Annual Financial Report

of the

Town of Griswold, Connecticut

Year Ended June 30, 2014

Town of Griswold, Connecticut

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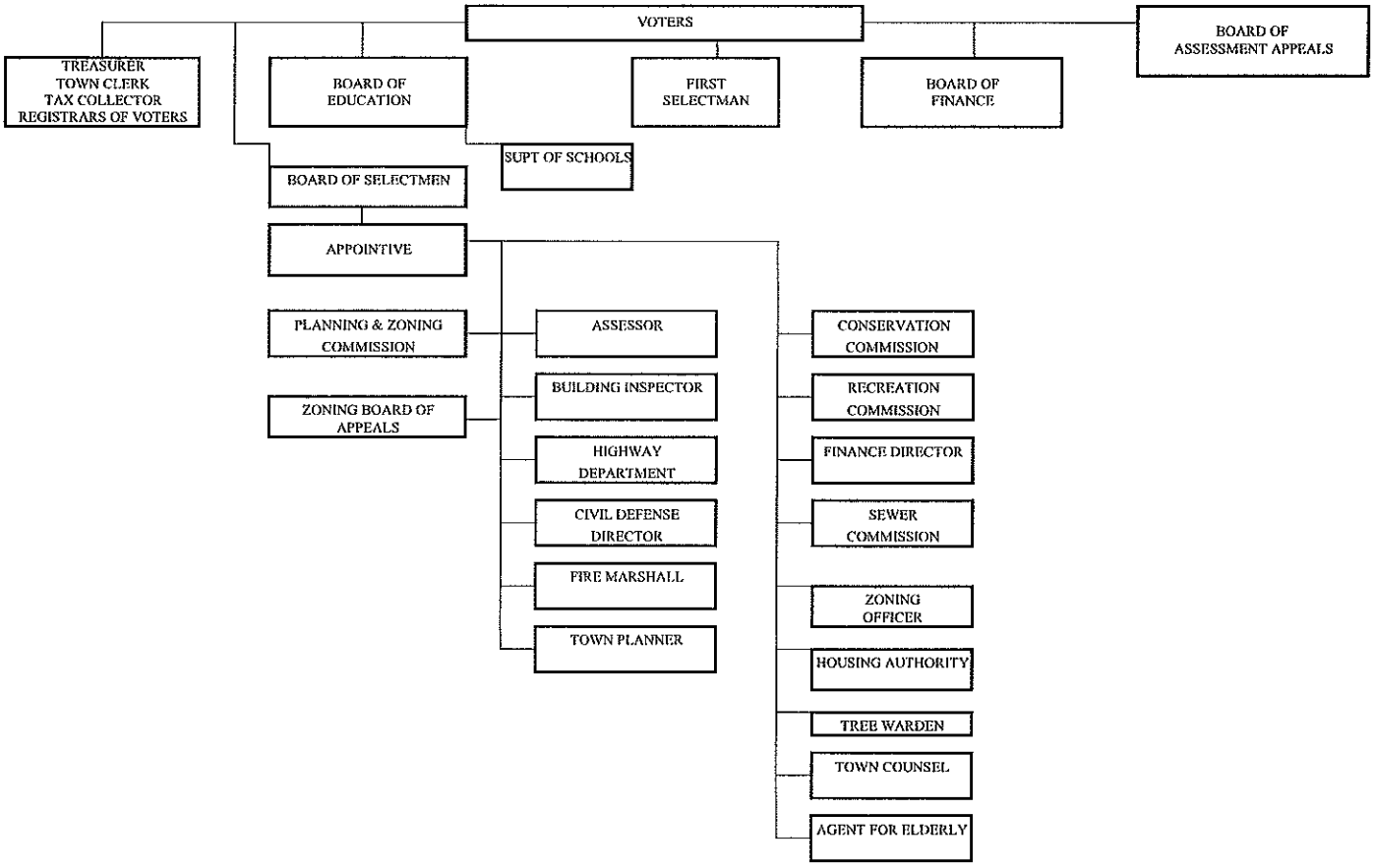
Introductory Section

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, 2014, 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, 2014, 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 other post-employment benefit plan schedules on pages 5 to 11 and pages 48 and 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 12, 2014, 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 12, 2014

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, 2014

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, 2014.

Financial Highlights

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by $86,827,548 (*net position*).
- The Town's total net position increased by $927,768.
- As of the close of the current fiscal year, the Town's governmental funds reported a combined ending fund deficit of $2,225,788, an increase of $321,186 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was $3,697,588, or 11.8% of total general fund budgetary expenditures and transfers out.
- The Town's total bonded debt decreased by $865,000 (4.7%) 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 three categories: governmental funds, proprietary funds and fiduciary funds.

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

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

The Town maintains 23 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 21 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 $86,827,548 at the close of the most recent fiscal year.

By far, the largest portion of the Town's net position, 96.0%, 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

	2014	2013
Current and other assets	$ 8,065,056	$ 7,311,388
Capital assets (net)	106,902,205	106,940,912
Total assets	114,967,261	114,252,300
Other liabilities	10,441,751	9,644,654
Noncurrent liabilities	17,697,962	18,707,866
Total liabilities	28,139,713	28,352,520
Net position:		
Net investment in capital assets	83,343,269	83,172,344
Restricted	570,423	221,413
Unrestricted	2,913,856	2,506,023
Total net position	$ 86,827,548	$ 85,899,780

A portion of the Town's net position, 0.7 %, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position, 3.3 %, may be used to meet the Town's ongoing obligations to citizens and creditors.

Governmental Activities. Governmental activities increased the Town's net position by $927,768.

Town of Griswold, Connecticut

Changes in Net Position

	2014	2013
Revenues:		
Program revenues:		
Charges for services	$ 3,203,947	$ 2,826,116
Operating grants and contributions	16,303,478	15,263,317
Capital grants and contributions	939,752	645,532
General revenues:		
Property taxes	18,279,147	17,539,222
Grants and contributions not restricted to specific programs	265,698	347,886
Investment income	5,696	6,365
Total revenues	38,997,718	36,628,438
Expenses:		
General government	1,556,835	1,580,176
Public safety	552,985	503,864
Public works	2,402,094	1,788,452
Human services	341,380	335,846
Civic and cultural	294,614	226,509
Development and planning	100,719	104,235
Education	32,152,915	31,309,435
Interest expense	668,408	823,211
Total expenses	38,069,950	36,671,728
Increase (decrease) in net position	927,768	(43,290)
Net position - July 1	85,899,780	85,943,070
Net position - June 30	$ 86,827,548	$ 85,899,780

Major revenue factors included:

- Operating grants and contributions increased by $1,040,161 primarily due to an increase of $478,000 in the State's on-behalf contribution into the State Teacher's Retirement System and an increase of approximately $300,000 in grant funding for road work (STEAP and Town Aid Road).
- Property taxes increased $739,925 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:

- Public works expenses increased $613,642 primarily due to an increase in road project expenditures and costs associated with the cleanup of 226 East Main Street.

- Education expenses increased $843,480 primarily due to contractual agreements and an increase in the State's on-behalf contribution into the State Teacher's Retirement System

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 $2,225,788, an increase of $321,186 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 $3,697,588, while total fund balance reached $3,964,989. 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 11.8% of total general fund budgetary expenditures and transfers out, while total fund balance represents 12.6% of that same amount.

The fund balance of the Town's general fund increased by $969,142 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 $1,796,370. 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 $159,068 of additional appropriations from fund balance. Revenues exceeded budgetary estimates by $501,028. Charges for services were $262,538 above budgetary estimates due in part to tuition revenue being greater than anticipated as more out of district students enrolled at the high school. Taxes, interest and lien fees exceeded budgetary estimates, due in part to the significant collection of prior year taxes, interest and lien fees far in excess of budgetary estimates. Expenditures were $501,132 less than budgetary estimates. Most notably was 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 $843,092.

Capital Assets and Debt Administration

Capital Assets. The Town's investment in capital assets for its governmental activities as of June 30, 2014 amounts to $106,902,205 (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:

- Infrastructure (roads and bridges) additions of $2,498,839, including the transfer of $1,111,957 from construction in progress.

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

Town of Griswold, Connecticut

Capital Assets - Net

	2014	2013
Land	$ 1,169,815	$ 1,121,218
Construction in progress	1,431,708	1,364,798
Buildings and improvements	83,360,668	85,417,688
Machinery and equipment	1,957,715	2,181,926
Infrastructure	18,982,299	16,855,282
Total	$ 106,902,205	$ 106,940,912

Long-Term Debt. At the end of the current fiscal year, the Town had $17,455,000 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

	2014	**2013**
School bonds	$17,455,000	$18,320,000

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 $132,001,128, 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 2014 was 6.4%, which is a decrease from a rate of 8.4% a year ago. In comparison, as of June 2014, the state's unemployment rate was 6.5% and the national average rate was 6.1%.

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

All of these factors were considered in preparing the Town's budget for the 2014/2015 fiscal year.

During the current fiscal year, budgetary fund balance in the general fund increased to $3,578,678. The Town has not assigned any portion of fund balance for spending in the 2014/2015 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, 2014

	Governmental Activities
Assets	
Current assets:	
Cash	$ 2,995,375
Investments	3,293,412
Receivables:	
Property taxes	496,713
Intergovernmental	282,426
Other	262,793
Other	27,941
Total current assets	7,358,660
Noncurrent assets:	
Restricted assets:	
Temporarily restricted:	
Cash	2,886
Permanently restricted:	
Cash	18,000
Total restricted assets	20,886
Receivables (net):	
Property taxes	685,510
Capital assets (net of accumulated depreciation):	
Land	1,169,815
Construction in progress	1,431,708
Buildings and improvements	83,360,668
Machinery and equipment	1,957,715
Infrastructure	18,982,299
Total capital assets (net of accumulated depreciation)	106,902,205
Total noncurrent assets	107,608,601
Total assets	114,967,261

(Continued)

Town of Griswold, Connecticut

Statement of Net Position
June 30, 2014

	Governmental Activities
Liabilities	
Current liabilities:	
Accounts payable	$ 1,069,814
Accrued liabilities	1,978,772
Accrued interest payable	270,221
Unearned revenue	50,387
Performance bonds	192,033
Bond anticipation notes	5,800,000
Bonds and notes payable	885,000
Capital lease payable	149,469
Compensated absences	46,055
Total current liabilities	10,441,751
Noncurrent liabilities:	
Bonds and notes payable	16,570,000
Capital lease payable	154,467
Net OPEB obligation	789,273
Compensated absences	184,222
Total noncurrent liabilities	17,697,962
Total liabilities	28,139,713
Net Position	
Net investment in capital assets	83,343,269
Restricted for:	
Endowments:	
Nonexpendable	18,000
Expendable	2,886
Public works	453,861
Education	84,554
Other	11,122
Unrestricted	2,913,856
Total net position	$ 86,827,548

(Concluded)

See Notes to Financial Statements.

