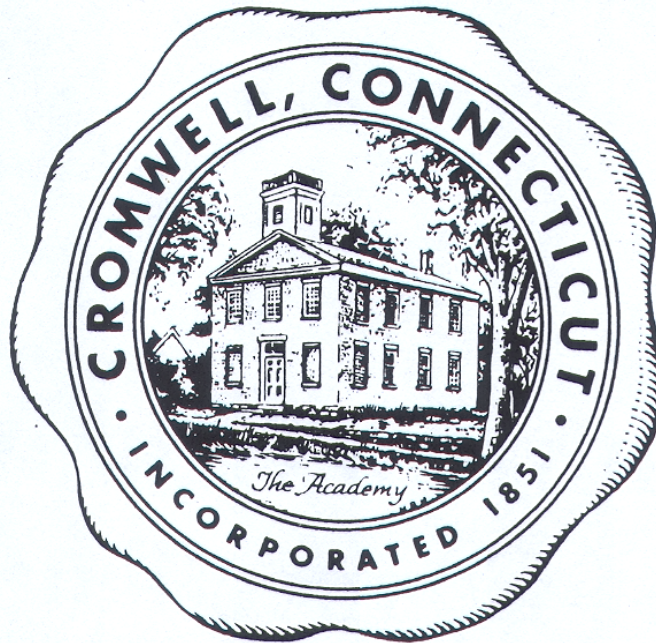


Town of Cromwell, Connecticut



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2013

COMPREHENSIVE ANNUAL FINANCIAL REPORT

of the

**TOWN OF CROMWELL,
CONNECTICUT**

Fiscal Year Ended June 30, 2013

Prepared by:

**Finance Department
Marianne Sylvester
Finance Director**

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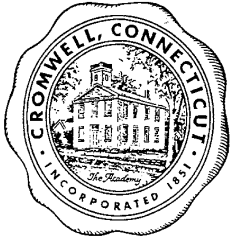
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Introductory Section



Town of Cromwell

NATHANIEL WHITE BUILDING
41 WEST STREET
CROMWELL, CONNECTICUT 06416

November 26, 2013

Mr. Jonathan Sistare
Town Manager
Town of Cromwell, Connecticut

The Comprehensive Annual Financial Report (CAFR) of the Town of Cromwell for the fiscal year ended June 30, 2013 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, LLP, have issued an unqualified ("clean") opinion on the Town of Cromwell's financial statements for the year ended June 30, 2013. 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 fund, and general capital asset and general long-term debt account. 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, 2013, 93.3% of the Town's available labor force was employed. This compares favorably to the area rate of 91.8% and the State rate of 91.9%. The Town's per capita income was \$42,900 and its median household income was \$81,718, as reported by in the State of Connecticut Fiscal Indicators report and the Connecticut Economic Resource Center (CERC).

The Town's position as a residential community is illustrated by the fact that approximately 67.9% of the October 2011 grand list was residential. The percentage of the 2010 grand list was 70.4%. Permits for thirty-seven new residential units were issued this year compared to thirty-three in 2012. In the last ten years, the average number of new units per year is thirty-eight. The Town has several subdivisions in various stages of completion. Twelve out of thirteen residential subdivisions are 50% or more complete. Sydney Lane, Eager Lane, Northbrook Estates, Mountain View Estates, Newbury Estates, and Congress Drive each have one lot remaining. Also, a large active adult subdivision continues development on Willowbrook Road (fifty-two units), with twenty-seven units completed. Residential activity is rounded out with Cannata's Main Street development, Reed Builders' Thomas Court, Bender Homes, Northwoods Estates, and Woodside Estates, with a combined total of fifty units completed out of ninety-five.

As a percentage of the grand list, industrial and commercial property values are at 17.7% compared to 17.9% the previous year. Progress on the Coles Brook Industrial Park continues with six units completed and the seventh at 90% complete, including three units along County Line Drive (northern boundary). The current (active) project covers 13 acres out of 70 acres planned as a commercial park. The Town received three Small Town Economic Assistance Program (STEAP) grants from the State of Connecticut over the past nine years to provide the environmental study, supplement the infrastructure in this area, and facilitate commercial development for the Town. Cobblestone Plaza on Route 372 has a third site cleared for development. Development is complete at 181 Shunpike Road, with an early learning/daycare center and a medical practice. A storage facility on Alcap Ridge is 75% complete. Several commercial properties have proposed interior improvements for the upcoming fiscal year. Walmart completed an expansion in July 2013. The Mattabassett District improvements are continuing with construction expected to be complete sometime in 2014.

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 14.4%, as compared to 11.7% for the 2010 grand list.

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:

Administration:

In November 2011, the Town approved a change in the form of government from First Selectman/Board of Selectmen to Town Manager/Town Council, effective November 6, 2013. An executive-level search was undertaken in the Spring 2013.

Finance Department:

Awarded the Town's twenty-third consecutive Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association. Successfully issued bonds in the amount of \$4,955,000 for capital projects and equipment, including public safety initiatives, and infrastructure and facility improvements. Refunded 2003 bond issue resulting in a net present value savings of \$1,640,026 or 15.4%.

Police:

Continued participation in State grant programs for drug enforcement and education, specialized traffic control and community policing projects. Began upgrade to emergency communication system.

Health Department:

Participated 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:

Was an active participant in the statewide computerized library network.

Recreation:

Operated and/or supported fifty-two programs for both children and adults in the Town.

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.

Human Services:

Continued all services to the seniors and youth of the Town. Support services and referrals to citizens of Cromwell were provided as needed. A State grant was received to support an increased level of transportation services to the Town's senior and handicapped citizens for a seventh year.

Capital Projects:

Public Works:

Construction continued on Town-wide infrastructure improvements. Construction on New Lane was started with an anticipated completion by the end of 2013. New bond funds obtained in the Spring 2013 allows for re-construction of several roads around Town.

Education:

New bond funds are providing for improvements to the Edna C. Stevens Elementary School, with the emphasis on replacing the boiler with a more efficient system using natural gas. This project includes the extension of the natural gas line from Main Street to the school on Court Street. Improvements are also being made to the Middle School gymnasium walls.

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, 2013 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 Sewer Usage Fund, Sewer Assessment Fund, Sidewalk Fund, and the Dog Fund, as approved by State Statute or Special Town Meeting. 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 unassigned, or available, General Fund fund balance increased by \$1,704,409, or 35.3%, during the fiscal year. This amount, \$6,539,226, is equivalent to about 54 days of operating expenditures and is 14.95% of the adopted 2013 budget. A favorable result from budgetary operations, as well as other financing sources and uses, resulted in a net increase in fund balance. FEMA reimbursements for Winter Storm Alfred and Hurricane Sandy provided an additional \$225,590 to the Town. Additional uses of funds included \$311,000 for capital and non-recurring projects. Also, \$51,000 was committed by the Board of Finance toward the 2014 budget accounts for small capital items.

The Town of Cromwell's General Fund fund balance has historically been used to fund large capital projects and prefund reimbursement-type grant opportunities. During fiscal 2013, there were additional appropriations from fund balance, totaling \$318,500. A total of \$311,000 was transferred to the Capital/Nonrecurring Fund for various capital projects/equipment, including police, animal control, and public works vehicles, and a maintenance project to the Town Hall and Police Station. A supplemental appropriation of \$7,500 was made to the General Government budget for an unanticipated personnel change. Additionally the fund balance allowed for up to \$70,000 to balance the fiscal 2013 budget. This is in keeping with the Board of Finance's historical practices and philosophy.

Debt Administration

On June 30, 2013, the Town had a number of debt issues outstanding. Bonded indebtedness was \$28,485,000 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 \$50,000. Bonds that are authorized but unissued total \$2,469,811. The School Roof Replacement/Asbestos project accounts for 50% 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 other Town infrastructure and facility improvement projects authorized in May 2008, April 2010, and new projects authorized in the spring 2013.

In 2008, Standard & Poor's credit rating agency upgraded the Town of Cromwell's credit rating from AA- to a solid AA. This credit rating was maintained with the March 2013 review.

According to State Statutes, total Town indebtedness may not exceed seven times the annual receipts from taxation or \$286,559,168 on June 30, 2013. There are also sub-limits by category for bonds. In total, bonded indebtedness on June 30, 2013 was 14.1% of statutory capacity.

On June 30, 2013, the ratio of bonded indebtedness to assessed value (grand list) was 2.87%. The amount of bonded indebtedness per capita was \$2,018.

Relevant Policies and Practices

Fund Balance Policy

The Board of Selectmen approved a policy providing guidelines for budgeting decisions and to insure adequate reserves are established and maintained to fund operations by providing sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. This policy further established pertinent classifications of the established reserves and the level of authority necessary for each classification. This policy also discusses the importance of maintaining an appropriate level of fund balance, taking into consideration the Town's operating characteristics, diversity of tax base, reliability on non-tax revenue sources, working capital needs, impact on bond rating, local and economic outlooks, emergency and disaster risk and other contingent issues. In accordance with prudent budgeting practices, the unassigned fund balance will not be used on a routine or one-time basis to lower taxes or offset normal operating expenditures.

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, 2012. This was the twenty-third 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 style with a large, stylized 'M' and 'S'.

Marianne Sylvester
Finance Director



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

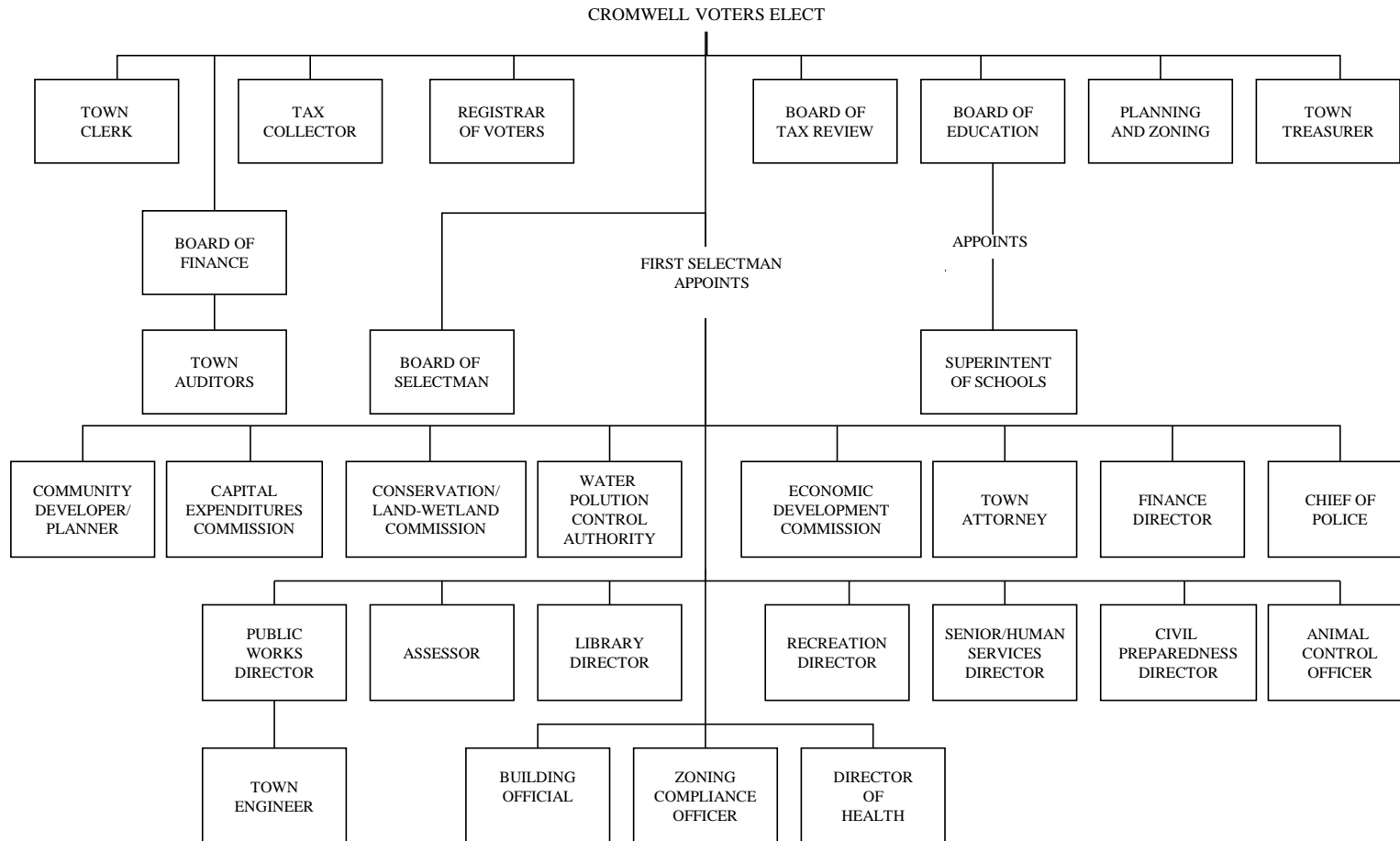
**Town of Cromwell
Connecticut**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2012

Executive Director/CEO

ORGANIZATIONAL CHART



PRINCIPAL ELECTED OFFICIALS

As of June 30, 2013

First Selectman
Town Clerk/Treasurer
Tax Collector

Mertie Terry
Darlene DiProto
Douglas Sienna

BOARD OF SELECTMEN

Enzo Faienza
Richard R. Newton
Allan D. Spotts

Ann Halibozek
Al Waters
Frank C. Emanuele Jr.

BOARD OF FINANCE

Lorraine Caruso, Chairman
Julius Neto
Joseph E. Corlis

John Henehan
Michael Gengler
Amanda Drew

BOARD OF EDUCATION

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

Julie Fitts Ritter
Phil Gagnon
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
Town Engineer
Zoning Officer

Cheryl Gagnon
Shawna Baron
David Jolley
Anthony Salvatore
Stuart Popper
Marianne Sylvester
Joy Hollister
Eric Hood
Susan Schein
Eileen Branciforte
John Harriman, P.E.
Frederic Curtin

Financial Section



INDEPENDENT AUDITOR'S REPORT

To the Board of Finance
Town of Cromwell, Connecticut

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

Opinions

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

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management Discussion and Analysis on pages 4–11, the schedules of funding progress on pages 51 and budgetary comparison information on pages 52-67 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying combining and individual fund and fund financial statements and other schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the Town of Cromwell, Connecticut as of and for the year ended June 30, 2012 (not presented herein), and have issued our report thereon dated December 10, 2012, which contained unmodified opinions on the respective financial statements of the governmental activities, each major fund, and the aggregate remaining fund information. The accompanying General Fund Balance Sheet as of June 30, 2012 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2012 financial statements. The accompanying General Fund Balance Sheet has been subjected to the auditing procedures applied in the audit of the 2012 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the General Fund Balance Sheet is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2012.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 26, 2013 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "McGladrey LLP".

New Haven, Connecticut
November 26, 2013

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**TOWN OF CROMWELL, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS - Unaudited
JUNE 30, 2013**

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, 2013. Please read this MD&A in conjunction with the transmittal letter and the Town's financial statements, Exhibits I to X.

Financial Highlights

- The General Fund reported a fund balance this year of \$6.6 million, or 14.8% of fiscal year 2013 budgeted revenues and transfers, with unassigned General Fund fund balance at \$6.5 million.
- Net position of our governmental activities remained relatively stable, reflecting a slight increase of \$114,829 over the prior year (see Table 1).
- The Town's long-term debt outstanding experienced a net increase of approximately \$2.5 million during the fiscal year. General obligation debt increased by \$860,000, due to the issuance of new debt in the amount of \$4,955,000 and the refunding of the 2003 bond issue.
- The Town's long-term obligations related to other post-employment benefits (OPEB) and compensated absences resulted in an increase of \$327,173.
- The Town's revenues received to support the 2012-13 General Fund operating budget exceeded the operating expenses by \$1.8 million.
- Total cost of all of the Town's programs was \$51.4 million with no program changes this year.

Overview of the Financial Statements

This annual report consists of a series of financial statements. The statement of net position 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 X. 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 position 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 position and changes in them. The Town's net position, 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 position 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 position 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 three categories: governmental, proprietary, and fiduciary.

- *Governmental Funds (Exhibits III, IV 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 position and the statement of activities) and governmental funds is described in a reconciliation at the bottom of the fund financial statements.
- *Proprietary Funds (Exhibits VI, VII and VIII)* – The Town's activities related to the internal service fund for employee dental insurance are reported in these exhibits. This fund receives payments from the Town, including the Board of Education, and the Fire District, as well as employee and retiree contributions to pay claims made for dental procedures.
- *Fiduciary Funds (Exhibits IX and X)* – The Town is the trustee, or fiduciary, for its employees' pension plans. The Town also holds funds as the agent for the School Activity Fund and for contractor bonds. All of the Town's fiduciary activities are reported in separate statements of fiduciary net position and changes in fiduciary net position. 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 position increased slightly from a year ago, from \$100.5 million to \$100.6 million. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the Town's governmental activities.

**TABLE 1
SUMMARY STATEMENT OF NET POSITION**

	Governmental Activities	
	June 30, 2013	June 30 , 2012
Current and other assets	\$ 20,868,475	\$ 16,662,910
Capital assets, net of accumulated depreciation	117,755,910	119,579,649
Total assets	138,624,385	136,242,559
Long-term debt outstanding	34,956,800	32,979,024
Other liabilities	3,086,047	2,796,826
Total liabilities	38,042,847	35,775,850
Net Position:		
Net investment in capital assets	91,271,301	92,786,514
Restricted for:		
Perpetual care:		
Expendable	3,061	3,010
Nonexpendable	56,269	56,269
Unrestricted	9,250,907	7,620,916
Total net position	\$ 100,581,538	\$ 100,466,709

Total net position of the Town's governmental activities show a slight increase. Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – show an increase from \$7.62 million at June 30, 2012 to \$9.25 million at the end of this year. This increase is due to the positive outcome of fiscal year operations and the receipt of bond proceeds. Net investment in capital assets has decreased year-over-year by \$1.5 million reflecting the new infrastructure and facility improvements being undertaken and the associated debt.

Long-term debt outstanding reflects a \$2.5 million increase due in part to the new debt issued. However, as part of the new debt issue, the Town was able to cancel the capital lease obligation of \$889,864. Also included in the \$2.5 million increase is an increase of \$346,000 in the liability for other post-employment benefits (OPEB). The Town approved the establishment of a trust fund to offset the OPEB liability, and made an initial contribution this fund in the 2012-13 budget with continued contributions included in the 2013-14 budget.

TABLE 2
SUMMARY STATEMENT OF ACTIVITIES

	Governmental Activities	
	2013	2012
REVENUES		
Program Revenues:		
Charges for services	\$ 3,665,721	\$ 3,395,974
Operating grants and contributions	9,055,543	9,265,156
Capital grants and contributions	206,751	87,739
General Revenues:		
Property taxes	38,233,934	37,080,402
Grants and contributions not restricted to specific purposes	230,094	384,656
Unrestricted investment earnings	38,321	34,986
Other general revenues	89,711	1,674,789
Total revenues	51,520,075	51,923,702
PROGRAM EXPENSES		
General government	5,578,265	5,018,686
Public Safety	3,451,918	3,346,263
Public Works	7,507,231	7,781,074
Culture and Recreation	1,018,166	1,015,892
Human Services	610,927	609,527
Education	32,074,662	31,961,198
Interest on long-term debt	1,164,077	1,275,276
Total program expenses	51,405,246	51,007,916
Increase in net position	114,829	915,786
NET POSITION, beginning	100,466,709	99,550,923
NET POSITION, ending	\$ 100,581,538	\$ 100,466,709

The Town's total revenue was \$51.5 million. The total cost of all programs and services was \$51.4 million. Our analysis below considers the operations of governmental activities.

Governmental Activities

On the revenue side, charges for services increased due to the fees collected for building permits on two large expansion and renovation projects. Income from property taxes, which comprises 74% of Town revenues, exceeded the original budget. In the previous two years, the Town was the recipient of donated property in the form of infrastructure and open space land from new housing developments. This transfer of property did not occur in the 2013 fiscal year; therefore Other General Revenues reflect a significant decrease over the previous year.

Comparing total General Fund expenditures (actual) to budget resulted in a savings of \$1,045,965. According to the Town's 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 (\$282,470), including Employee Benefits (\$188,420), Public Works (\$204,677), Education (\$276,221), Debt Service (\$186,081), and Culture and Recreation (\$53,823).

