ANNUAL FINANCIAL REPORT

OF THE

TOWN OF GRISWOLD, CONNECTICUT

YEAR ENDED JUNE 30, 2012

TOWN OF GRISWOLD, CONNECTICUT

ANNUAL FINANCIAL REPORT
AS OF AND FOR THE YEAR ENDED JUNE 30, 2012
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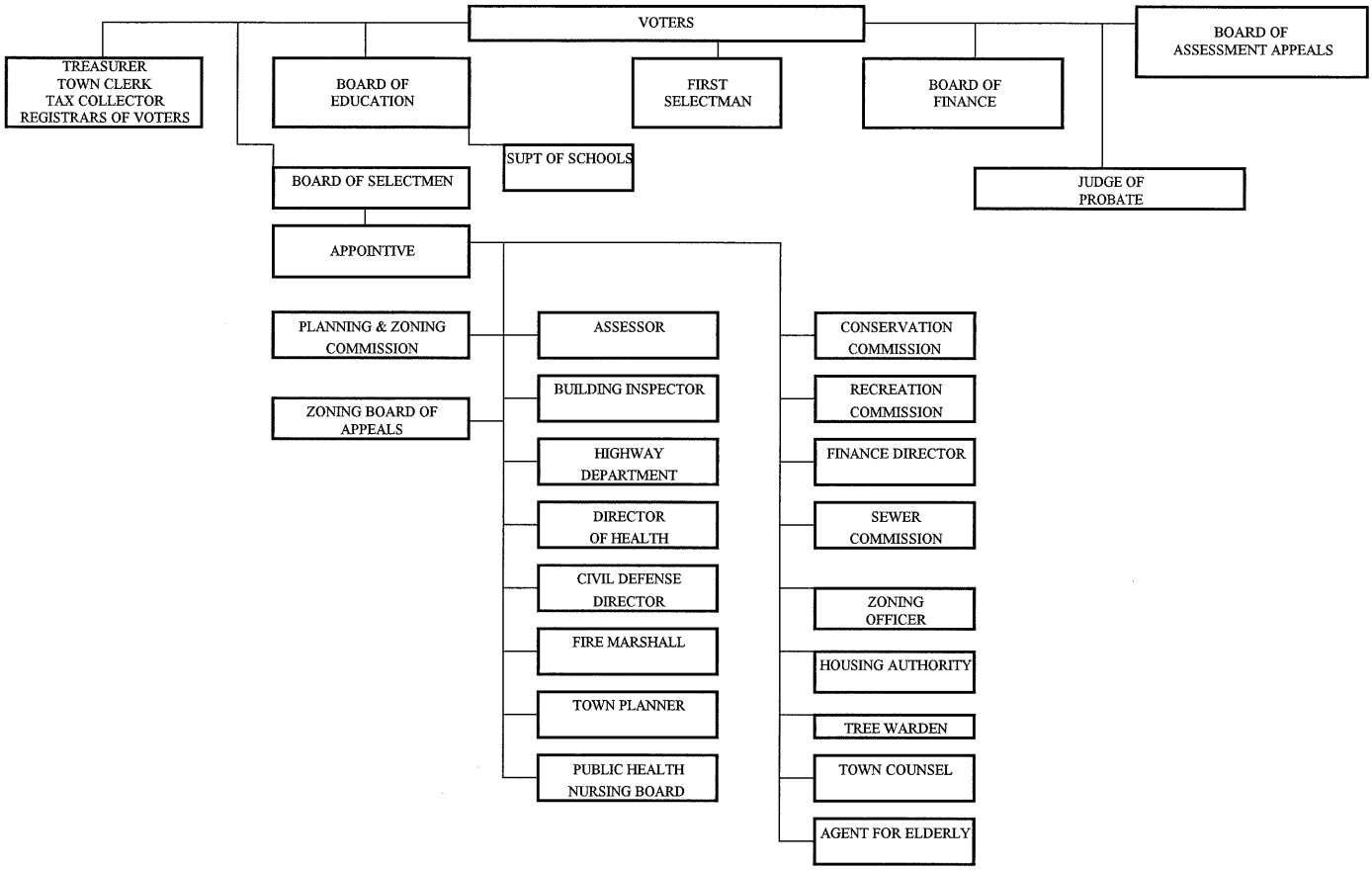
Introductory Section

TOWN OF GRISWOLD, CONNECTICUT

ORGANIZATIONAL CHART



Financial Section

INDEPENDENT AUDITORS' REPORT

Board of Finance
Town of Griswold, Connecticut

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Griswold, Connecticut, as of and for the year ended June 30, 2012, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the Town of Griswold, Connecticut, as of June 30, 2012, and the respective changes in financial position and the respective budgetary comparison for the general fund for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 6, 2012, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedules of funding progress and employer contributions – Griswold Other Post-Employment Benefit Plan on Pages 4 through 10 and Page 45, 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Griswold, Connecticut's financial statements. The introductory section, combining and individual nonmajor fund financial statements and trend information are presented for purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of Federal awards and the schedule of expenditures of state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and the State Single Audit Act and are also not a required part of the financial statements. The combining and individual nonmajor fund financial statements, 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory section and trend information have not been subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

CohnReznick LLP

New London, Connecticut
December 6, 2012

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, 2012

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, 2012.

Financial Highlights

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by $85,943,070 (*net assets*).
- The Town's total net assets increased by $2,962,801. The increase is attributable to continued construction in progress on the Griswold Elementary School.
- As of the close of the current fiscal year, the Town's governmental funds reported a combined ending fund deficit of $1,690,593, a decrease of $8,747,290 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was $1,662,160, or 5.6% of total general fund budgetary expenditures and transfers out.
- The Town's total bonded debt decreased by $1,115,000 (5.5%) 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 the basic 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 assets* presents information on all of the Town's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

Overview of the Basic Financial Statements (Continued)

The *statement of activities* presents information showing how the Town's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave). The government-wide financial statements present only governmental activities whose functions are principally supported by taxes and intergovernmental revenues since the Town does not operate any business-type activities. The governmental activities of the Town include general government, public safety, public works, human services, civic and cultural, development and planning and education.

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

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.

Notes to the Basic 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 the basic financial statements.

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a Town's financial position. In the case of the Town, assets exceeded liabilities by $85,943,070 at the close of the most recent fiscal year.

By far, the largest portion of the Town's net assets, 107.8%, reflects its investment in capital assets (e.g. land, construction in progress, buildings and improvements, machinery and equipment and infrastructure) less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Town of Griswold, Connecticut
Net Assets

	2012	2011
Current and other assets	$ 8,387,578	$ 11,732,114
Capital assets (net)	108,100,909	96,856,800
Total Assets	116,488,487	108,588,914
Current liabilities	10,247,889	4,851,193
Noncurrent liabilities	20,297,528	20,757,452
Total Liabilities	30,545,417	25,608,645
Net assets:		
Invested in capital assets, net of related debt	92,615,248	78,723,664
Restricted	371,702	325,201
Unrestricted	(7,043,880)	3,931,404
Total Net Assets	$ 85,943,070	$ 82,980,269

A portion of the Town's net assets, 0.4 %, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, (8.2 %), may be used to meet the Town's ongoing obligations to citizens and creditors.

Governmental Activities. Governmental activities increased the Town's net assets by $2,962,801 due to continued construction in progress on the Griswold Middle and Elementary Schools.

Town of Griswold, Connecticut
Change in Net Assets

	2012	2011
REVENUES:		
Program revenues:		
Charges for services	$ 2,877,527	$ 3,216,667
Operating grants and contributions	15,693,743	14,976,597
Capital grants and contributions	3,800,183	11,759,746
General revenues:		
Property taxes	15,793,025	15,560,406
Grants and contributions not restricted to specific programs	470,614	334,926
Investment income	32,024	96,153
TOTAL REVENUES	38,667,116	45,944,495
EXPENSES:		
General government	1,692,690	1,493,276
Public safety	476,586	481,342
Public works	1,739,954	2,421,351
Human services	334,814	327,436
Civic and cultural	311,838	226,484
Development and planning	171,170	142,658
Education	30,246,998	29,740,423
Interest expense	730,265	771,030
TOTAL EXPENSES	35,704,315	35,604,000
INCREASE (DECREASE) IN NET ASSETS	2,962,801	10,340,495
NET ASSETS - JULY 1	82,980,269	72,639,774
NET ASSETS - JUNE 30	$ 85,943,070	$ 82,980,269

Major revenue factors included:

- Capital grants and contributions decreased by $7,959,563 primarily due to a reduction in school construction progress payments.
- Operating grants and contributions increased by $717,146 due to increases in special education grant funding and an increase in the amount of payments made by the State of Connecticut on behalf of the Town's teachers (pension and retiree medical insurance).

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 decreased $681,397 primarily due to the prior year accrual of an environmental remediation liability for property located at 226 East Main Street.

- Education expenses increased $506,575 primarily due to an increase in the amount of payments made by the State of Connecticut on behalf of the Town's teachers (pension and retiree medical insurance).

Financial Analysis of the Town's Funds

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

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

As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund deficit balance of $1,690,593, a decrease of $8,747,290 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 $1,662,160, while total fund balance reached $2,758,053. 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 5.6% of total general fund budgetary expenditures and transfers out, while total fund balance represents 9.2% of that same amount.

The fund balance of the Town's general fund decreased by $320,157 during the current fiscal year. The decrease was primarily due to lower than anticipated revenues.

Capital Projects Fund

Capital project expenditures exceeded revenues and transfers in by $8,378,868. 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 no additional appropriations from fund balance. Revenues fell short of budgetary estimates by $1,011,755. Intergovernmental revenues were $742,250 below estimated revenues as excess cost grants of approximately $400,000 were not included in revenues as originally anticipated and reimbursement for the high school bonds was $331,000 less than budgeted. Charges for services were $270,603 below budgetary estimates due in part to tuition revenue being less than anticipated as fewer out of district students enrolled at the high school. Revenue from the use of town money was $58,352 below budgetary estimates, which was due to market conditions related to interest rates and a decrease in available cash for investment. Expenditures were $733,410 less than budgetary estimates, most notably education due to conservative spending as a result of lower than projected revenues and debt service due to the budgeting of a short-term note that was already expensed in the prior year. The combination of these variances coupled with the Town's budgeted use of fund balance led to the need to draw upon the Town's existing fund balance in the amount of $404,121.

Capital Assets and Debt Administration

Capital Assets. The Town's investment in capital assets for its governmental activities as of June 30, 2012, amounts to $108,100,909 (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:

- Continued construction in progress of $10,483,337 pertaining to the Griswold Elementary School construction project.
- Bridge construction in progress of $880,676.
- Infrastructure (roads) additions of $308,000.

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

Town of Griswold, Connecticut
Capital Assets - Net

	2012	2011
Land	$ 1,121,218	$ 1,121,218
Construction in progress	39,684,357	27,300,116
Buildings and improvements	49,733,366	50,979,099
Machinery and equipment	1,856,674	1,746,322
Infrastructure	15,705,294	15,710,045
TOTAL	$ 108,100,909	$ 96,856,800

Long-Term Debt. At the end of the current fiscal year, the Town had $19,155,000 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

	2012	2011
School bonds	$19,155,000	$20,270,000

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 $111,732,222, 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 2012 was 8.6%, which is a decrease from a rate of 10.3% a year ago. In comparison, as of June 2012, the state's unemployment rate was 8.4% and the national average rate was 8.2%.

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

All of these factors were considered in preparing the Town's budget for the 2012/2013 fiscal year.