Exhibit B

Town of Griswold, Connecticut

Statement of Activities
Year Ended June 30, 2014

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	$ 1,556,835	$ 282,615	$ 4,645	$ 939,752	$ (329,823)
Public safety	552,985	3,217	60	-	(549,708)
Public works	2,402,094	492,053	675,771	-	(1,234,270)
Human services	341,380	-	-	-	(341,380)
Civic and cultural	294,614	109,824	17,079	-	(167,711)
Development and planning	100,719	6,537	-	-	(94,182)
Education	32,152,915	2,309,701	15,605,923	-	(14,237,291)
Interest expense	668,408	-	-	-	(668,408)
Total	$ 38,069,950	$ 3,203,947	$16,303,478	$ 939,752	$ (17,622,773)

General revenues:	
Property taxes	$ 18,279,147
Grants and contributions not restricted to specific programs	265,698
Income from investments	5,696
Total general revenues	18,550,541
Change in net position	927,768
Net position - July 1, 2013	85,899,780
Net position - June 30, 2014	$ 86,827,548

See Notes to Financial Statements.

Town of Griswold, Connecticut

Balance Sheet
Governmental Funds
June 30, 2014

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets				
Cash	$ 2,936,895	$ -	$ 79,366	$ 3,016,261
Investments	3,293,412	-	-	3,293,412
Receivables:				
Property taxes	936,726	-	-	936,726
Intergovernmental	94,986	5,777	181,663	282,426
Other	156,863	-	11,302	168,165
Due from other funds	1,916,307	945,675	1,128,565	3,990,547
Other	11,211	-	16,730	27,941
Total assets	$ 9,346,400	$ 951,452	$ 1,417,626	$ 11,715,478
Liabilities				
Liabilities:				
Accounts payable	$ 343,820	$ 678,044	$ 47,950	$ 1,069,814
Accrued liabilities	1,910,968	-	67,804	1,978,772
Due to other funds	2,074,240	1,818,763	96,907	3,989,910
Unearned revenue	-	-	50,387	50,387
Bond anticipation notes	-	5,800,000	-	5,800,000
Performance bonds	192,033	-	-	192,033
Total liabilities	4,521,061	8,296,807	263,048	13,080,916
Deferred Inflows of Resources				
Unavailable revenue - property taxes	860,350	-	-	860,350
Fund Balances				
Nonspendable	11,211	-	18,000	29,211
Restricted	-	-	552,423	552,423
Committed	-	-	571,120	571,120
Assigned	256,190	-	101,096	357,286
Unassigned	3,697,588	(7,345,355)	(88,061)	(3,735,828)
Total fund balances	3,964,989	(7,345,355)	1,154,578	(2,225,788)
Total liabilities, deferred inflows of resources and fund balances	$ 9,346,400	$ 951,452	$ 1,417,626	$ 11,715,478

(Continued)

Town of Griswold, Connecticut

**Reconciliation of Fund Balance
to Net Position of Governmental Funds
June 30, 2014**

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)	$ (2,225,788)
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:	
Beginning net capital assets	106,940,912
Current capital asset additions	2,682,333
Depreciation expense	(2,721,040)
Other long-term assets are not available resources and, therefore, are not reported in the funds:	
Property tax interest and lien accrual	400,497
Allowance for doubtful accounts	(155,000)
Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the funds:	
Property tax receivable - accrual basis change	860,350
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	93,991
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	(17,455,000)
Capital lease payable	(303,936)
Net OPEB obligation	(789,273)
Compensated absences	(230,277)
Accrued interest payable	(270,221)
Net position of governmental activities	$ 86,827,548

(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, 2014

	General	Capital Projects	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	$ 18,428,474	$ -	$ -	$ 18,428,474
Intergovernmental	14,451,801	1,308,289	1,745,699	17,505,789
Charges for services	2,399,310	-	804,637	3,203,947
Income from investments	5,422	-	137	5,559
Contributions	-	-	3,139	3,139
Total revenues	35,285,007	1,308,289	2,553,612	39,146,908
Expenditures:				
Current:				
General government	1,449,559	-	10,146	1,459,705
Public safety	492,313	-	1,170	493,483
Public works	1,355,697	-	297,119	1,652,816
Human services	326,590	-	4,950	331,540
Civic and cultural	135,583	-	154,062	289,645
Development and planning	100,719	-	-	100,719
Sundry	68,888	-	-	68,888
Education	28,005,356	-	2,117,985	30,123,341
Capital outlay	45,995	3,229,266	-	3,275,261
Debt service	1,692,166	-	-	1,692,166
Total expenditures	33,672,866	3,229,266	2,585,432	39,487,564
Excess (deficiency) of revenues over expenditures	1,612,141	(1,920,977)	(31,820)	(340,656)
Other financing sources (uses):				
Transfers in	-	105,137	544,974	650,111
Transfers out	(642,999)	-	(7,112)	(650,111)
BAN premium	-	19,470	-	19,470
Net other financing sources (uses)	(642,999)	124,607	537,862	19,470
Net change in fund balances	969,142	(1,796,370)	506,042	(321,186)
Fund balances - July 1, 2013	2,995,847	(5,548,985)	648,536	(1,904,602)
Fund balances - June 30, 2014	$ 3,964,989	$ (7,345,355)	$ 1,154,578	$ (2,225,788)

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, 2014

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)	$ (321,186)
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	2,682,333
Depreciation expense	(2,721,040)
Total	(38,707)
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	(56,244)
Change in property tax interest and lien revenue	(93,083)
Total	(149,327)
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	865,000
Capital lease payable	144,632
Environmental remediation obligation	307,400
MIRMA assessment	34,397
Total	1,351,429
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	(5,344)
Net OPEB obligation	(24,973)
Compensated absences	510
Total	(29,807)
Internal service funds are used by management to charge costs of medical insurance premiums to individual departments	115,229
The net revenue of the activities of the internal service fund is reported with governmental activities	137
Change in net position of governmental activities (Exhibit B)	$ 927,768

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, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Revenues:				
Taxes, interest and lien fees	$ 18,182,357	$ 18,182,357	$ 18,428,474	$ 246,117
Intergovernmental	11,459,850	11,459,850	11,466,801	6,951
Charges for services	2,121,955	2,121,955	2,384,493	262,538
Use of Town money	20,000	20,000	5,422	(14,578)
Total revenues	31,784,162	31,784,162	32,285,190	501,028
Expenditures:				
Current:				
General government	1,456,720	1,510,890	1,436,146	74,744
Public safety	449,272	519,272	492,313	26,959
Public works	1,408,141	1,408,141	1,355,697	52,444
Human services	336,548	336,548	326,590	9,958
Civic and cultural	134,755	134,755	131,278	3,477
Development and planning	116,902	116,902	100,719	16,183
Sundry	89,309	76,207	39,214	36,993
Education	25,123,850	25,123,850	25,115,981	7,869
Capital outlay	46,000	46,000	45,995	5
Debt service	1,964,666	1,964,666	1,692,166	272,500
Total expenditures	31,126,163	31,237,231	30,736,099	501,132
Excess (deficiency) of revenues over expenditures	657,999	546,931	1,549,091	1,002,160
Other financing sources (uses):				
Appropriation of fund balance	-	159,068	-	(159,068)
Transfers out	(657,999)	(705,999)	(705,999)	-
Net other financing sources (uses)	(657,999)	(546,931)	(705,999)	(159,068)
Net change in fund balance	$ -	$ -	843,092	$ 843,092
Fund balance - July 1, 2013			2,735,586	
Fund balance - June 30, 2014			$ 3,578,678	

See Notes to Financial Statements.

Exhibit G

Town of Griswold, Connecticut

Statement of Net Position
Proprietary Fund
June 30, 2014

	Governmental Activities
	Internal Service Fund
Asset	
Accounts receivable	$ 94,628
Liabilities	
Due to other funds	637
Net Position	
Unrestricted	$ 93,991

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, 2014

	Governmental Activities
	Internal Service Fund
Operating revenues:	
Charges for services	$ 122,153
Refunds	4,134
Total operating revenues	126,287
Operating expenses:	
Claims and premiums incurred	10,419
Administration	639
Total operating expenses	11,058
Operating income (loss)	115,229
Nonoperating revenues (expenses):	
Investment income	137
Change in net position	115,366
Net position - July 1, 2013	(21,375)
Net position - July 30, 2014	$ 93,991

See Notes to Financial Statements

Exhibit I

Town of Griswold, Connecticut

Statement of Cash Flows
Proprietary Fund
Year Ended June 30, 2014

	Governmental Activities Internal Service Fund
Cash flows from operating activities:	
Receipts from customers	$ 272,083
Receipts from vendors	4,134
Claims paid	(275,715)
Payments to vendors	(639)
Net cash used in operating activities	(137)
Cash flows from investing activities:	
Investment income	137
Net increase in cash and cash equivalents	-
Cash and cash equivalents - July 1, 2013	-
Cash and cash equivalents - June 30, 2014	$ -
Reconciliation of operating income (loss) to net cash used in operating activities:	
Operating income (loss)	$ 115,229
Adjustments to reconcile operating income (loss) to net cash used in operating activities:	
(Increase) decrease in:	
Accounts receivable	190,049
Increase (decrease) in:	
Claims payable	(265,296)
Due to other funds	637
Unearned revenue	(40,756)
Net cash used in operating activities	$ (137)

See Notes to Financial Statements.