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	
	2013	2012	2013	2012
Education	\$ 32,074,662	\$ 31,961,198	\$ 22,930,053	\$ 22,597,960
General Government	5,578,265	5,018,686	4,880,835	4,500,653
Public Works	7,507,231	7,781,074	4,834,745	5,718,053
Public Safety	3,451,918	3,346,263	3,319,842	2,837,383
Culture and Recreation	1,018,166	1,015,892	917,206	856,737
All Others	1,775,004	1,884,803	1,594,550	1,748,261
Total	\$ 51,405,246	\$ 51,007,916	\$ 38,477,231	\$ 38,259,047

Governmental Funds

The Board of Finance presented the fiscal 2013 budget to the Annual Town Meeting in three parts. The Town budget was \$14,056,182 or 3.01% more than the Town Meeting approved budget for 2012. Bonded Debt budget of \$3,741,126 represented a decrease of \$109,948 or 2.85%. The Education budget was \$25,942,064, an increase of 1.93%. In total, the total proposed budget, \$43,739,372, was 1.85% more than the previous year. The increase in the overall budget was primarily due to increased contractual obligations. 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 27.06, an increase of 0.26 mills. No existing programs were cut.

Total revenues and transfers for the year, based on generally accepted accounting principles were \$47,562,706. Expenditures and encumbrances on the same basis were \$45,875,767. The difference of \$1,686,939 increased fund balance at fiscal year end to \$6.6 million. Two large renovation/expansion projects brought in additional building permit fees and property tax collections were higher than anticipated. Employee benefits on both the Education- and Town-side of operations resulted in savings. Debt Service expenditures also came in lower than anticipated due to interest expense savings from refunding a 2003 G.O. bond issue.

The Town's General Fund Balance of \$6.6 million reported on Exhibit III consists of \$6.5 million as Unassigned Fund Balance and \$51,000 that the Board of Finance committed to support the 2013-14 budget for small capital items. The Capital Projects Fund Balance, shown in Exhibit III, is \$2.2 million more than the previous year as new capital projects were funded with bond proceeds received in April 2013. The Sewer Usage Fund saw an increase in fund balance as well due to increased revenues from fees.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2013, the Town had \$117.8 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 is consistent with the previous year, reflecting the completion various projects and the shift in the allocation from Construction in Progress to the appropriate asset classifications.

TABLE 4
CAPITAL ASSETS (Net of Depreciation)

	Governmental Activities (in millions)	
	2013	2012
Land	\$ 8.2	\$ 8.2
Buildings	77.3	50.0
Furniture, equipment and improvements	8.6	2.5
Infrastructure	97.2	49.5
Construction in progress	2.4	9.4
Total	<u>\$ 193.7</u>	<u>\$ 119.6</u>

For the year, the major changes include:

Buildings – Net increase due to the completion of school facility improvements.

Furniture, equipment, and improvements – Depreciation resulted in a slight decrease in this area.

Infrastructure – Improvements offset by depreciations resulted in a small net decrease in this area.

Construction in progress – Town infrastructure projects are the primary asset in this classification at this time. Other projects have been completed and moved into appropriate asset classifications.

The Town's fiscal year 2013-14 capital/non-recurring requests include items such as replacement police vehicles, a tri-axel dump truck, and minor facility improvements. Other larger capital items, such as larger public works equipment and infrastructure and facility improvements are considered as part of the Town's Long Range Capital Improvement program for inclusion in possible future bond issues.

More detailed information about the Town's capital assets is presented in Note 1 and Note 3 to the financial statements.

Long-Term Debt

At June 30, 2013 the Town had \$30.5 million in bonds and notes outstanding versus \$27.9 million last year – an increase of 9.1% or \$2.5 million (see Table 5).

**TABLE 5
OUTSTANDING DEBT**

	Governmental Activities (in millions)	
	2013	2012
	\$	\$
General Obligation Bonds	30.5	27.9

The Town issued new debt during fiscal year 2012-2013 in the amount of \$4,955,000 for public safety, facility, and infrastructure improvements and public works equipment. A 2003 bond issue was also refunded through this process, resulting in substantial savings for the Town. The refunding resulted in a net present value savings of \$1,640,026. The Town maintained its AA general obligation bond rating from Standard & Poor's rating agency.

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 \$286 million State imposed limit.

Other long-term obligations include other post-employment benefits (OPEB) and compensated absences (accrued vacation pay and sick leave). More detailed information about the Town's long-term liabilities is presented in Note 6 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 2014 budget tax rate. One of those factors is the economy. The unemployment rate in the Town for June 2013 stands at 6.7% versus 6.8% one year ago. This compares favorably with the Hartford Labor Market area's unemployment rate of 8.2% and the State rate of 8.1%.

According to the Connecticut Economic Resource Center (CERC), Per Capita Income in Cromwell for 2013 was \$42,900 compared to the county rate of \$40,722 and the State rate of \$38,526. Median Household Income was \$81,718 for Cromwell versus \$78,488 for the county and \$69,219 for the State. The percent of families below poverty level was 2.6% for the Town. The county percentage was 5.9% and the State's was 9.5%, based on 2011 information.

A General Fund budget of \$44,239,659 was approved by referendum. This budget was \$500,287, or 1.14% higher than the 2013 adopted budget. Debt service decreased by \$526,427, or 14.1%. The General Government budget increased by \$463,521 or 3.3%. The Education portion increased by \$563,193, or 2.17%. In order to fund this budget, the Board of Finance took the collection rate factor into consideration, maintaining it at 98.75%, and a 10.8% decrease in

the grand list (due to required revaluation). They also used \$50,000 of available fund balance to offset small capital items. The Board of Finance set the mill rate at 30.75 mills. This reflects an increase of 3.69 mills, or 13.6%. There were no new programs added for fiscal year 2013-14 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

STATEMENT OF NET POSITION

June 30, 2013

	Governmental Activities
Assets	
Cash and cash equivalents	\$ 13,776,712
Receivables, net of allowances for collection losses:	
Property taxes	430,836
Assessments/user charges	569,441
Intergovernmental	127,529
Other	415,424
Inventories	38,893
Net pension assets	3,370
Restricted cash	5,506,270
Capital assets not being depreciated	10,601,179
Capital assets being depreciated, net	107,154,731
Total assets	138,624,385
Liabilities	
Accounts payable and other payables	1,537,790
Accrued interest payable	100,699
Internal balances	1,000
Unearned Revenue	1,446,558
Long-term liabilities:	
Due within one year	2,833,985
Due in more than one year	32,122,815
Total liabilities	38,042,847
Net Position	
Net investment in capital assets	91,271,301
Restricted for:	
Perpetual care:	
Expendable	3,061
Nonexpendable	56,269
Unrestricted	9,250,907
Total net position	\$ 100,581,538

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

STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges for	Operating	Capital	Revenue and
		Services	Grants and	Grants and	Changes in
			Contributions	Contributions	Net Assets
					Governmental
					Activities
Governmental activities:					
General government	\$ (5,578,265)	\$ 697,430	\$ -	\$ -	\$ (4,880,835)
Public safety	(3,451,918)	64,938	67,138	-	(3,319,842)
Public works	(7,507,231)	2,327,371	138,364	206,751	(4,834,745)
Culture and recreation	(1,018,166)	54,089	46,871	-	(917,206)
Human services	(610,927)	5,186	175,268	-	(430,473)
Education	(32,074,662)	516,707	8,627,902	-	(22,930,053)
Interest on long-term debt	(1,164,077)	-	-	-	(1,164,077)
Total governmental activities	(51,405,246)	3,665,721	9,055,543	206,751	(38,477,231)
General revenues:					
Property taxes					38,233,934
Grants and contributions not restricted to specific programs					230,094
Unrestricted investment earnings					38,321
Other					89,711
Total general revenues					<u>38,592,060</u>
Change in net position					114,829
Net position - beginning					100,466,709
Net position - ending					<u>\$ 100,581,538</u>

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

BALANCE SHEET - GOVERNMENTAL FUNDS
June 30, 2013

	General	Sewer Usage	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 7,321,153	\$ 2,684,846	\$ 7,838,612	\$ 1,292,544	\$ 19,137,155
Receivables, net					
Property taxes	430,836	-	-	-	430,836
Assessments/user charges	-	223,672	345,769	-	569,441
Intergovernmental	-	-	34,832	92,697	127,529
Other	402,606	87	12,731	-	415,424
Prepays/Inventories	-	-	-	38,893	38,893
Total assets	\$ 8,154,595	\$ 2,908,605	\$ 8,231,944	\$ 1,424,134	\$ 20,719,278
LIABILITIES					
Accounts and other payables	\$ 1,208,211	\$ 83,048	\$ 201,465	\$ 31,929	\$ 1,524,653
Due to other funds	-	-	-	1,000	1,000
Deferred Revenues	263,566	123,001	378,689	-	765,256
Unearned Revenue	77,158	1,127,311	-	242,089	1,446,558
Total liabilities	1,548,935	1,333,360	580,154	275,018	3,737,467
FUND BALANCES					
Nonspendable	-	-	-	95,162	95,162
Restricted	-	-	5,706,758	349,872	6,056,630
Committed	51,000	1,575,245	437,976	704,801	2,769,022
Assigned	15,434	-	1,659,841	-	1,675,275
Unassigned	6,539,226	-	(152,785)	(719)	6,385,722
Total fund balances	6,605,660	1,575,245	7,651,790	1,149,116	16,981,811
Total liabilities and fund balances	\$ 8,154,595	\$ 2,908,605	\$ 8,231,944	\$ 1,424,134	

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.	117,755,910
Deferred revenues are not available and therefore not recognized in the funds.	765,256
Net pension asset	3,370
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	(34,956,800)
Internal Service funds are used by management to charge the costs of risk management to individual funds are included in governmental activities in the statement of net position	132,690
Accrued interest payable not recorded in the funds.	(100,699)
Net position of governmental activities	\$ 100,581,538

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

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2013

	General	Sewer Usage	Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:					
Property taxes	\$ 38,277,712	\$ -	\$ -	\$ -	\$ 38,277,712
Intergovernmental	7,538,023	-	235,747	1,749,839	9,523,609
Charges for services	1,168,069	1,450,682	119,881	522,903	3,261,535
Income on investments	25,507	2,692	8,958	1,178	38,335
Other	401,031	60	14,219	75,432	490,742
Total revenues	47,410,342	1,453,434	378,805	2,349,352	51,591,933
Expenditures:					
Current:					
General government	5,187,874	-	-	-	5,187,874
Public safety	3,148,426	-	-	171,043	3,319,469
Public works	3,831,414	1,347,861	119,085	5,000	5,303,360
Culture and recreation	897,071	-	-	43,994	941,065
Human services	534,071	-	-	31,656	565,727
Education	28,339,843	-	-	1,988,186	30,328,029
Debt service	3,669,334	-	954,187	-	4,623,521
Capital outlay	-	-	2,431,475	-	2,431,475
Total expenditures	45,608,033	1,347,861	3,504,747	2,239,879	52,700,520
Revenues over (under) expenditures	1,802,309	105,573	(3,125,942)	109,473	(1,108,587)
Other Financing Sources (Uses)					
Transfers in	152,364	-	341,000	71,024	564,388
Transfers out	(382,024)	(30,000)	-	(152,364)	(564,388)
Issuance of bonds	-	-	4,385,000	-	4,385,000
Issuance of refunding bonds	9,690,000	-	-	-	9,690,000
Payment to escrow agent	(10,891,758)	-	-	-	(10,891,758)
Bond Premium	1,316,048	-	617,101	-	1,933,149
Total other financing sources (uses)	(115,370)	(30,000)	5,343,101	(81,340)	5,116,391
Change in fund balances	1,686,939	75,573	2,217,159	28,133	4,007,804
Fund Balances, beginning of year	4,918,721	1,499,672	5,434,631	1,120,983	12,974,007
Fund Balances, end of year	\$ 6,605,660	\$ 1,575,245	\$ 7,651,790	\$ 1,149,116	\$ 16,981,811

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

**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, 2013**

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

Net change in fund balances - total governmental funds	<u>\$ 4,007,804</u>
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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	2,204,539
Depreciation expense	<u>(4,028,278)</u>
Total	<u>(1,823,739)</u>

Changes in receivables that impact revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. The change in these receivables are as follows:

Property taxes receivable	(43,778)
Special assessments and collections	(4,624)
Intergovernmental receivable	(24,372)
Sewer assessment and usage charges	3,705
Net pension asset	<u>(851)</u>
Total	<u>(69,920)</u>

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 position. 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:

Capital lease payments	889,864
Issuance of general obligation bonds	(14,075,000)
Principal repayments:	
Bonds refunded	10,645,000
Bond principal payments	2,570,000
Amortization of bond premiums	(1,873,236)
Amortization of deferred charge on refunding	<u>192,769</u>
	<u>(1,650,603)</u>

Net income of certain activities of internal service funds is reported with governmental activities	<u>(15,197)</u>
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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. The change in these expenses are as follows:

Other post-employment benefits	(346,680)
Compensated absences	19,507
Accrued interest	<u>(6,343)</u>
	<u>(333,516)</u>

Change in net position of governmental activities	<u><u>\$ 114,829</u></u>
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The notes to the financial statements are an integral part of this statement

STATEMENT OF NET POSITION - PROPRIETARY FUNDS

June 30, 2013

	Governmental Activities
	Internal
	Service
	Fund
	<hr/>
ASSETS	
Cash and cash equivalents	\$ 145,827
	<hr/>
LIABILITIES	
Claims payable	13,137
	<hr/>
NET POSITION	
Unrestricted	\$ 132,690
	<hr/> <hr/>

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

**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION -
PROPRIETARY FUNDS**
For the Year Ended June 30, 2013

	Governmental Activities Internal Service Fund
Operating Revenues	
Charges for services	\$ 340,008
Total operating revenues	<u>340,008</u>
Operating Expenses	
Benefits provided	355,205
Total operating expenses	<u>355,205</u>
Net loss	(15,197)
NET POSITION, beginning	<u>147,887</u>
NET POSITION, ending	<u><u>\$ 132,690</u></u>

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

STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS
For the Year Ended June 30, 2013

	Governmental Activities Internal Service Fund
Cash Flows From Operating Activities	
Receipts from customers and users	\$ 340,008
Payments to suppliers	(358,084)
Net cash used in operating activities	<u>(18,076)</u>
Decrease in cash and cash equivalents	(18,076)
Cash and cash equivalents, beginning	<u>163,903</u>
Cash and cash equivalents, ending	<u><u>\$ 145,827</u></u>
Reconciliation of Operating Loss to Net Cash Used in Operating Activities	
Operating loss	\$ (15,197)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Changes in assets and liabilities:	
Decrease in accounts payable	<u>(2,879)</u>
Net cash used in operating activities	<u><u>\$ (18,076)</u></u>

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

STATEMENT OF FIDUCIARY NET POSITION - FIDUCIARY FUNDS
FIDUCIARY FUNDS
June 30, 2013

	Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 1,899,441	\$ 565,269
Investments:		
Asset and mortgage backed securities	329,858	-
Corporate bonds	1,225,013	-
Government bonds	3,394,032	-
Foreign bonds	85,205	-
Mutual Funds	96,187	-
Common stock	10,523,705	-
Due from other funds	-	1,000
Total investments	15,654,000	1,000
Total assets	17,553,441	566,269
LIABILITIES		
Due to student groups and agencies	-	566,269
Net Position Held in Trust for Pension Benefits	\$ 17,553,441	\$ -

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

**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION -
PENSION TRUST FUND**
For the Year Ended June 30, 2013

	<u>Trust Funds</u>
Additions	
Contributions:	
Employer	\$ 827,759
Plan members	<u>205,270</u>
Total contributions	<u>1,033,029</u>
Investment Gain	
Net appreciation in fair value of investments	1,865,744
Interest and dividends	<u>33,910</u>
	1,899,654
Less investment expense	<u>(188,804)</u>
Net investment gain	<u>1,710,850</u>
	<u>2,743,879</u>
Deductions	
Benefits	675,040
Administrative expenses	<u>1,337</u>
Total deductions	<u>676,377</u>
Change in net position	2,067,502
Net Position Held in Trust for Pension Benefits , beginning of year	<u>15,485,939</u>
Net Position Held in Trust for Pension Benefits , end of year	<u><u>\$ 17,553,441</u></u>

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

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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.

The Town adopted GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, in the current year. The adoption of this Statement changed the presentation of certain basic financial statements to a statement of net position format.

The Town also adopted GASB Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASB 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that are included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements: Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. GASB 62 does not have any impact on the Town's financial statements.

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 position 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 consolidation. 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 services.

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2013

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

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

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 and report all financial 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 and report the proceeds of specific revenue sources that are restricted or committed for expenditure for specific activities other than debt service or capital projects.

Capital Project Funds account for and report all financial resources that are restricted, committed or assigned to expenditure for capital outlay.

Permanent Funds are used to account for and 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/or other governments. Fiduciary funds are not included in the government-wide statements. The fiduciary funds are as follows:

Trust Funds accounts for the Town of Cromwell Retirement System and its OPEB plan.

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.

Proprietary Fund

Proprietary funds are used to account for activities that are similar to those found in the private sector. These funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. The following is the Town's proprietary fund:

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2013

Internal Service Fund – is used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the Town on a cost-reimbursement basis.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and 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 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 when levied for, intergovernmental revenues, when eligibility requirements are met, charges for services, licenses and interest associated with the current fiscal period are all considered to be measurable and so have been recognized as revenues of the current fiscal period, if available. All other revenue items are considered to be measurable and available only when cash is received.

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 and reports the revenues restricted and committed to expenditures for the operations and maintenance of the Town's sewer system. Revenue is derived primarily from sewer use charges to residents of the Town.

The *Capital Projects Fund* accounts for and reports financial resources that are restricted, committed or assigned 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 fund types:

Internal Service Fund is used to account for the dental self-insured activities of the Town, and Cromwell Fire and Water District employees.

The *Trust Funds* accounts for the activities of the Town general employees, which accumulates resources for pension and OPEB 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, 2013**

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.

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 2.

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.

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.

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2013

Allowance for Doubtful Accounts

Accounts receivable including property taxes 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 \$812,000 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.

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

<u>Assets</u>	<u>Years</u>
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

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2013

an estimate of the nonvested portion expected to be paid in future periods, is accounted for in the government-wide statement of net position. 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 position. 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.

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 an assigned fund balance as they do not constitute either expenditures or liabilities.

All other General Fund appropriations lapse at year-end.

Pension Accounting

Pension Trust Funds:

Employee contributions are recognized in the period in which the contributions are due. Employer contributions to the plan are recognized when due and the Town has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Governmental Funds/Governmental Activities:

In governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources. In governmental activities, expense is recognized based on actuarially required contributions. The net pension obligation (asset), the cumulative difference between annual pension cost and the Town's contributions to the plans since 1986, is calculated on an actuarial basis consistent with the requirements of Government Accounting Standards Board Statement No. 27. The pension obligation (asset) is recorded as a noncurrent liability (asset) in the government-wide financial statements. The General Fund typically is used to pay these obligations.

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.

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2013

Other Post Employment Obligations (OPEB) accounting

Employer contributions are recognized in the period in which the contributions are due, and the Town provides the contributions.

Governmental Funds/Governmental Activities:

In governmental funds, expenditures are recognized when they are paid or are expected to be paid with current available resources. In governmental activities, expense is recognized based on actuarially required contributions. The net OPEB obligation, the cumulative difference between annual OPEB cost and the Town's contributions to the plan since July 1, 2008, is calculated on an actuarial basis consistent with the requirements of Government Accounting Standards Board Statement No. 45. The OPEB obligation (OPEB) is recorded as a noncurrent liability in the government-wide financial statements.

Funding Policy:

The Town makes annual contributions based on management's decisions. The General Fund is typically used to pay these obligations.

Net Position

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

Net Investment in Capital Assets - This category groups all capital assets, including infrastructure, into one component of net position. 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 Position – These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.

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

Fund Balance

In the fund financial statements, the Town reported the following governmental fund balances:

- **Nonspendable Fund Balance** – These amounts cannot be spent either because they are not in spendable form, or because they are legally or contractually required to be maintained intact.
- **Restricted Fund Balance** – These amounts are restricted to specific purposes when constraints placed on the use of resources are either (a) externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislations.
- **Committed Fund Balance** – This represents amounts constrained, prior to year-end, for a specific purpose by a government using its highest level of decision-making authority (Board of Finance) in the form of a resolution/ordinance. Once adopted, the limitation imposed by the resolution/ordinance remain in place until similar action is taken to remove or revise the limitation..

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2013

- Assigned Fund Balance – Amounts constrained for the intent to be used for a specific purpose by a governing board or a body or official that has been delegated authority to assign amounts. Under the Town's adopted policy, the Finance Director has the authority to assign amounts for a specific purpose.
- Unassigned Fund Balance – The residual amount not allocated to any other fund balance category in the General Fund and any residual deficit balance of any other governmental funds.

When both restricted and unrestricted amounts are available for use, it is the Town's practice to use restricted resources first. Additionally, the Town would first use committed, then assigned, and lastly unassigned.

