

PRELIMINARY OFFICIAL STATEMENT DATED JANUARY 5, 2010

New Issue

Ratings: (See "Ratings" herein.)

In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming the material accuracy of representations and continuing compliance by the Town with certain covenants and procedures relating to requirements of the Internal Revenue Code of 1986, as amended (the "Code"): interest on the Bonds is excluded from gross income of the owners thereof for purposes of Federal income taxation, is not treated as a preference item for purposes of computing the Federal alternative minimum tax, and is not included in adjusted current earnings for purposes of calculating the Federal alternative minimum tax on corporations (as defined for federal income tax purposes). In the opinion of Bond Counsel, based on existing statutes, interest on the Bonds is excluded from taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the federal alternative minimum tax. See Appendix B – "Form of Opinion of Bond Counsel and Tax Exemption."

**\$11,000,000
TOWN OF GRISWOLD, CONNECTICUT
GENERAL OBLIGATION BONDS, ISSUE OF 2010
BOOK-ENTRY-ONLY**

Dated: February 1, 2010

Due: Serially, February 1, 2011–2030, as shown below

Due	Amount*	Interest Rate	Yield	CUSIP Number	Due	Amount*	Interest Rate	Yield	CUSIP Number
2011	\$360,000			398640__	2021	\$545,000			398640__
2012	375,000			398640__	2022	570,000			398640__
2013	390,000			398640__	2023	595,000			398640__
2014	410,000			398640__	2024	620,000			398640__
2015	425,000			398640__	2025	645,000			398640__
2016	445,000			398640__	2026	670,000			398640__
2017	460,000			398640__	2027	700,000			398640__
2018	480,000			398640__	2028	730,000			398640__
2019	500,000			398640__	2029	760,000			398640__
2020	525,000			398640__	2030	795,000			398640__

**Subject to change by the Town to provide for substantially level debt service. See Appendix D – "Notice of Sale" herein.*

Interest on the Bonds will be payable semiannually on the first day of February and August of each year until maturity, commencing August 1, 2010. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months at the rate or rates per annum specified by the successful bidder. The Bonds will be issued by means of a book-entry-only system and registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. The Beneficial Owners of the Bonds will not receive certificates representing their ownership interest in the Bonds. Principal of, redemption premium, if any, and interest on the Bonds will be payable by the Town or its agent to DTC or its nominee as registered owner of the Bonds. Ownership of the Bonds may be in principal amounts of \$5,000 or integral multiples thereof. DTC will act as security depository for the Bonds. So long as Cede & Co. is the Bondowner, as nominee for DTC, reference herein to the Bondowner or owners shall mean Cede & Co., as aforesaid, and shall not mean the Beneficial Owners (as described herein) of the Bonds. (See "Book-Entry-Only System" herein.)

The Bonds are subject to redemption prior to maturity as described herein. See "Optional Redemption" herein. The Bonds will be general obligations of the Town of Griswold, Connecticut (the "Town"), and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. See "Security and Remedies" herein.

SEALED BIDS and ELECTRONIC BIDS via PARITY® for the Bonds will be received until 11:30 A.M. (E.S.T.) on Thursday, January 14, 2010, at Webster Bank, National Association, CityPlace II, 185 Asylum Street, 3rd Floor Conference Room, Hartford, Connecticut 06103. The Bonds are offered for delivery when, as and if issued, subject to the final approving opinion of Murtha Cullina LLP, Bond Counsel, of Hartford and New Haven, Connecticut. It is expected that the delivery of the Bonds in definitive form will be made to DTC in New York, New York on or about February 1, 2010 New York.

This cover page contains certain information for quick reference only. It is NOT a summary of the issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

FINANCIAL ADVISOR



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The cover page hereof, this page, the appendices included herein and any addenda, supplement or amendment hereto, are part of the Official Statement.

Issue Summary

The information in this section is qualified in its entirety by the detailed information and financial statements appearing elsewhere in this Official Statement. Investors must read the entire Official Statement to obtain information essential to the making of an informed decision.

- Issuer:** Town of Griswold, Connecticut
- Issue:** \$11,000,000 General Obligation Bonds, Issue of 2010, book-entry-only (the "Bonds")
- Financial Advisor:** Webster Bank, National Association, Hartford, Connecticut
- Date of Sale:** Sealed bids and electronic bids via PARITY® for the Bonds will be received on Thursday, January 14, 2010 until 11:30 A.M. (E.S.T.) at Webster Bank, National Association, CityPlace II, 3rd Floor Conference Room, Hartford, Connecticut 06103.
- Dated Date:** February 1, 2010
- Interest Date:** Each February 1 and August 1, commencing August 1, 2010
- Principal Due:** Serially, February 1, 2011 through February 1, 2030, as detailed in this Official Statement
- Purpose:** The Bonds are being issued to finance the construction of a new elementary school and to renovate and expand the Town's middle school.
- Redemption:** The Bonds are subject to redemption prior to maturity as more fully discussed herein. (See "Optional Redemption" herein.)
- Security:** The Bonds will be general obligations of the Town of Griswold, Connecticut, and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds when due. (See "Security and Remedies" herein.)
- Bank Qualification:** The Bonds shall be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.
- Credit Rating:** Application has been made to Standard & Poor's and Fitch Ratings for ratings on the Bonds.
- Bond Insurance:** Applications to insurance companies have been made under the optional purchase method.
- Basis of Award:** Lowest True Interest Cost ("TIC"), as of the dated date
- Tax Exemption:** See Appendix B – "Form of Opinion of Bond Counsel and Tax Exemption" herein.
- Certifying Agent, Registrar, Transfer Agent and Paying Agent:** U.S. Bank National Association, 225 Asylum Street, Goodwin Square, Hartford, Connecticut 06103, ctmuniservices@usbank.com
- Legal Opinion:** Murtha Cullina LLP of Hartford and New Haven, Connecticut will act as Bond Counsel (Joseph P. Fasi, Esq., Bond Counsel (860) 240-6080).

Delivery: It is expected that delivery of the Bonds in book-entry-only form to The Depository Trust Company will be made on or about February 1, 2010.

Final Official Statement: This Official Statement is in a form “deemed final” by the Town for the purposes of SEC Rule 15c2-12(b)(1), but it is subject to revision or amendment.

Availability of Continuing Information: In accordance with the requirements of Rule 15c2-12(b)(5) promulgated by the Securities and Exchange Commission, the Town will agree to provide, or cause to be provided, annual financial information and operating data, notices of material events and notices of a failure to provide required information with respect to the Bonds pursuant to a Continuing Disclosure Agreement to be executed by the Town substantially in the form attached as Appendix C to this Official Statement.

For additional copies of the Official Statement or requests for additional information, please contact Christopher P. Martin, Senior Vice President, Webster Bank, National Association, 185 Asylum Street, Hartford, Connecticut 06103, telephone (860) 692-1324.

Introduction

This Official Statement, including the cover page and appendices, is provided only in connection with the initial offering and sale of the Bonds to present certain financial information and supplementary economic and demographic data relevant to the Town of Griswold, Connecticut (the "Town") in connection with the issuance and sale of \$11,000,000 General Obligation Bonds, Issue of 2010 (the "Bonds") of the Town and may not be reproduced or used in whole or in part for any other purpose.

The Bonds are being offered for sale at public bidding. A Notice of Sale dated January 5, 2010, a copy of which is included as Appendix D herein, has been furnished to prospective bidders. Reference is made to the Notice of Sale for the terms and conditions of the bidding.

The successful bidder for the Bonds may add a separate page on the front of this Official Statement to indicate its name, the Bond offering prices, the interest rates per annum on the Bonds, information regarding ratings and insurance (if any), and such other information as approved by the Town which the successful bidder deems appropriate.

This Official Statement is not to be construed as a contract or agreement between the Town and the purchasers or holders of any of the Bonds. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. No dealer, broker, salesman, or other person has been authorized by the Town to give any information or make any representations, other than those contained in this Official Statement or any supplement which may be issued hereto; and if given or made, such other information or representations must not be relied upon as having been authorized by the Town. Any statements made in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any such opinion or estimate will be realized. The presentation of information in this Official Statement is not intended to indicate future or continuing trends in financial or other positions of the Town. No representation is made that past experience, as might be shown by financial or other information herein, will necessarily continue to be repeated in the future. The information, estimates and expressions of opinion herein are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds shall, under any circumstances, create any implication that there has been no material change in the affairs of the Town since the date of the Official Statement.

All quotations from and summaries and explanations of provisions of statutes, charters or other laws and acts and proceedings of the Town contained herein do not purport to be complete, are subject to repeal or amendment and are qualified in their entirety by reference to such laws and the original official documents. All references to the Bonds and the proceedings of the Town relating thereto are qualified in their entirety by reference to the definitive form of the Bonds and such proceedings.

The information in this Official Statement has been prepared by the Town's financial advisor, Webster Bank, National Association (the "Bank"), from information supplied by the Town's officials and other sources as indicated. The Bank does not assume responsibility for the sufficiency, accuracy or completeness of the statements made herein and makes no representation that it has independently verified the same. An agreement between the Town and the Bank has been entered into to conform to Municipal Securities Rulemaking Board Rule G-23.

U.S. Bank National Association, of Hartford, Connecticut will act as Certifying Agent, Registrar, Transfer Agent, and Paying Agent for the Bonds.

The independent auditors for the Town are not passing upon and do not assume responsibility for the sufficiency, accuracy or completeness of the financial information presented in this Official Statement (other than matters expressly set forth in Appendix A - "Auditor's Section" herein) and make no representation that they have independently verified the same. The auditors have not been engaged nor performed audit procedures regarding the post-audit period. The auditors have not provided their written consent to use their Independent Auditors' Report.

Bond Counsel is not passing upon and does not assume responsibility for the sufficiency, accuracy or completeness of the statements made or financial information presented in this Official Statement and makes no representation that it has independently verified the same, other than matters expressly set forth as its opinion in Appendix B.

SECTION I - SECURITIES OFFERED

Description of the Bonds

The Bonds are being offered for sale at public bidding. A Notice of Sale dated January 5, 2010, a copy of which appears as Appendix D, has been furnished to prospective bidders. Reference is made to the Notice of Sale, which is included as a separate document, for the terms and conditions of the bidding.

The Bonds will be dated February 1, 2010 and will mature on February 1 of the years and in the principal amounts as follows:

<u>Due February 1</u>	<u>Principal Amount*</u>	<u>Due February 1</u>	<u>Principal Amount*</u>
2011	\$360,000	2021	\$545,000
2012	375,000	2022	570,000
2013	390,000	2023	595,000
2014	410,000	2024	620,000
2015	425,000	2025	645,000
2016	445,000	2026	670,000
2017	460,000	2027	700,000
2018	480,000	2028	730,000
2019	500,000	2029	760,000
2020	525,000	2030	795,000

**Subject to change by the Town to provide for substantially level debt service. See Appendix D –“Notice of Sale” herein.*

Interest on the Bonds will be payable semiannually on the first day of February and August of each year, commencing August 1, 2010. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months at the rate or rates per annum specified by the successful bidder. Interest is payable to the registered owner as of the close of business on the fifteenth day of January and July in each year, or the preceding business day if such fifteenth day is not a business day, by check mailed to the registered owner; or so long as the Bonds are registered in the name of Cede & Co., as nominee of DTC, by such other means as DTC, the Paying Agent and the Town shall agree. Principal will be payable at the principal office of U.S. Bank National Association, as Paying Agent.

The Bonds are subject to redemption prior to maturity as more fully described herein. See “Optional Redemption” herein.

Authorization and Purpose

\$11,000,000: Bonds are being issued pursuant to an appropriation and borrowing authorization of \$70,000,000 adopted at referendum on June 20, 2007 to fund the planning, acquisition and construction of the replacement of the new Griswold Elementary School with a new school and the renovation and expansion of Griswold Middle School.

Pursuant to Section 10-287i of the Connecticut General Statutes, the State of Connecticut will provide proportional progress payments for eligible school construction expenses on projects approved after July 1, 1996 (the “Current Program”).

Debt service reimbursement will continue under the prior reimbursement program for all projects approved prior to July 1, 1996. Under the prior program, a municipality issues bonds for the entire amount of the school construction project and the State of Connecticut reimburses the Town for principal and interest costs for eligible school construction projects over the life of outstanding school bonds and subsequent bond issues necessary to completely fund the approved school project.

Under the Current Program, the State of Connecticut will make proportional progress payments for eligible construction costs during project construction. The State grant will be paid directly to the municipality after it submits its request for progress payments, and accordingly, the municipality will issue its bonds only for its

share of project costs. The Town expects to receive reimbursement of 74% of eligible expenses from the State for the projects funded by this bond issue and, accordingly, will issue bonds only for its local share.

Use of Proceeds

<u>Project</u>	<u>Amount Authorized</u>	<u>Previously Bonded</u>	<u>Notes Maturing</u>	<u>This Issue</u>
Griswold School System Improvements	\$70,000,000	\$10,000,000	\$8,000,000	\$11,000,000

Optional Redemption

The Bonds maturing on or before February 1, 2019 are not subject to redemption prior to maturity. The Bonds maturing on February 1, 2020 and thereafter are subject to redemption prior to maturity, at the election of the Town, on or after February 1, 2019, at any time in whole or in part and by lot within a maturity, in such order of maturity and in such amounts as the Town may determine, at the redemption price or prices (expressed as a percentage of the principal amount of the Bonds to be redeemed) set forth in the following table, plus interest accrued and unpaid to the redemption date:

<u>Period During Which Redeemed</u>	<u>Redemption Price</u>
February 1, 2019 and thereafter	100.0%

Notice of redemption shall be given by the Town or its agent by mailing a copy of the redemption notice by first-class mail not less than thirty days prior to the redemption date to the registered owner of the Bonds at the address of such registered owner as the same shall last appear on the registration books for the Bonds kept for such purpose. Failure to give such notice by mailing to any registered owner, or any defect therein, shall not affect the validity of the redemption of any other Bonds. Upon the giving of such notice, if sufficient funds available solely for redemption are on deposit with the Paying Agent, the Bonds or portions thereof so called for redemption will cease to bear interest after the specified redemption date.

If less than all of the Bonds of any one maturity shall be called for redemption, the particular Bonds or portions of Bonds of such maturity to be redeemed shall be selected by lot in such manner as the Town in its discretion may determine; provided, however, that the portion of any Bonds to be redeemed shall be in the principal amount of \$5,000 or a multiple thereof and that, in selecting Bonds for redemption, each bond shall be considered as representing that number of Bonds which is obtained by dividing the principal amount of such Bond by \$5,000.

The Town, so long as a book-entry system is used for the Bonds, will send any notice of redemption only to DTC (or a successor securities depository) or its nominee. Any failure of DTC to advise any DTC Participant, or of any DTC Participant or Indirect Participant to notify any Indirect Participant or Beneficial Owner, of any such notice and its content or effect will not affect the validity of the redemption of such Bonds called for redemption. Redemption of a portion of the Bonds of any maturity by the Town will reduce the outstanding principal amount of Bonds of such maturity held by DTC. In such event it is the current practice of DTC to allocate by lot, through its book-entry system, among the interest held by DTC Participants in the Bonds to be redeemed, the interest to be reduced by such redemptions in accordance with its own rules or other agreements with DTC Participants. The DTC Participants and Indirect Participants may allocate reductions of the interests in the Bonds to be redeemed held by the Beneficial Owners. Any such allocation of interests in the Bonds to be redeemed will not be governed by the determination of the Town authorizing the issuance of the Bonds and will not be conducted by or the responsibility of the Town, the Registrar or Paying Agent.

Ratings

The Town has made application to Fitch Ratings ("Fitch") and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("Standard & Poor's") for ratings on the Bonds. The Town's outstanding underlying ratings by Fitch and Standard & Poor's are A+ and AA-, respectively. Such ratings reflect only the views of each rating agency, and any explanation of the significance of such rating should be obtained from the rating agency furnishing the same, at the following addresses: Fitch Ratings, One State Street Plaza, New York, New York 10004 and Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc., 55 Water

Street, New York, New York, 10041. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. The Town furnished certain information and materials to the rating agencies, some of which may not have been included in this Official Statement. There is no assurance that such ratings will continue for any given period of time or that the ratings will not be revised or withdrawn entirely by either agency if, in the judgment of such rating agency, circumstances so warrant. A revision or withdrawal of such ratings may have an effect on the market price of the Town's bonds.

Bond Insurance

Information has been submitted to various municipal bond insurers for consideration as to insurance on the Bonds, if the original purchaser wishes to purchase such insurance. The grant or denial of such insurance by the insurers reflects only the view of the individual insurer as to the Town's credit, but could affect the market price of the Bonds. If the original purchaser obtains insurance on the Bonds, the insurer should be contacted directly for information concerning its insurance program.

Security and Remedies

The Bonds will be general obligations of the Town of Griswold, Connecticut, and the Town will pledge its full faith and credit to pay the principal of and interest on the Bonds when due.

Unless paid from other sources, the Bonds are payable from general property tax revenue of the Town. The Town has the power under Connecticut General Statutes to levy ad valorem taxes on all taxable property in the Town without limit as to rate or amount, except as to certain classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. On the last completed grand list of the Town there were no acres of such certified forest land. Under existing statutes, the State of Connecticut is obligated to pay the Town the amount of tax revenue which the Town would have received except for the limitation on its power to tax such dwelling houses of qualified elderly persons.

Payment of the Bonds is not limited to property tax revenues or any other revenue source, but certain revenues of the Town may be restricted as to use and therefore may not be available to pay debt service on the Bonds.

There are no statutory provisions for priorities in the payment of general obligations of the Town. There are no statutory provisions for a lien on any portion of the tax levy or other revenues to secure the Bonds, or judgments thereon, in priority to other claims.

The Town is subject to suit on its general obligation bonds and notes, and a court of competent jurisdiction has power in appropriate proceedings to render a judgment against the Town. Courts of competent jurisdiction also have the power in appropriate proceedings to order payment of a judgment on such bonds and notes from funds lawfully available therefor or, in the absence thereof, to order the Town to take all lawful action to obtain the same, including the raising of the required amount in the next annual tax levy. In exercising their discretion as to whether to enter such an order, the courts may take into account all relevant factors, including the current operating needs of the Town and the availability and adequacy of other remedies.

Enforcement of a claim for payment of principal or interest on the Bonds would also be subject to the applicable provisions of Federal bankruptcy laws, as well as other bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted by the Congress of the Connecticut General Assembly extending the time for payment or imposing other constraints upon enforcement insofar as the same may be constitutionally applied, and to the exercise of judicial discretion. Section 7-566 of the Connecticut General Statutes, as amended, provides that no Connecticut municipality shall file a petition in bankruptcy without the express prior written consent of the Governor. This prohibition applies to any town, city, borough, metropolitan district and any other political subdivision of the State having the power to levy taxes and issue bonds, notes or other obligations.

Qualification for Financial Institutions

The Bonds **SHALL** be designated by the Town as qualified tax-exempt obligations under the provisions of Section 265(b) of the Internal Revenue Code of 1986, as amended, for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

Book-Entry-Only System

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has Standard & Poor’s highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Town as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal and interest payments on, and redemption premium, if any, with respect to the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Town or Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Paying Agent, or the Town, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal and interest, and redemption premium, if any, to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Town or Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Town or Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Town may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Town believes to be reliable, but the Town takes no responsibility for the accuracy thereof.

DTC Practices

The Town can make no assurances that DTC, Direct Participants, Indirect Participants or other nominees of the Beneficial Owners of the Bonds will act in a manner described in this Official Statement. DTC is required to act according to rules and procedures established by DTC and its participants which are on file with the Securities and Exchange Commission.

Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Replacement Bonds

In the event that: (a) DTC determines not to continue to act as securities depository for the Bonds, and the Town fails to identify another qualified securities depository for the Bonds to replace DTC; or (b) the Town determines to discontinue the book-entry system of evidence and transfer of ownership of the Bonds, the Town will issue fully registered Bond certificates directly to the Beneficial Owner. A Beneficial Owner of the Bonds, upon registration of certificates held in such Beneficial Owner's name, will become the registered owner of the Bonds.

SECTION II - THE ISSUER

Description of the Town

The Town of Griswold, incorporated April 26, 1815, is located in New London County covering a 37.6-square-mile area. It is bordered by Plainfield, Voluntown, North Stonington, Preston, Lisbon, and Canterbury. The Borough of Jewett City is a coterminous entity encompassing the central business and most densely populated area covering approximately 1.55 square miles. Griswold is eight miles northeast of Norwich, ten miles southwest of Plainfield, and fifteen miles southeast of Willimantic. The villages of Glasgo, Pachaug, Rixtown, Doaneville and Hopeville serve as other population centers in the Town. The total population for the Town is 10,807, including 3,053 in the Borough, according to the 2000 Census.

Interstate 395 crosses the northwest corner of Griswold and provides access to the Town through three exit and entrance ramps for state highway routes 164, 138 and 201. State highway routes 164, 138, 201 and 165 traverse Griswold and provide access to Interstate 95 which is 22 miles south of Griswold. Route 164 is also a primary route to the Foxwoods and Mohegan Sun casinos. Griswold has freight service provided by Conrail and numerous motor common carriers, Amtrak Passenger Service out of New London, air service served by Groton-New London Airport, Bradley International Airport, and T.F. Green Airport in Providence, Rhode Island, and bus service by Bonanza Bus Lines, Inc., Barstow Transportation, and Southeastern Area Transportation which provides local bus transportation to Norwich and New London.