Exhibit J

Town of Griswold, Connecticut

Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2014

	Private-Purpose Trust Funds	Agency Funds
Asset		
Cash	$ 162,324	$ 299,750
Liability		
Accounts payable	-	299,750
Net Position		
Net position held in trust	$ 162,324	$ -

See Notes to Financial Statements.

Exhibit K

Town of Griswold, Connecticut

Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Year Ended June 30, 2014

	Private-Purpose Trust Funds
Additions:	
Contributions:	
Private contributions	$ 32,920
Investment income:	
Interest and dividends	475
Total additions	33,395
Deductions:	
Scholarships awarded	28,262
Change in net position	5,133
Net position - July 1, 2013	157,191
Net position - June 30, 2014	$ 162,324

See Notes to Financial Statements.

Town of Griswold, Connecticut

Notes to Financial Statements
June 30, 2104

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 10% to 16% 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 additional appropriations of $159,068 from fund balance 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)	$ 32,285,190	$ 30,736,099	$ 3,578,678
Encumbrances outstanding at June 30, 2013 liquidated during the year ended June 30, 2014	-	159,971	-
Encumbrances outstanding at June 30, 2014 charged to budgetary expenditures	-	(256,190)	256,190
Other reconciling items	14,817	47,986	130,121
State Teachers' Retirement on-behalf payment	2,985,000	2,985,000	-
Balance, GAAP basis, (Exhibit D)	$ 35,285,007	$ 33,672,866	$ 3,964,989

The revenues and expenditures noted as other reconciling items above were combined into the general fund for GAAP reporting purposes in order to comply with the requirements of GASB 54. The "other reconciling item" fund balance adjustment above is the cumulative effect of the GASB 54 reconciling items since GASB 54 was adopted in fiscal year 2011-12.

C. 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.

D. Deficit fund balances

At June 30, 2014, the Town had a deficit fund balance in the following funds:

Nonmajor Governmental Funds	
Sheldon Road Park	$ 53,109
Board of Education Miscellaneous	16,949
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, 2014, $2,662,751 of the Town's bank balance of $4,914,037 (including certificates of deposit and money market accounts classified as investments) was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	$ 2,388,781
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	273,970
Total amount subject to custodial credit risk	$ 2,662,751

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, 2014, the Town's investments consisted of the following types and maturities. Specific identification was used to determine the maturities.

Type of Investment	Fair Value	Investment Maturities (in years) Less Than 1
Certificates of deposit	$ 1,099,713	$ 1,099,713
Pooled fixed Income	2,193,699	2,193,699
Total	$ 3,293,412	$ 3,293,412

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	$ 2,193,699

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, 2014, including the applicable allowances for uncollectible accounts, are presented below.

	Property Taxes		
	Taxes	Interest & Lien Fees	Total
Current portion	$ 389,034	$ 107,679	$ 496,713
Long-term portion	$ 547,692	$ 292,818	$ 840,510
Less allowance for uncollectibles	(91,000)	(64,000)	(155,000)
Net long-term portion	$ 456,692	$ 228,818	$ 685,510

C. Capital assets

Capital asset activity for the year ended June 30, 2014 was as follows:

	Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014
Governmental activities:				
Capital Assets, not being depreciated:				
Land	$ 1,121,218	$ 48,597	$ -	$ 1,169,815
Construction in progress	1,364,798	1,178,867	(1,111,957)	1,431,708
Total capital assets, not being depreciated	2,486,016	1,227,464	(1,111,957)	2,601,523
Capital Assets, being depreciated:				
Buildings and improvements	102,741,459	-	-	102,741,459
Machinery and equipment	4,733,732	67,987	(5,499)	4,796,220
Infrastructure	25,459,744	2,498,839	(7,213)	27,951,370
Total capital assets, being depreciated	132,934,935	2,566,826	(12,712)	135,489,049
Total capital assets	135,420,951	3,794,290	(1,124,669)	138,090,572
Less accumulated depreciation for:				
Buildings and improvements	17,323,771	2,057,020	-	19,380,791
Machinery and equipment	2,551,806	292,198	(5,499)	2,838,505
Infrastructure	8,604,462	371,822	(7,213)	8,969,071
Total accumulated depreciation	28,480,039	2,721,040	(12,712)	31,188,367
Total capital assets, being depreciated, net	104,454,896	(154,214)	-	104,300,682
Governmental activities capital assets, net	$ 106,940,912	$ 1,073,250	$ (1,111,957)	$ 106,902,205

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

Governmental Activities:	
General government	$ 47,004
Public safety	59,502
Public works	462,751
Human services	9,840
Civic and cultural	4,969
Education	2,136,974
Total depreciation expense - governmental activities	$ 2,721,040

Construction commitments

The Town has active construction projects as of June 30, 2014. At year end, the Town's commitments with contractors are as follows:

Various capital projects	$1,347,852

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, 2014, is presented below:

	Corresponding Fund	Due From	Due To
Due From/To Other Funds:			
Major funds:			
General fund:			
Capital projects	N/A	$ 1,818,763	$ 945,675
Internal service fund	N/A	637	-
Town aid road fund	N/A	-	423,944
School cafeteria fund	N/A	1,889	-
Special education grant fund	N/A	-	15,216
Board of education child care	N/A	-	44,530
GVFD EMS equipment grant fund	N/A	-	1,165
Sewer authority fund	N/A	5,863	-
Records preservation fund	N/A	-	6,435
Sheldon road park	N/A	48,584	-
Open space	N/A	-	56,566
Dog fund	N/A	-	23,492
Board of education miscellaneous	N/A	19,555	-
Paw to Paw	N/A	-	730
Recreation fund	N/A	-	31,914
Plan of conservation and development	N/A	-	7,840
Municipal energy and conservation	N/A	18,003	-
Main street phase I	N/A	-	436
Senior center expansion	N/A	-	2,384
Anthony trust fund	N/A	3,013	-
Capital nonrecurring fund	N/A	-	513,913
Total general fund		1,916,307	2,074,240

Town of Griswold, Connecticut

Notes to Financial Statements
June 30, 2014

	Corresponding Fund	Due From	Due To
Capital projects	General fund	$ 945,675	$ 1,818,763
Internal service fund	General fund	-	637
Nonmajor funds:			
Special revenue:			
Town aid road fund	General fund	423,944	-
School cafeteria fund	General fund	-	1,889
Special education grant fund	General fund	15,216	-
Board of education child care	General fund	44,530	-
GVFD EMS equipment grant fund	General fund	1,165	-
Sewer authority fund	General fund	-	5,863
Records preservation fund	General fund	6,435	-
Sheldon road park	General fund	-	48,584
Open space	General fund	56,566	-
Dog fund	General fund	23,492	-
Board of education miscellaneous	General fund	-	19,555
Paw to Paw	General fund	730	-
Recreation fund	General fund	31,914	-
Plan of conservation and development	General fund	7,840	-
Municipal energy and conservation	General fund	-	18,003
Main street phase I	General fund	436	-
Senior center expansion	General fund	2,384	-
Total special revenue		614,652	93,894
Permanent:			
Anthony trust fund	General fund	-	3,013
Capital projects:			
Capital nonrecurring fund	General fund	513,913	-
Total nonmajor funds		1,128,565	96,907
Grand total		$ 3,990,547	$ 3,990,547

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, 2014 is as follows:

	Corresponding Fund	Transfers In	Transfers Out
General fund:			
Capital projects	N/A	$ -	$ 105,137
Town aid road fund	N/A	-	319,863
Recreation fund	N/A	-	15,999
Capital nonrecurring fund	N/A	-	202,000
Total general fund		-	642,999
Major fund:			
Capital projects	General Fund	105,137	-
Nonmajor funds:			
Town aid road fund	General fund	319,863	-
CT Special Act recreation	Recreation fund	7,112	-
Recreation fund	General fund	15,999	-
Recreation fund	CT Special Act recreation	-	7,112
Capital nonrecurring fund	General fund	202,000	-
Total nonmajor funds		544,974	7,112
Grand total		$ 650,111	$ 650,111

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, 2014 was as follows:

Type of Obligation	Balance July 1, 2013	Additions	Reductions	Balance June 30, 2014
General purpose	$5,000,000	$5,800,000	$5,000,000	$5,800,000

The bond anticipation notes carry an interest rate of 1.00% and matured in August of 2014.

A $5,800,000 bond anticipation note was issued in August 2014 at a rate of .80% and matures in May 2015.

Town of Griswold, Connecticut

Notes to Financial Statements
June 30, 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, 2013	Additions	Deductions	Balance June 30, 2014	Current Portion
Bonds/Notes									
Schools:									
Improvement bond	$ 350,000	01/29/01	01/15/16	4.90% - 4.90%	$ 60,000	$ -	$ 20,000	$ 40,000	$ 20,000
Improvement bond	10,000,000	09/15/08	09/15/28	3.00% - 4.25%	8,520,000	-	400,000	8,120,000	410,000
Improvement bond	11,000,000	02/01/10	02/01/30	2.00% - 4.00%	9,740,000	-	445,000	9,295,000	455,000
Total bonds					18,320,000	-	865,000	17,455,000	885,000
Net OPEB obligation					764,300	140,798	115,825	789,273	-
Capital lease					448,568	-	144,632	303,936	149,469
Environmental remediation obligation					307,400	-	307,400	-	-
MIRMA assessment					34,397	-	34,397	-	-
Compensated absences					230,787	98,809	99,319	230,277	46,055
Total long-term obligations					$ 20,105,452	$ 239,607	$ 1,566,573	$ 18,778,486	$ 1,080,524

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

The following is a summary of bond maturities:

Fiscal Year-Ended	Principal	Interest
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	$ 17,455,000	$ 5,915,517

Town of Griswold, Connecticut

Notes to Financial Statements
June 30, 2104

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	$ 42,428,934	$ -	$ 42,428,934
Schools	84,857,868	23,255,000	61,602,868
Sewers	70,714,890	-	70,714,890
Urban renewal	61,286,238	-	61,286,238
Pension deficit	56,571,912	-	56,571,912

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, $132,001,128.