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, six (6); Berlin appoints three members (3) and Cromwell appoints three members (3). 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. Cash, Cash Equivalents and Investments

Deposits: The Town's deposit policy and custodial credit risk policy 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's custodial credit risk policy for investments is 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 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.

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2013

Interest rate risk: The Town and the Pension Plan have a policy that limits investment maturities as a means of managing their exposure to fair value losses arising from increasing interest rates. The Town and the Pension Plan 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 have a policy that limits the amounts investment in any one issuer. The Town maintains 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, 2013, approximately \$18,528,000 of the Town's bank balance of approximately \$22,166,000 was uninsured and uncollateralized.

Investments: Custodial credit risk for an investment is the risk that, in the event of the failure of the counterparty (the institution that pledges collateral or repurchase agreement securities to the Town or that sells investments to or buys them for the Town), the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a policy for custodial credit risk.

Cash, cash equivalents and investments of the Town consist of the following at June 30, 2013:

Cash and Cash Equivalents

Deposits with financial institutions	\$ 21,036,042
State of Connecticut Short-Term Investment Fund	711,650
Total cash and cash equivalents	21,747,692

Investments

Pension Trust Funds:	
Asset and mortgage backed securities	329,858
Corporate bonds	1,191,103
Government bonds	3,296,034
Foreign bonds	183,203
Mutual Funds	96,187
Common stock	10,557,615
Total pension investments	15,654,000
Total cash, cash equivalents and investments	\$ 37,401,692

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2013

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

Statement of Net Position

Cash and cash equivalents	\$ 13,776,712
Restricted cash	5,506,270
	<u>19,282,982</u>

Fiduciary Funds

Cash and cash equivalents	2,464,710
Investments	15,654,000
	<u>18,118,710</u>

Total cash, cash equivalents and investments	\$ 37,401,692
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Interest rate risk: This is the risk that changes in market interest rates will adversely affect the fair value of an investment. The interest rate applies primarily to the Town's Pension Trust Fund. 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:

	Fair Value	Investment Maturities (in Years)			
		Less than 1 year	1-5 Years	5-10 Years	Over 10 Years
Asset and mortgage backed	\$ 329,858	\$ -	\$ -	\$ 250,497	\$ 79,361
Corporate bonds	1,191,103	161,017	343,725	631,313	55,048
Government bonds	3,296,034	1,356,002	1,273,945	216,232	449,855
Foreign bonds	183,203	-	159,202	24,001	-
Pooled fixed income	711,650	711,650	-	-	-
Totals	\$ 5,711,848	\$ 2,228,669	\$ 1,776,872	\$ 1,122,043	\$ 584,264

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.

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2013

	Asset and Mortgage Backed	Corporate Bonds	Government Bonds	Foreign Bonds	Pooled Fixed Income
AAA	\$ -	\$ -	\$ -	\$ -	\$ -
AAA _m	-	-	-	-	711,650
AA ⁺	-	37,065	388,725	82,882	-
AA	-	82,538	9,700	-	-
AA ⁻	79,361	72,652	28,963	-	-
A ⁺	-	146,335	9,681	-	-
A	-	363,110	9,716	-	-
A ⁻	-	118,099	14,425	-	-
BBB	-	28,480	-	-	-
BBB ⁻	-	-	-	-	-
B	-	18,788	-	-	-
B ⁻	-	14,987	-	-	-
B ⁺	-	34,098	-	-	-
BB	-	77,221	-	-	-
BB ⁻	-	116,676	-	-	-
BB ⁺	-	66,129	-	-	-
Unrated	250,497	14,925	2,834,824	100,321	-
	<u>\$ 329,858</u>	<u>\$ 1,191,103</u>	<u>\$ 3,296,034</u>	<u>\$ 183,203</u>	<u>\$ 711,650</u>

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2013

Note 3. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 8,189,549	\$ -	\$ -	\$ 8,189,549
Construction in progress	9,398,527	1,872,314	8,859,211	2,411,630
Total capital assets, not being depreciated	17,588,076	1,872,314	8,859,211	10,601,179
Capital assets, being depreciated:				
Buildings and improvements	68,545,882	7,044,183	-	75,590,065
Improvements other than buildings	1,726,657	-	-	1,726,657
Furniture and equipment	7,933,748	727,563	68,778	8,592,533
Infrastructure	95,755,636	1,419,690	-	97,175,326
Total capital assets being depreciated	173,961,923	9,191,436	68,778	183,084,581
Less accumulated depreciation for:				
Buildings	18,523,142	1,699,386	-	20,222,528
Improvements other than buildings	760,892	24,974	-	785,866
Furniture and equipment	6,413,926	365,390	68,778	6,710,538
Infrastructure	46,272,390	1,938,528	-	48,210,918
Total accumulated depreciation	71,970,350	4,028,278	68,778	75,929,850
Total capital assets, being depreciated, net	101,991,573	5,163,158	-	107,154,731
Governmental activities capital assets, net	\$ 119,579,649	\$ 7,035,472	\$ 8,859,211	\$ 117,755,910

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

Governmental Activities:	
General government	\$ 129,588
Public safety	128,705
Public works	2,172,268
Culture and recreation	67,844
Human services	45,175
Education	1,484,698
Total depreciation expense – governmental activities	\$ 4,028,278

TOWN OF CROMWELL, CONNECTICUT**NOTES TO FINANCIAL STATEMENTS, Continued**
June 30, 2013Construction Commitments

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

Project	Expenditures and Encumbrances To Date	Remaining Balance
Road Improvement	\$ 5,048,320	\$ 7,680
2010 Roads/infrastructure	3,026,498	19,502
School Roof/Asbestos	7,105,706	61,294
STEAP Industrial Park	740,497	204,503
STEAP Historical (Riverfront)	65,217	134,783
Police Communication System	747,627	102,373
School Improvements	6,591	774,409
Town Infrastructure	370,082	1,693,918
Total	\$ 17,110,538	\$ 2,998,462

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

Note 4. Interfund Receivables, Payables and Transfers

As of June 30, 2013, interfund balances that resulted from various interfund transactions were as follows:

	Due From Other Funds	Due To Other Funds
Nonmajor Governmental Funds	\$ 1,000	\$ -
Fiduciary Funds	-	1,000
	\$ 1,000	\$ 1,000

The balances above resulted from the time lag between the dates that payments occur between funds for various activities.

Interfund transfers during the year ended June 30, 2013 were as follows:

	Transfers From Other Funds	Transfers To Other Funds
General Fund	\$ 152,364	\$ 382,024
Sewer Usage	-	30,000
Capital Projects	341,000	-
Non-Major Governmental Funds	71,024	152,364
Total	\$ 564,388	\$ 564,388

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2013

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 transfers from the Capital Projects Fund to return unspent funds from completed projects.

Note 5. 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:

	Unavailable Revenues	Unearned Revenues
General Fund		
Property taxes	\$ 263,565	\$ -
Other	-	77,158
Sewer Usage		
Sewer usage	123,001	1,127,311
Capital Projects		
Special assessments and collections	345,770	-
Grants	32,920	-
Nonmajor Governmental Fund		
Grant drawdowns prior to meeting all eligibility requirements	-	242,089
Total	<u>\$ 765,256</u>	<u>\$ 1,446,558</u>

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2013

Note 6. Long-Term Debt

Long-term liability activity for the year ended June 30, 2013, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
Bonds payable:					
General obligation bonds	\$ 27,625,000	\$ 14,075,000	\$ (13,215,000)	\$ 28,485,000	\$ 2,265,000
Unamortized premium on bonds	450,914	1,933,149	(59,913)	2,324,150	
Less deferred amounts on refunding	(161,338)	(246,758)	53,989	(354,107)	
	<u>27,914,576</u>	<u>15,761,391</u>	<u>(13,220,924)</u>	<u>30,455,043</u>	<u>2,265,000</u>
Other long-term liabilities:					
OPEB obligations	3,120,472	346,680	-	3,467,152	-
Capital lease	889,864	-	(889,864)	-	-
Compensated absences	<u>1,054,112</u>	<u>178,389</u>	<u>(197,896)</u>	<u>1,034,605</u>	<u>568,985</u>
Total governmental activities, long-term liabilities	<u>\$ 32,979,024</u>	<u>\$ 16,286,460</u>	<u>\$ (14,308,684)</u>	<u>\$ 34,956,800</u>	<u>\$ 2,833,985</u>

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2013

A schedule of long-term debt as of June 30, 2013 is presented as follows:

Description	Principal Amount Payable
Bonds:	
\$7,700,000 of Refunding bonds issued March 15, 2004, maturing June 30, 2021, at interest rates ranging from 1.5 to 4.05%	\$ 4,260,000
\$914,000 of School bonds issued June 1, 2008, maturing June 1, 2023, at interest rates ranging from 3.5 to 4.13%	603,120
\$5,056,000 of Town Infrastructure bonds issued June 1, 2008, maturing June 1, 2023, at interest rates ranging from 3.5 to 4.13%	3,366,510
\$710,000 of Athletic Facilities bonds issued June 1, 2008, maturing June 1, 2023, at interest rates ranging from 3.5 to 4.13%	470,370
\$3,684,000 of School Improvements bonds issued June 8, 2010, maturing June 1, 2030, at interest rates ranging from 0.5% to 5.0%	3,123,166
\$3,046,000 of Town Infrastructure bonds issued June 8, 2010, maturing June 1, 2030, at interest rates ranging from 2.75% to 5.0%	2,586,834
\$598,000 of School Improvements bonds issued April 18, 2013 maturing June 15, 2013 at interest rates ranging from 0.52% to 2.15%.	598,000
\$3,787,000 of Town Improvements and Equipment bonds issued April 18, 2013, maturing June 15, 2013 at an interest rates ranging from 0.52% to 2.15%.	3,787,000
\$9,690,000 of Refunding bonds issued April 18, 2013, maturing April 15, 2023 at interest rates ranging from 0.37% to 2.15%	9,690,000
	<u>\$ 28,485,000</u>

Year Ending June 30,	Principal	Interest	Total
2014	\$ 2,165,000	\$ 1,101,877	\$ 3,266,877
2015	2,700,000	1,024,114	3,724,114
2016	2,810,000	922,951	3,732,951
2017	2,800,000	816,841	3,616,841
2018	2,785,000	713,081	3,498,081
2019-2023	12,880,000	1,944,074	14,824,074
2024-2028	1,675,000	327,965	2,002,965
2029-2030	670,000	40,200	710,200
	<u>\$ 28,485,000</u>	<u>\$ 6,891,103</u>	<u>\$ 35,376,103</u>

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued **June 30, 2013**

2013 General Obligation Refunding Bond- In-Substance Defeasance

On April 18, 2013, the Town issued \$9,690,000 of general obligation refunding bonds with an average interest rate of 4%, of which the proceeds were used to advance refund the outstanding principal amounts of the general obligation bond of the Town dated 2003 (the "Refunding Bonds"). Net proceeds of \$10,891,757 (after payment of expenses of \$114,290), was placed in an irrevocable trust under an Escrow Agreement dated April 2013 between the Town and the Escrow Holder. The Escrow Holder used the proceeds to purchase a portfolio of primarily non-callable direct obligations of the United States of America ("Government Obligations"). The Government Obligations will have maturities and interest rates sufficient to pay principal and interest payments and redemption premiums on the Refunding Bonds on the date the payments are due.

The Town advance refunded the above bonds to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,640,026, and a cash savings of \$1,746,130 between the old debt payments and the new debt payments.

There was no balance in the escrow at June 30, 2013. The balance of the defeased bonds was approximately \$10,645,000 at June 30, 2013. As a result, the refunded bonds are considered defeased and the liability has been removed from the basic financial statements.

Prior Year Defeasance

On March 15, 2004, the Town issued \$7,700,000 in general obligation bonds to advance refund \$7,130,000 of outstanding 1991, 1996, 1999 and 2001 bonds. 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, 2013 is \$4,160,000.

Debt Service

All debt service expenditures were funded by the General Fund except for \$54,735 which were recorded as expenditures in the Capital Projects Fund.

Overlapping Debt

As explained in Note 1, the Cromwell Fire District (including the Water Division) and the Mattabassett District have been empowered by the State of Connecticut to issue bonds in their own name. The Fire and Mattabasset Districts had overlapping debt in the amount of \$7,040,000 and \$2,491,549 as of June 30, 2013, respectively.

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2013

Debt Limitation

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	\$ 92,108,304	\$ 19,499,412	\$ 72,608,892
Schools	184,216,608	18,445,399	165,771,209
Sewers	153,513,840	2,541,549	150,972,291
Urban renewal	133,045,328	-	133,045,328
Pension deficit	122,811,072	-	122,811,072
	<u>\$ 685,695,152</u>	<u>\$ 40,486,360</u>	<u>\$ 645,208,792</u>

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation or \$286,559,168.

Authorized But Unissued

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
School Roof Replacement/Asbestos Project	7,167,000	3,684,000	2,255,189	1,227,811
Public Safety Improvements	1,085,000	910,000	-	175,000
Town Infrastructure & Facility Improvements	2,916,000	2,518,000	-	398,000
Public Works Equipment Acquisition	475,000	359,000	-	116,000
School Improvements	781,000	598,000	-	183,000
	<u>\$ 18,560,000</u>	<u>\$ 13,835,000</u>	<u>\$ 2,255,189</u>	<u>\$ 2,469,811</u>

Capital Lease

At June 30, 2013, the capital lease entered into on January 16, 2009 was cancelled with full payment of the obligation. This balance due, \$851,029, was included as part of the general obligation bond, Series 2013A.

Compensated absences

Included in the Long-Term Obligations in the government-wide statement of net position is the estimated obligation for employee compensated absences in the amount of \$1,034,605 as of June 30, 2013. The general fund has typically been used to liquidate the liability for compensated absences.

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2013

Note 7. 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 except dental. 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 Risk 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.

The Town established a self insurance fund in 2011, the Dental Insurance Fund (Internal Service Fund). The Dental Insurance Fund is used to account for dental insurance coverage of Town and Cromwell Fire and Water District employees. Anthem, a fully qualified, third party administrator, is the current administrator of the program and calculates the liability at year-end. As employee claims are processed and certified for payment by the third party administrator, payment is made out of the Dental Insurance Fund. The Town examines the coverage on a yearly basis to determine adequate coverage and minimize risk. A schedule of changes in the claims liability for the year ended June 30, 2013 is presented below:

Fiscal Year Ended	Claims Payable July 1	Current Year Claims and Changes in Estimates	Claims Paid	Claims Payable June 30
June 30, 2013	\$ 16,016	\$ 320,725	\$ (323,604)	\$ 13,137
June 30, 2012	14,165	314,464	(312,613)	16,016

Note 8. Employee Retirement Systems and Pension Plans

Plan Description

The Town of Cromwell is the administrator of a single-employer public employee retirement system (PERS) established and administered by the town to provide benefits that covers the employees of the Town, except full-time policemen (covered by the State of Connecticut Municipal Employees Retirement Fund) and certified teachers (covered by the State of Connecticut Teachers' Retirement System). The PERS 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 PERS 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. The Town's General Fund contributes an amount as recommended by their Actuary to fund the net pension obligations.

The Town provides all employees retirement benefits through a single-employer, contributory, defined benefit plan. Under the plan, all full-time employees are eligible except for police officers and teachers.

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2013

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 participation in the plan, 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. Benefits and contributions are established by the Town, via negotiated contracts, and may be amended only by the approval of the Board of Selectmen, and as agreed upon with the appropriate bargaining unit.

The membership of the plan consisted of the following at July 1, 2012 the date of the latest actuarial valuation:

Retirees and beneficiaries currently receiving benefits	60
Terminated Plan members entitled to benefits but not yet receiving them	14
Terminated Plan members entitled to a refund but have elected to defer receipt	23
Current Plan members	<u>173</u>
Total	<u><u>270</u></u>

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

Basis of Accounting: PERS 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 Wells Fargo Securities and are reported at fair value.

Funding Policy

Each participant is required to contribute 2.5% of their salary to the PERS. 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 by ordinance approved by the Town Meeting. Administrative costs are financed through General Fund appropriations.

TOWN OF CROMWELL, CONNECTICUT**NOTES TO FINANCIAL STATEMENTS, Continued**
June 30, 2013

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, 2013 were as follows:

Annual required contribution	\$ 732,759
Adjustment to annual required contribution	1,189
Interest on net pension asset	<u>(338)</u>
Annual pension cost	733,610
Contributions made	<u>732,759</u>
Decrease in net pension asset	851
Net pension asset, July 1, 2012	<u>(4,221)</u>
Net pension asset, June 30, 2013	<u><u>\$ (3,370)</u></u>

Trend Information

Fiscal Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Asset
6/30/11	\$ 684,779	99.9%	\$ (4,432)
6/30/12	711,802	100.0%	(4,221)
6/30/13	733,610	99.9%	(3,370)

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

Valuation Date	7/01/12
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	7.5%
Projected Salary Increases	5.0%
Inflation Rate	3.5%

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2013

<i>Schedule of Funding Progress</i>						
Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
7/1/12	\$ 17,455,804	\$ 17,485,193	\$ 29,389	99.8%	\$ 8,546,748	0.3%

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.

TRUST FUNDS
SCHEDULE OF PLAN NET POSITION
June 30, 2013

	Pension Trust	OPEB Trust Fund	Total
ASSETS			
Cash and cash equivalents	\$ 1,899,441	\$ -	\$ 1,899,441
Investments:			
Asset and mortgage backed securities	329,858	-	329,858
Corporate bonds	1,225,013	-	1,225,013
Government bonds	3,394,032	-	3,394,032
Foreign bonds	85,205	-	85,205
Mutual Funds	-	96,187	96,187
Common stock	10,523,705	-	10,523,705
Total investments	15,557,813	96,187	15,654,000
Total assets	17,457,254	96,187	17,553,441
LIABILITIES			
Accounts Payable	-	-	-
Plan Net Position Held in Trust	\$ 17,457,254	\$ 96,187	\$ 17,553,441

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2013

TRUST FUNDS
SCHEDULE OF CHANGES IN PLAN NET POSITION
June 30, 2013

	Pension Trust	OPEB Trust Fund	Total
Additions			
Contributions:			
Employer	\$ 732,759	\$ 95,000	\$ 827,759
Plan members	205,270	-	205,270
Total contributions	<u>938,029</u>	<u>95,000</u>	<u>1,033,029</u>
Investment Gain			
Net appreciation in fair value of investments	1,864,557	1,187	1,865,744
Interest and dividends	33,910	-	33,910
	<u>1,898,467</u>	<u>1,187</u>	<u>1,899,654</u>
Less investment expense	(188,804)	-	(188,804)
Net investment gain	<u>1,709,663</u>	<u>1,187</u>	<u>1,710,850</u>
	<u>2,647,692</u>	<u>96,187</u>	<u>2,743,879</u>
Deductions			
Benefits	675,040	-	675,040
Administrative expenses	1,337	-	1,337
Total deductions	<u>676,377</u>	<u>-</u>	<u>676,377</u>
Change in plan net position	1,971,315	96,187	2,067,502
Plan Net Position Held in Trust, beginning of year	<u>15,485,939</u>	<u>-</u>	<u>15,485,939</u>
Plan Net Position Held in Trust, end of year	<u>\$ 17,457,254</u>	<u>\$ 96,187</u>	<u>\$ 17,553,441</u>

Municipal Employees' Retirement Fund

Full time policemen participate in the Municipal Employees' Retirement Fund (MERF), a cost-sharing multiple-employer public employee retirement system 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 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 16.65% covered payroll. The Town's contribution to MERF for the years ended June 30, 2013, 2012 and 2011 were \$376,967, \$372,396 and \$305,968, respectively, equal to the required contributions for each year.

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2013

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 \$2,674,000 for the year ended June 30, 2013.

Note 9. 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 post-employment healthcare benefits, like the cost of pension benefits, generally should be associated with the periods in which the cost occurs, rather than in the future year when it will be paid. In adopting the requirements of GASB Statement No. 45 during the year ended June 30, 2009, the Town recognizes the cost of 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, 2011. 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.

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2013

Membership in the plan consisted of the following at July 1, 2011, the date of the last actuarial valuation.

Retirees and beneficiaries receiving benefits	55
Active plan members	390
Total	<u><u>445</u></u>

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 Town's contributions represent payments made for premiums for insured individuals on a pay-as-you-go method.

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
6/30/11	\$ 842,994	\$ 252,465	30%	\$ 2,567,892
6/30/12	851,110	298,530	35%	3,120,472
6/30/13	751,880	405,200	54%	3,467,152

OPEB Obligation

Annual required contribution (ARC)	\$ 794,800
Interest on net pension obligation	140,421
Adjustment to ARC	<u>183,341</u>
Annual OPEB cost	751,880
Contributions made	<u>405,200</u>
Increase in net OPEB liability	346,680
Net OPEB obligation, beginning of year	<u>3,120,472</u>
Net OPEB obligation, end of year	<u><u>\$ 3,467,152</u></u>

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2013

Schedule of Funding Progress - OPEB							
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded AAL	Funded Ratio	Covered Payroll (Total)	Percentage of Payroll Covered	
7/1/2011	\$ -	\$ 8,143,800	\$ 8,143,800	0.00%	\$ 20,594,000	40%	

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.