The Quinebaug River flows along the entire western border of the Town of Griswold. Griswold has more than 1,600 acres of water that encompass the Aspinock Pond, Clayville Pond, Pachaug River and Pond, Glasgo Pond, and Stone Hill Reservoir. The Hopeville Pond State Park consisting of 554 acres and Nehantic State Forest are major open space and conservation areas located in Griswold providing freshwater swimming facilities, boating, fishing, camping, hiking, trail-riding, and picnic areas.

Principal industries are warehousing, cabinet-making, agriculture and poultry farming, machine products, plastic wire and cable, and rubber products. Griswold is a rural, residential community.

The Borough of Jewett City is the only separate tax district located within the territorial limits of the Town of Griswold.

Description of Government

The Town of Griswold has a Town Meeting form of government with a Board of Selectmen consisting of three elected members serving concurrent two-year terms and a Board of Finance consisting of seven members serving overlapping four-year terms. Powers and privileges are conferred and granted to the Town by the Connecticut General Statutes. Griswold does not have a Charter. The Town Meeting is the legislative body and must approve the annual budget, all special appropriations or expenditures over \$20,000, and all bond and note authorizations (except certain refundings). The First Selectman, who is a member of the Board of Selectmen, is the Chief Executive Officer of the Town and is responsible for the administration of all Town matters with the exceptions of the education system and services provided by the Borough of Jewett City. Presiding over the Board of Selectmen, the First Selectman has full voting privileges.

The Board of Finance is the budget-making authority and is responsible for financial and taxation matters, presenting the annual budget and special appropriations to the Town Meeting for its approval, and establishing the tax rate.

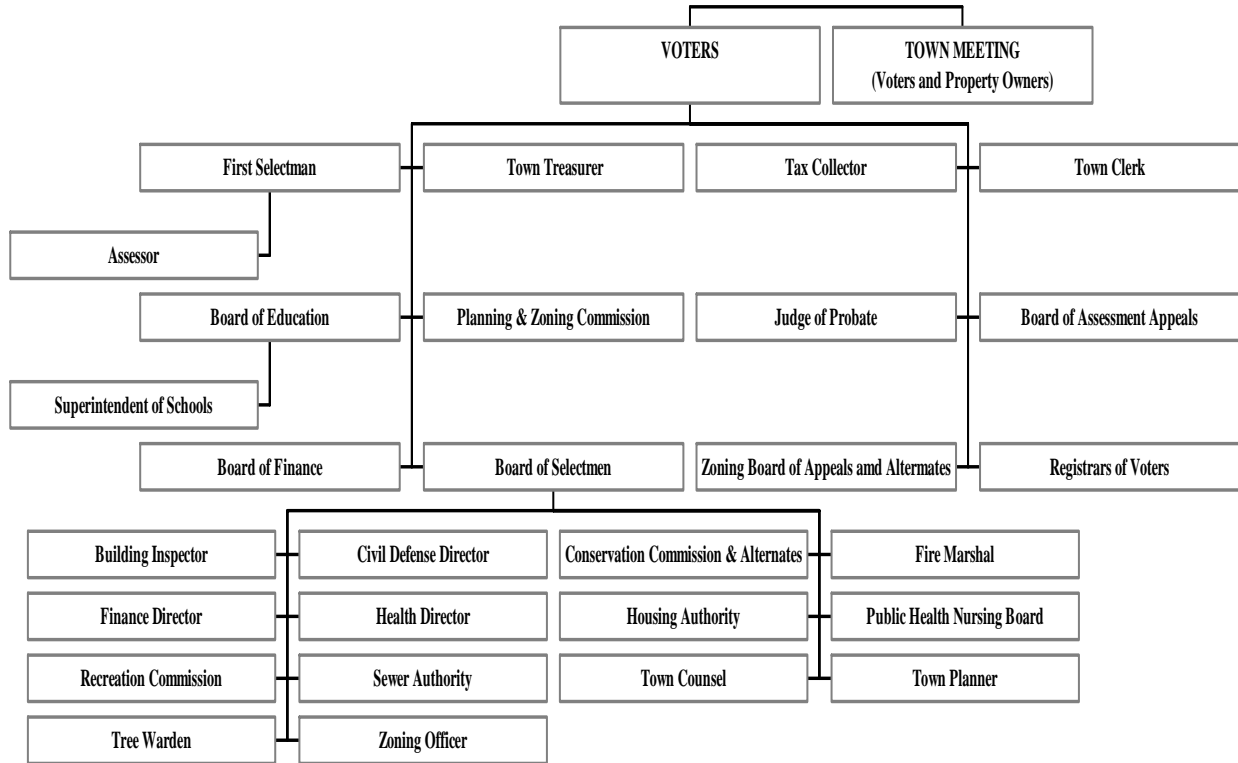
The Board of Education is the policy-making body for all public education, grades kindergarten through twelve. The Superintendent of Schools is directly responsible to the Board of Education for the supervision and administration of the education system for the Town of Griswold.

The Borough of Jewett City services are administered by the elected Warden and Burgesses of the Borough. The Borough is a coterminous municipality of and taxing district within the Town of Griswold. The Borough is responsible for municipal services and public utilities within its jurisdiction, including the construction and maintenance of roads, storm and sanitary sewer facilities, electric utility facility, and police and fire protection.

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

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

Organizational Chart



Principal Municipal Officials

<u>Office</u>	<u>Name</u>	<u>Manner of Selection/Term</u>	<u>Date of Hire/ Current Term</u>
First Selectman	Philip E. Anthony, Jr.	Elected/2 years	11/22/11
Selectman	Steven T. Mikutel	Elected/2 years	11/22/11
Selectman	Theresa Madonna	Elected/2 years	11/22/11
Finance Director	Barbara Richardson Crouch	Appointed	09/06/09
Town Clerk	Ellen Dupont	Elected/4 years	01/06/14
Town Treasurer	Dorothy Faulise Doucette	Elected/2 years	11/22/11
Tax Collector	Richard Grabowski	Elected/4 years	11/19/13
Superintendent of Schools	Dr. Paul Freeman	Appointed	08/24/09
Town Planner	Carl S. Fontneau	Appointed	10/05/06
Assessor	Leslie Kornosewicz	Appointed	08/09/04

Municipal Services

Police: Police protection is provided by Troop E, Montville, of the Connecticut State Police Department and two resident state troopers and full-time officers with the Borough of Jewett City Police Department. The Borough's Emergency Dispatch Center provides dispatching services for the Borough police.

Fire and Ambulance: Fire protection and emergency medical response services are provided by the A.A. Young, Jr. Hose & Ladder Co. No. 1 of the Borough of Jewett City and the Griswold Volunteer Fire Company. The Griswold Volunteer Fire Company has been designated as the primary responder to all medical emergencies that are life-threatening. Ambulance service is provided by the Griswold Community Ambulance, Inc., which can provide the basic life-support level of care. Mutual aid is provided for fire and ambulance services by adjoining towns. The Quinebaug Valley Dispatch Service out of Troop D in Danielson provides dispatching services for the fire and ambulance services for the Town.

Water and Sewers: Water services for the entire Borough of Jewett City as well as certain adjacent areas are presently provided by two privately owned water companies. The systems serve nearly 50% of the Town's population. Private wells serve other users in the community.

The Borough of Jewett City, through its Water Pollution Control Authority, operates a sewage treatment plant and sewer system that services the entire Borough as well as certain adjacent areas. The cost of operations and debt service is paid through user fees.

In early 2006, the Borough completed the construction of a \$19.3 million sewer plant with a 1.1 million gallon-per-day capacity. Out of the above-mentioned \$19.3 million, the sewer rate payers were left to finance approximately \$8.2 million; the balance was State and Federal grant funded. The Borough and Town are beginning to hear of positive comments from sources such as the Council on Environmental Quality whose 2005 Annual Report states that, "In 2005, seven miles of the Quinebaug River were protected from raw sewage overflows with the completion of a project in Jewett City."

The new plant offers capacity to accommodate new industry and environmental stewardship.

Public Health Nursing: The Day Kimball Homecare Agency is a full-time State-licensed Medicare-certified home health agency providing public nursing to the Town of Griswold. It is accredited by The Community Health Accreditation Program. Its services include skilled nursing, health guidance, mental health visiting, school health, well child conferences, women, infant and children's nutrition program, flu clinics, physical and speech therapy, home health aide services, and medical social worker services.

Senior Citizens: Senior citizen activities and programs are funded by the Town of Griswold and operated at the Senior Citizens Center under the supervision of a full-time Director. The 3,800-square-foot facility is designed to accommodate 125-150 people.

Youth and Family Services: A variety of programs for ages 11 through 18 are provided through the new Griswold Community Center, which opened in April of 2006 and is located in downtown Jewett City at the Slater Mill Mall. The Center operates daily after school until 7:00 p.m. and is open on Saturday afternoons. The Center helps youths with homework assignments and community service projects and provides recreational activities, referral source for job opportunities for teenagers, childcare training courses, and alcohol-free and drug-free opportunities for the Town's youth.

Public Works: The department is responsible for the upkeep of Town roads, Town vehicles, and the bulky waste facility, which accepts bulky waste and recyclables. They assist the Parks Committee with the maintenance of the Town parks and help with the upkeep of the athletic fields. Additionally, the department works with the Department of Environmental Protection to protect the large beaver population and control flooding caused by beavers.

Solid Waste and Refuse Collection: Presently, solid waste is collected by private contractors and delivered to Southern Connecticut Regional Resource Recovery Authority's (the "Authority") American REF-REFUEL Resource Recovery Project (the "Project") located in Preston, Connecticut. Griswold is one of the Project's

thirteen "Participating Municipalities," all of which have approved and entered into substantially identical long-term municipal solid waste delivery and disposal contracts ("Municipal Service Agreements") with the Authority. The Municipal Service Agreements provide for both the delivery and disposal at the Project of acceptable solid waste generated by the Participating Municipalities. Pursuant to the Municipal Service Agreement, Griswold is responsible for delivering 5,600 tons of acceptable solid waste per year to the Project. In the event such tonnage is not delivered and the yearly aggregate minimum amount required to be delivered from all Participating Municipalities is not received by the Project, Griswold is to pay an amount based upon the total tipping fees that would have been paid by Griswold if its aggregate amount of acceptable solid waste had been delivered. The tipping fee is a per ton fee paid for delivery to the Project of acceptable solid waste of the Participating Municipalities. The tipping fee is based upon the net cost of operating the Project, subject to periodic revision, as calculated pursuant to the Municipal Service Agreement. Currently, the Town is in a two-year extension of the fiscal year fee schedule of \$60.00 per ton. The Municipal Service Agreement provides that the obligation to pay the tipping fee is a general obligation of the Town and the full faith and credit of the Town has been pledged to the payment thereof.

A contract with Connecticut Light & Power for electricity generated by the Project facility and a Bridge and Management Agreement with the Connecticut Resources Recovery Authority have also been executed by the Authority.

Housing Authority: The Griswold Housing Authority and its Executive Director operate two senior housing facilities. Ashland Manor contains 22 single units and eight double units and has recently been renovated. McCluggage Manor, a 70-acre property, houses 21 single units and nine double units. The age limitation for occupancy is 62, with income limitations and any age if one has disabilities.

Library: The Slater Library, located on Main Street in Jewett City, serves the residents of both Griswold and Lisbon with more than 20,000 volumes. The top floor of the library is used by the Griswold Historical Society as a museum and is open one Saturday per month.

Educational System

The Griswold school system services grades pre-kindergarten through twelve and is governed by the local Board of Education. Griswold has a seven-member Board of Education elected to four-year staggered terms. The primary function of the Board is to establish policy. Some of the areas for which such policies are set include curriculum, budget requests submission, ensuring funds for education as appropriated by the Town are properly expended, implementation of State and Federal laws, and planning for facilities needed by the system, including construction and renovation.

The Town has one elementary school for grades pre-kindergarten through five, one middle school for grades six through eight, one high school for grades nine through twelve and one alternative school that is designed to provide services to students who have had minimal success in the traditional education environment. Enrollment in the system as of October 1, 2009 was 1,982 with an operating capacity of 1,725. Enrollment in the system included approximately 143 tuition high school students from surrounding towns in 2009. There are 81 pre-kindergarten students who are not counted as part of the enrollment numbers transmitted to the State.

School Facilities

<u>School</u>	<u>Grade</u>	<u>Date of Construction (additions/renovations)</u>	<u>Type of Construction</u>	<u>Number of Classrooms</u>	<u>Enrollment as of 10/1/09</u>	<u>Operating Capacity</u>
Griswold Elementary	Pre-K-5	1963 (1992)	Masonry	30	913	700
Griswold Middle	6-8	1992	Masonry	20	409	350
Griswold High	9-12	1992	Masonry	44	727	650
Griswold Alternative	9-12	2001	Wood frame	<u>4</u>	<u>14</u>	<u>25</u>
Total				98	2,063	1,725

School Enrollment

<u>As of October 1</u>	<u>Grades K-3</u>	<u>Grades 4-6</u>	<u>Grades 7-8</u>	<u>Grades 9-12</u>	<u>Total</u>
<i>Historical</i>					
2000	550	455	318	649	1,972
2001	564	464	336	672	2,036
2002	536	489	332	700	2,057
2003	506	479	332	721	2,038
2004	510	446	355	734	2,045
2005	544	427	368	805	2,144
2006	568	386	334	811	2,099
2007	556	384	312	792	2,044
2008	573	401	293	767	2,034
2009	532	442	267	741	1,982 ¹
<i>Projected</i>					
2010	621	452	282	710	2,065
2011	636	456	307	677	2,076
2012	622	457	338	670	2,087
2013	600	504	327	681	2,112

¹ Does not include 81 pre-K students.

**Municipal Employees
Full-time Equivalent**

	<u>2009¹</u>	<u>2008¹</u>	<u>2007²</u>	<u>2006²</u>	<u>2005²</u>
General Government	36.5	37.5	49.5	51.5	51.0
Board of Education	<u>351.2</u>	<u>344.2</u>	<u>274.4</u>	<u>273.5</u>	<u>277.0</u>
Total	387.7	381.7	323.9	325.0	328.0

¹ Reflects outsourcing of general government nursing services.

² Excludes Board of Education administrators and custodians.

Employees Bargaining Organizations

<u>Employees</u>	<u>Bargaining Unit</u>	<u>Number of Members</u>	<u>Contract Expiration Date</u>
Teachers	Griswold Education Association	184	6/30/14
School Administrators	Griswold Administrators Association	7	6/30/11
Instructional Assistants	MEUI	45	6/30/12
Custodians	MEUI	20	6/30/12
School Secretaries	MEUI	11	6/30/10
Highway	AFSCME	7	6/30/09 ¹
Town Clerical Workers	AFSCME	<u>14</u>	6/30/10
Total		288	

¹In negotiation.

General Statutes Sections 7-473c, 7-474 and 10-153a to 10-153n provide a procedure for binding arbitration of collective bargaining agreements between municipal employers and organizations representing municipal employees, including certified teachers and certain other employees. The legislative body of a municipal entity may reject an arbitration panel's decision by a two-thirds majority vote. The State of Connecticut and the employee organization must be advised in writing of the reasons for rejection. The State then appoints a new panel of either one or three arbitrators to review the decisions on each of the rejected issues. The panel must

accept the last best offer of either of the parties. In reaching its determination, the arbitration panel gives priority to the public interest and the financial capability of the municipal employer, including consideration of other demands on the financial capability of the municipal employer. For binding arbitration of teachers' contracts, in assessing the financial capability of a municipal entity, there is an irrefutable presumption that a budget reserve of 5% or less is not available for payment of the cost of any item subject to arbitration. In the light of the employer's financial capability, the panel considers prior negotiations between the parties, the interests and welfare of the employee group, changes in the cost of living, existing employment conditions, and the wages, salaries, fringe benefits, and other conditions of employment prevailing in the labor market, including developments in private sector wages and benefits.

SECTION III - DEMOGRAPHIC AND ECONOMIC DATA SECTION

Current Economic Information

Griswold (and its included Borough of Jewett City) is a diverse municipality of 39 square miles and about 11,400 total population. The economic horizon is dominated by the dense census block included in the Borough of Jewett City and with increasing commercial development in Griswold associated with the two interchange exits (85 and 86) off Interstate 395 and associated State routes with higher traffic counts including Routes 165, 164, 201, 138, and 12.

Jewett City serves as Griswold's primary economic center, and its Main Street businesses also serve many citizens in surrounding towns of Voluntown, Lisbon, Preston, and Canterbury. The headquarters of Jewett City Savings Bank, branch offices of Eastern Federal Savings Bank, two pharmacies, multiple retail and service business, the Griswold Town Hall, the Senior Center, and the Slater Library are located on Main Street in Jewett City. The Slater Mill Mall is located within .1 miles of the intersection of Slater Avenue/Route 138 with Main Street, and includes several retail/service businesses as well as the expanded Griswold Youth Center and the resident State Trooper Police offices. The Griswold School District Campus, with its modern high school, updated middle school, and new elementary school under construction, is also located on Slater Avenue, just over the town/borough boundary, and within .7 miles of the Jewett City Main Street area. Significant multifamily condominium construction has occurred over the last few years in Aspinook View and River Run Condominiums which has increased the population and retail customers for existing, approved, and future commercial projects in Jewett City and Griswold.

The Town of Griswold has had considerable commercial activity in the area of exit 85, off Route 395, especially along the two State Routes 138 and 164. These areas present a secondary economic center, and are expected to provide much of the area and opportunity for future economic growth. This commercial area provides the existing shopping center located on Route 138, which includes Ocean State Job Lot, Tractor Supply Company, Dollar Store, Big Gary's store, Putnam Bank branch office, Chinese restaurant, and smaller restaurant and/or service businesses. Additionally, on Route 138, a 78-room hotel (AmericInn) has been constructed as well as recent approval obtained for a 3,600-square-foot gas station and 13,000-square-foot retail building on the adjacent parcel.

Utilizing data showing 11,000 plus vehicle trips per day along Route 164, and building on an earlier Route 164 Corridor Study commissioned by the Economic Development Commission and implemented by the Planning and Zoning Commission, developers selected a Route 164 site for the Medberry Place commercial complex, containing a 90-room hotel, a chain restaurant, and a Travel Center (gasoline station/convenience store/donut drive through with a one-stall self-contained car wash). That project was reviewed and approved in 2007/2008, with some minor site plan revision approvals in 2009, and is expected to begin construction in 2010, after a 1+ year delay due to the economy. That project will be constructed in phases, beginning with the Travel Center. The Travel Center building permit has been submitted for review. Since all three projects in Medberry Place depend on common access, the installation of a new water line, which now extends southeast of 395, will provide that utility to this development as well as to all additional development along Route 164. The initial construction phase, including the Travel Center, will include all the required common storm-water structures for the entire development.

On Route 164, within .2 miles of the Medberry Place project, a larger 400,000-square-foot retail shopping center, referred to here as the Griswold Commons project, has wetlands permit approval. That project is pending further improvements in the economy and other permits. Griswold is served by the Jewett City WPCA sewer plant which, through extensive modernization and expansion in recent years, has ample future capacity directed specifically for commercial development in the areas of the Route 138/165 commercial area, the Route 395 exit 86 potential commercial area, and the core areas of Jewett City.

Further east along Route 138, the Pachaug Business Park includes a new facility, an office of a financial planning business, Prime America. Along Route 138, on commercial property known here as the Route 138 former airport property, there already exist several commercial businesses, including a golf driving range, a retail aquarium supply store, a gated self-storage facility, and other service and retail businesses. Also, in this expanded commercial area, there are several previously approved commercial projects, of varied scale, which

are either under construction now or are expected to start within a two-three month horizon. Construction is complete on a 5,000-square-foot professional office/retail and personal service building, with at least four individual units, and the developer is presently finishing the interior spaces for occupancy. The developer for an additional 4,050-square-foot retail rope-supply building, just adjacent to the office building on that same former airport parcel, is expected to close on that new commercial lot in mid-January and commence construction in early 2010, with a business opening in mid-2010. Those projects were approved by Griswold Planning and Zoning in 2009.

Recent Economic Development Initiatives and Tax Abatement Programs

In July 2007, the Griswold Plan of Conservation and Development ("POCD") was completely updated as an action plan with short-term and long-term goals identified for the Griswold Planning and Zoning Commission ("PZC") as well as other boards and commissions including the Economic Development Commission and the Board of Selectmen. Progress toward short-term (1-2 year) goals of this POCD, including those that were economic development-related, were reviewed by the PZC in December 2009. Several significant accomplishments that were in the direction of facilitating future business development in Griswold and Jewett City have been enacted. The Economic Development Commission ("EDC") has produced several new products through staff and a consultant. These include a development brochure, a business incentive policy for review by the Board of Selectmen, and a website review with recommendations for better response to economic development site selectors. EDC, staff, and a consultant have prepared a Municipal Development Plan ("MDP") with DECD grant funding which is currently under advance review by other state agencies. This MDP includes four action areas (Triangle Plastic Wire and Cable, Downtown Main Street, IWG/Wyre-Wynde, and Slater Mill) and a prioritized list of action area projects for future funding through DECD. When enacted in 2010, this MDP will be a 30-year modifiable funding support document providing future infrastructure support to infill and reuse developments in the area of Griswold served by public water and sewer. EDC has already begun to work with Main Street businesses to plan parking and amenity improvements to Jewett City business center. EDC and staff have renewed efforts through environmental consultants using grant monies to prepare a portion of Triangle Plastic Wire and Cable for remediation, reuse and productive addition to the tax base. Many of the parcels included in the four action areas of the future MDP are also included in the existing Route 395 Enterprise Corridor where, through DECD and the Town, tax abatements for certain job creating uses of up to 80% for up to five years (one-half provided by DECD) and other state tax benefits, commercial upgrades or new businesses can be aided.