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, 2014, 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 $561,900 and accumulated amortization of $31,841 are recorded under capital leases as of June 30, 2014.

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, 2014:

Year ending June 30,	
2015	$ 159,633
2016	159,632
Total minimum lease payments	319,265
Less amount representing interest	(15,329)
Present value of minimum lease payments	$ 303,936

4. Authorized/unissued bonds

At June 30, 2014 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 $570,423 at June 30, 2014.

H. Fund balance classifications

As of June 30, 2014, 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	11,211	-	-	11,211
Total Nonspendable	11,211	-	18,000	29,211
Restricted:				
General government	-	-	6,559	6,559
Public safety	-	-	1,165	1,165
Public works	-	-	453,861	453,861
Human services	-	-	2,886	2,886
Civic and cultural	-	-	3,398	3,398
Education	-	-	84,554	84,554
Total Restricted	-	-	552,423	552,423
Committed:				
Public safety	-	-	23,853	23,853
Civic and cultural	-	-	32,738	32,738
Development and planning	-	-	436	436
Approved projects	-	-	514,093	514,093
Total Committed	-	-	571,120	571,120
Assigned:				
Civic and cultural	2,594	-	56,566	59,160
Education	253,596	-	44,530	298,126
Total Assigned	256,190	-	101,096	357,286
Unassigned	3,697,588	(7,345,355)	(88,061)	(3,735,828)
Total	$ 3,964,989	$ (7,345,355)	$ 1,154,578	$ (2,225,788)

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.

The Town obtains commercial insurance for these risks. In the prior year, the Town chose to retain the risk for the Town and Board of Education employees' medical claims. The funds were reported as internal service funds. There was some residual activity in the current fiscal year as noted below. 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.

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
2013-2014	$ 265,296	$ 10,419	$ 275,715	$ -
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, 2012, 2013 and 2014 were $484,365, $499,320 and $546,663, 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 $115,825.

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	$	$1,900,625	$1,900,625	0.0%	$16,616,215	11.4%

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	$ 284,871
Interest on net OPEB obligation	30,572
Adjustment to annual required contribution	(174,645)
Annual OPEB cost	140,798
Contributions made	(115,825)
Change in net OPEB obligation	24,973
Net OPEB obligation - July 1, 2013	764,300
Net OPEB obligation - June 30, 2014	$ 789,273

7. Three year trend information

Year Ending June 30	Annual OPEB Cost (AOC)	Percentage of AOC Contributed	Net OPEB Obligation
Town			
2014	$ 140,798	82.3%	$ 789,273
2013	135,165	74.7	764,300
2012	151,324	78.6	730,042

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 $2,985,000.

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	-	1,900,625	1,900,625	0.0%	16,616,215	11.4%

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%
2014	284,871	115,825	40.7%

Town of Griswold, Connecticut

Griswold OPEB Plan

Notes to Required Supplementary Information
Year Ended June 30, 2014

Changes of benefit terms	None
Changes of assumptions	None

The following actuarial methods and assumptions were used to determine contribution rates reported in that schedule:

Actuarial Cost Method	Projected Unit Credit
Amortization Method	Level dollar
Remaining Amortization Period	26 years
Interest Rate	4.00%
Inflation Rate	2.5%
Medical Trend Rate	6.0%
Dental Trend Rate	5.5%

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, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Taxes, interest and lien fees:				
General property taxes	$ 18,021,690	$ 18,021,690	$ 18,162,310	$ 140,620
Interest and lien fees	125,000	125,000	232,612	107,612
Telephone access line tax	35,667	35,667	33,552	(2,115)
Total taxes, interest and lien fees	18,182,357	18,182,357	18,428,474	246,117
Intergovernmental:				
State grants for school aid:				
ECS grant	10,899,492	10,899,492	10,937,610	38,118
Transportation	185,123	185,123	157,192	(27,931)
Total state grants for school aid	11,084,615	11,084,615	11,094,802	10,187
State grants - unspecified:				
PILOT - state property	58,636	58,636	58,680	44
Mashantucket Pequot fund	101,941	101,941	101,751	(190)
Tax relief for elderly	42,349	42,349	38,814	(3,535)
Tax relief for veterans	12,148	12,148	8,806	(3,342)
Tax relief - totally disabled	1,098	1,098	1,124	26
MRSA bonded distribution	29,998	29,998	29,997	(1)
Municipal aid adjustment	15,380	15,380	15,380	-
Local capital improvement	91,685	91,685	92,301	616
Judicial fine from State	5,000	5,000	11,146	6,146
Civil preparedness	3,000	3,000	-	(3,000)
Youth services	14,000	14,000	14,000	-
Total state grants - unspecified	375,235	375,235	371,999	(3,236)
Total intergovernmental	11,459,850	11,459,850	11,466,801	6,951
Charges for services:				
Finance department	37,455	37,455	42,135	4,680
Town clerk	119,000	119,000	129,159	10,159
Planning and development	10,700	10,700	6,537	(4,163)
Building official	70,000	70,000	102,762	32,762
Rental income	16,000	16,000	16,000	-
Education tuition	1,500,000	1,500,000	1,651,685	151,685
Use of facilities	48,000	48,000	39,061	(8,939)
Selectman	300	300	110	(190)
Miscellaneous	10,000	10,000	7,753	(2,247)
Solid waste	310,500	310,500	389,291	78,791
Total charges for services	2,121,955	2,121,955	2,384,493	262,538

(Continued)

Town of Griswold, Connecticut

General Fund
Schedule of Revenues and Other Financing Sources -
Budget and Actual
Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Use of Town money:				
Investment interest	$ 20,000	$ 20,000	$ 5,422	$ (14,578)
Total revenues	31,784,162	31,784,162	32,285,190	501,028
Other financing sources:				
Appropriation of fund balance	-	159,068	-	(159,068)
Total revenues and other financing sources	$ 31,784,162	$ 31,943,230	$ 32,285,190	$ 341,960

(Concluded)

Town of Griswold, Connecticut

General Fund
Schedule of Expenditures and Other Financing Uses -
Budget and Actual
Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
General government:				
Board of Finance:				
Financial director - regular full-time	$ 78,323	$ 78,323	$ 78,319	$ 4
Bookkeeper and clerk	38,221	38,221	38,221	-
Assistant bookkeeper	30,018	30,018	26,246	3,772
Overtime payroll	500	500	-	500
Longevity	1,100	1,100	1,100	-
Purchasing agent salary	3,826	3,826	3,752	74
Health insurance	54,319	54,319	51,182	3,137
FICA	12,436	12,436	11,345	1,091
Pension	18,208	18,208	17,537	671
Meetings and dues	1,000	1,000	358	642
Education and training	600	600	199	401
Advertising	500	500	89	411
Annual report	500	500	-	500
Postage	2,500	2,500	1,203	1,297
Service contracts and leases	7,000	7,000	6,979	21
Finance and accounting	37,000	37,000	36,440	560
Technology maintenance	2,500	2,500	2,500	-
Contracted services	10,000	10,000	9,388	612
Total Board of Finance	298,551	298,551	284,858	13,693
Board of Selectmen:				
Regular full-time payroll	39,244	39,244	39,244	-
Longevity	350	350	350	-
Contractual Temp and Occ	500	163	163	-
First selectman - elected official	52,090	46,004	46,004	-
Second selectman - elected official	11,283	11,260	11,260	-
Third selectman - elected official	11,283	11,260	11,260	-
Health insurance	33,489	19,769	19,769	-
FICA	8,748	8,468	8,468	-
Pension	10,942	10,235	10,235	-
First selectman - travel	3,000	172	172	-
Second selectman - travel	1,250	268	268	-
Third selectman - travel	1,250	131	131	-
First selectman - meetings	1,200	1,056	1,056	-
Second selectman - meetings	200	-	-	-
Third selectman - meetings	200	149	149	-
Advertising	5,000	8,825	8,825	-
Office supplies/central purchasing	20,000	19,379	19,379	-
Postage	1,000	507	507	-
School building committee expenses	10	-	-	-
Health and safety committee expenses	10	-	-	-
Town Historian	10	5	5	-
Liability auto and property insurance - municipal	60,000	101,503	101,503	-
Workers' compensation - municipal insurance	90,000	112,193	112,193	-
Service contracts	10,029	12,303	12,303	-
Technology maintenance	4,750	5,921	5,921	-
Connecticut Conference of Municipalities	7,252	7,109	7,109	-
S.E.A.T.	7,043	6,772	6,772	-
S.E. CT Enterprise Region	3,782	3,782	3,782	-
S.E. CT Council of Government	6,573	6,573	6,573	-
Total Board of Selectmen	390,488	433,401	433,401	-
Treasurer:				
Deputy treasurer	1,827	1,827	1,820	7
Elected officials	7,534	7,534	7,534	-
FICA	716	716	716	-
Pension	219	219	218	1
Travel	25	25	-	25
Meetings and dues	25	25	-	25
Total treasurer	10,346	10,346	10,288	58

(Continued)

