

2011-
2012

ANNUAL REPORT OF THE TOWN
OF SALEM, CONNECTICUT



2011-2012

ANNUAL REPORT

OF THE OFFICERS OF THE

TOWN OF SALEM



AND

**Audit of Town Records
From July 1, 2011
to June 30, 2012**

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TOWN GOVERNMENT

The Salem Town Office Building is located at 270 Hartford Road. The office hours are:

Monday-Wednesday	8:00 AM to 5:00 PM
Thursday	8:00 AM to 6:00 PM
Friday-Sunday	Closed

The First Selectman, Town Clerk, Treasurer, Assessor and Tax Collector are available during regular hours and at other times by appointment.

The Building Department, located within the Town Office Building, maintains the following office hours.

Monday	8:30 AM to 11:00 AM 5:00 PM to 7:00 PM
Tuesday & Wednesday	8:30 AM to 11:00 AM
Thursday	8:30 AM to 11:00 AM 5:00 PM to 7:00 PM
Friday-Sunday	Closed

The Building Official, Sanitarians, Public Works Director, Town Planner, and Zoning and Wetlands Enforcement Officer are available during the Monday and Thursday evening hours. Please call the Town Office Building at 860-859-3873 or go to www.salemct.gov for the hours of additional departments.

The Salem Free Public Library is located at 264 Hartford Road, just south of the Town Office Building. It is open as follows:

Monday-Wednesday	12:00 PM-7:30 PM
Thursday	10:00 AM to 7:30 PM
Friday	10:00 AM to 7:00 PM
Saturday (Sept-June)	10:00 AM to 4:00 PM
Saturdays (July-August)	10:00 AM to 2:00 PM

Salem operates under a chartered Selectman-Town Meeting form of government, which permits maximum participation of the registered voters and property owners. Most significant to this form of government is the adoption of the annual budget by referendum and approval by the Town Meeting of ordinances under which Salem is governed. This is your town, the Town Meeting is the governing body, and your participation in the governing process is encouraged.

ELECTED TOWN OFFICIALS

This Town Report covers Fiscal year 2011/2012. However, the following list of officials has been updated to reflect any significant changes that may have occurred prior to printing. Expiration dates of elective terms are noted in parenthesis. Reports of Boards and Commissions were in most cases authored by the incumbent chair for FY 2011/2012.

Board Of Selectmen

Kevin Lyden, *First Selectman* (2013) – 2 yr. term
Lewis Buckley (2015) – 4 yr. term
Robyn M. McKenney (2013) – 4 yr. term
Elbert Burr (2015) – 4 yr. term
Robert Ross (2013) – 4 yr. term

Town Clerk

Patricia J. Crisanti (2014)

Registrar Of Voters

Susan Spang (D - 2014) Kathryn L. Bellandese, *Deputy*
Georgia Pech (R - 2014) Doris Burr, *Deputy*

Treasurer

Mary A. Ferren (2013)

Tax Collector

Cheryl A. Philopena (2013)

Board Of Finance

William S. Weinschenker, *Chairman* (2013)

Carole A. Eckart (2015)
Peter Lee Alt. (2013)
Janet S. Griggs (2015)
David Kennedy Alt. (2015)
George Householder (2017)
John Dolan Alt. (2017)
Gregory M. Preston (2013)
Thomas Butcher (2017)

Board Of Education

Stephen Buck, *Chairperson* (2013)
Dinis Pimentel, *Vice Chairperson* (2015)
Pamela Munro, *Secretary* (2013)
Linda Robson, *Treasurer* (2013)

George Jackson (2017) Margaret Caron (2017)
Monica Lord McIntyre (2015) Mary Ann Pudimat (2017)

Planning And Zoning Commission

Richard Amato, *Chairman* (2015)
Ruth Savalle *Vice Chairman* (2013)

Gary Walter (2015) Henryka Green Alt (2017)
Karen H. Buckley(2013) Walter Volberg (2013)
Vernon Smith (2017) Gloria Fogarty, Alt. (2013)
Matthew Darling (2013) David B. Bingham (2017)

Zoning Board Of Appeals

Michael Mullin, *Chairperson* (2015)

Michael Jensen (2017) Kathryn L. Bellandese (2013)
John Bernier (2013) Bernard Ferrara (2013)
Gale Balavender, Alt. (2013) Sandra K. Kozlowski, Alt. (2015)
Becky Nortz Alt. (2013)

Library Board Of Trustees

Len Giambra, *Chairperson* (2017)

Mary Ann Casciano (2017) Sharon Sanders (2015)
Michelle Guertin (2015) Brenda Holmwood (2013)
Roberta M. Ziegra (2013)

Board Of Assessment Appeals

Robert M. Green, *Chairperson* (2013)

Frank Abetti (2013) Dianne Woronik (2015)

APPOINTED TOWN OFFICIALS

Inland Wetlands and Conservation Commission

Sally Snyder (2012), *Chairman*

William (Eric) Belt (2017)	Edward Natoli, Jr., (2013)
Linda S. Wildrick (2014)	Diba A. Khan-Bureau (2018)
William Leuck (2014)	Gale J. Balavender, Alt. (2014)
Roger Phillips (2018)	Frank Abetti, Alt (2018)
Maryann Chinatti, WEO	Vacancy, Alt

Civil Preparedness

Donald W. Bourdeau, Jr. *Director*

Ed Shafer	Chip Weston
Ralph Boles	Sue Spang
Brian Cinea	Roman Kachorowsky

Recreation Commission

Susan Spang, *Chairperson* (2016)

James W. Burke (2015)	Pam Henry (2017)
Alfonso N. Giansanti (2014)	Robert Appleby (2014)
David Kennedy (2015)	Peter Lee (2017)
Tim Allen (2017)	Rich Cirillo (2017)

Economic Development Commission

Frank Sroka, *Chairperson* (2018)

Vincent A. Howe, Jr.	Ada Vaill (2017)
Jennifer Lee, Alt (2015)	Nicole Gadbois (2016)
William Spang (2018)	Vacancy
Vacancy, Alt	

Fire Police

Brian Cinea, *Captain*

Mark Dickson,
Rachel Gallagher
Sean Obrien,
Roman Kachorowsky
Warren Wright

Vicky Haynes,
Marcella Maiorano
Jen Oloski,
Kyle Burke

Southeastern Connecticut Council of Governments

Kevin Lyden Robert Ross, Alt.

Salem Green Cemetery

Catherine Teel, *President*
Carol Vasquez, *Treasurer*
Helen Woronik, *Secretary & Historian*
Pastor Tim Dubeau, *Sexton*
Michael Teel, *Assistant Sexton*

Gertrude Miller
Charlene Clancy

Evelyn Cunningham
Nancy Dytko

Gardner Lake Authority

Lou Allen Robert J. Neddo
Russell K. Smith

Route 11 and Greenway Point Person

Kevin Lyden Peter Sielman

Southeastern Connecticut Water Advisory Board

James Fogarty, Chairman George Jackson

PUBLIC OFFICIALS

Administrative Asst. Finance/Personnel	Virginia Casey
Administrative Asst. First Selectman/Land Use	Sue Spang
Agent for the Elderly	Sue Spang
Animal Control Officer	William Paul
Assessor	Barbara Perry
Assistant Assessor	Nicole Gadbois
Assistant Tax Collector	Necia Stevens
Assistant Town Clerk	Linda Flugrad
Building Department/Sanitarian Clerk	Diane Weston
Building Inspector	Vernon D. Vesey II
Democratic Town Committee Chair	Thomas Butcher
Deputy Fire Marshal	Roy E. Shafer, Jr.
Fire Inspector	Jeffrey W. Standish
Fire Marshal & Director of Civil Preparedness	Donald Bourdeau, Jr.
Health Director	Dr. Robert W. Powitz
Municipal Historian	Deanna St. Jean
Purchasing Agent	Kevin Lyden
Recreation Program Director	Diane Weston
Republican Town Committee Chair	Edward Chmielewski
Resident State Troopers	Kevin Seery
	Carson Konow
Sanitarian	Reed Gustafson
Superintendent of Schools	Joseph Onofrio II
Town Planner	MaryAnn Chinatti
Tree Warden	Donald Bourdeau Jr.
Zoning and Wetlands Enforcement Officer	MaryAnn Chinatti

TOWN REPORTS

FIRST SELECTMAN REPORT

This Fiscal year has provided us with many opportunities for positive change within our town.

Due to enforcement of our purchasing policy, strong negotiations with our vendors, as well as a concerted effort of fiscal responsibility by all departments, the General Government was able to return, \$192,820 to the Town's General Fund. The Board of Education also returned \$158,390.

A Request for Proposal generated many qualified contractors for our 6.2 million dollar renovation of Salem School. The School Building Committee choice of Millenium Builders was based on qualifications and bid price. The project includes roofing and insulation, boiler replacement, window replacement, electrical upgrades, HVAC upgrades, as well as remodeling of bathrooms and ADA compliance.

Our Community Pavilion on the Route 82 property is finished and within budget. The \$150,000 budget for the project was funded by a Small Town Economic Assistance Grant.

The Farmers Market has begun at the Community Park and we expect many more community activities and events to follow.

Our Sidewalk along Route 85 from Salem School to our municipal complex has been completed. This safety and aesthetically pleasing upgrade to our town was 80% funded by grant funds.

With the help of many volunteers, Salem continues to shine with community spirit. Our active community donates countless hours to our towns, Boards and Commissions, Emergency Services, Sports Programs, Library, and other areas all to make Salem a very special place n which to live.

Respectfully Submitted

Kevin Lyden
First Selectman

TOWN CLERK REPORT

The following monies were received in various receipts by the Town Clerk and turned over to the Town Treasurer on a weekly basis for the fiscal year 2011-2012.

		<u>Funds to the State</u>		<u>Town Clerk's</u>		<u>Town</u>
		Historic Pres.	Farm Pres.	Historic Pres.	Farm Pres.	Farm Pres. To Gen. Fund
Recordings	\$23,081.00	1776.00	31968.00	888.00	888.00	2664.00
Maps Recorded	150.00					
Conveyances Taxes	34,607.85		\$103,698.01			
Copies	5,903.00					
Map Copies	669.00					
Sports Licenses	(No longer sell effective January 2009)					
Miscellaneous	394.50					
<u>TOTAL</u>	<u>\$64805.35</u>					

Upon comparing receipts for the fiscal years 2010-2011 and 2011-2012, there was an **overall increase** in the amount of **\$2968.10** for this past fiscal year. The largest increase was in Conveyance Taxes (\$3096.85) followed by Copies (\$946.75). The decreases were, from highest to lowest amounts, Recordings (\$699.00), Maps Recorded (\$170.00), Miscellaneous (\$106.50), and Map Copies (\$100.00).

Grant Funds

This year's grant funds were received in the amount of \$3500.00. Each year the amount will be adjusted according to the economic situation and the amount of community investment and historic document preservation recording surcharge money received by the Connecticut State Library. This year's grant for a small town such as ours will be \$3500.00.

The space in our vault has been getting tighter and tighter. We discussed with the First Selectman about obtaining moving/sliding shelves that are on tracks. These would extend the space and life of our vault and keep our storage options open and useable for more years to come. The town basically matched the grant money and the moveable shelving system was installed for a total cost of \$8675.00.

August 8, 2011
Town of Salem
Special Town Meeting
Salem Town Hall
270 Hartford Road
Salem CT 06420
7:00 P.M.

Meeting Called to order at 7:01 p.m. by Kevin T. Lyden, First Selectman.

M/S/C (Peter Sielman/Bill Weinschenker) Motion made and seconded to nominate John Butts, Town Attorney as Moderator.

Clerk, Patricia J. Crisanti, was then appointed for the meeting by moderator.

The Clerk read the Posting Notice and Warning and noted that both had been duly posted and published in the Legal Section of **The Day Newspaper** having a general circulation in the Town of Salem.

Per John Butts, "This particular appropriation is not in the fiscal year 2011-2012 budget, therefore a supplemental appropriation must be put into the budget. Our Charter does not require a referendum for this amount. This meeting can approve and authorize the expenditure of the money."

1) Approve Appropriation of \$130,000 for sidewalk improvements to Hartford Road (Route 85) Project #120-88.

M/S/C (Gene Maiorano/Bob Ross) Motion made to approve and authorize the expenditure of \$130,000 for sidewalk improvements to Hartford Road (Route 85) DOT Project # 120-88.

Before we move forward, per the moderator, before the town meeting can act, two questions were asked, #1 "Have the Board of Selectmen acted on this appropriation, Mr. Lyden?" ("Yes they have") and "Were they favorable?" ("Yes", per Kevin) and #2 "Mr. Weinschenker, have the Board of Finance acted on this appropriation?" ("They have") and they were also favorable. That means, under our charter, the town meeting does have the authority to approve this appropriation." John asked if there was a grant that is awaiting this approval and the answer was yes. Per Kevin, "this project has been in the process for about a year and a half. This was considered a high-priority safety project by the South Eastern CT Council of Governments. This is Federal money coming through the State DOT Department through the SE CT Council of Governments to us. The Board of Selectmen endorsed it back in 6/1/2010. We've been working on this as you will see, the Board of Selectmen resolution dated 1/4/2011. Planning and Zoning received a favorable recommendation on July 20, 2010. There was a letter of support from our Resident Trooper explaining in more detail, why we want this." Kevin read it out loud to the town residents. "This is an 80% button grant. In other words, the town has to put up \$130,000 up front which is the project cost, and we will get back 80% of that or roughly \$104,000."

The Schematics were then discussed. Kevin asked if there was anyone to speak in favor of the project. Mr. Sielman stood and spoke in favor of the motion. He was curious as to why the sidewalk costs so much. Per Kevin "because this is being done thru the State and Federal governments, there are union contracts to consider as well as all the inspections that have to be done. The equipment used is more expensive. The guidelines for the estimates are per the State DOT. There are times they will come in under the estimates given. Presently things are coming in 10-15% under the estimates that have been given. So out of the \$32,000, we might not have to pay the full \$32,000.

It might come in less than that figure. We have to get the endorsement for the \$130,000 because that is what DOT is looking at for the anticipated costs of this project.

Bids are coming in less than that because the contractors are hungry for business and are bidding lower to get the jobs. This is a five-foot wide side walk that is ADA approved (Americans with Disabilities).” Yes, the sidewalk is concrete. George Ziegler asked if this project is going to be bid out or will the town crew be doing some of the work? Kevin said it would be bid out. What you’ve seen so far is what the town crew has done. It was asked if the sidewalk would be maintained by the town? Kevin stated, yes. Paul Robillard asked what the length would be. It’s length will be somewhere around 1100 feet, per Kevin. There will not be any Jersey Barriers or fences along the roadside. Don Bourdeau stated the town will be responsible for the snow removal. In a worst case scenario, the snow will be hauled away from that area by the town crew.

Since there are no more questions or points of order to be made, John Butts stated, “All those in favor of the appropriation, please signify by saying “Aye”. Ayes were loud and clear. Anyone who wishes to vote “no” may do so now. (No Nays) **The “Ayes” have it.**

2) To conduct such other business as may properly come before the meeting.

John then asked if there was any more business to be brought before the town meeting. None was brought forth. So John then asked for a motion to adjourn.

M/S/C (Sal Crisanti/Gene Maiorano) Motion to adjourn the Town Meeting. Meeting adjourned at 7:14 P.M.

Respectfully submitted,

Patricia J. Crisanti
Salem Town Clerk

Town of Salem
Special Town Meeting
Salem Town Office Building
270 Hartford Road
Salem, Connecticut 06420
November 17, 2011

The Town Meeting was called to order at 7:02 P.M. by Kevin T. Lyden, First Selectman.

M/S/C (Bill Weinschenker/Peter Sielman) The next order of business was to elect a moderator for the meeting. Kevin stated, “ I call this meeting to order at 7:02 P.M. per Section 4.05 of the Town Charter as your First Selectman. A Moderator shall be elected. I will now accept nominations for moderator. John Butts was nominated by Bill Weinschenker and seconded by Peter Sielman. It was approved unanimously.

John stated, “ The second item of business is to appoint the Clerk of the meeting and in so far as Patricia Crisanti, our Town Clerk, is here she will serve in that stead if she is willing. I will please ask her to read the Warning and Notice of the Special Town Meeting posted.”

The Clerk read the Posting Notice and Warning and noted that both had been duly posted and published in the Legal Section of the Day a newspaper having a general circulation in the Town of Salem.

(1) M/S/C (Lew Buckley/Daniel Kung) The first item of business is to review and approve an Additional appropriation in the amount of \$77,205.00 to the Salem Board of Education to satisfy the Minimum Budget Requirement deficit in the 2011-2012 operational budget. It has been moved and seconded to approve such appropriation. It was asked if someone from the Board of Education could tell us why the appropriation was necessary at this time. Daniel Kung, chairman of the BOE stood and introduced himself. The State Statutes governs the MBR, the minimum size of the board of education budgets, in the State of CT, the part that is relevant to Salem for this year is that the current fiscal year’s budget 2011-2012 may not be any less than 99.5% of last year’s budget. So going from 2010-2011 last year to 2011-2012, the current year, the budget may decrease .5% but not more than the budget that was approved back in May, 2011. Decreases by greater than .5% of that deficit between the budget that was approved, and the .5% decrease is the \$77,205.00 that is requested. If the town does not fund that Minimum Budget Requirement level, the penalty comes in the form of a reduction in the aid that Salem, the town, receives from the State in the form of educational cost sharing funds that go to support the BOE budget. That penalty is twice the shortfall. For example, if we leave our 2011-2012 budget at/or below the MBR level, the town fee will be two times the \$77,205.00 amount in terms of reduction of State aid. For that reason, the BOE requested the additional funding in the amount of \$77,205.00 to bring us up to that minimum MBR level. The BOE believes that that looking at the overall finances and taking responsible action, our BOS and BOF and the approval at this town meeting, also approve that request. It is the intents of the BOE to allocate those funds for the maintenance of the school building, the Town’s single and most valuable asset. And one where I think the most people are aware of, there are significant structural and maintenance needs which have been deferred over the years. We hope to direct the funds toward that goal.

