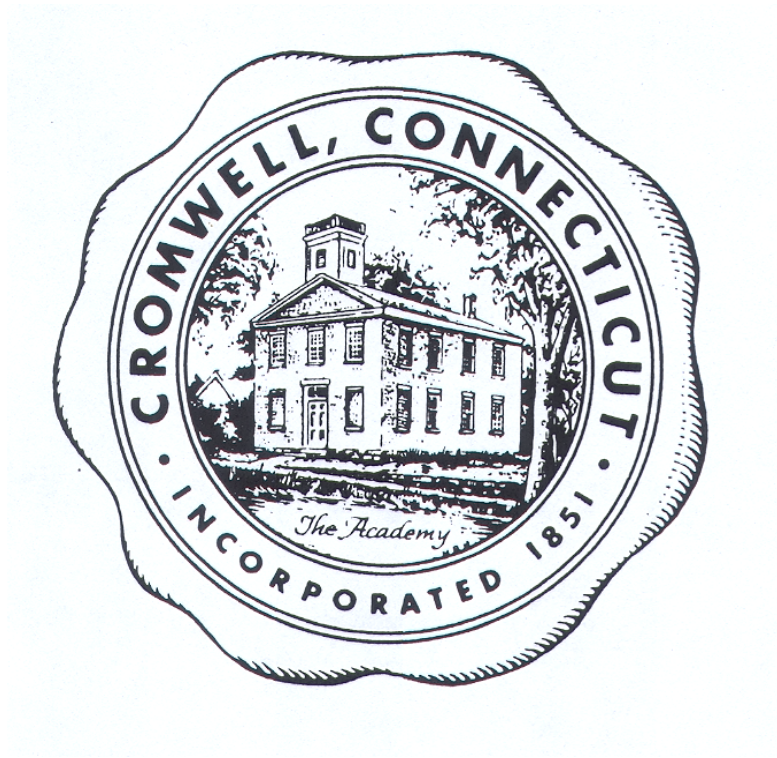


Town of Cromwell, Connecticut



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2010

COMPREHENSIVE ANNUAL FINANCIAL REPORT

of the

TOWN OF CROMWELL,
CONNECTICUT

Fiscal Year Ended June 30, 2010

Prepared by:

Finance Department
Marianne Sylvester
Finance Director

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Town of Cromwell

NATHANIEL WHITE BUILDING
41 WEST STREET
CROMWELL, CONNECTICUT 06416

December 9, 2010

The Honorable John Flanders
First Selectman
Town of Cromwell, Connecticut

The Comprehensive Annual Financial Report (CAFR) of the Town of Cromwell for the fiscal year ended June 30, 2010 is hereby submitted. The purpose of this report is to provide citizens, board members, investors, grantor agencies and other interested parties with reliable information about the Town of Cromwell. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the Town. The intent is to provide reasonable assurance that the financial statements are free of any material misstatements.

The Town is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and U.S. Office of Management and Budget Circular A-133, Audits of State, Local Governments and Non-Profit Organizations. The Town is also required to undergo a Single Audit under Public Act 91-401 of the State of Connecticut. Information related to these single audits will be issued separately.

McGladrey & Pullen, LLP, have issued an unqualified ("clean") opinion on the Town of Cromwell's financial statements for the year ended June 30, 2010. The independent auditor's report is located at the front of the financial section of this report. Management's discussion and analysis (MD&A) immediately follow the independent auditor's report and provides a narrative overview of the basic financial statements. The MD&A is intended to complement this transmittal letter and should be read in conjunction with it.

This report includes all of the funds and accounts of the Town. It includes all activities controlled or dependent on the Town, which are identified as general, special revenue, capital project, trust and agency funds and general fixed assets and general long-term debt accounts. The Cromwell Board of Education (grades K through 12) and the Cromwell Water Pollution Control Authority are considered departments of the Town and therefore, these activities are included in this report. The Cromwell Fire/Water District and the Mattabassett District are governmental entities having operations within the Town, but are separate legal entities. Their operations have therefore not been included in the Town's financial statements.

The Town provides a full range of municipal services including public safety (police, animal control and civil preparedness), public works (roads, building and grounds, solid waste management, engineering, motor pool and building inspections), health, sanitation, zoning compliance, senior citizen services, youth services, social services,

recreation, library, education and schools and general government administrative service. As a separate legal entity, the Cromwell Fire District provides fire, ambulance and water services.

Economic Condition and Outlook

The Town comprises 13.5 square miles in the approximate geographical center of the State. It is 14 miles south of Hartford and 28 miles northeast of New Haven. The Connecticut River forms the eastern boundary of the Town. A major north/south highway, Interstate 91, with two Cromwell exits, runs through the Town. Also, Connecticut Routes 99, 372 and 3 bisect the Town. The Central Connecticut Expressway (Route 9) also enhances the Town's location as it connects I-95 in Old Saybrook, I-91 in Cromwell and I-84, the State's major east/west highway, in New Britain. Given the Town's location and accessibility to major roadways, the Town contributes a great deal of its residents to the area's labor force. On June 30, 2010, 91.9% of the Town's available labor force was employed. This compares favorably to the area rate of 90.9% and the State rate of 91.1%. The Town's per capita income was \$37,265 and its median household income was \$75,773, as reported by in the State of Connecticut Fiscal Indicators report.

The Town's position as a residential community is illustrated by the fact that approximately 70.9% of the October 2008 grand list was residential. The percentage of the 2007 grand list was 71.0%. Permits for thirty new residential units were issued this year compared to twenty-three in 2009. In the last ten years, the average number of new units per year is fifty. The Town has several subdivisions in various stages of completion. Seven out of eleven residential subdivisions are 50% or more complete. The Smith Farm subdivision was completed. Sydney Lane, off Coles Road, has one unit remaining, and Bruno Baroni's subdivision, on North Road, is working on their last unit. Northbrook Estates has thirty-four of thirty-six units complete, with the thirty-fifth unit 85% complete. Congress Drive (21 total units available) and Newbury Estates (20 total units available) are 75% complete. For the future, there are several projects that are in the beginning stages of the approval and construction process. These include Mountain View Estates, with four units complete and two more under construction progressing toward total of fifteen housing units; Bender Homes, with six out of twenty-six total units complete; and Cromwell Chase, with 9 permits issued out of 17 available units. Also, a large active adult subdivision continues development on Willowbrook Road (fifty-two units), with twenty units completed and one more under construction.

As a percentage of the grand list, industrial and commercial property values remained the same at 17.4%. A new Lowe's Home Improvement Center finished construction and opened in the fall 2009. The full assessment impacted the 2009 grand list. Progress on the Coles Brook Industrial Park continues with five units out of seven completed. The current (active) project covers 13 acres out of 70 acres planned as a commercial park. With the environmental study required by the State completed, the real estate behind the existing development should become available for further commercial development. The Town has received two Small Town Economic Assistance Program (STEAP) grants from the State of Connecticut over the past five years to provide the environmental study, supplement the infrastructure in this area, and facilitate commercial development for the Town. Preliminary engineering to extend sewer service to this northern tier area is being finalized. Contract documents and design work to complete this infrastructure project will be underway shortly. Two commercial developments are also in progress on Route 372. Cobblestone Plaza on Route 372 has a new CVS store and a new Liberty Bank completed and open for business, and clearing has begun for the third site. Another commercial property at 181 Shunpike Road is being developed, with two buildings approved for this site. One building has opened as an early learning/daycare center. Approval has been given to develop the other site for general office facilities.

With the residential component of the grand list consistently around 70%, regulatory boards and commissions, to the extent possible, are evaluating the impact their decisions have on the grand list. Diversification of the grand list

is considered as part of the Town's economic development initiatives. The balance of the grand list amounts to 11.7%, compared to 11.6% last year.

Major Initiatives

For the Year:

Major initiatives tend to be measured by large expenditures and/or project size and are usually thought of in terms of capital projects. However, presented below are the highlights of the Town's special programmatic and service initiatives followed by the explanation of capital initiatives.

Programs and Services:

Finance Department:

Awarded the Town's twentieth consecutive Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association. Successfully issued bonds in the amount of \$6,730,000 for capital projects to include roof replacements with photovoltaic cells on Edna C. Stevens Elementary School and Cromwell Middle School as well as road and drainage improvements specifically in the areas of Iron Gates Estates and New Lane and in accordance with the 2004 Pavement Management Study.

Police:

Continued participation in State grant programs for drug enforcement and education, specialized traffic control

Health Department:

The Cromwell Health Department participates in Public Health Emergency Preparedness (PHEP) to protect the citizens in the event of a biological emergency. Each year the Mass Dispensing Area, MDA 36, consisting of Cromwell, Middletown, Middlefield, and Durham, participates in drills, exercises and planning to perfect the delivery of vaccine and vaccination to the community. The free radon-testing program provided carbon monoxide test kits on a cost-share/donation basis to town residents. Continued to monitor a mosquito control program.

Library:

The renovation/expansion project was presented to the Town but was defeated at referendum by a narrow margin. The grant for this purpose is still waiting for funding through the State Bond Commission. This project is anticipated to be included in on-going long range planning activities.

Recreation:

Operated and/or supported fifty-two programs for both children and adults in the Town. Worked with the Public Works Department on improvements to Town fields, in support of outdoor Recreation programs.

Economic Development Commission:

Using State of Connecticut Economic Development Grants, continued to pursue the establishment of an industrial/commercial park in the northern part of Town. Design work for infrastructure improvements in this area is being completed. The Town received an additional \$200,000 Small Town Economic Assistance Program grant for the revitalization of the Downtown Historic area, to compliment and continue the work initiated by the grant received in 2006 for this purpose. These grants, along with funds received in the June 2008 bond issue,

are being used to improve the streetscapes, lighting, and parking, provide façade improvement incentives, and update the two memorial areas along Main Street.

Human Services:

Continued all services to the seniors and youth of the Town. Provided support services and referrals to citizens of Cromwell in need. Received accreditation by the National Institute of Senior Centers. Received a State grant to support an increased level of transportation services to the Town's senior and handicapped citizens for a fourth year.

Capital Projects:

Public Works:

Continued the reconstruction of a portion of Coles Road as part of a State Department of Transportation project. Construction continued for Town-wide infrastructure improvements, funded through the Spring 2008 bond issue. The construction of a new passive recreation park was completed, with the official opening of the park July 2010. New funding for additional road improvement projects was approved by the voters in April 2010 and included in the bond issued June 2010.

Education:

The 2008 bond issue included renovations to the Elementary School, Middle School, and High School. Projects include roof replacements with solar panels on the elementary and middle schools, security enhancements and asbestos removal. The security enhancements to the schools have been completed and the roof replacements and interior improvements should be completed during the 2010-11 fiscal year.

Parks & Recreation:

The Recreation Department used funds allocated through the 2008 bond issue to improve the quality of existing Town athletic fields and install irrigation systems.

Financial Information

Management of the government is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the Town are protected from losses, theft, or misuse to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

Single Audit

As a recipient of Federal financial assistance both directly and as passed through the State, the Town is responsible for maintaining an adequate internal control structure to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by management. The same applies to financial assistance provided directly by the State.

As a part of the Town's single audits, tests are made to determine the adequacy of the internal control structure, including that portion related to Federal and State financial assistance programs, as well as to determine that the

government has complied with applicable laws and regulations. The single audits for the fiscal year ended June 30, 2010 will be issued as separate reports. They will be filed with the Town Clerk for public inspection and will be filed with appropriate Federal and State agencies.

Budgeting Controls

In addition to internal accounting controls, the Town maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget for the General Fund approved at the annual Town Meeting and as may be amended by the Boards of Selectmen and Finance or a Special Town Meeting during the fiscal year. The General Fund level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is the departmental level. The Town maintains annual budgets for other funds, such as the Sidewalk Fund, Sewer Usage Fund, Sewer Assessment Fund, and the Dog Fund, as approved by special Town Meetings. The Town also maintains project length budgets for all capital projects approved by special Town Meetings.

To aid in budgetary control, the Town maintains an encumbrance accounting system to record obligations by line item for all budgets. Verification of funds availability is required prior to the issuance of purchase orders, which are recorded as encumbrances in the budgetary accounting system. Those encumbrances for goods and services that have not been received on June 30 of each year are reported as reservations of fund balance. Valid charges in the next fiscal year are paid from these encumbrances.

As demonstrated by the statements and schedules included in the financial section of this report, the Town continues to meet its responsibility for sound financial management.

General Fund Balance

The unreserved, undesignated available fund balance decreased by \$599,738, or 13.1%, during the fiscal year. This amount, \$3,970,913 is equivalent to about 34 days of operating expenditures and is 9.4% of the adopted 2011 budget. Although there was a favorable result from budgetary operations, additional appropriations of \$1,120,209 and the use of \$226,111 toward the 2011 budget accounts for the net decrease in fund balance.

The Town of Cromwell's General Fund fund balance has historically been used to fund large capital projects and pre-fund reimbursement-type grant opportunities. During fiscal 2010, there were additional appropriations from fund balance, totaling \$1,120,209. \$65,000 was transferred to pre-fund a grant through the State's Local Capital Improvement Program (LoCIP) for improvements to Coles Road, \$200,000 to pre-fund the STEAP grant for the downtown revitalization, \$303,150 to pre-fund Geer Street improvements to be reimbursed through an American Recovery and Reinvestment Act (ARRA) grant, and \$64,241 to pre-fund an Energy Efficiency Community Block Grant. \$447,818 was transferred to the Capital/Nonrecurring Fund for various capital projects/equipment and an additional \$40,000 was appropriated to reinstate full-time positions in the Assessor's Office and the Town Clerk's Office. Additionally the fund balance provided \$82,750 to balance the fiscal 2010 budget and \$200,000 to pay down notes due during fiscal 2010 for a total of \$282,750. It is anticipated that there will be an appropriation of \$300,000 for transfer to the CNR Fund during fiscal 2011. This is in keeping with the Board of Finance's historical practices and philosophy.

Debt Administration

On June 30, 2010, the Town had a number of debt issues outstanding. Bonded indebtedness was \$32,980,000 with a final maturity date of June 2030. All the bonds are general obligations of the Town. However, sewer assessments collectable are dedicated to pay the sewer bonds outstanding which amount to \$310,000. Bonds that are authorized but unissued total \$5,783,816. The Woodside Intermediate School project accounts for 38% of this

amount. It is anticipated that this additional authorized amount for the school project will not be needed. The balance of the authorized but unissued amount is a result of the new projects authorized in May 2008 and 2010.

In 2008, Standard & Poor's credit rating agency upgraded the Town of Cromwell's credit rating from AA- to a solid AA. Fitch Investors Service maintained their AA- rating.

According to State Statutes, total Town indebtedness may not exceed seven times the annual receipts from taxation or \$266,833,354 on June 30, 2010. There are also sub-limits by category for bonds. In total, bonded indebtedness on June 30, 2010 was 15.0% of statutory capacity.

On June 30, 2010, the ratio of bonded indebtedness to assessed value (grand list) was 2.95%. The amount of bonded indebtedness per capita was \$2,378.

Cash Management

Cash temporarily idle during the year was invested in demand deposits, time deposits, money market accounts, FIT's (Financial Investor's Trust) Governmental Money Market Fund and the State Treasurer's Investment Fund. The Pension Fund assets are held in trust supervised by the Town's Retirement Board and invested by various money managers selected by the Board. On June 30, 2010, the General Fund had cash and cash equivalents of \$4,999,523. There was \$12,854,394 in the Capital Projects Funds, primarily for the new infrastructure and facility improvement projects approved in the spring 2008 and 2010. Cash and cash equivalents for all funds was \$21,761,994.

During the fiscal year, all cash accounts and cash equivalents were held by qualified public depositories as defined by State Statutes. Section 36-386 of the Connecticut General Statutes requires that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk based capital ratio. By itself, a bank's risk based capital ratio is an indication of the bank's strength.

Relevant Policies and Practices

Economic Development Incentive Guidelines

The Board of Selectmen approved guidelines to encourage the strategic growth and expansion of business, consistent with the Town of Cromwell's Plan of Conservation and Development (POCD). The objective of these guidelines are to stimulate local economic conditions to strengthen existing businesses and develop growth in strategic industries, provide for high quality, long term growth of the tax base, preserve and create jobs for local residents and accomplish community goals as stated in the current POCD. The Board of Selectmen, upon the recommendation of the First Selectman, must approve all incentives to new and existing businesses.

Debt Management and Capital Planning

The Board of Selectmen approved a Debt Management and Capital Planning policy to be used in assessing and long range planning of the Town's capital needs, the determination of appropriate funding methods, and the management of debt and capital assets at a portfolio level. The policy outlines basic objectives for debt issuance and acceptable uses, as well as decision analysis for capital planning, oversight and monitoring. The Town of Cromwell established a Long Range Capital Planning committee in March 2007, consisting of two members from the Board of Selectmen, two members from the Board of Finance, the First Selectman, and the Finance Director.

This policy is used in conjunction with the existing Capital/Non-Recurring program, which is for capital or non-recurring requests not funded through the operating budget and in excess of \$10,000.

Independent Audit

The Town Charter requires an annual audit of books of account, financial records and transactions of all administrative departments of the Town by independent certified public accountants selected by the Board of Finance. This requirement has been complied with and the auditor's report has been included in this report.

Certificate of Achievement

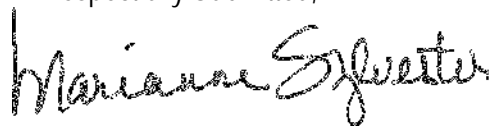
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Town of Cromwell, Connecticut for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2009. This was the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

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

Acknowledgments

The preparation of this comprehensive annual financial report on a timely basis was made possible by the efficient and dedicated service of the entire staff of the Finance Department, to whom I extend my sincere appreciation. I should also thank you, the Board of Selectmen, and the Board of Finance for the interest and support in planning and conducting the financial operations of the Town in a responsible and progressive manner.

Respectfully Submitted,

A handwritten signature in black ink, reading "Marianne Sylvester". The signature is written in a cursive, flowing style.

Marianne Sylvester
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Town of Cromwell
Connecticut

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



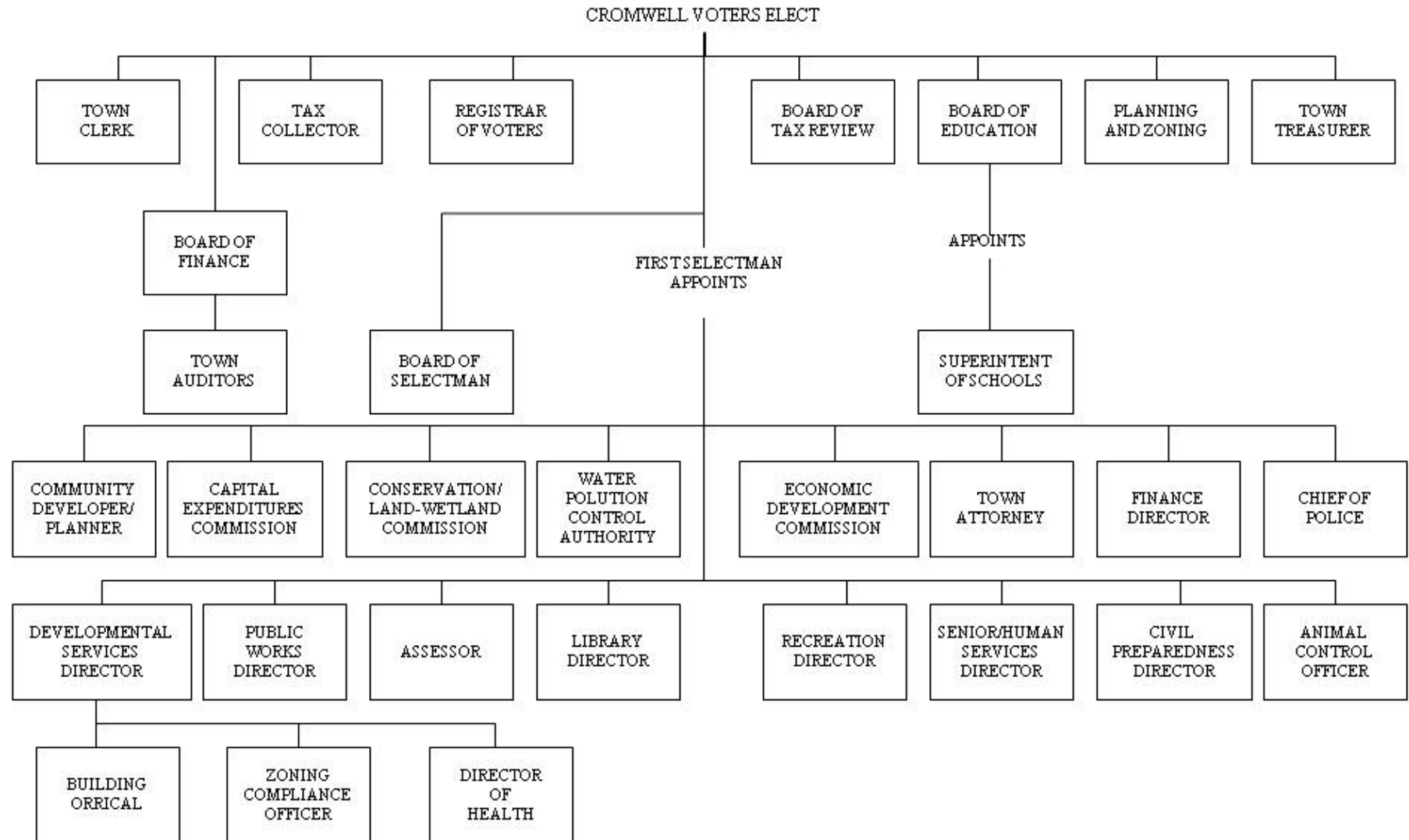
A stylized, handwritten signature in black ink.