Town of Griswold, Connecticut

General Fund
Schedule of Expenditures and Other Financial Uses -
Budget and Actual
Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	With Final Budget
Tax collector:				
Regular full-time payroll	$ 30,566	$ 30,566	$ 30,566	$
Overtime payroll	300	300	6	294
Longevity	1,150	1,150	1,150	-
DMV collection fee	3,000	3,000	2,859	141
Elected officials	57,827	57,827	57,827	-
Health insurance	38,988	38,988	37,545	1,443
FICA	6,873	6,873	6,399	474
Pension	10,763	10,763	10,683	80
Travel	600	600	408	192
Meetings and dues	500	500	351	149
Advertising	1,500	1,500	1,026	474
Postage	10,000	8,833	5,817	3,016
Service contracts/leases	13,500	13,500	13,098	402
Tax refunds	8,000	9,167	9,167	-
Total tax collector	183,567	183,567	176,902	6,665
Tax assessment:				
Assessor	51,503	51,503	51,503	-
Assistant assessor	15,904	15,904	236	15,668
Overtime payroll	400	400	359	41
Longevity	350	350	350	-
Elected officials	3,000	3,000	3,000	-
Health insurance	10,381	10,381	10,337	44
FICA	6,001	6,001	4,690	1,311
Pension	6,260	6,260	6,230	30
Assessor - travel	500	500	205	295
Assessor - meetings	800	800	145	655
Assessor - advertising	300	300	142	158
Board tax review - advertising	350	350	-	350
Postage	2,500	2,500	920	1,580
Postage - BAA	500	500	38	462
Service contracts/leases	20,508	20,508	20,365	143
Technology maintenance	500	500	500	-
Update maps - data processing	7,485	7,485	7,235	250
Motor vehicle - data processing	700	700	430	270
Personal property forms	250	250	80	170
Total tax assessment	128,192	128,192	106,765	21,427
Elections and registrations:				
Contractual temporary and occasional	27,000	33,417	33,417	-
Registrars - elected officials	18,215	18,214	18,214	-
FICA	3,459	3,931	3,931	-
Registrars - travel	300	-	-	-
Meetings and dues	2,500	2,261	2,261	-
Advertising	-	-	-	-
Registrars annual canvas	200	75	75	-
Office/election supplies	12,000	9,212	9,212	-
Postage	600	1,706	1,706	-
Service contracts/leases	250	215	215	-
Total elections and registrations	64,524	69,031	69,031	-
Town clerk:				
Regular full-time payroll	31,899	31,899	26,170	5,729
Overtime payroll	250	250	45	205
Longevity	1,550	1,550	1,550	-
Elected officials	53,505	53,505	53,505	-
Health insurance	28,816	28,816	17,273	11,543
FICA	6,671	6,671	6,252	419
Pension	10,447	10,447	9,824	623
Travel	100	100	180	(80)
Meetings and dues	1,200	1,200	260	940
Advertising	3,000	3,000	2,903	97
Postage	1,200	1,200	1,111	89
Service contracts/leases	800	800	443	357
Indexing and recording	25,000	25,000	22,441	2,559
Vital statistics	500	500	483	17
Update Town codes	2,000	2,000	1,195	805
Total Town clerk	166,938	166,938	143,635	23,303

(Continued)

Town of Griswold, Connecticut

General Fund
Schedule of Expenditures and Other Financial Uses -
Budget and Actual
Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Legal:				
Legal matters labor	$ 22,000	$ 18,433	$ 18,433	$ -
Probate court	8,007	7,426	7,426	-
Town counsel	45,000	55,898	55,898	-
Total legal	75,007	81,757	81,757	-
Maintenance of Town building - 28 Main:				
Regular full-time payroll	41,154	41,154	41,154	-
Overtime payroll	300	300	126	174
Health insurance	24,116	24,116	23,488	628
FICA	3,171	3,171	2,840	331
Pension	4,966	4,966	4,924	42
Telephone	13,500	13,500	12,090	1,410
Electricity	18,000	16,525	15,751	774
Heating fuel	11,000	11,000	7,912	3,088
Water	850	850	780	70
Building repairs	5,000	6,125	6,125	-
Maintenance	6,000	6,350	6,350	-
Total maintenance of Town building - 28 Main	128,057	128,057	121,540	6,517
Maintenance of Town building - Pachaug:				
Telephone	1,800	1,800	420	1,380
Electricity	850	850	850	-
Heating fuel	2,000	2,000	1,464	536
Building repairs	400	400	-	400
Maintenance	300	300	-	300
Total maintenance of Town building - Pachaug	5,350	5,350	2,734	2,616
Maintenance of Town building - Highway:				
Electricity	4,000	3,987	3,620	367
Building repairs	500	500	402	98
Maintenance	1,200	1,213	1,213	-
Total maintenance of Town building - Highway	5,700	5,700	5,235	465
Total general government	1,456,720	1,510,890	1,436,146	74,744
Public safety:				
Emergency services:				
Contractual temporary and occasional	16,000	21,481	21,481	-
FICA	1,423	1,643	1,643	-
Postage	100	163	163	-
Other purchased supplies	1,600	1,600	1,376	224
Finance and accounting	450	450	-	450
Municipal insurance GVFD	22,000	22,000	19,576	2,424
AA young municipal insurance	22,000	22,000	19,576	2,424
OSHA physicals and testing GVFD	5,000	5,000	5,000	-
OSHA physicals and testing JCFD	5,000	5,000	4,294	706
Office of emergency management	2,600	2,600	-	2,600
Griswold Volunteer Fire Department	89,750	89,827	89,827	-
Dispatch service	21,552	21,552	21,552	-
Ambulance	20,000	90,000	90,000	-
AA Young Volunteer Fire Department	89,750	89,750	88,615	1,135
Retention and recruitment GVFD	35,000	35,000	33,690	1,310
Retention and recruitment JCFD	35,000	35,000	30,353	4,647
Paramedic bundle billing	36,000	30,159	20,255	9,904
Hydrants - Town of Griswold	26,000	26,000	25,886	114
Total emergency services	429,225	499,225	473,287	25,938

(Continued)

Town of Griswold, Connecticut

General Fund
Schedule of Expenditures and Other Financial Uses -
Budget and Actual
Year Ended June 30, 2014

	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	43	107
Postage	10	10	-	10
Other purchased supplies	400	400	400	-
Telephone	900	900	885	15
Electricity	600	600	544	56
Heating fuel	1,000	1,000	1,000	-
Building repairs	500	500	422	78
Maintenance	500	500	292	208
Other professional services	400	400	250	150
Food	850	850	850	-
Total animal control	20,047	20,047	19,026	1,021
Total public safety	449,272	519,272	492,313	26,959
Public works:				
Highway department:				
Regular full-time payroll	313,597	300,516	300,516	-
Director of public works	66,576	69,971	69,971	-
Seasonal maintainer	11,000	11,000	9,330	1,670
Overtime payroll	15,500	12,105	11,951	154
Overtime bulky waste	8,000	8,063	8,063	-
Overtime snow removal	26,000	26,000	26,000	-
Longevity	2,900	3,000	3,000	-
Tree warden - contractual, temporary	1,200	1,200	1,200	-
Safety training	5,000	4,041	3,917	124
Tree maintenance	6,000	6,000	5,850	150
Health insurance	134,234	127,818	127,818	-
FICA	33,756	33,593	33,590	3
Pension	51,822	51,190	51,102	88
Other purchased supplies	15,000	19,528	19,528	-
JCDPU - street lighting	18,000	14,431	14,431	-
CL&P - street lighting	15,500	15,716	15,716	-
Gasoline fuel and fluids	50,000	63,497	63,497	-
Architects and engineers	8,500	2,120	2,120	-
Snow removal meals	1,200	2,350	2,350	-
Cemeteries	1,500	350	30	320
Equipment repairs and purchase	35,000	47,796	47,456	340
Snow removal	50,000	50,000	50,000	-
Contractual road repairs	60,000	60,000	60,000	-
Road signage	5,000	5,000	4,545	455
Total highway department	935,285	935,285	931,981	3,304
Waste disposal:				
Meetings and dues	100	100	-	100
Advertising	50	50	-	50
Office supplies/central purchasing	700	700	-	700
Contracted services	1,000	1,000	800	200
SCRRA - tipping fees	320,000	320,000	305,060	14,940
Recycling	500	500	-	500
Bulky waste tipping fees	50,000	50,000	23,513	26,487
Maintenance transfer station	500	500	135	365
Fuel	1,000	1,000	-	1,000
Electricity - transfer station	100	100	(148)	248
Dumpster replacement	5,000	5,000	1,400	3,600
Total waste disposal	378,950	378,950	330,760	48,190

(Continued)

Town of Griswold, Connecticut

General Fund
Schedule of Expenditures and Other Financial Uses -
Budget and Actual
Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Building official:				
Regular full-time payroll	$ 39,730	$ 39,730	$ 39,730	$ -
Secretary	27,342	26,024	26,024	-
Overtime payroll	500	286	209	77
Longevity	804	804	804	-
Contractual temp and occasional	2,500	3,909	3,909	-
Demolition	200	200	-	200
Health insurance	10,659	10,688	10,688	-
FICA	6,039	6,039	5,919	120
Pension	3,382	3,382	3,177	205
Meetings and dues	500	500	279	221
Postage	300	379	379	-
Gasoline fuel and fluids	700	715	715	-
Service contracts/leases	1,250	1,250	1,123	127
Total building official	93,906	93,906	92,956	950
Total public works	1,408,141	1,408,141	1,355,697	52,444
Human services:				
Senior citizens:				
Senior center director	30,785	30,785	30,785	-
Senior center driver	24,462	18,665	18,197	468
Part time payroll	11,154	11,154	11,154	-
Overtime payroll	1,000	1,213	1,213	-
Longevity	1,195	1,195	1,195	-
Contractual temp and occasional	1,000	2,147	2,147	-
Municipal agent	7,000	7,000	6,923	77
Health insurance	13,461	15,000	15,000	-
FICA	6,094	6,599	6,599	-
Pension	7,723	7,723	7,084	639
Postage	250	250	68	182
Recreation supplies/subcontractors	6,000	6,000	5,492	508
Telephone	1,500	1,500	1,282	218
Electricity	7,920	5,234	5,181	53
Heating fuel	4,000	4,107	4,107	-
Water	1,500	1,500	1,489	11
Maintenance	6,000	10,491	10,491	-
Gasoline, fuel and fluids	6,000	6,000	5,931	69
Vehicle maintenance	2,000	2,501	2,501	-
Transportation	1,500	1,500	150	1,350
Meals on wheels	11,210	11,210	9,140	2,070
Total senior citizens	151,774	151,774	146,129	5,645
Contributions:				
TVCCA	3,000	3,000	3,000	-
Slater Library	82,000	82,000	82,000	-
Women's Center	1,000	1,000	1,000	-
Local Veterans Council	2,500	2,500	2,500	-
Legion baseball	1,200	1,200	1,200	-
Snowflake festival	600	600	600	-
Sexual Assault Crisis Center	200	200	200	-
UCFS	2,500	2,500	2,500	-
Children First Griswold	5,000	5,000	5,000	-
Total contributions	98,000	98,000	98,000	-