The Town continues its work with the former owners of Triangle Corporation 15 years after it abandoned the property. Despite having to foreclose on the property, the Town secured \$695,000 in federal and state Brownfield grants for the remediation and reuse of the site. Currently, a Phase II and a Phase III environmental study are being conducted. Two different developers have expressed interest in purchasing a significant portion of the property from the Town when the remediation is complete. The former owners are presently demolishing the buildings on the site and have engaged jointly with the Town in efforts to redevelop the site. They are expected to propose a mixed use commercial development.

With encouragement from the Town of Griswold and the EDC, the Jewett City Water Pollution Control Authority has recently revised its amortization schedule for commercial buy-in/tie-in fees for sewer service to reduce up-front developer costs and included future extensions of sewer lines beyond Route 395 along the Route 164 corridor and the Route 201 corridor in its future coverage plan to provide for commercial development associated with exits 85 and 86. Along with existing and planned loop for public water supply, the sewer area coverage plan would give additional consideration for future infrastructure funding through the next revision of the State Plan of Conservation and Development. Also at the encouragement of the EDC, the Board of Selectmen reviewed a draft ordinance for use of tax abatements provided for in the Connecticut General Statutes for selected projects to encourage business and substantive tax base development. Reformatting this part of the EDC business incentive policy as a Town Ordinance is presently under way.

Improvements in Land Use Regulation and Permitting

The Griswold PZC enacted a temporary moratorium on larger residential subdivisions and those involving new road-building to create time to review and make changes to zoning maps and regulations and subdivision regulations that were short-term goals described in the 2007 POCD. This moratorium ended in August 2009

and several items which would encourage more business location in Griswold and Jewett City were accomplished. A new zoning map of the Borough of Jewett City was enacted in March 2009 with whole parcel-based zoning districts and some expansions of commercial and residential-commercial districts. A new parcel-based zoning map of the Town was enacted in August 2009 and contained a new Business Park District in the area of exit 86 and additional C-1 (village commercial) parcels in the vicinity of Route 395 and along Route 164, 138, and 201 corridors. Subdivision and Zoning Regulations for the Town and Borough were also modified substantially in the general direction of clarification and facilitation of commercial development or other tax positive development (over-55 residential cluster development) including provisions for easier site plan modifications, signage more visible from Route 395, reduction of front yard setback in the Business Park District, and waiver potential from landscaping and parking requirements.

Population and Density

<u>Year</u>	<u>Population</u> ¹	<u>Percent Change</u>	<u>Density</u> ²
2008	11,398	5.5	303
2000	10,807	4.1	287
1990	10,384	15.8	276
1980	8,967	15.5	238
1970	7,763	-	206

Sources: ¹ U.S. Department of Commerce, Bureau of Census, Census of Population 1970-2000; State of Connecticut Department of Public Health estimate as of July 1, 2008.

² Population per square mile: 37.6 square miles.

Age Distribution of the Population

<u>Age</u> ¹	<u>Town of Griswold</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Under 5 years	625	5.8	223,344	6.5
5 to 9 years	814	7.5	244,144	7.2
10 to 14 years	845	7.8	241,587	7.1
15 to 19 years	696	6.4	216,627	6.4
20 to 24 years	532	4.9	187,571	5.5
25 to 34 years	1,537	14.2	451,640	13.2
35 to 44 years	2,103	19.5	581,049	17.1
45 to 54 years	1,562	14.5	480,807	14.1
55 to 59 years	532	4.9	176,961	5.2
60 to 64 years	339	3.1	131,652	3.9
65 to 74 years	645	6.0	231,565	6.8
75 to 84 years	429	4.0	174,345	5.1
85 years and over	<u>148</u>	<u>1.4</u>	<u>64,273</u>	<u>1.9</u>
Total	10,807	100.0	3,405,565	100.0
2000 median age (years) ¹	36.7	-	37.4	-
1990 median age (years) ²	31.7	-	34.4	-

Source: ¹U.S. Department of Commerce, Bureau of Census, 2000 Census.

²U.S. Department of Commerce, Bureau of Census, 1990 Census.

Income Distribution

	<u>Town of Griswold</u>		<u>State of Connecticut</u>	
	<u>Families</u>	<u>Percent</u>	<u>Families</u>	<u>Percent</u>
\$ 0 - 9,999	74	2.5	33,423	3.8
10,000 - 14,999	53	1.8	23,593	2.7
15,000 - 24,999	209	7.1	63,262	7.1
25,000 - 34,999	308	10.5	75,413	8.5
35,000 - 49,999	481	16.4	120,134	13.6
50,000 - 74,999	974	33.2	198,924	22.5
75,000 - 99,999	556	19.0	141,981	16.0
100,000 - 149,999	256	8.7	132,177	14.9
150,000 - 199,999	10	0.3	42,472	4.8
200,000 and over	<u>14</u>	<u>0.5</u>	<u>54,368</u>	<u>6.1</u>
Total	2,935	100.0	885,747	100.0

Source: U.S. Department of Commerce, Bureau of Census, 2000 Census.

Comparative Income Measures

	<u>Town of Griswold</u>	<u>State of Connecticut</u>
Per capita income, 1999	\$21,196	\$28,766
Median family income, 1999	\$58,852	\$65,521
Median household income, 1999	\$50,156	\$53,935
Percent below poverty, 1999 (families) ...	4.1%	5.6%

Source: U.S. Department of Commerce, Bureau of Census, 2000 Census.

Educational Attainment

Years of School Completed - Age 25 and Over

	<u>Town of Griswold</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than 9th grade	429	5.9	132,917	5.8
9th to 12th grade, no diploma	800	11.0	234,739	10.2
High school graduate	2,997	41.1	653,300	28.5
Some college, no degree	1,407	19.3	402,741	17.5
Associate's degree	550	7.6	150,926	6.6
Bachelor's degree	704	9.7	416,751	18.2
Graduate or professional degree	<u>396</u>	<u>5.4</u>	<u>304,243</u>	<u>13.2</u>
Total	7,283	100.0	2,295,617	100.0
Total high school graduate or higher	-	83.1	-	84.0
Total bachelor's degree or higher	-	15.1	-	31.4

Source: U.S. Department of Commerce, Bureau of Census, 2000 Census.

Labor Force Data

Reporting Period Average	Labor Force	Unemployment Rate				
		Employed	Unemployed	Town of Griswold	Norwich/ New London Labor Market	State of Connecticut
November 2009	7,238	6,671	567	7.8	7.6	7.9
2008	7,294	6,857	437	6.0	5.5	5.7
2007	7,174	6,836	338	4.7	4.3	4.6
2006	7,138	6,817	321	4.5	4.2	4.4
2005	7,031	6,684	347	4.9	4.5	4.9
2004	6,870	6,537	333	4.8	4.5	4.9
2003	6,880	6,509	371	5.4	4.9	5.5
2002	6,744	6,446	298	4.4	3.9	4.4
2001	6,408	6,223	185	2.9	2.8	3.1
2000	6,221	6,084	137	2.2	2.3	2.3

Source: State of Connecticut, Labor Department, Office of Research.

Major Employers

The following are among the most significant employers in the Town of Griswold.

Employer	Nature of Business	Approximate Number of Employees¹
Town of Griswold	Municipality	388
American Industries	Sand, stone, paving products	97
Jewett City Savings Bank	Financial institution	68
Ocean State Job Lot	Retail	34
River Ridge Golf Course (seasonal)	Golf course	22
Tractor Supply Co.	Retail	18
AmericInn	Lodging	13
UCFS	Medical	12

¹ Full-time equivalent.

Industry Classification

<u>Sector</u>	<u>Town of Griswold</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Agriculture, forestry, fishing, hunting, and mining.....	86	1.5	7,445	0.4
Construction	367	6.2	99,913	6.0
Manufacturing	855	14.5	246,607	14.8
Wholesale trade	195	3.3	53,231	3.2
Retail trade	758	12.8	185,633	11.2
Transportation, warehousing and utilities	332	5.6	64,662	3.9
Information	104	1.8	55,202	3.3
Finance, insurance, real estate and leasing	238	4.0	163,568	9.8
Professional, scientific, management, administrative and waste management	267	4.5	168,334	10.1
Educational, health and social services	994	16.8	366,568	22.0
Arts, entertainment, recreation, accommodation and food services	1,095	18.5	111,424	6.7
Other services	265	4.5	74,499	4.5
Public administration	<u>353</u>	<u>6.0</u>	<u>67,354</u>	<u>4.1</u>
Total	5,909	100.0	1,664,440	100.0

Source: U.S. Department of Commerce, Bureau of Census, 2000 Census.

Commute to Work 16 years of age and over

	<u>Town of Griswold</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Drove alone	4,767	81.2	1,312,700	80.0
Car pools	844	14.4	154,400	9.4
Using public transportation	7	0.1	65,827	4.0
Walked	98	1.7	44,348	2.7
Using other means	51	0.8	12,130	0.8
Worked at home	<u>104</u>	<u>1.8</u>	<u>51,418</u>	<u>3.1</u>
Total	5,871	100.0	1,640,823	100.0
Mean travel to work (minutes)	26.0	-	24.4	-

Source: U.S. Department of Commerce, Bureau of Census, 2000 Census.

Age Distribution of Housing

<u>Year Structure Built</u>	<u>Town of Griswold</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Built in 1939 or earlier	1,081	23.8	308,896	22.3
Built in 1940-1969	1,332	29.3	571,218	41.2
Built in 1970-1979	843	18.6	203,377	14.7
Built in 1980-1989	698	15.4	183,405	13.2
Built in 1990-1994	256	5.6	56,058	4.0
Built in 1995-March 2000	<u>320</u>	<u>7.3</u>	<u>63,021</u>	<u>4.6</u>
Total	4,530	100.0	1,385,975	100.0

Source: U.S. Department of Commerce, Bureau of Census, 2000 Census.

Number and Value of Building Permits

<u>Fiscal Year</u>	<u>Residential</u>		<u>Commercial</u>		<u>Other¹</u>		<u>Total</u>	
	<u>No.</u>	<u>Value</u>	<u>No.</u>	<u>Value</u>	<u>No.</u>	<u>Value</u>	<u>No.</u>	<u>Value</u>
2009-10 ² ...	17	\$ 2,662,938	11	\$ 317,496 ³	93	\$ 913,834	121	\$ 3,894,268
2008-09	36	3,945,590	18	771,945	761	2,224,992	815	6,942,527
2007-08	12	5,553,053	12	135,274	883	2,881,625	907	8,569,952
2006-07	50	8,130,470	28	160,512	880	3,262,833	958	11,553,815
2005-06	64	7,849,129	25	855,044	1,000	3,257,653	1,089	11,961,826
2004-05	72	7,058,494	9	628,750	925	5,282,139	1,006	12,969,383
2003-04	72	10,683,145	22	1,144,811	896	2,854,333	990	14,682,289

¹ Other includes additions, alterations, garages, barns, swimming pools and miscellaneous structures.

² Through November 30, 2009.

³ Does not include \$23,815,018 value of Griswold Elementary School.

Source: Town of Griswold, Building Department.

Housing Units by Type of Structure

<u>Household Characteristics</u>	<u>Town of Griswold</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Single-family detached	2,952	65.2	816,706	58.9
Single-family attached	69	1.5	71,185	5.1
Multifamily	1,280	28.3	485,890	35.1
Mobile home, trailer, or other	<u>229</u>	<u>5.0</u>	<u>12,194</u>	<u>0.9</u>
Total	4,530	100.0	1,385,975	100.0

Source: U.S. Department of Commerce, Bureau of Census, 2000 Census.

Housing Unit Vacancy Rates

<u>Housing Units</u>	<u>Town of Griswold</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Occupied housing units	4,194	92.6	1,301,670	93.9
Vacant housing units	<u>336</u>	<u>7.4</u>	<u>84,305</u>	<u>6.1</u>
Total units	4,530	100.0	1,385,975	100.0
Homeowner vacancy rate	-	1.2	-	1.1
Rental vacancy rate	-	5.0	-	5.6

Source: U.S. Department of Commerce, Bureau of Census, 2000 Census.

Owner-occupied Housing Units

	<u>Town of Griswold</u>	<u>State of Connecticut</u>
Total owner-occupied units	2,961	869,729
Persons per unit	2.55	2.67

<u>Specified Owner-occupied Units</u>	<u>Town of Griswold</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Less than \$50,000	32	1.3	5,996	0.8
\$ 50,000 to \$ 99,999	560	23.1	85,221	11.7
\$100,000 to \$149,999	1,264	52.2	212,010	29.1
\$150,000 to \$199,999	396	16.3	156,397	21.5
\$200,000 to \$299,999	142	5.9	137,499	18.9
\$300,000 to \$499,999	30	1.2	79,047	10.9
\$500,000 or more	-	-	<u>52,074</u>	<u>7.1</u>
Total	<u>2,424</u>	100.0	<u>728,244</u>	100.0
Median value	\$122,800	-	\$166,900	-

Source: U.S. Department of Commerce, Bureau of Census, 2000 Census.

Number and Size of Households

<u>Household Characteristics</u>	<u>Town of Griswold</u>		<u>State of Connecticut</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Persons per household (average)	2.55	-	2.53	-
Persons per family	3.03	-	3.08	-
Family households	2,894	69.0	881,170	67.7
Non-family households	<u>1,300</u>	<u>31.0</u>	<u>420,500</u>	<u>32.3</u>
All households	4,194	100.0	1,301,670	100.0
Family households by type				
Married couple	2,217	76.6	676,467	76.7
Female householders, no spouse	471	16.3	157,411	17.9
Other	<u>206</u>	<u>7.1</u>	<u>47,292</u>	<u>5.4</u>
Total family households	2,894	100.0	881,170	100.0
Non-family households by type				
Householders living alone	1,013	77.9	344,224	81.9
Other	<u>278</u>	<u>22.1</u>	<u>76,276</u>	<u>18.1</u>
Total non-family households	1,300	100.0	420,500	100.0

Source: U.S. Department of Commerce, Bureau of Census, 2000 Census.

SECTION IV - DEBT SECTION

Debt Summary
Pro Forma
As of February 1, 2010

Outstanding Short-term Debt

The Town of Griswold does not have any outstanding short-term debt.

Outstanding Bonded Debt¹

<u>Dated Date</u>	<u>Final Maturity</u>	<u>Purpose</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Amount Outstanding</u>
08/15/91	06/15/10	School	6.00-8.00	\$ 9,000,000	\$ 500,000
01/29/01	01/15/16	School	4.90	350,000	125,000
08/15/01	04/15/12	School refunding	3.25-5.00	9,175,000	1,415,000
09/15/08	09/15/28	School	3.00-5.00	10,000,000	9,645,000
02/01/10	02/01/30	This issue (school)	-	11,000,000	<u>11,000,000</u>
Total					<u>\$22,685,000</u>

Overlapping/Underlying Debt

The Town of Griswold does not have any overlapping debt. The Borough of Jewett City is a separate taxing district located within the Town, and as of February 1, 2010 the Borough has \$268,359 in long-term sewer debt outstanding, which is fully supported by taxes levied by the Borough of Jewett City. The Borough also has \$5,293,993 sewer debt outstanding secured solely by sewer system revenues. The Town of Griswold is not obligated to pay debt of the Borough.

**Bonded Debt Maturity Schedule
Pro Forma
As of February 1, 2010**

<u>Fiscal Year Ending</u>	<u>Principal Payments</u>	<u>Interest Payments¹</u>	<u>Total Payments</u>	<u>This Issue*</u>	<u>Cumulative Principal Retired</u>
2010 ²	\$1,265,000	\$ 229,438	\$ 1,494,438	\$ -	5.58
2011	740,000	395,763	1,135,763	360,000	10.43
2012	695,000	369,000	1,064,000	375,000	15.14
2013	405,000	343,870	748,870	390,000	18.65
2014	420,000	331,115	751,115	410,000	22.31
2015	430,000	317,729	747,729	425,000	26.07
2016	445,000	301,843	746,843	445,000	30.00
2017	440,000	285,213	725,213	460,000	33.97
2018	455,000	270,384	725,384	480,000	38.09
2019	470,000	250,956	720,956	500,000	42.36
2020	495,000	230,234	725,234	525,000	46.86
2021	510,000	211,063	721,063	545,000	51.51
2022	530,000	190,262	720,262	570,000	56.36
2023	555,000	168,563	723,563	595,000	61.43
2024	575,000	145,962	720,962	620,000	66.70
2025	600,000	122,463	722,463	645,000	72.18
2026	625,000	97,962	722,962	670,000	77.89
2027	650,000	72,056	722,056	700,000	83.84
2028	675,000	44,306	719,306	730,000	90.04
2029	705,000	14,981	719,981	760,000	96.50
2030	-	-	-	795,000	100.00
Total	\$11,685,000	\$4,393,163	\$16,078,163	\$11,000,000	

**Subject to change by the Town to provide for substantially level debt service. See Appendix D –“Notice of Sale” herein.*

¹ Does not include interest on this issue.

² Does not include principal payments of \$380,000 or interest payments of \$431,400 made from July 1, 2009 through February 1, 2010.

**THE TOWN OF GRISWOLD HAS NEVER DEFAULTED IN THE PAYMENT OF ITS
OBLIGATIONS EITHER AS TO PRINCIPAL OR INTEREST**

**Statement of Statutory Debt Limitation
Pro Forma
As of February 1, 2010**

Debt Limitation Base

Total tax collections, including interest and lien fees, for the fiscal year ended June 30, 2009	\$13,840,160
Total tax collections for the Borough of Jewett City, including interest and lien fees, for the fiscal year ended June 30, 2009	<u>376,760</u>
Debt Limitation Base	\$14,216,920

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit Funding</u>
Debt Limitation by Purpose					
2.25 x base	\$31,988,070				
4.50 x base	-	\$63,976,140			
3.75 x base	-	-	\$53,313,450		
3.25 x base	-	-	-	\$46,204,990	
3.00 x base	-	-	-	-	\$42,650,760
Total debt limitation	<u>31,988,070</u>	<u>63,976,140</u>	<u>53,313,450</u>	<u>46,204,990</u>	<u>42,650,760</u>
Less indebtedness					
Bond of this issue	-	11,000,000	-	-	-
Bonds payable	-	11,685,000	-	-	-
Authorized but unissued	-	2,000,000 ²	-	-	-
Underlying debt ¹	-	-	<u>5,562,352</u>	-	-
Total direct indebtedness	-	<u>24,685,000</u>	<u>5,562,352</u>	-	-
Less school construction grants	-	1,267,504	-	-	-
Less self-supporting debt for Borough of Jewett City	-	-	<u>5,562,352</u>	-	-
Overall net debt	-	<u>23,417,496</u>	-	-	-
Debt limitation in excess of outstanding and authorized debt	\$31,988,070	\$40,558,644	\$53,313,450	\$46,204,990	\$42,650,760

¹ The Borough of Jewett City is underlying to the Town of Griswold. The Borough provides full municipal services within its jurisdiction and levies annual taxes and user charges to pay operating expenses as well as debt service.

² Represents balance of net project cost of school improvements and receipt of estimated \$47,000,000 State school building project grants.

The State of Connecticut General Statutes require that in no event shall the total debt for the Town of Griswold exceed seven (7) times the annual receipts from taxation. Maximum debt for the Town of Griswold under this formula would be \$99,518,440.

**Current Debt Statement
Pro Forma
As of February 1, 2010**

Bonded debt	
Schools (including this issue)	<u>\$22,685,000</u>
Total bonded debt	22,685,000
Short-term debt	<u> -</u>
Direct debt	22,685,000
Less school construction grants receivable	<u>1,267,504</u>
Net direct debt	21,417,496
Underlying debt:	
Borough of Jewett City	5,562,352
Less self-supporting debt	<u>5,562,352</u>
Net underlying debt	-
Total overall net debt	\$21,417,496

**Current Debt Ratios
Pro Forma
As of February 1, 2010**

Population, 2008 ¹	11,398
Per capita income, 1999 ¹	\$21,196
Net taxable grand list, 10/1/08	\$811,218,259
Estimated full value @ 70%	\$1,158,883,227
Equalized net grand list (2007) ²	\$1,183,963,339

	Direct Debt	Net Direct Debt	Total Overall
	<u>\$22,685,000</u>	<u>\$21,417,496</u>	<u>\$21,417,496</u>
Per capita	\$1,990.26	\$1,879.06	\$1,879.06
To net taxable grand list	2.80%	2.64%	2.64%
To estimated full value	1.96%	1.85%	1.85%
To equalized net grand list	1.92%	1.81%	1.81%
Ratio of debt per capita to per capita income	9.39%	8.87%	8.87%

Sources: ¹State of Connecticut Department of Public Health estimate.