President

A handwritten signature in black ink, appearing to read "Jeffrey R. Emer".

Executive Director

ORGANIZATIONAL CHART



PRINCIPAL ELECTED OFFICIALS

First Selectman
Town Clerk/Treasurer
Tax Collector

John Flanders
Darlene DiProto
Sharon A. Ramsay

BOARD OF SELECTMEN

Anthony A. Varricchio Sr.
Richard R. Newton
Allan D. Spotts

Ann Halibozek
Al Waters
Patrick M. Ahlquist

BOARD OF FINANCE

Edwin Maley Jr., Chairman
Julius Neto
Joseph E. Corlis

John Henehan
Michael Gengler
Loraine Caruso

BOARD OF EDUCATION

Shirley Banic, Chairman
Paul M. Sousa
Michael J. Camilleri
Christine Trousdale
Lauren Griffin

Julie Fitts Ritter
Frank Emanuele, Jr.
Jay V. Fletcher
Kristen Varricchio

Superintendent of Schools

Dr. Matt A. Bisceglia

ADMINISTRATION

Animal Control Officer
Assessor
Building Official
Chief of Police
Developer/Planner
Director of Finance
Director of Human Services/Senior Ctr.
Director of Public Works
Director of Recreation
Library Director
Director of Developmental Services
Zoning Officer

Cheryl Gagnon
Shawna O'Neil
David Jolley
Anthony Salvatore
Craig Minor
Marianne Sylvester
Theresa Strong
Eric Hood
Susan Schein
Eileen Branciforte
Joseph Mazurek
Frederic Curtin

Financial Section



INDEPENDENT AUDITOR'S REPORT

To the Board of Finance
Town of Cromwell
Cromwell, 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 Cromwell, Connecticut (the "Town"), as of and for the year ended June 30, 2010, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town of Cromwell, Connecticut'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 Cromwell, Connecticut, as of June 30, 2010, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with "Government Auditing Standards," we have also issued our report dated December 9, 2010 on our consideration of the Town of Cromwell, Connecticut's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with "Government Auditing Standards" and should be considered in assessing the results of our audit.

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

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

McGladrey & Pullen, LLP

New Haven, Connecticut
December 9, 2010

**TOWN OF CROMWELL, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2010**

This discussion and analysis of the Town of Cromwell, Connecticut's (the Town) financial performance is provided by management as an overview of the Town's financial activities for the fiscal year ended June 30, 2010. Please read this MD&A in conjunction with the transmittal letter and the Town's financial statements, Exhibits I to VII.

Financial Highlights

- The General Fund reported a fund balance this year of \$4.2 million, or 10.0% of fiscal year 2011 revenues, with unreserved General Fund fund balance at \$4.0 million or 9.4%.
- Net assets of our governmental activities reflect a decrease of \$940,161, or 0.9% as compared to the prior year.
- The Town's debt obligation experienced a net increase of approximately \$4.3 million during the fiscal year. Existing debt decreased by \$2.4 million, however the Town issued new debt in the amount of \$6.7 million for a roof replacement project at two schools and town infrastructure improvements. The roof replacement project includes a solar energy component and some interior asbestos removal and renovations.
- The Town's revenues, from governmental funds including the June 2010 bond issue, exceeded the \$52.9 million expended on all governmental programs and projects by \$2.5 million.
- Total cost of all of the Town's programs was \$49.3 million with no new programs added this year.

Overview of the Financial Statements

This annual report consists of a series of financial statements. The statement of net assets and the statement of activities (Exhibits I and II, respectively) provide information about the activities of the Town as a whole and present a longer term view of the Town's finances. Fund financial statements are presented in Exhibits III to VII. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government wide statements by providing information about the Town's most significant funds. The remaining statements provide financial information about activities for which the Town acts solely as a trustee or agent for the benefit of those outside of the government.

Government-Wide Financial Statements

The analysis of the Town as a whole begins on Exhibits I and II. The statement of net assets and the statement of activities report information about the Town as a whole and about its activities for the current period. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's net assets and changes in them. The Town's net assets, the difference between assets and liabilities, are one way to measure the Town's financial health, or financial position. Over time, increases or decreases in the Town's net assets are one indicator of whether its financial health is improving or deteriorating. The reader needs to consider other non-financial factors, however, such as changes in the Town's property tax base and the condition of the Town's capital assets, to assess the overall health of the Town.

In the statement of net assets and the statement of activities, the Town reports governmental activities as the Town's basic services, including education, public safety, public works, culture and recreation, human services and general administration. Property taxes, charges for services, and state and federal grants finance most of these activities.

Fund Financial Statements

The fund financial statements begin with Exhibit III and provide detailed information about the most significant funds - not the Town as a whole. Some funds are required to be established by Charter. However, the Board of Finance establishes many other funds to help control and manage financial activities for particular purposes (like the Sewer Usage Fund and the Outside Services Fund) or to show that it is meeting legal responsibilities for using grants, and other money (like grants received for education from the State and Federal governments). The Town's funds are divided into two categories; governmental and fiduciary.

- *Governmental Funds (Exhibits III and V)* - Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are greater or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship (or differences) between governmental activities (reported in the statement of net assets and the statement of activities) and governmental funds is described in a reconciliation at the bottom of the fund financial statements.
- *Fiduciary Funds (Exhibits VI and VII)* - The Town is the trustee, or fiduciary, for its employees' pension plans. All of the Town's fiduciary activities are reported in separate statements of fiduciary net assets and changes in fiduciary net assets. These activities are excluded from the Town's other financial statements because the Town cannot use these assets to finance its operations. The Town is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Government-Wide Financial Analysis

The Town's combined net assets decreased from a year ago, from \$95.0 million to \$94.1 million. The analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the Town's governmental activities.

TABLE 1		
NET ASSETS		
	Governmental	
	Activities	
	2010	2009
Current and other assets	\$ 23,439,708	\$ 19,586,728
Capital assets, net of accumulated depreciation	111,814,291	109,688,858
Total assets	135,253,999	129,275,586
Long-term debt outstanding	37,232,306	31,793,091
Other liabilities	3,923,783	2,444,424
Total liabilities	41,156,089	34,237,515
Net Assets:		
Invested in capital assets, net of debt	77,588,875	79,977,008
Restricted for:		
Perpetual care:		
Expendable	3,726	3,726
Nonexpendable	6,269	6,237
Unrestricted	16,499,040	15,051,100
Total net assets	\$ 94,097,910	\$ 95,038,071

Total net assets of the Town's governmental activities shows a decrease of 1.0%. Unrestricted net assets – the part of net assets that can be used to finance day to day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – shows a increase from \$15.1 million at June 30, 2009 to \$16.5 million at the end of this year.

The decrease in total net assets reflects a \$5.3 million increase in long-term debt outstanding as a result of new debt issued in May 2010 and other post-employment benefit (OPEB) liabilities. The Town plans to establish a trust fund to offset the OPEB liability.

Total assets increased due to the receipt of bond proceeds (current assets) and an increase in new capital projects. Net assets invested in capital assets, net of debt, decreased by \$2.4 million, due to the new projects being undertaken and the associated debt.

TABLE 2		
CHANGE IN NET ASSETS		
	Governmental Activities	
	2010	2009
REVENUES		
Program Revenues:		
Charge for services	\$ 2,968,630	\$ 2,591,087
Operating grants and contributions	8,176,723	7,572,422
Capital grants and contributions	1,062,700	518,969
General Revenues:		
Property taxes	35,599,902	35,450,949
Grants and contributions not restricted to specific purposes	269,056	392,954
Unrestricted investment earnings	42,838	291,346
Other general revenues	241,942	327,935
Total revenues	48,361,791	47,145,662
PROGRAM EXPENSES		
General government	4,811,384	5,285,460
Public safety	3,279,017	3,408,597
Public works	6,977,469	7,111,663
Culture and recreation	943,176	953,776
Human services	569,523	537,251
Education	31,361,305	29,777,145
Interest on long-term debt	1,360,078	1,328,827
Total program expenses	49,301,952	48,402,719
Increase/(Decrease) in Net Assets	(940,161)	(1,257,057)
NET ASSETS, beginning	95,038,071	96,295,128
NET ASSETS, ending	\$ 94,097,910	\$ 95,038,071

The Town's total revenue was \$48.4 million. The total cost of all programs and services was \$49.3 million. Our analysis below considers the operations of governmental activities.

Governmental Activities

On the revenue side, operating grants and contributions show an increase due to increased educational grants. Capital grants and contributions reflect an increase in State grants received for school construction projects, primarily the school roof project and the school safety/security project. Income from property taxes, which comprises 73.6% of Town revenues, and includes the current levy, prior year levies and interest, exceeded the original budget by \$206,274 due to a slightly higher than anticipated collection rate on the current levy. Unrestricted investment earnings reflect the general decrease in interest rates. Comparing total General Fund expenditures to budget resulted in a savings of \$471,607. According to our Charter, all Departments must finish the year within budget and this was accomplished. Some of the

savings in comparing expenditures to the original budget were in General Government (\$137,637), including Employee Benefits (\$56 thousand) and Insurance Expenses (\$22 thousand), Public Works (\$112 thousand), Police Department (\$50 thousand), and Debt Service at (\$103 thousand).

Table 3 presents the cost of each of the Town's five largest programs – education, general government, public works, public safety and culture and recreation – as well as each program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Town's taxpayers by each of these functions.

TABLE 3				
GOVERNMENTAL ACTIVITIES				
	Total Cost of Service		Net Cost of Service	
	2010	2009	2010	2009
Education	\$ 31,361,305	\$ 29,777,145	\$ 22,771,275	\$ 21,851,711
General government	4,811,384	5,285,460	4,428,407	4,961,420
Public works	6,977,469	7,111,663	4,508,145	5,435,746
Public safety	3,279,017	3,408,597	2,676,508	2,914,901
Culture and recreation	943,176	953,776	857,365	797,188
All other	1,929,601	1,866,078	1,852,199	1,759,275
Total	\$ 49,301,952	\$ 48,402,719	\$ 37,093,899	\$ 37,720,241

Town Funds Financial Analysis

Governmental Funds

The Board of Finance presented the fiscal 2010 budget to the Annual Town Meeting in three parts. The Town budget was \$12,861,529 or 1.23% less than the Town Meeting approved budget for 2009. Bonded Debt budget of \$3,698,257 represented a decrease of \$97,433 or 2.57%. The Education budget was \$25,000,000, an increase of 0.19%. In total, the total proposed budget, \$41,559,786, was 0.35% less than the previous year. The decrease in the overall budget was due to an intensive effort to maintain or reduce expenses while maintaining the same level of service to the taxpayers. Negotiated labor contracts resulted, for the most, in no wage increases, with some employee concessions, and changes to insurance benefits. A subsequent reduction \$615,413 was made to the Board of Education budget due to a reduction of the State Education Cost Sharing grant. These funds were provided to the Board of Education directly from the Federal government, as opposed to a revenue offset through the General Fund. The Annual Town Meeting was adjourned to referendum, at which time all three components of budget were approved. The Board of Finance then set the mill rate at 26.16, a decrease of 0.05 mills. No existing programs were cut.

Total revenues and transfers for the year, based on generally accepted accounting principles were \$42,926,452. Expenditures and encumbrances on the same basis were \$43,967,236. The difference of \$1,040,784 decreased fund balance at fiscal year end to \$4.2 million.

The Town's General Fund Balance of \$4.2 million reported on Exhibit III differs from the General Fund's budgetary fund balance. This is principally because the budgetary fund balance does not include approximately \$24 thousand of outstanding encumbrances at year-end that are reported as expenditures for budgetary purposes. The Board of Finance also designated \$226,111 from General Fund fund balance to support the subsequent year's budget, reducing the undesignated General Fund fund balance to \$4.0

million. The Capital Projects Fund Balance, shown in Exhibit III, reflects new capital projects approved at referendum in May 2010, with the projects ongoing. The Sewer Usage Fund and Other Governmental Funds fund balances remained stable.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2010, the Town had \$111.8 million invested in a broad range of capital assets, including land, buildings, park facilities, vehicles and equipment, roads, bridges, and water and sewer lines (see Table 4). This amount represents an increase (including additions and deductions) of \$2.1 million, or 1.9%, over last year, primarily due to the various new projects on school facilities and town infrastructure.

TABLE 4		
CAPITAL ASSETS		
	Governmental	
	Activities (in millions)	
	2010	2009
Land	\$ 7.9	\$ 7.9
Buildings	51.5	52.3
Furniture, equipment and improvements	2.1	1.6
Infrastructure	44.0	45.0
Construction in progress	6.3	2.9
Total	\$ 111.8	\$ 109.7 *

For the year, the major changes include:

Buildings – Depreciation accounts for the decrease in this category.

Infrastructure – Depreciation accounts for the decrease in this category.

Furniture, equipment, and improvements – Improvements to the schools related to the safety and security improvement project account for the increase in this area.

Construction in progress – Several projects are on-going relating to infrastructure improvements and school facility renovations, particularly as a result of the 2008 and 2010 bond issues.

The Town's fiscal year 2010-11 capital/non-recurring budget calls for expenditures totaling \$319,700 in local funds for capital projects and purchases. Major items include \$175,000 for a 40,000 lb. dump truck, \$80,000 for a backhoe, \$40,000 for gym floor repairs, and \$24,700 for parking lot lighting.

More detailed information about the Town's capital assets is presented in Note 1 and Note 4 to the financial statements.

Long-Term Debt

At June 30, 2010 the Town had \$33 million in bonds and notes outstanding versus \$28.7 million last year – an increase of 15% or \$4.3 million (see Table 5).

TABLE 5		
OUTSTANDING DEBT		
	Governmental Activities	
	2010	2009
General Obligation Bonds	\$ 33.0	\$ 28.7

The Town issued new debt during fiscal year 2009-2010 in the amount of \$6,730,000 for roof replacements, asbestos removal and general repairs to two school facilities and town-wide road and drainage improvements.

- The Town maintained its AA general obligation bond rating from Standard & Poor's rating agency. Fitch rating agency has maintained their AA- rating.
- The State limits the amount of general obligation debt that towns can issue based on a formula determined under State Statutes based on type of debt and tax base. When the Town's outstanding general obligation debt is calculated in accordance with this formula it is significantly below this \$267 million State imposed limit.

Other obligations include accrued vacation pay, sick leave and OPEB obligations. More detailed information about the Town's long term liabilities is presented in Note 8 to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The Town's Board of Finance considered many factors when setting the fiscal year 2011 budget tax rate. One of those factors is the economy. The unemployment rate in the Town for June 2010 stands at 8.1% versus 6.7% a year ago. This compares favorably with the Hartford Labor Market area's unemployment rate of 9.1% and the State rate of 8.9%.

According to the Bureau of Census, 2000, Per Capita Income in Cromwell was \$29,786 compared to the county rate of \$28,093 and the State rate of \$28,766. Median Household Income was \$75,773 for Cromwell versus \$74,860 for the county and \$68,055 for the State. The percent of families below poverty level was 3.2% for the Town. The county percentage was 4.7 and the State's was 7.2.

A General Fund budget of \$42,289,074 was approved by referendum. This budget was \$710,587, or 1.71% higher than the 2010 adopted budget. Debt service increased by \$437,720, or 11.8%. This increase was the result of the new bond issue for \$6,730,000. The Education portion of the budget increased by 1.85% and the General Government budget increased by \$438,280 or 3.4%. In order to fund this budget, the Board of Finance took the collection rate factor into consideration, maintaining it at 98.75%. They also used \$226,111 of available fund balance to offset small capital items and an atypical increase in

pension costs. Also taken into consideration was a 1.25% increase to the grand list. The Board of Finance set the mill rate at 26.84 mills. This reflects an increase of 0.68 mills, or 2.6%. There were no new programs added for fiscal year 2010-11 and all existing programs were funded.

Contacting the Town's Financial Management

This financial report is designed to provide citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Finance Department, Town of Cromwell, 41 West Street, Cromwell, Connecticut 06416 or visit www.cromwellct.com.

Basic Financial Statements

TOWN OF CROMWELL, CONNECTICUT	EXHIBIT I
STATEMENT OF NET ASSETS	
June 30, 2010	
	Governmental
	Activities
Assets	
Cash and cash equivalents	\$ 21,761,994
Receivables, net of allowances for collection losses:	
Property taxes	646,104
Assessments/user charges	657,596
Intergovernmental	65,740
Other	273,814
Inventories	29,674
Net pension assets	4,786
Capital assets not being depreciated	14,167,090
Capital assets being depreciated, net	97,647,201
Total assets	135,253,999
Liabilities	
Accounts payable and other payables	2,685,456
Accrued interest payable	117,808
Advance tax collection	13,700
Unearned revenue	1,106,819
Noncurrent liabilities:	
Due within one year	3,249,771
Due in more than one year	33,982,535
Total liabilities	41,156,089
Net Assets	
Investment in capital assets, net of related debt	77,588,875
Restricted for:	
Perpetual care:	
Expendable	3,726
Nonexpendable	6,269
Unrestricted	16,499,040
Total net assets	\$ 94,097,910
The notes to the financial statements are an integral part of this statement	

TOWN OF CROMWELL, CONNECTICUT					EXHIBIT II
STATEMENT OF ACTIVITIES					
For the Year Ended June 30, 2010					
					Net (Expense)
					Revenue and
					Changes in
			Program Revenues		Net Assets
			Operating	Capital	
			Charges for	Grants and	Governmental
			Services	Contributions	Activities
Functions/Programs	Expenses				
Governmental activities:					
General government	\$ (4,811,384)	\$ 382,977	\$ -	\$ -	\$ (4,428,407)
Public safety	(3,279,017)	522,910	79,599	-	(2,676,508)
Public works	(6,977,469)	1,405,812	812	1,062,700	(4,508,145)
Culture and recreation	(943,176)	84,122	1,689	-	(857,365)
Human services	(569,523)	23,530	53,872	-	(492,121)
Education	(31,361,305)	549,279	8,040,751	-	(22,771,275)
Interest on long-term debt	(1,360,078)	-	-	-	(1,360,078)
Total governmental activities	(49,301,952)	2,968,630	8,176,723	1,062,700	(37,093,899)
			General revenues:		
			Property taxes		35,599,902
			Grants and contributions not restricted to		
			specific programs		269,056
			Unrestricted investment earnings		42,838
			Miscellaneous		241,942
			Total general revenues		36,153,738
			Change in net assets		(940,161)
			Net assets - beginning		95,038,071
			Net assets - ending		<u>\$ 94,097,910</u>
The notes to the financial statements are an integral part of this statement					

TOWN OF CROMWELL, CONNECTICUT						EXHIBIT III
BALANCE SHEET - GOVERNMENTAL FUNDS						
June 30, 2010						
					Nonmajor	Total
					Gov ernmental	Gov ernmental
		General	Sewer Usage	Capital Projects	Funds	Funds
ASSETS						
Cash and cash equivalents	\$	4,999,523	\$ 2,562,588	\$ 12,854,394	\$ 1,345,489	\$ 21,761,994
Receivables, net						
Property taxes		646,104	-	-	-	646,104
Assessments/user charges		-	284,648	372,948	-	657,596
Intergovernmental		-	-	7,675	58,065	65,740
Other		139,071	24	15,818	118,901	273,814
Due from other funds		129,564	-	-	-	129,564
Inventories		-	-	-	29,674	29,674
Total assets	\$	5,914,262	\$ 2,847,260	\$ 13,250,835	\$ 1,552,129	\$ 23,564,486
LIABILITIES						
Accounts and other payables	\$	1,124,857	\$ 48,067	\$ 1,334,063	\$ 178,469	\$ 2,685,456
Due to other funds		-	-	14,665	114,899	129,564
Advance tax collection		13,700	-	-	-	13,700
Deferred revenue		510,764	207,577	380,373	-	1,098,714
Unearned revenue		43,757	1,014,772	-	48,290	1,106,819
Total liabilities		1,693,078	1,270,416	1,729,101	341,658	5,034,253
FUND BALANCES						
Reserved for:						
Encumbrances		24,160	6,897	2,586,459	-	2,617,516
Inventories		-	-	-	29,674	29,674
Endowments		-	-	-	6,269	6,269
Unreserved, designated for:						
Designated for subsequent year's budget		226,111	-	-	-	226,111
Unreserved, undesignated, reported in:						
General Fund		3,970,913	-	-	-	3,970,913
Special Revenue Funds		-	1,569,947	-	1,174,528	2,744,475
Capital Projects Funds		-	-	8,935,275	-	8,935,275
Total fund balances		4,221,184	1,576,844	11,521,734	1,210,471	18,530,233
Total liabilities and fund balances	\$	5,914,262	\$ 2,847,260	\$ 13,250,835	\$ 1,552,129	
	Amounts reported for governmental activities in the statement of net assets are different because:					
	Capital assets, net of accumulated depreciation purchased in governmental funds are reported as expenditures, however, the statement of net assets includes those capital assets among the assets of the Town as a whole.					111,814,291
	Deferred revenues are not available and therefore not recognized in the funds.					1,098,714
	Net pension asset					4,786
	Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.					(37,232,306)
	Accrued interest payable not recorded in the funds.					(117,808)
	Net assets of governmental activities					\$ 94,097,910
The notes to the financial statements are an integral part of this statement						