John Butts stated that it was his understanding that the funds need to be appropriated but not necessarily have to be spent. He reaffirmed that the BOS and BOF had given their approval to appropriate the funds and Daniel stated, “Yes”. There were no more questions or comments from the audience or the home viewers.

Paul Robillard asked why the State or State law always runs counter to the Towns way of thinking.

Kevin stated that he has met with CCM and other towns and that they are trying to eliminate the MBR because it seems counter-productive. The issue is that the State is not going to let MBR be eliminated because they are worried that the BOE budget would be cut in half. There was a push to reduce the \$3,000 per student reduction....which was approved. CCM was against it, however. CCM just wanted it totally eliminated. They are trying to find more creative ways to allow our BOE budgets to be reduced.

Peter Sielman asked if, “after this motion was dealt with if as a town meeting we could present to our legislators a request to see if the MBR could be revisited. The town meeting of Salem wishes to encourage its elected officials to work with the legislators in making our desire known that we wish the MBR could be reexamined and reform the capricious expenditures.”

John Butts than stated that all will be voting either YES or NO for this expenditure for the BOE. “All those in the room who are in favor of the additional appropriations of \$77,205.00 please signify by saying “Aye”. The Ayes have it unanimously here and remotely. There were no Nays.

(2) M/S/C (Jim Fogarty/Kevin Lyden) John Butts, added, “The second item on the agenda is to “Review and Adopt a Parking Ban Ordinance on Town Roads during winter storms. This ordinance is drawn from Montville and some other towns. There is actually one modification that I may suggest, John stated, that we could do here.” Kevin, stated that this request had been brought to him by our Public Works director, Don Bordeau, because there had been an accident about two years ago around 2 in the morning and one of the town trucks slid into a vehicle. People park on the town roads to have their driveway cleared. Someone else comes along and slides into the parked car. A sticker will be placed on the car the first time it is illegally parked during a snow ban. Notification of ban will be by our website, or radio stations. It is not a big issue in town, but it has been costly. John suggested a modification on page 2 of the ordinance. The definition of operator, this may be an over site. Omit the words “Section 370-10 or 370-11 of this article and instead insert the word “this ordinance” to replace the Montville reference. **M/S/C (Sal Crisanti/Jim Fogarty) Motion** made to accept the parking ban ordinance. Peter Sielman suggested an amendment to the motion with a few more changes to the ban by removing winter and snow. He was interested in expanding the usage of the ban. His motion was not seconded. Hearing no further questions, a vote was asked for. All those in the room who are in favor of the ordinance please signify by saying “Aye.” Opposed please signify by saying No. The Ayes have it. The Ordinance has passed.

The Ordinance is as follows:

ORDINANCE PROVIDING FOR PARKING BAN ON TOWN ROADS DURING WINTER STORMS

PURPOSE

It is hereby declared to be in the best interest of the public safety, convenience and welfare of the Town to regulate and restrict the parking of vehicles on Town roads during a period of snow emergency, so as not to impede the transportation and movement of food, fuel, medical care, fire, health, police protection, and other vital facilities of the Town.

DEFINITIONS

For the purpose of this article, the following definitions shall apply:

MOTOR VEHICLE or VEHICLE – As defined in C.G.S 14-1(a)(47) and (90), as amended.

PARKED VEHICLE- As defined in C.G.S. 14-1(57), as amended.

SNOW EMERGENCY – A period of time as forecasted by a weather service or the United States Weather Bureau, during which period vehicular and/or pedestrian traffic is expected to be hazardous or congested due to the elements, and during which period the parking of vehicles could hinder, delay or obstruct the safe flow of such traffic and/or the proper cleaning, clearing and making safe of the public roads of the Town.

ROAD – Any approved public road, or street of the Town of Salem.

OPERATOR – Refers to the operator, if known, of any motor vehicle found to be in violation of this ordinance. If the operator is not known, it shall be prima facie evidence that the registered owner is the operator, as in accordance with C.G.S. 14-107.

PARK or PARKING – Defined in accordance with C.G.S. 14-297(4) and shall

mean to permit a motor vehicle to remain stationary upon the public highway, whether occupied or not, other than temporarily for the purpose of, and while actually engaged in, receiving or discharging passengers or loading or unloading merchandise or goods, or in obedience to traffic regulations or traffic signs or signals.

1. DECLARATION OF SNOW EMERGENCY

A. A snow emergency shall be declared by the First Selectman or his designee, either before, during or after a fall of snow, sleet or freezing rain, when in his judgment the circumstances warrant determination of such an emergency in the interest of safety upon the public roads of the Town.

B. The First Selectman or his designee shall cause public announcement of such determination of snow emergency prior to the time of becoming effective, after which time a snow emergency shall be in effect. The First Selectman or his designee shall determine when such emergency no longer exists and shall make public announcement of the same.

2. PARKING RESTRICTED

It shall be unlawful at any time during the period of any declared snow emergency under provisions of this article for the operator of a vehicle to allow, permit or suffer said vehicle to remain parked on any road in the Town of Salem. If the operator is not known, it shall be prima facie evidence that the registered owner is the operator as in accordance with C.G.S. 14-107.

3. VEHICLE OWNER

In any prosecution or proceeding hereunder, the last registered owner, either by registration plate or vehicle identification number, shall constitute prima facie evidence that the owner of such vehicle left said vehicle at the place where such violation occurred.

4. TOWING OF VEHICLES; TOWING AND STORAGE CHARGES.

A. Whenever any motor vehicle shall be found parked on any Town road during a declared snow emergency, such vehicle may be removed under the direction of the Director of Public Works by means of towing the same.

B. Such removal shall be at the risk of the owner, and before the owner or person in charge of such vehicle shall be permitted to remove the same from the custody of

the Director of Public Works, he shall furnish evidence of his identity and ownership or right to possession and shall sign a receipt for said vehicle; and he shall pay a reasonable towing charge and a reasonable storage charge. The Town of Salem is not responsible for any damage during the removal and storage of such Vehicle.

M/S/C (T. J. Butcher/Lew Buckley) This town meeting would like to encourage our elected town officials to take further steps if they can to encourage our state officials to modify and reform the minimum budget requirement so as to avoid arbitrary local appropriations. Moved and seconded to approve. The Ayes have it.

M/S/C (Sal Crisanti/Peter Sielman) John asked if someone would like to make a motion to adjourn. Motion made to adjourn the meeting at 7:43 P.M.

Respectfully submitted,

Patricia J. Crisanti, CCTC
Salem Town Clerk

Town of Salem
Annual Town Meeting
May 2, 2012

First Selectman Kevin Lyden called the meeting to order at 7:03 p.m.

M/S/C (Bill Weinschenker/Peter Sielman) Moderator: John W. Butts, Esq., Town Attorney.

Clerk appointed by moderator: Linda D. Flugrad, Assistant Town Clerk

The Clerk read the Posting Notice and Warning and noted that both had been duly posted and published in the Legal Section of The Day newspaper having a general circulation in the Town of Salem.

Attorney J. Butts explained that “the charter requires that the final vote on the budget be held not here at the meeting but by ballot at a day long referendum which will be held one week from today. Tonight’s meeting is not to no avail. It is not a public hearing; it is a meeting. We, this Meeting, can do certain things with this budget. These are governed by Connecticut General Statutes. There are two big sections of the budget: general government and Board of Education. By statute the Board of Education budget is literally an arm of the state. We have limited power to change that budget. The Town Meeting cannot increase the Board of Education budget, nor can we change any part of it, either up or down. We can reduce it in its entirety. We can suggest where we would like cuts to be made, and I’m not suggesting that we should do this; this is simply our power. We can suggest where within the budget cuts should be made but ultimately if the town meeting says let’s reduce the Board of Education budget by x%, it is up to the Board of Education to figure out where the money comes from. Those are the rules we live by.

When it comes to the general government budget, all of the town operations, we have a little more leeway; again nothing can be increased, either the whole budget or any part of it. Appropriate motions are to decrease the entire

budget and we can also decrease the budget line by line if that is the bodies' wish. So we have a little more leeway when it comes to the general budget than we do with the Board of Education budget. Then ultimately both budgets as they are amended or not tonight, the final operative motion we will have and I will call for at the appropriate time will be to adjourn to vote to approve or disapprove to a referendum to be held next Wednesday. Does anybody have any questions on how those ground rules work?

We will also take one more vote tonight and that will be to generally approve the 10-year capital plan which is contingent upon the budget but the state likes to see a separate vote acknowledging that we looked at it and that it meets with the town's approval at this meeting. Now in all candor, I've been doing this for a lot of years. I'm looking at who's here. I'm looking at 2 people watching at home and participating. Numbers are down from most town meetings. We typically go through line by line or page by page and ask for questions or comments or concerns, and I am still inclined to do that unless somebody doesn't want to listen to it tonight. We generally start with the general government budget, and the first page on there is the 10-year capital plan. As is my practice and again it has been met with some success to ask for any questions or comments or appropriate motions regarding the capital plan. There are members from Board of Finance, Board of Education, various other boards and commissions here tonight, Board of Selectman, so this is your chance to air your questions or concerns."

Attorney J. Butts: "Hearing nothing on the capital plan, I'm now flipping over to the overview on the next page which is departments 100 through 935. These are broken down at much greater length later on in the document, but are there any questions or concerns or comments regarding this page of the overview of departments 100 through 935?"

No questions or concerns or comments were expressed.

Each department was perused and the public was given the chance to express questions, concerns, comments, or motions.

Department 100: There were no questions, concerns, or motions

Department 105:

Rich Amato, Buckley Road: regarding salaries: Requested that in next year's budget, can we delineate line items showing who is part time using an asterisk and a note?

First Selectman Lyden responded that can be done.

110/112: There were no questions, comments, or motions.

114/116/118/122: There were no questions, comments, or motions.

126/134/135/138: There were no questions, comments, or motions.

140 Utilities: Mention was made that we are now in our 11th month of record high temps.

Hugh McKinney: Have utility bills gone down as anticipated when we went to the four-day schedule for the Town Hall?

First Selectman Lyden: "The utilities bills have gone down for the usage. What's hard with utilities is you can use less and pay more depending on what the cost of utilities are. We do have four-day thermostats at the town hall now, so they do a setback after Thursday so Friday, Saturday, and Sunday is on set back. If people have meetings, they hit the button on the thermostat, and it will set for the higher temperature for 2 or 3 hours and then it goes back to setback."

Selectman Robert Ross mentioned that "in the first year we saved \$5,000."

152/157/158/210:

Sue Spang, Hartford Road, questioned the hours when the library staff are working when the library is not open, 12-18 hours week, and suggested that perhaps those hours might be better spent keeping the library open on Fridays and Saturdays of four-day holiday weekends, i.e. Memorial Day, instead of hours when the library is not open.

Len Giambra, Chairman of the Library Board: responded that he can't speak specifically about the Memorial Day weekend schedule because he hasn't seen the schedule. He stated the library is committed to certain days off already in advance. The plan is to schedule the following 12 months in advance, so they are not closed for four day spans. From that they will be able to determine whether or not there are sufficient hours in the budget. (Hours when the library is not open usually involves duties that the staff is not required at the front desk.) If the library were to be kept open to perform those duties, we might need to increase the library staff.

S. Spang's main concern is the hours spent at the library when the library is not open.

L. Giambra: Was not aware of this issue but his assumption from talking with Jackie Hemond, Head Librarian, is that they are doing functions that require not having to be at the front desk.

220/222:

Rich Amato, Buckley Road: Do we have any figures of incentives paid out last year?

Gene Maiorano, Chief of Salem Volunteer Fire Company: Salem had 22 total, 6 of those didn't own property so they received \$400. Gardner Lake had 11 total and had 5 that didn't own property so they received \$400.

230 & 240:

Attorney J. Butts noted the only real increase this year was in the 911 emergency contract. It happens to be a round figure. "Is this a fixed number for this year or is this still in negotiations?"

Gene Maiorano, Chief of Salem Volunteer Fire Company, stated that there could be a possible increase. With all of the towns under Colchester emergency communications with KX in Colchester, there is one town, Hebron, who is possibly looking at dropping out of the contracts with Colchester. If Hebron gets out of the contract, Salem's portion of the contact will go up which explains why the First Selectman put in the increase. Hebron will possibly make a decision by the end of June so the higher price had to be figured in. We are also looking at new alternatives coming down the road.

310/410 Public works department and transfer station.

First Selectman Lyden, upon being prompted, stated that for every ton sent out in the garbage bin, it costs the Town \$85 per ton; for every ton in recycling, the Town makes about \$26 ton.

600/610/630/640: no questions, comments, or motions.

645/710/810/910/920: no questions, comments, or motions.

925/926/935/930:

Attorney J. Butts gave a brief explanation of Capital Expenditures. Notice on page 3 of the capital expenditures portion it starts into income with a general overview of actual and historical and future anticipated general property taxes, state and federal grant receipts, licenses and permits, the income of the town as well as charges for services and so forth.

Diane Robillard, Old Colchester Road, asked where the money goes when ambulance service payments are made.

Jim Savalle, Chief of Gardner Lake Volunteer Fire Company, responded that the money goes into an ambulance account, which amount is report to the First Selectman whenever he requests it. Part of that money was just used to purchase our new ambulance for \$232,000. Future payments will go towards purchasing the next new ambulance.

George Ziegler, Shingle Mill Road, asked who owns the ambulance?

First Selectman Kevin Lyden responded that Town of Salem owns the ambulance.

George Ziegler then asked why it is not in our budget the same as public works trucks, fire trucks, etc.?

First Selectman Lyden responded that we do not pay for the ambulance. The fire company purchased the ambulance with their funds that they received.

Jim Savalle commented that the age of the current ambulance is 2004.

Greg Preston, Forsyth Road, asked what happens to the old ambulance when a new one is purchased.

Jim Savalle stated that the old one is traded in.

2nd part of budget: Board of Education School District budget

Attorney John Butts commented “we are always happy to entertain questions, comments, or concerns, but we can’t surgically sculpt away part of the budget or chip away at it. We can only vote to pass it along or reduce it in total.”

1st page superintendent’s budget proposal overview for 2013/2014. Attorney J. Butts: “If there are any general questions regarding overall budget, this might be a good time to ask them and then we will slide into the line-by-line which begins on the next page.”

Page 17a. School Budget Expenditures: Comment was made that explanations are on page 17 also line-by-line making it fairly easy to follow along.

Greg Preston, Forsyth Road: questioned the large increase in the grounds maintenance and asked for a further explanation

D. Bourdeau, Town of Salem Public Works Director: Part of the expense is for work that has not been done because it has been put off for quite some time. Some items include:

1. drainage system, improving the drainage system throughout the parking lot;
2. the retention pond where all the water drains has not been looked at since 1994 when school was built;
3. safety and security fencing around the pond and also along the multi-use path hasn’t been looked at and needs some repairs and upgrades
4. Playground: each year costs about \$2,200 for woodchips and wood fibers to make it “play safe.”
5. General landscaping around the building itself needed upgrade. Along with the addition to our school, our goal was to make the school one to be proud of. The addition to the Elementary section of the school brought it from the 1940’s to the 1980’s. The rest of this is all done throughout the upgrades to the outside of the school which is not part of the building project.
6. The track drainage has some issues, some spots of cold water, drainage work. These are not part of the capital plan.
7. Looking at asphalt for the track to make it more user-friendly not only for elderly people who use the track but also for students of the school. The current track is a stone dust track which tracks into the school and creates havoc on the floors and hallway.
8. General maintenance on the field which both the school and town use needs minor maintenance work. It needs a major overhaul at some point but the money is not in the budget.

All of the work that had to be done was looked at and these were the most critical areas.

Jim Fogarty: Raised two concerns:

1. Regarding maintenance on fields and grounds – where is labor cost for that in this budget?
 2. concern about putting macadam down for the track or something more user friendly for kids.

First Selectman Lyden: Regarding the labor: the town budget will pay for the maintenance. It is a safety issue. The Department of Public Works does work at the school occasionally through summer. First Selectman Lyden will talk with the Public Works director on the frequency of working there because there are several other projects in Town that need to be done. The School is part of our town and we do have to keep it up.

Donald Bourdeau: Reiterated that it is the Town budget. If we have the equipment in Town in the Public Works Department, it makes sense to use our equipment. We could hire contractors but contractors would cost much more to use their equipment, pay labor, etc.

Donald Bourdeau: Regarding the asphalt track: Don checked with the track and field coaches at the school and they thought it was a great idea. They did not express any concerns for the children. The track is not only used by the school system, but also by parents. A paved track is much more user-friendly for families. The track should get more use by the general population of the town if it is paved and striped. Rubberized track was too cost prohibitive.

Page 18a: School Budget Expenditures: no questions, concerns, comments, or motions.

Page 19a Central Office Expenses:

Sharon Sanders, New London Road, questioned the cost of health insurance benefits. There are 5.6 employees with a proposed budget \$78,000, which is about \$13,000 per person. That's pretty costly insurance.

Steve Buck, Chairman of the Board of Education: "previously we had a bookkeeping arrangement where we carried our special services person at the district at the school budget and that is applied to the benefits also. What we did this year is we moved this gentleman fully into the district office budget and it moved his benefit package into the total so it made that 6.65% increase on his benefit package. Whether pricey or not, I'm not an expert in field of benefits but they are not inexpensive."

Sharon Sanders, New London Road: expressed concern over the increase of legal fees of \$18,000, almost 106%

Steve Buck, Chairman of the Board of Education: "we are entering a year when we are negotiating all contracts, teachers' contracts, non-certified contracts, legal assistance comes at a price."

Attorney J. Butts: commented that looking at explanation on page 19 notes, it appears that medical and dental insurance premiums are estimated to increase 9% per person.

Page 20a: East Lyme High School (post 8th grade education). There were no questions, concerns, comments, or motions.