²State of Connecticut, Office of Policy and Management.

**Five-Year Debt Statement
(\$ in thousands)**

	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>
Population	11,398	11,398	11,390	11,264	11,254
Net taxable grand list	\$806,092,397	\$790,017,900	\$488,874,472	\$475,762,760	\$461,156,550
Estimated full value	\$1,151,560,567	\$1,128,597,000	\$698,392,103	\$679,661,086	\$658,795,071
Equalized net taxable grand list	\$1,183,963,339	\$1,138,013,359	\$1,275,432,556	\$1,137,763,770	\$951,675,298
Bonds payable	<u>\$12,065,000</u>	<u>\$3,670,000</u>	<u>\$5,295,000</u>	<u>\$6,945,000</u>	<u>\$8,620,000</u>
Total direct debt	12,065,000	3,670,000	5,295,000	6,945,000	8,620,000
Less school construction grants receivable	<u>1,267,504</u>	<u>2,327,362</u>	<u>3,400,237</u>	<u>4,489,419</u>	<u>5,601,306</u>
Net direct debt	10,797,496	1,342,638	1,894,763	2,455,581	3,018,694
Underlying debt	<u>302,372</u>	<u>341,000</u>	<u>378,525</u>	<u>416,037</u>	<u>453,184</u>
Total overall net debt	\$11,099,868	\$1,683,638	\$2,273,288	\$2,871,618	\$3,471,878

Five-Year Debt Statement Summary Ratios

	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>
Direct debt					
Per capita	\$1,058.52	\$321.99	\$464.88	\$616.57	\$765.95
To net taxable grand list	1.50%	0.46%	1.08%	1.46%	1.87%
To estimated full value	1.05%	0.33%	0.76%	1.02%	1.31%
To equalized net taxable grand list	1.02%	0.32%	0.42%	0.61%	0.91%
Net direct debt					
Per capita	\$947.31	\$117.80	\$166.35	\$218.00	\$268.23
To net taxable grand list	1.34%	0.17%	0.39%	0.52%	0.65%
To estimated full value	0.94%	0.12%	0.27%	0.36%	0.46%
To estimated full value	0.91%	0.12%	0.15%	0.22%	0.32%
Overall debt					
Per capita	\$973.84	\$147.71	\$199.59	\$254.94	\$308.50
To net taxable grand list	1.38%	0.21%	0.47%	0.60%	0.75%
To estimated full value	0.96%	0.15%	0.33%	0.42%	0.53%
To estimated full value	0.94%	0.15%	0.18%	0.25%	0.36%

**Ratio of Annual Debt Service
To Total Expenditures**

<u>Fiscal Year Ended 6/30</u>	<u>Total Bonded Debt Service</u>	<u>Total Expenditures</u>	<u>Ratio of Debt Service to Expenditures</u>
2009	\$1,790,375	\$32,659,327	5.48%
2008	1,893,850	34,721,710	5.45
2007	1,999,856	28,677,666	6.97
2006	2,109,206	28,358,648	7.44
2005	2,215,431	26,140,708	8.48

**Bonds Authorized but Unissued
Pro Forma
As of February 1, 2010**

<u>Project</u>	<u>Borrowing Authorization</u>	<u>Bonds Issued</u>	<u>Grants/ Paydowns</u>	<u>Bonds of This Issue</u>	<u>Authorized But Unissued</u>
School improvements	\$70,000,000	\$10,000,000	\$18,144,837	\$11,000,000	\$30,855,163

¹ The Town expects to receive reimbursement from the State of 73.57% of eligible expenses and, accordingly, anticipates issuing a total of \$23 million of bonds, including this issue, to fund its local share of the projects.



SECTION V - FINANCIAL SECTION

**Taxable Grand List
(\$ in thousands)**

<u>Grand List 10/1</u>	<u>Residential Real Property Percent</u>	<u>Commercial and Industrial Real Property Percent</u>	<u>Other Real Property Percent</u>	<u>Personal Property Percent</u>	<u>Motor Vehicle Percent</u>	<u>Gross Taxable Grand List</u>	<u>Less Exemptions</u>	<u>Net Taxable Grand List</u>	<u>Percent Change</u>
2008	80.4	5.1	3.6	2.7	8.2	\$823,217	\$11,999	\$811,218	0.6
2007	80.1	5.2	3.4	2.7	8.6	818,778	12,686	806,092	2.0
2006	79.9	5.3	3.5	2.6	8.7	804,347	14,329	790,018	61.6
2005	72.2	7.1	3.2	4.1	13.4	500,491	11,617	488,874	2.8
2004	72.4	7.2	3.2	4.4	12.8	487,691	11,928	475,763	3.2
2003	73.0	7.4	3.5	4.1	12.0	466,261	5,105	461,156	-

Date of last general revaluation, 10/1/06.

Major Taxpayers

<u>Name</u>	<u>Nature of Business</u>	<u>Taxable Valuation as of 10/1/08</u>	<u>Percent of Net Taxable Grand List</u>
Connecticut Light & Power Co.	Utility	\$ 4,455,370	0.55
International Wire Group	Manufacturing	3,713,000	0.46
OSJ of Griswold LLC	Retail	3,558,240	0.44
395 Associates LLC	Hotel	2,249,310	0.28
Polinsky, Harvey	Land development	2,107,740	0.26
Jewett City Savings Bank	Banking	2,028,560	0.25
PA Residential LLC	Apartments	1,916,110	0.23
Green Sea LLC	Golf course	1,738,400	0.21
Pachaug Marina & Campground	Recreation	1,646,260	0.20
Drive-In Self Storage	Commercial	<u>1,528,380</u>	<u>0.19</u>
Total		\$24,941,370	3.07

Net taxable grand list as of 10/1/08: \$811,218,259.

Tax Collections

<u>Fiscal Year Ended 6/30</u>	<u>Grand List 10/1</u>	<u>Net Taxable Grand List</u>	<u>Mill Rate</u>	<u>Adjusted Annual Levy</u>	<u>Percent of Annual Levy Collected at End of Fiscal Year</u>	<u>Percent of Annual Levy Uncollected at End of Fiscal Year</u>	<u>Percent of Annual Levy Uncollected as of 11/30/09</u>
2010	2008	\$811,218,259	16.75	\$13,675,624	-----In collection-----		
2009	2007	806,092,397	16.75	13,613,843	97.6	2.4	1.6
2008	2006	790,017,900	16.75	13,360,704	97.7	2.3	0.8
2007	2005	488,874,472	28.75	14,245,111	97.0	3.0	0.7
2006	2004	475,762,760	28.25	13,620,267	97.2	2.8	0.5
2005	2003	461,156,550	27.28	12,553,802	96.9	3.1	0.1
2004	2002	448,526,302	25.88	11,738,527	96.3	3.7	0.1

Property Taxes Receivable

<u>Fiscal Year Ended June 30</u>	<u>Current Year</u>	<u>Total</u>
2009	\$321,166	\$730,348
2008	309,232	811,096
2007	424,611	927,609
2006	382,373	813,776
2005	386,291	853,726

Summary of Accounting Principles

The Town's accounting system is organized on a fund basis and uses funds and account groups to report on its financial position and results of operations. The Town's accounting records are maintained on a modified accrual basis, with major revenues recorded when earned and expenditures recorded when incurred. The accounting policies of the Town conform to generally accepted accounting principles as applied to governmental units. (See Appendix A - "Auditor's Section, Notes to Basic Financial Statements" herein.)

Comparative Balance Sheets - General Fund

	<u>6/30/09</u>	<u>6/30/08</u>	<u>6/30/07</u>	<u>6/30/06</u>	<u>6/30/05</u>
Assets					
Cash and cash equivalents	\$ 1,182,295	\$ 4,669,125	\$ 2,740,847	\$ 904,491	\$7,696,785
Investments	9,965,378	4,641,392	7,175,679	7,933,517	-
Receivables:					
Property taxes	730,348	811,096	927,609	813,776	853,726
Intergovernmental	3,496	12,696	132,889	386,594	-
Other receivables	84,496	77,630	478,600	46,277	11,904
Due from other funds	<u>1,116,640</u>	<u>2,135,118</u>	<u>3,466</u>	<u>504,899</u>	<u>211,523</u>
Total assets	\$13,082,653	\$12,347,057	\$11,459,090	\$10,589,554	\$8,773,938
Liabilities and fund balance					
Liabilities					
Accounts payable and accrued expenses	\$ 1,621,646	\$ 1,551,618	\$ 1,342,860	\$ 1,811,475	\$1,724,804
Due to other funds	3,856,071	2,732,746	2,055,148	1,839,710	1,153,753
Deferred revenue	638,556	681,969	804,227	705,906	743,392
Performance bonds	<u>108,510</u>	<u>114,688</u>	<u>155,036</u>	<u>-</u>	<u>304,832</u>
Total liabilities	6,224,783	5,081,021	4,357,271	4,357,091	3,926,781
Fund balance					
Reserved for encumbrances	829,511	1,254,038	1,153,407	704,700	900,803
Unreserved:					
Designated:					
For capital projects	-	-	-	-	750,000
For subsequent year's budget ..	1,545,000	630,000	1,600,000	1,000,000	750,000
Undesignated	<u>4,483,359</u>	<u>5,381,998</u>	<u>4,348,412</u>	<u>4,527,763</u>	<u>2,446,354</u>
General Fund balance	<u>6,857,870</u>	<u>7,266,036</u>	<u>7,101,819</u>	<u>6,232,463</u>	<u>4,847,157</u>
Total liabilities and fund balance	\$13,082,653	\$12,347,057	\$11,459,090	\$10,589,554	\$8,773,938
Operating revenues	\$31,830,044	\$35,848,248	\$31,135,753	\$30,815,880	\$28,052,917
Fund balance as percent of operating revenues	21.5%	20.3%	22.8%	20.2%	17.3%
Undesignated fund balance as percent of operating revenues	14.1%	15.0%	14.0%	14.7%	8.7%

General Fund Revenues and Expenditures

	<u>Budget</u> <u>2009-10</u>	<u>2008-09</u>	<u>2007-08</u>	<u>2006-07</u>	<u>2005-06</u>	<u>2004-05</u>
Revenues						
Property taxes	\$13,346,981	\$13,886,063	\$13,686,842	\$14,328,590	\$13,865,610	\$12,692,977
Intergovernmental	12,843,308	14,974,557	18,817,209	12,973,156	13,530,549	12,529,477
Charges for services	2,591,764	2,710,359	3,025,129	3,600,902	3,045,174	2,545,171
Interest income	300,000	259,065	319,068	233,105	374,547	207,732
Other	-	-	-	-	-	77,560
Total revenues	<u>29,082,053</u>	<u>31,830,044</u>	<u>35,848,248</u>	<u>31,135,753</u>	<u>30,815,880</u>	<u>28,052,917</u>
Expenditures						
General government	1,298,852	1,182,208	1,184,556	1,179,254	1,109,268	1,054,979
Public safety	490,735	473,094	467,312	457,016	436,857	393,270
Public works	1,225,115	1,094,205	1,069,301	1,060,767	1,063,465	983,057
Human services	367,798	337,731	281,166	283,628	277,584	248,831
Civic and cultural	106,135	60,496	60,068	56,347	55,603	52,943
Development and planning	120,195	149,674	167,802	121,704	122,817	110,886
Sundry	738,995	586,729	579,991	565,714	523,749	471,358
Education	24,196,740	26,080,659	28,912,467	22,792,880	22,502,878	20,409,600
Capital outlay	440,000	904,156	105,197	160,500	157,221	120,353
Debt service	<u>2,125,838</u>	<u>1,790,375</u>	<u>1,893,850</u>	<u>1,999,856</u>	<u>2,109,206</u>	<u>2,215,431</u>
Total expenditures	<u>31,110,403</u>	<u>32,659,327</u>	<u>34,721,710</u>	<u>28,677,666</u>	<u>28,358,648</u>	<u>26,140,708</u>
Excess (deficiency) of revenues over expenditures	(2,028,350)	(829,283)	1,126,538	2,458,087	2,457,232	1,912,209
Other financing sources(uses):						
Transfers in	483,350	637,807	10,879	-	257,000	257,000
Transfers out	<u>(829,511)</u>	<u>(216,690)</u>	<u>(973,200)</u>	<u>(1,588,731)</u>	<u>(1,318,273)</u>	<u>(991,735)</u>
Net other financing sources (uses)	(346,161)	421,117	(962,321)	(1,588,731)	(1,061,273)	(734,735)
Excess (deficiency) of revenues and other financing sources over expenditures and other financing uses	(2,374,511)	(408,166)	164,217	869,356	1,395,959	1,177,474
Fund balance, July 1	<u>6,857,870</u>	<u>7,266,036</u>	<u>7,101,819</u>	<u>6,232,463</u>	<u>4,836,504</u>	<u>3,669,683</u>
Fund balance, June 30	\$4,483,359	\$6,857,870	\$7,266,036	\$7,101,819	\$6,232,463	\$4,847,157

Budget Adoption Procedure

Annual operating budget requests are prepared by each department and agency head and submitted to the Board of Finance. The Superintendent of Schools first submits the education budget to the Board of Education, which has the authority to increase or decrease the Superintendent's budget requests. After one or more public hearings, the Board of Finance may increase or decrease individual line items in the budget requests for general government agencies and departments but may increase or decrease the bottom line only for education budget requests. The budget as presented may be adopted by a majority vote of those present and voting at the Town Meeting. Subsequent to the Town Meeting, the mill rate is set by the Board of Finance. The budget is prepared on the modified accrual basis of accounting. All budget transfers must be approved by the Board of Finance.

Five-year Capital Improvement Program

	<u>2009-10</u>	<u>2010-11</u>	<u>2011-12</u>	<u>2012-13</u>	<u>2013-14</u>	<u>2014-15</u>
Schools	\$ -	\$ 490,000	\$ 225,000	\$ -	\$ -	\$ -
General government	-	25,000	100,000	-	-	-
Public safety	150,000	360,000	496,000	300,000	-	-
Public works	2,890,000	2,300,000	550,000	867,000	700,000	770,000
Recreation	-	-	-	-	<u>7,500,000</u>	-
Total	<u>\$3,040,000</u>	<u>\$3,175,000</u>	<u>\$1,371,000</u>	<u>\$1,167,000</u>	<u>\$8,200,000</u>	<u>\$770,000</u>

Investment Practices

The Town's investment practices are conducted in accordance with Connecticut General Statutes, by which the Director of Finance designates the qualified public depositories which Griswold may use for public deposits, including investments. Eligible investments for Connecticut municipalities are governed by the Connecticut General Statutes, Sections 7-400 and 7-402.

In addition, the Town monitors the risk-based capital ratios and collateral requirements of the qualified public depositories, as defined by the Connecticut General Statutes, Section 36-382, in which it places deposits and makes investments. See Appendix A - "Auditor's Section, Notes to Basic Financial Statements, Note III.A." herein regarding the Town's cash and cash equivalents and investments.

The Town invests in bank certificates of deposit and with the State of Connecticut's Short-term Investment Fund ("STIF") and MBIA Class. MBIA Class investments consist of U.S. Treasuries and obligations of government agencies. STIF was authorized in 1978 (P.A. No. 78-236) for investment by the State Treasurer of various State funds. Section 3-27a of the Connecticut General Statutes spells out the various governmental entities eligible to participate in STIF. Section 3-27d details eligible investments that may be acquired with funds on deposit with STIF. Section 3-27f authorizes all agencies, instrumentalities, and political subdivisions of the State of Connecticut to invest in STIF.

Assessment Practices

Section 12-62 et seq. of the Connecticut General Statutes govern real property assessments and establish the revaluation cycle for Connecticut municipalities of a revaluation every five years and, generally, a physical inspection every ten years. Since the Town of Griswold completed its last physical revaluation in 2006, a statistical revaluation is scheduled for the assessment year commencing October 1, 2011.

The maintenance of an equitable tax base and the location and appraisal of all real and personal property within the Town for inclusion onto the grand list are the responsibilities of the Assessor's Office. The grand list represents the total assessed values for all taxable and tax-exempt real property, taxable personal property, and motor vehicles located within the Town on October 1. Each year a Board of Tax Review determines whether adjustments to the Assessor's list on assessments under appeal are warranted. Assessments for real and personal property are computed at 70% of the estimated market value at the time of the last general revaluation while assessments for motor vehicles are computed at 70% of the annual appraisal of motor vehicles.

When a new structure, or modification to an existing structure, is undertaken, the Assessor's Office receives a copy of the permit issued by the Building Official. A physical appraisal is then completed and the structure classified and priced from a schedule developed at the time of the last general revaluation. Property depreciation and obsolescence factors are also considered when arriving at an equitable value.

All personal property (furniture, fixtures, equipment, and machinery) is revalued annually. An Assessor's check and audit is completed periodically.

Motor vehicle lists are furnished to the Town by the State of Connecticut and appraisals of motor vehicles are taken from the National Automobile Dealers Association pricing schedules as of October 1 of each year. This list is promulgated by the Committee of Connecticut Assessors and approval by the State Tax Commissioner. Section 12-71b of the Connecticut General Statutes as amended by Public Act No. 80-340 provides that motor vehicles which are registered with the Commissioner of Motor Vehicles after the October first assessment date but before

the next July first are subject to a property tax as if the motor vehicle has been included on the October grand list. The tax is not due until January first, a year and three months after the grand list date.

The Town of Griswold has not approved use of Section 12-124a of the Connecticut General Statutes which permits a municipality, upon approval by its legislative body, to abate property taxes on owner-occupied residences to the extent that the taxes exceed eight percent of the owner's total income, from any source, adjusted for self-employed persons to reflect expenses allowed in determining adjusted gross income.

Annual Audit

The Town of Griswold, in accordance with the provisions of Chapter 111 of the Connecticut General Statutes, employs the services of an independent CPA firm to audit its financial records annually. The annual audits are conducted in compliance with Public Act No. 77-611 and contain the financial statements of the Town and the auditor's opinion thereon, in addition to specific comments and recommendations.

Tax Levy and Collection

Property taxes are levied on all taxable assessed property on the grand list of October 1 prior to the beginning of the fiscal year. Real and personal property taxes are billed in the following July and are payable in two installments on July 1 and January 1, except motor vehicle taxes and taxes under \$100 which are payable in full on July 1. Motor vehicle supplemental bills are payable on January 1. A modest estimate for outstanding interest and lien fees anticipated to be collected during the fiscal year is normally included as a revenue item in the budget. Payments not received within one month after the due date become delinquent, with interest charged at the rate of one and one-half percent per month from the due date on the tax. In accordance with State law, the oldest outstanding tax is collected first. Outstanding real estate tax accounts are liened each year prior to June 30 with legal demands and alias tax warrants used in the collection of personal property and motor vehicle tax bills.

Delinquent motor vehicle and personal property accounts are transferred to a suspense account after three years, at which time they cease to be carried as receivables. Real estate accounts are transferred to suspense 15 years after the due date in accordance with State statutes.

Property tax revenues are recognized when they become available. Available means due or past due and receivable within the current period or expected to be collected soon enough thereafter (within 60 days) to be used to pay liabilities of the current period. Property taxes receivable not expected to be collected during the available period are reflected as a deferred revenue.

Section 12-165 of the Connecticut General Statutes, as amended, requires each municipality to write off, on an annual basis, the property taxes which are deemed to be uncollectible.

Pension Plans

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

All full-time employees of the Town, except for certified board of education personnel, participate in the Municipal Employees' Retirement System ("MERS"). MERS is a cost-sharing multiple-employer Public Employees Retirement System ("PERS"). Plan provisions are set by the State of Connecticut. Members who retire after age 55 with ten years of continuous service or after 25 years of service, irrespective of age, are entitled to an annual retirement benefit, payable monthly for life. Covered employees are required by State Statute to contribute 2¼ % of earnings upon which Social Security tax is paid plus 5% of earnings on which no Social Security tax is paid. Each participating municipality is required to contribute the amounts necessary to finance the remaining costs of the plan. The Town's required annual contribution for the year ending June 30, 2009 was \$89,496.

See Appendix A – "Auditor's Section, Notes to Basic Financial Statements, Note IV.7." herein.

Other Post-Employment Benefits

The Town is in compliance with the requirements of Governmental Accounting Standards Board (“GASB”) Statements 43 and 45, which require municipalities and other governmental entities to undertake an actuarial evaluation of their Other Post-Employment Benefits (“OPEB”) plans and include information concerning the valuation of such plans in their financial statements. The Town complies with the reporting requirements of GASB 45.

SECTION VI - ADDITIONAL INFORMATION

Litigation

The Town of Griswold, its officers, employees, boards and commissions are named defendants in a number of lawsuits, tax appeals, administrative proceedings and other miscellaneous claims. It is the Town Attorney's opinion that such pending litigation will not be finally determined, individually or in the aggregate, so as to result in final judgments against the Town which would have a material adverse effect on the Town's financial position.

Availability of Continuing Information

The Town prepares, in accordance with State law, annual audited financial statements and files such annual audits with the State Office of Policy and Management, on an annual basis. The Town provides, and will continue to provide, to the rating agencies ongoing disclosure in the form of the annual financial reports, recommended and adopted budgets, and other materials relating to its management and financial condition, as may be necessary or requested.