TOWN OF CROMWELL, CONNECTICUT					EXHIBIT IV
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS					
For the Year Ended June 30, 2010					
				Nonmajor	Total
		Sewer	Capital	Governmental	Governmental
	General	Usage	Projects	Funds	Funds
Revenues:					
Property taxes	\$ 35,645,513	\$ -	\$ -	\$ -	\$ 35,645,513
Intergovernmental	6,033,567	-	950,136	2,549,784	9,533,487
Charges for services	705,611	1,227,896	214,592	864,436	3,012,535
Income on investments	20,256	6,315	12,657	3,610	42,838
Miscellaneous	171,413	-	4,610	65,919	241,942
Total revenues	42,576,360	1,234,211	1,181,995	3,483,749	48,476,315
Expenditures:					
Current:					
General government	4,670,721	-	-	3,557	4,674,278
Public safety	2,737,758	-	-	349,959	3,087,717
Public works	3,760,630	1,160,054	87,359	41,639	5,049,682
Culture and recreation	853,513	-	-	26,566	880,079
Human services	479,572	-	-	29,381	508,953
Education	26,596,305	-	-	2,793,051	29,389,356
Debt service	3,512,921	-	262,856	-	3,775,777
Capital outlay	174,910	-	5,370,323	29,180	5,574,413
Total expenditures	42,786,330	1,160,054	5,720,538	3,273,333	52,940,255
Revenues over (under) expenditures	(209,970)	74,157	(4,538,543)	210,416	(4,463,940)
Other Financing Sources (Uses)					
Issuance of general obligation bonds	-	-	6,730,000	-	6,730,000
Premium on bonds	-	-	235,350	-	235,350
Transfers in	350,092	-	1,276,870	18,732	1,645,694
Transfers out	(1,180,906)	(100,000)	(148,360)	(216,428)	(1,645,694)
Total other financing sources (uses)	(830,814)	(100,000)	8,093,860	(197,696)	6,965,350
Change in fund balances	(1,040,784)	(25,843)	3,555,317	12,720	2,501,410
Fund Balances, beginning of year	5,261,968	1,602,687	7,966,417	1,197,751	16,028,823
Fund Balances, end of year	\$ 4,221,184	\$ 1,576,844	\$ 11,521,734	\$ 1,210,471	\$ 18,530,233
The notes to the financial statements are an integral part of this statement					

TOWN OF CROMWELL, CONNECTICUT	EXHIBIT V
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES	
For the Year Ended June 30, 2010	
Amounts reported for governmental activities in the statement of activities are different because:	
Net change in fund balances - total governmental funds	\$ 2,501,410
Governmental funds report capital outlays as expenditures. 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 outlay exceeded depreciation in the current period.	
Capital outlay	5,610,409
Depreciation expense	(3,484,976)
Total	2,125,433
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:	
Property tax receivable	(45,611)
Intergovernmental receivable	(25,008)
Sewer assessment and usage receivable	(43,905)
Net pension asset	(287)
Total	(114,811)
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 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 amortized and deferred 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:	
Issuance of general obligation bonds	(6,730,000)
Capital lease payments	51,646
Bond principal payments	2,410,000
Principal repayments:	
Amortization of bond premiums	(218,443)
Amortization of deferred charge on refunding	(49,876)
	(4,536,673)
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 the governmental funds:	
Other post-employment benefits	(982,114)
Compensated absences	79,572
Accrued interest	(12,978)
	(915,520)
Change in Net Assets of Governmental Activities	\$ (940,161)
The notes to the financial statements are an integral part of this statement	

TOWN OF CROMWELL, CONNECTICUT		EXHIBIT VI
STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS		
FIDUCIARY FUNDS		
June 30, 2010		
	Pension	
	Trust	Agency
	Fund	Funds
ASSETS		
Cash and cash equivalents	\$ 1,448,791	\$ 1,367,801
Investments:		
Asset and mortgage backed securities	118,225	-
Corporate bonds	1,325,429	-
Government bonds	2,523,741	-
Foreign bonds	69,445	-
Common stock	6,967,262	-
Total investments	11,004,102	-
Total assets	12,452,893	1,367,801
LIABILITIES		
Amount held as agent	-	1,367,801
Net Assets held in trust for pension benefits and other purposes	\$ 12,452,893	\$ -
The notes to the financial statements are an integral part of this statement		

TOWN OF CROMWELL, CONNECTICUT	EXHIBIT VII
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - PENSION TRUST FUND	
For the Year Ended June 30, 2010	
	Pension Trust Fund
Additions	
Contributions:	
Employer	\$ 561,057
Plan members	207,852
Total contributions	768,909
Investment Income	
Net appreciation in fair value of investments	1,160,121
Interest and dividends	125,803
	1,285,924
Less investment expense	(125,803)
Net investment income	1,160,121
	1,929,030
Deductions	
Benefits	455,236
Administrative expenses	1,351
Total deductions	456,587
Change in net assets	1,472,443
Net Assets Held in Trust for Pension Benefits, beginning of year	10,980,450
Net Assets Held in Trust for Pension Benefits, end of year	\$ 12,452,893
The notes to the financial statements are an integral part of this statement	

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

June 30, 2010

Note 1. Summary of Significant Accounting Policies

The financial statements of the Town of Cromwell, Connecticut (the Town) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant policies of the Town are described below.

Reporting Entity

The Town of Cromwell adopted a Town Charter which became effective in 1975. The form of government includes a Board of Selectmen consisting of a First Selectman and six other Selectmen, and a Board of Finance. The First Selectman is the Chief Administrative Officer in the Town. The legislative power of the Town is vested in a combination of Town Meeting and the Board of Selectmen. The Board of Selectmen must approve ordinances after a public hearing. The Board of Finance is responsible for presenting fiscal operating budgets for Town Meeting approval.

The Town has the power to incur indebtedness by issuing bonds or notes as provided by the Connecticut General Statutes.

The Town provides the following services: general government, public safety, public works and highways, parks, recreation, library, health and human services and education.

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

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. For the most part, the effect of interfund activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of elimination. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Town has no business-type activities.

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

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

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.

The various funds included in the financial statements are described below:

Governmental Funds

Governmental funds are those through which most governmental functions typically are financed.

The *General Fund* is the primary operating fund of the Town. This fund is used to account for all financial transactions and resources except those required to be accounted for in another fund. Revenues are derived primarily from property taxes, state and federal grants, licenses, permits, charges for service and interest income.

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Capital Project Funds account for all financial resources used for the acquisition or construction of major capital facilities.

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

Fiduciary Funds

Fiduciary funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations and other governments. Fiduciary funds are not included in the government-wide statements. The fiduciary funds are as follows:

Pension Trust Fund accounts for the Town of Cromwell Retirement System.

Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operation. The School Activity Fund and the Contractor Bond Fund are the Town's agency funds.

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. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Property taxes, charges for services, 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.

Agency funds use the accrual basis of accounting, but have no measurement focus since they report only assets and liabilities.

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 Town, except those required to be accounted for in another fund.

The *Sewer Usage Fund* accounts for the revenues and expenditures for the operations and maintenance of the Town's sewer system.

The *Capital Projects Fund* accounts for financial resources to be used for the acquisition or construction of major capital facilities and or infrastructure. Legal authorization for expenditures is provided by specific appropriations, bond ordinances and/or intergovernmental grant agreements.

Additionally, the Town reports the following fiduciary fund type:

The *Pension Trust Fund* accounts for the activities of the Town general employees, which accumulates resources for pension benefit payments to qualified Town employees.

The *Agency Funds* account for resources held by the Town in a purely custodial capacity. The Town maintains two agency funds, the School Activity Fund and the Contractor Bond Fund.

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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 property 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.

Accounting Estimates

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

Cash and Cash Equivalents

The Town's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

Investments

State statutes authorize the Town to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements, and certain other investments as described in Note 3.

Investments for the Town are reported at fair value using quoted market prices.

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

Property Taxes

Property taxes are assessed as of October 1 and are levied the following July 1. Property tax bills are payable in two installments, July 1 and January 1, except for motor vehicles, which are due and payable July 1. Assessments for real and personal property, including motor vehicles, are computed at 70% of the market value.

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

Property taxes receivable not expected to be collected during the available period are reflected as a deferred revenue in the fund financial statements. Interest on delinquent taxes accrues at a rate of 1.5% per month.

Liens are placed upon delinquent real estate accounts on June 30th in accordance with the provisions of the Connecticut General Statutes.

At the time the annual budget is adopted, the Board of Finance establishes the tax rate to be levied on the taxable property for the ensuing year.

Allowance for Doubtful Accounts

Accounts receivable for the primary government are reported net of allowance for doubtful accounts. The allowance for doubtful accounts represents those accounts which are deemed uncollectible based on past collection history and on analysis of creditor's ability to pay. An amount of \$463,000 has been established as an allowance for uncollectible taxes.

Inventories and Prepaid Items

All inventories are stated at the lower of cost or market, determined on the first-in, first-out basis. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Capital Assets

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

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

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

Assets	Years
Buildings and improvements	10-50
Public domain infrastructure	10-65
Vehicles and equipment	3-20

Capital outlay (assets) are reported as expenditures and no depreciation expense is reported in the governmental fund financial statements.

Compensated Absences

Employees are paid by prescribed formula for absence due to vacation or sickness. Employees are generally not paid for vacation leave not taken, and vacation leave must be taken not later than the end of the next calendar year. Sick leave may be accumulated up to 120 days.

Sick leave and vacation leave expenditures are recognized in the governmental funds in the current year to the extent they are due. The liability for the remainder of the vested sick leave and vacation leave, and an estimate of the nonvested portion expected to be paid in future periods, is accounted for in the government-wide statement of net assets. The vesting method using current pay rates was used to calculate the liability.

Long-Term Obligations

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

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

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

Encumbrances

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

All other General Fund appropriations lapse at year-end.

Pension Accounting

Pension Trust Fund

Employee contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the Town has made a formal commitment to provide the contributions. Benefits and refunds are recognized when paid. Standalone statements are not issued.

Governmental Funds

Expenditures are recognized when they are paid or are expected to be paid with current available resources.

Funding Policy

The Town funds the contributions to its defined benefit pension plan based on an actuarial valuation, which amount is included in the budget.

Fund Equity and Net Assets

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

Invested in Capital Assets, Net of Related Debt - This category groups all capital assets, including infrastructure, into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduces this category.

Restricted Net Assets – This category represents the net assets of the Town, which are restricted by external parties (creditors, grantors, contributors or laws and regulations).

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

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

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

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

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

Unreserved/Undesignated fund balance - indicates that portion of fund equity which is available for appropriation and expenditure in future periods, or if a deficit for which future funding will be required.

Related Organizations

The Cromwell Fire District and its Water Division is a self-sustaining, non-profit, quasi-municipal water utility operating under legislative sanction from the State. As such, it issues bonds in its own name to finance its expansion programs and must retire these bonds, as well as pay all operating and maintenance costs, from the revenues obtained from the sale of water and from its tax assessing powers. The Fire District also provides fire fighting service to the Town of Cromwell.

Cromwell, along with the Town of Berlin and the City of New Britain, is a member of The Mattabassett District, which was organized under a special act of the 1961 session of the Connecticut General Assembly with separate and distinct powers. The sole function of the District is to provide sewer treatment services. A twelve person Board of Directors is appointed by the member towns with New Britain appointing the majority of members (7); Berlin appoints three members (3) and Cromwell appoints two members (2). The Board of Directors is responsible for hiring, firing, purchasing, administration, budget adoption and fiscal operations. The District may issue bonds in its own name. The District levies its annual assessment, which the Town is obligated to pay. The Town is responsible for pro-rata share of the debt, should the District default on its bonds and notes, although the moral obligation to pay these debts will remain with the District. The possibility of the District defaulting on its debt liabilities is remote. The Town has no direct interest in assets or liabilities of the District.

Note 2. Budgets and Budgetary Accounting

Budgetary Information

An annual budget is legally adopted for the General Fund. The budget is prepared on a budgetary basis.

An annual Town budget is adopted in accordance with Charter requirements. The First Selectman compiles the budget requests from the Town departments and agencies, with the exception of the Board of Education, and presents the budget to the Board of Selectmen. The Board of Selectmen reviews and deliberates on the budget and submits it for consideration to the Board of Finance. The Board of Education submits its budget estimates directly to the Board of Finance. The Finance Board, after its review process,

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

presents a recommended budget for Town Meeting approval. The Town Charter provides the manner and timetable by which the budget process is initiated for approval by Town Meeting.

The legal level of control is on the department level for the General Fund. The Board of Finance by resolution and only upon the recommendation of a majority of the entire Board of Selectman may make supplemental appropriations not to exceed one percent of the total annual appropriation of the fiscal year. Additional appropriations of more than one percent require Town Meeting approval. Additional appropriations for the fiscal year amounted to approximately \$505,000.

The Town also establishes a legal budget on an annual basis for the Sewer Usage Fund which is a major governmental fund, and the Dog Fund and the Sidewalk Fund.

For budgetary purposes, encumbrances are recognized as a valid and proper charge against an appropriation in the year in which the purchase order, contract or other commitment is issued, and accordingly encumbrances outstanding at year end are reflected in budgetary reports as expenditures in the current year.

Unencumbered appropriations for the General Fund and the above Special Revenue Fund lapse at the end of the year.

Budgets for Special Revenue Funds which are utilized to account for specific grant programs are established in accordance with the requirements of the grantor agencies.

Legal authorization for Capital Projects expenditures is provided by specific appropriations, bond ordinances and/or intergovernmental grant agreements. Such appropriations do not lapse until the project is complete.

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

Note 3. Cash, Cash Equivalents and Investments

Deposits: The Town does not have a policy for deposits. The Town also does not have a custodial credit risk policy. However, as a practice, the Town follows State statutes. The State of Connecticut requires that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk based capital ratio.

Investments: The Town does not have a custodial credit risk policy for investments. The Town does have a policy for investments, but does not have a policy for related credit risk for debt securities; however, it is their practice to follow State statutes. The Connecticut General Statutes (Section 7-400) permit municipalities to invest in: (1) obligations of the United States and its agencies (2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof; and (3) shares

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the Connecticut Short Term Investment Fund and the Tax Exempt Proceeds Fund.

The investments in the Pension Fund 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.

Interest rate risk: The Town does not have a policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, its practice is to structure the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity, and investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools.

Concentrations: The Town does not have a policy that limits the amounts invested in any one issuer. However, its practice is to maintain a diversified portfolio to minimize the risk of loss resulting from over-concentration of assets in a specific issuer.

Custodial Credit Risk

Deposits: This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. As of June 30, 2010, \$20,161,591 of the Town's bank balance of \$23,844,644 was uninsured and uncollateralized.

Investments: This is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

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

Cash and Cash Equivalents	
Deposits with financial institutions	\$ 22,999,861
State of Connecticut Short-Term Investment Fund	1,578,725
Total cash and cash equivalents	24,578,586
Investments	
Pension Trust Funds:	
Asset and mortgage backed securities	118,225
Corporate bonds	1,325,429
Government bonds	2,523,741
Foreign Bonds	69,445
Common stock	6,967,262
Total pension investments	11,004,102
Total cash, cash equivalents and investments	\$ 35,582,688

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

Statement of Net Assets	
Cash and cash equivalents	\$ 21,761,994
Fiduciary Funds	
Cash and cash equivalents	2,816,592
Investments	11,004,102
	13,820,694
Total cash, cash equivalents and investments	\$ 35,582,688

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

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

			Investment Maturities (in Years)			
			Less than 1 year	1-5 Years	5-10 Years	Over 10 Years
		Fair Value				
	Asset and Mortgage Backed	\$ 118,225	\$ -	\$ -	\$ 104,634	\$ 13,591
	Corporate Bonds	1,325,429	-	787,049	507,147	31,233
	Government Bonds	2,523,741	741,366	834,737	571,282	376,356
	Foreign Bonds	69,445	-	62,476	6,969	-
	Pooled Fixed Income	1,578,725	1,578,725	-	-	-
	Totals	\$ 5,615,565	\$ 2,320,091	\$ 1,684,262	\$ 1,190,032	\$ 421,180

Credit Risk: Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure. As indicated above, State Statutes limit the investment options of cities and towns. The Town has an investment policy that allows the same type of investments as State Statutes. Presented below is the actual credit rating as required for each debt type investment.

		Asset and Mortgage Backed	Corporate Bonds	Government Bonds	Foreign Bonds	Pooled Fixed Income
	AAA	\$ 104,634	\$ -	\$ 2,339,372	\$ -	\$ -
	AAAm	-	-	-	-	1,578,725
	AA+	-	251,050	-	-	-
	AA	-	133,634	-	-	-
	AA-	-	135,269	-	-	-
	A+	-	155,191	-	8,060	-
	A	-	318,369	-	61,385	-
	A-	-	11,357	-	-	-
	BBB	-	17,546	-	-	-
	BBB-	-	31,711	-	-	-
	B	-	30,280	-	-	-
	B+	-	30,227	-	-	-
	BB	-	72,566	-	-	-
	BB-	-	92,179	-	-	-
	BB+	-	46,050	-	-	-
	Unrated	13,591	-	184,369	-	-
		\$ 118,225	\$ 1,325,429	\$ 2,523,741	\$ 69,445	\$ 1,578,725

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Note 4. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 7,897,649	\$ -	\$ -	\$ 7,897,649
Construction in progress	2,864,342	4,711,700	(1,306,601)	6,269,441
Total capital assets, not being depreciated	10,761,991	4,711,700	(1,306,601)	14,167,090
Capital assets, being depreciated:				
Buildings and improvements	66,519,558	615,184	-	67,134,742
Improvements other than buildings	1,209,070	276,672	-	1,485,742
Furniture and equipment	6,928,303	628,644	(146,697)	7,410,250
Infrastructure	85,935,253	684,810	-	86,620,063
Total capital assets being depreciated	160,592,184	2,205,310	(146,697)	162,650,797
Less accumulated depreciation for:				
Buildings	14,178,052	1,427,267	-	15,605,319
Improvements other than buildings	687,867	30,123	-	717,990
Furniture and equipment	5,856,145	317,736	(146,697)	6,027,184
Infrastructure	40,943,253	1,709,850	-	42,653,103
Total accumulated depreciation	61,665,317	3,484,976	(146,697)	65,003,596
Total capital assets, being depreciated, net	98,926,867	(1,279,666)	-	97,647,201
Governmental activities capital assets, net	\$ 109,688,858	\$ 3,432,034	\$ (1,306,601)	\$ 111,814,291

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

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

Governmental Activities:	
General government	\$ 118,043
Public safety	152,004
Public works	1,873,947
Culture and recreation	65,092
Human services	22,838
Education	1,253,052
Total depreciation expense – governmental activities	\$ 3,484,976

Construction Commitments

The Town has active construction projects as of June 30, 2010. At year end the Town's commitments with contractors are as follows:

	Spent-to-Date (Including Encumbrances)	Remaining Commitment
Project		
CMS Asbestos Removal	\$ 754,288	\$ -
Geer Street Improvements	212,943	-
LOCIP Coles Road	150,621	-
School Roof/Asbestos	3,127,308	4,039,692
Road Improvement	3,953,154	964,535
Park Improvements	211,674	150,491
STEAP Industrial Park	414,098	530,903
2010 Roads/Infrastructure	34,454	3,011,546
STEAP Historical	133,805	51,195
Sewer Line Rehab	19,000	259,716
Town Improvement	20,000	-
CNR Design Work Iron Gate	80,411	19,589
Emergency Generator	6,553	73,447
Total	\$ 9,118,309	\$ 9,101,114

The commitments are being financed through State grants, general obligation bonds and short-term debt.

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Note 5. Interfund Receivables, Payables and Transfers

During the course of operations, transactions are processed through a fund on behalf of another fund. A summary of interfund balances as of June 30, 2010 is presented below:

		Due From Other Funds	Due To Other Funds
	General Fund	\$ 129,564	\$ -
	Capital Projects	-	14,665
	Non-Major Governmental Funds	-	114,899
	Total	\$ 129,564	\$ 129,564

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

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

		Transfers From Other Funds	Transfers To Other Funds
	General Fund	\$ 350,092	\$ 1,180,906
	Sewer Usage	-	100,000
	Capital Projects	1,276,870	148,360
	Non-Major Governmental Funds	18,732	216,428
	Total	\$ 1,645,694	\$ 1,645,694

Transfers to other funds from the General Fund represent monies used to fund projects and programs accounted for in the Capital Projects Fund and Non-Major Governmental Funds in accordance with budget authorizations.

Transfers into the General Fund are primarily revenue received in other Non-Major Funds to cover program and maintenance expenses incurred in the General Fund.