Page 21a: District services

Bob Green, Forsyth Road, member of the Board of Education: Regarding the overall Board of Education budget. "First of all I would like to make a motion to reduce the budget increase of \$91,050 to \$0 and I'll explain why."

Attorney J. Butts: is there a second? No response.

Motion failed for lack of a second.

Bob Green: "What the town is not being told here is that there is roughly \$240,000 of new money in the Board of Education budget. We have approximately \$92,000 of money being moved over to the town budget side. We have roughly \$50,000 of cost savings from the superintendent's contract because that position is now going part time; and on top of that, we have another \$91,000 on top of that, giving a rough figure of about \$240,000 or roughly about 2/3 mil increase in school budget. My concerns are when we initially had cost savings of about \$140,000, that was a violation of MBR, federal budget statute. That difference has been made up and on top of that the Board of Education is asking for another \$91,000 on top of that. My concerns are, especially with the issue of tutors and aides that I've raised at the town hearing, I know those positions are going to be paid for out of grant money, and in

reviewing the non-certified contract earlier this week, those members are unionized, and if I understand the contract correctly, those people will not be allowed to work in the building unless they are a part of the union. The contract specifically states any member not in good standing with the union must be discharged within 15 days after being identified by the union. With that contract comes benefits, which comes out of the school budget. Those are not paid by grant money. When the grant money runs out, those people will be laid off, and then you have unemployment benefits to content with. That will also come out of the budget, and with class sizes as low as 14 in this building, I cannot in good conscience ask the town to add another \$91,000 on top of the \$140,000 that they are already getting just in the MBR. So again, I suggest search your conscience and make your decisions accordingly.”

Gene Maiorano, Chief of the Salem Volunteer Fire Company: Expressed displeasure that this issue was brought up at this meeting rather than earlier on in the process. He would have seconded the motion to get it on the floor if it had been raised at the public hearing rather than waiting until the Town Meeting.

Steve Buck, Chairman of the Board of Education: “In this current fiscal year, we are working with reduced superintendent’s salary so we are not realizing any particular benefit between this current fiscal year and next fiscal year. As far as the tutors and where aides are concerned, this question has arisen in the past. There are only 2 or 3, I’m not sure, there’s a minimum number, that are paid with local funds, and there’s been a concern that from what I heard at the hearing was that the grant money may go away. This is federal grant money that came in to be back in 1975. It has to do with special education support for the most part. It is very strictly monitored in terms of how you can spend the money. Tutors and aides are one of the ways that you can do it, and it’s a very fluid situation in that if you have kids come into the district that require special education services to the point where they require one-to-one aide, then you provide that service. If that child no longer requires the service, then the service goes away the next year. To my knowledge, and I believe this is accurate, these are generally one-year contracts and these folks pay 100% of their benefits, and they know when they are hired, that they are being paid for one year, because we don’t know from one year to the next what the situation of a particular student will be. Depending on the needs of the students, sometimes they are very complicated and it takes a very special skill set to work with the child. Other times it’s a safety issue. There’s minimal training and things that have to occur, but most of us can do the jobs. Some of the jobs not all of us can do. I can’t do all of them, and I did this for a long time. As far as the additional moneys, whether we’re ask for \$191,000 or 2.7% which is what we originally were asking for as an increase, the Board of Finance suggested that they assume the debt service for the high school bond issue and reduce our overall increase by \$92,353 (I think that’s the figure). Our role as the Board of Education is not to be an adjunct or an arm of the Board of Finance. The Board of Finance has a very difficult job. Our job as the only elected board of the body in the town that takes care of kids, that has charge to take care of the educational needs of the students in this town is to tell you in the town what’s required to give your kids a good education; and we try to do that every year line-by-line, area-by-area, we try to maintain the building; this is your largest capital investment in this town. We’re trying to accomplish a number of things. We have one of the comments that I’ve heard year after year is that the population is getting smaller, why don’t we reduce the staff. As a matter of fact, over the last six years we have had the population increase by, I think, 107 kids. We have increased our staff by 6 staff. You do the math. That’s that many classrooms, and we have kept our staff reductions in line with our population reductions. I think this board has made a good-faith effort with the town to handle a lot of complicated issues. We’ve been very,very fortunate in our selection of interim superintendent, and I’ll go on records right now as saying I wish we could keep him, but we can’t. Anyway, that’s where we are.”

Donald Bourdeau: Is now involved in school system but wasn’t 5 years ago, and now realizes “what really goes on in the school system, and listening to the superintendent talk about aides and tutors, I do have to say I probably would agree with you, Bob, before I learned anything about the school system, but when she said that there’s all the grades and sometimes the student that only needs that special attention for a certain subject, for a certain period, and then they can move on and help other students. That hits home with me and it hit home with me because I went through this school from day one and I can tell you that I was taken out of class to go see a speech therapist. That’s how we dealt with things back then. Today they can do that in the classroom and it makes so much more sense. I couldn’t believe the amount of attention that the students get from this school, and how important it is.” It is about the children’s safety and everything that’s involved. “It costs money and that’s the bottom line. ... I can tell you right now that I’m a firm believer in what they do and that’s why I’ve lived here my whole life and hopefully my children will stay. Thank you.”

Rich Amato, Buckley Road: Member of P&Z committee, cub scout leader, little league coach, recent behind the scenes involvement in our town the last few weeks, “I want to talk to you about my son. My son needs the skills. It was summed up the other night at the Board of Finance meeting where a group of children in this school 40-some-odd kids, 44 children, didn’t get the skills coming out of kindergarten into the first grade” because of these issues, extra tutoring. “My son doesn’t struggle but I see struggling with a whole bunch of kids in all the sports, cub scout, etc. it’s affecting these kids ... These kids grow up to be volunteer firemen ...These kids come back to serve the community, and it’s not getting any easier to be a fireman. You can’t just get in a fire truck and drive like we did when we were younger. There’s a lot of training ... and if you can’t pass the test, you can’t be a fireman ... These kids are coming back to help this community, and there are dozens of them in our town and they’re coming back to get on boards. They need this education ... We need this budget.”

First Selectman Lyden: “I think the Board of Education budget is very, very thorough. I think the interim superintendents have done a phenomenal job here.”

Mae Amato, Buckley Road: “regardless of what said about Board of Education budget, you have it in front of you. This is what the Board of Education has worked with the superintendent very hard in the past years and this year they got it right. So as a parent with two kids in the school, I want to say I really support this budget and it’s in front of you the way it needs to be.”

There were no other comments.

Attorney J. Butts: Forgot something at beginning of meeting: Didn’t make a motion to approve the budget.

Motion: to approve town government proposed budget for 2012/2013 in the total amount of \$14,379,334. (P. Seilman/R. Ross). Unanimous.

Attorney J. Butts reiterated that we cannot vote tonight on the budget.

Motion to adjourn the town meeting vote on the budget to a referendum to be held at Town Hall next Wednesday, May 9th, 2012, between the hours of 6 am and 8 pm for a yes or no vote by paper ballot at the Town Hall 270 Hartford Road, Salem, CT (P. Seilman/R. Ross). Unanimous.

A separate affirmation of capital plan was made, with the reminder that this is contingent upon financing in the budget.

Motion: to approve the Town of Salem’s 10-year Capital Plan as projected for fiscal year 2012/2013. (J. Savalle/J. Fogarty). Unanimous.

Motion to adjourn. (W. Weinschenker/G. Preston) Unanimous.

Meeting adjourned at 8:10 pm

Respectfully submitted.

Linda D. Flugrad

Assistant Town Clerk

RESULTS OF BUDGET REFERENDUM

OFFICIAL BALLOT
BUDGET REFERENDUM VOTE
SALEM, CONNECTICUT
MAY 9, 2012

INSTRUCTIONS TO VOTERS

To vote, fill in the oval completely next to your choice, like this .

QUESTION 1

Shall the Town of Salem approve the proposed municipal budget in the amount of \$14,379,334 for the 2012/2013 fiscal year?

217 YES
89 NO

TOTAL NUMBER OF NAMES ON THE OFFICIAL CHECK LIST - 2867

TOTAL ABSENTEE BALLOTS - 2

TOTAL NUMBER OF NAMES CHECKED ON THE OFFICIAL CHECK LIST WHO VOTED - 305
(VOTED IN PERSON-303) (VOTED BY ABSENTEE BALLOT-2)

Justice Of The Peace

<u>NAME</u>	<u>STREET</u>	<u>PHONE</u>	<u>PARTY</u>	<u>TERM BEGINS</u>	<u>TERM ENDS</u>
Alligood, Gary *	127 Hartford Road	859-1779	R	1/5/2009	1/7/2013
Balavender, Gale J. *	78 Forest Drive	859-2174	R		
Bingham, Robert K.	42 Round Hill Road	889-4381	R	12/21/2010	1/7/2013
Bourdeau, Donald W. Jr.	345 Old Colchester Road	859-3189	D		
Buckley, Karen H.	15 Corrina Lane	859-3705	D		
Burr, Elbert *	44 Emerald Glen Lane	887-9510	R		
Butcher, Thomas J.	248 Norwich Road	859-1012	D		
Butts, Betsy B.	376 Hartford Road	859-0788	D		
Butts, Spencer	376 Hartford Road	859-0788	D		
Chmielewski, Edward *	75 Buckley Hill Road	859-3144	R		
Clancy, Charlene E.	40 Lakeview Drive	859-0339	D		
Cole-Chu, Leeland J.	300 Hartford Road	859-0059	D		
Cole-Chu, Emily B.	300 Hartford Road	859-0059	D		
Crisanti, Salvatore T.	195 Old New London Road	859-2158	D		
Diamond, Shirley W.	249 Darling Road	859-1749	D		
Dye, Charles (Chip) S.	116 Morgan Road	859-1714	D		
Edwards, Mary J.	410 West Road	859-0611	D		
Gibson, Holly	15 Meadow Lane	859-1664	D		
Gregory, Hazel (Chris)	152 Way Road	859-3119	D		
Griggs, Janet S.	122 New London Road	859-2041	D		
Householder, Elizabeth *	383 Forsyth Road	859-3582	R		
Jackson, George *	62 Hilltop Trail	859-0433	R		
Kollman, Mary L.	390 Darling Road	859-3036	D		
Kumro, Susan D.	648 Old Colchester Road	204-9829	U		
Len, Kristana M.	420 Hartford Road	859-1700	D		
Maiorano, Eugene R.	799 West Road	859-0558	D		
Maiorano, Marcella C. *	799 West Road	859-0558	R		
Mullin, Michael *	370 Darling Road	859-1283	R		
Munro, Pamela R. *	55 Skyline Drive	859-1803	R	12/21/2010	
Nikirk, Gerald E. Sr.	30 Morgan Road	887-3114	R	1/5/2009	1/7/2013
Nortz, Rebecca A.	66 Skyline Drive	859-2207	D		
Nortz, Michael	66 Skyline Drive	859-2207	D		
Petersen, Tamara	105 Witter Road		D	6/6/2012	
Pech, Georgia M. *	460 Darling Road	859-3112	R	12/21/2010	
Phillips, Linda F. *	33 Diamond Hill Road	443-4367	R	12/21/2010	
Ploszaj, Joseph J.	33 Rattlesnake Ledge Rd.	859-0572	D		
Robillard, Paul H. *	178 Old Colchester Road	892-0018	R		
Rowthorn, Anne	17 Woodland Drive	859-3377	D		

Sabowski, Mary Anne	81 Valley Drive	859-3556	D		
Schroeder, Linda K.	490 East Haddam Road	859-3520	D		
Shapere, Alfreda B.	170 Darling Road	859-1760	D		
Sielman, Peter F.	369 West Road	859-3848	D		
Spang, Susan G.	129 Hartford Road	859-2048	D		
Standish, Jeffrey W.	33 Meadow Lane	859-0558	D		
Stevens, Lawrence J.	182 Forsyth Road	859-0876	D		
Vesey, Vernon D. II	47 Skyline Drive	859-1249	D		
Weinschenker, Denise M.	99 Music Vale Road	859-0441	D		
Winakor, Sylvia	470 Forsyth Road	859-0471	R	1/7/2013	
Ziegra, Roberta M.	9 Shingle Mill Road	859-0609	D		
Republicans: 10	Democrats: 32	Total: 43			
	Unaffiliated: 1				
(Salem can have a maximum of 213 Justices of the Peace and a minimum of 15)					
The following Justices of the Peace took the Oath of Office and are qualified to serve the term from January 05, 2009 to January 07, 2013					

Notary Public

<u>NAME</u>	<u>ADDRESS</u>	<u>TERM</u>
Alfonso, Diane M.	295 Rattlesnake Ledge Road	03/01/2010 - 02/28/2015
Aube, Real C.	90 Way Road	06/01/2009 - 05/31/2014
Benjamin, Theresa	551 Hartford Road	07/06/2006 - 07/31/2011
Berardi, Corinne	730 West Road	05/02/2007 - 05/31/2012
Blackman, Donna	111A Horse Pond Road	12/01/2008 - 11/30/2013
Boutin, Elizabeth D.	85F Horse Pond Road	09/01/2010 - 08/31/2015
Brick, Marion	745 Hartford Road	09/01/2009 - 08/31/2014
Brooks, Jessica R.	55 Witch Meadow Rd.	03/14/2012 - 03/31/2017
Butts, Betsy B.	376 Hartford Road	12/01/2009 - 11/30/2014
Castleberry, Carey R.	85 Buckley Road	12/01/2011 - 11/30/2016
Champion, Barbara	496 Norwich Road	10/01/2007 - 09/30/2012
Chester, Lindsay K.	509 Route 82 (Norwich Rd) O	07/30/2008 - 07/31/2013
Corman, Michael L.	32 Cedar Hill Lane	06/15/2009 - 06/30/2014
Crisanti, Patricia J.	195 Old New London Road	04/01/2009 - 03/31/2014
Cropley, Brooke	165 Norwich Road	10/28/2011 - 10/31/2016
Cuadro, Rosemarie D.	149 Forsyth Road	04/01/2008 - 03/31/2013
Dubois, Sandra J.	97 Mill Lane	06/01/2010 - 05/31/2015
Dye, Charles S.	116 Morgan Road	08/01/2009 - 07/31/2014
Ferris, Heidi C.	332 Rattlesnake Ledge Rd.	03/01/2010 - 02/28/2015
Flugrad, Linda D.	66 East Haddam Road	04-16-2010 - 04/30/2015
Gaus, Valerie J.	488 Norwich Road	05/01/2008 - 04/30/2013
George, Nancy M.	4 Salem Ridge Drive	07/01/2011 - 06/30/2016
Gianni, Michelle M.	254 West Road	05/08/2007 - 05/31/2012
Harrington, Lawrence B.	306 Old Colchester Road	08/01/2011 - 07/31/2016
Henry, James H.	21 Skyline Drive	12/01/2009 - 11/30/2014
Huhtala, Janet A.	245 Buckley Road	12/01/2009 - 11/30/2014
Jessop, Robert M.	262 Norwich Road	02/01/2012 - 01/31/2017
Johnson, Andrew	50 Sullivan Road	03/02/2007 - 03/31/2012
Kennedy, Lillian	330 Round Hill Road	10/01/2010 - 09/30/2015
Kodym, Patricia L.	113 Sullivan Road	08/01/2011 - 07/31/2016
Larsen, Kim M.	509 Old Colchester Road	10/05/2010 - 10/31/2015
Lecce, Jody A.	521 Old Colchester Road	12/01/2007 - 11/30/2012
Legnos, Jacqueline N.	101 Witch Meadow Road	08/01/2008 - 07/31/2013
Lindo, Jennifer	37 Forest Drive	11/01/2010 - 10/31/2015
Loosemore, Diane E.	60 Old Colchester Road	06/19/2008 - 06/30/2013
Maiorano, Marcella C.	799 West Road	02/01/2012 - 01/31/2017
McTigue, Doris A.	131 Latham Drive	09/01/2008 - 08/31/2013
Menitz, Constance H.	142 Way Road	07/01/2008 - 06/30/2013

Moore, Barbara S.	62 Forest Drive	04/01/2011 - 03/31/2016
Mullin, Donald B.	46 Skyline Drive	03/01/2012 - 02/28/2017
Murphy, Michael James	65 Forsyth Road	10/12/2010 - 10/31/2015
Neumann, Lori B.	519 Norwich Road	01/01/2009 - 12/31/2013
Nortz, Michael F.	66 Skyline Drive	11/01/2007 - 10/31/2012
O'Brien, John J.	77 Skyline Drive	06/01/2007 - 05/31/2012
O'Brien, Rosemary	77 Skyline Drive	08/01/2012 - 07/31/2017
Orlinski, Chris	617 Old Colchester Road	03/01/2009 - 02/28/2014
Orlinski, Eva M.	617 Old Colchester Road	06/01/2009 - 05/31/2014
Pape, Erika S.	11 Center Street	03/31/2011 - 03/31/2016
Parrish, Gale A.	20 Bayberry Place	10/01/2010 - 09/30/2015
Patterson, Karen A.	106 Sullivan Road	07/01/2009 - 06/30/2014
Philopena, Cheryl A.	309 Rattlesnake Ledge Road	11/01/2009 - 10/31/2014
Provost, Deborah L.	98 Buckley Road	10/27/2009 - 10/31/2014
Salas, Theresa K.	99 Sullivan Road	08/05/2008 - 08/31/2013
Sartori, Athena G.	18 Valley Drive	04/01/2012 - 03/31/2017
Shelley, Vera	452 New London Road	03/01/2009 - 02/28/2014
Shkutzko, Barbara	9 Brookside Drive	04/01/2009 - 03/31/2014
Shultzman, Theresa	11 Center Street	08/04/2007 - 08/31/2012
Singh, Amandeep	215 Old Colchester Road	02/08/2008 - 02/28/2013
Slota, Sheila	631 West Road	07/01/2008 - 06/30/2013
Stevens, Lawrence J.	182 Forsyth Road	02/01/2010 - 01/31/2015
Surprenant, April A.	43 Buckley Road	04/01/2011 - 03/31/2016
Swider, Sandra D.	59 Mill Lane	06/01/2012 - 05/31/2017
Traggis, Carol J.	21 Forsyth Road	11/01/2009 - 10/31/2014
Turley, Samantha	73 A Horse Pond Road	12/12/2011 - 12/31/2016
Turner, Tammie A.	185 Old Colchester Road	05/01/2011 - 04/30/2016
Weston, Diane E.	47 Meadow Lane	02/10/2011 - 02/28/2016
Wittig, Vera Ann C.	200 West Road	04/01/2009 - 03/31/2014

Dog Fund Account

Cash receipts and disbursements for fiscal year ending June 30, 2012:

Balance July 1, 2011----- \$ 9042.43

Receipts:

Surcharge of Unaltered/Altered Dogs	\$ 910.00
Dog License Fees	\$ 2811.00
Animal Control Officer's Fees	\$ 0.00
Town of Salem Allocation	\$ 9679.00
<u>Total Receipts</u>	<u>\$13985.00</u>
<u>Total Receipts Available</u>	<u>\$23027.43</u>

Disbursements:

Animal Control Officer's Salary	\$8808.00
Animal Control Officer's Expenses	\$1908.01
Surcharge to State for 7/1/10 to 6/30/11	\$1034.00
License Fees to State for 7/1/10 to 6/30/11	\$2696.50
Advertising Fees for Dogs	\$ 26.00
Dog Tags, License Forms, Postage and Supplies	\$ 45.00
Pound Rent Paid	\$1200.00
Veterinarian Fees	\$ 0.00
<u>Total Disbursements</u>	<u>\$15717.51</u>

Patricia J. Crisanti, Town Clerk

Linda D. Flugrad, Asst. Town Clerk

Registrar of Vital Statistics

During the fiscal year 7/01/2011 through 6/30/2012, there were 33 BIRTHS, 28 MARRIAGES, 26 DEATHS and 0 FETAL DEATHS registered in the Vital Statistics Records of the Town of Salem.