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, 2011
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
2011	10%
2012	9%
2013	8%
2014	7%
2015	6%
2016 and beyond	5%

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued
June 30, 2013

Note 10. 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.

The government participates in various federal grant programs, which are subject to program compliance audits pursuant to the Single Audit Act as amended. Accordingly, the government's compliance with applicable grant requirements will be established at a future date. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the government anticipates such amounts, if any, will be immaterial.

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2013

Note 11. Fund Balance

The Town follows GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which established accounting and financial reporting standards for governmental funds.

Below is a table of fund balance categories and classifications at June 30, 2013 for the Town governmental funds:

	General Fund	Sewer Usage	Capital Projects	Nonmajor Governmental Funds
Fund balances:				
Nonspendable:				
Inventory/Prepaid	\$ -	\$ -	\$ -	\$ 38,893
Permanent Fund Principal	-	-	-	56,269
Total nonspendable	-	-	-	95,162
Restricted:				
Social Services	-	-	-	46,781
Parks and Recreation	-	-	173,224	58,583
Education	-	-	676,108	54,511
Economic Development	-	-	912,523	2,233
Public works	-	-	3,680,942	14,254
Public Health	-	-	-	4,226
Library	-	-	-	52,906
Public Safety	-	-	263,961	39,504
Other capital projects	-	-	-	76,788
Other purposes	-	-	-	82
Capital Outlay	-	-	-	-
Total restricted	-	-	5,706,758	349,868
Committed:				
Capital Outlay	-	-	182,848	-
Public Safety	-	-	184,242	234,303
Social Services	-	-	-	-
Education	-	-	-	-
Economic Stabilization	-	-	9,600	-
Parks and Recreation	-	-	10,000	1,479
Planning and Zoning	-	-	-	441,734
Public Works	-	1,575,245	51,286	27,285
Total committed	-	1,575,245	437,976	704,801
Assigned:				
Human Service	-	-	7,999	-
General Government	8,256	-	-	-
Capital Outlay	-	-	122,696	-
Public Safety	3,496	-	101,367	-
Education	-	-	-	-
Public works*	3,682	-	1,427,779	-
Total assigned	15,434	-	1,659,841	-
Unassigned:	6,590,226	-	(152,785)	(719)
Total fund balance	\$ 6,605,660	\$ 1,575,245	\$ 7,651,790	\$ 1,149,112

* Included in the Capital Projects Fund is approximately \$198,000 of encumbrances for infrastructure improvements.

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2013

Note 12. Governmental Accounting Standards Board (GASB) Statements

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates 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:

- **GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities***, was issued March 2012. This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012.
- **GASB Statement No. 66, *Technical Corrections—2012***, was issued in March 2012. *The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.* The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012.

GASB Statement No. 67, *Financial Reporting for Pension Plans an Amendment of GASB Statement No. 25*, was issued in June 2012. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions. This Statement is effective for financial statements for fiscal years beginning after June 15, 2013.

- **GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27***, was issued in June 2012. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. The provisions of this Statement are effective for fiscal years beginning after June 15, 2014.

TOWN OF CROMWELL, CONNECTICUT

NOTES TO FINANCIAL STATEMENTS, Continued June 30, 2013

- **GASB Statement No. 69, *Government Combinations and Disposals of Government Operations***, was issued in January 2013. This Statement provides guidance for:
 - Determining whether a specific government combination is a government merger, a government acquisition, or a transfer of operations.
 - Using carrying values (generally, the amounts recognized in the pre-combination financial statements of the combining governments or operations) to measure the assets, deferred outflows of resources, liabilities, and deferred inflows of resources combined in a government merger or transfer of operations.
 - Measuring acquired assets, deferred outflows of resources, liabilities, and deferred inflows of resources based on their acquisition values in a government acquisition.
 - Reporting the disposal of government operations that have been transferred or sold.

The requirements of this Statement are effective for periods beginning after December 15, 2013, and should be applied on a prospective basis.

- **GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees***. This Statement requires a government that extends a nonexchange financial guarantee to recognize a liability when qualitative factors and historical data, if any, indicate that it is more likely than not that the government will be required to make a payment on the guarantee. This Statement also requires a government that has issued an obligation guaranteed in a nonexchange transaction to recognize revenue to the extent of the reduction in its guaranteed liabilities. This Statement also requires a government that is required to repay a guarantor for making a payment on a guaranteed obligation or legally assuming the guaranteed obligation to continue to recognize a liability until legally released as an obligor. The provisions of this Statement are effective for reporting periods beginning after June 15, 2013.

**Required Supplementary
Information**

REQUIRED SUPPLEMENTARY INFORMATION – PENSION AND OPEB TRUST - unaudited
June 30, 2013
Schedule of Funding Progress - Pension

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a % of Covered Payroll ((b-a)/c)
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%
7/1/10	14,992,627	15,223,846	231,219	98.5%	8,558,671	2.7%
7/1/11	16,268,602	16,316,313	47,711	99.7%	8,952,815	0.5%
7/1/12	17,455,804	17,485,193	29,389	99.8%	8,546,748	0.3%

Schedule of Employer Contributions-Pension

Fiscal Year Ended	Annual Required Contribution	Percentage Contributed
6/30/08	508,573	100%
6/30/09	535,942	100%
6/30/10	561,057	100%
6/30/11	684,425	100%
6/30/12	711,591	100%
6/30/13	732,759	100%

Schedule of Funding Progress - OPEB

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded AAL	Funded Ratio	Covered Payroll (Total)	UAAL as a Percentage of Payroll Covered
7/1/2007	\$ -	\$ 9,692,991	\$ 9,692,991	0.00%	\$ 20,192,000	48%
7/1/2009	-	8,478,602	8,478,602	0.00%	20,257,000	42%
7/1/2011	-	8,143,800	8,143,800	0.00%	20,594,000	40%

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%
6/30/11	870,192	29.00%
6/30/12	886,430	34.00%
6/30/13	794,800	51.00%

REQUIRED SUPPLEMENTARY INFORMATION - unaudited

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGETARY BASIS - BUDGET AND ACTUAL -
GENERAL FUND

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary	Final Budget
			Basis	Positive
				(Negative)
PROPERTY TAXES				
Current taxes	\$37,381,081	\$37,381,081	\$37,601,576	\$ 220,495
Prior year's levies	175,000	\$175,000	212,367	37,367
Interest and liens	95,000	\$95,000	158,479	63,479
Motor vehicle supplement - current year	225,000	\$225,000	303,641	78,641
Miscellaneous	600	\$600	1,650	1,050
Total property taxes	37,876,681	37,876,681	38,277,713	401,032
LICENSES AND PERMITS				
Building Department	150,000	150,000	450,772	300,772
Food licenses	14,000	14,000	18,125	4,125
Demolition Permits	-	-	450	450
Gun permits	1,200	1,200	7,280	6,080
Game/peddler permits	300	300	1,045	745
Transfer Station	30,000	30,000	24,610	(5,390)
Health Department	9,300	9,300	4,350	(4,950)
Total licenses and permits	204,800	204,800	506,632	301,832
FINES AND FORFEITURES				
Parking tickets/ACO citations	5,000	5,000	3,503	(1,497)
CHARGES FOR SERVICES				
Conveyance taxes	155,000	155,000	140,907	(14,093)
Recording fees	85,000	85,000	99,323	14,323
Vital statistics	14,130	14,130	16,110	1,980
Police outside services - cruiser use	10,000	10,000	12,900	2,900
Copying	15,500	15,500	16,241	741
Police copying and lab fees	1,000	1,000	1,339	339
Library Department	11,000	11,000	13,044	2,044
Alarm registration and fees	7,000	7,000	11,080	4,080
Youth Service Department	3,550	3,550	2,755	(795)
Senior Services Department	7,000	7,000	2,389	(4,611)
Recreation Department	99,260	99,260	78,932	(20,328)
Communication Tower Income	40,000	40,000	40,000	-
Planning and Zoning	4,900	4,900	5,587	687
Zoning Board of Appeals	900	900	1,224	324
Inland-Wetlands	4,000	4,000	2,554	(1,446)
Total charges for services	458,240	458,240	444,385	(13,855)
Total licenses and permits, fines and forfeitures, and charges for goods and services	668,040	668,040	954,520	286,480

(Continued)

REQUIRED SUPPLEMENTARY INFORMATION - unaudited

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGETARY BASIS - BUDGET AND ACTUAL -

GENERAL FUND, Continued

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary	Final Budget
			Basis	Positive
				(Negative)
INTERGOVERNMENTAL REVENUES				
State of Connecticut:				
Elderly tax relief:				
Circuit Breaker	75,000	75,000	73,492	\$ (1,508)
Tax relief - disability	-	-	808	808
Tax relief - veterans	3,500	3,500	3,766	266
Boat registrations	1,000	1,000	-	(1,000)
State owned property - PILOT	15,582	15,582	15,020	(562)
College and university - PILOT	49,673	49,673	58,350	8,677
Education:				
Adult and Vocational Education	15,419	15,419	13,724	(1,695)
Education Cost Sharing	4,423,837	4,423,837	4,447,519	23,682
School Transportation	55,560	55,560	48,047	(7,513)
Library grants	1,500	1,500	1,215	(285)
New machinery exemption	27,780	27,780	-	(27,780)
Mohegan/Pequot Grant	45,297	45,297	44,594	(703)
Emergency Management	-	-	783	783
Judicial Department	5,000	5,000	10,098	5,098
Property Tax Relief	50,000	50,000	109,156	59,156
Senior/Disabled Grant	15,000	15,000	13,485	(1,515)
Miscellaneous	-	-	10,350	10,350
Municipal Video Grant AT&T	-	-	13,467	13,467
Total intergovernmental revenues	4,784,148	4,784,148	4,863,874	79,726
USE OF MONEY				
Interest on investments	15,000	15,000	25,214	10,214
MISCELLANEOUS REVENUES				
Town Clerk	3,800	3,800	1,736	(2,064)
Use of Facilities	1,200	1,200	2,015	815
Sewer usage	17,000	17,000	17,000	-
Assessor's Office	2,200	2,200	804	(1,396)
Public Works	340	340	430	90
Police	10,000	10,000	6,800	(3,200)
Insurance dividends/returns	25,000	25,000	27,219	2,219
Other miscellaneous revenue - Town	12,000	12,000	248,357	236,357
Board of Education miscellaneous	2,000	2,000	4,368	2,368
Flood/Hurricane	45,150	45,150	45,150	-
Total miscellaneous revenues	118,690	118,690	353,879	235,189
Total revenues	43,462,559	43,462,559	44,475,200	1,012,641

(Continued)

TOWN OF CROMWELL, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION - unaudited

SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGETARY BASIS - BUDGET AND ACTUAL -

GENERAL FUND , Continued

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary	Final Budget
			Basis	Positive
				(Negative)
OTHER FINANCING SOURCES				
Transfers in:				
Capital Projects Fund (ARRA Grant, CHS Renov, School Safety)	-	-	813	813
Town Aid Road Fund	137,813	137,813	138,364	551
Youth Service Grant Fund	14,000	14,000	14,000	-
Outside Services Fund	55,000	55,000	70,163	15,163
Total other financing sources	206,813	206,813	223,340	16,527
Total budgeted revenues and transfers	\$ 43,669,372	\$ 43,669,372	44,698,540	\$ 1,029,168

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

2,674,000

Reclassified to General Fund, as funds were previously reported as Special Revenue
Fund, and no longer meet the definition in accordance with GASB 54

190,166

Total Revenues and Other Financing Sources as Reported on the Statement of Revenues,
Expenditures and Changes in Fund Balances - Governmental Funds - Exhibit IV

\$ 47,562,706

REQUIRED SUPPLEMENTARY INFORMATION - unaudited

SCHEDULE OF EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES - BUDGETARY BASIS -

BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
GENERAL GOVERNMENT				
First Selectman:				
Salaries	\$ 224,380	\$ 233,593	\$ 233,593	\$ -
Departmental expense	6,000	5,999	5,114	885
Miscellaneous expense	2,000	2,000	621	1,379
Part-time wages	16,427	25,208	23,577	1,631
Town Guide & annual Reports	1,500	1,500	-	1,500
Total	250,307	268,300	262,905	5,395
Town Clerk:				
Salaries	160,847	169,157	169,150	7
Part-time wages	9,897	10,278	9,956	322
Overtime wages	350	350	334	16
Departmental expenses	1,050	1,050	796	254
Filing land records	33,400	33,400	28,713	4,687
Vital statistics	250	250	188	62
Total	205,794	214,485	209,137	5,348
Registrar of Voters:				
Salaries	38,646	38,988	35,379	3,609
Departmental expenses	2,100	3,300	2,758	542
Election Day expense	8,883	8,883	7,669	1,214
Part-time wages - workers	5,443	5,443	4,663	780
Poll Workers	7,000	7,000	4,935	2,065
Total	62,072	63,614	55,404	8,210
Planning Commission:				
Part-time wages	1,890	1,890	1,448	442
Departmental expenses	510	510	401	109
Contracted Services	1,600	1,600	-	1,600
Total	4,000	4,000	1,849	2,151
Economic Development:				
Professional services	11,150	11,150	10,428	722
Economic Development Coordinator	30,000	30,000	30,000	-
Departmental expenses	150	150	20	130
Part-time wages	900	900	700	200
Middlesex Expo	1,500	1,500	1,181	319
Total	43,700	43,700	42,329	1,371

(Continued)

REQUIRED SUPPLEMENTARY INFORMATION - unaudited

SCHEDULE OF EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES - BUDGETARY BASIS -

BUDGET AND ACTUAL - GENERAL FUND, Continued

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
Board of Finance:				
Part-time wages	\$ 1,150	\$ 1,137	\$ 1,124	13
Departmental expenses	50	63	63	-
Audit	28,650	28,650	28,650	-
Certificate of Achievement	525	525	505	20
Total	30,375	30,375	30,342	33
Finance Department:				
Salaries	308,528	323,982	322,885	1,097
Part-time Wages	5,476	5,476	2,502	2,974
Contracted Services	14,010	13,510	13,294	216
Bank Account Fees	2,500	2,500	1,406	1,094
Departmental Expenses	4,400	4,900	4,744	156
Total	334,914	350,368	344,831	5,537
Tax Collector:				
Salaries	144,660	149,684	149,110	574
Part-time Wages	4,500	2,400	1,248	1,152
Departmental Expenses	5,115	5,115	4,226	889
Tax Refunds	7,000	7,000	707	6,293
Overtime Wages	700	800	762	38
Contracted Services	13,350	15,350	13,449	1,901
Total	175,325	180,349	169,502	10,847
Assessor's Office:				
Salaries	167,660	173,496	166,750	6,746
Part-time wages	3,066	3,066	1,247	1,819
Overtime wages	1,000	1,500	1,350	150
Contracted services	20,940	21,740	20,413	1,327
Departmental expenses	5,534	5,534	5,451	83
Total	198,200	205,336	195,211	10,125
Treasurer's Office:				
Salaries	100	100	100	-
Departmental expenses	175	175	-	175
Total	275	275	100	175

(Continued)

REQUIRED SUPPLEMENTARY INFORMATION - unaudited

SCHEDULE OF EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES - BUDGETARY BASIS -

BUDGET AND ACTUAL - GENERAL FUND, Continued

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
Developer Planner				
Salaries	\$ 105,343	\$ 106,434	\$ 101,008	5,426
Departmental expenses	1,575	1,575	1,358	217
	106,918	108,009	102,366	5,643
Development Compliance:				
Salaries	87,586	92,403	91,942	461
Departmental expenses	1,100	1,137	1,137	-
Total	88,686	93,540	93,079	461
Charter Revision Committee:				
Part-time wages	1	1	-	1
Departmental expenses	-	-	-	-
Total	1	1	-	1
Capital Expenditures Committee:				
Part-time wages	90	90	78	12
Total	90	90	78	12
Board of Assessment Appeals:				
Departmental expenses	250	250	-	250
Part-time wages	5,450	5,450	970	4,480
Total	5,700	5,700	970	4,730
Zoning Board of Appeals:				
Part-time wages	900	900	575	325
Departmental expenses	220	220	112	108
Total	1,120	1,120	687	433
Inland and Wetlands:				
Part-time wages	1,125	1,125	936	189
Departmental expenses	395	395	220	175
Total	1,520	1,520	1,156	364
Commission to Support People with Disabilities:				
Departmental expenses	525	525	-	525
Total	525	525	-	525

(Continued)

REQUIRED SUPPLEMENTARY INFORMATION - unaudited

SCHEDULE OF EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES - BUDGETARY BASIS -

BUDGET AND ACTUAL - GENERAL FUND, Continued

For the Year Ended June 30, 2012

	Original Budget	Final Budget	Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
Conservation Commission:				
Departmental expenses	\$ 190	\$ 190	\$ 60	130
Part-time wages	900	900	225	675
Total	1,090	1,090	285	805
Central Services:				
Legal notices	11,000	11,000	9,405	1,595
Office expense	2,800	2,800	2,786	14
Equipment maintenance	500	500	-	500
Duplicating cost	20,000	18,300	14,794	3,506
Postage	42,000	42,000	39,301	2,699
Computer system maintenance and support	65,000	66,700	66,172	528
Total	141,300	141,300	132,458	8,842
Insurance expense:				
Contracted services	10,500	10,500	9,981	519
Package policy	152,596	153,404	153,386	18
Worker's Compensation Benefit Payments	16,900	16,900	7,467	9,433
Workmen's Compensation	212,853	208,452	204,322	4,130
Deductible	15,000	17,668	17,405	263
Town Clerk and Tax Collector liability	1,060	1,165	1,165	-
HR related expenses	8,000	8,819	8,551	268
Total	416,909	416,908	402,277	14,631
Board of Selectmen:				
Part-time wages	9,384	9,384	8,834	550
Total	9,384	9,384	8,834	550
Legal expense:				
Town Attorney	100,000	140,978	140,978	-
Probate Court	15,086	15,030	15,030	-
Labor relations	75,000	113,995	113,995	-
Evictions	1,500	341	341	-
Contracted services	25,000	19,434	19,434	-
Total	216,586	289,778	289,778	-

(Continued)

REQUIRED SUPPLEMENTARY INFORMATION - unaudited

SCHEDULE OF EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES - BUDGETARY BASIS -

BUDGET AND ACTUAL - GENERAL FUND, Continued

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
Employee benefits:				
Education enhancement	10,000	10,000	3,000	7,000
Social Security	555,664	555,664	528,272	27,392
Health insurance	1,475,000	1,393,591	1,285,174	108,417
Pension	814,443	814,443	804,309	10,134
Wage adjustment	204,250	22,892	10,203	12,689
Unemployment Compensation	20,000	20,000	5,971	14,029
Life insurance	13,000	13,000	11,867	1,133
Dental plan insurance	65,000	73,000	72,973	27
Employee physicals	1,850	2,029	2,029	-
Sick leave incentive	23,000	5,090	-	5,090
Drug and alcohol testing	2,000	2,000	1,830	170
Shots, vaccines etc.	200	21	-	21
Employee assistance program	2,800	3,017	3,017	-
Long term disability insurance	13,000	13,000	12,272	728
Post Retirement Admin Expense	30,000	30,000	30,000	-
Post Retirement Medical Expense	30,000	30,000	28,410	1,590
Total	3,260,207	2,987,747	2,799,327	188,420
Other expenses:				
Inventory	4,000	3,156	1,062	2,094
Middlesex CT Soil & Water	2,072	2,072	2,072	-
Ordinance expense	2,000	2,000	1,759	241
Midstate Regional Planning	9,265	9,243	9,243	-
Cromwell Riverport Festival	5,000	5,000	5,000	-
Chamber of Commerce	559	564	564	-
Community Renewal Team	2,500	2,500	2,500	-
Contingency	5,000	5,000	-	5,000
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	927	952	952	-
Hazardous Waste Collection	8,000	8,844	8,844	-
Rose Garden	450	450	-	450
CT Council of Municipalities	8,570	8,562	8,486	76
Total	57,768	57,768	49,907	7,861
Total general government	5,612,766	5,475,282	5,192,812	282,470

(Continued)

REQUIRED SUPPLEMENTARY INFORMATION - unaudited

SCHEDULE OF EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES - BUDGETARY BASIS -