During the current fiscal year, fund balance in the general fund decreased to $2,758,053. The Town has not assigned any portion of fund balance for spending in the 2012/2013 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 ASSETS
JUNE 30, 2012

	GOVERNMENTAL ACTIVITIES
ASSETS	
Current assets:	
Cash	$ 1,441,258
Investments	3,676,468
Receivables:	
Property taxes	324,702
Intergovernmental	718,519
Other	638,061
Other	619,622
Total current assets	7,418,630
Noncurrent assets:	
Restricted assets:	
Temporarily restricted:	
Cash	2,404
Permanently restricted:	
Cash	18,000
Total Restricted assets	20,404
Receivables (net):	
Property taxes	817,610
Other noncurrent assets	130,934
Capital assets (net of accumulated depreciation):	
Land	1,121,218
Construction in progress	39,684,357
Buildings and improvements	49,733,366
Machinery and equipment	1,856,674
Infrastructure	15,705,294
Total capital assets (net of accumulated depreciation)	108,100,909
Total noncurrent assets	109,069,857
TOTAL ASSETS	116,488,487

(Continued)

TOWN OF GRISWOLD, CONNECTICUT

STATEMENT OF NET ASSETS
JUNE 30, 2012

	GOVERNMENTAL ACTIVITIES
LIABILITIES	
LIABILITIES:	
Current liabilities:	
Accounts payable	$ 2,282,509
Accrued liabilities	1,450,196
Accrued interest payable	267,399
Unearned revenue	17,097
Performance bonds	102,155
Bond anticipation notes	5,000,000
Bonds and notes payable	835,000
Capital lease payable	117,634
School construction grant overpayment	109,371
MIRMA assessment	17,423
Compensated absences	49,105
Total current liabilities	10,247,889
Noncurrent liabilities:	
Bonds and notes payable	18,320,000
Capital lease payable	448,568
Net OPEB obligation	730,042
Environmental remediation obligation	563,000
MIRMA assessment	39,500
Compensated absences	196,418
Total noncurrent liabilities	20,297,528
TOTAL LIABILITIES	30,545,417
NET ASSETS	
Invested in capital assets, net of related debt	92,615,248
Restricted for:	
Endowments:	
Nonexpendable	18,000
Expendable	2,623
Public works	282,430
Education	48,704
Other	19,945
Unrestricted	(7,043,880)
TOTAL NET ASSETS	$ 85,943,070

(Concluded)

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

EXHIBIT B

TOWN OF GRISWOLD, CONNECTICUT

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012

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 ASSETS: TOTAL GOVERNMENTAL ACTIVITIES
GOVERNMENTAL ACTIVITIES:					
General government	$ 1,692,690	$ 267,723	$ 94,825	$ 811,535	$ (518,607)
Public safety	476,586	766			(475,820)
Public works	1,739,954	376,999	99,306	295,000	(968,649)
Human services	334,814				(334,814)
Civic and cultural	311,838	57,343	141,774		(112,721)
Development and planning	171,170	7,950			(163,220)
Education	30,246,998	2,166,746	15,357,838	2,693,648	(10,028,766)
Interest expense	730,265				(730,265)
TOTAL	$ 35,704,315	$ 2,877,527	$15,693,743	$ 3,800,183	$ (13,332,862)

GENERAL REVENUES:	
Property taxes	$ 15,793,025
Grants and contributions not restricted to specific programs	470,614
Income from investments	32,024
TOTAL GENERAL REVENUES	16,295,663
CHANGE IN NET ASSETS	2,962,801
NET ASSETS - JULY 1, 2011	82,980,269
NET ASSETS - JUNE 30, 2012	$ 85,943,070

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

TOWN OF GRISWOLD, CONNECTICUT

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2012

	GENERAL	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
ASSETS				
Cash	$ 1,385,103	$	$ 76,559	$ 1,461,662
Investments	3,676,468			3,676,468
Receivables:				
Property taxes	807,286			807,286
Intergovernmental	251,113	300,003	167,403	718,519
Other	629,371	100	8,590	638,061
Due from other funds	1,786,706	2,268,338	772,411	4,827,455
Other	610,922		8,700	619,622
TOTAL ASSETS	$ 9,146,969	$ 2,568,441	$ 1,033,663	$ 12,749,073
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	$ 1,031,562	$ 1,157,202	$ 93,745	$ 2,282,509
Accrued liabilities	1,450,196			1,450,196
Due to other funds	3,040,749	1,599,984	186,722	4,827,455
Deferred revenue	760,254			760,254
Unearned revenue	4,000		13,097	17,097
Bond anticipation notes		5,000,000		5,000,000
Performance bonds	102,155			102,155
Total Liabilities	6,388,916	7,757,186	293,564	14,439,666
Fund Balances:				
Nonspendable	610,922		18,000	628,922
Restricted			351,079	351,079
Committed			354,456	354,456
Assigned	484,971		91,119	576,090
Unassigned	1,662,160	(5,188,745)	(74,555)	(3,601,140)
Total Fund Balances	2,758,053	(5,188,745)	740,099	(1,690,593)
TOTAL LIABILITIES AND FUND BALANCES	$ 9,146,969	$ 2,568,441	$ 1,033,663	$ 12,749,073

(Continued)

TOWN OF GRISWOLD, CONNECTICUT

RECONCILIATION OF FUND BALANCE
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2012

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET ASSETS (EXHIBIT A) ARE DIFFERENT FROM THE GOVERNMENTAL FUND BALANCE SHEET. THE DETAILS OF THIS DIFFERENCE ARE AS FOLLOWS:	
TOTAL FUND BALANCE (EXHIBIT C, PAGE 1)	$ (1,690,593)
CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS:	
Beginning net capital assets	96,856,800
Current capital asset additions	13,098,308
Depreciation expense	(1,854,199)
OTHER LONG-TERM ASSETS ARE NOT AVAILABLE TO PAY FOR CURRENT PERIOD EXPENDITURES AND, THEREFORE, ARE DEFERRED IN THE FUNDS:	
Property tax interest and lien accrual	442,026
Property tax receivable - accrual basis change	760,254
Allowance for doubtful accounts	(107,000)
Other assets	130,934
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	(19,155,000)
Capital lease payable	(566,202)
Net OPEB obligation	(730,042)
Environmental remediation obligation	(563,000)
MIRMA assessment	(56,923)
School construction grant overpayment	(109,371)
Compensated absences	(245,523)
Accrued interest payable	(267,399)
NET ASSETS OF GOVERNMENTAL ACTIVITIES	$ 85,943,070

(Concluded)

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

EXHIBIT D

TOWN OF GRISWOLD, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2012

	GENERAL	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:				
Property taxes	$ 15,638,317	$	$	$ 15,638,317
Intergovernmental	14,145,562	3,800,183	2,198,039	20,143,784
Charges for services	2,169,805	650	707,072	2,877,527
Income from investments	31,648		376	32,024
Contributions			21,740	21,740
TOTAL REVENUES	31,985,332	3,800,833	2,927,227	38,713,392
EXPENDITURES:				
Current:				
General government	1,326,668		228,195	1,554,863
Public safety	418,345			418,345
Public works	1,270,425		98,739	1,369,164
Human services	321,210			321,210
Civic and cultural	128,426		180,819	309,245
Development and planning	170,862			170,862
Sundry	67,550			67,550
Education	26,378,099		2,494,489	28,872,588
Capital outlay		13,116,553		13,116,553
Debt service	1,847,154			1,847,154
TOTAL EXPENDITURES	31,928,739	13,116,553	3,002,242	48,047,534
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	56,593	(9,315,720)	(75,015)	(9,334,142)
OTHER FINANCING SOURCES (USES):				
Transfers in		350,000	26,750	376,750
Transfers out	(376,750)			(376,750)
BAN premium		20,650		20,650
Capital lease		566,202		566,202
NET OTHER FINANCING SOURCES (USES)	(376,750)	936,852	26,750	586,852
NET CHANGE IN FUND BALANCES	(320,157)	(8,378,868)	(48,265)	(8,747,290)
FUND BALANCES - JULY 1, 2011	3,078,210	3,190,123	788,364	7,056,697
FUND BALANCES - JULY 1, 2012	$ 2,758,053	$ (5,188,745)	$ 740,099	$ (1,690,593)

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

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, 2012

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)	$ (8,747,290)
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	13,098,308
Depreciation expense	(1,854,199)
Total	11,244,109
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:	
School building grant receipts	(200,984)
Change in property tax receivable - accrual basis change	79,572
Change in property tax interest and lien revenue	75,136
Other	(7,488)
Total	(53,764)
The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The details of these differences in the treatment of long-term debt and related items are as follows:	
Debt issued or incurred:	
Capital lease payable	(566,202)
Net OPEB obligation	(32,457)
School construction grant overpayment	(38,133)
Principal repayments:	
General obligation bonds	1,115,000
MIRMA assessment	55,335
Total	533,543
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	(11,273)
Compensated absences	(2,524)
Total	(13,797)
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES (EXHIBIT B)	$ 2,962,801

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

EXHIBIT F

TOWN OF GRISWOLD, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
YEAR ENDED JUNE 30, 2012

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Taxes, interest and lien fees	$ 15,578,867	$ 15,578,867	$ 15,638,317	$ 59,450
Intergovernmental	12,402,812	12,402,812	11,660,562	(742,250)
Charges for services	2,435,750	2,435,750	2,165,147	(270,603)
Use of Town money	90,000	90,000	31,648	(58,352)
TOTAL REVENUES	30,507,429	30,507,429	29,495,674	(1,011,755)
EXPENDITURES:				
Current:				
General government	1,407,741	1,407,853	1,331,520	76,333
Public safety	439,119	439,119	423,611	15,508
Public works	1,327,988	1,327,988	1,239,870	88,118
Human services	338,756	339,241	322,210	17,031
Civic and cultural	117,435	118,759	116,797	1,962
Development and planning	165,899	168,862	168,862	-
Sundry	90,542	85,658	63,408	22,250
Education	24,296,700	24,296,700	24,033,657	263,043
Debt service	2,096,319	2,096,319	1,847,154	249,165
TOTAL EXPENDITURES	30,280,499	30,280,499	29,547,089	733,410
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	226,930	226,930	(51,415)	(278,345)
OTHER FINANCING SOURCES (USES):				
Appropriation of fund balance	159,820	159,820		(159,820)
Cancellation of prior year encumbrances		-	24,044	24,044
Transfers out	(386,750)	(386,750)	(376,750)	10,000
NET OTHER FINANCING SOURCES (USES)	(226,930)	(226,930)	(352,706)	(125,776)
NET CHANGE IN FUND BALANCE	$ -	$ -	(404,121)	$ (404,121)
FUND BALANCES - JULY 1, 2011			2,683,316	
FUND BALANCES - JULY 1, 2012			$ 2,279,195	

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

EXHIBIT G

TOWN OF GRISWOLD, CONNECTICUT

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2012

	PRIVATE-PURPOSE TRUST FUNDS	AGENCY FUNDS
ASSET		
Cash	$ 170,392	$ 358,663
LIABILITY		
Accounts payable		358,663
NET ASSETS		
Net assets held in trust	$ 170,392	$ -

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

EXHIBIT H

TOWN OF GRISWOLD, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
YEAR ENDED JUNE 30, 2012

	PRIVATE - PURPOSE TRUST FUNDS
ADDITIONS:	
Contributions:	
Private contributions	$ 1,696
Investment income:	
Interest and dividends	1,596
TOTAL ADDITIONS	3,292
DEDUCTIONS:	
Scholarships awarded	12,950
CHANGES IN NET ASSETS	(9,658)
NET ASSETS - JULY 1, 2011	180,050
NET ASSETS - JUNE 30, 2012	$ 170,392

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

TOWN OF GRISWOLD, CONNECTICUT

NOTES TO BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2012

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 assets 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 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 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 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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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 *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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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.