Funds due the State of Connecticut for 2011-2012 were in the amount of \$171.00.

Patricia J. Crisanti, Registrar of Vital Statistics

Linda D. Flugrad, Assistant Registrar of Vital Statistics

TREASURE REPORT

The fiscal year ended June 30, 2012 began with an Unassigned Fund Balance of \$1,260,787.00 and ended with an Unassigned Fund Balance of \$1,342,442.00. Board of Finance budget increases were enacted throughout the year totaling \$346,631.00.

On June 30, 2012 the Unassigned Fund Balance was 7.00% of the total budget.

Investment of town funds earned a total of \$7,898.52 in interest and dividends. A listing of the town funds and their earnings for the Fiscal Year 11/12 is as follows:

Account	Interest Income	Balance 06/30/12
General Fund	\$6,968.75	\$2,517,326.47
Open Space	12.34	20,562.48
Land Acquisition	8.87	14,818.91
Town Aid Roads	162.42	284,038.20
Capital Reserve	47.48	150,158.64
Senior Citizens	424.35	29,742.10
Baptist Society	32.04	2,448.36
Morgan Cemetery	16.17	1,236.44
Bost	.24	507.30
Rogers Cemetery	80.92	3,028.86
Harris Fund	.12	144.21
School Titles	.00	124,996.23
Infrastructure	65.47	5,002.49
E. Urbanik Memorial Fund	24.95	7,217.13
Nursing Board	54.38	2,034.57
Tax Exempt Proceeds	0.02	0.00
TOTAL	\$7,898.52	\$3,163,262.39

Thank you for the opportunity to serve as Treasurer for the Town of Salem.

Respectfully submitted,

Mary Ann Ferren, Treasurer

BOARD OF FINANCE

The 2011-2012 fiscal year began with the adoption, by town referendum, of the Town's budget in the amount of \$14,322,934. The proposed expenditures were as follows:

General Government	\$ 3,240,876
Board of Education	\$ 9,950,000
Capital Improvements	\$ 1,132,058

The Board of Finance approved a mill rate of 24.5 mills to provide Town funding budget.

The Unassigned Fund balance as of July 1, 2011 was \$1,260,787.

Mr. Peter Lee was elected at the November 2011 election to serve as an alternate member of the Board. Chairman Weinschenker was re-elected by the Board to serve as Chairman until the November 2013 election. George Householder was re-elected by the Board to serve as Clerk until the November 2013 election.

During the year the Board of Finance authorized \$346,631 additional expenditures,

The 2012-2013 fiscal year budget in the amount of \$14,379,334 was presented to the Town for adoption at referendum. The proposed expenditures were as follows:

General Government	\$ 3,466,249
Board of Education	\$ 10,118,255
Capital Improvements	\$ 794,830

The proposed budget was ADOPTED at referendum on May 4, 2012 by a vote of:

186-YES

72-NO

The Board of Finance approved a mill rate of 29.6 mills to provide funding for the 2012-2013 budget. It is anticipated that this funding level will result in a slight increase to the unassigned fund balance.

The unassigned fund balance as of June 30, 2012 was 1,342,442.

William Weinschenker, Chairman

TAX COLLECTOR REPORT

The year July 1, 2011 to June 30, 2012 was very busy in the Tax Collector's office. In July 7,577 bills were sent to taxpayers. This total included 1,968 Real Estate bills, 4,874 Motor Vehicle bills and 735 Personal Property tax bills. Taxes are due in July and January. All motor vehicle bills are due in July. Along with the second half of Real Estate and Personal Property collected in January, 710 Supplemental Motor Vehicle bills were mailed to taxpayers.

From July 1, 2011 to June 30, 2012, this office collected and turned over to the town treasurer \$10,652,036.36. A breakdown of this figure includes \$10,574,742.81 in taxes and \$77,293.55 in interest and lien fees. In these difficult economic times we were still able to meet and exceed the revenue needed to meet the budget requirement.

In June 54 Real Estate Tax liens were placed on property in the Town of Salem. The total dollar value of these liens was \$146,021.27. During the year 32 back tax liens were collected and released. The principal amount of these liens was \$ 88,192.20.

Once again it has been a productive year in the tax office.

Cheryl A. Philopena C.C.M.C.
Tax Collector
Necia Stevens
Assistant Tax Collector

REGISTRARS OF VOTER REPORT

Active List	<u>Party</u>	<u>Number of Voters</u>
	Democratic	862
	Republican	617
	Unaffiliated	1,193
	Other	22
	Total on Active List	2,694

Inactive List	<u>Party</u>	<u>Number of Voters</u>
	Democratic	33
	Republican	23
	Unaffiliated	78
	Other	2
	Total on Inactive List	136

If you have changed your address and have not notified us we need to know. Please contact us or stop in and fill out a new registration form. Forms are available at the Registrar's Office, the Town Clerks Office or we can mail you one if requested.

We are always looking for people willing to work the polls during elections. If you would be interested in working the polls please contact us at the Town Hall at 860-859-3873 ext 230. Those willing to work the polls are paid a stipend for their time. The Registrar's Office supplies training for all positions.

Sue Spang
Georgia Pech
Registrars of Voters

PLANNING AND ZONING REPORT

The Planning and Zoning Commission processed 9 applications for the fiscal year ending June 30, 2012. Not all applications were decided by fiscal year-end. The breakdown is as follows:

<u> 0 </u> Subdivisions totaling <u> 0 </u> lots	<u> 0 </u> Resubdivision totaling <u> 0 </u> lots
<u> 2 </u> Site Plans, Site Plan Modifications	<u> 1 </u> Special Exception
<u> 4 </u> Regulation, Map Amendments	<u> 0 </u> Accessory Apartments
<u> 0 </u> CGS §8-24 Referral	<u> 1 </u> Lot Development Plans
<u> 0 </u> Change of Use	<u> 1 </u> Commission issued Zoning Permits

- In July of 2011, the Commission held a public hearing and subsequently amended its Special Flood Hazard Area Zoning Regulations, in response to the Federal Emergency Management Agency's (FEMA's) updating of its Flood Insurance Rate Maps (FIRMs), which became effective July 18, 2011. As part of that process, the Commission also adopted the updated FIRMs.
- The Commission adopted a digital zoning map in January of 2012. The document is much clearer, more accurate and easier to read than the previous, hand-edited, map. It will also be easier to update going forward.
- The Commission, following public hearing and deliberation, adopted the updated Plan of Conservation and Development (POCD), with an effective date of June 1, 2012.
- The Commission forwarded a favorable recommendation to the Board of Selectmen regarding acceptance of Carvalho Drive, which is located off of Buckley Road.
- The Commission held a workshop on Commission Member Roles and Responsibilities, presented by Attorney Steven E. Byrne, the Commission's Land Use Attorney. Members also attended a number of other land use workshops.
- The number of development applications required to go before the Commission has continued to decrease substantially due to the current economic climate.
- A total of \$527 (5%) of the Commission's Engineering line item was expended for the purpose of application plan reviews, and engineering inspections.
- Of the Commission's \$20,000 Legal Service line item, \$29,565 (148%) was expended from the FY11-12 budget for legal opinions and meeting attendance. The majority of that expenditure was for legal fees associated with continued litigation arising from the Commission's June 15, 2010 approval of a Special Exception Renewal for a quarry operation, and the Commission's subsequent expiration of that permit renewal. Litigation ended, with the Commission's decision upheld, in April of 2012.
- Fines collected resulting from previous litigation involving the aforementioned quarry totaled \$21,316.23, with monthly payments to continue through March of 2013.
- A total of \$1,050 was collected for various Planning and Zoning Commission fees.
- The Zoning Enforcement Officer approved 107 zoning permits, 5 for new construction and 102 for accessory structures. Total revenue collected: \$3,875.

All Planning and Zoning Commission meetings are open to the public, and regular meetings are held the 3rd and 4th Tuesdays of each month. We encourage your participation.

Members of the FY 11-12 Commission included:

Regular Members:

Karen Buckley, Chairman
Gloria Fogarty, Vice Chairman (thru 10-11)
Ruth Savalle, Vice-Chair (as of 1-12)
Richard Amato, Secretary (as of 1-12)
David Bingham, Secretary (thru 12-11)
Gary Walter
Vern Smith (as of 11-22-11)
Walter Volberg (as of 11-22-11)
Elbert Burr (thru 8-11)

Alternate Members:

Gloria Fogarty (as of 11-22-11)
Henryka Green (as of 11-22-11)
Matthew Darling (as of 1-12)
Vern Smith (thru 11-15-11)
Hugh E. McKenney (thru 11-15-11)

Respectfully submitted,
Karen Buckley, Chairman
Planning and Zoning Commission



SALEM INLAND WETLANDS AND CONSERVATION COMMISSION REPORT

During the Fiscal Year 2011-2012, the Inland Wetlands and Conservation Commission (IWCC) held 11 regular monthly meetings, no special meetings and held no Show Cause Hearings. The IWCC and its Designated Agent, the Wetlands Enforcement Officer (WEO), addressed 10 applications, including: 4 for work in wetlands, 0 non-jurisdictional rulings, 6 as-of-right determinations, and 10 permits for work within the 75' upland review area of a wetland/watercourse.

The Ad hoc Conservation Committee met periodically throughout the year with basic emphasis on preparing an updated Salem Resource Inventory.

The Ad hoc Open Space Committee continued cataloging all parcels within Salem that are at least 10 acres in size, including their current uses.

The Ad hoc Educational Outreach Committee continued to provide awareness of Conservation issues and possible solutions, helpful hints and available resources to residents. The Committee contributed articles regularly to Salem's Our Town newsletter.

The Open Space Committee and Educational Outreach Committee were disbanded at the Commission's March 2012 meeting; reports, with updates to be provided as they become available.

Members attended a number of workshops and training sessions.

IWCC Members included:

Sally Snyder (Chairman, Chairman, Ad Hoc Open Space Committee)
Eric Belt (Vice Chairman, Chairman Ad hoc Conservation Committee)
George Ziegler (thru 12-31-11)
Roger Phillips
Diba Khan Bureau (IWCC Secretary, Chairman, Ad hoc Education Outreach Committee)
Linda Wildrick
William Leuck
Gale Balavender (Alternate)
Ed Natoli (Alternate) (appointed regular member 1-12)
Vacancy (Alternate)
Vacancy (Alternate) (eff. 1-12)

Respectfully submitted,
Sally Snyder, Chairman



SALEM RECREATION COMMISSION REPORT

The Salem Recreation Commission continues to provide recreational activities for Salem residents. We are constantly looking to provide activities and programs that are of interest and are beneficial to all residents.

The Salem Youth Baseball League and Salem Soccer continue to serve the children of Salem. Our kids go to East Lyme High School as Freshmen, Junior Varsity, and Varsity players on a level equal to, or greater than other players, especially as a proportion to the numbers of children at the school from Salem. This is something our town, leagues, and coaches can be very proud of.

The Salem Recreation Commission continues to assess the needs of the town residents and the recreation areas. In 2012 fiscal year the recreation area at the Forsyth Rd was named, "Volunteer Park" and a sign was designed and ordered. This sign will be installed in the spring of 2013. The rear parking lot at Volunteer Park has been worked on and with town funding received in 2012 budget will be completed with the parking lot access road paved. At the same area electricity has been installed from the road. We took advantage of the road work being done on Forsyth Road to get an electric feed from the road to the complex for immediate and future needs.

The Annual Tree Lighting which the Commission is puts on every year planted a new Holiday Tree. Our old one was growing too large and close to the Historical Society so it had to be cut down. We affectionately call it our "Christmas Shrub", but we have every expectation it will grow into a wonderful tree for all to see.

At the Lou Ulferrs, Round Hill Road complex a cleanup on the park area was completed. Many of the overgrown ground cover and invasive species were removed. There were trees that had grown up in unplanned areas which were removed. With the addition of three picnic tables this area is now an attractive place for residents to have a picnic; or watch baseball and soccer games.

The Salem Lions and the Recreation Commission collaborated on a tree planting campaign. As part of the Lions International effort to plant 1 million trees, the Salem Lions planted 21 trees on the recreational areas in town. These trees are native to New England and will beautify the Salem Multi-Purpose Path, Lou Ulferrs Recreational Complex, and Volunteer Park. We thank the Salem Lions for all their efforts on behalf of recreation in Salem.

The Salem Multi-Purpose Path saw a number of improvements in fiscal year 2012. We extended the path to the school. People can now go from Music Vale Road to the school on a completed portion of the trail. We also had an Eagle Scout project by Pratik Ubba which enhanced the trail significantly. Pratik cleared an overgrown portion of the trail, marked the trail, and installed a bench. The Commission has benefited from all the Eagle Scout projects over the years and we look forward to many more.



The Path Committee is continuing the process of permitting for walking bridges over Harris Brook as part of the ongoing trail project. This involves discussions with CT DEEP, National Parks Service, Army Corps of Engineers, and the Eight Mile River Wild and Scenic Committee. All of these departments have to be coordinated in order for this project to go forward.

The Salem Recreation Commission is always looking for volunteers for programs and any other ideas that residents might have. We always welcome visitors to our meetings and appreciate any input they may have. We are committed to our mission statement:

“The Salem Recreation Commission supports programs for a variety of ages and interests. Our mission is to promote health, well-being, fitness and good sportsmanship through organized sports and open recreational activities. The Commission is devoted to the development and maintenance of town owned recreational sites and facilities.”

Respectfully Submitted

Sue Spang

Salem Recreation Commission Chairman.

ECONOMIC DEVELOPMENT COMMISSION REPORT

In 2012, the Salem Economic Development Commission (EDC) primarily focused on developing a system that will assist existing town businesses to succeed as well as to extend a welcoming arm to prospective business owners. By embracing the agricultural history of the town in conjunction with the desire to keep environmental factors and the general character of the town at the forefront of importance, the EDC developed ideas to help businesses succeed in Salem. We also renewed a working relationship with the Planning and Zoning Commission and Zoning Enforcement Officer.

To help facilitate the growth of existing town businesses, the EDC embraced the new Salem Farmer’s Market as an outlet for businesses in town to mingle with townspeople on a weekly basis. By electing a liaison to the Salem Farmer’s Market Committee the EDC suggested a “feature business” table for local businesses to have a space to pass out literature and/ or do demonstrations on a rotating basis.

The EDC has spent a great deal of time discussing the Salem Town Center and action that may be taken to help create a business venue that is both aesthetically pleasing and functional for town residents and visitors. To help achieve this goal the Commission has spent time meeting with business owners that rent space in the Town Center, encouraging them to create a group amongst themselves where ideas to improve the property can be formulated and then brought to the attention of the property owner.

The EDC has also spent time reviewing and discussing the “Salem Village Zone” draft regulations created by the Planning and Zoning Commission. By electing a liaison to the Planning and Zoning Commission the EDC has stayed up to date on changes and discussion regarding regulations for the Salem Village Zone. The EDC concluded that the use of these regulations will help to create an environment that is appealing to new business owners as well as neighboring residents.

In 2012 two new commissioners were appointed: Ada Vaill and Vincent Howe. Frank Sroka serves as the chairperson, and other commissioners include Larry Stevens, Nicole Gadbois, Jenifer Lee and Dana Abetti. The EDC meets regularly on the third Monday of each month, except on recognized Monday holidays, at 7:30 p.m. in Town Hall. All meetings are open to the public.

ASSESSOR REPORT

Real Estate	Personal Property	Motor Vehicle	Total 2010 GL
\$387,870,909	\$11,639,136	\$29,629,872	\$429,139,917

In addition to compiling a Grand List each year the following programs are administered by the assessor's office:

- Disabled, Elderly Homeowners & Freeze Programs- February 1st to May 15th
- Local Option Homeowners applications – February 1st to May 15th
- Elderly Renters – May 15th to September 15th
- Additional Veterans – February 1st to October 1st

The following exemptions are administered by the assessor's office:

- Blind Persons- Certificate of Blindness from the State of Connecticut. Completed application filed with the assessor's office.
- Veterans File his/her honorable discharge with the Town Clerk by September 30th
- Veteran's with Disabilities – File a copy of award letter from the Veteran's Administration with the assessor's office. Form must be filed only once unless rating changes.
- Federal Soldier's and Sailor's Civil Relief Act - Non Resident Servicemen on active duty in Connecticut. Form filed with the Assessor's office. No Statute of Limitations as to when filed.
- Connecticut Servicemen with one Connecticut registered vehicle garaged out of state. Active duty military forms must be filed each year prior to October 1st with the assessor's office.