The Town will enter into a continuing disclosure agreement with respect to the Bonds in accordance with the requirements of Securities and Exchange Commission Rule 15c2-12. See Appendix C to this Official Statement. The winning bidder's obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement.

The Town has previously undertaken in Continuing Disclosure Agreements entered into for the benefit of holders of certain of its general obligation bonds and notes to provide certain annual financial information and event notices pursuant to Rule 15c2-12(b)(5). To date, the Town has not failed to meet any of its undertakings under such agreements.

Documents to Be Furnished at Closing

The winning bidder will be furnished, subject to delivery of reoffering yield information as requested, the following documents when the Bonds are delivered:

1. A Signature and No Litigation Certificate stating that at the time of delivery no litigation is pending or threatened affecting the validity of the Bonds or the levy or collection of taxes to pay them.
2. A certificate on behalf of the Town, signed by the First Selectman, Finance Director and Treasurer, which will be dated the date of delivery and attached to a confirmed copy of the Official Statement, and which will certify, to the best of said officials' knowledge and belief, that at the time bids were accepted on the Bonds, the description and statements in the Official Statement relating to the Town and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in the financial condition of the Town from that set forth in or contemplated by the Official Statement.
3. A receipt for the purchase price of the Bonds.
4. The approving opinion of Murtha Cullina LLP, Bond Counsel, of Hartford and New Haven, Connecticut.
5. An executed Continuing Disclosure Agreement for the Bonds in substantially the form attached hereto as Appendix C.
6. Within seven business days after the award, the Town will furnish the winning bidder of the Bonds 100 copies of the Official Statement as prepared by the Town. Additional copies may be obtained by the winning bidder at its own expense by arrangement with the printer. If the Issuer's financial advisor is provided with the necessary information from the winning bidder by noon of the day after the bid opening, the copies of the Official Statement will be made available to the winning bidder at the office

of the Town's financial advisor and will include an additional cover page and other pages, if necessary, indicating the interest rates, rating, yields or reoffering prices, the name of the managing underwriters, and the name of the insurer, if any, of the Bonds.

A record of the proceedings taken by the Town in authorizing the Bonds will be kept on file at the principal office of U.S. Bank National Association in Hartford, Connecticut, and may be examined upon reasonable request and notice.

Concluding Statement

This Official Statement is submitted only in connection with the sale of the Bonds by the Town of Griswold, Connecticut and may not be reproduced or used in whole or in part for any other purpose.

The following officials in their capacity as officers of the Town, and in the name and on behalf of the Town, do hereby certify in connection with this issue that they have examined this Official Statement, and to the best of their knowledge and belief, the description and statements relating to the Town and its finances were true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

By _____
Philip E. Anthony, Jr.
First Selectman

By _____
Dorothy Faulise Doucette
Town Treasurer

By _____
Barbara R. Crouch
Finance Director

Dated as of January 5, 2010

Appendix A – Auditor’s Section

The following includes the basic financial statements of the Town of Griswold, Connecticut for the fiscal year ended June 30, 2009. The supplemental data and management letter which were a part of that report have not been reproduced herein. A copy of the complete report is available upon request from Christopher P. Martin, Senior Vice President, Webster Bank, National Association, CityPlace II, 185 Asylum Street, Hartford, Connecticut 06103.



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INDEPENDENT AUDITORS' REPORT

Board of Finance
Town of Griswold, Connecticut

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Griswold, Connecticut, as of and for the year ended June 30, 2009, which collectively comprise the Town's basic financial statements as listed in the table of contents. These basic financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Griswold, Connecticut, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the general fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 21, 2009, 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, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Schedule of Funding Progress and Employer Contributions – Griswold Other Post-Employment Benefits Plan on pages 4 through 11 and page 42, respectively, are not a required part of the basic financial statements but is supplementary information required by Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.



Town of Griswold, Connecticut
Page Two

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

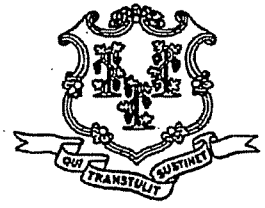
Kostin, Ruffkess & Company, LLC

New London, Connecticut
October 21, 2009



Town of Griswold

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



MANAGEMENT DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2009

Management of the Town of Griswold, Connecticut, offers readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2009.

Financial Highlights

- The assets of the Town exceeded its liabilities at the close of the most recent fiscal year by \$58,526,430 (*net assets*).
- The Town's total net assets increased by \$9,215,207. The increase is attributable to continued construction in progress on the Griswold Middle School.
- As of the close of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$10,866,719, an increase of \$3,113,550 in comparison with the prior year.
- At the end of the current fiscal year, unreserved and undesignated fund balance for the general fund was \$4,483,359, or 14.6% of total general fund expenditures and transfers out.
- The Town's total bonded debt increased by \$8,395,000 (228.7%) during the current fiscal year. The increase is due to the issuance of \$10,000,000 of general obligations school bonds less principal payments of \$1,605,000 made during the year.

Overview of the Basic Financial Statements

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

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

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

Overview of the Basic Financial Statements (Continued)

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

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

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

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

The Town maintains 26 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund and the Capital Projects Fund, which are considered to be major funds. Data from the other 24 governmental funds are combined into a single, aggregated presentation under the caption nonmajor governmental funds. Individual fund data for each of these nonmajor governmental funds is provided on Schedules 4 and 5 of this report.

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

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

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

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

Government-Wide Financial Analysis

As noted earlier, net assets may serve over time as a useful indicator of a Town's financial position. In the case of the Town, assets exceeded liabilities by \$58,526,430 at the close of the most recent fiscal year.

By far, the largest portion of the Town's net assets (81.6%) reflects its investment in capital assets (e.g. land, buildings and improvements, machinery and equipment, and infrastructure) less any related debt used to acquire those assets that is still outstanding. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

Table 1, which can be found at the end of the Management Discussion and Analysis, presents a comparative summary statement of net assets.

Governmental Activities. Governmental activities increased the Town's net assets by \$9,215,207 due to continued construction in progress on the Griswold Middle School.

Table 2, which can be found at the end of the Management Discussion and Analysis, presents a comparative change in net assets.

Major revenue factors included:

- Charges for services decreased by \$1,294,331 primarily due to decreases in tuition, recycling and incinerator revenues, building permits and conveyance taxes.
- Operating grants and contributions decreased by \$2,665,477 due to decrease in the amount of payments made by the State on behalf of the Town's teachers. (Pension and retiree medical insurance)
- Capital grants and contributions increased by \$11,127,243 primarily due to the receipt of school construction progress payments pertaining to the Griswold Middle School project.
- Property taxes revenues increased by \$243,624 due to an increase to the taxable grand list.

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

- Human services decreased by \$756,888 due to the elimination of the Griswold Public Health Nursing program.
- The cost of education services decreased \$1,335,909 primarily due to a decrease in the amount of payments made by the State on behalf of the Town's teachers. (Pension and retiree medical insurance)

Financial Analysis of the Town's Funds

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

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$10,866,719, an increase of \$3,113,550 in comparison with the prior year.

Financial Analysis of the Town's Funds (Continued)

General Fund

The general fund is the operating fund of the Town. At the end of the current fiscal year, unreserved and undesignated fund balance of the general fund was \$4,483,359, while total fund balance reached \$6,857,870. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures and transfers out. Unreserved and undesignated fund balance represents 14.6% of total general fund expenditures and transfers out, while total fund balance represents 22.4% of that same amount.

The fund balance of the Town's general fund decreased by \$408,166 during the current fiscal year. Key factors in this decrease were as follows:

- A significant decrease in revenues from selectman charges for services.
- Lack of an increase in the mill rate from the prior year.
- Increased capital outlay expenditures.

Capital Projects Fund

Capital project revenues, issuance of debt and transfers in exceeded expenditures and transfers out by \$4,176,830. This is primarily attributable to the receipt of school progress payments from the State Board of Education in addition to the receipt of \$10,000,000 of bond proceeds.

General Fund Budgetary Highlights

During the year, revenues fell short of budgetary estimates by \$271,436. Charges for services and use of town money were approximately \$500,000 below budgetary estimates combined. Expenditures were \$911,895 less than budgetary estimates, most notably education, general government and sundry (benefits). The combination of these favorable variances eliminated the need to draw upon existing fund balance.

Capital Assets and Debt Administration

Capital Assets. The Town's investment in capital assets for its governmental activities as of June 30, 2009, amounts to \$59,750,788 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings and improvements, machinery and equipment, and infrastructure.

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

- Construction in progress of \$17,011,364 pertaining to the school construction project.
- Infrastructure (roads) of \$626,000 contributed by developers and accepted by the town.

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

Capital Assets and Debt Administration (Continued)

Table 3, which can be found at the end of the Management Discussion and Analysis, presents comparative schedules of capital assets.

Long-Term Debt. At the end of the current fiscal year, the Town had \$12,065,000 of long-term debt outstanding. All outstanding debt of the Town is general obligation debt and is backed by the full faith and credit of the Town.

**TOWN OF GRISWOLD OUTSTANDING DEBT
GENERAL OBLIGATION BONDS**

	<u>2009</u>	<u>2008</u>
School bonds	<u>\$12,065,000</u>	<u>\$ 3,670,000</u>

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

State statutes limit the amount of general obligation debt a governmental entity may issue to 7 times total tax collections including interest and lien fees and the tax relief for elderly freeze grant. The current debt limitation for the Town is \$99,518,440, which is significantly in excess of the Town's outstanding general obligation debt.

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

Economic Factors and Next Year's Budget and Rates

- The unemployment rate for the Town as of June 2009 was 6.3%, which is an increase from a rate of 5.7% a year ago. This compares favorably to the state's unemployment rate of 8% and the national average rate of 9.5%.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the Town's budget for the 2009/2010 fiscal year.

During the current fiscal year, unreserved fund balance in the general fund increased to \$6,028,359. The Town has appropriated \$1,545,000 of total fund balance for spending in the 2009/2010 fiscal year budget.

Requests for Information

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

TABLE 1

Town of Griswold, Connecticut
Net Assets
June 30, 2009 and 2008

	2009	2008
Current and other assets.....	\$ 18,483,575	\$ 13,182,264
Capital assets (net).....	59,750,788	42,942,870
Total Assets.....	<u>78,234,363</u>	<u>56,125,134</u>
Current liabilities.....	7,369,790	3,723,959
Noncurrent liabilities.....	12,338,143	3,109,789
Total Liabilities.....	<u>19,707,933</u>	<u>6,833,748</u>
Net assets:		
Invested in capital assets, net of related debt.....	47,762,788	39,272,870
Restricted.....	15,383,777	2,683,683
Unrestricted.....	<u>(4,620,135)</u>	<u>7,334,833</u>
Total Net Assets.....	<u>\$ 58,526,430</u>	<u>\$ 49,291,386</u>

TABLE 2

Town of Griswold, Connecticut
Change in Net Assets
For the Years Ended June 30, 2009 and 2008

	2009	2008
REVENUES:		
Program revenues:		
Charges for services.....	\$ 3,419,623	\$ 4,713,954
Operating grants and contributions.....	15,079,614	17,745,091
Capital grants and contributions.....	12,334,797	1,207,554
General revenues:		
Property taxes.....	13,808,461	13,564,837
Grants and contributions not restricted to specific programs.....	520,628	381,922
Investment income.....	260,288	320,734
TOTAL REVENUES.....	45,423,411	37,934,092
EXPENSES:		
General government.....	1,973,224	2,239,463
Public safety.....	632,731	610,383
Public works.....	2,756,935	3,110,081
Human services.....	826,134	1,583,022
Civic and cultural.....	177,548	162,441
Development and planning.....	228,632	361,753
Education.....	29,142,673	30,478,582
Interest expense.....	470,327	255,833
TOTAL EXPENSES.....	36,208,204	38,801,558
INCREASE (DECREASE) IN NET ASSETS..	9,215,207	(867,466)
NET ASSETS - JULY 1 (AS RESTATED).....	49,311,223	50,158,852
NET ASSETS - JUNE 30.....	\$ 58,526,430	\$ 49,291,386

TABLE 3

**Town of Griswold, Connecticut
Capital Assets - Net
For the Years Ended June 30, 2009 and 2008**

	2009	2008
Land.....	\$ 1,121,218	\$ 891,285
Construction in progress.....	18,802,090	1,936,296
Building and improvements.....	22,881,184	23,524,805
Machinery and equipment.....	1,543,506	1,512,911
Infrastructure.....	15,402,790	15,077,573
TOTAL.....	\$ 59,750,788	\$ 42,942,870

Basic Financial Statements

TOWN OF GRISWOLD, CONNECTICUT

STATEMENT OF NET ASSETS
JUNE 30, 2009

		GOVERNMENTAL ACTIVITIES
<u>ASSETS</u>		
Current assets:		
Cash.....	\$	1,260,763
Investments.....		9,965,378
Receivables:		
Property taxes.....		406,963
Intergovernmental.....		5,698,125
Other.....		85,000
Other.....		8,100
		17,424,329
Total current assets.....		
Noncurrent assets:		
Receivables (net):		
Property taxes.....		541,061
Intergovernmental.....		441,185
		982,246
Total Receivables (net).....		
Other noncurrent assets.....		77,000
Capital assets (net of accumulated depreciation):		
Land.....		1,121,218
Construction in progress.....		18,802,090
Buildings and improvements.....		22,881,184
Machinery and equipment.....		1,543,506
Infrastructure.....		15,402,790
		59,750,788
Total net capital assets (net of accumulated depreciation).....		
Total noncurrent assets.....		60,810,034
TOTAL ASSETS.....		78,234,363

(Continued)

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

TOWN OF GRISWOLD, CONNECTICUT

STATEMENT OF NET ASSETS
JUNE 30, 2009

		GOVERNMENTAL ACTIVITIES
<u>LIABILITIES</u>		
LIABILITIES:		
Current liabilities:		
Accounts payable.....	\$	3,855,461
Accrued liabilities.....		1,262,243
Accrued interest payable.....		315,672
Unearned revenue.....		129,535
Performance bonds.....		108,510
Bonds and notes payable.....		1,645,000
Compensated absences.....		53,369
		7,369,790
Total current liabilities.....		7,369,790
Noncurrent liabilities:		
Bonds and notes payable.....		10,420,000
Judgement.....		1,300,000
Net OPEB obligation.....		333,428
School construction grant overpayment		71,238
Compensated absences.....		213,477
		12,338,143
Total noncurrent liabilities.....		12,338,143
TOTAL LIABILITIES.....		19,707,933
<u>NET ASSETS</u>		
Invested in capital assets, net of related debt.....		47,762,788
Restricted for:		
Endowments:		
Nonexpendable.....		18,000
Expendable.....		2,164
Capital projects.....		15,363,613
Unrestricted.....		(4,620,135)
		58,526,430
TOTAL NET ASSETS.....	\$	58,526,430

(Concluded)

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

EXHIBIT B

TOWN OF GRISWOLD, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

FUNCTIONS/PROGRAMS	PROGRAM REVENUES				NET (EXPENSES) REVENUES AND CHANGES IN NET ASSETS
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	
GOVERNMENTAL ACTIVITIES:					
General government.....	\$ 1,973,224	\$ 363,611	\$ 302,002	\$	\$ (1,307,611)
Public safety.....	632,731	811			(631,920)
Public works.....	2,756,935	517,993		823,733	(1,415,209)
Human services.....	826,134	96,644	23,089		(706,401)
Civic and cultural.....	177,548	15,358	38,902		(123,288)
Development and planning.....	228,632	13,868			(214,764)
Education.....	29,142,673	2,411,338	14,715,621	11,511,064	(504,650)
Interest expense.....	470,327				(470,327)
TOTAL.....	\$ 36,208,204	\$ 3,419,623	\$ 15,079,614	\$ 12,334,797	\$ (5,374,170)
GENERAL REVENUES:					
Property taxes.....					\$ 13,808,461
Grants and contributions not restricted to specific programs.....					520,628
Income from investments.....					260,288
TOTAL GENERAL REVENUES.....					14,589,377
CHANGE IN NET ASSETS.....					9,215,207
NET ASSETS - JULY 1, 2008 (AS RESTATED).....					49,311,223
NET ASSETS - JUNE 30, 2009.....					\$ 58,526,430

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

TOWN OF GRISWOLD, CONNECTICUT

BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009

	GENERAL	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>				
Cash.....	\$ 1,182,295	\$	\$ 78,468	\$ 1,260,763
Investments.....	9,965,378			9,965,378
Receivables:				
Property taxes.....	730,348			730,348
Intergovernmental.....	3,496	4,646,142	157,797	4,807,435
Other.....	84,496		504	85,000
Due from other funds.....	1,116,640	3,065,381	790,690	4,972,711
Other.....			8,100	8,100
TOTAL ASSETS.....	\$ 13,082,653	\$ 7,711,523	\$ 1,035,559	\$ 21,829,735
<u>LIABILITIES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable.....	\$ 359,403	\$ 3,376,937	\$ 119,121	\$ 3,855,461
Accrued liabilities.....	1,262,243			1,262,243
Due to other funds.....	3,856,071	690,117	426,523	4,972,711
Deferred and unearned revenue.....	638,556		125,535	764,091
Performance bonds.....	108,510			108,510
Total Liabilities.....	6,224,783	4,067,054	671,179	10,963,016
Fund Balances:				
Reserved for:				
Encumbrances.....	829,511			829,511
Commitments.....		15,363,613		15,363,613
Endowments.....			18,000	18,000
Unreserved, reported in:				
Designated for subsequent year budget.....	1,545,000			1,545,000
General fund.....	4,483,359			4,483,359
Permanent funds.....			2,164	2,164
Special revenue funds.....			82,714	82,714
Capital projects funds.....		(11,719,144)	261,502	(11,457,642)
Total Fund Balances.....	6,857,870	3,644,469	364,380	10,866,719
TOTAL LIABILITIES AND FUND BALANCES.....	\$ 13,082,653	\$ 7,711,523	\$ 1,035,559	\$ 21,829,735

(Continued)

TOWN OF GRISWOLD, CONNECTICUT

RECONCILIATION OF FUND BALANCE
TO NET ASSETS OF GOVERNMENTAL ACTIVITIES
JUNE 30, 2009

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF NET ASSETS
(EXHIBIT A) ARE DIFFERENT FROM THE GOVERNMENTAL FUND BALANCE SHEET. THE DETAILS
OF THIS DIFFERENCE ARE AS FOLLOWS:

TOTAL FUND BALANCE (EXHIBIT C, PAGE 1).....	\$ 10,866,719
CAPITAL ASSETS USED IN GOVERNMENTAL ACTIVITIES ARE NOT FINANCIAL RESOURCES AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS:	
Beginning net capital assets.....	42,942,870
Current capital asset additions.....	18,025,479
Depreciation expense.....	(1,217,561)
OTHER LONG-TERM ASSETS ARE NOT AVAILABLE TO PAY FOR CURRENT PERIOD EXPENDITURES AND, THEREFORE, ARE DEFERRED IN THE FUNDS:	
Property tax, interest and lien accrual.....	324,676
Property tax receivable - accrual basis change.....	634,556
School building grant receivable.....	1,331,875
Allowance for doubtful accounts.....	(107,000)
Other assets.....	77,000
SOME LIABILITIES, INCLUDING BONDS PAYABLE, ARE NOT DUE AND PAYABLE IN THE CURRENT PERIOD AND, THEREFORE, ARE NOT REPORTED IN THE FUNDS:	
Bonds and notes payable.....	(12,065,000)
Judgment.....	(1,300,000)
Net OPEB obligation.....	(333,428)
School construction grant overpayment	(71,238)
Compensated absences.....	(266,846)
Accrued interest payable.....	(315,672)
NET ASSETS OF GOVERNMENTAL ACTIVITIES.....	<u>\$ 58,526,430</u>

(Concluded)

TOWN OF GRISWOLD, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	GENERAL	CAPITAL PROJECTS	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUES:				
Property taxes.....	\$ 13,886,063	\$	\$	\$ 13,886,063
Intergovernmental.....	14,974,557	11,698,959	1,541,554	28,215,070
Charges for services.....	2,710,359		709,264	3,419,623
Income from investments.....	259,065		1,223	260,288
Contributions.....			47,199	47,199
TOTAL REVENUES.....	31,830,044	11,698,959	2,299,240	45,828,243
EXPENDITURES:				
Current:				
General government.....	1,182,208		5,726	1,187,934
Public safety.....	473,094		1,000	474,094
Public works.....	1,094,205		450,326	1,544,531
Human services.....	337,731		395,802	733,533
Civic and Cultural.....	60,496		94,452	154,948
Development and planning.....	149,674			149,674
Sundry.....	586,729			586,729
Education.....	26,080,659		2,033,738	28,114,397
Capital outlay.....	904,156	16,997,322		17,901,478
Debt service.....	1,790,375	77,000		1,867,375
TOTAL EXPENDITURES.....	32,659,327	17,074,322	2,981,044	52,714,693
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(829,283)	(5,375,363)	(681,804)	(6,886,450)
OTHER FINANCING SOURCES (USES):				
Transfers in.....	637,807	30,000	187,026	854,833
Transfers out.....	(216,690)	(477,807)	(160,336)	(854,833)
Issuance of debt.....		10,000,000		10,000,000
NET OTHER FINANCING SOURCES (USES).....	421,117	9,552,193	26,690	10,000,000
NET CHANGE IN FUND BALANCES.....	(408,166)	4,176,830	(655,114)	3,113,550
FUND BALANCES - JULY 1, 2008 (AS RESTATED).....	7,266,036	(532,361)	1,019,494	7,753,169
FUND BALANCES - JUNE 30, 2009.....	\$ 6,857,870	\$ 3,644,469	\$ 364,380	\$ 10,866,719

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

TOWN OF GRISWOLD, CONNECTICUT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009

AMOUNTS REPORTED FOR GOVERNMENTAL ACTIVITIES IN THE STATEMENT OF ACTIVITIES
(EXHIBIT B) ARE DUE TO:

NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS (EXHIBIT D)..... \$ 3,113,550

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital outlay.....	17,201,746
Depreciation expense.....	<u>(1,217,561)</u>
Total	<u>15,984,185</u>

The net effect of various miscellaneous transactions involving capital assets (i. e., sales, trade-ins and donations) is to increase net assets.