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

C. Assets, Liabilities and Net Assets or Equity

1. Deposits and Investments

Deposits - The Town's cash consists of cash on hand, demand deposits and money market accounts.

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).

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities and Net Assets or Equity (Continued)

2. Receivables and Payables (Continued)

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 8% to 10% 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 revenue, 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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities and Net Assets or Equity (Continued)

4. 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.

5. 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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. 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.

6. Fund Equity and Net Assets

In the **government-wide financial statements**, net assets are classified into the following categories:

Invested in Capital Assets, Net of Related Debt

This category presents the net assets that reflect 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 Assets

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities and Net Assets or Equity (Continued)

6. Fund Equity and Net Assets (Continued)

Unrestricted Net Assets

This category presents the net assets of the Town, which are 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 can be expressed by the governing body (Board of Finance) or by an official (Finance Director).

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.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities and Net Assets or Equity (Continued)

6. Fund Equity and Net Assets (Continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the Town considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned or unassigned fund balances are available, 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.

7. 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.

8. 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.

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

A. Budgets and Budgetary Accounting (Continued)

- All budget transfers must be approved by the Board of Finance. The Board of Finance may transfer unexpended balances between departments.
- The Board of Education may transfer unexpended balances between accounts within its total line appropriation.
- There were no additional appropriations during the year.
- Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year end are reported in budgetary reports (Exhibit F) as expenditures in the current year. Generally, all unencumbered appropriations lapse at year end, except those for the Capital Projects Funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

B. Budget - GAAP Reconciliation

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

	REVENUES	EXPENDITURES	FUND BALANCE
BALANCE, BUDGETARY BASIS, EXHIBIT F	$ 29,495,674	$ 29,547,089	$ 2,279,195
Encumbrances outstanding at June 30, 2011 liquidated during the year ended June 30, 2012		370,850	
Encumbrances outstanding at June 30, 2012 charged to budgetary expenditures.....		(484,971)	484,971
GASB 54 reconciling items.....	9,658	15,771	(6,113)
State Teachers' Retirement on-behalf payment	2,480,000	2,480,000	
BALANCE, GAAP BASIS, EXHIBIT D	$ 31,985,332	$ 31,928,739	$ 2,758,053

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

C. Capital Projects Authorizations

The following is a summary of certain Capital Projects at June 30, 2012:

CAPITAL PROJECTS FUND	AUTHORIZATION	CUMULATIVE EXPENDITURES	BALANCE JUNE 30, 2012
School Building Project	$ 70,000,000	$ 67,807,462	$ 2,192,538
PWC Project	675,000	577,461	97,539
Bridge Restoration Project	5,534,000	1,765,845	3,768,155
TOTAL	$ 76,209,000	$ 70,150,768	$ 6,058,232

D. Donor Restricted Endowments

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

E. Deficit Fund Balances

At June 30, 2012, the Town had a deficit fund balance in the following funds:

Nonmajor Governmental Funds	
CT Special Act Recreation	$ 7,548
Ashland Park Fund	1,402
Board of Education Misc	5,627
Municipal Energy & Conservation	46,881
Main Street Phase I	13,097

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, 2012, none of the Town's bank balance of $3,280,892 was exposed to custodial credit risk.

III. DETAILED NOTES (CONTINUED)

A. Cash and Investments (Continued)

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, 2012, 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	$ 372,322	$ 372,322
Municipal Bonds	200,351	200,351
Pooled Fixed Income	3,103,795	3,103,795
TOTAL	$ 3,676,468	$3,676,468

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	MUNICIPAL BONDS
AAA	$ 3,103,795	$
AA		200,351
	$ 3,103,795	$ 200,351

III. DETAILED NOTES (CONTINUED)

A. Cash and Investments (Continued)

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.

The following Town investments are held by the counterparty's trust department or agent but not in the Town's name and, therefore, are subject to custodial credit risk as follows:

	TOTAL	LESS INSURED AMOUNTS	AMOUNT SUBJECT TO CUSTODIAL CREDIT RISK
Municipal Bonds	$ 200,351	$ 200,351	$ -

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, 2012, including the applicable allowances for uncollectible accounts, are presented below.

	PROPERTY TAXES		
	TAXES	INTEREST & LIEN FEES	TOTAL
Current Portion	$ 253,057	$ 71,645	$ 324,702
Long-term Portion	$ 554,229	$ 370,381	$ 924,610
Less Allowance for Uncollectibles	(63,000)	(44,000)	(107,000)
Net Long-term Portion	$ 491,229	$ 326,381	$ 817,610

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

DEFERRED REVENUE:	
Delinquent property taxes receivable (general fund)	$ 760,254
UNEARNED REVENUE:	
Grant drawdowns prior to meeting all eligibility requirements	$ 17,097

III. *DETAILED NOTES (CONTINUED)*

C. Capital Assets

Capital asset activity for the year ended June 30, 2012 was as follows:

	BALANCE JULY 1, 2011	INCREASES	DECREASES	BALANCE JUNE 30, 2012
Governmental Activities:				
Capital Assets, not being Depreciated:				
Land	$ 1,121,218	$	$	$ 1,121,218
Construction in progress	27,300,116	12,384,241		39,684,357
Total Capital Assets, not being depreciated	28,421,334	12,384,241	-	40,805,575
Capital Assets, being Depreciated:				
Buildings and improvements	65,067,504	58,000		65,125,504
Machinery and equipment	3,822,770	348,067	35,000	4,135,837
Infrastructure	23,685,000	308,000		23,993,000
Total Capital Assets being depreciated	92,575,274	714,067	35,000	93,254,341
Total Capital Assets	120,996,608	13,098,308	35,000	134,059,916
Less Accumulated Depreciation for:				
Buildings and improvements	14,088,405	1,303,733		15,392,138
Machinery and equipment	2,076,448	237,715	35,000	2,279,163
Infrastructure	7,974,955	312,751		8,287,706
Total Accumulated Depreciation	24,139,808	1,854,199	35,000	25,959,007
Total Capital Assets, being depreciated, net	68,435,466	(1,140,132)	-	67,295,334
Governmental Activities Capital Assets, net	$ 96,856,800	$ 11,244,109	$ -	$ 108,100,909

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

Governmental Activities:	
General government	$ 47,504
Public safety	58,241
Public works	369,250
Human services	13,142
Civic and cultural	2,593
Education	1,363,469
Total Depreciation Expense - Governmental Activities	$1,854,199

III. DETAILED NOTES (CONTINUED)

C. Capital Assets (Continued)

Construction Commitments

The Town has active construction projects as of June 30, 2012. At year end, the Town's commitments with contractors are as follows:

Various capital projects	$1,206,138

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, 2012, is presented below:

	CORRESPONDING FUND	DUE FROM	DUE TO
DUE FROM/TO OTHER FUNDS:			
MAJOR FUNDS:			
GENERAL FUND:			
Capital projects	N/A	$ 1,599,984	$ 2,268,338
Town aid road fund	N/A		230,991
School cafeteria fund	N/A	70,122	
Special education grant fund	N/A	43,392	61,968
Board of education child care fund	N/A		34,553
GVFD EMS equipment grant fund	N/A		500
Sewer authority fund	N/A	3,725	
CT special act recreation	N/A	7,548	
Records preservation fund	N/A		1,933
Ashland park fund	N/A	1,260	
Sheldon road park	N/A		14,587
Open space	N/A		56,566
Dog fund	N/A		24,979
Board of education miscellaneous	N/A	681	
PAW to PAW	N/A		55
Recreation fund	N/A		33,938
Plan of conservation and development	N/A		12,000
Municipal energy and conservation	N/A	46,881	
Main street phase I	N/A	10,100	
Anthony trust fund	N/A	3,013	
Capital nonrecurring fund	N/A		300,341
TOTAL GENERAL FUND		1,786,706	3,040,749

III. DETAILED NOTES (CONTINUED)

D. Interfund Accounts (Continued)

1. Interfund Payables and Receivables (Continued)

	CORRESPONDING FUND	DUE FROM	DUE TO
CAPITAL PROJECTS	General Fund	$ 2,268,338	$ 1,599,984
NONMAJOR FUNDS:			
SPECIAL REVENUE:			
Town aid road fund	General Fund	230,991	
School cafeteria fund	General Fund		70,122
Special education grant fund	General Fund	61,968	43,392
Board of education child care	General Fund	34,553	
GVFD EMS equipment grant fund	General Fund	500	
Sewer authority fund	General Fund		3,725
CT special act recreation	General Fund		7,548
Records preservation fund	General Fund	1,933	
Ashland park fund	General Fund		1,260
Sheldon road park	General Fund	14,587	
Open space	General Fund	56,566	
Dog fund	General Fund	24,979	
Board of education miscellaneous	General Fund		681
PAW to PAW	General Fund	55	
Recreation fund	General Fund	33,938	
Plan of conservation and development	General Fund	12,000	
Municipal energy and conservation	General Fund		46,881
Main street phase I	General Fund		10,100
TOTAL SPECIAL REVENUE		472,070	183,709
PERMANENT:			
Anthony trust fund	General Fund		3,013
CAPITAL PROJECTS:			
Capital nonrecurring fund	General Fund	300,341	
TOTAL NONMAJOR FUNDS		772,411	186,722
GRAND TOTAL		$ 4,827,455	$ 4,827,455

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

III. DETAILED NOTES (CONTINUED)

D. Interfund Accounts (Continued)

2. Interfund Transfers

A summary of interfund transfers for the year ended June 30, 2012 is as follows:

	CORRESPONDING FUND	TRANSFERS IN	TRANSFERS OUT
GENERAL FUND:			
Capital projects	N/A	$	$ 350,000
Ashland park fund	N/A		1,750
Recreation fund	N/A		10,000
Capital nonrecurring fund	N/A		15,000
TOTAL GENERAL FUND		-	376,750
MAJOR FUND:			
Capital projects	General Fund	350,000	
NONMAJOR FUNDS:			
Ashland park fund	General Fund	1,750	
Recreation fund	General Fund	10,000	
Capital nonrecurring fund	General Fund	15,000	
TOTAL NONMAJOR FUNDS		26,750	-
GRAND TOTAL		$ 376,750	$ 376,750

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, 2012 was as follows:

TYPE OF OBLIGATION	BALANCE JULY 1, 2011	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 2012
General Purpose	$ 230,000	$5,000,000	$ 230,000	$5,000,000

The bond anticipation notes carry an interest rate of 1.0% and mature in February 2013.