Personal Property declarations for businesses, farms and non-registered motor vehicles are required to be filed annually prior to November 1st to avoid a 25% penalty

Applications for farm and forest land classifications "PA 490" must be filed no later than thirty days after October 1st with the assessor's office.

HEALTH DIRECTOR'S REPORT

The responsibilities of the public health director include:

1. Environmental Health (water quality, sewage disposal, restaurant inspections)
2. Communicable Disease Surveillance (reportable illnesses such as Lyme Disease, tuberculosis, rabies, and sexually transmitted diseases, are reported to, and monitored by the Health Director). In addition, other medical diseases such as lead toxicity are also reportable to the State.
3. Maternal and Child Health (the town of Salem contracts with the Southeastern CT Visiting Nurse Association to provide Well Child services for physicals and immunizations from birth to age 5).
4. Coordination with the State Health Department regarding the variety of health issues which affect the town of Salem.
5. Attending the biannual Health Directors Conferences, sponsored by the State Department of Health.
6. Communication of town officials on all public health matters.

Salem is a small semi-rural, middle to upper-middle class community with modest industry and farming. The town's building department serves as the point of coordination for all health and environmental issues. The First Selectman consults the Health Director for any issue that requires his/her expertise.

Health and environmental issues that were a concern for July 2011 – June 2012 were:

1. Sewage Disposal/Septic Problems
 - a. Subsurface lots tested – 4
 - b. Failed systems – 0
 - c. Repair permits issued – 10
 - d. New permits issued – 5
2. Private well permits issued – 9
3. Food sanitation inspections – 1

Robert W. Powitz, PhD, MPH, DLAAS, RS, Salem Director of Health



BUILDING OFFICIALS REPORT

2010-2011			2011-2012	
	Value	Units	Value	Units
Residential:				
Foundations	50,500	2	0	0
New Homes	3,218,902	12	892,613	3
Additions	604,967	11	169,000	2
Alterations	1,249,478	130	882,134	99
Trades	1,174,916	241	658,842	151
Manufactured Home	0	0	0	0
Garages	473,662	12	224,372	5
Pools	135,999	6	168,825	9
Sheds/Barns	206,541	30	120,879	17
Decks	112,721	12	34,946	6
Commercial:				
Foundation Only	0	0	0	0
New Commercial	591000	2	508,000	1
Additions	0	0	0	0
Alterations	527,515	5	553,515	9
Trades	76,270	9	24,950	5
Extensions	0	0	0	0
Other:				
Demolitions	38,000	5	18,000	4
Tents	5,200	2	2,800	2
Membrane Structure	96900	1	0	0
Total Permits Issued:	314			
Total Construction Value:	4,271,310			
Total Permit Fees Collected:	38,249			

Vernon C. Vesey II, *Building Official*

Diane E. Weston, *Administrative Assistant*

SALEM FREE PUBLIC LIBRARY ANNUAL REPORT

Mission Statement:

“The Salem Free Public Library improves the quality of life for the public by providing resources that build a sense of community and contribute to individual knowledge, enlightenment, and enjoyment”

The Salem Free Public Library offers small town friendliness and service to our public. We encourage our patrons to offer their comments, suggestions, and opinions. Gratitude is extended to our patrons who support the library throughout the year, not only through their steady usage, but also with their tax dollars and generous contributions to the Friends of Salem Library. Thanks to them the Salem Free Public Library is a large part of this vibrant community.

In addition to Town funds, the Salem Library receives financial, emotional and manpower support from The Friends of Salem Library. In 2011-12, The Friends of Salem Library gave \$14,000 to the library for the support of programs, summer reading, the collection, museum passes, story hour and the teen advisory group. Thanks are also due to the following donors:

- The Moms Club – to add to the Children’s’ Collection
- The Propbusters – for the Collection in general
- Shirley Diamond – for the Poetry Collection
- Diane St. Laurent – for Caldecott Award books
- The Salem Library Knitters – the proceeds from their second knitting sale were used for the Winter Reading Program and other programs
- Salem School PTO
- Gerald Daigle – for the Collection in general
- Karen Jensen
- Chelsea Groton Bank – for the Summer Reading Program
- Salem Valley Farms Ice Cream – for the Summer Reading Program
- R & W Heating – for the Summer Reading Program
- C.G. Real Estate – for the Summer Reading Program

During the year, the library provided 356 programs with a total attendance of 5,114. Beauty and the Beast made an appearance at the library, as well as live snakes, fairies, and laughter yoga. Presenters taught our patrons how to make a kale salad so good that kids would eat it, the ins and outs of digital photography, how to design a new garden, or remodel a house. Our audiences drank tea with dolls and attended concerts – The Eight Mile River Band, the Sounding Brass Quintet, Celticity and janus. Attendees created all kinds of art – chalk, watercolors, zentangles, Chinese painting, origami and kites. The artwork was displayed at the Art and Poetry Reception in August along with the winners of the Salem Library Poetry. This year we also offered a Photography Contest.

The library owns about 30,500 items, comprised of books, magazines, movies, and audio books, and also, e-books, science kits, a kindle, and downloadable audio books. Through our consortium, we have 1900 e-books and 1400 downloadable audio books.

What the library does not own, we borrow. We borrowed 3,477 items versus 2,693 last year, an increase of 29%. An indication that our library’s collection is fairly good is the amount of items we lent to other libraries. This year we lent 3,216 versus 2,683 items last year, an increase of 20%.

The Salem Free Public Library has seen an increased number of patrons this year. As of June 2012, there were 4,168 registered patrons compared to last year’s 3,599. Salem patrons comprise 66% of the patron base; Bozrah patrons account for 16%; the remaining 18% of patrons come from other towns.

We have several databases for our patrons – our newest is Universal Class which offers over 500 free on-line classes on all sorts of subjects, from hobbies to business. We also offer JobNow – a one-on-one interviewing and resume help aid, and Learning Express which offers practice tests and skill-building courses for all ages.

The library is awash in volunteers, both adults and children. We clocked over 2,000 volunteer hours at the library. This does not include the volunteer hours at the annual Friends book sale. That's a big help!

The library received a technological upgrade through the Broadband Technology Opportunities. Our computers are now on a fiber optic cable so that we can provide a better and faster internet service to our patrons.

The Salem Library proctored exams for four students and provided space on 280 separate occasions for 24 community groups and businesses, and several tutors.

Friends of Salem Library Executive Board

Sandra Teixeira	President
Carole Eckart	Vice President
Martha Giegel	Secretary
Mary Cikatz	Treasurer

SALEM SENIOR CITIZEN REPORT

The Salem Seniors Group consists of members from Salem and surrounding towns. They meet on the second Tuesday of the month at 10:30, (except January & February). The meeting takes place at the Salem Volunteer Fire Department in the back meeting room. The fee for membership is \$5.00 and open to people 50 and over. The VNA gives wellness checks before every meeting. Flu shots are offered in the fall at the Senior meeting for all seniors as well as Salem residents. All meetings consist of business meeting and pot luck lunch, many times there are speakers. The group holds a summer picnic and in December a holiday lunch. The group is always looking to expand its membership and programs.

For more information call: Nancy Dytko-860-859-1118 or Sue Spang, Municipal Agent for the Elderly, 860-859-3873 X 100

Officers of the Salem Seniors

Nancy Dytko	President
Jean Ann Scaduto	Vice President
Irene Jarvis	Secretary
Carol Vasquez	Treasurer

Respectfully Submitted
Sue Spang

SALEM VOLUNTEER FIRE COMPANY, INC. REPORT

The Salem Volunteer Fire Company, Inc., currently operates six pieces of firefighting equipment, 1985 Chevy 4X4 brush truck, 2012 Ford F-350 4-wheel drive service truck and utility vehicle, 2008 Ferrara 77' Heavy Duty Aerial, 1991 Pierce Attach Pumper, 1999 Freightliner Tanker, 2001 Ford F350 4X4 R-1 Vehicle (Medical Truck), 1999 Ford Expedition used as a personnel and traffic sign carrier for Fire Police, and a 2010 6x6 Polaris Ranger for off road emergencies which we purchased thru fundraisers and donations..

The Salem Volunteer Fire Company continues to support local organizations such as the Salem Youth Baseball League, Salem Soccer League, Lions Club, and the Senior Citizens. We also have supported the Connecticut Burns Care Foundation over the years.

Volunteering in a town the size of Salem helps to offset the Town budget by not having to have a paid staff on duty 24 hours 7 days a week. We are in need of members for all aspects of the fire service, such as firefighters, emergency medical technicians, and fire police, who are willing to keep up-to-date with the OSHA training requirements. Senior members must be at least 18 years old. We also have a Junior membership starting at age 13.

We have our Company meetings on the first Thursday of each month with trainings and other functions being held on the following Thursdays of each month. Anyone interested in joining or more information, please stop in at the Station or phone the Station at 860-859-0942.

On August 24th 2013, The Fire Company will be holding its annual Chicken and Ribs Barbecue starting at 5pm. This will be our third year holding the barbecue, and every year it has grown. The company hopes to see all our townspeople at our station this year at this event. Advance ticket sales are needed and you can get the information through our web site. <http://www.salemfireco.com> or by calling the station at 860-859-0942.

Chief	Eugene R. Maiorano
Deputy Chief	Rick Martin
Assistant Chief	Ron Przech Jr.
Fire Captain	Jeff Martin
Safety Officer	Russ Morris
Rescue Captain	Brian Ennis
Fire Police Captain	Brian Cinea
Secretary	Lisa Martin
Treasurer	Marcella C. Maiorano
Appropriated Treasurer	
Lieutenants	Jeff Standish, Mark Dickson, Bob Pokrinchak Debbie Cadwell, Rob Oloski, Al Wlodarczyk and Chris Cinea

Respectfully Submitted:
Eugene R. Maiorano, Chief
Salem Volunteer Fire Co, Inc.

GARDNER LAKE VOLUNTEER FIRE COMPANY INC. REPORT

During the period of July 1, 2011 to June 30, 2012 The Gardner Lake Volunteer Fire Company Inc. was dispatched to 558 emergencies. These emergencies consisted of 218 Fire Calls, 340 Emergency Medical Service Calls.

We will continue to support with the use of our community hall, organizations such as: Salem Recreation Commission, Girl Scouts, Brownies, Boy Scouts, Cub Scouts and the Venture Crew. Additional organizations Salem Land Trust, Salem Senior Citizens and Town meetings held by The Board of Finance and Board of Selectman.

Our Community hall is open free of charge to any town resident for the purpose of a funeral reception. Please call the company at 860-859-1743 between 9:00 am and 5:00 pm week days for scheduling. The Community Hall is used very often, we will do our very best to accommodate everyone in their time of need.

We will continue to offer classes for Cardio Pulmonary Resuscitation (CPR) and Automated External Defibrillator (AED) for the Heart Saver Program covering the, Public, Town Boards and Commissions, Town Hall, Library and Public Works Employees and other organizations in town with a recovery cost of materials for the class. To date we have 21 defibrillators throughout our town.

We are pleased to announce the arrival and to have blessed our new 2012 PL Custom / Dodge Ambulance, Purchased with the diligent fiscal oversight of our Company Board of Directors at no upfront cost to the Taxpayers of our Town.

We are always in need of Volunteers for EMS, Firefighters, support and fund raising. There's a position for everyone. Visit our web site, www.gardnerlakevolfireco.org for additional information. We would like to meet you and your family.

The Officers and Members wish to thank the taxpayers for the privilege in serving the Town of Salem since 1956.

Chief	James Savalle **	FF / EMT	President	Cheryl Philopena **	EMT
Deputy Chief	Joseph Danao II **	FF / EMT	Treasurer	Christine Lindo **	PAST EMT
Assistant Chief	Jeffrey Savalle **	FF / EMR	Secretary	Ruth Savalle	SUPPORT
			Board Member	John Cunningham **	FF / EMT
EMS Captain	William Tinnel	FF / EMT	Board Member	John Hirsch **	FF
Safety Officer	John Cunningham	FF / EMT	Board Member	Stephen Philopena **	FF
Lieutenant	William Leuck	FF / EMT			
Lieutenant	Susanne Leuck	EMT			

Public Education, Fire Prevention, CPR /AED Instructor and Coordinator
Susanne Leuck EMT

DENOTES LIFE MEMBER 20 YEARS + SERVICE **

APPARATUS

1988 PUMPER TANKER 1989 FORESTRY 2000 ENGINE TANKER 2000 RESCUE
2007 SERVICE / MEDICAL RESPONSE TRUCK 2012 AMBULANCE

Respectfully,
Chief, James B. Savalle

GARDNER LAKE AUTHORITY REPORT

The Gardner Lake Authority (GLA) is established with the Towns of Bozrah, Montville and Salem to govern the body of water know as Gardner Lake. The Authority shall act as agent for the Towns, cooperating with the State Boating Commission in the enforcement of boating laws on Gardner Lake. The Authority shall also control and abate algae and aquatic weeds thorough DEEP managed drawdowns, and study and make recommendations concerning water management.

This year GLA hired a consulting service to continue the lake sampling and assess aquatic plant life, and will provide data analysis.

The Montville Police Water Patrol and CT Department of Energy and Environmental Protection (DEEP) patrolled the lake. Following are Montville Police stats: **Safety Inspections:** 53. **Assists:** Boat-1. **Warnings:** Wake-24, No PDFs-6, Failure to Carry Boater Safety Certificate-7, Failure to Display Decals-1, Wake After Dark-4, Failure to Carry Registraton-3, Swimmers Out of Swim Area-6, Unregistered Boat-1. **Infractions:** Wake-8, No Boater Safety Certificate-2, Water Skiing-No Observer Facing Rear-1, Prohibited Use of Dock-1.

GLA worked directly with DEEP personnel to meet the needs of lowering of the lake for the winter months to help control the invasive weed population, accommodate dock removal and lake wall & shore repair.

In addition to working as liaison between citizen inquiries, town officials and DEEP, GLA continuously worked with committees including Boat Patrol, Finance, Environmental, Education and Friends of Gardner Lake Citizens Group.

GLA sponsored a highly attended boater safety course with 131 passing certificates awarded. The proceeds from registrations were donated to the Gardner Lake Fire Department for the use of their facility.

The Gardner Lake Authority meets the second Thursday of the month from March through November (no meetings in December, January and February). The location is on a rotating basis beginning at the Bozrah Senior Center in March, Montville Town Hall in April, Salem Town Hall in May, and the cycle rotates twice more. The public is invited to attend the 7:00 p.m. meetings.

Respectfully submitted,

Gardner Lake Authority

Bozrah: Henry Granger, Vice Chair; Jim McArdle, Scott Soderberg, Treasurer
Montville: Kate Johnson, Secretary; Ed Socha, Bill Wrobel
Salem: Lou Allen, Bob Neddo, Russ Smith, Chair

VISITING NURSE ASSOCIATION OF S.E. CT. REPORT

The Visiting Nurse Association began providing service to the residents of Salem in 1998. Services provided in 2012 are:

Seven Blood Pressure clinics, with 74 participants

A town wide flu clinic where 36 residents received vaccinations.

In addition to the above services, the agency provided 411 visits to 28 patients under the Home Health Care Program. These included skilled nursing, therapies, and home health aides. Three visits were made to individuals who were uninsured and could not afford to pay for services.

Residents who wish to arrange service may do so by calling the Intake Nurse at 860-444-1111, X 215. For general questions about the agency, please call Mary Lenzini, President at extension 301.

TVCCA



THAMES VALLEY COUNCIL FOR COMMUNITY ACTION, INC.

SERVICES TO THE TOWN OF SALEM

10/1/11- 9/30/12

	CLIENTS/HOUSEHOLDS SERVED	VALUE OF SERVICES
Case Management	8	\$ 252.00
Connecticut Energy Assistance Program	54	\$ 30,704.00
CT Works Case Management	3	\$ 707.00
Employment Services-National Emergency Grant	1	\$ 1,231.00
Head Start	6	\$ 42,473.00
Jobs First Employment Services	2	\$ 1,852.00
Little Learners	1	\$ 5,574.00
Retired and Senior Volunteer Program	1	\$ 231.00
Tax Preparation Services (VITA)	3	\$ 6,447.00
WIA Adult & Dislocated Workers	1	\$ 3,074.00
Women, Infants & Children (WIC)	33	\$ 12,922.00
GRAND TOTAL	113	\$105,467.00

APPENDIX 1

REPORT OF THE BOARD OF EDUCATION AND SUPERINTENDENT OF SCHOOLS

**SALEM SCHOOL DISTRICT
SALEM, CONNECTICUT**



**REPORT OF THE SUPERINTENDENT OF SCHOOLS
and Board of Education**

2011 - 2012



**SALEM SCHOOL DISTRICT
SALEM CONNECTICUT**

REPORT OF THE SUPERINTENDENT OF SCHOOLS FOR 2011 - 2012

AND

The Board of Education: Stephen Buck, Chairperson; Dinis Pimentel, Vice-Chair; Pamela Munro, Secretary; Linda Robson, Treasurer; Margaret Caron; Robert Green; George Jackson; Monica Lord-McIntyre; Mary Ann Pudimat.

The Statutes of the State of Connecticut, particularly Section 10-157 and Section 10-224 of the laws relating to education, prescribe that the Superintendent of Schools shall report annually on the condition of the District's schools to both the local and state Boards of Education.