(Continued)

Town of Griswold, Connecticut

General Fund
Schedule of Expenditures and Other Financial Uses -
Budget and Actual
Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Health department:				
Contractual temporary and occasional	$ 77,274	$ 77,274	$ 77,274	$ -
Public health nursing:				
Building repairs	2,000	2,000	1,765	235
Day Kimball Hospital	7,500	7,500	3,422	4,078
Total public health nursing	9,500	9,500	5,187	4,313
Total human services	336,548	336,548	326,590	9,958
Civic and cultural:				
Recreation commission:				
Recreation director	18,509	18,509	18,508	1
Longevity	175	175	175	-
Rental fees to school for gym	1,000	1,000	-	1,000
Health insurance	11,721	11,721	11,042	679
FICA	1,429	1,429	1,359	70
Pension	2,238	2,238	2,225	13
Printing and publications	1,000	1,000	1,000	-
Telepone	300	300	-	300
Electricity	1,620	1,620	1,377	243
Water	500	500	237	263
Maintenance	5,200	5,200	4,441	759
Technology maintenance	1,000	1,000	945	55
Total recreation commission	44,692	44,692	41,309	3,383
Youth and family services:				
Youth and family service director	22,253	22,253	22,253	-
Longevity	175	175	175	-
Health insurance	12,446	12,446	12,446	-
FICA	1,716	1,716	1,634	82
Pension	2,687	2,687	2,675	12
Travel	600	600	600	-
Education and training	600	600	600	-
Printing and publications	1,000	1,000	1,000	-
Postage	25	25	25	-
Program development	48,561	48,561	48,561	-
Total youth and family services	90,063	90,063	89,969	94
Total civic and cultural	134,755	134,755	131,278	3,477
Development and planning:				
Planning and community development:				
Regular full-time payroll	35,141	35,141	34,860	281
Secretary	31,899	31,899	31,899	-
Overtime payroll	2,000	2,229	2,229	-
Longevity	750	750	750	-
Professional services - contractual	1,500	1,500	-	1,500
Hearing officer - contractual	1	1	-	1
Economic development coordinator	1	1	-	1
Health insurance	9,322	9,322	8,695	627
FICA	5,339	5,339	5,249	90
Pension	8,361	8,361	4,138	4,223
Travel	400	400	393	7
Planner - meetings	100	165	165	-
Planning and zoning - meetings	200	200	-	200
ZBA - meetings	100	100	-	100
CC - meetings	200	200	135	65
Economic Development Commission	500	500	295	205
Education and training	400	400	374	26
Planner - advertising	1	1	-	1
Planning and zoning - advertising	5,000	5,000	4,006	994
ZBA - advertising	4,500	4,500	2,882	1,618
CC - advertising	4,000	4,000	1,549	2,451
Postage	500	924	924	-
Service contracts/leases	3,600	2,882	1,988	894
Plan of Conservation and Development	800	800	-	800
State of Connecticut - MS4 Program	2,287	2,287	188	2,099
Total planning and community development	116,902	116,902	100,719	16,183
Total development and planning	116,902	116,902	100,719	16,183

(Continued)

Town of Griswold, Connecticut

General Fund
Schedule of Expenditures and Other Financial Uses -
Budget and Actual
Year Ended June 30, 2014

	Original Budget	Final Budget	Actual	Variance With Final Budget
Sundry:				
Emergency and contingency:				
Exchanges	$ 45,000	$ 31,898	$	$ 31,898
Fringe benefits:				
Accumulated sick time	30,000	30,000	30,000	-
Health insurance	300	300	205	95
MERF - amortization	1,339	1,339	1,339	-
MERF - administrative assessor	7,670	7,670	7,670	-
Unemployment compensation	5,000	5,000		5,000
Total fringe benefits	44,309	44,309	39,214	5,095
Total sundry	89,309	76,207	39,214	36,993
Education:				
Board of Education	25,123,850	25,123,850	25,115,981	7,869
Capital outlay:				
GMS network switches	46,000	46,000	45,995	5
Debt service:				
Bond and loan retirement	1,187,132	1,187,132	1,009,632	177,500
Interest - bonds and loans	777,534	777,534	682,534	95,000
Total debt service	1,964,666	1,964,666	1,692,166	272,500
Total expenditures	31,126,163	31,237,231	30,736,099	501,132
Other financing uses:				
Transfers out - public health nursing	10,000	10,000	10,000	-
Transfers out - recreation fund	15,999	15,999	15,999	-
Transfers out - Bicentennial celebration	5,000	53,000	53,000	-
Transfers out - capital projects	105,137	105,137	105,137	-
Transfers out - town aid road	319,863	319,863	319,863	-
Transfers out - capital nonrecurring	202,000	202,000	202,000	-
Total other financing uses	657,999	705,999	705,999	-
Total expenditures and other financing uses	$ 31,784,162	$ 31,943,230	$ 31,442,098	$ 501,132

(Concluded)

Town of Griswold, Connecticut

Report of Tax Collector
Year Ended June 30, 2014

Grand List Year	Uncollected Taxes July 1, 2013	Current Year Levy	Lawful Corrections		Transfers to Suspense	Adjusted Taxes Collectible	Collections			Uncollected Taxes June 30, 2014
			Additions	Deductions			Taxes	Interest & Lien Fees	Total	
1997	$ 1,179	$ -	$ -	$ 1,179	$ -	$ -	$ -	$ -	$ -	$ -
1998	3,519	-	-	1,429	-	2,090	-	-	-	2,090
1999	28,856	-	-	1,459	-	27,397	77	192	269	27,320
2000	10,580	-	-	6,945	-	3,635	-	-	-	3,635
2001	14,288	-	-	10,124	-	4,164	-	-	-	4,164
2002	15,762	-	-	10,916	-	4,846	-	-	-	4,846
2003	18,454	-	-	12,155	-	6,299	-	-	-	6,299
2004	20,367	-	-	12,587	-	7,780	-	-	-	7,780
2005	21,894	-	-	12,213	-	9,681	399	41	440	9,282
2006	19,420	-	-	7,198	-	12,222	845	1,004	1,849	11,377
2007	21,983	-	-	1,925	-	20,058	7,455	7,376	14,831	12,603
2008	71,244	-	-	3,172	28,906	39,166	23,738	12,878	36,616	15,428
2009	112,401	-	-	3,347	-	109,054	35,606	20,040	55,646	73,448
2010	168,259	-	276	3,054	-	165,481	60,586	22,986	83,572	104,895
2011	481,829	-	-	8,013	-	473,816	281,817	64,205	346,022	191,999
Total Prior years	1,010,035	-	276	95,716	28,906	885,689	410,523	128,722	539,245	475,166
2012	-	18,259,166	5,436	57,038	-	18,207,564	17,746,004	91,702	17,837,706	461,560
Total	$ 1,010,035	$ 18,259,166	$ 5,712	$ 152,754	$ 28,906	$ 19,093,253	$ 18,156,527	$ 220,424	18,376,951	$ 936,726

Property taxes considered available:	
Overpayment of taxes and suspense collections	35,036
June 30, 2013 - 60 day	(93,441)
June 30, 2014 - 60 day	76,376
Total property tax revenues	$ 18,394,922

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, 2014

	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	$ -	$ -	$ -	$ -	$ -	$ 58,533	$ -	$ -
Receivables:								
Intergovernmental	-	68,027	113,636	-	-	-	-	-
Other	-	1,686	-	-	-	576	-	124
Due from other funds	423,944	-	15,216	44,530	1,165	-	-	6,435
Other	-	16,730	-	-	-	-	-	-
Total assets	$ 423,944	$ 86,443	$ 128,852	$ 44,530	$ 1,165	$ 59,109	$ -	$ 6,559
Liabilities and Fund Balances								
Liabilities:								
Accounts payable	$ 22,897	$ -	$ 19,799	$ -	$ -	$ -	$ -	$ -
Accrued liabilites	-	-	66,938	-	-	-	-	-
Due to other funds	-	1,889	-	-	-	5,863	-	-
Unearned revenue	-	-	42,115	-	-	432	-	-
Total liabilities	22,897	1,889	128,852	-	-	6,295	-	-
Fund balances:								
Restricted	401,047	84,554	-	-	1,165	52,814	-	6,559
Assigned	-	-	-	44,530	-	-	-	-
Total fund balances	401,047	84,554	-	44,530	1,165	52,814	-	6,559
Total liabilities and fund balances	$ 423,944	$ 86,443	$ 128,852	$ 44,530	$ 1,165	$ 59,109	$ -	$ 6,559

(Continued)

Town of Griswold, Connecticut

Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2014

	Sheldon Road Park	Open Space	Dog Fund	Board of Education Miscellaneous	Paw to Paw	Recreation Fund
Assets						
Cash	$ -	$ -	$ -	$ -	$ -	$ -
Receivables:						
Other	-	-	361	3,500	-	1,525
Due from other funds	-	56,566	23,492	-	730	31,914
Total assets	$ -	$ 56,566	$ 23,853	$ 3,500	$ 730	$ 33,439
Liabilities and Fund Balances						
Liabilities:						
Accounts payable	$ 4,525	$ -	$ -	$ 28	$ -	$ 701
Accrued liabilites	-	-	-	866	-	-
Due to other funds	48,584	-	-	19,555	-	-
Total liabilities	53,109	-	-	20,449	-	701
Fund balances:						
Restricted	-	-	-	-	730	-
Committed	-	-	23,853	-	-	32,738
Assigned	-	56,566	-	-	-	-
Unassigned	(53,109)	-	-	(16,949)	-	-
Total fund balances	(53,109)	56,566	23,853	(16,949)	730	32,738
Total liabilities and fund balances	$ -	$ 56,566	$ 23,853	$ 3,500	$ 730	$ 33,439