III. DETAILED NOTES (CONTINUED)

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, 2011	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2012	CURRENT PORTION
BONDS/NOTES									
Schools:									
Refunding bond	$ 9,175,000	08/15/91	04/16/02	3.25% - 5.00%	$ 300,000	$	$ 300,000	$ -	$
Improvement bond	350,000	01/29/01	01/15/16	4.90% - 4.90%	100,000		20,000	80,000	20,000
Improvement bond	10,000,000	09/15/08	09/15/28	3.00% - 4.25%	9,280,000		375,000	8,905,000	385,000
Improvement bond	11,000,000	02/01/10	02/01/30	2.00% - 4.00%	10,590,000		420,000	10,170,000	430,000
TOTAL BONDS					20,270,000	-	1,115,000	19,155,000	835,000
NET OPEB OBLIGATION					697,585	151,324	118,867	730,042	
CAPITAL LEASE						566,202		566,202	117,634
ENVIRONMENTAL REMEDIATION OBLIGATION					563,000			563,000	
MIRMA ASSESSMENT					112,258		55,335	56,923	17,423
SCHOOL CONSTRUCTION DUE TO STATE					71,238	38,133		109,371	109,371
COMPENSATED ABSENCES					242,999	114,129	111,605	245,523	49,105
TOTAL LONG-TERM OBLIGATIONS					$ 21,957,080	$ 869,788	$ 1,400,807	$21,426,061	$ 1,128,533

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

The following is a summary of bond maturities:

FISCAL YEAR ENDED JUNE 30,	BONDS	
	PRINCIPAL	INTEREST
2013	$ 835,000	$ 693,189
2014	865,000	667,534
2015	885,000	645,248
2016	910,000	617,986
2017	915,000	589,732
2018	945,000	559,465
2019	975,000	525,337
2020	1,020,000	484,416
2021	1,055,000	448,837
2022	1,090,000	410,326
2023	1,135,000	369,725
2024	1,175,000	326,826
2025	1,220,000	282,325
2026	1,270,000	235,351
2027	1,315,000	185,256
2028	1,370,000	130,906
2029	1,425,000	73,781
2030	750,000	30,000
TOTALS	$ 19,155,000	$ 7,276,240

III. DETAILED NOTES (CONTINUED)

F. Changes in Long-Term Obligations (Continued)

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	$ 35,913,929	$	$ 35,913,929
Schools	71,827,857	24,155,000	47,672,857
Sewers	59,856,548		59,856,548
Urban renewal	51,875,675		51,875,675
Pension deficit	47,885,238		47,885,238

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, $111,732,222.

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, 2012, the Town is committed under capital leases for equipment. These lease agreements qualify as capital leases for accounting purposes (title transfers at the end of the lease term) and, therefore, have been recorded at the present value of the future minimum lease payments as of the date of their inception.

Equipment totaling $566,202 and accumulated amortization of $3,535 are recorded under capital leases as of June 30, 2012.

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, 2012:

YEAR ENDING JUNE 30,	
2013	$ 135,084
2014	159,632
2015	159,633
2016	159,632
Total minimum lease payments	613,981
Less: amount representing interest	(47,779)
Present value of minimum lease payments	$ 566,202

III. DETAILED NOTES (CONTINUED)

F. Changes in Long-Term Obligations (Continued)

4. Environmental Remediation Obligation

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

5. Authorized/Unissued Bonds

At June 30, 2012 the Town had the following authorized, unissued bonds:

Project Name	Amount Unissued
School Improvements.....	$ 49,000,000

G. Restricted Net Assets

The amount of restricted net assets, which were restricted by enabling legislation, totaled $351,079 at June 30, 2012.

III. DETAILED NOTES (CONTINUED)

H. Fund Balance Classifications

As of June 30, 2012, 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	610,922			610,922
TOTAL NONSPENDABLE	610,922	-	18,000	628,922
RESTRICTED:				
General Government			1,977	1,977
Public Safety			500	500
Public Works			282,430	282,430
Human Services			2,741	2,741
Civic and Cultural			14,727	14,727
Education			48,704	48,704
TOTAL RESTRICTED	-	-	351,079	351,079
COMMITTED:				
Public Safety			24,865	24,865
Civic and Cultural			29,118	29,118
Approved Projects			300,473	300,473
TOTAL COMMITTED	-	-	354,456	354,456
ASSIGNED:				
General Government	12,337			12,337
Public Safety	5,612			5,612
Human Services	1,000			1,000
Civic and Cultural			56,566	56,566
Education	466,022		34,553	500,575
TOTAL ASSIGNED	484,971	-	91,119	576,090
UNASSIGNED	1,662,160	(5,188,745)	(74,555)	(3,601,140)
TOTAL	$ 2,758,053	$ (5,188,745)	$ 740,099	$ (1,690,593)

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.

IV. OTHER INFORMATION (CONTINUED)

A. Risk Management (Continued)

The Town purchases commercial insurance for all risks of loss, including blanket and umbrella policies. Settled claims have not exceeded commercial coverage in any of the past three years and there have not been any significant reductions in insurance coverage from the amounts held in prior years.

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.

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plans (Continued)

Municipal Employees' Retirement Fund (Continued)

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, 2010, 2011 and 2012 were $323,164, $449,326 and $484,365, 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, 2010 for Town and Board of Education, the plan's membership consisted of:

	TOWN	BOARD OF EDUCATION
Retirees and beneficiaries currently receiving benefits	8	22
Active plan members	28	287
TOTAL	36	309

IV. OTHER INFORMATION (CONTINUED)

D. Other Post-Employment Benefits Plan (Continued)

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 $118,867.

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, 2010 was as follows:

ACTUARIAL VALUATION DATE	(A) ACTUARIAL VALUE OF ASSETS	(B) ACTUARIAL ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	(A-B) OVER (UNDER) FUNDED AAL	(A/B) FUNDED AAL RATIO	(C) COVERED PAYROLL	[(A-B)/C] OVER (UNDER) FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
TOWN						
JULY 1, 2010	$	$2,034,080	$(2,034,080)	0.0%	$16,571,794	(12.3%)

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

IV. OTHER INFORMATION (CONTINUED)

D. Other Post-Employment Benefits Plan (Continued)

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, 2010
ACTUARIAL COST METHOD	Projected Unit Credit
AMORTIZATION METHOD	Level Dollar
REMAINING AMORTIZATION PERIOD	28 years closed
ASSET VALUATION METHOD	Fair Value
ACTUARIAL ASSUMPTIONS:	
Investment rate of return	4.0%
Healthcare inflation rate	3.5%

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

The changes in the NOO were as follows:

	TOWN
Annual required contribution	$ 293,949
Interest on net OPEB obligation	27,904
Adjustment to annual required contribution	(170,529)
Annual OPEB cost	151,324
Contributions made	118,867
Change in net OPEB obligation	32,457
Net OPEB obligation - July 1, 2011	697,585
Net OPEB obligation - June 30, 2012	$ 730,042

IV. OTHER INFORMATION (CONTINUED)

D. Other Post-Employment Benefits Plan (Continued)

7. Three Year Trend Information

YEAR ENDING JUNE 30	ANNUAL OPEB COST (AOC)	PERCENTAGE OF AOC CONTRIBUTED	NET OPEB OBLIGATION
TOWN			
2012	$ 151,324	78.6%	$ 730,042
2011	146,849	68.5	697,585
2010	389,611	18.4	651,340

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 $2,480,000.

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) PROJECTED UNIT CREDIT	(A-B) OVER (UNDER) FUNDED AAL	(A/B) FUNDED AAL RATIO	C COVERED PAYROLL	[(B-A)/C] OVER (UNDER) FUNDED 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%)

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%

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, 2012

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
TAXES, INTEREST AND LIEN FEES:				
General property taxes	$ 15,453,867	$ 15,453,867	$ 15,461,180	$ 7,313
Interest and lien fees	125,000	125,000	141,470	16,470
Telephone access line tax			35,667	35,667
TOTAL TAXES, INTEREST AND LIEN FEES	15,578,867	15,578,867	15,638,317	59,450
INTERGOVERNMENTAL:				
STATE GRANTS FOR SCHOOL AID:				
ECS grant	10,735,024	10,735,024	10,747,613	12,589
Special education	362,128	362,128		(362,128)
Adult education	49,687	49,687		(49,687)
Transportation	184,322	184,322	189,218	4,896
TOTAL STATE GRANTS FOR SCHOOL AID	11,331,161	11,331,161	10,936,831	(394,330)
STATE GRANTS - UNSPECIFIED:				
PILOT - state property	44,931	44,931	44,949	18
In lieu of boat taxes	3,334	3,334		(3,334)
Mashantucket pequot fund	92,257	92,257	98,876	6,619
New school grant	569,850	569,850	239,117	(330,733)
Tax relief for elderly	51,215	51,215	44,103	(7,112)
Tax relief for veterans	10,165	10,165	7,639	(2,526)
Tax relief - totally disabled	838	838	880	42
New machinery and equipment	35,790	35,790	16,364	(19,426)
Property tax relief grant	152,853	152,853	156,373	3,520
Local capital improvement	91,418	91,418	94,740	3,322
Judicial fine from State	2,000	2,000	6,690	4,690
Civil preparedness	3,000	3,000		(3,000)
Youth Services	14,000	14,000	14,000	-
TOTAL STATE GRANTS - UNSPECIFIED	1,071,651	1,071,651	723,731	(347,920)
TOTAL INTERGOVERNMENTAL	12,402,812	12,402,812	11,660,562	(742,250)
CHARGES FOR SERVICES:				
Finance department	34,050	34,050	67,815	33,765
Town clerk	130,000	130,000	106,018	(23,982)
Planning and development	12,900	12,900	7,950	(4,950)
Building official	140,000	140,000	78,347	(61,653)
Rental income	15,000	15,000	14,727	(273)
Education tuition	1,700,000	1,700,000	1,541,502	(158,498)
Use of facilities	39,000	39,000	42,821	3,821
Selectman	300	300	50	(250)
Towers	5,000	5,000		(5,000)
Miscellaneous	14,000	14,000	7,915	(6,085)
Solid waste	345,500	345,500	298,002	(47,498)
TOTAL CHARGES FOR SERVICES	2,435,750	2,435,750	2,165,147	(270,603)

(Continued)

TOWN OF GRISWOLD, CONNECTICUT
GENERAL FUND
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL (CONCLUDED)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUE FROM USE OF TOWN MONEY:				
Investment interest	$ 90,000	$ 90,000	$ 31,648	$ (58,352)
TOTAL REVENUES	30,507,429	30,507,429	29,495,674	(1,011,755)
OTHER FINANCING SOURCES:				
Appropriation of fund balance	159,820	159,820		(159,820)
Cancellation of prior year encumbrances			24,044	24,044
TOTAL OTHER FINANCING SOURCES	159,820	159,820	24,044	(135,776)
TOTAL REVENUES AND OTHER FINANCING SOURCES	$ 30,667,249	$ 30,667,249	$ 29,519,718	$ (1,147,531)

(Concluded)