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Note 6. Unearned Revenue/Deferred Revenue

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

		Deferred Revenues	Unearned Revenues
	Property taxes	\$ 510,764	\$ -
	Special assessments and collections	380,373	-
	Grant drawdowns prior to meeting all eligibility requirements	-	92,047
	Sewer usage	207,577	1,014,772
	Total	\$ 1,098,714	\$ 1,106,819

Note 7. Long-Term Debt

Long-term liability activity for the year ended June 30, 2010, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Bonds payable:					
General obligation bonds	\$ 28,660,000	\$ 6,730,000	\$ (2,410,000)	\$ 32,980,000	\$ 2,765,000
Unamortized premium on bonds	287,859	235,350	(16,907)	506,302	27,694
Less deferred amounts on refunding	(310,966)	-	49,876	(261,090)	(49,876)
	28,636,893	6,965,350	(2,377,031)	33,225,212	2,742,818
Other long-term liabilities:					
OPEB obligations	995,249	982,114	-	1,977,363	-
Capital lease	1,051,850	-	(51,646)	1,000,204	53,961
Compensated absences	1,109,099	41,000	(120,572)	1,029,527	452,992
Total governmental activities, long-term liabilities	\$ 31,793,091	\$ 7,988,464	\$ (2,549,249)	\$ 37,232,306	\$ 3,249,771

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

A schedule of long-term debt as of June 30, 2010 is presented as follows:

Description	Principal Amount Payable
Bonds:	
\$1,548,700 of Hofmann Property purchase bonds issued October 15, 2001, maturing April 15, 2021, at an interest rate of 4.53%	\$ 80,000
\$7,951,300 of School bonds issued October 15, 2001, maturing April 15, 2021, at an interest rate of 4.53%	420,000
\$19,740,000 of school bonds issued October 1, 2003, maturing June 15, 2023, at an interest rate of 2.0 to 5.0%	13,810,000
\$7,700,000 of Refunding bonds issued March 15, 2005, maturing June 30, 2021, at an interest rate of 1.5 to 4.05%	6,150,000
\$914,000 of School bonds issued June 1, 2008, maturing June 1, 2023, at an interest rate of 3.5 to 4.13%	794,000
\$5,056,000 of Town Infrastructure bonds issued June 1, 2008, maturing June 1, 2023, at an interest rate of 3.5 to 4.13%	4,381,000
\$710,000 of Athletic Facilities bonds issued June 1, 2008, maturing June 1, 2023, at an interest rate of 3.5 to 4.13%	615,000
\$3,684,000 of School Improvements bonds issued June 8, 2010, maturing June 1, 2030, at interest rate of 0.5% to 5.0%	3,684,000
\$3,046,000 of Town Infrastructure bonds issued June 8, 2010, maturing June 1, 2030, at interest rate of 2.75% to 5.0%	3,046,000
	<u>\$ 32,980,000</u>

Year Ending June 30,	Principal	Interest	Total
2011	\$ 2,765,000	\$ 1,324,097	\$ 4,089,097
2012	2,590,000	1,219,634	3,809,634
2013	2,570,000	1,127,271	3,697,271
2014	2,515,000	1,035,240	3,550,240
2015	2,345,000	942,015	3,287,015
2016-2020	11,700,000	3,295,105	14,995,105
2021-2030	8,495,000	1,154,466	9,649,466
	<u>\$ 32,980,000</u>	<u>\$ 10,097,828</u>	<u>\$ 43,077,828</u>

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

On March 15, 2005, the Town issued \$7,700,000 in general obligation bonds to advance refund \$7,130,000 of outstanding 1991, 1996, 1999 and 2001 bonds. The net proceeds were used to purchase U.S. Government Securities. Those securities were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. As a result, the bonds are considered to be defeased. The balance of the defeased bonds outstanding at June 30, 2010 is \$5,920,000.

All debt service expenditures were funded by the General Fund except for \$262,856 which were recorded as expenditures in the Capital Projects Fund.

As explained in Note 1, the Cromwell Fire District (including the Water Division) has been empowered by the State of Connecticut to issue bonds in its own name. The Fire District had overlapping debt in the amount of \$1,320,000 as of June 30, 2010.

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

Category	Debt Limit	Net Indebtedness	Balance
General purpose	\$ 85,767,864	\$ 11,507,528	\$ 74,260,336
Schools	171,535,728	28,266,288	143,269,440
Sewers	142,946,440	310,000	142,636,440
Urban renewal	123,886,914	-	123,886,914
Pension deficit	114,357,152	-	114,357,152
	<u>\$ 638,494,098</u>	<u>\$ 40,083,816</u>	<u>\$ 598,410,282</u>

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation or \$266,833,357.

A summary of bonds authorized but unissued is presented below:

	Amount Authorized	Bonds Issued	Grants Received	Authorized But Unissued
Town Infrastructure and Facility Improvements	\$ 5,311,000	\$ 5,056,000	\$ -	\$ 255,000
Recreation Athletic Facilities	825,000	710,000	-	115,000
New Intermediate School (Gr 3-5)	28,214,000	13,740,000	12,297,494	2,176,506
School Roof Replacement/Asbestos Project	7,167,000	3,684,000	245,690	3,237,310
	<u>\$ 41,517,000</u>	<u>\$ 23,190,000</u>	<u>\$ 12,543,184</u>	<u>\$ 5,783,816</u>

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

Capital Lease

At June 30, 2010, the Town and Board of Education is committed under leases for various equipment. These lease agreements qualify as capital leases for accounting purposes (title transfers at the beginning 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. The net book value of the equipment that is capitalized totals \$985,490.

Future minimum lease payments under the capital lease is as follows:

	2011	\$ 98,589
	2012	98,590
	2013	98,590
	2014	98,590
	2015	98,950
	2016-2025	867,230
	Total	1,360,539
	Less amount representing interest	(360,335)
		<u>\$ 1,000,204</u>

Compensated absences

Included in the Long-Term Obligations in the government-wide statement of net assets is the estimated obligation for employee compensated absences in the amount of \$1,029,527 as of June 30, 2010. The general fund has typically been used to liquidate the liability for compensated absences.

Note 8. Risk Management

The Town is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance for all risks of loss. There are no significant reductions in insurance coverage from the prior year. The amount of claim settlements has not exceeded insurance coverage for each of the past three years.

The Town currently is a member in Connecticut Interlocal Management Agency (CIRMA), a public entity risk pool established for the purpose of administering an interlocal risk management program pursuant to the provisions of Section 7-479a, et seq., of Connecticut General Statutes, for workers' compensation first dollar coverage.

The Workers' Compensation Pool provides statutory benefits pursuant to the provisions of the Connecticut Workers' Compensation Act. The coverage is subject to an insured loss retrospective rating plan and losses incurred in the coverage period will be evaluated at 18, 30, and 42 months after the effective date of coverage. The premium is subject to payroll audit at the close of the coverage period. CIRMA's Workers' Compensation Pool retains \$1,000,000 per occurrence.

Note 9. Employee Retirement Systems and Pension PlansPlan Description

The Town of Cromwell is the administrator of a single employer defined benefit plan (CPP) that covers the employees of the Town, except full-time policemen (covered by the Municipal Employees Retirement Fund) and certified teachers (covered by the State of Connecticut Teachers' Retirement System). The CPP is considered to be part of the Town of Cromwell's financial reporting entity and is included in the Town's financial reports as a pension trust fund. The Plan was established by Town Meeting. The CPP does not issue a standalone report. Benefits and refunds of post-employment defined plans are recognized when due and payable in accordance with the terms of the Plan.

Under the Plan, all full-time employees are eligible. Employees are 100 percent vested after ten years of service. The retirement benefit is calculated at 1-1/2% of average annual compensation during the highest three consecutive years of service multiplied by years of credited service. Normal retirement age is sixty-two or five years of service, whichever is later. If an employee leaves covered employment or dies before 10 years of service, accumulated employee contributions and related investment earnings are refunded.

The membership of the plan consisted of the following at July 1, 2009 the date of the latest actuarial valuation:

Retirees and beneficiaries currently receiving benefits	53
Terminated Plan members entitled to benefits but not yet receiving them	9
Terminated Plan members entitled to a refund but have elected to defer receipt	21
Current Plan members	183
Total	266

Summary of Significant Accounting Policies, Plan Changes and Plan Asset Matters

Basis of Accounting: CPP financial statements are prepared using the accrual basis of accounting. Employee and employer contributions are recognized when due; investment income is recognized when earned. Expenses (benefits, administration and refunds of contributions) are recognized when incurred.

Method Used to Value Investments: All funds are invested in Wachovia Securities and are reported at fair value.

Funding Policy

Each participant is required to contribute 2-1/2% of their salary to the CPP. The Town's funding policy provides for periodic employer contributions at actuarially determined amounts that are sufficient to accumulate assets to pay benefits when due. Contributions and benefits are defined and may be amended

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

by ordinance approved by the Town Meeting. Administrative costs are financed through General Fund appropriations.

Annual Pension Cost and Net Pension Asset

The Town's annual pension cost and net pension asset for the Plan for the year ended June 30, 2010 were as follows:

Annual required contribution	\$ 561,057
Adjustment to annual required contribution	693
Interest on net pension asset	(406)
Annual pension cost	561,344
Contributions made	561,057
Decrease in net pension asset	287
Net pension asset, July 1, 2009	(5,073)
Net pension asset, June 30, 2010	\$ (4,786)

The annual required contribution for the current year, \$561,057, was determined as part of the CPP actuarial valuation dated July 1, 2009.

The Board of Trustees establishes and may amend the contribution requirements of plan members and the Town. The Town's annual pension cost for the current year and related information for each plan is as follows:

<i>Schedule of Employer Contributions</i>			
	Fiscal	Annual	
	Year	Required	Percentage
	Ended	Contribution	Contributed
	6/30/05	\$ 388,573	100%
	6/30/06	395,213	100%
	6/30/07	489,073	100%
	6/30/08	508,573	100%
	6/30/09	535,942	100%
	6/30/10	561,057	100%

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Trend Information

	Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
	Ending			
	6/30/08	\$ 508,853	99.9%	\$ (5,338)
	6/30/09	536,207	100.0%	(5,073)
	6/30/10	561,344	99.9%	(4,786)

The following is a summary of certain significant actuarial assumptions and other information:

Valuation Date	7/01/09
Actuarial Method	Projected Unit Credit Cost Method
Amortization Method	Level Dollar Amount
Remaining Amortization Period	20 years – Open
Asset Value Method	Expected actuarial value plus/minus 20% of the difference between market value
Actuarial Assumptions:	
Investment Rate of Return	8.0%
Projected Salary Increases	5.0%
Inflation Rate	3.5%

<i>Schedule of Funding Progress</i>							
	Actuarial	Actuarial	Unfunded				UAAL
	Value of	Accrued	AAL	Funded	Covered		as a % of
Actuarial	Assets	Liability (AAL)	(UAAL)	Ratio	Payroll		Covered
Valuation							Payroll
Date	(a)	(b)	(b-a)	(a/b)	(c)		((b-a)/c)
7/1/09	14,165,480	14,275,253	109,773	99.2%	\$ 8,546,104		13.0%

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

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2010

Municipal Employees' Retirement Fund

Full time policemen participate in the Municipal Employees' Retirement Fund (MERF), a cost-sharing multiple-employer public employee retirement system (PERS) established by the State of Connecticut and administered by the State Retirement Commission to provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to the employees and beneficiaries of participating municipalities. Chapter 113 Part II of the General Statutes of Connecticut, which can be amended by legislative action, establishes PERS benefits, member contribution rates and other plan provisions. MERF is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106.

Funding Policy - Plan members are required by State Statute to contribute 2-1/4% of earnings upon which Social Security tax is paid plus 5% of earnings on which no Social Security tax is paid. Each participating municipality is required to contribute at an actuarially determined rate. The contribution requirements of the Town are established and may be amended by the State Retirement Commission. The current rate of contribution for the Town is 9.75% covered payroll. The Town's contribution to MERF for the years ended June 30, 2010, 2009 and 2008 were \$268,845, \$188,058, and \$178,029, respectively, equal to the required contributions for each year.

Connecticut State Teachers' Retirement System

The faculty and professional personnel of the Board of Education participate in a contributory defined benefit plan, established under Chapter 167a of the Connecticut General Statutes, which is administered by the Connecticut State Teachers' Retirement Board. A teacher is eligible to receive normal retirement benefits if he or she has attained age sixty and has accumulated twenty years of credited service in the public schools of Connecticut or has attained any age and has accumulated thirty-five years of credited service, at least twenty-five of which are service in the public schools of Connecticut. The State of Connecticut Teacher Retirement System is considered to be a part of the State of Connecticut financial reporting entity and is included in the State's financial reports as a pension trust fund. Those reports may be obtained by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106.

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

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

In addition, the Town has recognized revenues and expenditures for on-behalf payments for pension contributions paid directly to the Connecticut State Teachers' Retirement System by the State of Connecticut. Such on-behalf payments were approximately \$1,947,000 for the year ended June 30, 2010.

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

Note 10. Other Post-Employment Benefits

In addition to providing pension benefits, various Town employee agreements provide for a portion of health insurance coverage or subsidized coverage to retired employees. These benefits are negotiated through union contracts, personnel policies, and/or individual employment agreements.

Post retirement benefits

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

Plan description and funding policy

The Town provides post-retirement benefits for certain employees for current and future health and life insurance benefit expenses through a single-employer defined benefit plan. A bi-annual actuarial valuation is made to determine whether the contributions are sufficient to meet the plan obligations. The latest actuarial valuation was made July 1, 2008. The post-retirement plan does not issue stand-alone financial reports.

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

Membership in the plan consisted of the following at July 1, 2008, the date of the last actuarial valuation.

	Retirees and beneficiaries receiving benefits	41
	Active plan members	376
	Total	417

The Town's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The actuarial accrued liability as of July 1, 2008 is estimated to be \$8,478,602. The Town's contributions represent payments made for premiums for insured individuals on a pay-as-you-go method.

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

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

	Fiscal Year Ending	Annual OPEB Cost	Employer Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
	6/30/09	\$ 1,147,154	\$ 151,905	13.2%	\$ 955,249
	6/30/10	1,157,072	174,958	15.1%	1,977,363

OPEB Obligation

Annual required contribution (ARC)	\$ 1,170,761
Interest on net pension obligation	44,786
Adjustment to ARC	(58,475)
Annual OPEB cost	1,157,072
Contributions made	174,958
Increase in net OPEB liability	982,114
Net OPEB obligation, beginning of year	995,249
Net OPEB obligation, end of year	\$ 1,977,363

	Schedule of Funding Progress - OPEB						
	Actuarial	Actuarial	Actuarial			Covered	UAAL as a
	Valuation	Value of	Accrued	Unfunded	Funded	Payroll	Percentage
	Date	Assets	Liability	AAL	Ratio	(Total)	of Payroll
							Covered
	7/1/2008	\$ -	\$ 8,478,602	\$ 8,478,602	0.00%	\$ 20,257,000	42%

Schedule of Employer Contributions - OPEB			
Fiscal Year Ended	Annual Required Contribution	Percentage Contributed	
6/30/09	\$ 1,147,154	13.24%	
6/30/10	1,170,761	14.90%	

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2010

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

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

The information presented was determined as part of the actuarial valuation. Additional information as of the last actuarial valuations follows:

Valuation Date:	July 1, 2008
Actuarial Cost Method:	Projected Unit Credit
Asset Valuation Method:	Market Value
Amortization Method:	Level dollar, Open
Remaining Amortization Period	30 Years
Actuarial Assumptions:	
Discount rate	4.5%
Salary increase rate	N/A
Inflation rate	None
Health cost trend rates	Average annual healthcare cost trend rates are assumed to be as follows:

Year	Decrease
2009	10%
2010	9%
2011	8%
2012	7%
2013	6%
2014 and beyond	5%

Note 11. Litigation and Contingencies

The Town of Cromwell, its officers, employees, boards and commissions are defendants in a number of lawsuits. It is the opinion of Town Officials that such pending litigation will not be finally determined so as to result individually or in the aggregate in a final judgment against the Town which would materially adversely affect its financial position.

Note 12. Pronouncements Issued, Not Yet Effective

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

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

- ♦ GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, will be implemented by the Town as required by the GASB during the fiscal year ending June 30, 2011. This statement establishes accounting and financial reporting standards for all governments that report governmental funds. This statement establishes the criteria for classifying fund balances into specifically defined classifications and clarifies definitions for governmental fund types. The implementation of this statement will result in changes to the classification of fund balances in the Town's governmental funds.
- ♦ GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans*. The provisions of Statement 57 related to the use and reporting of the alternative measurement method are effective immediately. The provisions related to the frequency and timing of measurements are effective for actuarial valuations first used to report funded status information in OPEB plan financial statements for periods beginning after June 15, 2011.
- ♦ GASB Statement No. 59, *Financing Instruments Omnibus*. The objective of this Statement is to update and improve existing standards regarding financial reporting and disclosure requirements of certain financial instruments and external investment pools for which significant issues have been identified in practice for periods beginning after June 15, 2010.

Required Supplementary
Information

REQUIRED SUPPLEMENTARY INFORMATION – SCHEDULE OF FUNDING PROGRESS
June 30, 2010

<i>Schedule of Funding Progress - Pension</i>							
		Actuarial	Actuarial	Unfunded			UAAL
	Actuarial	Value of	Accrued	AAL	Funded	Covered	as a % of
	Valuation	Assets	Liability (AAL)	(UAAL)	Ratio	Payroll	Covered
	Date	(a)	(b)	(b-a)	(a/b)	(c)	Payroll
							((b-a)/c)
	7/1/04	\$ 9,940,291	\$ 9,304,989	\$ (635,302)	106.8%	\$ 6,701,733	-9.5%
	7/1/05	10,574,605	10,391,205	(183,400)	101.8%	7,007,529	-2.6%
	7/1/06	11,352,505	11,126,537	(225,968)	102.0%	7,253,847	-3.1%
	7/1/07	12,573,014	12,232,319	(340,695)	102.8%	7,632,619	-4.5%
	7/1/08	13,618,774	13,176,495	(442,279)	103.4%	8,167,574	-5.4%
	7/1/09	14,165,480	14,275,253	109,773	99.2%	8,546,104	1.3%

<i>Schedule of Funding Progress - OPEB</i>							
	Actuarial	Actuarial	Actuarial			Covered	UAAL as a
	Valuation	Value of	Accrued	Unfunded	Funded	Payroll	Percentage
	Date	Assets	Liability	AAL	Ratio	(Total)	of Payroll
							Covered
	7/1/2007	\$ -	\$9,692,991	\$9,692,991	0.00%	\$20,192,000	48%
	7/1/2008	-	8,478,602	8,478,602	0.00%	20,257,000	42%

TOWN OF CROMWELL, CONNECTICUT				RSI-2
REQUIRED SUPPLEMENTARY INFORMATION				
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGETARY BASIS - BUDGET AND ACTUAL -				
GENERAL FUND				
For the Year Ended June 30, 2010				
			Actual	Variance With
			Budgetary	Final Budget
	Budgeted Amounts		Basis	Positive
	Original	Final		(Negative)
PROPERTY TAXES				
Current taxes	\$ 34,889,839	\$ 34,889,839	\$ 34,984,649	\$ 94,810
Prior year's levies	180,000	180,000	264,834	84,834
Interest and liens	135,000	135,000	156,090	21,090
Motor vehicle supplement - current year	234,000	234,000	239,229	5,229
Miscellaneous	400	400	711	311
Total property taxes	35,439,239	35,439,239	35,645,513	206,274
LICENSES AND PERMITS				
Building Department	125,000	125,000	172,690	47,690
Food licenses	15,000	15,000	19,855	4,855
Landlord Registration	5,000	5,000	-	(5,000)
Demolition Permits	1,500	1,500	150	(1,350)
Gun permits	600	600	2,275	1,675
Game/peddler permits	200	200	785	585
Transfer Station	12,500	12,500	21,822	9,322
Health Department	2,750	2,750	3,675	925
Total licenses and permits	162,550	162,550	221,252	58,702
FINES AND FORFEITURES				
Parking tickets/ACO citations	7,000	7,000	3,868	(3,132)
CHARGES FOR SERVICES				
Conveyance taxes	180,000	180,000	166,518	(13,482)
Recording fees	80,500	80,500	92,373	11,873
Vital statistics	7,200	7,200	13,664	6,464
Police outside services - cruiser use	10,000	10,000	16,945	6,945
Copying	13,000	13,000	15,156	2,156
Police copying and lab fees	1,100	1,100	1,128	28
Library Department	10,000	10,000	13,676	3,676
Alarm registration and fees	7,000	7,000	12,345	5,345
Riverport festival	1,500	1,500	880	(620)
Youth Service Department	600	600	2,073	1,473
Senior Services Department	3,900	3,900	3,355	(545)
Recreation Department	89,800	89,800	80,052	(9,748)
Communication Tower Income	40,000	40,000	82,456	42,456
Planning and Zoning	6,000	6,000	5,343	(657)
Zoning Board of Appeals	1,500	1,500	1,370	(130)
Inland-Wetlands	2,000	2,000	1,736	(264)
Total charges for services	454,100	454,100	509,070	54,970
Total licenses and permits, fines and forfeitures, and charges for goods and services	623,650	623,650	734,190	110,540

TOWN OF CROMWELL, CONNECTICUT				RSI-2
REQUIRED SUPPLEMENTARY INFORMATION				
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGETARY BASIS - BUDGET AND ACTUAL -				
GENERAL FUND, Continued				
For the Year Ended June 30, 2010				
INTERGOVERNMENTAL REVENUES				
State of Connecticut:				
Elderly tax relief:				
Circuit Breaker	75,000	75,000	73,740	(1,260)
Tax relief - disability	500	500	732	232
Tax relief - veterans	5,000	5,000	3,961	(1,039)
Boat registrations	1,299	1,299	666	(633)
State owned property - PILOT	17,084	17,084	17,113	29
College and university - PILOT	60,627	60,627	59,878	(749)
Military:				
Civil Preparedness	8,000	8,000	812	(7,188)
Education:				
Adult and Vocational Education	14,378	14,378	15,070	692
Education Cost Sharing	4,313,692	3,698,279	3,699,850	1,571
School Transportation	108,535	108,535	72,259	(36,276)
Library grants	2,000	2,000	1,689	(311)
New machinery exemption	50,000	50,000	53,185	3,185
Mohegan/Pequot Grant	42,756	42,756	40,697	(2,059)
Health Grant	24,000	24,000	-	(24,000)
Judicial Department	5,000	5,000	10,437	5,437
Senior/Disabled Grant	17,394	17,394	17,394	-
Per Capita Grant	7,975	7,975	-	(7,975)
Miscellaneous	-	-	746	746
Municipal Video Grant AT&T	-	-	18,338	18,338
Total intergovernmental revenues	4,753,240	4,137,827	4,086,567	(51,260)
USE OF MONEY				
Interest on investments	125,000	125,000	20,256	(104,744)
MISCELLANEOUS REVENUES				
Town Clerk	5,300	5,300	5,631	331
Use of Facilities	1,500	1,500	1,260	(240)
Sewer usage	11,800	11,800	11,800	-
Assessor's Office	2,500	2,500	2,054	(446)
Telecommunication - PILOT	80,000	80,000	48,012	(31,988)
Public Works	575	575	3,121	2,546
Police	7,000	7,000	8,574	1,574
Other miscellaneous revenue - Town	10,000	10,000	20,261	10,261
Board of Education miscellaneous	12,000	12,000	1,741	(10,259)
Fire District Fees	42,070	42,070	40,380	(1,690)
Total miscellaneous revenues	172,745	172,745	142,834	(29,911)
Total revenues	41,113,874	40,498,461	40,629,360	130,899
				(Continued)

