Enhancement	11000-SDE64000-16201	4,888
Adult Education	11000-SDE64000-17030	48,768
Primary Mental Health	11000-SDE64000-12198	22,065
Young Parents Program	11000-SDE64000-17044	29,747
Department of Economic and Community Development:		
Small Town Economic Assistance Program	12052-ECD46000-42411-149	109,372
Department of Transportation:		
Town Aid Road Grants Transportation Fund	13033-DOT57131-43459	96,087
Total State Financial Assistance Before Exempt Programs		782,701
Exempt Programs:		
Department of Education:		
Transportation of School Children	1100-SDE64000-17027	172,170
Educational Cost Sharing	1100-SDE64000-17041	10,881,779
Special Education - Agency Placements	1100-SDE64000-17047	144,065
Special Education - Excess Cost	1100-SDE64000-17047	155,561
Special Education - Excess Cost - Student Based Supplement	1100-SDE64000-17047	124,737
Office of Policy and Management:		
Municipal Revenue Sharing	12060-OPM20600-35458	144,303
Mashantucket Pequot/Mohegan Fund	12009-OPM20600-17005	100,852
Total Exempt Programs		11,723,467
Total State Financial Assistance		$ 12,506,168

See Notes to Schedule of Expenditures of State Financial Assistance.

Town of Griswold, Connecticut

Notes to Schedule of Expenditures of State Financial Assistance

The accompanying schedule of expenditures of state financial assistance includes state grant activity of the Town of Griswold, Connecticut, under programs of the State of Connecticut for the fiscal year ended June 30, 2013. Various departments and agencies of the State of Connecticut have provided financial assistance through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs including general government, education, public safety, public works, sanitation and social services.

1. Summary of Significant Accounting Policies

   The accounting policies of the Town of Griswold, Connecticut, conform to accounting principles generally accepted in the United States of America promulgated by the Governmental Accounting Standards Board.

   The information in the schedule of expenditures of state financial assistance is presented based upon regulations established by the State of Connecticut, Office of Policy and Management.

   Basis of Accounting

   The expenditures reported on the schedule of expenditures of state financial assistance are reported on the modified accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations to the State Single Audit Act, certain grants are not dependent on expenditure activity and, accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the schedule of expenditures of state financial assistance.

2. Prior Year Findings and Questioned Costs

   There were no prior year audit findings or questioned costs.

Town of Griswold, Connecticut

Schedule of Findings and Questioned Costs

Year Ended June 30, 2013

I. Summary of Auditor's Results:

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:
Material weakness(es) identified? ____yes __x__no
Significant deficiency(ies) identified? ____yes __x__none reported

Noncompliance material to financial statements noted? ____yes __x__no

State Financial Assistance

Internal control over major programs:
Material weakness(es) identified ____yes __x__no
Significant deficiency(ies) identified? ____yes __x__none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations of the State Single Audit Act? ____yes __x__no

The following schedule reflects the major programs included in the audit:

Dollar threshold used to distinguish between type A and type B programs: $100,000

State Grantor and Program	State Core-CT Number	Expenditures
Office of Policy and Management:		
Local Capital Improvement Program	12050-OPM20600-40254	$ 153,585
Department of Economic and Community Development:		
Small Town Economic Assistance Program	12052-ECD46000-42411-149	109,372
Department of Education:		
School Readiness and Child Care in Competitive Grant Municipalities	11000-SDE64000-12113	176,145

Town of Griswold, Connecticut

Schedule of Findings and Questioned Costs

Year Ended June 30, 2013

II. Financial Statement Findings:

There were no findings reported relating to the Town's financial statements.

III. State Financial Assistance Findings and Questioned Costs:

There were no findings or questioned costs related to State Financial Assistance programs.

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Finance
Town of Griswold, Connecticut

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Griswold, Connecticut, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated December 10, 2013.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

CohnReznick LLP

New London, Connecticut
December 10, 2013

Independent Auditor's Report on Compliance for Each Major State Program and Report on Internal Control Over Compliance Required by the State Single Audit Act

Board of Finance
Town of Griswold, Connecticut

Report on Compliance for Each Major State Program

We have audited the Town of Griswold, Connecticut's compliance with the types of compliance requirements described in the Office of Policy and Management's *Compliance Supplement* that could have a direct and material effect on each of the Town's major state programs for the year ended June 30, 2013. The Town's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Town's compliance.

Opinion on Each Major State Program

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2013.

Report on Internal Control over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

CohnReznick LLP

New London, Connecticut
December 10, 2013