TOWN OF GRISWOLD, CONNECTICUT

GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL
YEAR ENDED JUNE 30, 2012

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
GENERAL GOVERNMENT:				
BOARD OF FINANCE:				
Financial director - regular full-time	$ 70,000	$ 71,567	$ 71,567	$ -
Bookkeeper and clerk	37,119	37,119	36,548	571
Assistant bookkeeper	29,161	29,161	28,681	480
Overtime payroll	552	412	404	8
Longevity	750	750	750	-
Purchasing agent salary	3,900	3,900	3,836	64
Health insurance	37,346	53,139	53,138	1
FICA	11,106	11,106	10,990	116
Pension	16,624	16,764	16,764	-
Meetings and dues	200	371	371	-
Education and training	600	429	409	20
Advertising	750	353	86	267
Annual report	500	705	705	-
Postage	4,800	1,167	1,167	-
Service contracts and leases	8,180	4,900	4,900	-
Finance and accounting	38,750	28,700	28,700	-
Technology maintenance	2,500	2,722	2,722	-
Contracted services	10,000	9,573	8,882	691
TOTAL BOARD OF FINANCE	272,838	272,838	270,620	2,218
BOARD OF SELECTMEN:				
Regular full-time payroll	35,393	37,610	37,610	-
First selectman - elected official	50,625	50,625	50,625	-
Second selectman - elected official	11,008	11,008	10,981	27
Third selectman - elected official	11,008	11,008	10,992	16
Health insurance	28,619	33,012	33,012	-
FICA	8,912	8,912	8,532	380
Pension	10,107	10,516	10,516	-
First selectman - travel	3,000	3,000	3,000	-
Second selectman - travel	1,250	1,250	1,250	-
Third selectman - travel	1,250	1,250	1,250	-
First selectman - meetings	1,500	1,500	1,072	428
Second selectman - meetings	300	300	55	245
Third selectman - meetings	300	300		300
Advertising	6,000	6,000	4,235	1,765
Office supplies/central purchasing	22,500	22,594	22,594	-
Postage	1,000	1,000	651	349
School building committee expenses	200	200		200
Health and safety committee expenses	100	100		100
Town Historian	100	100		100
Liability auto and property insurance - municipal	99,000	72,287	51,958	20,329
Workers' compensation - municipal insurance	75,000	88,174	88,174	-
Service contracts	6,720	11,037	11,037	-
Technology maintenance	4,750	6,859	6,859	-
Connecticut Conference of Municipalities	7,110	7,110	7,039	71
S.E. CT Council of Government	5,404	5,404	5,404	-
TOTAL BOARD OF SELECTMEN	391,156	391,156	366,846	24,310
TREASURER:				
Deputy treasurer	1,855	1,855	1,785	70
Elected officials	7,350	7,462	7,462	-
FICA	723	723	714	9
Pension	218	218	214	4
Travel	25	25	25	-
Meetings and dues	25	25	25	-
TOTAL TREASURER	10,196	10,308	10,225	83

(Continued)

TOWN OF GRISWOLD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL (CONTINUED)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
TAX COLLECTOR:				
Regular full-time payroll	$ 29,232	$ 29,232	$ 29,216	$ 16
Overtime payroll	301	301	144	157
Longevity	1,150	1,150	1,050	100
DMV collection fee	2,700	2,700	2,675	25
Elected officials	56,200	56,212	56,212	-
Health insurance	36,836	35,255	25,470	9,785
FICA	6,820	6,951	6,951	-
Pension	10,209	10,209	9,564	645
Travel	500	615	615	-
Meetings and dues	500	500	326	174
Advertising	1,500	1,500	1,490	10
Postage	10,000	11,323	11,323	-
Service contracts/leases	12,653	12,653	11,539	1,114
Tax refunds	8,000	8,000	4,346	3,654
TOTAL TAX COLLECTOR	176,601	176,601	160,921	15,680
TAX ASSESSMENT:				
Assessor	49,256	49,256	48,091	1,165
Assistant assessor	15,511	15,511	14,141	1,370
Overtime payroll	250	324	324	-
Longevity	350	350	350	-
Elected officials	3,000	3,000	3,000	-
Health insurance	16,013	11,283	10,665	618
FICA	5,109	5,512	5,512	-
Pension	7,402	6,252	5,750	502
Assessor - travel	500	500	146	354
Assessor - meetings	800	800	560	240
Assessor - advertising	300	300	194	106
Board tax review - advertising	350	350		350
Postage	4,500	4,500	830	3,670
Service contracts/leases	20,205	20,878	20,878	-
Technology maintenance	500	5,230	5,230	-
Update maps - data processing	7,489	7,489	7,489	-
Motor vehicle - data processing	700	700	465	235
Personal property forms	250	250	113	137
TOTAL TAX ASSESSMENT	132,485	132,485	123,738	8,747
ELECTIONS AND REGISTRATIONS:				
Contractual temporary and occasional	27,000	27,000	18,986	8,014
Registrars - elected officials	18,215	18,215	18,214	1
FICA	3,549	3,549	2,830	719
Registrars - travel	200	200	192	8
Meetings and dues	2,000	2,000	1,439	561
Advertising	250	250		250
Registrars annual canvas	200	200	120	80
Office/election supplies	10,000	9,395	5,321	4,074
Postage		605	605	-
TOTAL ELECTIONS AND REGISTRATIONS	61,414	61,414	47,707	13,707
TOWN CLERK:				
Regular full-time payroll	30,979	30,469	30,469	-
Overtime payroll	251	196	144	52
Longevity	1,550	1,550	1,550	-
Elected officials	52,000	52,127	52,127	-
Health insurance	24,319	26,907	26,906	1
FICA	6,655	6,049	6,049	-
Pension	9,962	9,962	9,719	243
Travel	100	155	155	-
Meetings and dues	1,200	1,044	710	334
Advertising	2,500	1,989	1,989	-
Postage		1,096	1,096	-
Indexing and recording	26,000	24,904	24,884	20
Vital statistics	500	373	363	10
Update town codes	2,000	1,195	1,195	-
TOTAL TOWN CLERK	158,016	158,016	157,356	660

(Continued)

TOWN OF GRISWOLD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL (CONTINUED)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
LEGAL:				
Legal matters labor	$ 22,000	$ 22,000	$ 20,303	$ 1,697
Probate court	7,019	7,590	7,590	-
Town counsel	50,000	49,429	44,888	4,541
TOTAL LEGAL	79,019	79,019	72,781	6,238
MAINTENANCE OF TOWN BUILDING - 28 MAIN:				
Regular full-time payroll	37,779	37,213	36,808	405
Overtime payroll		47	47	-
Health insurance	20,171	17,738	17,738	-
FICA	2,966	2,966	2,566	400
Pension	4,250	4,250	4,232	18
Telephone	12,000	14,028	14,028	-
Electricity	18,000	20,999	20,999	-
Heating fuel	8,950	7,340	7,057	283
Water	850	803	799	4
Building repairs	2,000	3,610	3,610	-
Maintenance	6,500	4,472	4,091	381
TOTAL MAINTENANCE OF TOWN BUILDING - 28 MAIN	113,466	113,466	111,975	1,491
MAINTENANCE OF TOWN BUILDING - PACHAUG:				
Telephone	1,300	1,716	1,716	-
Electricity	850	850	788	62
Heating fuel	2,000	1,584	1,156	428
Building repairs	200	200	200	-
Maintenance	600	600	95	505
TOTAL MAINTENANCE OF TOWN BUILDING - PACHAUG	4,950	4,950	3,955	995
MAINTENANCE OF TOWN BUILDING - HIGHWAY:				
Electricity	6,000	6,000	3,927	2,073
Building repairs	500	478	347	131
Maintenance	1,100	1,122	1,122	-
TOTAL MAINTENANCE OF TOWN BUILDING - HIGHWAY	7,600	7,600	5,396	2,204
TOTAL GENERAL GOVERNMENT	1,407,741	1,407,853	1,331,520	76,333
PUBLIC SAFETY:				
EMERGENCY SERVICES:				
Contractual temporary and occasional	12,000	17,842	17,842	-
Postage		88	88	-
Other purchased supplies	1,600	1,512	970	542
Finance and accounting	450	450		450
Municipal insurance GVFD	21,875	21,875	21,380	495
AA young municipal insurance	21,875	21,875	21,268	607
OSHA physicals and testing	10,000	10,000	8,756	1,244
Office of emergency management	2,600	2,600	1,108	1,492
Griswold Volunteer Fire Department	89,750	89,750	89,541	209
Dispatch service	22,702	22,702	22,701	1
Ambulance	20,000	20,000	20,000	-
AA Young Volunteer Fire Department	89,750	96,245	96,245	-
Retention and recruitment	70,000	63,505	62,165	1,340
Paramedic bundle billing	36,000	25,272	17,485	7,787
Hydrants - Town of Griswold	21,000	25,886	25,886	-
TOTAL EMERGENCY SERVICES	419,602	419,602	405,435	14,167

(Continued)

TOWN OF GRISWOLD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL (CONTINUED)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
ANIMAL CONTROL:				
Regular part-time payroll	$ 8,515	$ 8,515	$ 8,513	$ 2
FICA	668	1,015	1,015	-
Travel	5,174	4,827	4,756	71
Advertising	150	150		150
Postage	10	10		10
Other purchased supplies	400	400	219	181
Telephone	600	1,057	1,057	-
Electricity	750	750	514	236
Heating fuel	1,000	1,000	836	164
Building repairs	500	43		43
Maintenance	500	500	161	339
Other professional services	400	376	231	145
Food	850	874	874	-
TOTAL ANIMAL CONTROL	19,517	19,517	18,176	1,341
TOTAL PUBLIC SAFETY	439,119	439,119	423,611	15,508
PUBLIC WORKS:				
HIGHWAY DEPARTMENT:				
Regular full-time payroll	300,984	300,984	290,145	10,839
Director of public works	66,208	66,208	65,202	1,006
Overtime payroll	15,000	15,000	13,155	1,845
Overtime bulky waste	7,500	7,500	7,113	387
Overtime snow removal	25,000	25,000	12,029	12,971
Longevity	3,350	3,350	3,200	150
Tree warden - contractual, temporary	850	850	850	-
Safety training	5,000	5,000	1,954	3,046
Tree maintenance	6,000	6,000	5,989	11
Health insurance	109,898	126,942	126,942	-
FICA	30,308	30,308	30,003	305
Pension	47,030	47,030	41,321	5,709
Other purchased supplies	15,000	15,201	15,201	-
JCDPU - street lighting	18,000	18,000	16,392	1,608
CL&P - street lighting	15,500	15,784	15,784	-
Gasoline fuel and fluids	40,000	51,326	51,326	-
Architects and engineers	8,500	8,500	1,613	6,887
Snow removal meals	1,000	1,017	1,017	-
Cemeteries	1,500	1,500	1,267	233
Equipment repairs and purchase	35,000	35,000	34,836	164
Snow removal	50,000	21,128	14,936	6,192
Contractual road repairs	60,000	60,000	60,000	-
Road signage	5,000	5,000	5,000	-
TOTAL HIGHWAY DEPARTMENT	866,628	866,628	815,275	51,353
WASTE DISPOSAL:				
Meetings and dues	100	100		100
Advertising	50	50		50
Office supplies/central purchasing	700	700	682	18
Contracted services	2,500	2,500		2,500
SCRRA - tipping fees	320,000	320,000	315,580	4,420
Recycling	500	500		500
Bulky waste tipping fees	50,000	50,000	29,071	20,929
Maintenance transfer station	500	500	300	200
Fuel	3,500	3,500		3,500
Electricity - transfer station	1,000	1,000	451	549
TOTAL WASTE DISPOSAL	378,850	378,850	346,084	32,766

(Continued)