The following data and comments are considered pertinent to the annual report as required:

A. **Salem School Staff**

1. Administrative Personnel

<u>Class</u>	<u>Teacher</u>
Superintendent	H. Kaye Griffin
Director of Special Programs	Benjamin Dix
Middle School Principal	James Moran (Military leave 3/9/12 – 6/30/13)
	Thomas Heffernan (Interim) (3/12/12 – 6/30/12)
Elementary School Principal	Cynthia Ritchie

2. Related Arts/Special Education Personnel

<u>Class</u>	<u>Teacher</u>
Art	Susan Miller
Art	Bethany Kohary
Instructional Technology	Scott Gordon
Computer Technology	Robert McLaughlin (1/20/12)
	Susan Bennett (LTS: 1/9/12 – 6/30/12)
Elementary Guidance Counselor	Laurie Nagy
Middle School Guidance Counselor	Jim Guarino
Health/PE	Barbara Bashelor
Library/Media Specialist	Carol Barry (Resigned 9/30/11)
	Sarah Kateley (10/11/11)
Music	Christopher Hebert
Music/Band	Margaret Hyman
Physical Education	Amy Beardsley
Physical Education	Christopher Pugliese
LA/SS Curriculum Support Teacher	Nicole Hecklinger
Math/Science Curriculum Support Teacher	Tracy Burns
School Psychologist	Piper Raymond
Special Education	Jennifer Werb
Special Education	Cheryl Carroll
Special Education	Judith Staub
Special Education	Melissa Quinn
Speech and Language Pathologist	Lori Brehler
Speech and Language Pathologist	Catherine Conover
World Language – French	Christie Borelli
World Language – Spanish	Marcelo Guinez

3. Teachers - Certified, Full Time*Class Size (as of Oct. 1)*

<u>Class</u>	<u>Class Size</u>	<u>Teacher</u>
Pre-School	9	Betty Marr
Kindergarten (AM) / (PM)	20/17	Carla Oscarson
Grade One	17	Judy Butterworth
Grade One	18	Dale Mainville
Grade One	18	Cynthia Puhlick
Grade Two	16	Heather Meisenzahl
Grade Two	15	Gretchen Leming
Grade Three	22	Dawn Cwirka (retired 1/9/12)
		Erika Karwowski (LTS 1/9/12-6/30/12)
Grade Three	22	Barbara Leyden
Grade Four	19	Pamela Berardino (resigned 12/9/11)
		Hillary Borges (LTS 12/19/11 – 6/30/12)
Grade Four	19	Jill MacLachlan
Grade Five	18	Joyce Rak
Grade Five	18	Joan Phillips
Grade Five	18	Christina Holth
Grade Six	19	Barbara James (retired 6/30/12)
Grade Six	18	Janlyn Neri
Grade Six	19	Robert Swan
Grade Six	18	Mary Barone
Grade Seven	22	Laura Runkle
Grade Seven	22	Michael Sweeney
Grade Eight	19	Jennifer Desillier
Grade Eight	20	David Dander
Grade Eight	20	Brian Fleming

4. Office and School Health Personnel

<u>Class</u>	<u>Teacher</u>
Business Office Manager	Kim Gadaree
Executive Assistant to the Superintendent	Jennifer Kayser
Middle School Principal's Secretary	Laurie Barberi
Elementary School Principal's Secretary	Emily Doirin
Administrative Assistant to the Dir. Of Spec. Programs	Cathy Wayne
Library/Media Aide	Sue Wyand
School Nurse	Lisa Gardner, RN
Computer Technician	Ruben Perez
Greeter (PT)	Sal Crisanti (resigned 5/7/12)
Greeter (PT)	Kathy Barrio

5. Non-Certified Support Personnel

<u>Class</u>	<u>Teacher</u>
Tutor (0.65FTE)	Palma Canniff
Tutor (0.65 FTE)	Ginni Cronin
Tutor	Cathy Freiert
Tutor	Ellen Javor
Tutor	Darra Ryan
Tutor	Nancy Senkewitz
Tutor	Mary Sturgeon
Classroom Aide	Johna Devoe
Classroom Aide (PT 1:1)	Dhelean Ubinas Rivera (2/1/12 – 6/30/12)

6. Lunch Aides

<u>Class</u>	<u>Teacher</u>
Lunch Aide	Cindy Noe
Lunch Aide	Rhea Fowler
Lunch Aide	Jessica Thompson
Lunch Aide	Mary Henson

7. Custodial Staff

<u>Class</u>	<u>Teacher</u>
Maintenance Supervisor	Mike Denomme
Custodian	Richard Blackburn
Custodian	Barbara Hedberg (Hired 11/28/11)
Custodian (part-time)	Mary Henson (Hired 9/6/11)
Custodian	Brenda VanDyne
Custodian	Sebastian Tuccitto

B. GRADUATES - JUNE 2012

1. Salem School: - Grade 8:

Cassidy Abdeen	Alyse Acuna	Joshua Allen
Rachel Belanger	Alexis Bell	Haley Birch
Anny Beatrix Botelho	Katherine Bowen	Olivia Burton
Damion Cerminara	Douglas Cipriani	Julia Cipriani
Kaylie Crosby	Ella Czuba	Johanna Damberg
Cooper Dupuis	Theresa Durkee	Madisyn Erb
Stephani Esposito	Nicholas Ferguson	Travis Frabco
Danielle Gaito	Serina Gelinis	Nicholas Ghirardi
Donovan Goodwin	Fares Hashem	Jacob Hughes
Ricardo Kearse	Mahnoor Khan	Katherine Knight
Jason LaBonte	Ryan Len	Ashley Makowski
Alexandra Marsh	Isabelle Moore	Lauren Moore
Devin Noe	Sylan Noel	Alison Poole
Kaihley Rafferty	Jessica Raffone	Olivia Reyes
Olivia Rianhard	Jared Ringer	Saraj Rudker
Shawn Ryley	Nina Sanfilippo	Emily Scott
Dana Soli	Matthew Spang	Greta Stroebel
Kirsten Thompson	Brittany Townsend	Michael Traylor
Christina Tunucci	Elizabeth Whitlatch	Colby Winakor
Benjamin Wojcik	Charlotte Wojcik	Dylan Worrell

2. East Lyme High School:

Johanna Boggs	Michael Burke	Sean Chmielewski
Emmitt Clark	Johnathan Clark	Conrad Clewell
Katherine Cummins	William Damberg	Dominic Dilizia
Holly Disch	Dylan Dukette	Victoria Dye
Irving Eggleston	Stephenie Florie	Sarah Fricke
Trini Gao	Stavros Ghirardi	Gabrielle Green
Tori Grey	Madeline Hebbel	Vanessa Johns
Shaan Kamal	Amber Kirchner	Matthew Kittleman
Michaela LaBonte	Ashly Lacerte	Kelsie Lane
Allyson LaRose	Alexandra Leen	Andrew Lightner
Kathleen Loubier	Elizabeth Miller	Kyle Miller
Morgan O'Toole	Anika Pallan	Erika Perron
Parker Preston	Parker Preston	Daniel Rancourt
Kaitlin Sanders	Troy Sanfilippo	Morgan Sankow
Leigh Soderberg	Lilimarie Subiono	Matthew Swearingen
Clarissa Verish	Meredith Walker	Kirsten Whitlatch
Avery Whittaker	Aleene Woronik	

II. FISCAL DATA

A. Budget Management

1. The Business Manager in collaboration with the Superintendent and the Board of Education developed and monitored the 2011-12 Operating Budget. The budget expenditures and receipts are recorded in a modified accrual system of accounting licensed by Unifund, LLC. Cost analysis and sound fiscal practices have been consistently applied and participation in cooperative purchasing programs with other towns and agencies remain in place in order to contain costs.
2. The Executive Assistant to the Superintendent managed the Student Activity Account and prepared a year-end report for the Board of Education. She also applied for the school hot lunch program funds and maintained the accounts.
3. The Board of Education continued to review and revise its 10-year Capital Improvement Plan with all efforts to reduce the effects of over burdening the town's debt service.

B. Current Receipts

Support for education received into the town's general fund for the fiscal year 2011-2012 included the following state and federal funding:

<u>Funding</u>	<u>Amount</u>
Educational Equalization	\$3,104,924
Transportation	\$50,627
Public School Building Grant	\$24,157
Adult Education	\$4,013
School-wide Entitlement (ESEA/REAP)	\$24,065
Services for the blind	0
Excess Cost (Special Education)	\$149,290
Special Education Grants (IDEA, etc.)	\$108,940
Tuition from another district	0
ARRA Stabilization	0
Total Education Receipts	\$3,466,016

B. Current Expenditures

Board of Education expenditures for 2011 - 2012, as reported on the State Department of Education ED-001, were \$9,869,164 and distributed as follows:

<u>Expenditures</u>	<u>Amount</u>
Debt Service East Lyme	\$92,353
Salaries	\$3,905,902
Benefits	\$696,850
Purchased Services	\$1,339,325
Tuition	\$3,137,439
Supplies/Property	\$689,415
Adult Education	\$7,880
Total Expenditures	\$9,869,164

Broken down in another manner, expenditures, less non-reimbursed costs, were made as follows:

	<u>Amount</u>
Elementary School	\$5,215,914
High School	\$3,228,623
Special Education	\$1,424,627
Total	\$9,869,164

	<u>Amount</u>
Central Administration	\$778,704
East Lyme H.S. (9-12)	\$3,131,136
Out Placements (PK-12)	\$438,482
Salem School (PK-8)	\$5,520,842
Total	\$9,869,164

\$158,040.95 was returned to the town as unexpended.

PROGRAMS AND SUPPORT ACTIVITIES

The Board of Education approved the following Goals for the 2011-12 school year.

- 1.) All members of the Salem School Learning Community will achieve excellence in all aspects of their education. Members will demonstrate independent, inquiry driven and collaborative problem solving skills.
- 2.) All members of the Salem School Learning Community will demonstrate social competence by exhibiting the values of respect, kindness and responsibility for school, self and others.
- 3.) All adult members of the Salem School Learning Community will share the responsibility for making a positive connection to students and for providing differentiated learning experiences that enable every student to reach his/her potential.

The District and School established initiatives, related to these goals. The progress made toward attaining these initiatives was monitored and reviewed throughout the year. A report of progress was made to the Board of Education throughout the year.

Board of Education Subcommittees

Policy – Pamela Munro (Chair): This subcommittee meets to develop policy upon the recommendation of the Board, to review existing policy and to eliminate, revise and/or develop new policies, as necessary. The subcommittee also, for adopted policies, invites the Superintendent to apprise the subcommittee of the procedures developed by the Superintendent and the administrative team to implement the Board's policy.

Long-Range Educational Planning – Linda Robson (Chair): This subcommittee meets to develop and monitor the implementation of effective long-range planning for the school district's instructional programs, facilities, technology services, and educational support functions. It shall be an advocate for and play a leadership role in long-range planning initiatives and shall promote a long-term commitment to keeping all school district stakeholders involved and informed about the Board's vision for the Salem School District.

Personnel/Contract Negotiation – Dinis Pimentel (Chair): This subcommittee meets to study recommended compensation issues for administrators, professional staff and non-certified personnel. The subcommittee usually meets once a month or on an "as needed" basis during labor and/or personnel contract negotiations. The subcommittee conducts or assists with administrative position searches. The subcommittee also reviews proposed/revised job descriptions, employee grievances and other human resources topics/issues and related legal issues.

APPENDIX II

ANNUAL FINANCIAL REPORT OF THE TOWN OF SALEM

Town of Salem, Connecticut

Financial Statements and
Supplementary Information

Year Ended June 30, 2012

Town of Salem, Connecticut

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Town of Salem, Connecticut

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Independent Auditors' Report

The Board of Finance Town of Salem, 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 Salem, Connecticut (the "Town") as of and for the year ended June 30, 2012, which collectively comprise the Town's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town as of June 30, 2012 and the respective changes in financial position 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 January 07, 2013 on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Independent Auditors Report (Continued)

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's financial statements. The accompanying financial information listed as combining and individual fund financial statements and supplementary schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying financial information listed as combining and individual fund financial statements and supplementary schedules in the table of contents is fairly stated in all material respects in relation to the financial statements taken as a whole.

O'Connor Davies, LLP

Wethersfield, Connecticut
January 07, 2013

Town of Salem, Connecticut

Management's Discussion and Analysis
June 30, 2012

Town of Salem, Connecticut

Managements' Discussion and Analysis
Year Ended June 30, 2012

Our discussion and analysis of Town of Salem, Connecticut's (the Government) financial performance provides an overview of the Government's financial activities for the fiscal year ended June 30, 2012. Please read it in conjunction with the Government's financial statements.

FINANCIAL HIGHLIGHTS

Due to firm enforcement of our purchasing policy, strong negotiations with all vendors, as well as a continued concerted effort of fiscal responsibility by all departments, the General Government was able to return \$192,820 to the Town's General Fund. The Board of Education also returned \$158,390.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (Exhibits 1 and 2) provide information about the activities of the Government as a whole and present a longer-term view of the Government's finances. Fund financial statements start with Exhibit 3. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Government's operations in more detail than the government-wide statements by providing information about the Government's most significant funds. The remaining statements provide financial information about activities for which the Government acts solely as a trustee or agent for the benefit of those outside of the government.

Reporting the Government as a Whole

Our analysis of the Government as a whole begins with Exhibit 1. One of the most important questions asked about the Government's finances is, "Is the Government as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the Government as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Government's *net assets* and changes in them. You can think of the Government's net assets—the difference between assets and liabilities—as one way to measure the Government's financial health, or *financial position*. Over time, *increases or decreases* in the Government's net assets are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Government's property tax base and the condition of the Government's roads, to assess the *overall health* of the Government.

Town of Salem, Connecticut

Managements' Discussion and Analysis
Year Ended June 30, 2012

In the Statement of Net Assets and the Statement of Activities, the Government shows the following activity:

- Governmental activities—The Government's basic services are reported here, including the education, public works, and general administration. Property taxes, state and federal grants and local revenues such as fees and licenses finance most of these activities.

Reporting the Government's Most Significant Funds

Our analysis of the Government's major funds begins in the section titled "The Government's Funds". The fund financial statements begin with Exhibit 3 and provide detailed information about the most significant funds—not the Government as a whole. Some funds are required to be established by State law and by bond covenants. However, the Board of Finance establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money.

- *Governmental funds*—The Government's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified* accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the Government's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Government's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental *funds* in the reconciliation at the bottom of the fund financial statements.

The Government as Trustee

The Government is the trustee, or *fiduciary*, for the activity funds at the school. These funds do not belong to the Government. The Government's fiduciary activities are reported in separate Statements of Fiduciary Net Assets in Exhibit 5. We exclude these activities from the Government's other financial statements because the Government cannot use these assets to finance its operations. The Government is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE GOVERNMENT AS A WHOLE

The Government's *combined* net assets increased by \$1,308,125 from a year ago—*increasing* from \$16,337,569 to \$17,645,694. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the Government.

Town of Salem, Connecticut

Managements' Discussion and Analysis
Year Ended June 30, 2012

Table 1
Change in Net Assets (on Exhibit 1)

	Change During Year			2011
	2012	Dollars	Percent	
Current and other assets	\$ 3,715,546	\$ 287,100	8.37%	\$ 3,428,446
Capital assets	15,985,118	780,614	5.13%	15,204,504
Total assets	<u>19,700,664</u>	<u>1,067,714</u>	5.73%	<u>18,632,950</u>
Long-term debt outstanding	1,464,312	112,305	8.31%	1,352,007
Other liabilities	590,658	(352,716)	-37.39%	943,374
Total liabilities	<u>2,054,970</u>	<u>(240,411)</u>	-10.47%	<u>2,295,381</u>
Net assets:				
Invested in capital assets, net of related debt	15,129,445	766,249	5.33%	14,363,196
Restricted - Expendable	491,670	207,282	72.89%	284,388
Restricted - Nonexpendable	1,997	-	0.00%	1,997
Unrestricted	2,022,582	334,594	19.82%	1,687,988
Total net assets	<u>\$ 17,645,694</u>	<u>\$ 1,308,125</u>	8.01%	<u>\$ 16,337,569</u>

Capital assets increased by \$810,190 (cost). This is due to the addition of the following:

- Public Works- Small Ford Truck- \$74,351
- Public Safety Medical Response Vehicle- \$66,713
- SVFCO Fire Gear- 21,520
- Public Works Infrastructure additions included:
 - Soccer Field Upgrade- \$10,769
 - Multi Purpose Path- \$55,329
- Construction in progress:
 - Pavilion - \$152,707
 - Route 85 Sidewalks - \$87,150
 - Rattlesnake Road - \$199,097
 - Darling, White Birch and Gungy Roadwork totaling \$99,504
 - School Building Committee capitalized costs- \$419,077

Depreciation was subtracted from net assets. This was \$448,653.

The town did not dispose of any fixed assets in the current year.

The net increase in capital assets was \$780,614. You can see the summary of Capital Asset activity in Footnote 2 Section D.

Long Term Debt decreased by \$112,305. See the details in Footnote 2 Section E.

Current and other assets increased as a result of the increase in town aid road money received as well as an increase education operating grants and contributions. Excess cost grant revenue decreased by \$68,450 from the prior year but Education Equalization Funds increased from \$2,655,504 to \$3,104,924.