Capital asset donations.....	<u>823,733</u>
------------------------------	----------------

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds and revenues recognized in the funds are not reported in the Statement of Activities:

School building grant receipts.....	(1,150,963)
Change in property tax receivable - accrual basis change.....	(43,413)
Change in property tax interest and lien revenue.....	(47,189)
Change in property tax allowance for doubtful accounts.....	13,000
Other.....	<u>77,000</u>
Total	<u>(1,151,565)</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, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. The details of these differences in the treatment of long-term debt and related items are as follows:

Debt issued or incurred:	
General obligation bonds.....	(10,000,000)
Judgment.....	(463,129)
Net OPEB obligation.....	(333,428)
School construction grant overpayment.....	(71,238)
Principal repayments:	
General obligation bonds.....	<u>1,605,000</u>
Total	<u>(9,262,795)</u>

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Accrued interest payable.....	(284,952)
Compensated absences.....	<u>(6,949)</u>
Total	<u>(291,901)</u>

CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES (EXHIBIT B) \$ 9,215,207

TOWN OF GRISWOLD, CONNECTICUT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2009

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES:				
Taxes, interest and lien fees.....	\$ 13,642,805	\$ 13,642,805	\$ 13,886,063	\$ 243,258
Intergovernmental.....	13,163,180	13,163,180	13,143,557	(19,623)
Charges for services.....	2,964,495	2,964,495	2,710,359	(254,136)
Use of Town money	500,000	500,000	259,065	(240,935)
TOTAL REVENUES.....	30,270,480	30,270,480	29,999,044	(271,436)
EXPENDITURES:				
Current:				
General government.....	1,345,115	1,373,915	1,183,188	190,727
Public safety.....	504,134	514,134	471,553	42,581
Public works.....	1,166,800	1,186,100	1,086,942	99,158
Human services.....	353,122	354,814	337,731	17,083
Civic and cultural.....	64,450	64,650	60,496	4,154
Development and planning.....	152,445	152,445	128,148	24,297
Sundry.....	785,324	703,332	597,048	106,284
Education.....	24,196,740	24,196,740	23,796,782	399,958
Capital outlay.....	784,000	791,000	788,347	2,653
Debt service.....	2,015,375	2,015,375	1,990,375	25,000
TOTAL EXPENDITURES.....	31,367,505	31,352,505	30,440,610	911,895
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES.....	(1,097,025)	(1,082,025)	(441,566)	640,459
OTHER FINANCING SOURCES (USES):				
Appropriation of fund balance.....	630,000	630,000		(630,000)
Cancellation of prior year encumbrances.....			36,810	36,810
Transfers in.....	668,715	668,715	637,807	(30,908)
Transfers out.....	(201,690)	(216,690)	(216,690)	-
NET OTHER FINANCING SOURCES (USES).....	1,097,025	1,082,025	457,927	(624,098)
NET CHANGE IN FUND BALANCE.....	\$ -	\$ -	16,361	\$ 16,361
FUND BALANCE - JULY 1, 2008			6,011,998	
FUND BALANCE - JUNE 30, 2009.....			<u>\$ 6,028,359</u>	

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

TOWN OF GRISWOLD, CONNECTICUT

STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
JUNE 30, 2009

	PRIVATE PURPOSE TRUST FUNDS	AGENCY FUNDS
<hr/>		
<u>ASSET</u>		
Cash.....	\$ 180,136	\$ 276,425
<hr/>		
<u>LIABILITY</u>		
Accounts payable.....	-	276,425
<hr/>		
<u>NET ASSETS</u>		
Net assets held in trust.....	\$ 180,136	\$ -
<hr/> <hr/>		

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

EXHIBIT H

TOWN OF GRISWOLD, CONNECTICUT

STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2009

	PRIVATE PURPOSE TRUST FUNDS
<hr/>	
ADDITIONS:	
Contributions:	
Private contributions.....	\$ 3,812
Investment income:	
Interest and dividends.....	<u>5,751</u>
TOTAL ADDITIONS.....	9,563
DEDUCTIONS:	
Scholarships awarded.....	<u>7,362</u>
CHANGES IN NET ASSETS.....	2,201
NET ASSETS - JULY 1, 2008 (RESTATED).....	<u>177,935</u>
NET ASSETS - JUNE 30, 2009.....	<u><u>\$ 180,136</u></u>

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

TOWN OF GRISWOLD, CONNECTICUTNOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2009**HISTORY AND ORGANIZATION**

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

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

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**A. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) 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. *Governmental activities* are supported by taxes and intergovernmental revenues.

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

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

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

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the fiduciary fund financial statements. Agency funds do not have a measurement focus but are accounted for on the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

TOWN OF GRISWOLD, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

The Town reports the following major governmental funds:

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

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

Additionally, the Town reports the following fund types:

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

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are changes between the Town's sewer operations and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

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

TOWN OF GRISWOLD, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Assets, Liabilities, and Net Assets or Equity

1. Deposits and Investments

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

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

Investments for the Town are reported at fair value.

2. Receivables and Payables

a. Interfunds

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

b. Property Taxes and Other Receivables

In the government-wide financial statements, all trade and property tax receivables are shown net of an allowance for uncollectibles. Allowance percentages range from 9% to 14% of outstanding balances, and are calculated based upon prior collection history.

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

TOWN OF GRISWOLD, CONNECTICUT
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

2. Receivables and Payables (Continued)

b. Property Taxes and Other Receivables (Continued)

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

3. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

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

4. Compensated Absences

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

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

TOWN OF GRISWOLD, CONNECTICUT
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

5. Long-Term Obligations

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

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

6. Fund Equity and Net Assets

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

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

Invested in Capital Assets, Net of Related Debt

This category presents the net assets that reflect capital assets net of only the debt applicable to the acquisition or construction of these assets. Debt issued for non-capital purpose is excluded.

Restricted Net Assets

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

Unrestricted Net Assets

This category presents the net assets of the Town which are not restricted.

7. Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities including disclosures of contingent assets and liabilities and reported revenues, expenses and expenditures during the fiscal year.

TOWN OF GRISWOLD, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

8. Comparative Data/Reclassifications

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

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting

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

- A budget for the general fund is authorized annually by the Board of Finance. The Board of Finance follows these procedures in establishing the budgetary data reflected in the financial statements:
 - Department heads submit to the Board of Finance detailed estimates of expenditures.
 - The Board of Finance acts upon the department requests and approves the departmental budgets to be forwarded to the Town Meeting.
 - The citizens of the Town vote on the recommended budget.
 - The Board of Finance sets the tax rate for the fiscal year.
- During the year, additional appropriation requests are submitted by the department heads to the Board of Finance. The Board of Finance acts on the requests.
- All budget transfers must be approved by the Board of Finance. The Board of Finance may transfer unexpended balances between departments.
- The Board of Education may transfer unexpended balances between accounts within its total line appropriation.
- Additional appropriations may be made during the year by resolution of the Board of Finance.
- Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year end are reported in budgetary reports (Exhibit F) as expenditures in the current year. Generally, all unencumbered appropriations lapse at year end, except those for the Capital Projects Funds. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

TOWN OF GRISWOLD, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

II. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (CONTINUED)

B. Budget - GAAP Reconciliation

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

	<u>REVENUES</u>	<u>EXPENDITURES</u>	<u>FUND BALANCE</u>
BALANCE, BUDGETARY BASIS, EXHIBIT F - JUNE 30, 2009	\$ 29,999,044	\$ 30,440,610	\$ 6,028,359
Encumbrances outstanding at June 30, 2008 liquidated during the year ended June 30, 2009		1,217,228	
Encumbrances outstanding at June 30, 2009 charged to budgetary expenditures.....		(829,511)	829,511
State Teachers' Retirement on-behalf payment	<u>1,831,000</u>	<u>1,831,000</u>	
BALANCE, GAAP BASIS, EXHIBIT D - JUNE 30, 2009	<u>\$ 31,830,044</u>	<u>\$ 32,659,327</u>	<u>\$ 6,857,870</u>

C. Capital Projects Authorizations

The following is a summary of certain Capital Projects at June 30, 2009:

<u>CAPITAL PROJECT FUND</u>	<u>AUTHORIZATION</u>	<u>CUMULATIVE EXPENDITURES</u>	<u>BALANCE JUNE 30, 2009</u>
School Building Project	\$ 70,000,000	\$ 18,787,338	\$ 51,212,662
PWC Project.....	675,000	511,002	163,998
Bridge Restoration Project.....	<u>354,000</u>	<u>321,977</u>	<u>32,023</u>
TOTAL	<u>\$ 71,029,000</u>	<u>\$ 19,620,317</u>	<u>\$ 51,408,683</u>

D. Donor Restricted Endowments

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

E. Deficit Fund Balance

During the year ended June 30, 2009, the Town had a deficit fund balance in the following fund:

<u>Nonmajor Governmental Funds</u>	
Public Health Nursing Fund.....	\$ 389,738

The deficit will be eliminated by future transfers from the general fund.

TOWN OF GRISWOLD, CONNECTICUT
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

III. DETAILED NOTES

A. Cash and Investments

Deposits - Custodial Credit Risk - Custodial credit risk is the risk that, in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2009, \$976,316 of the Town's bank balance of \$4,973,492 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 853,684
Uninsured and collateral held by the pledging bank's trust department, not in the Town's name	<u>122,632</u>
Total amount subject to custodial credit risk.....	<u>\$ 976,316</u>

On October 3, 2008, the Emergency Economic Stabilization Act of 2008 increased the insurance coverage offered by the Federal Deposit Insurance Corporation (FDIC) from \$100,000 to \$250,000 per depositor. This limit is anticipated to return to \$100,000 after December 31, 2013. Additionally, under the FDIC's Temporary Liquidity Guarantee Program, amounts held in non-interest bearing transaction accounts at participating institutions are fully guaranteed by the FDIC through December 31, 2009. This guarantee is anticipated to be reduced to the \$250,000 limit on January 1, 2010, and the \$100,000 limit on January 1, 2014.

At June 30, 2009, the Town's investments consisted of the following types and maturities. Specific identification was used to determine the maturities.

TYPE OF INVESTMENT	FAIR VALUE	INVESTMENT MATURITIES (IN YEARS)	
		LESS THAN 1	1 - 5 YEARS
<u>Mutual Funds</u>			
Certificates of Deposit	\$ 2,294,035	\$ 914,919	\$ 1,379,116
Money Market Mutual Funds	2,056,689	2,056,689	
Pooled Fixed Income	<u>5,614,654</u>	<u>5,614,654</u>	
TOTAL	<u>\$ 9,965,378</u>	<u>\$ 8,586,262</u>	<u>\$ 1,379,116</u>

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

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

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

AVERAGE RATING	POOLED FIXED INCOME	MONEY MARKET MUTUAL FUNDS
AAA	<u>\$ 5,614,654</u>	<u>\$ 2,056,689</u>

TOWN OF GRISWOLD, CONNECTICUT
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

III. DETAILED NOTES (CONTINUED)

A. Cash and Investments (Continued)

Custodial credit risk - The Town has no formal policy regarding custodial credit risk. Custodial credit risk is the risk that, in the event of the failure of the counterparty, the Town will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party. At June 30, 2009, the Town had no investments subject to custodial credit risk.

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

B. Receivables

Receivables as of year end for the Town's government-wide financial statements by type, including the applicable allowances for uncollectibles, are as follows:

	PROPERTY TAXES		
	TAXES	INTEREST & LIEN FEES	TOTAL
Current Portion.....	\$ 300,307	\$ 106,656	\$ 406,963
Long-term Portion.....	\$ 430,041	\$ 218,020	\$ 648,061
Less Allowance for Uncollectibles.....	(63,000)	(44,000)	(107,000)
Net Long-term Portion.....	<u>\$ 367,041</u>	<u>\$ 174,020</u>	<u>\$ 541,061</u>

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

DEFERRED REVENUE:	
Delinquent property taxes receivable (general fund).....	\$ 634,556
UNEARNED REVENUE:	
Grant drawdowns prior to meeting all eligibility requirements.....	<u>129,535</u>
TOTAL DEFERRED AND UNEARNED REVENUE FOR GOVERNMENTAL FUNDS.....	<u>\$ 764,091</u>

TOWN OF GRISWOLD, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

III. DETAILED NOTES (CONTINUED)

C. Capital Assets

Capital asset activity for the year ended June 30, 2009 was as follows:

	BALANCE JULY 1, 2008	INCREASES	DECREASES	BALANCE JUNE 30, 2009
<u>Governmental Activities:</u>				
<u>Capital Assets, not being Depreciated:</u>				
Land	\$ 891,285	\$ 229,933	\$	\$ 1,121,218
Construction in progress.....	1,936,296	16,934,364	(68,570)	18,802,090
Total Capital Assets, not being depreciated.....	2,827,581	17,164,297	(68,570)	19,923,308
<u>Capital Assets, being Depreciated:</u>				
Buildings and improvements.....	35,010,976	68,430	(5,000)	35,074,406
Machinery and equipment	2,982,380	235,322	(35,000)	3,182,702
Infrastructure.....	22,114,521	626,000		22,740,521
Total Capital Assets being depreciated	60,107,877	929,752	(40,000)	60,997,629
Total Capital Assets.....	62,935,458	18,094,049	(108,570)	80,920,937
<u>Less Accumulated Depreciation for:</u>				
Buildings and improvements.....	11,486,171	712,051	(5,000)	12,193,222
Machinery and equipment	1,469,469	204,727	(35,000)	1,639,196
Infrastructure.....	7,036,948	300,783		7,337,731
Total Accumulated Depreciation	19,992,588	1,217,561	(40,000)	21,170,149
Total Capital Assets, being depreciated, net	40,115,289	(287,809)	-	39,827,480
Governmental Activities Capital Assets, net	\$ 42,942,870	\$ 16,876,488	\$(68,570)	\$ 59,750,788

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

<u>Governmental Activities:</u>	
General government	\$ 54,099
Public safety.....	58,637
Public works	433,079
Human services.....	15,850
Education	655,896
Total Depreciation Expense - Governmental Activities.....	\$ 1,217,561

Construction Commitments

The Town has active construction projects as of June 30, 2009. At year end, the Town's commitments with contractors are as follows:

Various capital projects.....	\$15,363,613
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TOWN OF GRISWOLD, CONNECTICUT
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

III. DETAILED NOTES (CONTINUED)

D. Interfund Accounts

1. Interfund Payables and Receivables

During the course of operations, transactions are processed through a fund on behalf of another fund. Additionally, revenues received in one fund are transferred to another fund. A summary of interfund balances at June 30, 2009, is presented below:

	<u>CORRESPONDING</u> <u>FUND</u>	<u>DUE FROM</u>	<u>DUE TO</u>
<u>DUE FROM/TO OTHER FUNDS:</u>			
<u>MAJOR FUNDS:</u>			
<u>GENERAL FUND:</u>			
Capital projects	N/A	\$ 690,117	\$ 3,065,381
Town aid road fund	N/A		184,646
Open space	N/A		56,566
School cafeteria fund	N/A	12,442	
Special education grant fund.....	N/A	15,100	
GVFD EMS equipment grant fund	N/A		500
CT special act recreation.....	N/A	5,726	
Compensated absences fund	N/A		115,829
Records preservation fund.....	N/A		5,394
Revaluation fund	N/A		2,536
Ashland park fund	N/A		3,267
Child care fund.....	N/A		1,078
Dog fund.....	N/A		8,319
Board of education miscellaneous	N/A		582
Recreation fund	N/A		11,504
Fishing dock fund.....	N/A		
Youth community center	N/A		1,949
Department of education youth grant....	N/A		8,470
Community assistance fund	N/A		
Sewer authority	N/A	3,517	
Capital nonrecurring fund	N/A		261,502
Sheldon road park	N/A		128,359
Anthony fund.....	N/A		189
Public health nursing fund	N/A	<u>389,738</u>	
TOTAL GENERAL FUND.....		<u>1,116,640</u>	<u>3,856,071</u>

TOWN OF GRISWOLD, CONNECTICUT
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

III. DETAILED NOTES (CONTINUED)

D. Interfund Accounts (Continued)

1. Interfund Payables and Receivables (Continued)

	<u>CORRESPONDING FUND</u>	<u>DUE FROM</u>	<u>DUE TO</u>
<u>NON-BONDED CAPITAL PROJECTS</u>	General Fund	\$ 3,065,381	\$ 690,117
<u>NONMAJOR FUNDS:</u>			
<u>SPECIAL REVENUE:</u>			
Town aid road fund.....	General Fund	184,646	
School cafeteria.....	General Fund		12,442
Special education fund.....	General Fund		15,100
GVFD EMS equipment grant fund	General Fund	500	
Sewer authority	General Fund		3,517
CT special act recreation	General Fund		5,726
Compensated absences fund	General Fund	115,829	
Records preservation fund	General Fund	5,394	
Sheldon road park	General Fund	128,359	
Revaluation fund.....	General Fund	2,536	
Ashland park fund.....	General Fund	3,267	
Open space.....	General Fund	56,566	
Dog fund	General Fund	8,319	
Public health nursing.....	General Fund		389,738
Recreation fund.....	General Fund	11,504	
Board of education miscellaneous	General Fund	582	
Youth community center.....	General Fund	1,949	
Board of education child care	General Fund	1,078	
Department of education youth grant.....	General Fund	8,470	
Community assistance fund	General Fund		
TOTAL SPECIAL REVENUE.....		<u>528,999</u>	<u>426,523</u>
<u>PERMANENT:</u>			
Anthony trust fund	General Fund	<u>189</u>	-
<u>CAPITAL PROJECTS:</u>			
Capital nonrecurring fund.....	General Fund	<u>261,502</u>	-
TOTAL NONMAJOR FUNDS		<u>790,690</u>	<u>426,523</u>
GRAND TOTAL		<u>\$ 4,972,711</u>	<u>\$ 4,972,711</u>

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

TOWN OF GRISWOLD, CONNECTICUT
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

III. DETAILED NOTES (CONTINUED)

D. Interfund Accounts (Continued)

2. Interfund Transfers

A summary of interfund transfers as of June 30, 2009 is as follows:

	CORRESPONDING FUND	TRANSFERS IN	TRANSFERS OUT
GENERAL FUND:			
Public health nursing fund.....	N/A	\$	\$ 121,940
Compensated absences fund.....	N/A		18,000
Ashland park fund	N/A		1,750
Youth community center	N/A		45,000
Land acquisition	N/A	160,000	
Non-bonded capital projects.....	N/A	<u>477,807</u>	<u>30,000</u>
TOTAL GENERAL FUND.....		<u>637,807</u>	<u>216,690</u>
MAJOR FUND:			
Non-bonded capital projects.....	General Fund	<u>30,000</u>	<u>477,807</u>
NONMAJOR FUNDS:			
Compensated absences fund.....	General Fund	18,000	
Ashland park fund	General Fund	1,750	
Public health nursing fund.....	General Fund	121,940	
Fishing dock fund.....	Anthony Fund		319
Youth community center	General Fund	45,000	
Community assistance fund.....	Anthony Fund		17
Anthony trust fund.....	General Fund	336	
Land acquisition	General Fund		<u>160,000</u>
TOTAL NONMAJOR FUNDS.....		<u>187,026</u>	<u>160,336</u>
GRAND TOTAL		<u>\$ 854,833</u>	<u>\$ 854,833</u>

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

TOWN OF GRISWOLD, CONNECTICUT
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

III. DETAILED NOTES (CONTINUED)

E. Changes in Long-Term Obligations

1. Summary of Changes

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

DESCRIPTION	ORIGINAL PRINCIPAL	DATE OF ISSUE	FINAL MATURITY	INTEREST RATES	BALANCE JULY 1, 2008	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 2009	CURRENT PORTION
BONDS/NOTES									
Schools:									
Improvement bond	\$ 4,250,000	04/01/89	04/01/09	7.40% - 7.50%	\$ 200,000	\$	\$ 200,000	\$ -	\$ -
Improvement bond	9,000,000	04/15/91	06/15/10	6.25% - 8.00%	1,000,000		500,000	500,000	500,000
Refunding bond	9,175,000	08/15/91	4/16/02	3.25% - 5.00%	2,295,000		880,000	1,415,000	650,000
Improvement bond	350,000	01/29/01	01/15/16	4.90% - 4.90%	175,000		25,000	150,000	25,000
Improvement bond	10,000,000	09/15/08	09/15/28	3.00% - 4.25%		10,000,000		10,000,000	355,000
TOTAL BONDS					3,670,000	10,000,000	1,605,000	12,065,000	1,645,000
JUDGMENT					836,871	463,129		1,300,000	
NET OPEB OBLIGATION.....						333,428		333,428	
SCHOOL CONSTRUCTION DUE TO STATE.....						71,238		71,238	
COMPENSATED ABSENCES					259,897	23,819	16,870	266,846	53,369
TOTAL LONG-TERM OBLIGATIONS.....					\$ 4,766,768	\$ 10,891,614	\$ 1,621,870	\$ 14,036,512	\$ 1,698,369

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

The following is a summary of amounts to be provided by the State of Connecticut for the retirement of school bonds and bond and note maturities:

FISCAL YEAR ENDED JUNE 30,	AMOUNT TO BE PROVIDED BY STATE PRINCIPAL	AMOUNT TO BE PROVIDED BY STATE INTEREST	BONDS	
			PRINCIPAL	INTEREST
2010	\$ 844,860	\$ 45,830	\$ 1,645,000	\$ 660,838
2011	227,570	12,632	740,000	395,762
2012	195,060	5,923	695,000	369,000
2013			405,000	343,870
2014			420,000	331,115
2015			430,000	317,729
2016			445,000	301,842
2017			440,000	285,213
2018			455,000	270,384
2019			470,000	250,956
2020			495,000	230,235
2021			510,000	211,062
2022			530,000	190,263
2023			555,000	168,562
2024			575,000	145,963
2025			600,000	122,462
2026			625,000	97,963
2027			650,000	72,056
2028			675,000	44,306
2029			705,000	14,981
TOTALS	\$ 1,267,490	\$ 64,385	\$ 12,065,000	\$ 4,824,562

TOWN OF GRISWOLD, CONNECTICUT
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

III. DETAILED NOTES (CONTINUED)

E. Changes in Long-Term Obligations (Continued)

2. Statutory Debt Limitation

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

<u>Category</u>	<u>Debt Limit</u>	<u>Net Indebtedness</u>	<u>Balance</u>
General purpose	\$ 31,988,070	\$	\$ 31,988,070
Schools	63,976,140	10,797,510	53,178,630
Sewers	53,313,450	302,372	53,011,078
Urban renewal	46,204,990		46,204,990
Pension deficit	42,650,760		42,650,760

The total overall statutory debt limit for the Town is equal to seven times annual receipts from taxation, \$99,518,440.