TOWN OF GRISWOLD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL (CONTINUED)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
BUILDING OFFICIAL:				
Regular full-time payroll	$ 39,273	$ 39,273	$ 37,607	$ 1,666
Secretary	18,307	18,307	17,422	885
Longevity	700	1,200	1,200	-
Contractual temp and occasional	4,000	2,187	1,463	724
Demolition	200	200		200
Health insurance	10,338	11,589	11,589	-
FICA	4,584	5,146	5,146	-
Pension	1,758	2,033	2,033	-
Meetings and dues	500	500	125	375
Postage		193	193	-
Gasoline fuel and fluids	600	600	595	5
Service contracts/leases	2,250	1,282	1,138	144
TOTAL BUILDING OFFICIAL	82,510	82,510	78,511	3,999
TOTAL PUBLIC WORKS	1,327,988	1,327,988	1,239,870	88,118
HUMAN SERVICES:				
SENIOR CITIZENS:				
Senior center director	29,903	29,903	29,509	394
Senior center driver	23,763	23,763	23,404	359
Part time payroll	9,200	8,427	8,298	129
Overtime payroll	481	1,254	1,254	-
Longevity	800	800	800	-
Contractual temp and occasional	1,010	1,010		1,010
Municipal agent	3,000	3,000	2,942	58
Health insurance	15,677	17,971	17,971	-
FICA	5,115	5,498	5,498	-
Pension	6,027	6,664	6,664	-
Education and training		600	600	-
Postage	250	250	207	43
Recreation supplies/subcontractors	6,000	6,000	5,702	298
Telephone	1,000	1,389	1,389	-
Electricity	7,920	5,626	5,472	154
Heating fuel	4,000	4,000	2,202	1,798
Water	1,000	1,434	1,434	-
Maintenance	6,000	3,991	3,744	247
Gasoline, fuel and fluids	7,000	7,000	5,724	1,276
Vehicle maintenance	2,000	2,000	964	1,036
Transportation	1,500	1,066	1,025	41
Meals on wheels	11,210	11,210	10,574	636
TOTAL SENIOR CITIZENS	142,856	142,856	135,377	7,479
CONTRIBUTIONS:				
SEAT	3,000	3,000	3,000	-
TVCCA	3,000	3,000	3,000	-
Slater Library	86,000	86,000	86,000	-
Southeastern Connecticut Enterprise Region	1,500	1,500	1,500	-
Womens Center	1,500	1,500	1,500	-
Local Veterans Council	2,500	2,500	2,500	-
Legion Baseball	1,200	1,200	1,200	-
Youth Football	1,000	1,000	1,000	-
LL Baseball	1,000	1,000	1,000	-
LL Softball	1,000	1,000	1,000	-
Youth Basketball	1,000	1,000	1,000	-
Sexual Assault Crisis Center	200	200	200	-
TOTAL CONTRIBUTIONS	102,900	102,900	102,900	-

(Continued)

TOWN OF GRISWOLD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL (CONTINUED)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
HEALTH DEPARTMENT:				
Contractual temporary and occasional	$ 78,000	$ 78,485	$ 78,485	$ -
PUBLIC HEALTH NURSING:				
Building repairs		2,234	2,234	-
Day Kimball Hospital	15,000	12,766	3,214	9,552
TOTAL PUBLIC HEALTH NURSING	15,000	15,000	5,448	9,552
TOTAL HUMAN SERVICES	338,756	339,241	322,210	17,031
CIVIC AND CULTURAL:				
RECREATION COMMISSION:				
Recreation director	16,200	16,254	16,254	-
Rental fees to school for gym	1,000	1,000	1,000	-
Health insurance	10,624	12,220	12,220	-
FICA	1,272	1,272	1,248	24
Pension	1,823	2,237	2,237	-
Education and training	1,000	1,000	1,000	-
Postage		1	1	-
Telephone	25	25	25	-
Electricity	900	900	648	252
Water	750	750	98	652
Maintenance	5,200	3,135	2,126	1,009
Technology maintenance	1,000	1,000	975	25
TOTAL RECREATION COMMISSION	39,794	39,794	37,832	1,962
YOUTH AND FAMILY SERVICES:				
Youth and family service director	21,203	21,281	21,281	-
Health insurance	7,082	8,226	8,226	-
FICA	1,664	1,541	1,541	-
Pension	1,961	2,081	2,081	-
Travel	600	698	698	-
Education and training	600	600	600	-
Postage		7	7	-
Program development	44,531	44,531	44,531	-
TOTAL YOUTH AND FAMILY SERVICES	77,641	78,965	78,965	-
TOTAL CIVIC AND CULTURAL	117,435	118,759	116,797	1,962
DEVELOPMENT AND PLANNING:				
PLANNING AND COMMUNITY DEVELOPMENT:				
Regular full-time payroll	67,489	67,397	67,397	-
Secretary	30,511	30,469	30,469	-
Overtime payroll	1,532	2,117	2,117	-
Longevity	1,000	1,000	1,000	-
Professional services - contractual	750	507	507	-
Health insurance	24,157	26,915	26,915	-
FICA	8,057	7,497	7,497	-
Pension	11,916	11,646	11,646	-
Travel	300	325	325	-
Planner - meetings	500	464	464	-
Planning and zoning - meetings	200	170	170	-
ZBA - meetings	100			-
CC - meetings	200	50	50	-
Economic Development Commission	500	150	150	-
Education and training	100	100	100	-
Planning and zoning - advertising	5,000	6,972	6,972	-
ZBA - advertising	5,000	3,215	3,215	-
CC - advertising	3,500	3,940	3,940	-
Postage		774	774	-
Service contracts/leases	2,600	3,150	3,150	-
Plan of Conservation and Development	200			-
State of Connecticut - MS4 Program	2,287	2,004	2,004	-
TOTAL PLANNING AND COMMUNITY DEVELOPMENT	165,899	168,862	168,862	-
TOTAL DEVELOPMENT AND PLANNING	165,899	168,862	168,862	-

(Continued)

TOWN OF GRISWOLD, CONNECTICUT
GENERAL FUND
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL (CONCLUDED)

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
SUNDRY:				
EMERGENCY AND CONTINGENCY:				
Exchanges	$ 45,000	$ 22,250	$	$ 22,250
FRINGE BENEFITS:				
Accumulated sick time	30,000	30,000	30,000	-
Health insurance		246	246	-
MERF - amortization	1,342	1,342	1,342	-
MERF - administrative assessor	5,700	5,700	5,700	-
Unemployment compensation	8,500	26,120	26,120	-
TOTAL FRINGE BENEFITS	45,542	63,408	63,408	-
TOTAL SUNDRY	90,542	85,658	63,408	22,250
BOARD OF EDUCATION:				
Board of Education	24,296,700	24,296,700	24,033,657	263,043
DEBT SERVICE:				
Bond and loan retirement	1,365,000	1,364,165	1,115,000	249,165
Interest - bonds and loans	731,319	732,154	732,154	-
TOTAL DEBT SERVICE	2,096,319	2,096,319	1,847,154	249,165
TOTAL EXPENDITURES	30,280,499	30,280,499	29,547,089	733,410
OTHER FINANCING USES:				
Transfers out - Ashland Park fund	1,750	1,750	1,750	-
Transfers out - public health nursing	10,000	10,000		10,000
Transfers out - recreation fund	10,000	10,000	10,000	-
Transfers out - capital nonrecurring (revaluation)	15,000	15,000	15,000	-
Transfers out - capital projects	350,000	350,000	350,000	-
TOTAL OTHER FINANCING USES	386,750	386,750	376,750	10,000
TOTAL EXPENDITURES AND OTHER FINANCING USES	$ 30,667,249	$ 30,667,249	$ 29,923,839	$ 743,410

(Concluded)

TOWN OF GRISWOLD, CONNECTICUT

REPORT OF TAX COLLECTOR
YEAR ENDED JUNE 30, 2012

GRAND LIST YEAR	UNCOLLECTED TAXES JULY 1, 2011	CURRENT YEAR LEVY	LAWFUL CORRECTIONS ADDITIONS	LAWFUL CORRECTIONS DEDUCTIONS	TRANSFERS TO SUSPENSE	ADJUSTED TAXES COLLECTIBLE	COLLECTIONS TAXES	COLLECTIONS INTEREST & LIEN FEES	COLLECTIONS TOTAL	UNCOLLECTED TAXES JUNE 30, 2012
1995	$ 774	$	$	$ 774	$	$ -	$	$	$ -	$ -
1996	791					791			-	791
1997	1,179					1,179			-	1,179
1998	3,519					3,519			-	3,519
1999	29,280					29,280	390	787	1,177	28,890
2000	10,580					10,580			-	10,580
2001	14,288					14,288			-	14,288
2002	15,540					15,540	(208)		(208)	15,748
2003	18,454					18,454			-	18,454
2004	20,367					20,367			-	20,367
2005	22,495					22,495	202	27	229	22,293
2006	59,736				35,680	24,056	3,614	2,085	5,699	20,442
2007	78,431			374		78,057	16,723	7,115	23,838	61,334
2008	127,275		201	1,644		125,832	39,271	16,105	55,376	86,561
2009	331,431		20,956	4,739		347,648	179,290	41,545	220,835	168,358
TOTAL PRIOR YEARS	734,140	-	21,157	7,531	35,680	712,086	239,282	67,664	306,946	472,804
2010		15,571,715	9,698	42,977		15,538,436	15,203,954	73,806	15,277,760	334,482
TOTAL	$ 734,140	$ 15,571,715	$ 30,855	$ 50,508	$ 35,680	$ 16,250,522	$ 15,443,236	$ 141,470	15,584,706	$ 807,286

Property taxes considered available:	
Overpayment of taxes and suspense collections	24,370
June 30, 2011 - 60 day	(53,458)
June 30, 2012 - 60 day	47,032
Total property tax revenues	$ 15,602,650

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.

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.

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.

TOWN OF GRISWOLD, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
JUNE 30, 2012

	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	$	$	$	$	$	$ 56,155	$	$
Receivables:								
Intergovernmental		114,379	53,024					
Other		4,165				576		44
Due from other funds	230,991		61,968	34,553	500			1,933
Other		8,700						
TOTAL ASSETS	$ 230,991	$ 127,244	$ 114,992	$ 34,553	$ 500	$ 56,731	$ -	$ 1,977
LIABILITIES AND FUND BALANCES								
LIABILITIES:								
Accounts payable	$ 919	$ 8,418	$ 70,454	$	$	$	$	$
Due to other funds		70,122	43,392			3,725	7,548	
Unearned revenue			1,146			648		
TOTAL LIABILITIES	919	78,540	114,992	-	-	4,373	7,548	-
FUND BALANCES:								
Restricted	230,072	48,704			500	52,358		1,977
Assigned				34,553				
Unassigned							(7,548)	
TOTAL FUND BALANCES	230,072	48,704	-	34,553	500	52,358	(7,548)	1,977
TOTAL LIABILITIES AND FUND BALANCES	$ 230,991	$ 127,244	$ 114,992	$ 34,553	$ 500	$ 56,731	$ -	$ 1,977

(Continued)

TOWN OF GRISWOLD, CONNECTICUT
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS

	SPECIAL REVENUE							
	ASHLAND PARK FUND	SHELDON ROAD PARK	OPEN SPACE	DOG FUND	BOARD OF EDUCATION MISC	BOARD OF EDUCATION YOUTH GRANT	PAW TO PAW	RECREATION FUND
ASSETS								
Cash	$	$	$	$	$	$	$	$
Receivables:								
Other		160		163				
Due from other funds		14,587	56,566	24,979			55	33,938
TOTAL ASSETS	$ -	$ 14,747	$ 56,566	$ 25,142	$ -	$ -	$ 55	$ 33,938
LIABILITIES AND FUND BALANCES								
LIABILITIES:								
Accounts payable	$ 142	$ 75	$	$ 277	$ 4,946	$	$	$ 4,820
Due to other funds	1,260				681			
TOTAL LIABILITIES	1,402	75	-	277	5,627	-	-	4,820
FUND BALANCES:								
Restricted		14,672					55	
Committed				24,865				29,118
Assigned			56,566					
Unassigned	(1,402)				(5,627)			
TOTAL FUND BALANCES	(1,402)	14,672	56,566	24,865	(5,627)	-	55	29,118
TOTAL LIABILITIES AND FUND BALANCES	$ -	$ 14,747	$ 56,566	$ 25,142	$ -	$ -	$ 55	$ 33,938

(Continued)