Town of Salem, Connecticut

Managements' Discussion and Analysis
Year Ended June 30, 2012

Table 2
Change in Net Assets (on Exhibit 2)

	2012	Change During Year		2011
		Dollars	Percent	
Revenues				
Program revenues:				
Charges for services	\$ 355,373	\$ 23,622	7.12%	\$ 331,751
Operating grants and contributions	4,814,081	337,481	7.54%	4,476,600
Capital grants and contributions	2,415	(10,361)	-81.10%	12,776
General revenues:				
Property taxes	10,736,623	100,695	0.95%	10,635,928
Grants and contributions	21,213	500	2.41%	20,713
Interest and investment earnings	7,827	(10,269)	-56.75%	18,096
Gain (loss) on disposal of equipment	-	14,287	-100.00%	(14,287)
Other general revenues	8,893	(8,722)	-49.51%	17,615
Total revenues	<u>15,946,425</u>	<u>447,233</u>	2.89%	<u>15,499,192</u>
Program expenses				
General government	1,442,153	(41,793)	-2.82%	1,483,946
Public safety	784,259	1,587	0.20%	782,672
Public works	772,524	(51,177)	-6.21%	823,701
Sanitation and landfill	191,514	(11,665)	-5.74%	203,179
Education	11,437,443	(181,070)	-1.56%	11,618,513
Interest on long-term debt	10,407	(1,827)	-14.93%	12,234
Total expenses	<u>14,638,300</u>	<u>(285,945)</u>	-1.92%	<u>14,924,245</u>
Increase (decrease) in net assets	<u>\$ 1,308,125</u>	<u>\$ 733,178</u>	127.52%	<u>\$ 574,947</u>

Capital Grants and Contributions decreased by \$10,361 in the current year. In the prior year this balance was comprised of the Recreation Trail Fund revenue and in the current year the \$2,415 is the library grant money. The recreation trail fund was closed in the current year and the related revenue is now recorded in the Grants Fund.

A loss on the disposal of equipment was recorded in the prior year as vehicles and public works equipment that were not fully depreciated were disposed of. In the current year there was no disposal of equipment.

Interest and investment earnings continue to decline as interest rates have continued to drop.

Public Works expenses decreased as a result of the purchase of vehicles and equipment totaling \$88,970. Additions to CIP and Infrastructure totaled \$369,131. These capital asset purchases reduced government wide expenditures.

Governmental Activities

Table 3 presents the cost of each of the Government's governmental programs as well as each governmental program's net cost (total cost less revenues generated by the activities). The net cost shows the financial burden that was placed on the Government's taxpayers by each of these functions.

Town of Salem, Connecticut

Managements' Discussion and Analysis
Year Ended June 30, 2012

Table 3
Comparison of Total Cost to Net Cost (Exhibit 2)

	Total Cost of Services			Incr. Decr.	Net Cost of Services		
	2012	2011			2012	2011	Incr. Decr.
Governmental Activities							
General government	\$ 1,442,153	\$ 1,483,946	-2.82%	\$ 813,412	\$ 1,075,174	-24.35%	
Public safety	784,259	782,672	0.20%	784,259	782,672	0.20%	
Public works	772,524	823,701	-6.21%	675,543	726,772	-7.05%	
Sanitation and landfill	191,514	203,179	-5.74%	118,807	131,519	-9.67%	
Education	11,437,443	11,618,513	-1.56%	7,064,003	7,374,747	-4.21%	
Interest on long-term debt	10,407	12,234	-14.93%	10,407	12,234	-14.93%	
Totals	<u>\$ 14,638,300</u>	<u>\$ 14,924,245</u>	<u>-1.92%</u>	<u>\$ 9,466,431</u>	<u>\$ 10,103,118</u>	<u>-6.30%</u>	

Public Works - refer to above discussion.

In the prior year \$10,869 was spent out of CNR for the Transfer Station. Transfer Station expenditures in CNR only totaled \$633 this year and makes up the majority of the 5.74% decrease in costs above.

Interest on Long Term Debt is lower as a result of less debt. See LTD footnote for details.

THE GOVERNMENT'S FUNDS

The year showed an increase in net assets, as well as an increase in fund balance in the governmental funds as presented in Exhibits 3 and 4. The differences are primarily the treatment of long-term debt and capital assets. In the fund balance principal payments on long-term debt are a reduction in fund balance when the payments on the debt are made. Debt payments are never a direct reduction in net assets on the government-wide statements. Likewise, purchases of capital assets are a reduction in fund balance when the purchase is made. Capital asset purchases are never a direct reduction in net assets on the government-wide statements.

General Fund Budgetary Highlights

Over the course of the year, the Board of Finance can revise the Government budget with additional appropriations and budget transfers. Additional appropriations increase the total budget. The Board of Finance is allowed by the Salem Town Charter to make additional appropriations up to two tenths of one percent of the Town Budget per department. Additional appropriation over two tenths of one percent up to one percent of the Town's Budget require a Town Meeting. Additional appropriations over one percent of the Town's Budget require a referendum. Transfers do not increase the total budget, but instead pull appropriations from one department that needs additional funding from other departments that might have excess funding. State Statutes allow these transfers to be made by the Board of Finance without a Town Meeting. Below is a summarized view of the final budget and actual results for the General Fund:

Town of Salem, Connecticut

Managements' Discussion and Analysis
Year Ended June 30, 2012

Table 4
General Fund - Budget Summary

	Final Budget	Actual	Variance
Revenue			
Property Taxes	\$10,597,645	\$10,573,859	\$ (23,786)
Intergovernmental	3,416,833	3,293,345	(123,488)
Interest Income	20,191	6,966	(13,225)
Local Revenues	223,477	267,815	44,338
Transfers In From CNR	-	46,360	46,360
	<u>14,258,146</u>	<u>14,188,345</u>	<u>(69,801)</u>
Expenditures			
General Government	3,257,507	3,064,687	192,820
Education	10,027,205	9,868,815	158,390
Capital Outlay	1,462,058	1,462,058	-
	<u>14,746,770</u>	<u>14,395,560</u>	<u>351,210</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>\$ (488,624)</u>	<u>\$ (207,215)</u>	<u>\$ 281,409</u>

Due to firm enforcement of our purchasing policy, strong negotiations with vendors, as well as a concerted effort of fiscal responsibility by all departments, the General Government was able to return \$192,820 to the Town's General Fund. The Board of Education also returned \$158,390.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At the end of this year, the Government had \$15,985,118 invested in government activity capital assets (From Footnotes). This amount represents a net increase (including additions and deductions) of \$780,614 from last year. More detailed information about the Government's capital assets is presented in Note 2 Section D to the financial statements.

Debt

At year end, the Government had \$800,000 in general obligation bonds. This is a decrease of \$0 from last year as the town prepaid the FY12 payment in FY11. The final payment on the 32 Scott SCBA's lease was made in 2012. The Government's general obligation bond rating continues to carry an A1 rating. More detailed information about the Government's long-term liabilities is presented in Note 2 Section E to the financial statements.

Town of Salem, Connecticut

Managements' Discussion and Analysis
Year Ended June 30, 2012

The Town has endorsed through referendum a \$6,200,000 renovation to the Salem School. After reimbursements from the State the final cost to our taxpayers should be approximately \$5,000,000. The Town is expecting a very favorable interest rate on these bonds due to the historic low interest rate environment we are presently in.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Government's elected and appointed officials considered many factors when setting the fiscal-year 2013 budget and tax rates. With continued economic uncertainty there was much thought and concern for keeping expenditures in check to lessen the mill rate impact on our townspeople.

CONTACTING THE GOVERNMENT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the Government's finances and to show the Government's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Finance at Town of Salem, Connecticut, 270 Hartford Road, Salem, CT 06420.

Town of Salem, Connecticut

Basic Financial Statements
June 30, 2012

Town of Salem, Connecticut

Statement of Net Assets
June 30, 2012

	<u>Governmental Activities</u>
ASSETS	
Cash and equivalents	\$ 3,174,316
Investments	52,578
Receivables	
Taxes, net	445,648
Accounts	24,665
Intergovernmental	8,366
Prepaid expenses	100
Deferred charges	9,873
Capital assets	
Nondepreciable	3,081,723
Depreciable, net of accumulated depreciation	<u>12,903,395</u>
Total Assets	<u>19,700,664</u>
LIABILITIES	
Accounts payable	525,157
Intergovernmental payable	3,985
Accrued payroll and related	34,408
Accrued interest payable	15,271
Performance bonds	7,525
Unearned revenues	4,312
Non-current liabilities	
Due within one year	232,540
Due in more than one year	<u>1,231,772</u>
Total Liabilities	<u>2,054,970</u>
NET ASSETS	
Invested in capital assets, net of related debt	15,129,445
Restricted:	
Expendable	499,420
Nonexpendable	1,997
Unrestricted	<u>2,014,832</u>
Total Net Assets	<u>\$ 17,645,694</u>

Town of Salem, Connecticut

Statement of Activities
Year Ended June 30, 2012

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets
	Expenses	Charges for Services	Capital		
			Operating Grants and Contributions	Grants and Contributions	
Governmental activities					
General government	\$ 1,442,153	\$ 277,463	\$ 348,863	\$ 2,415	\$ (813,412)
Public safety	784,259	-	-	-	(784,259)
Public works	742,722	-	96,981	-	(645,741)
Sanitation and landfull	191,514	72,707	-	-	(118,807)
Education	11,437,443	5,203	4,368,237	-	(7,064,003)
Interest on long-term debt	40,209	-	-	-	(40,209)
Total Governmental Activities	<u>\$ 14,638,300</u>	<u>\$ 355,373</u>	<u>\$ 4,814,081</u>	<u>\$ 2,415</u>	<u>(9,466,431)</u>
General Revenues					
Property taxes, payments in lieu of taxes, interest and liens					10,736,623
Grants and contributions not restricted to specific programs					21,213
Unrestricted interest and investment earnings					7,827
Other General Revenues					8,893
Total General Revenues					<u>10,774,556</u>
Change in Net Assets					1,308,125
Net Assets - Beginning of Year					<u>16,337,569</u>
Net Assets - End of Year					<u>\$ 17,645,694</u>

Town of Salem, Connecticut

Balance Sheet
 Governmental Funds
 June 30, 2012

	General	Capital Non-Recurring Fund	Education Grants Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and equivalents	\$ 2,517,576	\$ 148,104	\$ 124,996	\$ 383,640	\$ 3,174,316
Investments	5,002	2,054	-	45,522	52,578
Taxes receivable, net of allowance for uncollectible amounts	445,648	-	-	-	445,648
Other receivables					
Accounts	17,938	-	6,727	-	24,665
Intergovernmental	-	-	-	8,366	8,366
Due from other funds	122,134	606,097	2,054	118,513	848,798
Prepaid expenditures	-	-	-	100	100
Total Assets	<u>\$ 3,108,298</u>	<u>\$ 756,255</u>	<u>\$ 133,777</u>	<u>\$ 556,141</u>	<u>\$ 4,554,471</u>

LIABILITIES AND FUND BALANCES

Liabilities					
Accounts payable	\$ 509,788	\$ 4,114	\$ -	\$ 11,255	\$ 525,157
Intergovernmental payable	3,985	-	-	-	3,985
Accrued payroll and related	34,408	-	-	-	34,408
Due to other funds	710,561	-	122,134	16,103	848,798
Performance bonds	7,525	-	-	-	7,525
Unearned revenues	419	-	3,893	-	4,312
Deferred revenues	427,913	-	-	-	427,913
Total Liabilities	<u>1,694,599</u>	<u>4,114</u>	<u>126,027</u>	<u>27,358</u>	<u>1,852,098</u>
Fund Balances					
Nonspendable	-	-	-	1,997	1,997
Restricted	26,894	-	7,750	464,776	499,420
Committed	-	602,237	-	-	602,237
Assigned	44,363	149,904	-	62,010	256,277
Unassigned	1,342,442	-	-	-	1,342,442
Total Fund Balances	<u>1,413,699</u>	<u>752,141</u>	<u>7,750</u>	<u>528,783</u>	<u>2,702,373</u>
Total Liabilities and Fund Balances	<u>\$ 3,108,298</u>	<u>\$ 756,255</u>	<u>\$ 133,777</u>	<u>\$ 556,141</u>	<u>\$ 4,554,471</u>

The notes to financial statements are an integral part of this statement.¹²

Town of Salem, Connecticut
 Reconciliation of Governmental Funds Balance Sheet
 to the Government Wide Statement of Net Assets - Governmental Activities
 June 30, 2012

Fund Balances - Total Governmental Funds	\$ 2,702,373
Amounts Reported for Governmental Activities in the Statement of Net Assets are Different Because	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	15,985,118
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.	9,873
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	427,913
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	<u>(1,479,583)</u>
Net Assets of Governmental Activities	<u>\$ 17,645,694</u>

Town of Salem, Connecticut

Statement of Revenues, Expenditures and Changes in Fund Balances
 Governmental Funds
 Year Ended June 30, 2012

	General	Capital Non-Recurring Fund	Education Grants Fund	Other Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 10,573,859	\$ -	\$ -	\$ -	\$ 10,573,859
State grants for specified purpose	126,581	84,007	400,951	353,558	965,097
State grants for education	3,967,286	-	-	-	3,967,286
Licenses and permits	154,122	-	-	-	154,122
Charges for current services	41,138	-	5,203	98,085	144,426
Miscellaneous revenue	72,555	-	-	712	73,267
Income from investments	<u>6,966</u>	<u>46</u>	-	<u>815</u>	<u>7,827</u>
Total Revenues	<u>14,942,507</u>	<u>84,053</u>	<u>406,154</u>	<u>453,170</u>	<u>15,885,884</u>
EXPENDITURES					
Current					
General government	1,334,384	-	-	260,861	1,595,245
Public safety	651,734	-	-	-	651,734
Public works	596,412	-	-	-	596,412
Sanitation	181,163	-	-	-	181,163
Education	10,625,583	-	403,549	112,767	11,141,899
Debt service	14,250	76,380	-	-	90,630
Capital outlay	<u>58,626</u>	<u>1,000,013</u>	-	-	<u>1,058,639</u>
Total Expenditures	<u>13,462,152</u>	<u>1,076,393</u>	<u>403,549</u>	<u>373,628</u>	<u>15,315,722</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>1,480,355</u>	<u>(992,340)</u>	<u>2,605</u>	<u>79,542</u>	<u>570,162</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	46,360	1,462,058	-	-	1,508,418
Transfers out	<u>(1,462,058)</u>	<u>(46,360)</u>	-	-	<u>(1,508,418)</u>
Total Other Financing Sources (Uses)	<u>(1,415,698)</u>	<u>1,415,698</u>	-	-	-
Net Change in Fund Balances	64,657	423,358	2,605	79,542	570,162
Fund Balances - Beginning of Year	<u>1,349,042</u>	<u>328,783</u>	<u>5,145</u>	<u>449,241</u>	<u>2,132,211</u>
Fund Balances - End of Year	<u>\$ 1,413,699</u>	<u>\$ 752,141</u>	<u>\$ 7,750</u>	<u>\$ 528,783</u>	<u>\$ 2,702,373</u>

Town of Salem, Connecticut
 Reconciliation of the Statement of Revenues, Expenditures and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities
 Year Ended June 30, 2012

Amounts Reported for Governmental Activities in the Statement of Activities are Different Because

Net Change in Fund Balances - Total Governmental Funds	\$ 570,162
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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 outlay exceeded depreciation expense in the current period.

Capital outlay expenditures	1,229,267
Depreciation expense	<u>(448,653)</u>
	<u>780,614</u>

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.

Real property taxes and other revenues in the General Fund	<u>65,281</u>
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Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.

Principal payments on notes payable	25,507
Principal payments on capital leases	41,308
Post-closure landfill costs	2,500
Amortization of loss on refunding bonds, issuance premium and issuance costs	<u>(4,740)</u>
	<u>64,575</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, including the change in

Accrued interest	9,113
Change in compensated absences	(1,292)
Change in pension and other post employment benefits asset/liability	<u>(180,328)</u>
	<u>(172,507)</u>

Change in Net Assets of Governmental Activities	<u><u>\$1,308,125</u></u>
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Town of Salem, Connecticut

Statement of Net Assets

Fiduciary Funds

June 30, 2012

	<u>Agency Funds</u>
ASSETS	
Cash	<u>\$ 65,941</u>
LIABILITIES	
Due to others	<u>\$ 65,941</u>

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

Town of Salem, Connecticut

Notes to Financial Statements
June 30, 2012

1. Summary of Significant Accounting Policies

The Town of Salem, Connecticut (The "Town") is a municipal corporation governed by a town charter. The charter establishes the Town Meeting as the legislative body. A town meeting is required to make appropriations, levy taxes and borrow money. The executive branch is lead by an elected five-member board of selectmen. The selectmen oversee most of the activities not assigned specifically to another body. An elected board of education manages the public school system. The elected board of finance is the budget making authority and supervises the town financial matters.

The accounting policies conform to generally accepted accounting principles as applicable to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the Town's more significant accounting policies:

A. Financial Reporting Entity

The financial reporting entity consists of: a) the primary government; b) organizations for which the primary government is financially accountable and c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete as set forth by GASB.

In evaluating how to define the financial reporting entity, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in this reporting entity was made by applying the criteria set forth by GASB, including legal standing, fiscal dependency and financial accountability. The criterion has been considered and there are no agencies or entities which should be presented with this government.

B. Government-Wide Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all non-fiduciary activities of the primary government as a whole. For the most part, the effect of interfund activity has been removed from these statements, except for interfund services provided and used. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities (if any), which rely to a significant extent on fees and charges for support.

The Statement of Net Assets presents the financial position of the Town at the end of its fiscal year. The Statement of Activities demonstrates the degree to which 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 or services, or privileges provided by a given function or segment, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment and (3) interest earned on grants that is required to be used to support a particular program. Taxes and other items not identified as program revenues are reported as general revenues. The Town does not allocate indirect expenses to functions in the Statement of Activities.

Town of Salem, Connecticut

Notes to Financial Statements (Continued)
June 30, 2012

1. Summary of Significant Accounting Policies (Continued)

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 GASB guidance.

C. Fund Financial Statements

The accounts of the Town are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts which comprise its assets, liabilities, fund balances/net assets, revenues and expenditures/expenses. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance related legal and contractual provisions. The Town maintains the minimum number of funds consistent with legal and managerial requirements. The focus of governmental fund financial statements is on major funds as that term is defined in professional pronouncements. Each major fund is to be presented in a separate column, with non-major funds, if any, aggregated and presented in a single column. The Town maintains fiduciary funds which are reported by type. Since the governmental fund statements are presented on a different measurement focus and basis of accounting than the government-wide statements' governmental activities column, a reconciliation is presented on the pages following, which briefly explains the adjustments necessary to transform the fund based financial statements into the governmental activities column of the government-wide presentation.