BUDGET AND ACTUAL - GENERAL FUND, Continued

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
PUBLIC SAFETY				
Civil preparedness:				
Part-time wages	\$ 9,000	\$ 8,403	\$ 8,102	301
Equipment repair	500	-	-	-
Materials and equipment	500	444	444	-
Capital Items	4,500	4,475	4,475	-
Departmental expenses	2,400	3,578	3,578	-
Total	16,900	16,900	16,599	301
Police Department:				
Salaries	2,238,769	2,285,467	2,285,466	1
Part-time wages	7,000	10,229	10,229	-
Overtime wages	310,000	323,514	322,030	1,484
Holiday pay	21,476	10,239	10,239	-
Departmental expenses	20,000	20,395	20,240	155
Equipment maintenance and replacement	7,000	7,000	6,803	197
Insurance - Vehicle Repair/Replacement	-	-	-	-
Vehicle maintenance	27,000	30,558	30,557	1
Gasoline and fluids	76,500	64,848	64,597	251
Rental of property	-	-	-	-
Uniforms	37,500	44,404	44,187	217
Telephone costs	22,500	21,629	21,628	1
Training	25,000	25,000	24,713	287
Communications	46,000	39,601	39,400	201
Services rendered, towing	4,500	2,142	2,141	1
Investigation	1,000	1,000	792	208
Total	2,844,245	2,886,026	2,883,022	3,004
Animal Control:				
Salary	59,384	59,384	59,384	-
Part-time wages	7,000	7,000	5,684	1,316
Miscellaneous	50	50	-	50
Overtime wages	2,500	2,500	621	1,879
Total	68,934	68,934	65,689	3,245
Total public safety	2,930,079	2,971,860	2,965,310	6,550

(Continued)

REQUIRED SUPPLEMENTARY INFORMATION - unaudited

SCHEDULE OF EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES - BUDGETARY BASIS -

BUDGET AND ACTUAL - GENERAL FUND, Continued

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
PUBLIC WORKS				
Public Works administration:				
Salaries	\$ 190,088	\$ 198,763	\$ 195,662	3,101
Departmental expenses	6,000	6,000	4,765	1,235
Uniforms	23,500	23,500	23,115	385
Total	219,588	228,263	223,542	4,721
Developmental Services/Engineering				
Salaries	148,149	159,816	139,197	20,619
Departmental expenses	17,400	17,100	15,315	1,785
Capital expenses	10,000	10,000	6,101	3,899
Contracted services	5,000	10,800	10,548	252
Total	180,549	197,716	171,161	26,555
Building inspection:				
Salaries	184,342	195,796	195,380	416
Departmental expenses	3,500	3,000	2,814	186
Contract services	1,000	1,000	1,000	-
Part-time wages	2,000	2,500	2,489	11
Total	190,842	202,296	201,683	613
Public Work General Expense:				
Sewer use and assessments	3,750	3,750	3,233	517
Street lights	182,000	182,672	182,672	-
Telephone costs	32,000	32,000	25,985	6,015
Electricity	160,000	153,621	146,616	7,005
Water usage	15,000	15,000	13,935	1,065
Heating oil	4,000	4,000	2,133	1,867
Contract Services	26,000	26,000	4,451	21,549
Natural Gas	50,000	55,707	55,707	-
Total	472,750	472,750	434,732	38,018

(Continued)

REQUIRED SUPPLEMENTARY INFORMATION - unaudited

SCHEDULE OF EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES - BUDGETARY BASIS -

BUDGET AND ACTUAL - GENERAL FUND, Continued

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
Highway Department:				
Salaries	\$ 525,926	\$ 522,514	\$ 517,545	4,969
Part-time wages	5,000	3,940	3,928	12
Overtime wages	67,000	94,492	94,492	-
Equipment maintenance	5,000	5,466	5,289	177
Gasoline and fuel	68,980	65,980	65,682	298
Supplies	1,500	1,500	1,303	197
Materials	230,000	212,332	212,332	-
Signs	10,000	10,000	9,675	325
Tree work	25,000	41,000	33,752	7,248
Departmental expenses	2,500	3,702	3,702	-
Small equipment	6,000	6,000	4,999	1,001
Contracted services	160,000	143,643	143,643	-
Capital Items	-	-	-	-
Total	1,106,906	1,110,569	1,096,342	14,227
Building maintenance:				
Salaries	336,413	318,326	302,054	16,272
Part-time wages	7,500	-	-	-
Overtime wages	15,000	40,587	40,587	-
Contract service	107,750	113,250	108,682	4,568
Supplies	30,000	29,000	24,745	4,255
Materials	37,000	33,500	31,127	2,373
Equipment maintenance	12,000	11,000	10,152	848
Small equipment replacement	2,000	2,000	1,799	201
Capital expenses	-	-	-	-
Total	547,663	547,663	519,146	28,517
Solid waste removal/Recycling Center:				
Salaries	61,239	63,264	62,490	774
Part-time wages	21,153	21,953	21,953	-
Tipping fees	241,300	236,300	203,868	32,432
Materials	1,500	1,500	675	825
Contract services	170,547	170,547	144,690	25,857
Overtime wages	10,000	9,200	6,604	2,596
Departmental expenses	1,660	1,660	948	712
Equipment maintenance	1,000	1,000	459	541
Gasoline and fuel	5,925	5,925	5,403	522
Reimbursement program	162,236	167,236	165,893	1,343
Total	676,560	678,585	612,983	65,602

(Continued)

REQUIRED SUPPLEMENTARY INFORMATION - unaudited

SCHEDULE OF EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES - BUDGETARY BASIS -

BUDGET AND ACTUAL - GENERAL FUND, Continued

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
Parks and grounds:				
Salaries	\$ 203,518	\$ 214,110	\$ 214,110	-
Part-time wages	35,000	26,570	24,719	1,851
Overtime wages	19,100	16,208	16,208	-
Gasoline and fuel	15,877	19,644	19,644	-
Materials	16,000	15,905	15,056	849
Contract services	16,500	16,590	16,590	-
Small equipment	4,500	4,505	4,505	-
Total	310,495	313,532	310,832	2,700
Vehicle Maintenance:				
Salaries	127,369	132,712	132,712	-
Part-time wages	5,200	3,309	-	3,309
Overtime wages	8,250	14,854	14,853	1
Contracted services	30,000	27,000	19,352	7,648
Equipment maintenance	70,000	70,000	60,914	9,086
Departmental expense	1,000	1,000	618	382
Supplies	1,500	825	88	737
Gasoline and fuel	28,186	27,186	24,625	2,561
Small equipment	1,000	-	-	-
Capital Items	2,000	1,071	1,071	-
Total	274,505	277,957	254,233	23,724
Total Public Works	3,979,858	4,029,331	3,824,654	204,677
CULTURE AND RECREATION				
Recreation Department:				
Salaries	148,149	157,832	157,832	-
Part-time wages	125,858	123,158	97,145	26,013
Therapeutic Recreation	22,000	22,000	12,943	9,057
Contracted Services	35,200	35,200	24,947	10,253
Program subsidy	5,725	5,725	5,725	-
Equipment and supplies	5,665	5,015	4,952	63
Revenue/expense	20,760	20,760	20,120	640
Capital items	9,000	11,700	11,496	204
Departmental expenses	5,900	6,550	6,535	15
Total	378,257	387,940	341,695	46,245
Riverport Festival	5,000	5,000	5,000	-
Cromwell Historical Society	8,000	8,000	8,000	-
Cromwell Grenadiers	500	500	-	500

(Continued)

REQUIRED SUPPLEMENTARY INFORMATION - unaudited

SCHEDULE OF EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES - BUDGETARY BASIS -
BUDGET AND ACTUAL - GENERAL FUND, Continued

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
Belden Library:				
Salaries	\$ 288,508	\$ 306,043	\$ 306,043	-
Part-time wages	121,284	125,910	119,843	6,067
Department expenses	8,600	7,800	7,780	20
Equipment maintenance	900	700	639	61
Duplicating costs	850	650	649	1
Program subsidies	2,200	2,545	2,545	-
Internet access	360	-	-	-
Operation and material	68,000	925	-	925
State Library Grant Program	1,200	1,215	1,215	-
Contracted services	32,625	32,585	32,584	1
Adult Books & Materials	-	3,873	3,872	1
Childrens Books & Materials	-	10,074	10,074	-
Adult Magazines	-	7,458	7,457	1
Young Adult Books & Magazines	-	982	981	1
Reference Books	-	14,492	14,492	-
Adult Popular Materials	-	26,703	26,703	-
Capital items	1	-	-	-
Total	524,528	541,955	534,877	7,078
Memorial Day	\$2,500	\$2,500	\$2,500	-
Total culture and recreation	918,785	945,895	892,072	53,823
HUMAN SERVICES				
Health Department:				
Part-time wages	13,000	12,308	12,308	-
Mental Health Clinic	2,500	2,500	2,500	-
Departmental expenses	2,900	2,218	2,212	6
Public Health Nursing	8,000	5,940	3,050	2,890
Salaries	77,118	76,388	76,388	-
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	42,434	42,320	114
Total	145,255	149,525	146,515	3,010
Human Services Administration:				
Salaries	97,419	104,570	103,975	595
Part-time wages	-	5,982	5,982	-
ADA Compliance	250	375	375	-
Departmental expenses	1,200	1,200	1,096	104
Emergency Basic Needs	1,000	1,000	997	3
Total	99,869	113,127	112,425	702

(Continued)

REQUIRED SUPPLEMENTARY INFORMATION - unaudited

SCHEDULE OF EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES - BUDGETARY BASIS -

BUDGET AND ACTUAL - GENERAL FUND, Continued

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
Youth Services:				
Part-time wages	16,495	16,495	10,500	5,995
Departmental expenses	2,250	2,250	1,544	706
Program subsidy	5,162	4,862	1,722	3,140
Salaries	67,948	72,345	71,711	634
Capital Items	-	-	-	-
Revenue/expense	3,550	3,850	3,531	319
General supplies	4,950	4,950	1,454	3,496
Total	100,355	104,752	90,462	14,290
Senior Services:				
Salaries	43,674	46,457	46,456	1
Part-time wages	16,642	17,572	17,572	-
Department expenses	2,800	2,152	2,151	1
Program subsidies	16,350	16,350	16,350	-
Revenue/expense	7,000	6,893	2,354	4,539
Total	86,466	89,424	84,883	4,541
Transportation Services:				
Salaries	36,172	37,909	37,834	75
Part-time wages	45,923	45,923	38,095	7,828
Overtime wages	1,000	1,000	732	268
Departmental expenses	3,000	3,000	2,017	983
Contract services	350	350	75	275
Vehicle maintenance	5,500	5,500	1,773	3,727
Gasoline and fuel	19,780	19,780	19,336	444
Total	111,725	113,462	99,862	13,600
Total Human Services	543,670	570,290	534,147	36,143
EDUCATION				
Board of Education	25,942,064	25,942,064	25,665,843	276,221
BONDED DEBT				
Bonds - principal	2,618,590	2,618,590	2,618,590	-
Bonds - interest	1,122,536	1,122,536	936,455	186,081
Total Debt Services	3,741,126	3,741,126	3,555,045	186,081
Total expenditures	43,668,348	43,675,848	42,629,883	1,045,965

(Continued)

REQUIRED SUPPLEMENTARY INFORMATION - unaudited

SCHEDULE OF EXPENDITURES, ENCUMBRANCES AND OTHER FINANCING USES - BUDGETARY BASIS -

BUDGET AND ACTUAL - GENERAL FUND, Continued

For the Year Ended June 30, 2013

	Original Budget	Final Budget	Actual Budgetary Basis	Variance With Final Budget Positive (Negative)
OTHER FINANCING USES				
Operating transfers out:				
Dog Transfer Fund	16,024	16,024	16,024	-
Sidewalk Fund	5,000	5,000	5,000	-
Heart & Hypertension Fund	50,000	50,000	50,000	-
Capital Projects Funds	-	311,000	311,000	-
Total other financing uses	71,024	382,024	382,024	-
Total budgeted operations	\$ 43,739,372	\$ 44,057,872	43,011,907	\$ 1,045,965
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			2,674,000	
Reclassified to General Fund, as funds were previously reported as Special Revenue Fund, and no longer meet the definition in accordance with GASB 54				
			189,860	
Total expenditures and other financing sources as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds - Exhibit IV				
			<u>\$ 45,875,767</u>	

REQUIRED SUPPLEMENTARY INFORMATION - unaudited

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -

BUDGETARY BASIS - SEWER USAGE FUND

For the Year Ended June 30, 2013

	Budgeted Amounts		Actual	Variance With
	Original	Final	Budgetary	Final Budget
			Basis	Positive
				(Negative)
REVENUES				
User Charges	1,363,203	1,363,203	1,450,682	\$ 87,479
Income on investments	5,000	5,000	2,692	(2,308)
Other	-	-	60	60
Total revenues	1,368,203	1,368,203	1,453,434	85,231
EXPENDITURES				
Regular wages	363,172	373,953	364,393	9,560
Part-time wages	19,925	21,425	21,414	11
Overtime wages	45,054	58,358	58,358	-
Department expenses	27,000	27,000	17,937	9,063
Outside services	61,810	88,310	65,694	22,616
Vehicle maintenance	5,500	5,500	5,220	280
Gasoline and fuel	12,380	14,690	14,690	-
Equipment repair and maintenance	22,000	22,000	19,334	2,666
Liability and property insurance	38,500	38,500	30,514	7,986
Materials and supplies	25,000	25,000	22,587	2,413
Utilities and oil	31,400	32,424	32,424	-
Payments for Sewer Treatment	460,040	460,040	458,263	1,777
Meter and pump station repairs	27,000	27,000	23,158	3,842
Prior year obligations	2,500	2,500	-	2,500
Damage claims	100	100	-	100
Employee benefits	245,809	227,092	213,875	13,217
Total expenditures	1,387,190	1,423,892	1,347,861	76,031
OTHER FINANCING SOURCES (USES)				
Transfer out	(30,000)	(30,000)	(30,000)	-
Net change in fund balances	\$ (48,987)	\$ (85,689)	75,573	\$ 161,262
FUND BALANCE, beginning of year			1,499,672	
FUND BALANCE, end of year			\$ 1,575,245	
Reconciliation of GAAP Basis				
	Revenues		Expenditures	Fund Balance
Balance, budgetary basis, June 30, 2013	\$ 1,453,434	\$ 1,347,861	\$ 1,575,245	
Liquidation of prior year encumbrances for the year ended June 30, 2013	-	-	-	
Encumbrances outstanding for the year ended June 30, 2013	-	-	-	
Balance, GAAP Basis, June 30, 2013	\$ 1,453,434	\$ 1,347,861	\$ 1,575,245	

TOWN OF CROMWELL, CONNECTICUT**NOTE TO REQUIRED SUPPLEMENTARY INFORMATION**
June 30, 2013

Note 1. Budgets and Budgetary AccountingBudgetary 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, 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 \$318,500.

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. Legal level of control for these budgets is on the Fund level.

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 Funds 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 outstanding at year-end are reported as assigned fund balance as they do not constitute either expenditures or liabilities.

**SUPPLEMENTAL COMBINING AND INDIVIDUAL
FUND FINANCIAL STATEMENTS AND OTHER SCHEDULES**

General Fund

TOWN OF CROMWELL, CONNECTICUT

COMPARATIVE BALANCE SHEET

GENERAL FUND

June 30, 2013 and 2012

	2013	2012
ASSETS		
Cash and cash equivalents	\$ 7,321,153	\$ 5,582,278
Property taxes receivable, net	430,836	375,491
Accounts receivable	402,606	342,528
Prepays	-	5,758
Total assets	\$ 8,154,595	\$ 6,306,055
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable and accrued liabilities	\$ 1,208,211	\$ 1,025,205
Deferred revenue	263,566	307,343
Unearned revenues	77,158	54,786
Total liabilities	1,548,935	1,387,334
Fund Balance:		
Nonspendable	-	5,758
Committed	51,000	70,000
Assigned	15,434	8,146
Unassigned	6,539,226	4,834,817
Total fund balance	6,605,660	4,918,721
Total liabilities and fund balance	\$ 8,154,595	\$ 6,306,055

TOWN OF CROMWELL, CONNECTICUT

REPORT OF THE TAX COLLECTOR
GENERAL FUND

For the Year Ended June 30, 2013

Grand List Year	Uncollected Taxes July 1, 2012	Lawful Corrections		Transfers to Suspense	Adjusted Taxes Collected	Collections	Uncollected Taxes June 30, 2013
		Additions	Deductions				
2011	\$ 37,872,517	\$ 344,234	\$ 39,215	\$ 8,156	\$ 38,169,380	\$ 37,789,396	\$ 379,984
2010	348,870	2,591	4,054	20,482	326,925	173,129	153,796
2009	115,234	10,590	3,333	17,760	104,731	19,955	84,776
2008	79,211	-	-	2,907	76,304	4,401	71,903
2007	71,270	-	-	249	71,021	2,218	68,803
2006	62,191	47	-	-	62,238	-	62,238
2005	62,462	-	399	-	62,063	(47)	62,110
2004	65,412	-	-	-	65,412	-	65,412
2003	57,564	-	-	-	57,564	-	57,564
2002	52,204	-	-	-	52,204	-	52,204
2001	18,628	-	-	-	18,628	-	18,628
2000	17,849	-	-	-	17,849	-	17,849
1999	16,884	-	-	-	16,884	-	16,884
1998	12,169	-	-	-	12,169	-	12,169
1997	54,698	-	-	-	54,698	-	54,698
	<u>\$ 38,907,163</u>	<u>\$ 357,462</u>	<u>\$ 47,001</u>	<u>\$ 49,554</u>	<u>\$ 39,168,070</u>	<u>\$ 37,989,052</u>	<u>\$ 1,179,018</u>

**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
Public Donations Grant	Donations	Various departments
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	Federal program	Account for monies received from sale of assets acquired during drug related arrests
Police Heart and Hypertension Reserve	Town appropriation - committed	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
Police Grant Fund	Grant	Public safety programs
Police Communications Revolving Fund	Receipt of fees	Improvements to the police communication tower
Police Public Safety Grant	Grant	Public safety programs

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 Town's permanent funds include the Cemetery Trust Fund and Pitruzzello Scholarship Fund. The Cemetery Trust Fund 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. The Pitruzzello Scholarship Fund accounts for the principal amounts bequeathed to the Town with the stipulation that only the interest thereon may be expended annually for two scholarships to the Cromwell High School graduating class.