TOWN OF GRISWOLD, CONNECTICUT
COMBINING BALANCE SHEET (CONCLUDED)
NONMAJOR GOVERNMENTAL FUNDS

	SPECIAL REVENUE				PERMANENT	CAPITAL PROJECT	
	PLAN OF CONSERVATION & DEVELOPMENT	MUNICIPAL ENERGY & CONSERVATION	MAIN STREET PHASE I	TOTAL	ANTHONY TRUST FUND	CAPITAL NONRECURRING FUND	TOTAL NONMAJOR FUNDS
ASSETS							
Cash	$	$	$	$ 56,155	$ 20,404	$	$ 76,559
Receivables:							
Intergovernmental				167,403			167,403
Other				5,108	3,350	132	8,590
Due from other funds	12,000			472,070		300,341	772,411
Other				8,700			8,700
TOTAL ASSETS	$ 12,000	$ -	$ -	$ 709,436	$ 23,754	$ 300,473	$ 1,033,663
LIABILITIES AND FUND BALANCES							
LIABILITIES:							
Accounts payable	$ 697	$	$ 2,997	$ 93,745	$	$	$ 93,745
Due to other funds		46,881	10,100	183,709	3,013		186,722
Unearned revenue	11,303			13,097			13,097
TOTAL LIABILITIES	12,000	46,881	13,097	290,551	3,013	-	293,564
FUND BALANCES:							
Nonspendable				-	18,000		18,000
Restricted				348,338	2,741		351,079
Committed				53,983		300,473	354,456
Assigned				91,119			91,119
Unassigned		(46,881)	(13,097)	(74,555)			(74,555)
TOTAL FUND BALANCES	-	(46,881)	(13,097)	418,885	20,741	300,473	740,099
TOTAL LIABILITIES AND FUND BALANCES	$ 12,000	$ -	$ -	$ 709,436	$ 23,754	$ 300,473	$ 1,033,663

(Concluded)

TOWN OF GRISWOLD, CONNECTICUT

NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 2012

	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	$ 99,306	$ 342,918	$ 1,557,056	$	$	$	$ 2,900	$ 3,500
Charges for services	63,086	463,102		62,658		2,592		2,028
Interest income						258		
TOTAL REVENUES	162,392	806,020	1,557,056	62,658	-	2,850	2,900	5,528
EXPENDITURES:								
Current:								
General government							1,950	12,057
Public works	95,336					2,081		
Education		823,829	1,557,056	50,389				
TOTAL EXPENDITURES	95,336	823,829	1,557,056	50,389	-	2,081	1,950	12,057
NET CHANGE IN FUND BALANCES	67,056	(17,809)	-	12,269	-	769	950	(6,529)
FUND BALANCES - JULY 1, 2011	163,016	66,513		22,284	500	51,589	(8,498)	8,506
FUND BALANCES - JULY 1, 2012	$ 230,072	$ 48,704	$ -	$ 34,553	$ 500	$ 52,358	$ (7,548)	$ 1,977

(Continued)

TOWN OF GRISWOLD, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS

	SPECIAL REVENUE							
	ASHLAND PARK FUND	SHELDON ROAD PARK	OPEN SPACE	DOG FUND	BOARD OF EDUCATION MISC	BOARD OF EDUCATION YOUTH GRANT	PAW TO PAW	RECREATION FUND
REVENUES:								
Intergovernmental	$ 6,435	$ 94,599	$	$	$	$	$	$
Charges for services	20			766	56,663			50,073
Contributions		21,530					210	
TOTAL REVENUES	6,455	116,129	-	766	56,663	-	210	50,073
EXPENDITURES:								
Current:								
Education					63,215			
Civic and cultural	9,151	113,424				2,487	155	55,602
TOTAL EXPENDITURES	9,151	113,424	-	-	63,215	2,487	155	55,602
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(2,696)	2,705	-	766	(6,552)	(2,487)	55	(5,529)
OTHER FINANCING SOURCES (USES):								
Transfers in	1,750							10,000
NET CHANGE IN FUND BALANCES	(946)	2,705	-	766	(6,552)	(2,487)	55	4,471
FUND BALANCES - JULY 1, 2011	(456)	11,967	56,566	24,099	925	2,487		24,647
FUND BALANCES - JULY 1, 2012	$ (1,402)	$ 14,672	$ 56,566	$ 24,865	$ (5,627)	$ -	$ 55	$ 29,118

(Continued)

TOWN OF GRISWOLD, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES (CONCLUDED)
NONMAJOR GOVERNMENTAL FUNDS

	SPECIAL REVENUE				PERMANENT	CAPITAL PROJECT	
	PLAN OF CONSERVATION & DEVELOPMENT	MUNICIPAL ENERGY & CONSERVATION	MAIN STREET PHASE I	TOTAL	ANTHONY TRUST FUND	CAPITAL NONRECURRING FUND	TOTAL NONMAJOR FUNDS
REVENUES:							
Intergovernmental	$ 697	$	$ 90,628	$ 2,198,039	$	$	$ 2,198,039
Charges for services				700,988		6,084	707,072
Contributions				21,740			21,740
Interest income				258	118		376
TOTAL REVENUES	697	-	90,628	2,921,025	118	6,084	2,927,227
EXPENDITURES:							
Current:							
General government	697	15,171	97,669	127,544		100,651	228,195
Public works				97,417		1,322	98,739
Civic and cultural				180,819			180,819
Education				2,494,489			2,494,489
TOTAL EXPENDITURES	697	15,171	97,669	2,900,269	-	101,973	3,002,242
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	(15,171)	(7,041)	20,756	118	(95,889)	(75,015)
OTHER FINANCING SOURCES (USES):							
Transfers in				11,750		15,000	26,750
NET CHANGE IN FUND BALANCES	-	(15,171)	(7,041)	32,506	118	(80,889)	(48,265)
FUND BALANCES - JULY 1, 2011		(31,710)	(6,056)	386,379	20,623	381,362	788,364
FUND BALANCES - JULY 1, 2012	$ -	$ (46,881)	$ (13,097)	$ 418,885	$ 20,741	$ 300,473	$ 740,099

(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, 2012

	BALANCE JULY 1, 2010	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2012
ASSET				
CASH:				
Student activity fund	$ 307,583	$ 432,872	$ 381,792	$ 358,663
LIABILITY				
ACCOUNTS PAYABLE:				
Student activity fund	$ 307,583	$ 432,872	$ 381,792	$ 358,663

Trend Information

TABLE 1

TOWN OF GRISWOLD, CONNECTICUT

NET ASSETS BY COMPONENT
LAST NINE YEARS
(UNAUDITED)

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

Note: Less than ten years of data due to the implementation date of GASB 34.

TABLE 2

TOWN OF GRISWOLD, CONNECTICUT

CHANGES IN NET ASSETS
LAST NINE YEARS
(UNAUDITED)

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

Note: Less than ten years of data due to the implementation date of GASB 34.

TABLE 3

TOWN OF GRISWOLD, CONNECTICUT

SCHEDULE OF DEBT LIMITATION
YEAR ENDED JUNE 30, 2012
(UNAUDITED)

TOTAL TAX COLLECTIONS (incuding interest and lien fees) for the year ended June 30, 2012:	
Town of Griswold	$ 15,584,706
Borough of Jewett City	377,040
TOTAL TAX COLLECTIONS (including interest and lien fees) - BASE FOR DEBT LIMITATION COMPUTATION	$ 15,961,746

	GENERAL PURPOSE	SCHOOLS	SEWERS	URBAN RENEWAL	PENSION DEFICIT
DEBT LIMITATION:					
2 1/4 times base	$35,913,929	$	$	$	$
4 1/2 times base		71,827,857			
3 3/4 times base			59,856,548		
3 1/4 times base				51,875,675	
3 times base					47,885,238
TOTAL DEBT LIMITATION	35,913,929	71,827,857	59,856,548	51,875,675	47,885,238
INDEBTEDNESS:					
Bonds payable		19,155,000			
BANs payable		5,000,000			
Borough of Jewett City			4,739,312		
Less self-supporting debt of the Borough of Jewett City			(4,739,312)		
TOTAL INDEBTEDNESS	-	24,155,000	-	-	-
DEBT LIMITATION IN EXCESS OF OUTSTANDING DEBT	$35,913,929	$ 47,672,857	$ 59,856,548	$51,875,675	$ 47,885,238

NOTES: (1) The total of the above indebtedness amounts to: $ 24,155,000

In no event shall total indebtedness exceed seven times the base for debt limitation computation: $ 111,732,222

TABLE 4

TOWN OF GRISWOLD, CONNECTICUT

CURRENT DEBT SCHEDULE
YEAR ENDED JUNE 30, 2012
(UNAUDITED)

BONDED DEBT	
Schools	$ 19,155,000
General Purpose	-
Total bonded debt	19,155,000
Short-Term Debt	5,000,000
Direct Debt	24,155,000
Less School Construction Grants	-
	$ 24,155,000
Population July 1, 2011 (CT Dept. of Health)	11,977
Equalized Net Grand List 2010 (CT - O.P.M.)	$ 1,009,839,725

CURRENT DEBT RATIOS

	Direct Debt	Net Direct Debt	Overall Net Debt
Debt per Capita	$ 2,017	$ 2,017	$ 2,017
Percent of Equalized Net Grant List	2.39%	2.39%	2.39%

TABLE 5

TOWN OF GRISWOLD, CONNECTICUT

TEN YEAR HISTORY
PROPERTY TAX LEVIES AND COLLECTIONS
(UNAUDITED)

FISCAL YEAR ENDED	ADJUSTED PROPERTY TAX LEVY	TOTAL COLLECTIONS	PERCENTAGE ANNUAL LEVY COLLECTED	UNCOLLECTED	PERCENTAGE ANNUAL LEVY UNCOLLECTED
2012	$ 15,538,436	$ 15,203,954	97.85%	$ 334,482	2.15%
2011	15,394,644	15,063,213	97.85%	331,431	2.15%
2010	13,640,640	13,358,080	97.93%	282,560	2.07%
2009	13,613,843	13,292,677	97.64%	321,166	2.36%
2008	13,360,704	13,051,472	97.69%	309,232	2.31%
2007	14,245,111	13,820,113	97.02%	424,998	2.98%
2006	13,620,267	13,237,894	97.19%	382,373	2.81%
2005	12,553,802	12,167,511	96.92%	386,291	3.08%
2004	11,738,527	11,300,784	96.27%	437,743	3.73%
2003	10,538,820	10,089,593	95.74%	449,227	4.26%

TABLE 6

TOWN OF GRISWOLD, CONNECTICUT

TOP TEN TAXPAYERS
GRAND LIST OCTOBER 1, 2010
YEAR ENDED JUNE 30, 2012
(UNAUDITED)

NAME	NATURE OF BUSINESS	TAXABLE VALUATON	PERCENT NET TAXABLE GRAND LIST
CONNECTICUT LIGHT AND POWER	UTILITY	$ 4,438,660	0.54%
OSJ OF GRISWOLD	DEPARTMENT STORE	3,558,240	0.43%
395 ASSOCIATES LLC	HOTEL	2,414,780	0.29%
JEWETT CITY WATER COMPANY	UTILITY	2,239,880	0.27%
JEWETT CITY SAVINGS BANK	BANKING	2,126,540	0.26%
HARVEY POLINSKY	BUILDING LOTS	2,052,590	0.25%
JEWETT CITY LLC	REAL ESTATE	2,041,620	0.25%
INTERNATIONAL WIRE GROUP	MANUFACTURING	1,965,700	0.24%
PA RESIDENTIONAL LLC	APARTMENT COMPLEX	1,916,110	0.23%
GREEN SEA LLC	GOLF COURSE	1,736,010	0.21%
NET TAXABLE GRAND LIST		$ 826,169,923	