TOWN OF CROMWELL, CONNECTICUT				RSI-2
REQUIRED SUPPLEMENTARY INFORMATION				
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGETARY BASIS - BUDGET AND ACTUAL -				
GENERAL FUND, Continued				
For the Year Ended June 30, 2010				
			Actual	Variance With
			Budgetary	Final Budget
	Budgeted Amounts		Basis	Positive
	Original	Final		(Negative)
OTHER FINANCING SOURCES				
Transfers in:				
LOCIP Fund	-	-	133,696	133,696
Town Aid Road Fund	123,863	123,863	137,572	13,709
Youth Service Grant Fund	14,000	14,000	14,000	-
Outside Services Fund	55,000	55,000	64,824	9,824
Total other financing sources	192,863	192,863	350,092	157,229
Total budgeted revenues and transfers	\$ 41,306,737	\$ 40,691,324	40,979,452	\$ 288,128
Budgetary revenues are different than GAAP revenues because:				
State of Connecticut "on-behalf" contributions to the Connecticut State Teachers Retirement System				
for Town teachers are not budgeted			1,947,000	
Total Revenues and Other Financing Sources as Reported on the Statement of Revenues, Expenditures				
and Changes in Fund Balances - Governmental Funds - Exhibit IV			\$ 42,926,452	

TOWN OF CROMWELL, CONNECTICUT				RSI-3
REQUIRED SUPPLEMENTARY INFORMATION				
SCHEDULE OF EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES - BUDGETARY BASIS -				
BUDGET AND ACTUAL - GENERAL FUND				
For the Year Ended June 30, 2010				
			Actual	Variance With
			Budgetary	Final Budget
			Basis	Positive
	Original Budget	Final Budget		(Negative)
GENERAL GOVERNMENT				
First Selectman:				
Salaries	\$ 210,581	\$ 211,519	\$ 211,518	\$ 1
Departmental expense	4,100	4,100	2,144	1,956
Miscellaneous expense	2,050	4,192	4,191	1
Part-time wages	22,850	22,707	19,726	2,981
Town Guide & annual Reports	2,000	-	-	-
Total	241,581	242,518	237,579	4,939
Town Clerk:				
Salaries	127,424	151,877	150,811	1,066
Part-time wages	9,875	11,375	11,109	266
Overtime wages	375	384	383	1
Departmental expenses	1,160	1,160	1,078	82
Filing land records	38,806	37,297	23,600	13,697
Vital statistics	400	400	393	7
Total	178,040	202,493	187,374	15,119
Registrar of Voters:				
Salaries	35,272	37,215	37,214	1
Departmental expenses	1,200	1,543	1,504	39
Election Day expense	4,500	2,724	2,724	-
Primary/special election/referendums	3,000	2,925	2,924	1
Part-time wages - workers	11,988	12,110	12,110	-
Election Materials	750	193	193	-
Total	56,710	56,710	56,669	41
Planning Commission:				
Part-time wages	1,890	2,210	2,209	1
Departmental expenses	700	460	460	-
Contracted services	100	20	-	20
Total	2,690	2,690	2,669	21
Economic Development:				
Professional services	12,000	14,730	14,730	-
Economic Development Coordinator	25,000	24,150	24,149	1
Departmental expenses	300	123	123	-
Part-time wages	900	867	866	1
Middlesex Expo	2,000	2,095	2,095	-
Total	40,200	41,965	41,963	2
				(Continued)

TOWN OF CROMWELL, CONNECTICUT				RSI-3
REQUIRED SUPPLEMENTARY INFORMATION				
SCHEDULE OF EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES - BUDGETARY BASIS -				
BUDGET AND ACTUAL - GENERAL FUND, Continued				
For the Year Ended June 30, 2010				
			Actual	Variance With
			Budgetary	Final Budget
			Basis	Positive
	Original Budget	Final Budget		(Negative)
Board of Finance:				
Part-time wages	1,100	1,290	1,289	1
Departmental expenses	50	50	-	50
Audit	28,000	27,810	26,250	1,560
Certificate of Achievement	510	510	448	62
Total	29,660	29,660	27,987	1,673
Finance Department:				
Salaries	273,768	278,455	278,454	1
Part-time Wages	11,200	11,173	10,365	808
Contracted Services	10,860	13,660	12,987	673
Bank Account Fees	5,000	2,200	417	1,783
Departmental Expenses	4,800	4,800	3,687	1,113
Total	305,628	310,288	305,910	4,378
Tax Collector:				
Salaries	137,473	144,309	144,309	-
Part-time Wages	2,000	2,648	2,648	-
Departmental Expenses	2,800	3,359	3,359	-
Tax Refunds	12,000	11,890	5,560	6,330
Overtime Wages	900	301	300	1
Contracted Services	11,500	11,012	11,012	-
Total	166,673	173,519	167,188	6,331
Assessor's Office:				
Salaries	136,885	145,704	145,397	307
Part-time wages	14,381	2,995	2,994	1
Overtime wages	450	224	163	61
Contracted services	15,175	17,875	17,555	320
Departmental expenses	5,420	5,532	5,532	-
Total	172,311	172,330	171,641	689
Treasurer's Office:				
Salaries	100	101	100	1
Departmental expenses	200	199	-	199
Total	300	300	100	200
				(Continued)

TOWN OF CROMWELL, CONNECTICUT				RSI-3
REQUIRED SUPPLEMENTARY INFORMATION				
SCHEDULE OF EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES - BUDGETARY BASIS -				
BUDGET AND ACTUAL - GENERAL FUND, Continued				
For the Year Ended June 30, 2010				
			Actual	Variance With
			Budgetary	Final Budget
			Basis	Positive
	Original Budget	Final Budget		(Negative)
Development Compliance:				
Salaries	63,897	65,405	64,599	806
Overtime Wages	500	500	147	353
Departmental expenses	1,100	1,100	999	101
Part-time wages	1,000	1,000	636	364
Contracted services	2,000	2,000	549	1,451
Total	68,497	70,005	66,930	3,075
Charter Revision Committee:				
Part-time wages	546	546	-	546
Departmental expenses	25	25	-	25
Total	571	571	-	571
Capital Expenditures Committee:				
Part-time wages	83	83	83	-
Total	83	83	83	-
Board of Assessment Appeals:				
Departmental expenses	200	137	-	137
Part-time wages	1,100	1,163	1,163	-
Total	1,300	1,300	1,163	137
Zoning Board of Appeals:				
Part-time wages	900	901	821	80
Departmental expenses	200	199	17	182
Total	1,100	1,100	838	262
Inland and Wetlands:				
Part-time wages	1,350	1,350	1,139	211
Departmental expenses	435	435	327	108
Contracted Services	900	900	-	900
Total	2,685	2,685	1,466	1,219
Commission to Support People with Disabilities:				
Departmental expenses	500	500	353	147
Part-time wages	25	25	-	25
Total	525	525	353	172
				(Continued)

TOWN OF CROMWELL, CONNECTICUT				RSI-3
REQUIRED SUPPLEMENTARY INFORMATION				
SCHEDULE OF EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES - BUDGETARY BASIS -				
BUDGET AND ACTUAL - GENERAL FUND, Continued				
For the Year Ended June 30, 2010				
			Actual	Variance With
			Budgetary	Final Budget
	Original Budget	Final Budget	Basis	Positive
				(Negative)
Conservation Commission:				
Departmental expenses	740	740	185	555
Part-time wages	900	900	525	375
Grant Match	1,000	1,000	-	1,000
Total	2,640	2,640	710	1,930
Central Services:				
Legal notices	15,000	9,625	9,625	-
Office expense	2,900	2,900	2,887	13
Equipment maintenance	500	500	250	250
Duplicating cost	18,280	18,280	17,975	305
Postage	42,500	41,656	39,319	2,337
Computer system maintenance and support	23,500	29,719	29,718	1
Total	102,680	102,680	99,774	2,906
Insurance expense:				
Contracted services	12,000	12,000	9,500	2,500
Package policy	138,214	138,214	136,378	1,836
Worker's Compensation Benefit Payments	87,058	87,058	85,625	1,433
Workmen's Compensation	196,610	196,610	189,788	6,822
Deductible	10,000	8,800	2,056	6,744
Town Clerk and Tax Collector liability	2,500	2,500	1,045	1,455
HR related expenses	1,000	2,200	981	1,219
Total	447,382	447,382	425,373	22,009
Board of Selectmen:				
Part-time wages	9,384	9,384	8,576	808
Total	9,384	9,384	8,576	808
Legal expense:				
Town Attorney	110,000	104,201	99,232	4,969
Probate Court	15,057	15,057	14,865	192
Labor relations	75,000	105,799	105,799	-
Evictions	1,500	1,500	289	1,211
Special Council	50	50	-	50
Contracted services	300	300	128	172
Total	201,907	226,907	220,313	6,594
				(Continued)

TOWN OF CROMWELL, CONNECTICUT				RSI-3
REQUIRED SUPPLEMENTARY INFORMATION				
SCHEDULE OF EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES - BUDGETARY BASIS -				
BUDGET AND ACTUAL - GENERAL FUND, Continued				
For the Year Ended June 30, 2010				
			Actual	Variance With
			Budgetary	Final Budget
			Basis	Positive
	Original Budget	Final Budget		(Negative)
Employee benefits:				
Education enhancement	13,000	13,000	8,542	4,458
Social Security	517,198	505,504	505,503	1
Health insurance	1,373,940	1,346,289	1,306,063	40,226
Pension	541,949	548,985	548,985	-
Wage adjustment	48,000	5,934	5,934	-
Unemployment Compensation	33,756	42,822	42,822	-
Life insurance	17,100	13,720	13,358	362
Dental plan insurance	97,932	98,711	98,710	1
Employee physicals	1,000	1,000	907	93
Sick leave incentive	22,000	4,177	-	4,177
Drug and alcohol testing	1,829	1,850	1,850	-
Shots, vaccines etc.	200	200	-	200
Employee assistance program	2,407	2,579	2,579	-
Long term disability insurance	10,741	10,741	9,997	744
Post Retirement Medical Expense	14,600	14,600	9,006	5,594
Total	2,695,652	2,610,112	2,554,256	55,856
Other expenses:				
Computer network	41,500	43,708	43,708	-
Inventory	4,000	1,792	-	1,792
Middlesex CT Soil & Water	2,072	2,072	2,072	-
Ordinance expense	2,000	2,000	1,607	393
Midstate Regional Planning	8,944	8,944	8,944	-
Cromwell Riverport Festival	5,000	5,000	4,812	188
Chamber of Commerce	550	549	549	-
Community Renewal Team	2,048	2,048	2,048	-
Contingency	5,000	5,000	-	5,000
Environmental Monitoring	10	10	-	10
Lease - Parking Lot	6,000	6,000	6,000	-
Middletown Area Transit	2,500	2,500	2,500	-
Council of Small Towns	925	925	925	-
CRCOG	917	918	917	1
Hazardous Waste Collection	7,700	7,700	7,045	655
Rose Garden	450	450	283	167
CT Council of Municipalities	8,402	8,402	8,402	-
CT River Assembly	500	500	-	500
Total	98,518	98,518	89,812	8,706
Total general government	4,826,717	4,806,365	4,668,727	137,638
				(Continued)

TOWN OF CROMWELL, CONNECTICUT				RSI-3
REQUIRED SUPPLEMENTARY INFORMATION				
SCHEDULE OF EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES - BUDGETARY BASIS -				
BUDGET AND ACTUAL - GENERAL FUND, Continued				
For the Year Ended June 30, 2010				
			Actual	Variance With
			Budgetary	Final Budget
			Basis	Positive
	Original Budget	Final Budget		(Negative)
PUBLIC SAFETY				
Civil preparedness:				
Part-time wages	6,500	6,500	6,500	-
Equipment repair	390	390	88	302
Materials and equipment	250	263	263	-
Departmental expenses	2,400	2,387	2,333	54
Total	9,540	9,540	9,184	356
Police Department:				
Salaries	2,148,272	2,154,922	2,144,291	10,631
Part-time wages	7,000	7,000	4,224	2,776
Overtime wages	300,000	300,000	297,931	2,069
Holiday pay	21,476	21,476	3,659	17,817
Departmental expenses	19,000	19,000	18,888	112
Equipment maintenance and replacement	7,000	7,000	6,222	778
Vehicle maintenance	24,000	24,000	23,350	650
Gasoline and fluids	44,000	44,000	34,452	9,548
Uniforms	37,500	37,500	37,377	123
Telephone costs	22,500	22,500	21,754	746
Training	21,000	22,253	22,051	202
Communications	45,000	44,974	44,917	57
Services rendered, towing	4,500	4,500	3,116	1,384
Investigation	1,000	1,000	642	358
Total	2,702,248	2,710,125	2,662,874	47,251
Animal Control:				
Salary	55,924	55,924	55,923	1
Part-time wages	7,000	7,000	5,549	1,451
Miscellaneous	50	50	-	50
Overtime wages	2,000	2,000	774	1,226
Total	64,974	64,974	62,246	2,728
Total public safety	2,776,762	2,784,639	2,734,304	50,335
				(Continued)

TOWN OF CROMWELL, CONNECTICUT				RSI-3
REQUIRED SUPPLEMENTARY INFORMATION				
SCHEDULE OF EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES - BUDGETARY BASIS -				
BUDGET AND ACTUAL - GENERAL FUND, Continued				
For the Year Ended June 30, 2010				
			Actual	Variance With
			Budgetary	Final Budget
			Basis	Positive
	Original Budget	Final Budget		(Negative)
PUBLIC WORKS				
Public Works administration:				
Salaries	138,188	139,239	139,238	1
Departmental expenses	4,000	3,999	2,153	1,846
Uniforms	23,000	23,000	19,792	3,208
Total	165,188	166,238	161,183	5,055
Developmental Services/Engineering				
Salaries	333,741	352,583	352,366	217
Departmental expenses	18,355	18,355	17,088	1,267
Capital expenses	9,900	9,900		9,900
Contracted services	5,000	5,000	5,000	-
Total	366,996	385,838	374,454	11,384
Building inspection:				
Salaries	136,451	140,677	140,677	-
Departmental expenses	5,000	5,000	2,558	2,442
Capital items	9,000	5,250	-	5,250
Contract services	662	413	318	95
Part-time wages	1,750	5,500	5,330	170
Total	152,863	156,840	148,883	7,957
Public Work General Expense:				
Sewer use and assessments	2,861	3,394	3,394	-
Street lights	185,000	158,441	158,441	-
Telephone costs	46,000	26,264	26,264	-
Electricity and gas	175,000	227,411	227,410	1
Water usage	12,100	12,198	12,197	1
Heating oil	11,500	7,605	7,605	-
Contract Services	10,000	47,990	47,990	-
Easement expense	1	1	-	1
Total	442,462	483,304	483,301	3
				(Continued)

TOWN OF CROMWELL, CONNECTICUT				RSI-3
REQUIRED SUPPLEMENTARY INFORMATION				
SCHEDULE OF EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES - BUDGETARY BASIS -				
BUDGET AND ACTUAL - GENERAL FUND, Continued				
For the Year Ended June 30, 2010				
			Actual	Variance With
			Budgetary	Final Budget
			Basis	Positive
	Original Budget	Final Budget		(Negative)
Highway Department:				
Salaries	512,606	519,002	519,001	1
Part-time wages	4,000	-	-	-
Overtime wages	72,000	70,276	55,756	14,520
Equipment maintenance	5,000	5,000	3,314	1,686
Gasoline and fuel	35,875	35,875	34,540	1,335
Supplies	1,500	1,500	596	904
Materials	240,000	237,400	225,786	11,614
Signs	4,000	6,000	5,856	144
Tree work	45,000	45,000	34,580	10,420
Departmental expenses	2,000	2,600	1,702	898
Small equipment	4,000	4,000	3,655	345
Contracted services	165,000	165,000	160,339	4,661
Capital Items	1	1	-	1
Total	1,090,982	1,091,654	1,045,125	46,529
Building maintenance:				
Salaries	313,674	328,128	328,127	1
Part-time wages	4,220	4,996	4,996	-
Overtime wages	11,500	16,624	16,623	1
Contract service	45,690	75,846	75,845	1
Supplies	30,000	22,244	22,244	-
Materials	21,500	16,271	16,270	1
Equipment maintenance	5,000	-	-	-
Small equipment replacement	2,000	-	-	-
Capital expenses	18,000	11,828	11,828	-
Total	451,584	475,937	475,933	4
Solid waste removal/Recycling Center:				
Salaries	49,736	49,962	49,962	-
Part-time wages	20,838	20,838	20,838	-
Tipping fees	273,600	218,531	209,058	9,473
Materials	2,000	2,000	326	1,674
Contract services	153,000	152,197	149,065	3,132
Overtime wages	4,000	4,803	4,802	1
Departmental expenses	1,200	1,200	981	219
Equipment maintenance	1,000	1,000	830	170
Gasoline and fuel	2,150	2,150	1,351	799
Reimbursement program	183,952	173,952	173,732	220
Other capital items	8,000	-	-	-
Total	699,476	626,633	610,945	15,688
				(Continued)

TOWN OF CROMWELL, CONNECTICUT				RSI-3
REQUIRED SUPPLEMENTARY INFORMATION				
SCHEDULE OF EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES - BUDGETARY BASIS -				
BUDGET AND ACTUAL - GENERAL FUND, Continued				
For the Year Ended June 30, 2010				
				Variance With
			Actual	Final Budget
			Budgetary	Positive
	Original Budget	Final Budget	Basis	(Negative)
Parks and grounds:				
Salaries	191,943	195,765	195,765	-
Part-time wages	14,000	32,138	32,137	1
Overtime wages	10,500	14,500	10,886	3,614
Equipment maintenance	3,000	755	37	718
Gasoline and fuel	6,125	8,019	8,018	1
Materials	14,500	9,079	9,079	-
Contract services	7,000	7,000	5,206	1,794
Small equipment	4,500	1,704	392	1,312
Total	251,568	268,960	261,520	7,440
Vehicle Maintenance:				
Salaries	122,657	123,518	123,418	100
Part-time wages	1	1	-	1
Overtime wages	8,250	8,250	7,826	424
Contracted services	15,000	22,800	20,096	2,704
Equipment maintenance	80,000	73,700	63,045	10,655
Departmental expense	1,500	1,500	981	519
Supplies	2,500	1,000	318	682
Gasoline and fuel	17,750	17,804	17,804	-
Small equipment	3,500	3,500	749	2,751
Capital Items	7,000	7,000	7,000	-
Total	258,158	259,073	241,237	17,836
Total Public Works	3,879,277	3,914,477	3,802,581	111,896
CULTURE AND RECREATION				
Recreation Department:				
Salaries	125,731	127,594	127,524	70
Part-time wages	112,841	112,841	105,782	7,059
Therapeutic Recreation	19,500	19,500	8,362	11,138
Contracted Services	32,200	32,200	23,754	8,446
Program subsidy	8,500	8,500	8,500	-
Equipment and supplies	6,840	6,840	6,632	208
Revenue/expense	21,100	21,100	18,715	2,385
Capital items	8,000	8,000	8,000	-
Departmental expenses	5,200	5,200	5,175	25
Total	339,912	341,775	312,444	29,331
Riverport Festival	5,000	5,000	5,000	-
Cromwell Historical Society	8,192	8,192	8,000	192
Cromwell Grenadiers	500	500	500	-
				(Continued)