The indebtedness reflected above includes bonds outstanding, and Borough of Jewett City debt, in addition to the amount of bonds authorized and unissued against which bond anticipation notes are issued and outstanding (if any). School building grant receivables of \$1,267,490 for bond principal are reflected as deductions in the computation of net indebtedness.

3. Authorized/Unissued Bonds

At June 30, 2009, the Town had the following authorized, unissued bond:

<u>Project Name</u>	<u>Amount Unissued</u>
School Improvements	\$ 60,000,000

4. Subsequent Debt Issuance

On October 1, 2009, the Town issued \$8,000,000 of General Obligation bond anticipation notes at an interest rate of 1.00% to temporarily finance the ongoing school improvement projects.

IV. OTHER INFORMATION

A. Risk Management

The Town is exposed to various risks of loss related to public official liability, police professional liability, theft or impairment of assets, errors and omissions, injury to employees, natural disasters, and owners' and contractors' protective liability.

The Town 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 and employer liability coverage. CIRMA currently has 233 members in the workers' compensation pool. The Town pays an annual premium for its coverage. CIRMA is to be self-sustaining through members' premiums but reinsures in excess of \$1,000,000 for each insured occurrence. Members may be subject to supplemental assessment in the event of deficiencies; however, potential assessments are limited pursuant to the by-laws.

TOWN OF GRISWOLD, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

IV. OTHER INFORMATION (CONTINUED)

A. Risk Management (Continued)

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

B. Commitments and Litigation

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

In August 2009, a judge ruled that a former employee should be awarded a total of \$1,300,000 for her wrongful termination suit against the Town. Previously, a jury had returned a verdict in her favor in the amount of \$836,871. The award includes the original jury award plus legal fees, punitive damages, and court costs plus interest. The Town intends to file an appeal with the appellate court. Under present law, the Town is authorized to issue bonds to finance the judgment.

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

C. Pension Plans

Municipal Employees' Retirement Fund

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

1. Plan Description

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

TOWN OF GRISWOLD, CONNECTICUT
NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

IV. OTHER INFORMATION (CONTINUED)

C. Pension Plans (Continued)

Municipal Employees' Retirement Fund (Continued)

2. Plan Provisions

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

3. Funding Policy

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

The required and actual contributions for the years ended June 30, 2007, 2008 and 2009 were \$278,830, \$305,021 and \$335,174, respectively.

D. Other Post-Employment Benefits Plan

1. Plan Description

The Town administers one single-employer, post retirement healthcare plan for the Town and Board of Education, for the Town of Griswold Other Post Employment Benefits (OPEB). The plan provides medical, dental benefits and life insurance to eligible retirees and their spouses.

2. Benefit Provisions

a. Benefit Provisions

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

b. Employer Contributions

The Town's contributions are actuarially determined on an annual basis using the projected unit credit method. The Town and Board of Education's total plan contribution was \$71,699.

c. Employee Contributions

There are no employee contributions to the plan.

TOWN OF GRISWOLD, CONNECTICUT
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

IV. OTHER INFORMATION (CONTINUED)

D. Other Post-Employment Benefits Plan (Continued)

3. Funded Status and Funding Progress

The funded status of the plan as of July 1, 2008 was as follows:

ACTUARIAL VALUATION DATE	(A) ACTUARIAL VALUE OF ASSETS	(B) ACTUARIALLY ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	(A-B) OVER/ (UNDER) FUNDED AAL	(A/B) FUNDED AAL RATIO	(C) COVERED PAYROLL	[(A-B)/C] OVER (UNDER) FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
<u>TOWN</u>						
JULY 1, 2008	\$ -	\$ 3,451,338	\$(3,451,338)	0.0%	\$15,213,934	22.7%

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

4. Actuarial Methods and Assumptions

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

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

VALUATION DATE	July 1, 2008
ACTUARIAL COST METHOD	Projected Unit Credit
AMORTIZATION METHOD	Level Dollar
REMAINING AMORTIZATION PERIOD	30 years closed
ASSET VALUATION METHOD	Fair Value

ACTUARIAL ASSUMPTIONS:

Investment rate of return	4.0%
Healthcare inflation rate	3.5%

TOWN OF GRISWOLD, CONNECTICUT
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

IV. OTHER INFORMATION (CONTINUED)

D. Other Post-Employment Benefits Plan (Continued)

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

The changes in the NOO were as follows:

	<u>TOWN</u>
Annual required contribution.....	\$ 405,127
Interest on net OPEB obligation	-
Adjustment to annual required contribution.....	-
Annual OPEB cost.....	405,127
Contributions made	<u>71,699</u>
Change in net OPEB obligation	333,428
Net OPEB obligation - July 1, 2008	-
Net OPEB obligation - June 30, 2009.....	<u>\$ 333,428</u>

6. Trend Information

YEAR ENDING JUNE 30	ANNUAL OPEB COST (AOC)	PERCENTAGE OF AOC CONTRIBUTED	NET OPEB OBLIGATION
<hr/>			
TOWN			
2009	\$ 405,127	18%	\$ 333,428

E. On-Behalf Payments

The amount recognized in the general fund intergovernmental revenues and education expenditures for contributions made by the state into the State Teachers Retirement System Pension Plan on-behalf of the Town's teachers was \$1,831,000.

TOWN OF GRISWOLD, CONNECTICUT
 NOTES TO BASIC FINANCIAL STATEMENTS (CONTINUED)

IV. OTHER INFORMATION (CONTINUED)

F. Restatement

Beginning net assets of the Governmental Activities have been restated as follows:

Net assets - June 30, 2008, as previously reported.....	\$ 49,291,386
Reclassify Anthony Trust Fund.....	<u>19,837</u>
Net assets - July 1, 2008, as restated	<u>\$ 49,311,223</u>

Beginning fund balances have been restated as follows:

	OTHER GOVERNMENTAL <u>FUNDS</u>	PRIVATE PURPOSE TRUST <u>FUNDS</u>
Fund balance/net assets - June 30, 2008, as previously reported.....	\$ 999,657	\$ 197,772
Reclassification of funds	<u>(19,837)</u>	<u>(19,837)</u>
Fund balance/net assets - July 1, 2008, as restated	<u>\$ 1,109,494</u>	<u>\$ 177,935</u>

**Required
Supplementary
Information**

TOWN OF GRISWOLD, CONNECTICUT

REQUIRED SUPPLEMENTARY INFORMATION

GRISWOLD OPEB PLAN

SCHEDULE OF FUNDING PROGRESS

		TOWN PLAN				
		(A-B)	(A/B)	C	[(B-A)/C]	
ACTUARIAL VALUATION DATE JULY 1	A ACTUARIAL VALUE OF ASSETS	B ACTUARIALLY ACCRUED LIABILITY (AAL) PROJECTED UNIT CREDIT	OVER (UNDER) FUNDED AAL	FUNDED AAL RATIO	COVERED PAYROLL	OVER/UNDER FUNDED AAL AS A PERCENTAGE OF COVERED PAYROLL
2008	\$ -	\$ 3,451,338	\$ (3,451,338)	0.0%	\$ 15,213,934	(22.7%)

SCHEDULE OF EMPLOYER CONTRIBUTIONS

ACTUARIAL VALUATION DATE JULY 1	ANNUAL REQUIRED CONTRIBUTIONS	ACTUAL CONTRIBUTIONS	PERCENTAGE CONTRIBUTED
2008	405,127	71,699	17.7%

Appendix B - Form of Opinion of Bond Counsel and Tax Exemption

MURTHA CULLINA LLP

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185 ASYLUM STREET
HARTFORD, CONNECTICUT 06103-3469

A T T O R N E Y S A T L A W

TELEPHONE (860) 240-6000
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WWW.MURTHALAW.COM

FORM OF OPINION OF BOND COUNSEL

Town of Griswold
Griswold, Connecticut

Ladies and Gentlemen:

We have examined a record of the proceedings of the Town of Griswold, a Tax Regulatory Agreement of the Town dated February 1, 2010 (the "Tax Regulatory Agreement") and other proofs submitted to us relative to the issuance and sale of \$11,000,000 Town of Griswold General Obligation Bonds, Issue of 2010, bearing a Dated Date of February 1, 2010 and an Original Issue Date of February 1, 2010 (the "bonds"). The bonds are subject to redemption prior to maturity as therein provided.

The bonds are originally registered in the name of Cede & Co., as nominee of The Depository Trust Company, to effect a book-entry system for the ownership and transfer of the bonds, and are certified by U.S. Bank National Association, Hartford, Connecticut (the "Certifying Agent").

We have not been engaged or undertaken to review the accuracy, completeness or sufficiency of the Official Statement or other offering material relating to the bonds (except to the extent, if any, stated in the Official Statement) and we express no opinion relating thereto.

We are of the opinion that such proceedings and proofs show lawful authority for the issuance and sale of the bonds under authority of the constitution and statutes of the State of Connecticut and that when certified by the Certifying Agent the bonds are valid general obligations of the Town of Griswold payable both principal and interest from ad valorem taxes which may be levied on all taxable property subject to taxation by the Town without limitation as to rate or amount except as to classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. There was, however, no such certified forest land on the last completed grand list of the Town and under existing statutes the State of Connecticut is obligated to pay the Town the amount of tax revenue which the Town would have received except for the limitation upon its power to tax such dwelling houses. We are further of the opinion that the Tax Regulatory Agreement is a valid and binding agreement of the Town.

The Internal Revenue Code of 1986, as amended (the "Code"), establishes certain requirements that must be met subsequent to the issuance and delivery of the bonds in order that interest on the bonds not be included in gross income under Section 103 of the Code. The Town has covenanted in the Tax Regulatory Agreement that it will at all times perform all acts and things necessary or appropriate under any valid provision of law to ensure that interest paid on the bonds shall not be included in the gross income of the owners thereof for Federal income tax purposes under the Code.

In our opinion, under existing statutes and court decisions, interest on the bonds is not included in the gross income of the owners thereof for purposes of Federal income taxation pursuant to Section 103 of the Code, is not treated as a preference item for purposes of computing the Federal alternative minimum tax, and is not includable in the adjusted current earnings of a corporation (as defined for federal income tax purposes) for purposes of computing the alternative minimum tax imposed on

corporations. We express no opinion regarding other Federal income tax consequences caused by ownership or disposition of, or receipt of interest on, the bonds.

In rendering the foregoing opinions regarding the Federal income tax treatment of interest on the bonds, we have relied upon and assumed (i) the material accuracy of the representations, statements of intention and expectations, and certifications of fact contained in the Tax Regulatory Agreement, and (ii) continuing compliance by the Town with the covenants and procedures set forth in the Tax Regulatory Agreement as to such tax matters.

We are further of the opinion that, under existing statutes, interest on the bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the Federal alternative minimum tax. We express no opinion regarding other State income tax consequences caused by ownership or disposition of the bonds.

Respectfully yours,

MURTHA CULLINA LLP

TAX EXEMPTION

The Internal Revenue Code of 1986, as amended (the “Code”), imposes certain requirements which must be met subsequent to delivery of the Bonds in order that interest on the Bonds not be included in gross income under Section 103 of the Code. The Tax Regulatory Agreement, which will be executed and delivered by the Issuer concurrently with the Bonds, contains representations, covenants and procedures relating to the use, expenditure and investment of proceeds of the Bonds in order to comply with such requirements of the Code. Pursuant to the Tax Regulatory Agreement, the Issuer also covenants and agrees that it shall perform all things necessary or appropriate under any valid provision of law to ensure interest on the Bonds shall not be included in gross income of owners thereof for purposes of Federal income taxation under the Code.

In the opinion of Bond Counsel, based on existing statutes and court decisions and assuming continuing compliance by the Issuer with its covenants and the procedures contained in the Tax Regulatory Agreement, interest on the Bonds is not included in the gross income of the owners thereof for purposes of Federal income taxation, is not treated as a preference item for purposes of computing the Federal alternative minimum tax and is not includable in the adjusted current earnings of corporations (as defined for federal income tax purposes) for purposes of computing the alternative minimum tax on corporations.

Failure to comply with the continuing requirements of the Code may cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds irrespective of the date on which non compliance occurs.

Ownership of the Bonds may also result in certain collateral Federal income tax consequences to certain taxpayers, including, without limitation, financial institutions, property and casualty insurance companies, certain foreign corporations doing business in the United States, certain S corporations with excess passive income, individual recipients of Social Security and Railroad Retirement benefits and taxpayers who have or are deemed to have incurred indebtedness to purchase or carry tax exempt obligations, such as the Bonds. Prospective purchasers of the Bonds, particularly those who may be subject to special rules, are advised to consult their own tax advisors regarding the Federal tax consequences of ownership and disposition of the Bonds.

In the opinion of Bond Counsel, based on existing statutes, interest on the Bonds is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay the Federal alternative minimum tax. Prospective purchasers of the Bonds are advised to consult their own tax advisors regarding the state and local tax consequences of ownership and disposition of the Bonds.

ORIGINAL ISSUE DISCOUNT

The initial public offering prices of certain maturities of the Bonds (the “OID Bonds”) may be less than their stated principal amounts. Under existing law, the difference between the stated principal amount and the initial offering price of each maturity of the OID Bonds to the public (excluding bond houses and brokers) at which a substantial amount of such maturity of the OID Bonds is sold will constitute original issue discount (“OID”). The offering prices relating to the yields set forth on the cover page of this Official Statement for the OID Bonds are expected to be the initial offering prices to the public at which a substantial amount of each maturity of the OID Bonds are sold. Under existing law OID on the Bonds accrued and properly allocable to the owners thereof under the Code is not included in gross income for federal income tax purposes if interest on the Bonds is not included in gross income for federal income tax purposes.

Under the Code, for purposes of determining an owner’s adjusted basis in an OID Bond, OID treated as having accrued while the owner holds the OID Bond will be added to the owner’s basis. OID will accrue on a constant-yield-to-maturity method based on regular compounding. The owner’s adjusted

basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of an OID Bond. For certain corporations (as defined for federal income tax purposes) a portion of the original issue discount that accrues in each year to such an owner of an OID Bond will be included in the calculation of the corporation's federal alternative minimum tax liability. As a result, ownership of an OID Bond by such a corporation may result in an alternative minimum tax liability even though such owner has not received a corresponding cash payment.

Prospective purchasers of OID Bonds, should consult their own tax advisors as to the calculation of accrued OID, the accrual of OID in the cases of owners of the OID Bonds purchasing such Bonds after the initial offering and sale, and the state and local tax consequences of owning or disposing of such OID Bonds.

ORIGINAL ISSUE PREMIUM

The initial public offering prices of certain maturities of the Bonds (the "OIP Bonds") may be more than their stated principal amounts. An owner who purchases a Bond at a premium to its principal amount must amortize bond premium as provided in applicable Treasury Regulations, and amortized premium reduces the owner's basis in the Bond for federal income tax purposes. Prospective purchasers of OIP Bonds should consult their tax advisors regarding the amortization of premium and the effect upon basis.

Appendix C - Form of Continuing Disclosure Agreement

CONTINUING DISCLOSURE AGREEMENT

By The

TOWN OF GRISWOLD, CONNECTICUT

Dated As Of February 1, 2010

In Connection With The Issuance And Sale Of

\$11,000,000 Town Of Griswold, Connecticut

General Obligation Bonds, Dated February 1, 2010

WHEREAS, the Town of Griswold, Connecticut (the "Issuer") has heretofore authorized the issuance of \$11,000,000 in aggregate principal amount of its General Obligation Bonds (the "Bonds") to be dated February 1, 2010 and to mature in the principal amounts and on the dates set forth in the Issuer's Official Statement describing the Bonds (the "Official Statement"); and

WHEREAS, the Issuer acknowledges that an underwriter may not purchase or sell the Bonds unless it has reasonably determined that the Issuer has undertaken in a written agreement for the benefit of the beneficial owners of the Bonds to provide certain continuing disclosure information as required by Securities and Exchange Commission Rule 15c2-12(b)(5) as amended from time to time (the "Rule"), and the Issuer desires to assist the underwriter of the Bonds in complying with the Rule; and

WHEREAS, the Issuer is authorized pursuant to Public Act 95-270 enacted by the Connecticut General Assembly to make representations and agreements for the benefit of the beneficial owners of the Bonds to meet the requirements of the Rule; and

WHEREAS, in order to assist the underwriter of the Bonds in complying with the Rule, this Continuing Disclosure Agreement is to be made, executed and delivered in connection with the issuance of the Bonds, all for the benefit of the beneficial owners of the Bonds, as they may be from time to time;

NOW, THEREFORE, THE ISSUER HEREBY REPRESENTS, COVENANTS AND AGREES AS FOLLOWS:

Section 1. Definitions. In addition to the terms defined above, the following capitalized terms shall have the meanings ascribed thereto:

"Annual Report" shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 2 and 3 of this Continuing Disclosure Agreement.

"Fiscal Year End" shall mean the last day of the Issuer's fiscal year, currently June 30.

"Listed Events" shall mean any of the events listed in Section 4 of this Continuing Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board established under the Securities Exchange Act of 1934, as amended, or any successor thereto. For purposes of this agreement, continuing disclosure information will be filed where approved from time to time by the MSRB, and which as of the date hereof means:

<http://emma.msrb.org>

Section 2. Annual Reports.

A. The Issuer shall provide or cause to be provided to the MSRB, the following annual financial information and operating data regarding the Issuer:

1) Audited financial statements as of and for the year ending on its Fiscal Year End for the general fund, capital projects funds and special revenue funds, prepared in accordance with generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time or mandated state statutory principles as in effect from time to time; and

2) Financial information and operating data as of and for the year ending on its Fiscal Year End of the following type to the extent not included in the audited financial statements described in 1) above:

- (a) the amounts of the gross and net taxable grand list;
- (b) a listing of the ten largest taxpayers on the grand list, together with each such taxpayer's taxable valuation thereon;
- (c) the percentage or amount of the annual property tax levy collected and uncollected;
- (d) a schedule of the annual debt service on outstanding long-term bonded indebtedness;
- (e) a calculation of the direct debt, net direct debt and overall net debt (reflecting overlapping and underlying debt);
- (f) the direct debt and overall net debt of the Issuer per capita;
- (g) the ratios of direct debt and overall net debt of the Issuer to the Issuer's equalized net (taxable) grand list;
- (h) a statement of statutory debt limitations and debt margins;
- (i) the funding status of the Issuer's pension benefit obligation.

B. The above-referenced information is expected to be provided by the filing of and cross reference to the Issuer's Annual Report. The information may be provided in whole or in part by cross-reference to other documents provided to the MSRB, including official statements of the Issuer which will be available from the MSRB. The information will be provided in an electronic format and accompanied by identifying information as prescribed by the MSRB.