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TOWN OF CROMWELL, CONNECTICUT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2013

	Special Revenue Funds		
	Town Aid Road	Youth Services Grant	Town Improvement Program
ASSETS			
Cash and cash equivalents	\$ -	\$ -	\$ 56,855
Intergovernmental receivable	-	-	-
Inventory	-	-	-
Total assets	\$ -	\$ -	\$ 56,855
LIABILITIES AND FUND BALANCES			
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Due to other funds	-	-	-
Unearned revenue	-	-	-
Total liabilities	-	-	-
Fund Balances			
Nonspendable	-	-	-
Restricted	-	-	56,855
Committed	-	-	-
Assigned	-	-	-
Unassigned	-	-	-
Total fund balance	-	-	56,855
Total liabilities and fund balances	\$ -	\$ -	\$ 56,855

Special Revenue Funds						
Sidewalk Program	Public Donations Grant	Dog License	School Cafeteria	Educational Grants	Open Space	
\$ 51,935	\$ 188,720	\$ 22,113	\$ 15,091	\$ 223,107	\$ 441,734	
-	1,006	2,257	39,421	13	-	
-	-	-	38,893	-	-	
<u>\$ 51,935</u>	<u>\$ 189,726</u>	<u>\$ 24,370</u>	<u>\$ 93,405</u>	<u>\$ 223,120</u>	<u>\$ 441,734</u>	
\$ -	\$ 6,394	\$ 10,043	\$ -	\$ 5,681	\$ -	
-	-	-	-	-	-	
24,650	-	-	-	217,439	-	
<u>24,650</u>	<u>6,394</u>	<u>10,043</u>	<u>-</u>	<u>223,120</u>	<u>-</u>	
-	-	-	38,893	-	-	
-	183,332	14,327	54,512	-	-	
27,285	-	-	-	-	441,734	
-	-	-	-	-	-	
-	-	-	-	-	-	
<u>27,285</u>	<u>183,332</u>	<u>14,327</u>	<u>93,405</u>	<u>-</u>	<u>441,734</u>	
<u>\$ 51,935</u>	<u>\$ 189,726</u>	<u>\$ 24,370</u>	<u>\$ 93,405</u>	<u>\$ 223,120</u>	<u>\$ 441,734</u>	

(Continued)

TOWN OF CROMWELL, CONNECTICUT

COMBINING BALANCE SHEET, Continued

NONMAJOR GOVERNMENTAL FUNDS

June 30, 2013

	Special Revenue Funds				
	Picnic Facilities Revolving	Drug Awareness and Education	Drug Asset Forfeiture	Police Heart and Hypertension Reserve	River Landing Park
ASSETS					
Cash and cash equivalents	\$ 1,479	\$ 5,826	\$ 10,240	\$ 14,779	\$ 22,043
Accounts receivable	-	-	-	-	-
Inventory	-	-	-	-	-
Total assets	\$ 1,479	\$ 5,826	\$ 10,240	\$ 14,779	\$ 22,043
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ -	\$ -	\$ 2,167	\$ -	\$ -
Due to other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total liabilities	-	-	2,167	-	-
Fund Balances					
Nonspendable	-	-	-	-	-
Restricted	-	5,826	8,073	-	22,043
Committed	1,479	-	-	14,779	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balance	1,479	5,826	8,073	14,779	22,043
Total liabilities and fund balances	\$ 1,479	\$ 5,826	\$ 10,240	\$ 14,779	\$ 22,043

Special Revenue Funds					Permanent Fund		Total Nonmajor Governmental Funds
Public Health Emergency Prep	Police Grant Fund	Police Communications Revolving Fund	Police Public Safety Grant	Total	Cemetery Trust	Pitruzzello Scholarship	
\$ 2,907	\$ 4,737	\$ 169,524	\$ 1,124	\$ 1,232,214	\$ 10,049	\$ 50,281	\$ 1,292,544
-	-	50,000	-	92,697	-	-	92,697
-	-	-	-	38,893	-	-	38,893
<u>\$ 2,907</u>	<u>\$ 4,737</u>	<u>\$ 219,524</u>	<u>\$ 1,124</u>	<u>\$ 1,363,804</u>	<u>\$ 10,049</u>	<u>\$ 50,281</u>	<u>\$ 1,424,134</u>
\$ 2,907	\$ 4,737	\$ -	\$ -	31,929	\$ -	\$ -	\$ 31,929
-	-	-	-	-	-	1,000	1,000
-	-	-	-	242,089	-	-	242,089
<u>2,907</u>	<u>4,737</u>	<u>-</u>	<u>-</u>	<u>274,018</u>	<u>-</u>	<u>1,000</u>	<u>275,018</u>
-	-	-	-	38,893	6,269	50,000	95,162
-	-	-	1,124	346,092	3,780	-	349,872
-	-	219,524	-	704,801	-	-	704,801
-	-	-	-	-	-	-	-
-	-	-	-	-	-	(719)	(719)
<u>-</u>	<u>-</u>	<u>219,524</u>	<u>1,124</u>	<u>1,089,786</u>	<u>10,049</u>	<u>49,281</u>	<u>1,149,116</u>
<u>\$ 2,907</u>	<u>\$ 4,737</u>	<u>\$ 219,524</u>	<u>\$ 1,124</u>	<u>\$ 1,363,804</u>	<u>\$ 10,049</u>	<u>\$ 50,281</u>	<u>\$ 1,424,134</u>

TOWN OF CROMWELL, CONNECTICUT

**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2013**

	Special Revenue Funds		
	Town Aid Road	Youth Services Grant	Town Improvement Program
REVENUES			
Intergovernmental revenues	\$ 138,364	\$ 14,000	\$ -
Charges for services	-	-	-
Income on investments	-	-	78
Miscellaneous	-	-	-
Total revenues	138,364	14,000	78
EXPENDITURES			
Current:			
General government	-	-	-
Public safety	-	-	-
Public works	-	-	-
Culture and recreation	-	-	-
Human services	-	-	-
Education	-	-	-
Capital outlay	-	-	-
Total expenditures	-	-	-
Revenues over (under) expenditures	138,364	14,000	78
OTHER FINANCING SOURCES (USES)			
Transfers in	-	-	-
Transfers out	(138,364)	(14,000)	-
Total other financing sources (uses)	(138,364)	(14,000)	-
Net change in fund balances	-	-	78
FUND BALANCES, beginning of year	-	-	56,777
FUND BALANCES, end of year	\$ -	\$ -	\$ 56,855

Special Revenue Funds						
Sidewalk Program	Public Donations Grant	Dog License	School Cafeteria	Educational Grants	Open Space	
\$ -	\$ 88,820	\$ -	\$ 214,924	\$ 1,229,688	\$ -	
-	-	6,459	515,894	-	-	
70	-	14	-	-	597	
-	-	-	-	-	17,285	
70	88,820	6,473	730,818	1,229,688	17,882	
-	-	-	-	-	-	
-	4,537	16,363	-	-	-	
5,000	-	-	-	-	-	
-	43,405	-	-	-	-	
-	31,656	-	-	-	-	
-	-	-	758,498	1,229,688	-	
-	-	-	-	-	-	
5,000	79,598	16,363	758,498	1,229,688	-	
(4,930)	9,222	(9,890)	(27,680)	-	17,882	
5,000	-	16,024	-	-	-	
-	-	-	-	-	-	
5,000	-	16,024	-	-	-	
70	9,222	6,134	(27,680)	-	17,882	
27,215	174,110	8,193	121,085	-	423,852	
\$ 27,285	\$ 183,332	\$ 14,327	\$ 93,405	\$ -	\$ 441,734	

(Continued)

TOWN OF CROMWELL, CONNECTICUT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES, Continued
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2013

	Special Revenue Funds				
	Picnic Facilities Revolving	Drug Awareness and Education	Drug Asset Forfeiture	Police Heart and Hypertension Reserve	River Landing Park
REVENUES					
Intergovernmental revenues	\$ -	\$ 3,105	\$ -	\$ -	\$ -
Charges for services	550	-	-	-	-
Income on investments	-	-	14	100	30
Miscellaneous	-	-	-	-	-
Total revenues	550	3,105	14	100	30
EXPENDITURES					
Current:					
General Government	-	-	-	-	-
Public safety	-	2,225	2,167	84,813	-
Public works	-	-	-	-	-
Culture and recreation	589	-	-	-	-
Human services	-	-	-	-	-
Education	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	589	2,225	2,167	84,813	-
Revenues over (under) expenditures	(39)	880	(2,153)	(84,713)	30
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	50,000	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	-	50,000	-
Net change in fund balances	(39)	880	(2,153)	(34,713)	30
FUND BALANCES, beginning of year	1,518	4,946	10,226	49,492	22,013
FUND BALANCES, end of year	\$ 1,479	\$ 5,826	\$ 8,073	\$ 14,779	\$ 22,043

Special Revenue Funds					Permanent Funds		Total Nonmajor Governmental Funds
Public Health Emergency Prep	Police Grant Fund	Police Communications Revolving Fund	Police Public Safety Grant	Total	Cemetery Trust	Pitruzzello Scholarship	
\$ 32,830	\$ 28,108	\$ -	\$ -	\$ 1,749,839	\$ -	\$ -	\$ 1,749,839
-	-	-	-	522,903	-	-	522,903
-	-	224	-	1,127	14	37	1,178
-	-	58,147	-	75,432	-	-	75,432
32,830	28,108	58,371	-	2,349,301	14	37	2,349,352
-	-	-	-	-	-	-	-
32,830	28,108	-	-	171,043	-	-	171,043
-	-	-	-	5,000	-	-	5,000
-	-	-	-	43,994	-	-	43,994
-	-	-	-	31,656	-	-	31,656
-	-	-	-	1,988,186	-	-	1,988,186
-	-	-	-	-	-	-	-
32,830	28,108	-	-	2,239,879	-	-	2,239,879
-	-	58,371	-	109,422	14	37	109,473
-	-	-	-	71,024	-	-	71,024
-	-	-	-	(152,364)	-	-	(152,364)
-	-	-	-	(81,340)	-	-	(81,340)
-	-	58,371	-	28,082	14	37	28,133
-	-	161,153	1,124	1,061,704	10,035	49,244	1,120,983
\$ -	\$ -	\$ 219,524	\$ 1,124	\$ 1,089,786	\$ 10,049	\$ 49,281	\$ 1,149,116

TOWN OF CROMWELL, CONNECTICUT

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

PUBLIC DONATIONS GRANT FUND

For the Year Ended June 30, 2013

	Balance July 1, 2012	Revenues	Expenditures	Balance June 30, 2013
Library Donations	\$ 6,125	\$ 8,058	\$ 9,078	\$ 5,105
Senior Donations	18,991	6,132	12,572	12,551
Transportation	-	7,679	1,547	6,132
Designated Senior Center	-	7,000	1,025	5,975
Youth Services	16,038	6,288	6,306	16,020
Emergency Fuel	-	1,227	1,227	-
Emergency Food	130	-	-	130
Park and Recreation	22,680	12,041	9,613	25,108
Handicapped Donations	1	-	-	1
Human Service Donations	7,505	19,189	20,728	5,966
Drug and Alcohol Program	-	-	-	-
Police Department	11,067	3,626	4,537	10,156
Carbon Monoxide Program	4,226	-	-	4,226
Riverport Festival	11,245	5,898	5,710	11,433
Operational fuel	5	-	-	5
CT Clean Energy	3,645	-	-	3,645
Rose Garden	208	-	-	208
Flag Fund	2,113	126	-	2,239
Charter Revision	82	-	-	82
Inland/Wetlands	4,382	-	-	4,382
Adopt-a-family	-	-	-	-
Town Historic Preservation	1,933	-	-	1,933
Library Building	500	-	-	500
Dog Park	12,934	11,556	5,056	19,434
Economic Development	300	-	-	300
Library - Elizabeth Maselli Room	50,000	-	2,199	47,801
TOTAL	\$ 174,110	\$ 88,820	\$ 79,598	\$ 183,332

TOWN OF CROMWELL, CONNECTICUT

SCHEDULE OF EXPENDITURES COMPARED WITH APPROPRIATIONS

SIDEWALK FUND

For the Year Ended June 30, 2013

	Original Appropriation	Adjustments	Amended Appropriation	Expenditures	Uncommitted Balance
General Repairs	\$ 5,000	\$ -	\$ 5,000	\$ 5,000	\$ -

TOWN OF CROMWELL, CONNECTICUT

SCHEDULE OF EXPENDITURES COMPARED WITH APPROPRIATIONS

DOG LICENSE FUND

For the Year Ended June 30, 2013

	Original Appropriation	Adjustments	Amended Appropriation	Expenditures	Uncommitted Balance
Office expense	\$ 1,200	\$ -	1,200	\$ 1,160	\$ 40
Training/workshops	1,000	-	1,000	970	30
Contract services	11,124	-	11,124	7,492	3,632
Vehicle maintenance	1,500	-	1,500	793	707
Fuel and fluids	3,000	-	3,000	2,026	974
Uniforms	1,200	-	1,200	1,190	10
Veterinarian fees	4,000	-	4,000	1,765	2,235
Equipment, purchase and repair	1,000	-	1,000	967	33
TOTAL	\$ 24,024	\$ -	\$ 24,024	\$ 16,363	\$ 7,661

TOWN OF CROMWELL, CONNECTICUT

SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS

CAPITAL PROJECTS FUND

For the Year Ended June 30, 2013

	Appropriations				Expenditures				
	Balance July 1, 2012	Current Year	Adjustments	Balance June 30, 2013	Balance July 1, 2012	Current Year	Balance June 30, 2013	Encumbrances	Balance
Capital and Nonrecurring									
Expenditures	\$ 4,724,704	\$ 514,624	\$ (131,794)	\$ 5,107,534	\$ 4,148,640	\$ 493,382	\$ 4,642,022	\$ 172,524	\$ 292,988
Sewer Assessment	-	92,335	-	92,335	-	60,431	60,431	-	31,904
High School Building Project	21,811,000	-	-	21,811,000	20,923,154	-	20,923,154	-	887,846
LOCIP Projects	1,511,532	124,628	-	1,636,160	1,510,166	109,197	1,619,363	16,797	-
New 3-5 School Project	28,214,000	-	-	28,214,000	27,768,533	-	27,768,533	-	445,467
Sewer Capital and									
Nonrecurring Expenditures	959,829	330,000	-	1,289,829	959,829	69,395	1,029,224	25,250	235,355
Geer Street Improvements	212,843	-	-	212,843	212,843	-	212,843	-	-
State Bond Grant	450,000	-	-	450,000	276,776	-	276,776	-	173,224
CMS Asbestos Removal Fund	754,288	-	-	754,288	754,288	-	754,288	-	-
Roads Main St. Improvement Fund	5,056,000	-	-	5,056,000	4,811,153	149,455	4,960,608	87,707	7,685
School Security Fund	1,151,000	-	-	1,151,000	1,150,999	-	1,150,999	-	1
Park Improvement Fund	710,000	-	-	710,000	709,146	854	710,000	-	-
Downtown Historical Development	450,000	-	-	450,000	304,757	8,385	313,142	2,075	134,783
CMS Roof Replacement	7,167,000	-	-	7,167,000	6,963,501	142,205	7,105,706	-	61,294
2010 Roads/Infrastructure	3,046,000	-	-	3,046,000	1,561,065	436,624	1,997,689	1,028,809	19,502
ARRA Grant	184,490	-	-	184,490	184,490	3,460	187,950	-	-
Public Safety Improvements	-	1,085,000	-	1,085,000	-	798,653	798,653	119,002	167,345
School Improvements	-	781,000	-	781,000	-	6,591	6,591	-	774,409
Town Infrastructure	-	2,916,000	-	2,916,000	-	914,007	914,007	307,104	1,694,889
Industrial Park Development Fund	945,000	-	-	945,000	533,561	92,891	626,452	114,050	204,498
	-	475,000	-	475,000	-	219,218	219,218	182,912	72,870
	<u>\$ 77,347,686</u>	<u>\$ 6,318,587</u>	<u>\$ (131,794)</u>	<u>\$ 83,534,479</u>	<u>\$ 72,772,901</u>	<u>\$ 3,504,748</u>	<u>\$ 76,277,649</u>	<u>\$ 2,056,230</u>	<u>\$ 5,200,600</u>

RECONCILIATION TO PRIOR YEAR ENDING

BALANCE FOR EXPENDITURES

Ending Balance of Expenditures June 30, 2012	\$ 72,839,600
Adjustment for Sewer Assessment ending balance	(66,699)
Beginning Balance of Expenditures June 30, 2013	<u>\$ 72,772,901</u>

TOWN OF CROMWELL, CONNECTICUT

SCHEDULE OF EXPENDITURES AND ENCUMBRANCES COMPARED WITH APPROPRIATIONS
CAPITAL AND NONRECURRING EXPENDITURE FUND
For the Year Ended June 30, 2013

	Appropriations			
	Balance July 1, 2012	Current Year	Adjustments	Balance June 30, 2013
CLOSED PROJECTS #77080-77150	\$ 809,058	\$ -	\$ -	\$ 809,058
ENG/CONTROL POINTS SURVEY	10,000	-	-	10,000
NPDES STORMWATER	36,000	-	-	36,000
40K LB DUMP TRUCK W/SANDER	129,499	-	-	129,499
1 TON MASON DUMP TRUCK W/SANDER	58,800	-	-	58,800
P&Z UPDATE REGULATIONS	54,300	-	(831)	53,469
CLOSED PROJECTS #77156-77172	1,385,683	-	-	1,385,683
CURB MACHINE/FEEDER	16,500	-	(382)	16,118
GYM ROOF REPAIR	10,000	-	-	10,000
ZERO TURN 60" DIESEL MOWER (2)	29,758	-	-	29,758
STORAGE BLDG FOR EQUIPMENT	75,000	-	-	75,000
CLOSED PROJECTS #77177-77190	559,941	-	(31,584)	528,357
GIS & CONTROL POINTS 09/10	33,000	-	-	33,000
ENERGY EFFICIENCY BLOCK GRANT	64,241	-	-	64,241
POLICE DEPARTMENT BOILER	47,818	-	-	47,818
HANDICAP ACCESS VEHICLE	57,000	-	-	57,000
HOUSING ZONE REG GRANT	20,000	-	-	20,000
POLICE SUV 10/11	45,000	-	(2,574)	42,426
DUI GRANT 10/11	34,800	-	(17,014)	17,786
BACKHOE	80,000	-	-	80,000
LED LIGHTING UPGRADE	58,218	-	-	58,218
TOWN HALL GYM FLOOR	20,622	-	-	20,622
PICK-UP TRUCK W/FLOW	33,678	-	-	33,678
40LB DUMP TRUCK W/PLOW	175,000	-	(2,627)	172,373
CHS BOILER	300,000	-	(49,045)	250,955
FINANCE SERVER	13,000	-	-	13,000
2012 REVALUATION	240,000	-	-	240,000
DUI GRANT 11/12	38,500	-	(17,246)	21,254
TAX SOFTWARE	40,000	-	-	40,000
HANDICAP ACCESS VEHICLE	60,000	-	-	60,000
TOWN HALL FLOORING	33,000	-	-	33,000
POLICE MOBILE RADIOS	30,000	-	-	30,000
CRIME SCENE VEHICLE	6,288	-	-	6,288
POLICE VEHICLES 11/12	80,000	-	-	80,000
PD COMPUTERS	30,000	-	-	30,000
GYM WALL MATS	10,000	-	-	10,000
MASON DUMP TRUCK W/PLOW	-	60,000	(8,968)	51,032
PICK-UP TRUCK W/FLOW	-	35,000	(1,524)	33,476
DUI GRANT 12/13	-	45,159	-	45,159
POLICE VEHICLE (TOTALED)	-	43,000	-	43,000
POLICE VEHICLE (TOTALED)	-	42,500	-	42,500
POLICE VEHICLES 12-13	-	42,000	-	42,000
BULLET-PROOF VESTS	-	17,000	-	17,000
FINGERPRINT MACHINE	-	20,287	-	20,287
ANIMAL CONTROL VAN	-	30,600	-	30,600
BRICK SEALING-TOWN HALL	-	50,000	-	50,000
BRICK SEALING-POLICE	-	20,000	-	20,000
PICK-UP TRUCK W/UTILITY BODY	-	36,000	-	36,000
AUDIO-VIDEO EQUIP-PD	-	31,078	-	31,078
POLICE VEHICLE (TOTALED)	-	42,000	-	42,000
TOTAL	\$ 4,724,704	\$ 514,624	\$ (131,795)	\$ 5,107,533

Expenditures					
Balance		Balance		Uncommitted	
July 1, 2012	Current Year	June 30, 2013	Encumbrances	Balance	
\$ 809,058	\$ -	\$ 809,058	\$ -	\$ -	
7,272	-	7,272	2,728	-	
36,000	-	36,000	-	-	
129,499	-	129,499	-	-	
58,800	-	58,800	-	-	
53,469	-	53,469	-	-	
1,385,683	-	1,385,683	-	-	
16,118	-	16,118	-	-	
10,000	-	10,000	-	-	
29,758	-	29,758	-	-	
73,523	-	73,523	-	1,477	
528,357	-	528,357	-	-	
22,305	188	22,493	754	9,753	
64,241	-	64,241	-	-	
47,818	-	47,818	-	-	
57,000	-	57,000	-	-	
10,400	-	10,400	9,600	-	
42,426	-	42,426	-	-	
17,786	-	17,786	-	-	
80,000	-	80,000	-	-	
58,218	-	58,218	-	-	
20,622	-	20,622	-	-	
33,678	-	33,678	-	-	
172,373	-	172,373	-	-	
250,955	-	250,955	-	-	
12,757	-	12,757	243	-	
33,104	61,134	94,238	9,382	136,380	
17,387	3,867	21,254	-	-	
1,450	1,707	3,157	35,000	1,843	
-	60,000	60,000	-	-	
32,295	576	32,871	-	129	
30,000	-	30,000	-	-	
6,288	-	6,288	-	-	
-	73,552	73,552	-	6,448	
-	30,000	30,000	-	-	
-	-	-	-	10,000	
-	51,032	51,032	-	-	
-	33,476	33,476	-	-	
-	17,622	17,622	-	27,537	
-	42,801	42,801	-	199	
-	39,326	39,326	2,790	384	
-	-	-	40,979	1,021	
-	750	750	13,505	2,745	
-	-	-	-	20,287	
-	-	-	-	30,600	
-	22,300	22,300	-	27,700	
-	11,400	11,400	-	8,600	
-	35,857	35,857	-	143	
-	7,794	7,794	16,565	6,719	
-	-	-	40,979	1,021	
\$ 4,148,640	\$ 493,382	\$ 4,642,022	\$ 172,525	\$ 292,986	

TOWN OF CROMWELL, CONNECTICUT

SCHEDULE OF EXPENDITURES COMPARED WITH APPROPRIATIONS

SEWER ASSESSMENT FUND

For the Year Ended June 30, 2013

	Original Appropriation	Expenditures	Uncommitted Balance
Legal fees	\$ 5,000	\$ 2,800	\$ 2,200
Construction	25,000	-	25,000
Postage	400	128	272
Legal Notices	675	618	57
Printing	125	-	125
Sewer bonds - principal	50,000	50,000	-
Sewer bonds - interest	4,735	4,735	-
Data Processing	2,000	1,350	650
Contracted Services	4,300	800	3,500
Prior Year Refunds	100	-	100
TOTAL	\$ 92,335	\$ 60,431	\$ 31,904