TOWN OF CROMWELL, CONNECTICUT				RSI-3
REQUIRED SUPPLEMENTARY INFORMATION				
SCHEDULE OF EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES - BUDGETARY BASIS -				
BUDGET AND ACTUAL - GENERAL FUND, Continued				
For the Year Ended June 30, 2010				
			Actual	Variance With
			Budgetary	Final Budget
	Original Budget	Final Budget	Basis	Positive
				(Negative)
Belden Library:				
Salaries	276,147	291,093	291,093	-
Part-time wages	116,867	114,574	114,573	1
Department expenses	8,700	8,508	8,508	-
Equipment maintenance	900	637	637	-
Duplicating costs	850	850	849	1
Program subsidies	2,200	2,200	2,200	-
Operation and material	67,250	-	-	-
State Library Grant Program	2,000	1,689	1,689	-
Contracted services	31,552	31,552	31,552	-
Adult Books & Materials	-	5,080	5,080	-
Childrens Books & Materials	-	11,288	11,288	-
Adult Magazines	-	6,693	6,693	-
Young Adult Books & Magazines	-	1,001	1,000	1
Reference Books	-	13,570	13,569	1
Adult Popular Materials	-	27,829	27,829	-
Capital items	4,000	3,381	3,381	-
Total	510,466	519,945	519,941	4
Memorial Day	2,500	2,500	2,500	-
Total culture and recreation	866,570	877,912	848,385	29,527
HUMAN SERVICES				
Health Department:				
Part-time wages	16,000	13,500	8,816	4,684
Mental Health Clinic	2,500	2,500	2,500	-
Departmental expenses	2,900	2,900	2,471	429
Public Health Nursing	13,940	11,440	8,640	2,800
Community Health Center	1,300	1,300	1,300	-
Salaries	72,564	74,232	65,293	8,939
Rushford Center	2,500	2,500	2,500	-
Sexual Assault Crisis	1,200	1,200	1,200	-
Region 2 Board	737	737	737	-
Kuhn Center	2,800	2,800	2,800	-
Substance abuse council	500	500	500	-
Mosquito Control	34,000	39,000	38,840	160
Total	150,941	152,609	135,597	17,012
Human Services Administration:				
Salaries	74,306	74,306	74,306	-
Part-time wages	15,850	15,850	15,618	232
ADA Compliance	1,000	1,000	-	1,000
Departmental expenses	1,100	1,100	938	162
Greater Middletown Counseling Center	500	500	500	-
Emergency Basic Needs	1,000	1,000	965	35
EDDY Center	1,500	1,500	1,500	-
Total	95,256	95,256	93,827	1,429
				(Continued)

TOWN OF CROMWELL, CONNECTICUT				RSI-3
REQUIRED SUPPLEMENTARY INFORMATION				
SCHEDULE OF EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES - BUDGETARY BASIS -				
BUDGET AND ACTUAL - GENERAL FUND, Continued				
For the Year Ended June 30, 2010				
			Actual	Variance With
			Budgetary	Final Budget
			Basis	Positive
	Original Budget	Final Budget		(Negative)
Youth Services:				
Part-time wages	19,604	19,592	14,892	4,700
Departmental expenses	1,600	1,612	1,612	-
Program subsidy	7,500	7,500	3,245	4,255
Salaries	63,892	65,405	65,405	-
Capital Items	350	350	-	350
Revenue/ex pense	600	600	600	-
General supplies	4,250	4,250	3,770	480
Total	97,796	99,309	89,524	9,785
Senior Services:				
Salaries	32,936	34,473	34,473	-
Part-time wages	8,595	15,139	15,139	-
Contracted Services	3,700	3,322	3,321	1
Department expenses	2,300	2,009	2,008	1
Program subsidies	25,000	19,278	19,278	-
Revenue/ex pense	3,900	3,771	3,355	416
Total	76,431	77,992	77,574	418
Transportation Services:				
Salaries	26,703	27,893	27,873	20
Part-time wages	43,975	42,975	36,372	6,603
Overtime wages	700	1,200	936	264
Departmental expenses	1,650	2,150	1,780	370
Contract services	25	25	-	25
Vehicle maintenance	6,500	6,094	3,560	2,534
Gasoline and fuel	12,126	12,532	12,531	1
Driver physicals	100	100	-	100
Total	91,779	92,969	83,052	9,917
Total Human Services	512,203	518,135	479,574	38,561
EDUCATION				
Board of Education	25,000,000	24,384,587	24,384,277	310
BONDED DEBT				
Notes Payable	200,000	200,000	96,661	103,339
Bonds - principal	2,348,590	2,348,590	2,348,589	1
Bonds - interest	1,149,667	1,149,667	1,149,667	-
Total Debt Services	3,698,257	3,698,257	3,594,917	103,340
Total expenditures	41,559,786	40,984,372	40,512,765	471,607
				(Continued)

TOWN OF CROMWELL, CONNECTICUT				RSI-3
REQUIRED SUPPLEMENTARY INFORMATION				
SCHEDULE OF EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES - BUDGETARY BASIS -				
BUDGET AND ACTUAL - GENERAL FUND, Continued				
For the Year Ended June 30, 2010				
			Actual	Variance With
			Budgetary	Final Budget
	Original Budget	Final Budget	Basis	Positive
				(Negative)
OTHER FINANCING USES				
Operating transfers out:				
Dog Transfer Fund	13,700	13,700	13,700	-
Sidewalk Fund	1	1	-	1
LOCIP Fund	-	65,000	65,000	-
STEAP Fund	-	200,000	200,000	-
Heart & Hypertension Fund	5,000	5,000	5,000	-
Geer Street Improvements	-	303,150	303,150	-
Capital Projects Funds	-	512,059	512,059	-
Total other financing uses	18,701	1,098,910	1,098,909	1
Total budgeted operations	\$ 41,578,487	\$ 42,083,282	\$ 41,611,674	\$ 471,608
Budgetary expenditures are different than GAAP expenditures because:				
State of Connecticut "on-behalf" payments to the Connecticut State Teachers Retirement System for				
Town teachers are not budgeted			1,947,000	
Encumbrances for purchases and commitments ordered but not received are reported in the year the				
order is placed for budgetary purposes, but in the year received for financial reporting purposes			408,562	
Total Expenditures and Other Financing Uses as Reported on the Statement of Revenues,				
Expenditures and Changes in Fund Balances - Governmental Funds			\$ 43,967,236	

TOWN OF CROMWELL, CONNECTICUT				RSI-4
SEWER USAGE FUND				
REQUIRED SUPPLEMENTARY INFORMATION				
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -				
BUDGETARY BASIS - SEWER USAGE FUND				
For the Year Ended June 30, 2010				
				Variance With
			Actual	Final Budget
	Budgeted Amounts		Budgetary	Positive
	Original	Final	Basis	(Negative)
REVENUES				
User Charges	\$ 1,215,158	\$ 1,215,158	\$ 1,227,186	\$ 12,028
Income on investments	25,000	25,000	6,315	(18,685)
Other	-	-	710	710
Total revenues	1,240,158	1,240,158	1,234,211	(5,947)
EXPENDITURES				
Regular wages	338,546	339,090	339,065	25
Part-time wages	3,575	3,575	2,963	612
Overtime wages	42,577	42,577	35,426	7,151
Department expenses	28,050	28,050	27,855	195
Outside services	53,075	71,075	44,458	26,617
Vehicle maintenance	7,000	7,000	3,227	3,773
Gasoline and fuel	11,100	11,100	7,389	3,711
Equipment repair and maintenance	25,000	25,000	23,499	1,501
Liability and property insurance	39,670	39,670	22,982	16,688
Materials and supplies	25,000	25,000	20,988	4,012
Utilities and oil	33,900	33,900	27,994	5,906
Payments for Sewer Treatment	411,996	393,996	387,574	6,422
Meter and pump station repairs	28,000	28,000	10,934	17,066
Prior year obligations	2,500	2,500	-	2,500
Damage claims	100	100	-	100
Employee benefits	215,587	215,043	199,557	15,486
Total expenditures	1,265,676	1,265,676	1,153,911	111,765
OTHER FINANCING SOURCES (USES)				
Transfer out	(100,000)	(100,000)	(100,000)	-
Net change in fund balances	\$ (125,518)	\$ (125,518)	(19,700)	\$ 105,818
FUND BALANCE, beginning of year			1,598,820	
FUND BALANCE, end of year			\$ 1,579,120	
Reconciliation of GAAP Basis		Revenues	Expenditures	Fund Balance
Balance, budgetary basis, June 30, 2010		\$ 1,234,211	\$ 1,153,911	\$ 1,579,120
Liquidation of prior year encumbrances for the year ended June 30, 2010		-	13,040	(9,173)
Encumbrances outstanding for the year ended June 30, 2010		-	(6,897)	6,897
Balance, GAAP Basis, June 30, 2010		\$ 1,234,211	\$ 1,160,054	\$ 1,576,844

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**SUPPLEMENTARY AND COMBINING
FUND STATEMENTS AND SCHEDULES**

General Fund Schedules

TOWN OF CROMWELL, CONNECTICUT		
COMPARATIVE BALANCE SHEET		
GENERAL FUND		
June 30, 2010 and 2009		
	2010	2009
ASSETS		
Cash and cash equivalents	\$ 4,999,523	\$ 5,980,909
Property taxes receivable, net	646,104	683,728
Accounts receivable	139,071	34,709
Due from other funds	129,564	162,207
Total assets	\$ 5,914,262	\$ 6,861,553
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable and accrued liabilities	\$ 1,124,857	\$ 996,100
Deferred revenues/unearned revenue	568,221	603,485
Total liabilities	1,693,078	1,599,585
Fund Balance:		
Reserved for encumbrances	24,160	408,567
Unreserved:		
Designated for subsequent year's budget	226,111	282,750
Undesignated	3,970,913	4,570,651
Total fund balance	4,221,184	5,261,968
Total liabilities and fund balance	\$ 5,914,262	\$ 6,861,553

TOWN OF CROMWELL, CONNECTICUT							
REPORT OF THE TAX COLLECTOR							
GENERAL FUND							
For the Year Ended June 30, 2010							
		Lawful Corrections					
	Uncollected				Adjusted		Uncollected
Grand	Taxes			Transfers to	Taxes		Taxes
List Year	July 1, 2009	Additions	Deductions	Suspense	Collected	Collections	June 30, 2010
2008	\$ 35,616,584	\$ 53,214	\$ 169,919	\$ 9,780	\$ 35,490,099	\$ 35,217,856	\$ 272,243
2007	326,036	37,112	20,390	5,282	337,476	219,940	117,536
2006	87,461	18,904	934	2,918	102,513	24,802	77,711
2005	71,944	-	42	3,302	68,600	2,146	66,454
2004	69,589	-	39	-	69,550	1,944	67,606
2003	59,505	-	44	-	59,461	(73)	59,534
2002	53,013	-	-	-	53,013	-	53,013
2001	18,580	-	-	-	18,580	-	18,580
2000	17,694	-	-	-	17,694	-	17,694
1999	16,884	-	-	-	16,884	-	16,884
1998	12,169	-	-	-	12,169	-	12,169
1997	54,698	-	-	-	54,698	-	54,698
1996	55,262	-	-	-	55,262	-	55,262
1995	25,904	-	-	-	25,904	-	25,904
	\$ 36,485,323	\$ 109,230	\$ 191,368	\$ 21,282	\$ 36,381,903	\$ 35,466,615	\$ 915,288

Nonmajor
Governmental Funds

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are restricted to expenditures for specified purposes. The Special Revenue Funds utilize the modified accrual basis of accounting.

Fund	Funding Source	Function
Town Aid Road	State grant	General town road maintenance
Youth Services Grant	State grant	Town's Youth Services Department
Town Improvement Program	State grant	Project or improvements as determined by the Board of Selectmen
Sidewalk Program	Town and voluntary contributions of citizens	Repairs and rebuilding of the present system and for the expansion of the system
Special Reserve	Town appropriation	Compensated absences and termination benefits
Public Donations Grant	Donations	Various departments
Outside Services	User fees	Payroll expense of Town and Board employees hired by outside parties
Dog License	Licenses and fees	Animal control program
School Cafeteria	Sale of food and grants	School Lunch and breakfast programs
Educational Grants	State and Federal	Special education programs
Open Space	Funds from developers	Reserving open space or acquiring additional land for recreational or agricultural purposes
Picnic Facilities Revolving	Receipt of fees	Town's picnic facilities
Drug Awareness and Education	State and local grants	Accounts for various monies
Drug Asset Forfeiture	Sale of assets	Account for monies received from sale of assets acquired during drug related arrests
Police Heart and Hypertension Reserve	Town appropriation	Expense for a police officer on this type of leave.
River Landing Park	Court judgment	Park improvements
Public Health Emergency Prep	State grant	Emergency assistance
Cemetery Trust	Income from investments	Care and maintenance of cemetery

Permanent Funds

Permanent funds are used to report resources that are legally restricted to the extent that only earnings, not principal, may be used for purposes as categorized by the fund title. The Cemetery Trust is the Town's only permanent fund. It accounts for the principal amounts bequeathed to the Town with the stipulation that only the interest thereon may be expended on the care and maintenance of the cemetery.

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TOWN OF CROMWELL, CONNECTICUT				
COMBINING BALANCE SHEET				
NONMAJOR GOVERNMENTAL FUNDS				
June 30, 2010				
	Special Revenue Funds			
	Town Aid	Youth	Town	
	Road	Services	Improvement	Sidewalk
		Grant	Program	Program
ASSETS				
Cash and cash equivalents	\$ -	\$ -	\$ 87,257	\$ 83,232
Accounts receivable	-	-	-	-
Intergovernmental receivable	-	-	-	-
Inventory	-	-	-	-
Total assets	\$ -	\$ -	\$ 87,257	\$ 83,232
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ 18,105	\$ -
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	36,649
Total liabilities	-	-	18,105	36,649
Fund Balances				
Reserved for endowments	-	-	-	-
Reserved for inventory	-	-	-	-
Designated for specific purposes	-	-	-	46,583
Unreserved and undesignated	-	-	69,152	-
Total fund balance	-	-	69,152	46,583
Total liabilities and fund				
balances	\$ -	\$ -	\$ 87,257	\$ 83,232

[illegible]

TOWN OF CROMWELL, CONNECTICUT				
COMBINING BALANCE SHEET				
NONMAJOR GOVERNMENTAL FUNDS				
June 30, 2010				
	Special Revenue Funds			
	Picnic	Drug		Police Heart
	Facilities	Awareness	Drug Asset	and
	Revolving	and Education	Forfeiture	Hypertension
				Reserve
ASSETS				
Cash and cash equivalents	\$ 1,213	\$ 2,735	\$ 5,611	\$ 93,082
Accounts receivable	-	-	-	-
Intergovernmental receivable	-	-	-	-
Inventory	-	-	-	-
Total assets	\$ 1,213	\$ 2,735	\$ 5,611	\$ 93,082
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-
Unearned revenue	-	-	-	-
Total liabilities	-	-	-	-
Fund Balances				
Reserved for endowments	-	-	-	-
Reserved for inventory	-	-	-	-
Designated for specific purposes	1,213	2,735	5,611	93,082
Unreserved and undesignated	-	-	-	-
Total fund balance	1,213	2,735	5,611	93,082
Total liabilities and fund				
balances	\$ 1,213	\$ 2,735	\$ 5,611	\$ 93,082

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TOWN OF CROMWELL, CONNECTICUT				
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES				
NONMAJOR GOVERNMENTAL FUNDS				
For the Year Ended June 30, 2010				
	Special Revenue Funds			
		Youth	Town	
	Town Aid	Services	Improvement	Sidewalk
	Road	Grant	Program	Program
REVENUES				
Intergovernmental revenues	\$ 137,572	\$ 14,000	\$ -	\$ -
Charges for services	-	-	-	-
Income on investments	-	-	324	329
Miscellaneous	-	-	-	-
Total revenues	137,572	14,000	324	329
EXPENDITURES				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Public works	-	-	-	38,280
Culture and recreation	-	-	-	-
Human services	-	-	-	-
Education	-	-	-	-
Capital outlay	-	-	29,180	-
Total expenditures	-	-	29,180	38,280
Revenues over (under)				
expenditures	137,572	14,000	(28,856)	(37,951)
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(137,572)	(14,000)	-	-
Total other financing				
sources (uses)	(137,572)	(14,000)	-	-
Net change in fund balances	-	-	(28,856)	(37,951)
FUND BALANCES, beginning of year	-	-	98,008	84,534
FUND BALANCES, end of year	\$ -	\$ -	\$ 69,152	\$ 46,583

[illegible]

TOWN OF CROMWELL, CONNECTICUT					
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES, Continued					
NONMAJOR GOVERNMENTAL FUNDS					
For the Year Ended June 30, 2010					
	Special Revenue Funds				
	Picnic	Drug		Police Heart	
	Facilities	Awareness	Drug Asset	and	River
	Revolving	and Education	Forfeiture	Hypertension	Landing
				Reserve	Park
REVENUES					
Intergovernmental revenues	\$ -	\$ 1,750	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-
Income on investments	166	-	343	170	72
Miscellaneous	-	-	-	-	-
Total revenues	166	1,750	343	170	72
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Human services	-	-	-	-	-
Education	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	-	-	-	-	-
Revenues over (under) expenditures	166	1,750	343	170	72
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	5,000	-
Transfers out	-	-	-		-
Total other financing sources (uses)	-	-	-	5,000	-
Net change in fund balances	166	1,750	343	5,170	72
FUND BALANCES, beginning of year	1,047	985	5,268	87,912	21,854
FUND BALANCES, end of year	\$ 1,213	\$ 2,735	\$ 5,611	\$ 93,082	\$ 21,926

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TOWN OF CROMWELL, CONNECTICUT				
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE				
PUBLIC DONATIONS GRANT FUND				
For the Year Ended June 30, 2010				
	Balance			Balance
	July 1, 2009	Revenues	Expenditures	June 30, 2010
Library Donations	\$ 8,494	\$ 9,852	\$ 10,605	\$ 7,741
Senior Donations	26,988	12,966	13,809	26,145
Youth Services	10,798	8,055	5,990	12,863
Emergency Fuel	1,108	1,317	1,931	494
Emergency Food	130	-	-	130
Park and Recreation	18,616	5,007	1,910	21,713
Handicapped Donations	1	-	-	1
Human Service Donations	8,357	10,805	7,531	11,631
Drug and Alcohol Program	17	-	-	17
Police Department	9,304	4,056	3,557	9,803
Carbon Monoxide Program	4,606	-	120	4,486
Riverport Festival	22,220	10,516	14,051	18,685
Operational fuel	5	-	-	5
CT Clean Energy	3,645	-	-	3,645
Rose Garden	208	-	-	208
Flag Fund	1,911	-	-	1,911
Charter Revision	100	-	-	100
Inland/Wetlands	4,382	-	-	4,382
Adopt-a-family	246	-	-	246
Town Historic Preservation	-	1,933	-	1,933
Library Building	-	500	-	500
Dog Park	-	532	-	532
Economic Development	-	300	-	300
First Tee	-	80	-	80
TOTAL	\$ 121,136	\$ 65,919	\$ 59,504	\$ 127,551

TOWN OF CROMWELL, CONNECTICUT					
SCHEDULE OF EXPENDITURES COMPARED WITH APPROPRIATIONS					
SIDEWALK FUND					
For the Year Ended June 30, 2010					
	Original		Amended		Uncommitted
	Appropriation	Adjustments	Appropriation	Expenditures	Balance
General Repairs	\$ 1	\$ 34,000	\$ 34,000	\$ -	\$ 34,001
West St./Washington Rd.	-	38,280	38,280	38,280	-
TOTAL	\$ 1	\$ 72,280	\$ 72,280	\$ 38,280	\$ 34,001

TOWN OF CROMWELL, CONNECTICUT					
SCHEDULE OF EXPENDITURES COMPARED WITH APPROPRIATIONS					
DOG LICENSE FUND					
For the Year Ended June 30, 2010					
	Original		Amended		Uncommitted
	Appropriation	Adjustments	Appropriation	Expenditures	Balance
Office expense	\$ 1,200	\$ -	\$ 1,200	\$ 1,193	\$ 7
Training/workshops	1,000	-	1,000	906	94
Contract services	10,300	-	10,300	9,488	812
Vehicle maintenance	1,500	-	1,500	524	976
Fuel and fluids	2,000	-	2,000	1,207	793
Uniforms	1,200	-	1,200	1,147	53
Veterinarian fees	3,500	-	3,500	926	2,574
Equipment, purchase and repair	1,000	-	1,000	1,000	-
TOTAL	\$ 21,700	\$ -	\$ 21,700	\$ 16,391	\$ 5,309

Capital Projects Funds

Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. Legal authorization for Capital Projects expenditures is provided by specific appropriations, bond ordinances and/or intergovernmental grant agreements. Such appropriations do not lapse until the project is complete or unused for three years.