C. Subject to the requirements of Section 8 hereof, the Issuer reserves the right to modify from time to time the specific types of information or data provided or the format of the presentation of such information or data, to the extent necessary or appropriate; provided that the Issuer agrees that any such modification will be done in a manner consistent with the Rule. The Issuer also reserves the right to modify the preparation and presentation of financial statements described herein as may be required to conform with changes in Connecticut law applicable to municipalities or any changes in generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board from time to time.

Section 3. Timing. The Issuer shall provide the information and data referenced in Section 2(A) not later than eight months after each Fiscal Year End subsequent to the date of issuance of the bonds, provided, however, that if such financial information and data for the Fiscal Year End preceding the date of issuance of the Bonds is not contained in the Official Statement for the Bonds or has not otherwise been previously provided, the Issuer shall provide such information and data no later than eight months after the close of such preceding Fiscal Year End. The Issuer agrees that if audited information is not available eight months after the close of any Fiscal Year End, it shall submit unaudited information by such time and will submit audited information within a reasonable time.

Section 4. Event Notices. The Issuer agrees to provide or cause to be provided, in a timely manner, to the MSRB, notice of the occurrence of any of the following events, if material:

- a) principal and interest payment delinquencies;
- b) non-payment related defaults;
- c) unscheduled draws on debt service reserves reflecting financial difficulties;
- d) unscheduled draws on credit enhancements reflecting financial difficulties;
- e) substitution of credit or liquidity providers, or their failure to perform;
- f) adverse tax opinions or events affecting the tax-exempt status of the security;
- g) modifications to rights of security holders;
- h) bond calls;
- i) defeasances;
- j) release, substitution or sale of property securing repayment of the securities; and
- k) rating changes.

Section 5. Notice of Failure. The Issuer agrees to provide or cause to be provided, in a timely manner, to the MSRB, notice of any failure by the Issuer to provide the annual financial information described in Section 2.A of this Continuing Disclosure Agreement.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under this Continuing Disclosure Agreement shall terminate upon the defeasance, prior redemption or payment in full of all of the Bonds.

Section 7. Agent. The Issuer may, from time to time, appoint or engage an agent to assist it in carrying out its obligations under this Continuing Disclosure Agreement, and may discharge any such agent, with or without appointing a successor agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Continuing Disclosure Agreement, the Issuer may amend this Continuing Disclosure Agreement, and any provision of this Continuing Disclosure Agreement may be waived, if such amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, a change in

law, or a change in the identity, nature or status of the Issuer, and is supported by an opinion of counsel expert in federal securities laws, to the effect that (i) such amendment or waiver would not materially adversely affect the beneficial owners of the Bonds and (ii) the Agreement as so amended would have complied with the requirements of the Rule as of the date of the Agreement, taking into account any amendments or interpretations of the Rule as well as any changes in circumstances. A copy of any such amendment will be filed in a timely manner with the MSRB. The annual financial information provided on the first date following adoption of any such amendment will explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating or financial information provided.

Section 9. Additional Information. Nothing in this Continuing Disclosure Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Continuing Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Continuing Disclosure Agreement. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Continuing Disclosure Agreement, the Issuer shall have no obligation under this Continuing Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Indemnification. The Issuer agrees to indemnify and save its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys fees) of defending against any claim of liability, but excluding liabilities due to any agent's negligence or misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of any agent and payment of the Bonds.

Section 11. Enforceability. The Issuer agrees that its undertaking pursuant to the Rule set forth in this Continuing Disclosure Agreement is intended to be for the benefit and enforceable by the beneficial owners of the Bonds. In the event the Issuer shall fail to perform its duties hereunder, the Issuer shall have the option to cure such failure after its receipt of written notice from any beneficial owner of the Bonds of such failure. In the event the Issuer does not cure such failure, the right of any beneficial owner of the Bonds to enforce the provisions of this undertaking shall be limited to a right to obtain specific enforcement of the Issuer's obligations hereunder. No monetary damages shall arise or be payable hereunder nor shall any failure to comply with this Agreement constitute default of the Issuer with respect to the Bonds.

[Signature Page Follows]

CONTINUING DISCLOSURE AGREEMENT

By The

TOWN OF GRISWOLD, CONNECTICUT

Dated As Of February 1, 2010

In Connection With The Issuance And Sale Of

\$11,000,000 Town Of Griswold, Connecticut

General Obligation Bonds, Dated February 1, 2010

IN WITNESS WHEREOF, the Issuer has caused this Continuing Disclosure Agreement to be executed in its name by its undersigned officers, duly authorized, all as of the date first above written.

TOWN OF GRISWOLD, CONNECTICUT

By _____
Philip E. Anthony, Jr.
First Selectman

By _____
Dorothy Faulise Doucette
Town Treasurer

By _____
Barbara R. Crouch
Finance Director

Appendix D - Notice of Sale

NOTICE OF SALE

\$11,000,000

TOWN OF GRISWOLD, CONNECTICUT

GENERAL OBLIGATION BONDS, ISSUE OF 2010

BANK QUALIFIED

SEALED PROPOSALS and Electronic Bids via *PARITY*® will be received by the Town of Griswold, Connecticut (the "Issuer"), at Webster Bank, National Association, CityPlace II, 185 Asylum Street, 3rd Floor Conference Room, Hartford, Connecticut 06103, until:

11:30 A.M. (E.S.T.)
Thursday, January 14, 2010

for the purchase of \$11,000,000 Town of Griswold General Obligation Bonds, Issue of 2010, maturing February 1 in each of the years as follows:

Date of Maturity	Amount*	Date of Maturity	Amount*
2011	\$360,000	2021	\$545,000
2012	\$375,000	2022	\$570,000
2013	\$390,000	2023	\$595,000
2014	\$410,000	2024	\$620,000
2015	\$425,000	2025	\$645,000
2016	\$445,000	2026	\$670,000
2017	\$460,000	2027	\$700,000
2018	\$480,000	2028	\$730,000
2019	\$500,000	2029	\$760,000
2020	\$525,000	2030	\$795,000

***Principal Adjustment**

*The principal maturity in each year is subject to change by the Issuer in order to achieve substantially level annual debt service. Annual maturity amounts will be reallocated in \$5,000 integrals. The principal reallocations are at the sole discretion of the Issuer and shall be binding upon the bidders. The Issuer will notify the winning bidder of the final maturities no later than 4:00 PM the day of the sale. By submitting a bid, all bidders agree their bid will be held until the earlier of award or 4:00 P.M. as set forth herein. **THE LOWEST TRUE INTEREST COST WILL BE DETERMINED AFTER THE REALLOCATION OF PRINCIPAL TO SUBSTANTIALLY EQUALIZE DEBT SERVICE.** See "Award and Reallocation of Principal" herein.*

Interest Payment

The bonds will bear interest payable semi-annually on February 1 and August 1 in each year until maturity, commencing August 1, 2010 (the "Bonds").

Redemption Terms

The Bonds maturing on or before February 1, 2019 are not subject to redemption prior to maturity. The Bonds maturing on February 1, 2020 and thereafter are subject to redemption prior to maturity, at the election of the Issuer, on and after February 1, 2019, at any time, in whole or in part and by lot within a maturity, in such amounts and in such order of maturity as the Issuer may determine, at the redemption price (expressed as a percentage of the principal amount of Bonds to be redeemed) set forth in the following table, plus interest accrued and unpaid to the redemption date:

	<u>Redemption Dates</u>	<u>Redemption Price</u>
From:	February 1, 2019 and thereafter	100%

DTC

The Bonds will be dated February 1, 2010 and will be issued by means of a book-entry system with no physical distribution of bond certificates made to the public. The Bonds will be issued in registered form and one bond certificate for each maturity will be issued to The Depository Trust Company, New York, New York (DTC), registered in the name of its nominee, Cede & Co., and immobilized in their custody. The book-entry system will evidence ownership of the Bonds in principal amounts of \$5,000 or integral multiples thereof, with transfers of ownership effected on the records of DTC and its participants pursuant to rules and procedures adopted by DTC and its participants. The winning bidder, as a condition to delivery of the Bonds, will be required to deposit the bond certificates with DTC, registered in the name of Cede & Co. Principal of and interest on the Bonds will be payable by the Issuer or its agent in same-day funds to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants of DTC will be the responsibility of such participants and other nominees of beneficial owners. The Issuer will not be responsible or liable for payments by DTC to its participants or by DTC participants to beneficial owners or for maintaining, supervising or reviewing the records maintained by DTC, its participants or persons acting through such participants.

Bid Parameters and Form

Proposals for the purchase of said Bonds must be in the form of proposal for purchase attached hereto. Each bid must be for the entire \$11,000,000 of Bonds and must specify the rate or rates of interest therefor in a multiple of 1/20 or 1/8 of 1% per annum, provided such bid shall not state (a) more than one interest rate for any Bonds having like maturity, or (b) any interest rate for any Bonds which exceeds the interest rate stated in the proposal for any other Bonds by more than 2%. Interest shall be computed on the basis of 360-day year consisting of twelve 30-day months. No bid for less than par and accrued interest will be considered.

Award and Reallocation of Principal

Unless all bids are rejected the Bonds will be awarded to the bidder offering to purchase them at the lowest true interest cost. For the purposes of determining the successful bidder, the true interest cost to the Issuer will be the annual interest rate, compounded semiannually, which, when used to discount all payments of principal and interest payable on the Bonds to February 1, 2010, the date of the Bonds, results in an amount equal to the purchase price for the Bonds, not including interest accrued to February 1, 2010, the delivery date of the Bonds. It is requested that each proposal be accompanied by a statement of the percentage of true interest cost computed and rounded to four decimal places. Such statement shall not be considered as a part of the proposal. The purchase price must be paid in Federal Funds. For purposes of determining the lowest TIC, the principal maturity of each bid will be reallocated so as to substantially equalize debt service, and the TIC will be calculated based upon such reallocated maturity schedule. The principal will be reallocated so that the difference between the highest and lowest fiscal year debt service during the term of the issue will not exceed \$5,000.

Submitting a Bid

Bids must be enclosed in sealed envelopes marked "Proposal for Bonds" and addressed to Philip E. Anthony, Jr., First Selectman and Dorothy Faulise Doucette, Town Treasurer, Town of Griswold, c/o Webster Bank, National Association, CityPlace II, 185 Asylum Street, 3rd Floor Conference Room, Hartford, Connecticut 06103.

Electronic Proposals Bidding Procedure. Electronic bids for the purchase of the Bonds must be submitted through the facilities of *PARITY*® until 11:30 A.M. (E.S.T.) on Thursday, January 14, 2010. Any prospective bidder must be a subscriber of i-Deal's BiDCOMP competitive bidding system. Further information about *PARITY*®, including any fee charged, may be obtained from *PARITY*®, c/o i-Deal LLC, 1359 Broadway, 2nd Floor New York, New York 10018, Attention: Customer Support (telephone: (212) 849-5021 - email notice: parity@i-deal.com). The Issuer neither will confirm any subscription nor be responsible for any failure of a prospective bidder to subscribe.

Once an electronic bid made through the facilities of *PARITY*® is communicated to the Issuer, it shall constitute an irrevocable offer, in response to this Notice, and shall be binding upon the bidder as if made by the signed, sealed bid delivered to the Issuer. By submitting a bid for the Bonds via *PARITY*®, the bidder represents and warrants to the Issuer that such bidder's bid for the purchase of the bonds is submitted for and on behalf of such prospective bidder by an officer or agent who is duly authorized to bind the prospective bidder by an irrevocable offer and that acceptance of such bid by the Issuer will bind the bidder by a legal, valid and enforceable contract, for the purchase of the Bonds on the terms described in this Notice. **The Issuer shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of *PARITY*®, or the inaccuracies of any information, including bid information or worksheets supplied by *PARITY*®, the use of *PARITY*® facilities being the sole risk of the prospective bidder. Each Bidder is solely responsible for knowing the terms of the sale as set forth herein.**

Disclaimer. Each of *PARITY*® prospective electronic bidders shall be solely responsible to make necessary arrangements to access *PARITY*® for the purpose of submitting its bid in a timely manner and in compliance with the requirements of this Notice. Neither the Issuer nor *PARITY*® shall have any duty or obligation to undertake such arrangements to bid for any prospective bidder or to provide or assure such access to any prospective bidder, and neither the Issuer or *PARITY*® shall be responsible for a bidder's failure to make a bid or for the proper operation of, or have any liability for any delays or interruptions of, or any damages caused by, *PARITY*®. The Issuer is using *PARITY*® as a communication mechanism, and not as the Issuer's agent, to conduct the electronic bidding for the Bonds. The Issuer is not bound by any advice and determination of *PARITY*® to the effect that any particular bid complies with the terms of this Notice and in particular the bid requirements herein set forth. All cost and expenses incurred by prospective bidders in connection with their subscription to, arrangements with and submission of bids via *PARITY*® are the sole responsibility of the bidders; and the Issuer is not responsible directly or indirectly, for any of such costs or expenses. If the prospective bidder encounters any difficulty in arranging to bid or submitting, modifying or withdrawing a bid for the Bonds, the prospective bidder should telephone *PARITY*® at (212) 849-5021. If any provision of this Notice shall conflict with information provided by *PARITY*®, this Notice shall control.

For the purpose of the electronic bidding process, the time maintained on *PARITY*® shall constitute the official time.

Legal Opinion: Closing Documents

The Bonds will be general obligations of the Issuer payable, unless paid from other sources, from ad valorem taxes which may be levied on all taxable property subject to taxation by the Issuer without limit as to rate or amount except as to classified property such as certified forest land taxable at a limited rate and dwelling houses of qualified elderly persons of low income or of qualified disabled persons taxable at limited amounts. There was, however, no such certified forest land on the last completed grand list of the Issuer and under existing statutes the State of Connecticut is obligated to pay to the

Issuer the amount of tax revenue which the Issuer would have received except for the limitation upon its power to tax such dwelling houses.

The Bonds will be certified by U.S. Bank National Association. The legality of the issue will be passed upon by Murtha Cullina LLP, Bond Counsel, of Hartford and New Haven, Connecticut, and the winning bidder will be furnished with their opinion without charge. The winning bidder will also be furnished with a signature and no litigation certificate, a receipt of payment satisfactory in form to said firm, a confirmed copy of the Official Statement prepared for this sale, a certificate signed by the appropriate officials of the Issuer relating to the accuracy and completeness of information contained in the Official Statement, and an executed continuing disclosure agreement.

The legal opinion will further state that, under existing statutes and court decisions interest on the Bonds (i) is not included in the gross income of the owners thereof for purposes of Federal income taxation pursuant to Section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), (ii) is not treated as a preference item for purposes of computing the Federal alternative minimum tax, and (iii) is not includable in the adjusted current earnings of a corporation (as defined for federal income tax purposes) for purposes of computing the alternative minimum tax imposed on corporations under the Code.

Under existing statutes, the interest on the notes is excluded from Connecticut taxable income for purposes of the Connecticut income tax on individuals, trusts and estates, and is excluded from amounts on which the net Connecticut minimum tax is based in the case of individuals, trusts and estates required to pay Federal alternative minimum tax.

In rendering the legal opinion, Murtha Cullina LLP will rely upon and assume the material accuracy of the representations and statements of expectation contained in the Tax Regulatory Agreement entered into by the Issuer for the benefit of the owners of the notes, and further, will assume continuing compliance by the Issuer with the covenants and procedures set forth in such Tax Regulatory Agreement. A copy of the opinion will be printed upon each of the Bonds, and a signed opinion and transcript of proceedings will be filed with U.S. Bank National Association, in Hartford, Connecticut, and will be available for examination upon request.

Bank Qualification

The Bonds **shall** be designated by the Issuer as qualified tax exempt obligations under the provisions of Section 265(b) of the Code for purposes of the deduction by financial institutions for interest expense allocable to the Bonds.

Reoffering Certificate

IT SHALL BE THE RESPONSIBILITY OF THE WINNING BIDDER TO CERTIFY TO THE ISSUER BEFORE DELIVERY OF THE BONDS AND IN A MANNER SATISFACTORY TO BOND COUNSEL THE PRICES AT WHICH A SUBSTANTIAL AMOUNT OF THE BONDS OF EACH MATURITY WERE INITIALLY OFFERED AND SOLD TO THE PUBLIC.

Delivery and CUSIP Numbers

The Bonds will be delivered to DTC or its Agent via "Fast" on or about February 1, 2010. The deposit of the Bonds with DTC under a book-entry system requires the assignment of CUSIP numbers prior to delivery. It shall be the responsibility of the winning bidder to obtain CUSIP numbers for the Bonds prior to delivery, and the Issuer will not be responsible for any delay occasioned by the inability to deposit the Bonds with DTC due to the failure of the winning bidder to obtain such numbers and to supply them to the Issuer in a timely manner. The Issuer assumes no responsibility for any CUSIP Service Bureau charge or other charge that may be imposed for the assignment of such numbers, which charges shall be the responsibility of and shall be paid for the purchaser.

Timing, Right to Reject Bids

The Bonds will be awarded or all bids will be rejected promptly after the bid opening and not later than 4:00 P.M. (Hartford time) on January 14, 2010. The right is reserved to reject any and all proposals and to waive any irregularity or informality with respect to any proposal.

Official Statement & More Information

For more information regarding this issue and the Issuer, reference is made to the Official Statement. Bid forms and copies of the Official Statement dated January 5, 2010, may be obtained from Christopher P. Martin, Senior Vice President, Webster Bank, National Association, CityPlace II, 185 Asylum Street, Hartford, Connecticut 06103, (860) 692-1324. The Official Statement is in a form “deemed final” by the Issuer for purposes of SEC Rule 15c2-12(b)(1), but is subject to revision or amendment. The Issuer will provide to the winning bidder 100 copies of the Official Statement prepared at the Issuer’s expense and delivered not later than seven business days after the bid opening. Additional copies may be obtained by the winning bidder at its own expense by arrangement with the printer. If the Issuer’s financial advisor is provided with the necessary information from the winning bidder by noon of the day after the bid opening, the copies of the Official Statement will include an additional cover page and other pages, if necessary, indicating the interest rates, rating, yields or reoffering prices, the name of the managing underwriter, and the name of the insurer, if any, of the Bonds.

Continuing Disclosure Agreement

The Issuer will undertake in a Continuing Disclosure Agreement entered into in accordance with the requirements of Rule 15c2-12(b)(5), promulgated by the Securities and Exchange Commission, to provide (i) certain annual financial information and operating data, including audited financial statements; (ii) timely notice of the occurrence of certain material events with respect to the Bonds; and (iii) timely notice of its failure to provide such annual financial information. The winning bidder’s obligation to purchase the Bonds shall be conditioned upon its receiving, at or prior to the delivery of the Bonds, an executed copy of the Continuing Disclosure Agreement for the Bonds.

Philip E. Anthony, Jr.
First Selectman

Dorothy Faulise Doucette
Town Treasurer

Barbara R. Crouch
Finance Director

January 5, 2010

(See attached for form of Proposal for Bonds)

PROPOSAL FOR BONDS

January 14, 2010

Philip E. Anthony, Jr., First Selectman
 Dorothy Faulise Doucette, Town Treasurer
 Barbara R. Crouch, Finance Director
 Town of Griswold
 c/o Webster Bank, National Association
 CityPlace II, 185 Asylum Street
 3rd Floor Conference Room
 Hartford, Connecticut 06103

Ladies and Gentlemen:

Subject to the provisions of the Notice of Sale dated January 5, 2010, which Notice is made a part of this proposal, we offer to purchase all \$11,000,000 bonds of the Town of Griswold comprising the issue described in said notice and to pay therefor par and accrued interest to date of delivery, plus a premium of \$_____, provided that the bonds maturing in the several years set forth below shall bear interest from their date until maturity at the respective rates per annum stated in the following table:

Year of Maturity	Principal Amount*	Interest Rate	Year of Maturity	Principal Amount*	Interest Rate
2011	\$360,000	_____ %	2021	\$545,000	_____ %
2012	\$375,000	_____ %	2022	\$570,000	_____ %
2013	\$390,000	_____ %	2023	\$595,000	_____ %
2014	\$410,000	_____ %	2024	\$620,000	_____ %
2015	\$425,000	_____ %	2025	\$645,000	_____ %
2016	\$445,000	_____ %	2026	\$670,000	_____ %
2017	\$460,000	_____ %	2027	\$700,000	_____ %
2018	\$480,000	_____ %	2028	\$730,000	_____ %
2019	\$500,000	_____ %	2029	\$760,000	_____ %
2020	\$525,000	_____ %	2030	\$795,000	_____ %

* Subject to change to equalize debt service in accordance with the Notice of Sale.

_____	_____
(Name of Bidder)	(Mailing Address)

	(Telephone Number)
_____	_____
(Authorized Signature)	(Facsimile Number)

The following is our computation of the interest cost, made as provided in the above-mentioned Notice of Sale, but not constituting any part of the foregoing proposal, for the purchase of \$11,000,000 bonds under the foregoing proposal:

Gross Interest	\$ _____
Less Premium Bid Over Par	\$ _____
Net Interest Cost	\$ _____
Percent True Interest Cost	_____ %