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
2010	$ 906,971	$ 826,170	0.70%
2009	903,319	820,349	1.11%
2008	823,217	811,218	0.63%
2007	889,032	806,092	1.97%
2006 *	875,050	790,531	61.62%
2005	561,188	489,133	2.78%
2004	547,695	475,881	4.88%
2003	526,095	453,717	1.16%
2002	506,973	448,526	2.34%
2001 *	492,502	438,284	18.37%

* Revaluation year

Federal Single Audit

TOWN OF GRISWOLD, CONNECTICUT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2012

FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM OR CLUSTER TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH ENTITY IDENTIFYING NUMBER	EXPENDITURES
U.S. DEPARTMENT OF AGRICULTURE:			
Passed through State Department of Education:			
Child Nutrition Cluster			
National School Breakfast Program	10.553		$ 48,588
National School Lunch Program - Cash	10.555		247,694
National School Lunch Program - Commodities	10.555		24,334
Special Milk Program for Children	10.556		1,735
Summer Food Service Program for Children	10.559		1,920
TOTAL CHILD NUTRITION CLUSTER			324,271
U.S. DEPARTMENT OF TRANSPORTATION:			
Passed through State Department of Transportation:			
Highway Planning & Construction	20.205		811,535
U.S. DEPARTMENT OF ENERGY:			
Passed through Connecticut Clean Energy Fund:			
State Energy Program	81.041		280,000
U.S. DEPARTMENT OF EDUCATION:			
Passed through State Department of Education:			
Title I Grants to Local Educational Agencies		12060-20679-82070-2012-17002	160,663
Title I Grants to Local Educational Agencies		12060-20679-82070-2011-17002	50,268
Total Title I Grants to Local Educational Agencies	84.010		210,931
Special Education Cluster:			
Special Education - Grants to States (IDEA Part B)		12060-20977-82032-2012-170002	347,626
Special Education - Grants to States (IDEA Part B)		12060-20977-82032-2011-170002	54,580
Total Special Education - Grants to States (IDEA Part B)	84.027		402,206
Special Education - Preschool Grants (IDEA Part B)		12060-20983-82032-2012-170002	7,541
Special Education - Preschool Grants (IDEA Part B)		12060-20983-82032-2011-170002	13,689
Total Special Education - Preschool Grants (IDEA Part B)	84.173		21,230
ARRA - Special Education Grants to States, Recovery Act	84.391	12060-29011-82032-2009-170002	20,987
Total Special Eduaction Cluster			444,423
Vocational Education - Basic Grants to States	84.048	12060-20742-84010-2012-170002	19,369
Improving Teacher Quality State Grants		12060-20858-84131-2012-170002	8,895
Improving Teacher Quality State Grants		12060-20858-84131-2011-170002	87,100
Total Improving Teacher Quality State Grants	84.367		95,995
Education Jobs Fund (Ed Jobs)	84.410	12060-22405-82010-2011-170002	573,394
TOTAL U.S. DEPARTMENT OF EDUCATION			1,344,112
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		50,926
GRAND TOTAL FEDERAL AWARDS			$ 2,810,844

See Notes to Schedule of Expenditures of Federal Awards.

1. *SIGNIFICANT ACCOUNTING POLICY*

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

Basis of Presentation

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

2. *NONCASH FEDERAL AWARDS*

The Town received and expended $24,334 of USDA donated commodities under the National School Lunch Program.

FINDING 2011-1

Condition

Invoices selected for testing showed no evidence of approval by the Director of Special Education.

Current Status

The finding has been corrected.

TOWN OF GRISWOLD, CONNECTICUT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012

SECTION I - SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

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 auditors' report issued on compliance for major programs: Unqualified

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

Identification of major programs:

CFDA NUMBER	NAME OF FEDERAL PROGRAM
10.553/10.555/10.556/10.559	Child Nutrition Cluster
20.205	Highway Planning & Construction
84.027/84.173/84.391	Special Education Cluster
84.410	Education Jobs Fund (Ed Jobs)

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

Auditee qualified as low-risk auditee? ____yes __x__no

SECTION II - FINANCIAL STATEMENT FINDINGS

None

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

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

INDEPENDENT AUDITORS' 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 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, 2012, which collectively comprise the Town's basic financial statements and have issued our report thereon dated December 6, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Town of Griswold, Connecticut, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Town's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

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 a 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of 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.*

We noted certain matters that we reported to management of the Town in a separate letter dated December 6, 2012.

This report is intended solely for the information and use of management, the Board of Finance, others within the entity, Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

CohnReznick LLP

New London, Connecticut
December 6, 2012

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTSTHATCOULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Board of Finance
Town of Griswold, Connecticut

Compliance

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, 2012. The Town's major Federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major Federal programs is the responsibility of the Town's management. Our responsibility is to express an opinion on the Town's compliance based on our audit.

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. Our audit does not provide a legal determination on the Town's compliance with those requirements.

In our opinion, the Town complied, in all material respects, with the 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, 2012.

Internal Control Over Compliance

Management of the Town of Griswold, Connecticut, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to Federal programs. In planning and performing our audit, we considered the Town's internal control over compliance with the requirements that could have a direct and material effect on a major Federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance 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.

Internal Control Over Compliance (Continued)

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.

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 deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Finance, others within the entity, Federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

CohnReznick LLP

New London, Connecticut
December 6, 2012

State Single Audit

TOWN OF GRISWOLD, CONNECTICUT

SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2012

STATE GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE	STATE GRANT PROGRAM CORE-CT NUMBER	STATE PROJECT NUMBER	EXPENDITURES
OFFICE OF POLICY AND MANAGEMENT:			
Property Tax Relief for Elderly and Disabled	11000-OPM20600-17018		$ 44,103
Property Tax Relief for Veterans	11000-OPM20600-17024		7,639
Property Tax Relief for Disabled	11000-OPM20600-17011		880
Contingency Needs	11000-OPM20100-12336		75,000
Prepare / Revise Muni Plans	12052-OPM12600-43127		697
Local Capital Improvement Program	12050-OPM20600-40254		94,740
Small Town Economic Assistance Program	12052-OPM20870-40530		295,000
Payment in Lieu of Taxes (PILOT) on State-Owned Property	11000-OPM20600-17004		44,949
CONNECTICUT STATE LIBRARY:			
Historical Document Preservation	12060-CSL66094-35150		3,500
DEPARTMENT OF EDUCATION:			
School Readiness and Child Care in Competitive Grant Municipalities	11000-SDE64000-12113	11000-12113-2012-82079-170003	106,925
Competitive School Readiness	11000-SDE64000-17097	11000-17097-2012-82079-170035	3,970
Child Nutrition Program - School Lunch State Match	11000-SDE64000-16072	11000-16072-2012-82051-170005	8,554
School Breakfast	11000-SDE64000-17046	11000-17046-2012-82057	9,000
School Breakfast	11000-SDE64000-17046	11000-17046-2012-82058	1,093
Youth Service Bureau	11000-SDE64000-17052	11000-17052-2012-82079-170002	14,000
Youth Service Bureau - Enhancement	11000-SDE64000-16201	11000-16201-2012-82079-170002	5,000
Adult Education	11000-SDE64000-17030	11000-17030-2012-84003-170013	50,605
Primary Mental Health	11000-SDE64000-12198	11000-12198-2012-82079-170036	22,755
Young Parents Program	11000-SDE64000-17044	11000-17044-2012-82079-170003	28,690
DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT:			
Small Town Economic Assistance Program	12052-ECD46350-55050		90,628
DEPARTMENT OF TRANSPORTATION:			
Town Aid Road Grants Transportation Fund	12001-DOT57000-17036		99,306
DEPARTMENT OF ENERGY AND ENVIRONMENTAL PROTECTION:			
Connecticut Special Act Grant	12052-DEP43153-40519		2,900
Community Conservation & Development	13019-DEP43153-41239		6,435
Griswold Recreation Fields	11000-DEP43153-12392		19,599
Total State Financial Assistance Before Exempt Programs			1,035,968
EXEMPT PROGRAMS:			
DEPARTMENT OF EDUCATION:			
Transportation of School Children	1100-SDE64000-17027	11000-17027-2012-82012-17005	189,218
Educational Cost Sharing	1100-SDE64000-17041	11000-17041-2012-82012-17002	10,747,613
Special Education - Agency Placements	1100-SDE64000-17047	11000-17047-2012-82016	120,436
Special Education - Excess Cost	1100-SDE64000-17047	11000-17047-2012-82018	170,744
Special Education - Excess Cost - Student Based Supplement	1100-SDE64000-17047	11000-17047-2012-82163	124,737
DEPARTMENT OF PUBLIC WELFARE:			
School Construction - Progress Payments	13010-DPW27610-40901	13010-40901-2012-82006-17001	2,413,648
School Construction Projects - Principal	13010-DPW27610-40901	13010-40901-2012-82003-17001	195,060
School Construction Projects - Interest	13009-DPW27610-40896	13009-40896-2012-82004-17063	44,057
OFFICE OF POLICY AND MANAGEMENT:			
Municipal Revenue Sharing	12060-OPM20600-35458		172,737
Mashantucket Pequot/Mohegan Fund	12009-OPM20600-17005		98,876
Total Exempt Programs			14,277,126
TOTAL STATE FINANCIAL ASSISTANCE			$ 15,313,094

See Note to Schedule of Expenditures of State Financial Assistance.

TOWN OF GRISWOLD, CONNECTICUT

NOTE TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2012

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, 2012. 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.

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.

FINDING 2010-4

Condition

Invoices selected for testing within the School Readiness program showed no evidence of approval for payment.

Current Status

The finding has been corrected.

TOWN OF GRISWOLD, CONNECTICUT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012

I. SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

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 auditors' report issued on compliance for major programs: Unqualified

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

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

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

State Grantor and Program	State Core-CT Number	Expenditures
OFFICE OF POLICY AND MANAGEMENT:		
Local Capital Improvement Program	12050-OPM20600-40254	$ 94,740
Small Town Economic Assistance Program	12052-OPM20870-40530	295,000
DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT:		
Small Town Economic Assistance Program	12052-ECD46350-55050	90,628
DEPARTMENT OF EDUCATION:		
School Readiness and Child Care in Competitive Grant Municipalities	11000-SDE64000-12113	106,925

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 AUDITORS' 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 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, 2012, which collectively comprise the Town's basic financial statements and have issued our report thereon dated December 6, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of the Town of Griswold, Connecticut, is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Town's internal control over financial reporting as a basis for designing our auditing procedures 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

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 a 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.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of 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.*

We noted certain matters that we reported to management of the Town in a separate letter dated December 6, 2012.

This report is intended solely for the information and use of management, the Board of Finance, others within the entity, Office of Policy and Management, state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

CohnReznick LLP

New London, Connecticut
December 6, 2012

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE STATE SINGLE AUDIT ACT

Board of Finance
Town of Griswold, Connecticut

Compliance

We have audited the Town of Griswold, Connecticut's compliance with the types of compliance requirements described in the *Office of Policy and Management 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, 2012. The major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the Town's management. Our responsibility is to express an opinion on the Town's compliance based on our audit.

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. Our audit does not provide a legal determination on the Town's compliance with those requirements.

In our opinion, the Town complied, in all material respects, with the 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, 2012.

Internal Control over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered the Town's internal control over compliance with the requirements that could have a direct and material effect on a major state program to determine the auditing procedures for the purpose of expressing our opinion on compliance 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.

Internal Control over Compliance (Continued)

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.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of management, the Board of Finance, others within the entity, Office of Policy and Management, state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

CohnReznick LLP

New London, Connecticut
December 6, 2012