TOWN OF CROMWELL, CONNECTICUT									
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS									
CAPITAL PROJECTS FUND									
For the Year Ended June 30, 2010									
	Appropriations				Expenditures				
	Balance	Current		Balance	Balance	Current	Balance		Uncommitted
	July 1, 2009	Year	Adjustments	June 30, 2009	July 1, 2009	Year	June 30, 2010	Encumbrances	Balance
Capital and Nonrecurring Expenditures	\$ 2,850,330	\$ 613,208	\$ (118,226)	\$ 3,345,312	\$ 2,287,572	\$ 643,646	\$ 2,931,218	\$ 134,742	\$ 279,352
Sewer Assessment	-	212,505	-	212,505	-	200,911	200,911	-	11,594
High School Building Project	21,811,000	-	-	21,811,000	20,868,755	54,399	20,923,154	950	886,896
LOCIP Projects	1,403,039	65,000	(133,695)	1,334,344	1,197,974	69,553	1,267,527	8,275	58,542
New 3-5 School Project	28,214,000	-	-	28,214,000	27,652,470	115,972	27,768,442	357	445,201
Sewer Capital and Nonrecurring Expenditures	797,770	303,716	(333,225)	768,261	447,447	60,946	508,393	10,600	249,268
Geer Street Improvements	350,000	-	(137,157)	212,843	212,843	-	212,843	-	-
State Bond Grant	250,000	-	-	250,000	119,398	125,513	244,911	-	5,089
CMS Asbestos Removal Fund	800,000	-	(45,712)	754,288	754,288	-	754,288	-	-
Roads Main Street Improvement Fund	5,056,000	-	-	5,056,000	491,327	1,872,586	2,363,913	1,727,552	964,535
School Security Fund	1,151,000	-	-	1,151,000	969,899	181,100	1,150,999	-	1
Park Improvement Fund	710,000	-	-	710,000	457,107	67,323	524,430	35,079	150,491
Downtown Historical Development	250,000	200,000	-	450,000	74,627	51,772	126,399	92,052	231,549
CMS Roof Replacement	7,167,000	-	-	7,167,000	356,099	2,213,192	2,569,291	558,017	4,039,692
2010 Roads/Infrastructure	-	3,046,000	-	3,046,000	-	34,454	34,454	-	3,011,546
Industrial Park Development Fund	945,000	-	-	945,000	366,092	29,171	395,263	18,835	530,902
	\$ 71,755,139	\$ 4,440,429	\$ (768,015)	\$ 75,427,553	\$ 56,255,898	\$ 5,720,538	\$ 61,976,436	\$ 2,586,459	\$ 10,864,658
RECONCILIATION TO PRIOR YEAR ENDING									
BALANCE FOR EXPENDITURES									
Ending Balance of Expenditures June 30, 2009	\$ 72,428,344								
Adjustment for Sewer Assessment ending balance	(323,205)								
Adjustment for Coles Brook Commerce Park closed project	(350,000)								
Beginning Balance of Expenditures June 30, 2010	\$ 71,755,139								

TOWN OF CROMWELL, CONNECTICUT				
SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS				
CAPITAL AND NONRECURRING EXPENDITURE FUND				
For the Year Ended June 30, 2010				
	Appropriations			
	Balance	Current		Balance
	July 1, 2009	Year	Adjustments	June 30, 2010
FINANCIAL SOFTWARE	\$ 70,000	\$ -	\$ -	\$ 70,000
REVALUATION SVCS	21,928	-	-	21,928
ENGR-GIS DATA INPUT	25,000	-	-	25,000
PLAN OF DEVELOPMENT	92,179	-	-	92,179
TAX COLLECTOR - SECURITY	5,520	-	-	5,520
POLICE-LAPTOP COMPUTERS	16,816	-	-	16,816
HUMAN SVCS-ADA IMPROVEMENTS	40,000	-	-	40,000
MUNICIPAL BUILDING - SIGNAGE	10,000	-	-	10,000
ELEC/PHONE SVC-TRANSFER STATION	40,000	-	(40,000)	-
LIB-ARCHITECTURAL STUDY	22,000	-	-	22,000
REVALUATION SVCS	350,000	-	(16,907)	333,093
TRANSFER STATION OFFICE BLD	20,000	-	(14)	19,986
ENGR-GIS DATA INPUT	10,000	-	(217)	9,783
ENG-CONTROL POINTS SURVEY	10,000	-	-	10,000
REC FLOOR MATS	12,000	-	-	12,000
TRANSP-HANDICAP VEHICLE	51,942	-	-	51,942
HIGHWAY GARAGE FLOOR REPAIR	25,000	-	(5,364)	19,636
DUI ENFORCEMENT 06-07	30,000	-	(8,801)	21,199
PIERSON PARK BLEACHERS	36,176	-	(88)	36,088
ENG/CONTROL POINTS SURVEY	10,000	-	-	10,000
NPDES STORMWATER	36,000	-	-	36,000
40K LB DUMP TRUCK W/SANDER	135,000	-	(5,501)	129,499
1 TON MASON DUMP TRUCK W/SANDER	60,000	-	(1,200)	58,800
P&Z UPDATE REGULATIONS	47,500	-	-	47,500
4x4 PICK UP TRUCK	32,000	-	-	32,000
POLICE VEHICLES (2) 07-08	65,000	-	(2,432)	62,568
AUTOMATIC EXT DIFIBRILLATORS	8,000	-	(2,282)	5,718
BULLETPROOF VESTS	23,000	-	(3,051)	19,949
ACCIDENT/CRIME SCENE RECONSTRUCTION	6,917	-	-	6,917
BOE SPECIAL SERVICES BUS 07-08	24,000	-	(3,232)	20,768
DUI ENFORCEMENT 07-08	30,000	-	(9,040)	20,960
DUI ENFORCEMENT 08-09	37,000	-	(16,696)	20,304
ENERGY IMPROV-SIEMENS	1,051,852	-	(2)	1,051,850
SWEEPER	120,000	24,649	-	144,649
CURB MACHINE/FEEDER	16,500	-	-	16,500
GYM ROOF REPAIR	10,000	-	-	10,000
ZERO TURN 60" DIESEL MOWER (2)	30,000	-	(242)	29,758
STORAGE BLDG FOR EQUIPMENT	75,000	-	-	75,000
POLICE VEHICLE 08/09	33,000	-	(1,691)	31,309
SENIOR CENTER STUDY	25,000	-	-	25,000
PARK PLAYGROUNDS 08/09	30,000	-	-	30,000
BOE SPECIAL SERVICES BUS 08/09	56,000	-	(1,466)	54,534
JAG GRANT - PORTABLE RADIOS	-	7,500	-	7,500
DESIGN WORK IRON GATE ESTATES	-	100,000	-	100,000
NPDES STORMWATER	-	19,500	-	19,500
MASON DUMP TRUCK W/PLOW	-	65,000	-	65,000
TORO 16' MOWER	-	86,000	-	86,000
POLICE VEHICLES 09/10	-	36,300	-	36,300
LIBRARY COMPUTER SYSTEM	-	12,000	-	12,000
EMERGENCY GENERATOR	-	80,000	-	80,000
DUI GRANT 09/10	-	37,200	-	37,200
GIS & CONTROL POINTS 09/10	-	33,000	-	33,000
ENERGY EFFICIENCY BLOCK GRANT	-	64,241	-	64,241
POLICE DEPARTMENT BOILER	-	47,818	-	47,818
TOTAL	\$ 2,850,330	\$ 613,208	\$ (118,226)	\$ 3,345,312

[illegible]

TOWN OF CROMWELL, CONNECTICUT			
SCHEDULE OF EXPENDITURES COMPARED WITH APPROPRIATIONS			
SEWER ASSESSMENT FUND			
For the Year Ended June 30, 2010			
	Original		Uncommitted
	Appropriation	Expenditures	Balance
Legal fees	\$ 6,500	\$ 1,245	\$ 5,255
Construction	15,000	14,027	973
Postage	300	189	111
Legal Notices	1,000	464	536
Printing	500	-	500
Sewer bonds - principal	160,000	160,000	-
Sewer bonds - interest	23,105	23,105	-
Data Processing	2,000	1,881	119
Contracted Services	4,000	-	4,000
Prior Year Refunds	100	-	100
TOTAL	\$ 212,505	\$ 200,911	\$ 11,594

TOWN OF CROMWELL, CONNECTICUT								
SCHEDULE OF EXPENDITURES COMPARED WITH APPROPRIATIONS								
GEER STREET IMPROVEMENTS								
For the Year Ended June 30, 2010								
	Appropriations			Expenditures				
	Balance		Balance	Balance	Current	Balance		Uncommitted
	July 1, 2009	Adjustments	June 30, 2010	July 1, 2009	Year	June 30, 2010	Encumbrances	Balance
Legal and Financing Expenses	\$ 50,000	\$ (45,000)	\$ 5,000	\$ 5,000	\$ -	\$ 5,000	\$ -	\$ -
Construction Contingency	43,000	(43,000)	-	-	-	-	-	-
Construction	212,000	(4,157)	207,843	207,843	-	207,843	-	-
Temporary Interest Expense	10,000	(10,000)	-	-	-	-	-	-
Misc. Admin Expense	35,000	(35,000)	-	-	-	-	-	-
TOTAL	\$ 350,000	\$ (137,157)	\$ 212,843	\$ 212,843	\$ -	\$ 212,843	\$ -	\$ -

TOWN OF CROMWELL, CONNECTICUT								
SCHEDULE OF EXPENDITURES COMPARED WITH APPROPRIATIONS								
LOCAL CAPITAL IMPROVEMENT FUND								
For the Year Ended June 30, 2010								
	Appropriations			Expenditures				
	Balance		Balance	Balance	Current	Balance		Uncommitted
	July 1, 2009	Adjustments	June 30, 2010	July 1, 2009	Year	June 30, 2010	Encumbrances	Balance
Coles Rd Phase I Improv - Constr	\$ 123,336	\$ 65,000	\$ 188,336	\$ 123,102	\$ 27,518	\$ 150,620	\$ 8,275	\$ 29,441
Christian Hill Rd Reconstruction	82,264	-	82,264	82,264	-	82,264	-	-
Christian Hill Bridge Reconstr.	720,439	(133,695)	586,744	586,744	-	586,744	-	-
Evergreen/Copperknoll Drainage	385,000	-	385,000	383,364	-	383,364	-	1,636
Coles Rd - Rights-of-Way	30,000	-	30,000	22,500	-	22,500	-	7,500
Willowbrook Road	62,000	-	62,000	-	42,035	42,035	-	19,965
TOTAL	\$ 1,403,039	\$ (68,695)	\$ 1,334,344	\$ 1,197,974	\$ 69,553	\$ 1,267,527	\$ 8,275	\$ 58,542

TOWN OF CROMWELL, CONNECTICUT								
SCHEDULE OF EXPENDITURES COMPARED WITH APPROPRIATIONS								
NEW 3-5 SCHOOL PROJECT FUND								
For the Year Ended June 30, 2010								
	Appropriations			Expenditures				
	Balance		Balance	Balance	Current	Balance		Uncommitted
	July 1, 2009	Adjustments	June 30, 2010	July 1, 2009	Year	June 30, 2010	Encumbrances	Balance
Architect/Engineering Fees	\$ 3,581,438	\$ -	\$ 3,581,438	\$ 3,581,438	\$ -	\$ 3,581,438	\$ -	\$ -
Bonding, Insurance, & Financial Services	225,000	-	225,000	116,438	9,745	126,183	357	98,460
Construction	19,962,176	-	19,962,176	19,883,332	106,227	19,989,559	-	(27,383)
Other Project Expenses	962,150	-	962,150	947,005	-	947,005	-	15,145
Temporary Interest Expense	750,000	-	750,000	391,021	-	391,021	-	358,979
Site Acquisition & Rectification	2,733,236	-	2,733,236	2,733,236	-	2,733,236	-	-
TOTAL	\$ 28,214,000	\$ -	\$ 28,214,000	\$ 27,652,470	\$ 115,972	\$ 27,768,442	\$ 357	\$ 445,201

TOWN OF CROMWELL, CONNECTICUT								
SCHEDULE OF EXPENDITURES COMPARED WITH APPROPRIATIONS								
STATE BOND GRANT PROJECTS								
For the Year Ended June 30, 2010								
	Appropriations			Expenditures				
	Balance		Balance	Balance	Current	Balance		Uncommitted
	July 1, 2009	Adjustments	June 30, 2010	July 1, 2009	Year	June 30, 2010	Encumbrances	Balance
Skate Board Park	\$ 67,000	\$ -	\$ 67,000	\$ 67,000	\$ -	\$ 67,000	\$ -	\$ -
Playground Equipment	25,000	-	25,000	19,813	5,187	25,000	-	-
Little League Concession Stand	125,000	-	125,000	2,710	117,201	119,911	-	5,089
Pierson Park Bleachers	33,000	-	33,000	29,875	3,125	33,000	-	-
TOTAL	\$ 250,000	\$ -	\$ 250,000	\$ 119,398	\$ 125,513	\$ 244,911	\$ -	\$ 5,089

TOWN OF CROMWELL, CONNECTICUT								
SCHEDULE OF EXPENDITURES COMPARED WITH APPROPRIATIONS								
PARK IMPROVEMENTS								
For the Year Ended June 30, 2010								
	Appropriations			Expenditures				
	Balance		Balance	Balance	Current	Balance		Uncommitted
	July 1, 2009	Adjustments	June 30, 2010	July 1, 2009	Year	June 30, 2010	Encumbrances	Balance
Bonding, Insur., Financing	\$ 25,000	\$ -	\$ 25,000	\$ 11,652	\$ -	\$ 11,652	\$ -	\$ 13,348
Contracted Services	50,000	-	50,000	-	-	-	-	50,000
General Repairs	235,000	-	235,000	108,818	56,074	164,892	27,595	42,513
Construction	400,000	-	400,000	336,637	11,249	347,886	7,484	44,630
TOTAL	\$ 710,000	\$ -	\$ 710,000	\$ 457,107	\$ 67,323	\$ 524,430	\$ 35,079	\$ 150,491

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Fiduciary Funds

Agency Funds

Agency Funds are custodian in nature (assets equal liabilities) and do not involve measurement of results of operations.

- The School Activity Fund is an agency fund established to receive student funds and other program funds to promote the education and activities of students.
- The Contractor Bond Fund is an agency fund established to receive cash bonds posted by contractors, developers and others.

TOWN OF CROMWELL, CONNECTICUT				
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES -				
AGENCY FUNDS				
For the Year Ended June 30, 2010				
	Balance			Balance
	July 1, 2009	Additions	Deletions	June 30, 2010
STUDENT ACTIVITY FUND				
Assets				
Cash and cash equivalents	\$ 279,785	\$ 394,388	\$ 481,298	\$ 192,875
Liabilities				
Due to student groups	\$ 279,785	\$ 394,388	\$ 481,298	\$ 192,875
CONTRACTOR BOND FUND				
Assets				
Cash and cash equivalents	\$ 685,383	\$ 571,999	\$ 82,456	\$ 1,174,926
Liabilities				
Deposits	\$ 685,383	\$ 571,999	\$ 82,456	\$ 1,174,926
TOTAL ALL FUNDS				
Assets				
Cash and cash equivalents	\$ 965,168	\$ 966,387	\$ 563,754	\$ 1,367,801
Liabilities				
Due to student groups	\$ 279,785	\$ 394,388	\$ 481,298	\$ 192,875
Deposits	685,383	571,999	82,456	1,174,926
Total	\$ 965,168	\$ 966,387	\$ 563,754	\$ 1,367,801

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Statistical Section

The objectives of statistical section information are to provide financial statement users with additional historical perspective, context and detail to assist in using the information in the financial statements, notes to financial statements and required supplementary information to understand and assess economic condition.

Statistical section information is presented in the following categories:

- ♦ *Financial trends information* is intended to assist users in understanding and assessing how financial position has changed over time.
- ♦ *Revenue capacity information* is intended to assist users in understanding and assessing the factors affecting the ability to generate own-source revenues (property taxes, charges for services, etc.).
- ♦ *Debt capacity information* is intended to assist users in understanding and assessing debt burden and the ability to issue additional debt.
- ♦ *Demographic and economic information* is intended 1) to assist users in understanding the socioeconomic environment, and 2) to provide information that facilitates comparisons of financial statement information over time and among governments.
- ♦ *Operating information* is intended to provide contextual information about operations and resources to assist readers in using financial statement information to understand and assess economic condition.

The accompanying tables are presented in the above order. Refer to the Table of Contents for applicable page number locations.

Sources: Unless otherwise noted, the information in the tables is derived from the comprehensive annual financial reports for the relevant year.

TOWN OF CROMWELL, CONNECTICUT								TABLE 1
NET ASSETS BY COMPONENT								
LAST EIGHT FISCAL YEARS								
	2010	2009	2008 *	2007	2006	2005	2004	2003
Governmental activities:								
Invested in capital assets, net of related debt	\$ 77,588,875	\$ 79,977,008	\$ 85,059,583	\$ 82,378,615	\$ 36,043,985	\$ 25,548,448	\$ 19,152,703	\$ 23,230,147
Restricted	9,995	9,963	9,818	9,435	8,578	8,578	8,389	8,313
Unrestricted	16,499,040	15,051,100	11,225,727	11,008,614	9,755,896	15,043,750	11,529,752	6,101,752
Total governmental activities net assets	\$ 94,097,910	\$ 95,038,071	\$ 96,295,128	\$ 93,396,664	\$ 45,808,459	\$ 40,600,776	\$ 30,690,844	\$ 29,340,212
Notes:								
(1) Schedules prepared on the accrual basis of accounting.								
(2) The Town began to report accrual information when it implemented GASB Statement No. 34 in fiscal year 2003.								
(3) The Town began to report retroactive infrastructure in accordance with GASB Statement No. 34 in fiscal year 2007.								
* Restated.								

TOWN OF CROMWELL, CONNECTICUT								TABLE 2
CHANGES IN NET ASSETS								
LAST EIGHT FISCAL YEARS								
	2010	2009	2008	2007	2006	2005	2004	2003
Expenses:								
General government	\$ 4,811,384	\$ 5,285,460	\$ 4,562,542	\$ 4,695,839	\$ 4,615,416	\$ 4,123,566	\$ 4,049,469	\$ 3,669,304
Public safety	3,279,017	3,408,597	3,260,989	3,013,542	2,797,759	2,714,155	2,579,504	2,753,757
Public works	6,977,469	7,111,663	8,003,018	6,382,470	4,493,904	4,233,837	3,983,293	3,183,541
Culture and recreation	943,176	953,776	891,399	834,362	826,518	812,198	754,537	700,919
Human services	569,523	537,251	575,713	713,822	553,963	601,867	485,671	441,932
Education	31,361,305	29,777,145	34,619,609	26,229,542	24,560,513	22,133,614	20,643,432	19,662,641
Interest on long-term debt	1,360,078	1,328,827	1,112,299	1,172,456	1,239,540	1,204,056	1,072,703	662,194
Total governmental activities expenses	49,301,952	48,402,719	53,025,569	43,042,033	39,087,613	35,823,293	33,568,609	31,074,288
Program revenues								
Charges for services:								
General government	382,977	299,032	854,887	595,733	657,272	679,088	812,510	589,535
Public safety	522,910	476,715	637,783	755,766	349,725	312,041	306,205	154,538
Public works	1,405,812	1,156,948	1,462,064	1,559,931	1,795,900	1,396,876	1,320,894	1,454,955
Culture and recreation	84,122	140,564	100,254	93,652	96,787	74,847		89,746
Human services	23,530	11,173	20,251	21,066	20,331	14,920	11,783	13,630
Education	549,279	506,655	476,431	494,215	496,230	437,674	399,909	506,446
Operating grants and contributions	8,176,723	7,572,422	14,256,021	6,241,001	5,803,038	4,884,441	4,738,225	4,895,807
Capital grants and contributions	1,062,700	518,969	2,044,768	2,065,425	3,762,315	8,223,673	1,666,846	3,015,347
Total governmental activities program revenues	12,208,053	10,682,478	19,852,459	11,826,789	12,981,598	16,023,560	9,256,372	10,720,004
Net (ex pense) revenue:								
Governmental activities	(37,093,899)	(37,720,241)	(33,173,110)	(31,215,244)	(26,106,015)	(19,799,733)	(24,312,237)	(20,354,284)
General revenues and other changes in net assets:								
Governmental activities:								
Property taxes	35,599,902	35,450,949	32,944,028	32,518,744	29,915,084	28,562,193	24,905,290	22,943,349
Grants and contributions not restricted to specific purposes	269,056	392,954	492,989	545,691	473,611	477,263	477,471	599,162
Unrestricted investment earnings	42,838	291,346	747,671	968,895	772,028	529,869	230,284	229,601
Other general revenues	241,942	327,935	88,129	133,167	152,975	130,340	49,824	11,128
Total general revenues and other changes in net assets	36,153,738	36,463,184	34,272,817	34,166,497	31,313,698	29,699,665	25,662,869	23,783,240
Changes in net assets (deficits):								
Governmental activities	\$ (940,161)	\$ (1,257,057)	\$ 1,099,707	\$ 2,951,253	\$ 5,207,683	\$ 9,899,932	\$ 1,350,632	\$ 3,428,956
Notes:								
(1) Schedule prepared on the accrual basis of accounting.								
(2) The Town began to report accrual information when it implemented GASB Statement 34 in fiscal year 2003								

TOWN OF CROMWELL, CONNECTICUT										TABLE 3
FUND BALANCES, GOVERNMENTAL FUNDS										
LAST TEN FISCAL YEARS										
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General Fund										
Reserved	\$ 24,160	\$ 408,567	\$ 670,645	\$ 604,962	\$ 220,011	\$ 118,728	\$ 176,992	\$ 86,947	\$ 142,592	\$ 108,109
Unreserved	4,197,024	4,853,401	5,068,728	3,955,418	3,211,369	3,756,242	3,304,288	3,844,415	4,086,881	3,122,383
	\$ 4,221,184	\$ 5,261,968	\$ 5,739,373	\$ 4,560,380	\$ 3,431,380	\$ 3,874,970	\$ 3,481,280	\$ 3,931,362	\$ 4,229,473	\$ 3,230,492
All Other Governmental Funds:										
Reserved	\$ 2,629,299	\$ 717,840	\$ 462,226	\$ 826,846	\$ 1,025,991	\$ 8,333,904	\$ 2,965,918	\$ 1,580,020	\$ 8,402,831	\$ 8,688,377
Unreserved, reported in:										
Special revenue funds	2,744,475	2,763,546	2,992,104	3,041,958	2,692,299	2,622,381	2,400,014	2,394,200	2,314,711	1,874,484
Capital projects funds	8,935,275	7,285,469	8,401,776	2,052,553	2,150,483	(443,759)	10,336,740	(4,041,868)	2,996,841	(305,195)
	\$ 14,309,049	\$ 10,766,855	\$ 11,856,106	\$ 5,921,357	\$ 5,868,773	\$ 10,512,526	\$ 15,702,672	\$ (67,648)	\$ 13,714,383	\$ 10,257,666
Note: Schedule prepared on the modified accrual basis of accounting.										