(Continued)

Town of Griswold, Connecticut

Nonmajor Governmental Funds
Combining Balance Sheet
June 30, 2014

	Special Revenue						Capital Projects	Permanent	
	Plan of Conservaton & Development	Municpal Energy & Conservation	Main Street Phase I	Historical Society Tercentenary	Senior Center Expansion	Total	Capital Nonrecurring Fund	Anthony Trust Fund	Total Nonmajor Funds
Assets									
Cash	$ -	$ -	$ -	$ 284	$ -	$ 58,817	$ -	$ 20,549	$ 79,366
Receivables:									
Intergovernmental	-	-	-	-	-	181,663	-	-	181,663
Other	-	-	-	-	-	7,772	180	3,350	11,302
Due from other funds	7,840	-	436	-	2,384	614,652	513,913	-	1,128,565
Other	-	-	-	-	-	16,730	-	-	16,730
Total assets	$ 7,840	$ -	$ 436	$ 284	$ 2,384	$ 879,634	$ 514,093	$ 23,899	$ 1,417,626
Liabilities and Fund Balances									
Liabilities:									
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ 47,950	$ -	$ -	$ 47,950
Accrued liabilites	-	-	-	-	-	67,804	-	-	67,804
Due to other funds	-	18,003	-	-	-	93,894	-	3,013	96,907
Unearned revenue	7,840	-	-	-	-	50,387	-	-	50,387
Total liabilities	7,840	18,003	-	-	-	260,035	-	3,013	263,048
Fund balances:									
Nonspendable	-	-	-	-	-	-	-	18,000	18,000
Restricted	-	-	-	284	2,384	549,537	-	2,886	552,423
Committed	-	-	436	-	-	57,027	514,093	-	571,120
Assigned	-	-	-	-	-	101,096	-	-	101,096
Unassigned	-	(18,003)	-	-	-	(88,061)	-	-	(88,061)
Total fund balances	-	(18,003)	436	284	2,384	619,599	514,093	20,886	1,154,578
Total liabilities and fund balan	$ 7,840	$ -	$ 436	$ 284	$ 2,384	$ 879,634	$ 514,093	$ 23,899	$ 1,417,626

(Concluded)

Town of Griswold, Connecticut

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2014

	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	$ 214,933	$ 409,078	$ 1,111,657	$ -	$ -	$ -	$ 5,386	$ 4,000
Charges for services	79,185	455,338	-	56,851	2,185	3,168	-	2,996
Income from investments	-	-	-	-	-	75	-	-
Total revenues	294,118	864,416	1,111,657	56,851	2,185	3,243	5,386	6,996
Expenditures:								
Current:								
General government	-	-	-	-	-	-	-	4,674
Public safety	-	-	-	-	1,170	-	-	-
Public works	292,380	-	-	-	-	4,739	-	-
Human services	-	-	-	-	-	-	4,950	-
Education	-	830,298	1,111,657	55,029	-	-	-	-
Total expenditures	292,380	830,298	1,111,657	55,029	1,170	4,739	4,950	4,674
Excess (deficiency) of revenues over expenditures	1,738	34,118	-	1,822	1,015	(1,496)	436	2,322
Other financing sources:								
Transfers in	319,863	-	-	-	-	-	7,112	-
Net change in fund balances	321,601	34,118	-	1,822	1,015	(1,496)	7,548	2,322
Fund balances - July 1, 2013	79,446	50,436	-	42,708	150	54,310	(7,548)	4,237
Fund balances - June 30, 2014	$ 401,047	$ 84,554	$ -	$ 44,530	$ 1,165	$ 52,814	$ -	$ 6,559

(Continued)

Town of Griswold, Connecticut

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2014

	Sheldon Road Park	Open Space	Dog Fund	Board of Education Miscellaneous	Paw to Paw	Recreation Fund
Revenues:						
Intergovernmental	$ -	$ -	$ -	$ -	$ -	$ -
Charges for services	-	-	1,032	106,766	-	91,839
Contributions	-	-	60	-	1,000	1,380
Total revenues	-	-	1,092	106,766	1,000	93,219
Expenditures:						
Current:						
General government	-	-	4,095	-	-	-
Education	-	-	-	121,001	-	-
Civic and cultural	60,196	-	-	-	400	93,466
Total expenditures	60,196	-	4,095	121,001	400	93,466
Excess (deficiency) of revenues over expenditures	(60,196)	-	(3,003)	(14,235)	600	(247)
Other financial sources (uses):						
Transfers in	-	-	-	-	-	15,999
Transfers out	-	-	-	-	-	(7,112)
Net other financing sources (uses)	-	-	-	-	-	8,887
Net change in fund balances	(60,196)	-	(3,003)	(14,235)	600	8,640
Fund balances - July 1, 2013	7,087	56,566	26,856	(2,714)	130	24,098
Fund balances - June 30, 2014	$ (53,109)	$ 56,566	$ 23,853	$ (16,949)	$ 730	$ 32,738

(Continued)

Town of Griswold, Connecticut

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Year Ended June 30, 2014

	Special Revenue						Capital Projects	Permanent	
	Plan of Conservaton & Development	Municpal Energy & Conservation	Main Street Phase I	Historical Society Tercentenary	Senior Center Expansion	Total	Capital Nonrecurring Fund	Anthony Trust Fund	Total Nonmajor Funds
Revenues:									
Intergovernmental	$ 645	$ -	$ -	$ -	$ -	$ 1,745,699	$ -	$ -	$ 1,745,699
Charges for services	-	-	-	-	-	799,360	5,277	-	804,637
Income from investments	-	-	-	-	-	75	-	62	137
Contributions	-	-	-	-	699	3,139	-	-	3,139
Total revenues	645	-	-	-	699	2,548,273	5,277	62	2,553,612
Expenditures:									
Current:									
General government	645	-	732	-	-	10,146	-	-	10,146
Public safety	-	-	-	-	-	1,170	-	-	1,170
Public works	-	-	-	-	-	297,119	-	-	297,119
Human services	-	-	-	-	-	4,950	-	-	4,950
Civic and cultural	-	-	-	-	-	154,062	-	-	154,062
Education	-	-	-	-	-	2,117,985	-	-	2,117,985
Total expenditures	645	-	732	-	-	2,585,432	-	-	2,585,432
Excess (deficiency) of revenues over expenditures	-	-	(732)	-	699	(37,159)	5,277	62	(31,820)
Other financing sources (uses):									
Transfers in	-	-	-	-	-	342,974	202,000		544,974
Transfers out	-	-	-	-	-	(7,112)			(7,112)
Net other financing sources (uses)	-	-	-	-	-	335,862	202,000	-	537,862
Net change in fund balances	-	-	(732)	-	699	298,703	207,277	62	506,042
Fund balances - July 1, 2013	-	(18,003)	1,168	284	1,685	320,896	306,816	20,824	648,536
Fund balances - June 30, 2014	$ -	$ (18,003)	$ 436	$ 284	$ 2,384	$ 619,599	$ 514,093	$ 20,886	$ 1,154,578

(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, 2014

	Balance July 1, 2013	Additions	Deductions	Balance June 30, 2014
Asset				
Cash:				
Student activity fund	$ 312,072	$ 432,580	$ 444,902	$ 299,750
Liability				
Accounts payable:				
Student activity fund	$ 312,072	$ 432,580	$ 444,902	$ 299,750

Trend Information

Table 1

Town of Griswold, Connecticut

Net Position by Component
Last Ten Years
(Unaudited)

	Fiscal Year									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Governmental activities:										
Net investment in capital assets	$ 83,343,269	$ 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
Restricted	570,423	221,413	371,702	325,201	323,380	15,383,777	2,683,683	162,433	704,700	900,803
Unrestricted	2,913,856	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
Total net position	$ 86,827,548	$ 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

Table 2

Town of Griswold, Connecticut

Changes in Net Position
Last Ten Years
(Unaudited)

	Fiscal Year Ended									
	2014	2013	2012	2011	2010	2009	2008	2007	2006	2005
Expenses:										
Governmental activities:										
General government	$ 1,556,835	$ 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
Public safety	552,965	503,864	476,586	481,342	524,784	632,731	610,383	543,983	551,140	479,410
Public works	2,402,094	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
Human services	341,380	335,846	334,814	327,436	462,444	826,134	1,583,022	1,609,594	1,442,873	1,340,364
Civic and cultural	294,614	226,509	311,838	226,484	175,978	177,548	162,441	168,496	119,163	88,622
Development and planning	100,719	104,235	171,170	142,658	183,564	228,632	361,753	322,921	196,072	152,672
Education	32,152,915	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
Interest expense	668,408	823,211	730,265	771,030	643,578	470,327	255,833	337,347	418,213	514,068
Total expenses	38,069,950	36,671,728	35,704,315	35,604,000	33,807,146	35,902,777	38,801,558	33,064,706	32,298,080	28,751,984
Program revenues:										
Governmental activities:										
Charges for services:										
General government	282,615	244,245	267,723	440,146	396,724	363,611	821,724	1,739,951	799,485	428,037
Public safety	3,217	4,942	766	14,999	781	811	856	721	4,766	
Public works	492,053	395,456	376,999	413,468	501,600	517,993	188,837	241,622	112,298	423,583
Human services	-	-	-	-	56,104	96,644	1,002,973	1,102,360	1,030,544	1,051,130
Civic and cultural	109,824	64,307	57,343	33,691	26,557	15,358	27,036	20,153	21,525	
Development and planning	6,537	11,266	7,950	15,118	14,478	13,868	52,306	39,911	61,841	12,365
Education	2,309,701	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
Operating grants and contributions	16,303,478	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
Capital grants and contributions	939,752	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
Total program revenues	20,447,177	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
Net (expense) revenue	(17,622,773)	(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)
General revenues:										
Governmental activities:										
Property taxes	18,279,147	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
Grants and contributions not restricted to specific programs	265,698	347,886	470,614	334,926	356,873	520,628	381,922	510,746	759,148	659,486
Income from investments	5,696	6,365	32,024	96,153	64,287	260,288	320,734	234,301	375,645	170,611
Total governmental activities	18,550,541	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
Change in net position	$ 927,768	$ (43,290)	$ 2,962,801	$ 10,340,495	$ 13,807,917	$ 9,520,634	$ (867,466)	$ 3,471,940	$ 994,986	$ 1,266,298