TOWN OF CROMWELL, CONNECTICUT

SCHEDULE OF EXPENDITURES COMPARED WITH APPROPRIATIONS

LOCAL CAPITAL IMPROVEMENT FUND

For the Year Ended June 30, 2013

	Appropriations			Expenditures			Encumbrances	Uncommitted Balance
	Balance	Adjustments	Balance	Balance	Current	Balance		
	July 1, 2012		June 30, 2013	July 1, 2012	Year	June 30, 2013		
Coles Rd Phase I Improv - Constr	\$ 164,625	\$ -	\$ 164,625	\$ 163,259	\$ -	\$ 163,259	\$ 1,366	\$ -
Christian Hill Rd Reconstruction	82,264	-	82,264	82,264	-	82,264	-	-
Christian Hill Bridge Reconstr.	586,744	-	586,744	586,744	-	586,744	-	-
Evergreen/Copperknoll Drainage	383,364	-	383,364	383,364	-	383,364	-	-
Coles Rd - Rights-of-Way	22,500	20,496	42,996	22,500	20,496	42,996	-	-
Willowbrook Road	42,035	-		42,035	-		-	
Culvert Project	230,000	-	230,000	230,000	-	230,000	-	-
New Lane	-	104,132	104,132	-	88,701	88,701	15,431	-
TOTAL	\$ 1,511,532	\$ 124,628	\$ 1,594,125	\$ 1,510,166	\$ 109,197	\$ 1,577,328	\$ 16,797	\$ -

TOWN OF CROMWELL, CONNECTICUT

SCHEDULE OF EXPENDITURES COMPARED WITH APPROPRIATIONS

PARK IMPROVEMENTS

For the Year Ended June 30, 2013

	Appropriations			Expenditures			Encumbrances	Uncommitted Balance
	Balance	Adjustments	Balance	Balance	Current	Balance		
	July 1, 2012		June 30, 2013	July 1, 2012	Year	June 30, 2013		
Bonding, Insur., Financing	\$ 11,652	\$ -	\$ 11,652	\$ 11,652	\$ -	\$ 11,652	\$ -	\$ -
General Repairs	339,507	-	339,507	338,653	854	339,507	-	-
Construction	358,841	-	358,841	358,841	-	358,841	-	-
TOTAL	\$ 710,000	\$ -	\$ 710,000	\$ 709,146	\$ 854	\$ 710,000	\$ -	\$ -

TOWN OF CROMWELL

**SCHEDULE OF EXPENDITURES COMPARED WITH APPROPRIATIONS
2010 ROADS/INFRASTRUCTURE FUND
FOR THE YEAR ENDED JUNE 30, 2013**

	Balance July 1, 2012	Adjustments	Balance June 30, 2013	Balance July 1, 2012	Current Year	Balance June 30, 2013	Encumbered	Uncommitted Balance
Legal and Financing Expenses	\$ 25,000	\$ 9,454	\$ 34,454	\$ 34,454	\$ -	\$ 34,454	\$ -	\$ -
Project Planning & Design	150,000	(150,000)	-	-	-	-	-	-
General Repair	721,000	(436,813)	284,187	166,110	182,294	348,404	4,465	(68,682)
Construction	1,300,000	(61,634)	1,238,366	1,228,366	12,700	1,241,066	-	(2,700)
Construction Phase II	800,000	688,993	1,488,993	132,135	241,630	373,765	1,024,344	90,884
Construction Contingency	50,000	(50,000)	-	-	-	-	-	-
TOTAL	\$ 3,046,000	\$ -	\$ 3,046,000	\$ 1,561,065	\$ 436,624	\$ 1,997,689	\$ 1,028,809	\$ 19,502

TOWN OF CROMWELL

SCHEDULE OF EXPENDITURES COMPARED WITH APPROPRIATIONS

2008 ROAD BOND PROJECTS

FOR THE YEAR ENDED JUNE 30, 2013

	Balance July 1, 2012	Adjustments	Balance June 30, 2013	Balance July 1, 2012	Current Year	Balance June 30, 2013	Encumbered	Uncommitted Balance
Legal and Financing Expenses	\$ 25,000	\$ -	\$ 25,000	\$ 23,129	\$ -	\$ 23,129	\$ -	\$ 1,871
Project Planning & Design	855,705	(9,621)	846,084	844,442	1,334	845,776	-	308
General Repair	490,000	(126,617)	363,383	363,382	-	363,382	-	1
Construction	3,677,295	144,238	3,821,533	3,580,200	148,121	3,728,321	87,707	5,505
Construction Contingency	8,000	(8,000)	-	-	-	-	-	-
TOTAL	\$ 5,056,000	\$ -	\$ 5,056,000	\$ 4,811,153	\$ 149,455	\$ 4,960,608	\$ 87,707	\$ 7,685

TOWN OF CROMWELL

SCHEDULE OF EXPENDITURES COMPARED WITH APPROPRIATIONS

SEWER CNR FUND

FOR THE YEAR ENDED JUNE 30, 2013

	Balance July 1, 2012	Adjustments	Balance June 30, 2013	Balance July 1, 2012	Current Year	Balance June 30, 2013	Encumbered	Uncommitted Balance
User Charge Study	\$ 16,500	\$ -	\$ 16,500	\$ 16,500	\$ -	\$ 16,500	\$ -	\$ -
Consulting - Pipeline	8,950	-	8,950	8,950	-	8,950	-	-
Sewer Benefit Assessment Study	28,600	-	28,600	28,600	-	28,600	-	-
Sewer Line Rehabilitation	314,775	-	314,775	314,775	-	314,775	-	-
Backhoe/Loader	57,881	-	57,881	57,881	-	57,881	-	-
Pickup Truck w/Plow	37,839	-	37,839	37,839	-	37,839	-	-
Video Camera on Tractor	24,847	-	24,847	24,847	-	24,847	-	-
Phase II Pipeline Rehab	237,869	-	237,869	237,869	-	237,869	-	-
Dump Truck w/Plow	172,373	-	172,373	172,373	-	172,373	-	-
Pickup Truck w/Plow	40,620	-	40,620	40,620	-	40,620	-	-
Garage Generator	19,575	-	19,575	19,575	-	19,575	-	-
Generator and Transfer Switch	-	30,000	30,000	-	21,270	21,270	-	8,730
Phase IV Pipeline Rehab	-	300,000	300,000	-	48,125	48,125	25,250	226,625
TOTAL	\$ 959,829	\$ 330,000	\$ 1,289,829	\$ 959,829	\$ 69,395	\$ 1,029,224	\$ 25,250	\$ 235,355

TOWN OF CROMWELL

SCHEDULE OF EXPENDITURES COMPARED WITH APPROPRIATIONS

CMS ROOF REPLACEMENT FUND

FOR THE YEAR ENDED JUNE 30, 2013

	Balance July 1, 2012	Adjustments	Balance June 30, 2013	Balance July 1, 2012	Current Year	Balance June 30, 2013	Encumbered	Uncommitted Balance
Legal and Financing Expenses	\$ 50,000	\$ -	\$ 50,000	\$ 48,243	\$ -	\$ 48,243	\$ -	\$ 1,757
Arch/Engineering	685,120	(19,950)	665,170	659,342	-	659,342	-	5,828
General Repair	1,664,983	287,295	1,952,278	1,772,302	126,269	1,898,571	-	53,707
Construction	4,599,897	(100,345)	4,499,552	4,483,614	15,936	4,499,550	-	2
Temporary Interest	167,000	(167,000)	-	-	-	-	-	-
Construction Contingency	-	-	-	-	-	-	-	-
TOTAL	\$ 7,167,000	\$ -	\$ 7,167,000	\$ 6,963,501	\$ 142,205	\$ 7,105,706	\$ -	\$ 61,294

TOWN OF CROMWELL

**SCHEDULE OF EXPENDITURES COMPARED WITH APPROPRIATIONS
PUBLIC SAFETY IMPROVEMENTS
FOR THE YEAR ENDED JUNE 30, 2013**

	Balance July 1, 2012	Adjustments	Balance June 30, 2013	Balance July 1, 2012	Current Year	Balance June 30, 2013	Encumbered	Uncommitted Balance
Legal and Financing Expenses	\$ -	\$ 75,000	\$ 75,000	\$ -	\$ 10,028	\$ 10,028	\$ -	\$ 64,972
Police Communications System	-	850,000	850,000	-	628,625	628,625	119,002	102,373
Emergency Generator	-	160,000	160,000	-	160,000	160,000	-	-
TOTAL	\$ -	\$ 1,085,000	\$ 1,085,000	\$ -	\$ 798,653	\$ 798,653	\$ 119,002	\$ 167,345

TOWN OF CROMWELL

SCHEDULE OF EXPENDITURES COMPARED WITH APPROPRIATIONS

TOWN INFRASTRUCTURE

FOR THE YEAR ENDED JUNE 30, 2013

	Balance July 1, 2012	Adjustments	Balance June 30, 2013	Balance July 1, 2012	Current Year	Balance June 30, 2013	Encumbered	Uncommitted Balance
Legal and Financing Expenses	\$ -	\$ 75,000	\$ 75,000	\$ -	\$ 27,837	\$ 27,837	\$ -	\$ 47,163
General Repairs	-	140,000	140,000	-	15,387	15,387	-	124,613
Construction/Project Costs	-	1,500,000	1,500,000	-	19,754	19,754	307,104	1,173,142
Purchase Option	-	852,000	852,000	-	851,029	851,029	-	971
Lighting/Air Handlers	-	349,000	349,000	-	-	-	-	349,000
TOTAL	\$ -	\$ 2,916,000	\$ 2,916,000	\$ -	\$ 914,007	\$ 914,007	\$ 307,104	\$ 1,694,889

TOWN OF CROMWELL

SCHEDULE OF EXPENDITURES COMPARED WITH APPROPRIATIONS

PUBLIC WORKS EQUIPMENT

FOR THE YEAR ENDED JUNE 30, 2013

	Balance July 1, 2012	Adjustments	Balance June 30, 2013	Balance July 1, 2012	Current Year	Balance June 30, 2013	Encumbered	Uncommitted Balance
Legal and Financing Expenses	\$ -	\$ 75,000	\$ 75,000	\$ -	\$ 3,968	\$ 3,968	\$ -	\$ 71,032
Lighting/Air Handlers	-	400,000	400,000	-	215,250	215,250	182,912	1,838
TOTAL	\$ -	\$ 475,000	\$ 475,000	\$ -	\$ 219,218	\$ 219,218	\$ 182,912	\$ 72,870

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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 Fiscal Year Ended June 30, 2013

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
STUDENT ACTIVITY FUND				
Assets				
Cash and cash equivalents	\$ 273,962	\$ 415,570	\$ 398,579	\$ 290,953
Due from other funds	1,000	-	-	1,000
Total	\$ 274,962	\$ 415,570	\$ 398,579	\$ 291,953
Liabilities				
Due to student groups	\$ 274,962	\$ 415,570	\$ 398,579	\$ 291,953
CONTRACTOR BOND FUND				
Assets				
Cash and cash equivalents	\$ 136,892	\$ 152,424	\$ 15,000	\$ 274,316
Liabilities				
Deposits	\$ 136,892	\$ 152,424	\$ 15,000	\$ 274,316
TOTAL ALL FUNDS				
Assets				
Cash and cash equivalents	\$ 410,854	\$ 567,994	\$ 413,579	\$ 565,269
Due from other funds	1,000	-	-	1,000
Total	\$ 411,854	\$ 567,994	\$ 413,579	\$ 566,269
Liabilities				
Due to student groups	\$ 274,962	\$ 415,570	\$ 398,579	\$ 291,953
Deposits	136,892	152,424	15,000	274,316
Total	\$ 411,854	\$ 567,994	\$ 413,579	\$ 566,269

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Statistical Section - unaudited

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

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(unaudited)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008*</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Governmental activities:										
Net investment in capital										
assets	\$ 91,271,301	\$ 92,786,514	\$ 90,389,434	\$ 84,057,785	\$ 79,977,008	\$ 85,059,583	\$ 82,378,615	\$ 36,043,985	\$ 25,548,448	\$ 19,152,703
Restricted	59,330	59,279	10,018	9,995	9,963	9,818	9,435	8,578	8,578	8,389
Unrestricted	9,250,907	7,620,916	9,151,471	10,030,130	15,051,100	11,225,727	11,008,614	9,755,896	15,043,750	11,529,752
Total governmental activities net position	<u>\$ 100,581,538</u>	<u>\$ 100,466,709</u>	<u>\$ 99,550,923</u>	<u>\$ 94,097,910</u>	<u>\$ 95,038,071</u>	<u>\$ 96,295,128</u>	<u>\$ 93,396,664</u>	<u>\$ 45,808,459</u>	<u>\$ 40,600,776</u>	<u>\$ 30,690,844</u>

Notes:

- (1) Schedule 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

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(unaudited)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Expenses:										
General government	\$ 5,578,265	\$ 5,018,686	\$ 4,745,753	\$ 4,811,384	\$ 5,285,460	\$ 4,562,542	\$ 4,695,839	\$ 4,615,416	\$ 4,123,566	\$ 4,049,469
Public safety	3,451,918	3,346,263	3,266,290	3,279,017	3,408,597	3,260,989	3,013,542	2,797,759	2,714,155	2,579,504
Public works	7,507,231	7,781,074	7,084,009	6,977,469	7,111,663	8,003,018	6,382,470	4,493,904	4,233,837	3,983,293
Culture and recreation	1,018,166	1,015,892	980,589	943,176	953,776	891,399	834,362	826,518	812,198	754,537
Human services	610,927	609,527	586,961	569,523	537,251	575,713	713,822	553,963	601,867	485,671
Education	32,074,662	31,961,198	31,258,609	31,361,305	29,777,145	34,619,609	26,229,542	24,560,513	22,133,614	20,643,432
Interest on long-term debt	1,164,077	1,275,276	1,377,511	1,360,078	1,328,827	1,112,299	1,172,456	1,239,540	1,204,056	1,072,703
Total governmental activities expenses	<u>51,405,246</u>	<u>51,007,916</u>	<u>49,299,722</u>	<u>49,301,952</u>	<u>48,402,719</u>	<u>53,025,569</u>	<u>43,042,033</u>	<u>39,087,613</u>	<u>35,823,293</u>	<u>33,568,609</u>
Program revenues										
Charges for services:										
General government	697,430	518,033	449,200	382,977	299,032	854,887	595,733	657,272	679,088	812,510
Public safety	64,938	318,768	370,556	522,910	476,715	637,783	755,766	349,725	312,041	306,205
Public works	2,327,371	1,837,469	1,750,064	1,405,812	1,156,948	1,462,064	1,559,931	1,795,900	1,396,876	1,320,894
Culture and recreation	54,089	118,897	122,853	84,122	140,564	100,254	93,652	96,787	74,847	-
Human services	5,186	7,679	5,779	23,530	11,173	20,251	21,066	20,331	14,920	11,783
Education	516,707	595,128	563,268	549,279	506,655	476,431	494,215	496,230	437,674	399,909
Operating grants and contributions	9,055,543	9,265,156	8,646,431	8,176,723	7,572,422	14,256,021	6,241,001	5,803,038	4,884,441	4,738,225
Capital grants and contributions	206,751	87,739	2,705,585	1,062,700	518,969	2,044,768	2,065,425	3,762,315	8,223,673	1,666,846
Total governmental activities program revenues	<u>12,928,015</u>	<u>12,748,869</u>	<u>14,613,736</u>	<u>12,208,053</u>	<u>10,682,478</u>	<u>19,852,459</u>	<u>11,826,789</u>	<u>12,981,598</u>	<u>16,023,560</u>	<u>9,256,372</u>
Net (expense) revenue:										
Governmental activities	<u>(38,477,231)</u>	<u>(38,259,047)</u>	<u>(34,685,986)</u>	<u>(37,093,899)</u>	<u>(37,720,241)</u>	<u>(33,173,110)</u>	<u>(31,215,244)</u>	<u>(26,106,015)</u>	<u>(19,799,733)</u>	<u>(24,312,237)</u>
General revenues and other changes in net position:										
Governmental activities:										
Property taxes	38,233,934	37,080,402	36,897,559	35,599,902	35,450,949	32,944,028	32,518,744	29,915,084	28,562,193	24,905,290
Grants and contributions not restricted to specific purposes	230,094	384,656	246,964	269,056	392,954	492,989	545,691	473,611	477,263	477,471
Unrestricted investment earnings	38,321	34,986	71,930	42,838	291,346	747,671	968,895	772,028	529,869	230,284
Other general revenues	89,711	1,674,789	2,922,546	241,942	327,935	88,129	133,167	152,975	130,340	49,824
Total general revenues and other changes in net position	<u>38,592,060</u>	<u>39,174,833</u>	<u>40,138,999</u>	<u>36,153,738</u>	<u>36,463,184</u>	<u>34,272,817</u>	<u>34,166,497</u>	<u>31,313,698</u>	<u>29,699,665</u>	<u>25,662,869</u>
Changes in net position:										
Governmental activities	<u>\$ 114,829</u>	<u>\$ 915,786</u>	<u>\$ 5,453,013</u>	<u>\$ (940,161)</u>	<u>\$ (1,257,057)</u>	<u>\$ 1,099,707</u>	<u>\$ 2,951,253</u>	<u>\$ 5,207,683</u>	<u>\$ 9,899,932</u>	<u>\$ 1,350,632</u>

Notes:

- (1) Schedule prepared on the accrual basis of accounting.

TABLE 3

TOWN OF CROMWELL, CONNECTICUT

FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(unaudited)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General Fund										
Nonspendable	\$ -	\$ 5,758	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted		-	-	-	-	-	-	-	-	-
Committed	51,000	70,000	37,600	-	-	-	-	-	-	-
Assigned	15,434	8,146	9,830	-	-	-	-	-	-	-
Unassigned	6,539,226	4,834,817	4,242,189	-	-	-	-	-	-	-
Reserved	-	-	-	24,160	408,567	670,645	604,962	220,011	118,728	176,992
Unreserved	-	-	-	4,197,025	4,853,401	5,068,728	3,955,418	3,211,369	3,756,242	3,304,288
Total general fund	<u>\$ 6,605,660</u>	<u>\$ 4,918,721</u>	<u>\$ 4,289,619</u>	<u>\$ 4,221,185</u>	<u>\$ 5,261,968</u>	<u>\$ 5,739,373</u>	<u>\$ 4,560,380</u>	<u>\$ 3,431,380</u>	<u>\$ 3,874,970</u>	<u>\$ 3,481,280</u>
All other governmental funds:										
Nonspendable	\$ 95,162	\$ 92,587	\$ 45,464	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	6,056,630	3,859,611	4,295,655	-	-	-	-	-	-	-
Committed	2,718,022	2,700,839	3,306,672	-	-	-	-	-	-	-
Assigned	1,659,841	1,616,171	1,595,934	-	-	-	-	-	-	-
Unassigned	(153,504)	(213,923)	-	-	-	-	-	-	-	-
Reserved	-	-	-	2,629,299	717,840	462,226	826,846	1,025,991	8,333,904	2,965,918
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
Capital projects funds	-	-	-	8,935,275	7,285,469	8,401,776	2,052,553	2,150,483	(443,759)	10,336,740
Total all other governmental funds	<u>\$ 10,376,151</u>	<u>\$ 8,055,285</u>	<u>\$ 9,243,725</u>	<u>\$ 14,309,049</u>	<u>\$ 10,766,855</u>	<u>\$ 11,856,106</u>	<u>\$ 5,921,357</u>	<u>\$ 5,868,773</u>	<u>\$ 10,512,526</u>	<u>\$ 15,702,672</u>

Note: Schedule prepared on the modified accrual basis of accounting

Note: The Town implemented GASB 54 in fiscal year 2011.