TOWN OF CROMWELL, CONNECTICUT										TABLE 4
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS (thousands)										
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Revenues:										
Property taxes	\$ 35,645,513	\$ 35,388,867	\$ 33,037,472	\$ 32,427,042	\$ 30,080,756	\$ 28,732,362	\$ 25,483,587	\$ 23,752,742	\$ 21,509,817	\$ 19,737,357
Assessments			-	-	-	-	-	-	502,622	152,389
Intergovernmental	9,533,487	8,459,337	16,106,891	7,046,083	10,049,130	13,569,504	6,775,913	7,075,219	10,683,961	5,502,964
Charges for services	3,012,535	3,245,874	2,710,909	2,963,789	3,353,875	2,961,110	3,008,165	2,953,848	1,980,167	1,807,806
Income on investments	42,838	291,346	747,671	968,895	772,028	529,869	230,284	229,601	700,636	779,769
Miscellaneous	241,942	327,935	698,318	525,207	342,385	316,056	278,524	439,773	1,200,060	253,591
Total revenues	48,476,315	47,713,359	53,301,261	43,931,016	44,598,174	46,108,901	35,776,473	34,451,183	36,577,263	28,233,876
Expenditures:										
General government	4,674,278	4,683,572	4,399,214	4,366,962	4,406,214	3,979,972	3,901,798	3,529,524	3,195,957	2,827,228
Public safety	3,087,717	3,155,691	3,004,349	2,814,468	2,652,078	2,486,708	2,417,503	2,661,031	2,342,911	2,182,075
Public works	5,049,682	5,156,629	5,710,333	4,473,302	4,419,490	4,120,319	3,862,074	3,517,478	3,295,938	3,165,063
Culture and recreation	880,079	884,401	865,790	837,541	768,616	685,319	686,924	648,224	633,028	580,569
Human services	508,953	507,753	546,047	502,107	544,579	506,584	487,966	445,189	428,415	371,691
Education	29,389,356	28,299,582	33,903,173	25,338,328	23,277,163	21,174,288	20,096,419	19,232,547	18,264,296	17,033,789
Debt service:										
Principal	2,566,147	2,480,000	2,065,000	2,070,000	3,469,634	3,271,251	6,870,551	8,127,408	12,319,451	715,000
Interest	1,209,630	1,262,537	1,070,897	1,147,284	-	-	-	-	-	492,852
Capital outlay	5,574,413	3,701,700	1,351,682	1,199,440	10,147,743	14,680,916	2,191,523	1,876,970	1,208,608	1,207,852
Total expenditures	52,940,255	50,131,865	52,916,485	42,749,432	49,685,517	50,905,357	40,514,758	40,038,371	41,688,604	28,576,119
Excess of revenue over (under) expenditures	(4,463,940)	(2,418,506)	384,776	1,181,584	(5,087,343)	(4,796,456)	(4,738,285)	(5,587,188)	(5,111,341)	(342,243)
Other financing sources (uses):										
Transfers in	1,645,694	1,640,559	2,070,601	1,802,374	1,313,301	1,189,240	1,705,371	1,886,994	545,503	1,436,509
Transfers out	(1,645,694)	(1,640,559)	(2,070,601)	(1,802,374)	(1,313,301)	(1,189,240)	(1,705,371)	(1,886,994)	(545,317)	(1,436,085)
Proceeds from sale of bonds	6,730,000	-	6,728,966	-	-	-	27,440,000	-	9,500,000	-
Bond issuance costs	-	-	-	-	-	-	(149,545)	-	-	-
Premium on bonds	235,350	-	-	-	-	-	389,545	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-	-	(7,621,477)	-	-	-
Capital lease issued	-	1,051,850	-	-	-	-	-	-	-	-
Total other financing sources (uses)	6,965,350	1,051,850	6,728,966	-	-	-	20,058,523	-	9,500,186	424
Net change in fund balance	\$ 2,501,410	\$ (1,366,656)	\$ 7,113,742	\$ 1,181,584	\$ (5,087,343)	\$ (4,796,456)	\$ 15,320,238	\$ (5,587,188)	\$ 4,388,845	\$ (341,819)
Debt service as a percentage of noncapital expenditures	7.97%	8.06%	6.08%	7.74%	8.78%	9.03%	6.51%	5.88%	4.12%	4.41%
Note: Schedule prepared on the modified accrual basis of accounting.										

TOWN OF CROMWELL, CONNECTICUT										TABLE 5
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY										
LAST TEN FISCAL YEARS										
(thousands)										
	REAL PROPERTY			PERSONAL	MOTOR	LESS	TOTAL		ESTIMATED	TAXABLE
FISCAL				PROPERTY	VEHICLE	TAX-EXEMPT	TAXABLE	TOTAL	ACTUAL	ASSESSED VALUE
YEAR	RESIDENTIAL	COMMERCIAL	INDUSTRIAL	PROPERTY	VEHICLE	PROPERTY	VALUE	DIRECT TAX	TAXABLE	OF ACTUAL
								RATE	VALUE	TAXABLE VALUE
2010	\$ 968,542,060	\$ 202,408,170	\$ 132,414,570	\$ 70,375,760	\$ 94,041,439	\$ 106,859,314	\$ 1,360,922,685	26.16	\$ 1,944,175,264	70.00%
2009	944,635,890	200,866,770	146,837,660	67,170,530	97,246,781	105,522,818	1,351,234,813	26.21	1,930,335,447	70.00%
2008	731,664,379	141,127,660	106,908,960	63,958,910	94,701,141	89,118,346	1,049,242,704	31.14	1,498,918,149	70.00%
2007	716,773,690	139,994,380	101,649,340	60,273,720	93,504,635	85,918,830	1,026,276,935	31.29	1,466,109,907	70.00%
2006	708,454,630	136,519,980	104,890,420	55,836,730	87,332,370	88,657,180	1,004,376,950	29.60	1,434,824,214	70.00%
2005	677,206,250	135,380,340	95,997,800	48,052,990	79,354,510	78,660,030	957,331,860	29.00	1,367,616,943	70.00%
2004	663,296,280	136,314,340	95,580,450	48,823,943	81,145,870	78,821,980	946,338,903	26.30	1,351,912,719	70.00%
2003	477,261,900	123,838,590	94,408,520	51,560,142	77,246,260	75,729,160	748,586,252	30.84	1,069,408,931	70.00%
2002	465,094,090	120,716,040	93,323,600	49,994,800	73,998,380	74,653,346	728,473,564	29.49	1,040,676,520	70.00%
2001	448,660,840	115,889,160	90,875,630	46,122,403	69,064,390	72,186,140	698,426,283	28.14	997,751,833	70.00%
Per Town of Cromwell Office of Tax Assessor										
Note:										
(1) Assessed value is 70% of actual value.										

TOWN OF CROMWELL, CONNECTICUT					TABLE 6		
DIRECT AND OVERLAPPING							
PROPERTY TAX RATES							
LAST TEN YEARS							
(rate per \$1,000 of assessed value)							
							</

TOWN OF CROMWELL, CONNECTICUT						TABLE 7
PRINCIPAL PROPERTY TAX PAYERS						
CURRENT YEAR AND NINE YEARS AGO (2010 and 2001)						
	Grand List of October 1, 2008			Grand List of October 1, 1999		
			PERCENTAGE OF TOTAL TOWN			PERCENTAGE OF TOTAL TOWN
	TAXABLE ASSESSED		TAXABLE ASSESSED	TAXABLE ASSESSED		TAXABLE ASSESSED
TAXPAYERS	VALUE	RANK	VALUE	VALUE	RANK	VALUE
Covenant Home Inc.	\$ 24,697,620	1	1.83%	\$ -	-	0.00%
Covenant Home Inc. (Covenant Village)	-	-	-	12,069,850	2	1.73%
Shaner Hotel Group Properties (Radisson)	10,395,000	2	0.77%	9,184,780	3	1.32%
Algonquin Gas Trans Co.	10,025,780	3	0.74%	12,829,305	1	1.84%
Infinity Cromwell Properties (Wal-Mart)	8,761,700	4	0.65%	7,478,610	4	1.07%
Main Street Equity	8,733,930	5	0.65%	-	-	-
IRNM Fee Cromwell LLC	7,175,000	6	0.53%	-	-	-
Connecticut Light & Power	7,027,290	7	0.52%	7,198,446	5	1.03%
CSE Cromwell (CT) LLC	6,835,040	8	0.51%	-	-	-
R A Cromwell, LLC	6,789,200	9	0.50%	-	-	-
Lehigh Cromwell LLC	6,720,000	10	0.50%	-		
Tournament Players Club	-	-	0.00%	7,165,050	6	1.03%
Bartram Realty Company (Stop & Shop)	-	-	0.00%	6,582,800	7	0.94%
Cromwell Crest Convalescent Home, Inc.	-	-	0.00%	5,407,740	8	0.77%
Adele Cocomo (Ridgeview)	-	-	0.00%	5,399,180	9	0.77%
Nutmeg Partnership (Holiday Inn)	-	-	0.00%	5,089,250	10	0.73%
	<u>\$ 97,160,560</u>		<u>7.20%</u>	<u>\$ 78,405,011</u>		<u>11.23%</u>
Source: Town of Cromwell Assessor's Office.						
Note: Grand List years are collected in the current year and nine years ago.						

TOWN OF CROMWELL, CONNECTICUT							TABLE 8
PROPERTY TAX LEVIES AND COLLECTIONS							
LAST TEN FISCAL YEARS							
			(1)			(3)	
			COLLECTED WITHIN THE			TOTAL COLLECTIONS TO DATE	
		(4)	FISCAL YEAR OF THE LEVY		(2)*		
FISCAL		TAXES LEVIED			COLLECTION		
YEAR ENDED	TAX RATE	FOR THIS	PERCENTAGE		IN SUBSEQUENT	PERCENTAGE	
JUNE 30,	IN MILLS	FISCAL YEAR	AMOUNT	OF LEVY	YEARS	AMOUNT	OF LEVY
2010	26.16	\$ 35,490,099	\$ 35,217,856	99.23%	\$ -	\$ 35,217,856	99.23%
2009	26.21	35,337,213	35,011,177	99.08%	219,940	35,231,117	99.70%
2008	31.14	32,893,111	32,669,608	99.32%	128,484	32,798,092	99.71%
2007	31.29	32,363,161	32,070,032	99.09%	195,747	32,265,779	99.70%
2006	29.60	29,968,290	29,719,320	99.17%	142,761	29,862,081	99.65%
2005	29.00	28,290,518	28,089,034	99.29%	79,675	28,168,709	99.57%
2004	26.30	24,950,768	24,595,257	98.58%	199,856	24,795,113	99.38%
2003	30.84	23,223,710	22,793,558	98.15%	233,487	23,027,045	99.15%
2002	29.49	21,427,315	20,871,662	97.41%	263,254	21,134,916	98.64%
2001	28.14	19,874,660	19,284,300	97.03%	91,363	19,375,663	97.49%
Source: Tax Collector's Report: Comprehensive annual financial report							
* The numbers above have been revised from prior years to accurately reflect the collections in subsequent years.							

TOWN OF CROMWELL, CONNECTICUT					TABLE 9
RATIOS OF OUTSTANDING DEBT BY TYPE					
LAST TEN FISCAL YEARS					
		GENERAL	PERCENTAGE OF	DEBT	
	FISCAL	OBLIGATION	PERSONAL	PER	
	YEAR	BONDS	INCOME	CAPITA	
	2010	\$ 32,980,000	6.38%	\$ 2,378	
	2009	28,660,000	5.61%	2,081	
	2008	31,150,000	6.20%	2,275	
	2007	26,535,000	6.03%	1,938	
	2006	28,605,000	6.62%	2,113	
	2005	30,860,000	7.21%	2,285	
	2004	32,830,000	7.74%	2,436	
	2003	13,715,000	3.08%	1,018	
	2002	14,920,000	3.52%	1,116	
	2001	6,125,000	1.57%	468	
Notes: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.					

TOWN OF CROMWELL, CONNECTICUT			TABLE 10
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT AS OF JUNE 30, 2010			
			ESTIMATED SHARES OF DIRECT AND OVERLAPPING DEBT
Governmental Unit	DEBT OUTSTANDING	PERCENTAGE APPLICABLE	
Overlapping debt:			
Cromwell Fire District	\$ 1,320,000	100%	\$ 1,430,000
Total direct debt	33,980,204		32,980,000
Total			\$ 34,410,000
Source: Town of Cromwell Finance Department			
* The \$1,320,000 represents the outstanding general obligation bonds for the Fire District as of June 30, 2010. These bonds are retired from General Fund appropriations which are primarily financed from taxation. They are included as overlapping debt with the Town as they will impact the same tax base as the Town's debt.			

TOWN OF CROMWELL, CONNECTICUT						TABLE 11
SCHEDULE OF DEBT LIMITATION						
June 30, 2010						
Total tax collections (including fire district)						\$ 38,119,051
		General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt Limitation						
2-1/4 times base		\$ 85,767,864	\$ -	\$ -	\$ -	\$ -
4-1/2 times base		-	171,535,728	-	-	-
3-3/4 times base		-	-	142,946,440	-	-
3-1/4 times base		-	-	-	123,886,914	-
3 times base		-	-	-	-	114,357,152
Total debt limitation		85,767,864	171,535,728	142,946,440	123,886,914	114,357,152
Indebtedness:						
Long-term debt outstanding		9,817,528	22,852,472	310,000	-	-
Overlapping debt		1,320,000	-	-	-	-
Bonds authorized and unissued		370,000	5,413,816	-	-	-
Total indebtedness		11,507,528	28,266,288	310,000	-	-
Debt limitation in excess of net debt		\$ 74,260,336	\$ 143,269,440	\$ 142,636,440	\$ 123,886,914	\$ 114,357,152
Note 1: In no case shall total indebtedness exceed \$266,833,357 or seven times annual receipts from taxation.						

TOWN OF CROMWELL, CONNECTICUT										TABLE 12
LEGAL DEBT MARGIN INFORMATION										
LAST TEN FISCAL YEARS										
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Debt limitation	\$266,833,357	\$264,235,650	\$247,204,692	\$240,950,647	\$244,113,967	\$215,002,123	\$189,620,753	\$176,208,851	\$159,970,412	\$147,867,524
Total net debt applicable to limit	40,083,816	47,200,370	49,405,181	42,277,117	43,979,156	48,963,010	42,561,339	27,370,220	27,003,751	22,960,447
Legal debt margin	\$226,749,541	\$217,035,280	\$197,799,511	\$198,673,530	\$200,134,811	\$166,039,113	\$147,059,414	\$148,838,631	\$132,966,661	\$124,907,077
Total net debt applicable to the limit as a percentage of debt limit	15.02%	17.86%	19.99%	17.55%	18.02%	22.77%	22.45%	15.53%	16.88%	15.53%
Source: Comprehensive annual financial report - Schedule of Debt Limitation										
Note: Schedule of debt limitation for calculation of current year debt limitation.										

TOWN OF CROMWELL, CONNECTICUT								TABLE 13
DEMOGRAPHIC AND ECONOMIC STATISTICS								
LAST TEN CALENDAR YEARS								
			PER		MEDIAN			
CALENDAR		CAPITA	PERSONAL	HOUSEHOLD	MEDIAN	SCHOOL	UNEMPLOYMENT	
YEAR	POPULATION (1)	INCOME (2)	INCOME	INCOME (2)	AGE (2)	ENROLLMENT (3)	RATE (4)	
2010	13,869	\$ 37,265	\$ 516,828,285	\$ 75,773	44	2,043	8.1%	
2009	13,775	37,059	510,481,128	74,891	43	2,024	6.7%	
2008	13,693	36,689	502,370,223	73,365	43	2,020	4.8%	
2007	13,690	32,153	440,174,570	68,914	43	2,004	4.2%	
2006	13,540	31,928	432,305,120	66,670	*	2,019	4.5%	
2005	13,508	31,704	428,257,632	64,772	42	1,940	4.2%	
2004	13,475	31,479	424,179,525	63,493	*	1,886	4.9%	
2003	13,471	33,068	445,459,028	69,638	*	1,869	4.5%	
2002	13,370	31,739	424,350,430	60,662	*	1,865	3.3%	
2001	13,080	29,786	389,600,880	*	38	1,810	2.6%	
* Information not available or attainable.								
(1) Source: State of Connecticut Health Department, except 2007 which is a Town of Cromwell estimate.								
(2) Source: State of Connecticut Fiscal Indicators - CERC (estimate used for 2005 and 2006)								
(3) Source: Superintendent of Schools.								
(4) Source: Connecticut Labor Department.								

TOWN OF CROMWELL, CONNECTICUT								TABLE 14
PRINCIPAL EMPLOYERS								
CURRENT YEAR AND NINE YEARS AGO								
		2010			2001			
				PERCENTAGE			PERCENTAGE	
				OF TOTAL TOWN			OF TOTAL TOWN	
EMPLOYER	NATURE OF BUSINESS	EMPLOYEES	RANK	EMPLOYMENT	EMPLOYEES	RANK	EMPLOYMENT	
Wal-Mart	Department Store	270	1	3.93%	245	2	3.79%	
Covenant Village	Retirement Village	186	2	2.71%	218	3	3.37%	
The Children's Home	Residential School	176	3	2.56%	N/A	N/A	N/A	
Stop & Shop	Supermarket	160	4	2.33%	275	1	4.25%	
Haven Health Center	Convalescent Home	147	5	2.14%	N/A	N/A	N/A	
Cromwell Crown Plaza Hotel	Hotel/Conference Center	126	6	1.83%	175	5	2.70%	
Liturgical Publications	Publisher	120	7	1.75%	98	7	1.51%	
Lowe's	Home Supply Store	115	8	1.67%	N/A	N/A	N/A	
K-Mart	Department Store	104	9	1.51%	89	9	1.38%	
Cromwell Growers	Landscaping/Florist	100	10	1.45%	N/A	N/A	N/A	
Aerospace Techniques	Aircraft Parts	81	11	1.18%	N/A	N/A	N/A	
Millane Nurseries	Nurseries	75	12	1.09%	75	10	1.16%	
XPECT	Department Store	75	13	1.09%	93	8	1.44%	
Apria Healthcare	Healthcare/Medical Equipment	75	14	1.09%	178	4	N/A	
Holiday Inn	Motel	75	15	1.09%	100	6	2.75%	
Source: Town of Cromwell, Town Planner								

TOWN OF CROMWELL, CONNECTICUT										TABLE 15
FULL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM										
LAST TEN FISCAL YEARS										
	FISCAL YEAR									
FUNCTION/PROGRAM	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General government	35	35	35	35	36	35	33	34	34	34
Police	36	35	35	34	32	32	32	31	31	30
Fire	9	9	9	9	4	4	4	3	3	3
Refuse collection	2	2	2	2	2	2	2	2	2	2
Other public works	32	32	31	31	31	31	30	30	30	30
Parks and recreation	2	2	2	2	2	2	2	2	2	2
Library	17	17	17	17	18	18	17	17	16	16
Education	327	316	315	315	315	290	294	289	283	273
TOTAL	460	448	446	445	440	414	414	408	401	390
Source: Cromwell Town and Board of Education Payroll Records										

TOWN OF CROMWELL, CONNECTICUT										TABLE 16	
OPERATING INDICATORS BY FUNCTION/PROGRAM											
LAST TEN FISCAL YEARS											
		FISCAL YEAR									
FUNCTION/PROGRAM		2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General government: (1)											
	Building permits issued	666	689	729	813	746	865	1,011	887	941	729
	Building inspections conducted										
Police: (2)											
	Physical arrests	437	478	806	525	573	657	508	536	380	365
	Parking violations	246	202	222	291	336	353	554	646	505	493
	Traffic violations	481	540	1,647	514	546	681	1,082	663	413	853
Other public works: (3)											
	Street resurfacing (miles)	1.68	1.8	0.93	0.33	5.73	0.62	0.30	0.79	0.25	*
	Potholes repaired	*	*	*	*	*	*	*	*	*	*
Parks and recreation:											
	Athletic field permits issued	*	*	*	*	*	*	*	*	*	*
Library: (4)											
	Volumes in collection	80,120	78,557	78,581	77,418	74,364	71,905	72,343	68,603	65,763	64,625
	Total volumes borrowed	102,003	105,019	108,674	100,711	99,354	104,267	100,186	94,908	86,464	82,987
Source:	(1) Town of Cromwell Building Inspector										
	(2) Town of Cromwell Police Department Records (per calendar year)										
	(3) Town of Cromwell Public Works Department (per calendar year)										
	(4) Town of Cromwell Librarian										
Notes:											
	* Information is not available.										

TOWN OF CROMWELL, CONNECTICUT										TABLE 17
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM										
LAST TEN FISCAL YEARS										
FISCAL YEAR										
FUNCTION/PROGRAM	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Police: (1)										
Stations	1	1	1	1	1	1	1	1	1	1
Zone offices	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Patrol units	14	14	14	14	14	14	13	13	13	13
Other public works: (2)										
Streets (miles)	54.79	54.79	54.79	54.00	53.22	53.22	52.44	52.44	51.77	50.96
Highways (miles)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Streetlights**	1,153	1,153	1,153	1,152	1,146	1,135	1,112	1,110	*	*
Traffic signals**	15	15	15	15	14	*	*	*	*	*
Parks and recreation: (3)										
Acreage***	156.9	156.9	156.4	156.4	156.4	156.4	156.4	156.4	78.1	78.1
Playgrounds	3	3	3	3	3	3	3	3	3	3
Baseball/softball diamonds	15	15	15	15	15	14	14	14	14	14
Soccer/football fields	10	12	12	12	12	12	12	12	12	12
Community centers	1	1	1	1	1	1	1	1	1	1
Source:	(1) Town of Cromwell Police Department Records									
	(2) Town of Cromwell Public Works Department									
	(3) Town of Cromwell Recreation Department									
Notes:	* Information is not available.									
	** Street lights and traffic signals are not owned by the Town.									
	*** Acreage does not include any fields that are maintained by the Board of Education.									

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