Table 3

Town of Griswold, Connecticut

Schedule of Debt Limitation
Year Ended June 30, 2014
((Unaudited)

Total tax collections (incuding interest and lien fees) for the year ended June 30, 2013:	
Town of Griswold	$ 18,376,951
Borough of Jewett City	480,353
Total tax collections (including interest and lien fees) - base for debt limitation computation	$ 18,857,304

	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation:					
2 1/4 times base	$ 42,428,934	$ -	$ -	$ -	$ -
4 1/2 times base	-	84,857,868	-	-	-
3 3/4 times base	-	-	70,714,890	-	-
3 1/4 times base	-	-	-	61,286,238	-
3 times base	-	-	-	-	56,571,912
Total debt limitation	42,428,934	84,857,868	70,714,890	61,286,238	56,571,912
Indebtedness:					
Bonds payable	-	17,455,000	-	-	-
BANs payable	-	5,800,000	-	-	-
Borough of Jewett City	-	-	4,019,224	-	-
Less self-supporting debt of the Borough of Jewett City	-	-	(4,019,224)	-	-
Total indebtedness	-	23,255,000	-	-	-
Debt limitation in excess of outstanding debt	$ 42,428,934	$ 61,602,868	$ 70,714,890	$ 61,286,238	$ 56,571,912

Notes: (1) The total of the above indebtedness amounts to:	$ 23,255,000
In no event shall total indebtedness exceed seven times the base for debt limitation computation:	$ 132,001,128

Table 4

Town of Griswold, Connecticut

Current Debt Schedule
Year Ended June 30, 2014
(Unaudited)

Bonded debt:	
Schools	$ 17,455,000
General purpose	-
Total bonded debt	17,455,000
Short-term debt	5,800,000
Direct debt	23,255,000
Less School construction grants	-
	$ 23,255,000
Population July 1, 2013 (CT Dept. of Health)	11,959
Equalized net grand list 2012 (CT - O.P.M.)	$ 958,388,012

Current Debt Ratios

	Direct Debt	Net Direct Debt	Overall Net Debt
Debt per Capita	$ 1,945	$ 1,945	$ 1,945
Percent of equalized net grand list	2.43%	2.43%	2.43%

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
2014	$ 18,207,564	$ 17,746,004	97.47%	$ 461,560	2.53%
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%

Table 6

Town of Griswold, Connecticut

Top Ten Taxpayers
(Grand List October 1, 2012)
Year Ended June 30, 2014
(Unaudited)

Name	Nature of Business	Taxable Valuation	Percent Net Taxable Grand List
Connecticut Light and Power	Utility	$ 4,976,950	0.72%
OSJ of Griswold LLC	Department store	3,136,280	0.45%
Jewett City Water Company	Utility	2,627,380	0.38%
Jewett City Savings Bank	Banking	2,081,530	0.30%
395 Associates LLC	Hotel	1,953,620	0.28%
Green Sea LLC	Golf course	1,920,460	0.28%
Soverign RA II LLC	Commercial building	1,912,470	0.28%
PA Residential LLC	Apartment complex	1,753,780	0.25%
Jewett City LLC	Condominium complex	1,622,250	0.23%
Pasquale Camutaro	Residential	1,519,938	0.22%
Net taxable grand list		$ 695,341,836	

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)
2012	$ 784,283	$ 695,342	-0.74%
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	0.64%
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%

* Revaluation year

Federal Single Audit

Town of Griswold, Connecticut

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2014

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:			
School Breakfast Program	10.553		$ 55,035
National School Lunch Program - Cash	10.555		286,716
National School Lunch Program - Commodities	10.555		48,274
Special Milk Program for Children	10.556		65
Summer Food Service Program for Children	10.559		1,035
Total Child Nutrition Cluster			391,125
U.S. Department of Justice			
Passed through State Office of Policy and Management:			
Juvenile Justice and Delinquency Prevention - Allocation to States	16.540		11,824
U.S. Department of Transportation			
Passed through State Department of Transportation:			
Highway Planning & Construction	20.205		1,089,865
U.S. Department of Education			
Passed through State Department of Education:			
Title I Grants to Local Educational Agencies		12060-20679-82070-2014-17002	14,813
Title I Grants to Local Educational Agencies		12060-20679-82070-2013-17002	158,797
Total Title I Grants to Local Educational Agencies	84.010		173,610
Special Education Cluster:			
Special Education - Grants to States (IDEA Part B)		12060-20977-82032-2014-170002	340,746
Special Education - Preschool Grants (IDEA Part B)		12060-20983-82032-2014-170002	19,140
Special Education - Preschool Grants (IDEA Part B)		12060-20983-82032-2013-170002	1,585
Total Special Education - Preschool Grants (IDEA Part B)	84.173		20,725
Total Special Education Cluster			361,471
Improving Teacher Quality State Grants		12060-20858-84131-2014-170002	49,574
Improving Teacher Quality State Grants		12060-20858-84131-2013-170002	34,914
Total Improving Teacher Quality State Grants	84.367		84,488
Total U.S. Department of Education			619,569
U.S. Department of Homeland Security			
Passed through State Department of Emergency Management and Homeland Security			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036		49,300
Grand Total Federal Awards			$ 2,161,683

See Notes to Schedule of Expenditures of Federal Awards.

Town of Griswold, Connecticut

Notes to Schedule of Expenditures of Federal Awards
June 30, 2014

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 $48,274 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
June 30, 2014

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 OMB 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, 2014, 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 12, 2014.

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 12, 2014

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, 2014. 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, 2014.

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 12, 2014

State Single Audit

Town of Griswold, Connecticut

Schedule of Expenditures of State Financial Assistance
Year Ended June 30, 2014

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	$ 38,814
Property Tax Relief for Veterans	11000-OPM20600-17024	8,806
Property Tax Relief on Property of Totally Disabled Persons	11000-OPM20600-17011	1,124
Prepare / Revise Muni Plans	12052-OPM12600-43127	645
Municipal Grants-In-Aid	12052-OPM20600-43587	29,997
Municipal Aid Adjustment	11000-OPM20600-17099	15,380
Local Capital Improvement Program	12050-OPM20600-40254	92,301
Payment in Lieu of Taxes (PILOT) on State-Owned Property	11000-OPM20600-17004	58,680
Small Town Economic Assistance Program (STEAP)	12052-OPM20870-40530	205,000
Connecticut State Library:		
Historic Documents Preservation Grants	12060-CSL66094-35150	4,000
Department of Education:		
High Quality Schools and Common Core Implementation	12052-SDE64000-43538	145,934
Child Nutrition State Matching Grant	11000-SDE64000-16211	8,229
School Breakfast	11000-SDE64000-17046-82057	9,000
School Breakfast	11000-SDE64000-17046-82058	724
Youth Service Bureau	11000-SDE64000-17052	14,000
Youth Service Bureau - Enhancement	11000-SDE64000-16201	4,937
Adult Education	11000-SDE64000-17030	51,587
Primary Mental Health	11000-SDE64000-12198	21,249
Young Parents Program	11000-SDE64000-17044	30,199
Office of Early Childhood:		
School Readiness and Child Care in Competitive Grant Municipalities	11000-OEC64840-12113	212,583
School Readiness Quality Enhancement	12060-OEC64840-17097	4,331
Department of Energy and Environmental Protection:		
Griswold Recreation Fields	12052-DEP43000-12392	5,386
Department of Transportation:		
Town Aid Road Grants Transportation Fund	13033-DOT57131-43459	191,229
Total State Financial Assistance Before Exempt Programs		1,154,135
Exempt Programs:		
Department of Education:		
Transportation of School Children	11000-SDE64000-17027	157,192
Educational Cost Sharing	11000-SDE64000-17041-82010	10,937,610
Excess Cost - Student Based	11000-SDE64000-17047-82016	329,712
Excess Cost - Student Based	11000-SDE64000-17047-82018	306,333
Office of Policy and Management:		
Mashantucket Pequot/Mohegan Fund	12009-OPM20600-17005	101,751
Total Exempt Programs		11,832,598
Total State Financial Assistance		$ 12,986,733

See Notes to Schedule of Expenditures of State Financial Assistance.

Town of Griswold, Connecticut

Notes to Schedule of Expenditures of State Financial Assistance
June 30, 2014

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, 2014. 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
June 30, 2014

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:

State Grantor and Program	State Core-CT Number	Expenditures
Department of Transportation:		
Town Aid Road Grants Transportation Fund	13033-DOT57131-43459	$ 191,229
Office of Policy and Management:		
Small Town Economic Assistance Program (STEAP)	12052-OPM20870-40530	205,000
Office of Early Childhood:		
School Readiness and Child Care in Competitive Grant Municipalities	11000-OEC64840-12113	212,583

Dollar threshold used to distinguish between type A and type B programs: $ 200,000

Town of Griswold, Connecticut

Schedule of Findings and Questioned Costs
June 30, 2014

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, 2014, 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 12, 2014.

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 12, 2014

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, 2014. 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, 2014.

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 12, 2014