TABLE 4

TOWN OF CROMWELL, CONNECTICUT
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(unaudited)

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
Revenues:										
Property taxes	\$ 38,277,712	\$ 37,357,669	\$ 36,823,715	\$ 35,645,513	\$ 35,388,867	\$ 33,037,472	\$ 32,427,042	\$ 30,080,756	\$ 28,732,362	\$ 25,483,587
Assessments	-	-	-	-	-	-	-	-	-	-
Intergovernmental	9,523,609	9,945,197	10,959,068	9,533,487	8,459,337	16,106,891	7,046,083	10,049,130	13,569,504	6,775,913
Charges for services	3,261,535	3,096,675	3,143,438	3,012,535	3,245,874	2,710,909	2,963,789	3,353,875	2,961,110	3,008,165
Income on investments	38,335	34,986	71,930	42,838	291,346	747,671	968,895	772,028	529,869	230,284
Miscellaneous	490,742	972,120	817,179	241,942	327,935	698,318	525,207	342,385	316,056	278,524
Total revenues	51,591,933	51,406,647	51,815,330	48,476,315	47,713,359	53,301,261	43,931,016	44,598,174	46,108,901	35,776,473
Expenditures:										
General government	5,187,874	5,063,775	4,911,295	4,674,278	4,683,572	4,399,214	4,366,962	4,406,214	3,979,972	3,901,798
Public safety	3,319,469	3,153,617	3,052,028	3,087,717	3,155,691	3,004,349	2,814,468	2,652,078	2,486,708	2,417,503
Public works	5,303,360	5,640,953	5,111,350	5,049,682	5,156,629	5,710,333	4,473,302	4,419,490	4,120,319	3,862,074
Culture and recreation	941,065	938,222	897,512	880,079	884,401	865,790	837,541	768,616	685,319	686,924
Human services	565,727	549,850	546,407	508,953	507,753	546,047	502,107	544,579	506,584	487,966
Education	30,328,029	30,460,100	29,616,635	29,389,356	28,299,582	33,903,173	25,338,328	23,277,163	21,174,288	20,096,419
Debt services:										
Principal	2,570,000	2,590,000	2,703,589	2,566,147	2,480,000	2,065,000	2,070,000	2,255,000	1,970,000	1,460,000
Interest	2,053,521	1,318,438	1,485,189	1,209,630	1,262,537	1,070,897	1,147,284	1,214,634	1,301,251	731,523
Capital outlay	2,431,475	2,251,030	8,488,214	5,574,413	3,701,700	1,351,682	1,199,440	10,147,743	14,680,916	6,870,551
Total expenditures	52,700,520	51,965,985	56,812,219	52,940,255	50,131,865	52,916,485	42,749,432	49,685,517	50,905,357	40,514,758
Excess of revenue over (under) expenditures	(1,108,587)	(559,338)	(4,996,889)	(4,463,940)	(2,418,506)	384,776	1,181,584	(5,087,343)	(4,796,456)	(4,738,285)
Other financing sources (uses):										
Transfers in	564,388	1,026,429	1,522,014	1,645,662	1,640,559	2,070,601	1,802,375	1,313,301	1,189,240	1,705,371
Transfers out	(564,388)	(1,026,429)	(1,522,014)	(1,645,662)	(1,640,559)	(2,070,601)	(1,802,375)	(1,313,301)	(1,189,240)	(1,705,371)
Proceeds from sale of bonds	1,933,149	-	-	6,730,000	-	6,728,966	-	-	-	27,440,000
Bond issuance costs	-	-	-	-	-	-	-	-	-	(149,545)
Premium on bonds	-	-	-	235,350	-	-	-	-	-	389,545
Payment to refunded bond escrow agent	-	-	-	-	-	-	-	-	-	(7,621,477)
Capital leased issued	-	-	-	-	1,051,850	-	-	-	-	-
Total other financing sources (uses)	1,933,149	-	-	6,965,350	1,051,850	6,728,966	-	-	-	20,058,523
Net change in fund balance	\$824,562	(\$559,338)	(\$4,996,889)	\$2,501,410	(\$1,366,656)	\$7,113,742	\$1,181,584	(\$5,087,343)	(\$4,796,456)	\$15,320,238
Debt service as a percentage of noncapital expenditures	9.20%	7.86%	8.67%	7.97%	8.06%	6.08%	7.74%	8.78%	9.03%	6.51%

Note: Schedule prepared on the modified accrual basis of accounting

TABLE 5

TOWN OF CROMWELL, CONNECTICUT

ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS
(unaudited)

FISCAL YEARREAL PROPERTY.....			PERSONAL PROPERTY	MOTOR VEHICLE	LESS TAX-EXEMPT PROPERTY	TOTAL TAXABLE ASSESSED VALUE	TOTAL DIRECT TAX RATE	ESTIMATED ACTUAL TAXABLE VALUE	TAXABLE ASSESSED VALUE AS A PERCENTAGE OF ACTUAL TAXABLE VALUE
	RESIDENTIAL	COMMERCIAL	INDUSTRIAL							
2013	\$ 988,568,681	\$ 212,238,580	\$ 134,511,819	\$ 80,652,960	\$ 105,985,220	\$ 110,139,555	\$ 1,411,817,705	0.00	\$ 2,016,882,436	70.00%
2012	979,848,650	210,697,220	133,948,310	77,960,740	99,133,353	109,326,488	1,392,261,785	26.80	1,988,945,407	70.00%
2011	968,599,140	213,545,750	133,498,360	74,082,420	95,397,097	107,479,838	1,377,642,929	26.84	1,968,061,327	70.00%
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%

Source: Town of Cromwell Office of Tax Assessor

Note: (1) Assessed value is 70% of actual value.

TABLE 6

TOWN OF CROMWELL, CONNECTICUT

DIRECT AND OVERLAPPING
PROPERTY TAX RATES
LAST TEN FISCAL YEARS
(rate per \$1,000 of assessed value)
(unaudited)

Fiscal Year	Operating Millage	Debt Service Millage	School Millage	Total Town Millage	Overlapping Rates		Total Direct & Overlapping Rates
					Fire District		
2013	8.70	2.31	16.05	27.06	1.89		28.95
2012	8.52	2.40	15.88	26.80	1.89		28.69
2011	8.45	2.62	15.76	26.84	1.80		28.64
2010	7.79	2.73	15.64	26.16	1.80		27.96
2009	8.14	2.82	15.25	26.21	1.80		28.01
2008	9.71	2.93	18.50	31.14	2.10		33.24
2007	9.38	3.05	18.86	31.29	2.10		33.39
2006	8.88	3.37	17.35	29.60	1.90		31.50
2005	9.08	3.31	16.61	29.00	1.90		30.90
2004	8.29	1.78	16.23	26.30	1.60		27.90

Source:

Note 1: The Mattabassett District is funded by the Sewer Usage Fund for the annual operation and maintenance portion of their budget.

Note 2: Fiscal years 2000, 2004, and 2008 were revalued.

Note 3: This schedule was broken out to display components of the total direct rate starting 2010.

TABLE 7

TOWN OF CROMWELL, CONNECTICUT

 PRINCIPAL PROPERTY TAX PAYERS
 CURRENT YEAR AND NINE YEARS AGO
 (unaudited)

TAXPAYERS	2013			2004		
	TAXABLE ASSESSED VALUE AS OF OCTOBER 1, 2011	RANK	PERCENTAGE OF TOTAL TOWN TAXABLE ASSESSED VALUE	TAXABLE ASSESSED VALUE AS OF OCTOBER 1, 2002	RANK	PERCENTAGE OF TOTAL TOWN TAXABLE ASSESSED VALUE
Covenant Home Inc.	\$ 25,118,420	1	1.78%	\$ -	-	0.00%
Covenant Home Inc. (Covenant Village)	-	-	0.00%	16,474,410	1	1.74%
Shaner Hotel Group Properties (Radisson)	10,395,000	2	0.74%	9,202,310	4	0.97%
Algonquin Gas Trans Co.	9,872,740	3	0.70%	12,731,750	2	1.35%
Main Street Equity	9,607,320	4	0.68%	-	-	
Infinity Cromwell Properties (Wal-Mart)	8,761,700	5	0.62%	7,036,810	6	0.74%
Connecticut Light & Power	7,680,270	6	0.54%	7,867,090	5	0.83%
IRNM Fee Cromwell LLC	7,175,000	7	0.51%	-	-	
CSE Cromwell (CT) LLC	6,904,780	8	0.49%	6,141,240	7	0.65%
R A Cromwell, LLC	6,878,190	9	0.49%	9,248,250	3	0.98%
Lehigh Cromwell LLC	6,720,000	10	0.48%	-	-	
New Fairfield Post Road, LLC (Shopping)	-	-	0.00%	5,336,700	8	0.56%
Nutmeg Partnership (Hotel)	-	-	0.00%	5,136,600	9	0.54%
Holiday Inn	-	-	0.00%	4,909,690	10	0.52%
Shunpike-West Limited Partnership	-	-	0.00%	4,908,650	10	0.52%
	<u>\$ 99,113,420</u>		<u>7.02%</u>	<u>\$ 88,993,500</u>		<u>9.40%</u>

Source: Town of Cromwell Assessor's Office.

Note: Grand List years are collected in the current year and nine years ago.

TABLE 8

TOWN OF CROMWELL, CONNECTICUT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(unaudited)

FISCAL YEAR ENDED JUNE 30,	TAX RATE IN MILLS	<u>COLLECTED WITHIN THE FISCAL YEAR OF THE LEVY</u>				<u>TOTAL COLLECTIONS TO DATE</u>			
		TAXES LEVIED FOR THIS FISCAL YEAR	AMOUNT	PERCENTAGE OF LEVY	COLLECTION IN SUBSEQUENT YEARS	AMOUNT	PERCENTAGE OF LEVY		
2013	27.06	\$ 38,242,374	\$ 37,862,390	99.01%	\$ -	\$ 37,862,390	99.01%		
2012	26.80	\$ 37,316,375	\$ 36,967,505	99.07%	\$ 174,426	\$ 37,141,931	99.53%		
2011	26.84	\$ 36,870,036	\$ 36,484,059	98.95%	\$ 292,368	\$ 36,776,427	99.75%		
2010	26.16	\$ 35,490,099	\$ 35,217,856	99.23%	\$ 163,782	\$ 35,381,638	99.69%		
2009	26.21	\$ 35,337,213	\$ 35,011,177	99.08%	\$ 229,356	\$ 35,240,533	99.73%		
2008	31.14	\$ 32,893,111	\$ 32,669,608	99.32%	\$ 131,330	\$ 32,800,938	99.72%		
2007	31.29	\$ 32,363,161	\$ 32,070,032	99.09%	\$ 195,964	\$ 32,265,996	99.70%		
2006	29.60	\$ 29,968,290	\$ 29,719,320	99.17%	\$ 142,940	\$ 29,862,260	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%		

Source: Tax Collector's Report: Comprehensive annual financial report

*The numbers above have been revised from prior years to accurately reflect the collection in subsequent years.

TABLE 9

TOWN OF CROMWELL, CONNECTICUT

 RATIOS OF OUTSTANDING DEBT BY TYPE
 LAST TEN FISCAL YEARS
 (unaudited)

FISCAL YEAR	GENERAL OBLIGATION BONDS	CAPITAL LEASES	TOTAL PRIMARY GOVERNMENT	PERCENTAGE OF ACTUAL PROPERTY VALUE	PERCENTAGE OF PERSONAL INCOME	DEBT PER CAPITA
2013	\$ 28,485,000	\$ -	\$ 28,485,000	1.41%	4.70%	2,018
2012	27,625,000	889,864	28,514,864	1.43%	4.58%	1,982
2011	30,215,000	946,243	31,161,243	1.58%	4.89%	2,163
2010	32,980,000	1,000,204	32,980,000	1.70%	6.38%	2,378
2009	28,660,000	1,051,850	28,660,000	1.48%	5.61%	2,081
2008	31,150,000	-	31,150,000	2.08%	6.20%	2,275
2007	26,535,000	-	26,535,000	1.81%	6.03%	1,938
2006	28,605,000	-	28,605,000	1.99%	6.62%	2,113
2005	30,860,000	-	30,860,000	2.26%	7.21%	2,285
2004	32,830,000	-	32,830,000	2.43%	7.74%	2,436

Notes: Details regarding the Town's outstanding debt can be found in the notes to the financial statements.

TOWN OF CROMWELL, CONNECTICUT

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2013
(unaudited)

GOVERNMENTAL UNIT	DEBT OUTSTANDING	PERCENTAGE APPLICABLE	ESTIMATED SHARES OF DIRECT AND OVERLAPPING DEBT
Overlapping debt:			
Cromwell Fire District*	\$ 7,040,000	100%	\$ 7,040,000
Mattabassett*	2,491,549	100%	2,491,549
Total overlapping debt			9,531,549
Town direct debt			28,485,000
Total			\$ 38,016,549

*The \$7,040,000 represents the outstanding general obligation bonds for the Fire District as of June 30, 2013. 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. As well, the Mattabassett District incurred debt through a DEEP Clean Water Fund (CWF) Loan for the design of a Nitrogen Upgrade. As a member of the Mattabassett District, the Town of Cromwell is assessed a pro-rata share of the debt which is included as overlapping debt in the amount of \$2,491,549 as of June 30, 2013.

TOWN OF CROMWELL, CONNECTICUT

SCHEDULE OF DEBT LIMITATION

June 30, 2013

(unaudited)

Total tax collections (including fire district).....						\$	40,937,024
	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>		
Debt Limitation							
2-1/4 times base.....	\$ 92,108,304	\$ -	\$ -	\$ -	\$ -		
4-1/2 times base.....	-	184,216,608	-	-	-		
3-3/4 times base.....	-	-	153,513,840	-	-		
3-1/4 times base.....	-	-	-	133,045,328	-		
3 times base.....	-	-	-	-	122,811,072		
Total debt limitation.....	92,108,304	184,216,608	153,513,840	133,045,328	122,811,072		
Indebtedness:							
Long-term debt outstanding.....	11,400,412	17,034,588	50,000	-	-		
Overlapping debt...	7,040,000	-	2,491,549	-	-		
Bonds authorized and unissued....	1,059,000	1,410,811	-	-	-		
Total Indebtedness	19,499,412	18,445,399	2,541,549	-	-		
Deductions:							
School Building Grants receivable	-	-	-	-	-		
Net indebtedness	19,499,412	18,445,399	2,541,549	-	-		
Debt limitation in excess of net debt....	\$ 72,608,892	\$ 165,771,209	\$ 150,972,291	\$ 133,045,328	\$ 122,811,072		

Note 1: In no case shall total indebtedness exceed \$286,559,168 or seven times annual receipts from taxation.

TOWN OF CROMWELL, CONNECTICUT

LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
(unaudited)

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
Debt limitation	\$ 286,559,168	\$ 281,084,951	\$ 275,077,180	\$ 266,833,357	\$ 264,235,650	\$ 247,204,692	\$ 240,950,647	\$ 244,113,967	\$ 215,002,123	\$ 189,620,753
Total net debt applicable to limit	40,486,360	32,602,147	37,208,816	40,083,816	47,200,370	49,405,181	42,277,117	43,979,156	48,963,010	42,561,339
Legal debt margin	\$ 246,072,808	\$ 248,482,804	\$ 237,868,364	\$ 226,749,541	\$ 217,035,280	\$ 197,799,511	\$ 198,673,530	\$ 200,134,811	\$ 166,039,113	\$ 147,059,414
Total net debt applicable to the limit as a percentage of debt limit	14.13%	11.60%	13.53%	15.02%	17.86%	19.99%	17.55%	18.02%	22.77%	22.45%

Source: Comprehensive annual financial report - Schedule of Debt Limitation

Note: See Table 11 for calculation of current year debt limitation

TABLE 13

TOWN OF CROMWELL, CONNECTICUT

 DEMOGRAPHIC AND ECONOMIC STATISTICS
 LAST TEN CALENDAR YEARS
 (unaudited)

CALENDAR YEAR	POPULATION (1)	PER CAPITA INCOME (2)	PERSONAL INCOME	MEDIAN HOUSEHOLD INCOME (2)	MEDIAN AGE (2)	SCHOOL ENROLLMENT (3)	UNEMPLOYMENT RATE (4)
2013	14,116	\$ 42,900	\$ 605,576,400	\$ 81,718	43	1,971	6.7%
2012	13,940	43,249	602,891,060	83,670	45	1,992	6.8%
2011	13,968	44,206	617,469,408	73,665	44	2,018	7.3%
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%

* Information not available or attainable.

Source: State of Connecticut Health Department, except 2007 which is a Town of Cromwell estimate.

Source: State of Connecticut Fiscal Indicators - CERC (estimate used for 2005 and 2006)

Source: Superintendent of Schools

Source: Connecticut Labor Department

TOWN OF CROMWELL, CONNECTICUT
 PRINCIPAL EMPLOYERS
 CURRENT YEAR AND NINE YEARS AGO
 (unaudited)

EMPLOYER	NATURE OF BUSINESS	2013			2004		
		EMPLOYEES	RANK	PERCENTAGE OF TOTAL TOWN EMPLOYMENT	EMPLOYEES	RANK	PERCENTAGE OF TOTAL TOWN EMPLOYMENT
Stop & Shop	Supermarket	350	1	5.30%	240	1	N/A
Wal-Mart	Department Store	220	2	3.33%	200	4	3.25%
Apria Healthcare	Healthcare/Medical Equipment	75	17	1.14%	223	3	3.63%
Haven Health Center	Convalescent Home	200	3	3.03%	105	8	1.71%
Pilgrim Manor Care Ctr	Retirement Village	200	4	3.03%	230	2	3.74%
The Children's Home	Residential School	175	5	2.65%	N/A	N/A	N/A
Cromwell Crown Plaza Hotel & Conference Center	Hotel/Conference Center	170	6	2.57%	176	7	2.86%
Lowe's	Home Supply Store	150	7	2.27%	N/A	N/A	N/A
Millane Nurseries	Nurseries	150	8	2.27%	180	6	2.93%
Liturgical Publications	Publisher	130	9	1.97%	N/A	N/A	N/A
Chili's Grill & Bar	Restaurant	110	10	1.67%	N/A	N/A	N/A
Tournament Players Club	Golf Course	104	11	1.57%	N/A	N/A	N/A
Apple Rehab Cromwell	Rehabilitation Services	100	12	1.51%	N/A	N/A	N/A
XPECT	Grocers-Retail	98	13	1.48%	104	9	1.69%
Safe Home Security	Home Security	95	14	1.44%	N/A	N/A	N/A
Cromwell Growers	Landscapping/Florist	90	15	1.36%	N/A	N/A	N/A
Aeorspace Techniques/GKN	Aircraft Parts	85	16	1.29%	N/A	N/A	N/A

Source: Town of Cromwell, Town Planner

TABLE 15

TOWN OF CROMWELL, CONNECTICUT

FUL-TIME EQUIVALENT TOWN GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS
 (unaudited)

<u>FUNCTION/PROGRAM</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General government	36	35	35	35	35	35	35	36	35	33
Police	36	36	36	36	35	35	34	32	32	32
Fire	9	9	9	9	9	9	9	4	4	4
Refuse collection	2	2	2	2	2	2	2	2	2	2
Other public works	31	32	32	32	32	31	31	31	31	30
Parks and recreation	2	2	2	2	2	2	2	2	2	2
Library	17	17	17	17	17	17	17	18	18	17
Education	311	313	310	317	316	315	315	315	290	294
TOTAL	444	446	443	450	448	446	445	440	414	414

Source: Cromwell Town and Board of Education Payroll Records

TABLE 16

TOWN OF CROMWELL, CONNECTICUT

OPERATING INDICATORS BY FUNCTION/PROGRAM
 LAST TEN FISCAL YEARS
 (unaudited)

<u>FUNCTION/PROGRAM</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
General government: (1)										
Building permits issued	916	930	785	666	689	729	813	746	865	1011
Building inspections conducted										
Police: (2)										
Physical arrests	399	428	443	437	478	806	525	573	657	508
Parking violations	61	104	144	246	202	222	291	336	353	554
Traffic violations	570	558	601	481	540	1647	514	546	681	1082
Other public works: (3)										
Street resurfacing (miles)	2	1.73	6	1.68	1.8	0.93	0.33	5.73	0.62	0.3
Potholes repaired	*	*	*	*	*	*	*	*	*	*
Parks and recreation:										
Athletic field permits issued	*	*	*	*	*	*	*	*	*	*
Library: (4)										
Volumes in collection	83,423	82,536	81,990	80,120	78,557	78,581	77,418	74,364	71,905	72,343
Total volumes borrowed	99,038	105,223	105,252	102,003	105,019	108,674	100,711	99,354	104,267	100,186

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.

TABLE 17

TOWN OF CROMWELL, CONNECTICUT

CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(unaudited)

<u>FUNCTION/PROGRAM</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>	<u>2005</u>	<u>2004</u>
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	15	14	14	14	14	14	14	14	14	13
Other public works: (2)										
Streets (miles)	56.35	56.35	56	54.79	54.79	54.79	54	53.22	53.22	52.44
Highways (miles)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Streetlights**	1164	1163	1153	1153	1153	1153	1152	1146	1135	1112
Traffic signals**	15	15	15	15	15	15	15	14	*	*
Parks and recreation: (3)										
Acreage***	156.9	156.9	156.9	156.9	156.9	156.4	156.4	156.4	156.4	156.4
Playgrounds	3	3	3	3	3	3	3	3	3	3
Baseball/softball diamonds	15	15	15	15	15	15	15	15	14	14
Soccer/football fields	10	10	10	10	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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