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 and enterprise funds are reported as separate columns in the fund financial statements.

The Town's resources are reflected in the fund financial statements in two broad fund categories, in accordance with generally accepted accounting principles as follows:

Fund Categories

- a. Governmental Funds - Governmental funds are those through which most general government functions are financed. The acquisition, use and balances of expendable financial resources and the related liabilities are accounted for through governmental funds. The following are the Town's major governmental funds:
 - General Fund - The General Fund constitutes the primary operating fund of the Town and is used to account for and report all financial resources not accounted for and reported in another fund.
 - Capital Non-Recurring Fund - The Capital Nonrecurring Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets.

Town of Salem, Connecticut

Notes to Financial Statements (Continued)

June 30, 2012

- Education Grants Fund - The Education Grants Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for educational purposes which are funded by various Federal and State grants as well as preschool revenues and expenses. These funds are required by State Statute to be accounted for separately from the General Funds.
- b. Fiduciary Funds (Not Included in Government-Wide Financial Statements) - The Fiduciary Funds are used to account for assets held by the Town in an agency capacity on behalf of others. The Agency Funds are primarily utilized to account for monies held as custodian for outside groups.

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

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources (current assets less current liabilities) or economic resources (all assets and liabilities). The basis of accounting indicates the timing of transactions or events for recognition in the financial reports.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary funds. The Agency Fund has no measurement focus and utilizes the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period.

Property taxes and certain other revenues are considered to be available if collected within sixty days of the fiscal year end. Property taxes associated with the current fiscal period, as well as charges for services and intergovernmental revenues are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Fees and other similar revenues are not susceptible to accrual because generally they are not measurable until received in cash. If expenditures are the prime factor for determining eligibility, revenues from Federal and State grants are accrued when the expenditure is made.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to early retirement incentives, compensated absences, capital leases, post closure landfill costs, pollution remediation obligations, other post employment benefit obligations, pension obligations and certain claims payable are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

1. Summary of Significant Accounting Policies (Continued)

E. Assets, Liabilities and Net Assets or Fund Balances

Deposits, Investments and Risk Disclosure

Cash and Equivalents - Cash and equivalents consist of funds deposited in demand deposit accounts, time deposit accounts, certificates of deposit, money market funds, State of Connecticut Treasurer's Short-Term Investment Fund, Tax Exempt Proceeds Funds and treasury bills with original maturities of less than three months.

The Town's custodial credit risk policy is to only allow the Town to use banks that are in the State of Connecticut. The State of Connecticut requires that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk-based capital ratio.

Investments - The investment policies of the Town conform to the policies as set forth by the State of Connecticut. The Town's policy is to only allow prequalified financial institution broker/dealers and advisors. The Town policy allows investments in the following: (1) obligations of the United States and its agencies; (2) highly rated obligations of any state of the United States or of any political subdivision, authority or agency thereof; and (3) shares or other interests in custodial arrangements or pools maintaining constant net asset values and in highly rated no-load open end money market and mutual funds (with constant or fluctuating net asset values) whose portfolios are limited to obligations of the United States and its agencies, and repurchase agreements fully collateralized by such obligations. The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the Connecticut Short-Term Investment Fund and the Tax Exempt Proceeds Fund.

Investments are stated at fair value, based on quoted market prices.

The Short-Term Investment Fund (STIF), is a money market investment pool managed by the Cash Management Division of the State Treasurer's Office created by Section 3-27 of the Connecticut General Statutes (CGS). Pursuant to CGS 3-27a through 3-27f, the State, municipal entities, and political subdivisions of the State are eligible to invest in the fund. The fund is considered a "2a7-like" pool and, as such, reports its investments at amortized cost (which approximates fair value). A 2a7-like pool is not necessarily registered with the Security and Exchange Commission (SEC) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's rule 2a7 of the Investment Company Act of 1940 that allows money market mutual funds to use the amortized cost to report net assets. The pool is rated AAAM by Standard & Poor. This is the highest rating for money market funds and investment pools. The pooled investment funds' risk category cannot be determined since the Town does not own identifiable securities but invests as a shareholder of the investment pool.

1. Summary of Significant Accounting Policies (Continued)

Interest Rate Risk - Interest rate risk is the risk that the government will incur losses in fair value caused by changing interest rates. 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 changing interest rates. Generally, the Town does not invest in any long-term investment obligations.

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's policy for custodial credit risk is to invest in obligations allowable under the Connecticut General Statutes as described previously.

Credit Risk – Credit risk is the risk that an issuer or other counterparty will not fulfill its specific obligation even without the entity's complete failure. The Town does not have a formal credit risk policy other than restrictions to obligations allowable under the Connecticut General Statutes.

Concentration of Credit Risk – Concentration of credit risk is the risk attributed to the magnitude of a government's investments in a single issuer. The Town follows the limitations specified in the Connecticut General Statutes. Generally, the Town's deposits cannot be 75% or more of the total capital of any one depository.

Taxes Receivable - Property taxes are assessed on property values as of October 1st. The tax levy is divided into two billings; the following July 1st and January 1st. This is used to finance the fiscal year from the first billing (July 1st) to June 30th of the following year. The billings are considered due on those dates; however, the actual due date is based on a period ending 31 days after the tax bill. On these dates (August 1st and February 1st), the bill becomes delinquent at which time the applicable property is subject to lien, and penalties and interest are assessed.

Under State Statute, the Town has the right to impose a lien on a taxpayer if any personal property tax, other than a motor vehicle tax, due to the Town is not paid within the time limited by any local charter or ordinance. The lien shall be effective for a period of fifteen years from the date of filing unless discharged. A notice of tax lien shall not be effective if filed more than two years from the date of assessment for the taxes claimed to be due.

Other Receivables - Other receivables include amounts due from other governments and individuals for services provided by the Town. Receivables are recorded and revenues recognized as earned or as specific program expenditures/expenses are incurred. Allowances are recorded when appropriate.

Town of Salem, Connecticut

Notes to Financial Statements (Continued)

June 30, 2012

1. Summary of Significant Accounting Policies (Continued)

Prepaid Expenses/Expenditures - Certain payments to vendors reflect costs applicable to future accounting periods, and are recorded as prepaid items using the consumption method in both the government-wide and fund financial statements. Reported amounts are equally offset by nonspendable fund balance, in the fund financial statements, which indicates that these amounts do not constitute "available spendable resources" even though they are a component of current assets.

Inventories - Inventories in the governmental funds are valued at cost on a first-in, first-out basis. The cost is recorded as inventory at the time individual items are purchased. The Town uses the consumption method to relieve inventory. In the fund financial statements, reported amounts are equally offset by nonspendable fund balance in governmental funds, which indicates that they do not constitute "available spendable resources" even though they are a component of current assets. Purchases of other inventoriable items are recorded as expenditures/expenses at the time of purchase and year-end balances are not material.

Deferred Charges - Deferred charges in the government-wide financial statements represent the unamortized portion of the cost of issuance of bonds. These costs are being amortized over the term of the respective bond issue.

Advances From/To Other Funds - Advances from/to other funds represent loans to other funds, which are not expected to be repaid within the subsequent annual operating cycle. The advances are offset by nonspendable fund balance in the fund financial statements, which indicates that the funds are not "available" for appropriation and are not expendable available financial resources.

Due From/To Other Funds - During the course of its operations, the Town has numerous transactions between funds to finance operations, provide services and construct assets. To the extent that certain transactions between funds had not been paid or received as of June 30, 2012, balances of interfund amounts receivable or payable have been recorded in the fund financial statements.

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 the capitalization threshold for that asset type 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.

Intangible assets lack physical substance, is nonfinancial in nature and it's useful life extends beyond a single reporting period. These are reported at historical cost if identifiable. Intangible assets with no legal, contractual, regulatory, technological or other factors limiting their useful life are considered to have an indefinite useful life and are not amortized.

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

Town of Salem, Connecticut

Notes to Financial Statements (Continued)
June 30, 2012

1. Summary of Significant Accounting Policies (Continued)

Land is considered inexhaustible and, therefore, not depreciated. Property, plant, and equipment of the Town is depreciated or amortized using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>	<u>Capitalization Threshold</u>
Land	N/A	\$ 25,000
Land improvements	10-40	\$ 20,000
Buildings and improvements	15-100	\$ 20,000
Machinery and equipment	10-50	\$ 5,000
Vehicles	10-25	\$ 5,000
Infrastructure	20-50	\$ 100,000
Intangible assets	Varies, if any	\$ 25,000

Unearned/Deferred Revenues - Unearned/deferred revenues arise when assets are recognized before revenue recognition criteria have been satisfied. Unearned revenues consist of revenue received in advance and/or amounts from grants received before the eligibility requirements have been met. Deferred revenues in the fund financial statements are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. Such amounts in the fund financial statements have been deemed to be measurable but not "available" pursuant to generally accepted accounting principles.

Long-Term Liabilities - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds. 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, and debt payments, are reported as debt service expenditures.

Compensated Absences – Certain Town employees accumulate sick leave hours for subsequent use or for payment upon termination or retirement. Sick leave expenses to be paid in future periods are accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if the liability has matured through employee resignation or retirement.

Net Assets - Net assets represent the difference between assets and liabilities. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets on the Statement of Net Assets include, invested in capital assets, net of related debt, and restricted. The balance is classified as unrestricted.

1. Summary of Significant Accounting Policies (Continued)

Fund Balance - Generally, fund balance represents the difference between current assets and current liabilities. In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Under this standard, the fund balance classifications are as follows:

- Nonspendable fund balance includes amounts that cannot be spent because they are either not in spendable form (inventories, prepaid amounts, long-term receivables) or they are legally or contractually required to be maintained intact (the corpus of a permanent fund).
- Restricted fund balance is to be reported when constraints placed on the use of the resources are imposed by grantors, contributors, laws or regulations of other governments or imposed by law through enabling legislation. Enabling legislation includes a legally enforceable requirement that these resources be used only for the specific purposes as provided in the legislation. This fund balance classification will be used to report funds that are restricted for debt service obligations and for other items contained in the Connecticut statutes.
- Committed fund balance will be reported for amounts that can only be used for specific purposes pursuant to formal action of the Town's highest level of decision making authority, a motion at a Town Meeting. These funds may only be used for the purpose specified unless the entity removes or changes the purpose by taking the same action that was used to establish the commitment. This classification includes certain designations established and approved by the entity's governing boards.
- Assigned fund balance, in the General Fund, will represent amounts constrained either by the entity's highest level of decision making authority or a person with delegated authority from the governing board to assign amounts for a specific intended purpose. Currently, this is done by the Board of Finance. An assignment cannot result in a deficit in the unassigned fund balance in the General Fund. This classification will include amounts designated for balancing the subsequent year's budget and encumbrances. Assigned fund balance in all other governmental funds represents any positive remaining amount after classifying nonspendable, restricted or committed fund balance amounts.
- Unassigned fund balance, in the General Fund, represents amounts not classified as nonspendable, restricted, committed or assigned. The General Fund is the only fund that would report a positive amount in unassigned fund balance. For all governmental funds other than the General Fund, unassigned fund balance would necessarily be negative, since the fund's liabilities, together with amounts already classified as nonspendable, restricted and committed would exceed the fund's assets.

When both restricted and unrestricted amounts of fund balance are available for use for expenditures incurred, it is the Town's policy to use restricted amounts first and then unrestricted amounts as they are needed. For unrestricted amounts of fund balance, the Town considers that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of these unrestricted fund balance classifications could be used.

1. Summary of Significant Accounting Policies (Continued)

F. Encumbrances

In governmental funds, encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of monies are recorded in order to reserve applicable appropriations, is generally employed as an extension of formal budgetary integration in the General Fund. Encumbrances outstanding at year-end are reported as assigned fund balance since they do not constitute expenditures or liabilities.

G. Use of Estimates

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

H. Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is January 07, 2013.

2. Stewardship, Compliance and Accountability

A. Budget Basis

A formal, legally approved, annual budget is adopted for the General Fund only. This budget is adopted on a basis consistent with Generally Accepted Accounting Principles (modified accrual basis) with the following exceptions:

- **Teacher's Retirement** - The Town does not recognize as income or expenditures payments made for the teacher's retirement by the State of Connecticut on the Town's behalf in its budget. The Governmental Accounting Standards Board's Statement 24 requires that the employer governments recognize payments for salaries and fringe benefits paid on behalf of its employees.
- **Encumbrances** - Unless committed through a formal encumbrance (e.g., purchase orders, signed contracts), all annual appropriations lapse at fiscal year end. Encumbrances outstanding at year end are reported on the budgetary basis statements as expenditures.
- **Excess Cost Grant** - The State reimburses the Town for certain costs incurred for special educational needs of students that exceed a set multiple of a student in the regular program. This reimbursement is the Excess Cost Grant – Student Based. Connecticut General Statute 10-76g states that this grant should reduce the education expenditures instead of being reported as revenue.

2. Stewardship, Compliance and Accountability (Continued)

Town of Salem, Connecticut

Notes to Financial Statements (Continued)
June 30, 2012

- **Long-Term Debt and Lease Financing** - Revenues and expenditures from refunding or renewing long-term debt or issuing loan or lease financing are included in the budget as the net revenues or expenditures expected.
- **Cash Basis Payroll** – The general government and salaried Board of Education payroll is budgeted based on when it is expected to be paid. On the statements prepared under Generally Accepted Accounting Principles, payroll is charged to the fiscal year in which it is earned.
- **Netting Revenues with Expenditures** – A number of other grants and revenues are netted with the expenditures on the budget basis. These are not netted on the statements prepared under Generally Accepted Accounting Principles so that the flow of current financial resources can be shown.
- **Reconciling Costs with East Lyme High School (ELHS)** – The Town pays and budgets for tuition to ELHS based on estimated costs per student. This is compared to the actual cost each year. A reconciling payment or benefit is included in the second subsequent year. This is posted against the budget in the second subsequent year.
- **Prepayment of debt** – The town records a prepayment for loan and lease payments paid in advance of being budgeted.

B. Budget Calendar

The Boards of Selectmen and Education submit requests for appropriation(s) to the Board of Finance. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations of the next fiscal year.

The Board of Finance holds a public hearing, at which itemized estimates of the expenditures of the Town for the next fiscal year are presented. At this time, individuals are able to recommend any appropriations, which they desire the Board of Finance to consider. The Board of Finance then considers the estimates and any other matters brought to their attention at a public meeting held subsequent to the public hearing and prior to the annual meeting. The Board of Finance prepares the proposed budget.

The Board of Finance's estimated and recommended budget reports are submitted at the Annual Town Meeting. The Annual Town Meeting takes action on this budget. After the Annual Town Meeting the Board of Finance meets to levy a tax on the grand list which will be sufficient to cover, together with other income or revenue surplus which is appropriated, the amounts appropriated and any revenue deficit of the Town.

C. Budget Control

The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level except expenditures for education, which are, by State Statutes, appropriated as one department. The appropriations for Municipal Building Maintenance and Revaluation were over budget by \$7,816 and \$58,626, respectively.

2. Stewardship, Compliance and Accountability (Continued)

Town of Salem, Connecticut

Notes to Financial Statements (Continued)
June 30, 2012

The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level except expenditures for education, which are, by State Statutes, appropriated as one department.

The Board of Finance, in accordance with the provisions set forth by the Town Charter, is authorized to transfer unexpended balances from one appropriation to another. During the year \$423,836 of additional appropriations were made. The Board of Finance is subject to the following limitations when making supplemental appropriations to the budget:

- All additional appropriations less than 0.2% of the annual budget require Board of Finance approval.
- All additional appropriations in excess of 0.2% of the annual budget shall be submitted to a Town Meeting, which must be held no later than thirty days following the endorsement by the Board of Finance.
- All additional appropriations which exceed 1% of the annual budget shall be submitted to referendum at a time set by the Board of Selectmen.

3. Detailed Notes on All Funds

A. Cash, Cash Equivalents and Investments

Cash and investments of the Town consist of the following at June 30, 2012:

Statement of Net Assets	
Cash and equivalents	\$ 3,174,316
Investments	<u>52,578</u>
	<u>3,226,894</u>
 Fiduciary Funds	
Cash and equivalents	<u>65,941</u>
Total Cash and Investments	<u>\$ 3,292,835</u>

Cash and Cash Equivalents - As of June 30, 2012 the carrying amount of the Town's deposits with financial institutions was:

Cash and Cash Equivalents	
Deposits with financial institutions	\$ 883,506
Plus external investment pools	2,409,329
Less Certificates of deposits (in investments)	<u>(52,578)</u>
	<u>\$ 3,240,257</u>

The bank balance of the deposits was \$1,280,455 and was exposed to custodial credit risk as follows:

Town of Salem, Connecticut

Notes to Financial Statements (Continued)
June 30, 2012

3. Detailed Notes on All Funds (Continued)

Covered by Federal Depository Insurance	\$ 587,813
Collateralized by securities held in trust	
In the Town's name	49,823
Uninsured and uncollateralized	642,819
	<u>\$ 1,280,455</u>

Investments – Investments are summarized as follows at June 30, 2012

	General Fund	Capital Non-Recurring Fund	Special Education Grants	Other Governmental Funds	Total Investments
Certificates of deposit	<u>\$ 5,002</u>	<u>\$ 2,054</u>	<u>\$ -</u>	<u>\$ 45,522</u>	<u>\$ 52,578</u>

Below is a summary of the interest rate risk and credit risk as of June 30, 2012

Type of Investment	Average Credit Rating	Fair Value	Investment Maturities (in Years)		
			Less Than 1 Year	1-5 Years	Over 5 Years
Certificates of deposit	*	<u>\$ 52,578</u>	<u>\$ 17,772</u>	<u>\$ 29,742</u>	<u>\$ 5,064</u>

* **Certificates of Deposit** – The Town invests in nonparticipating interest-earning investment contracts in the form of certificates of deposit. These do not capture the market (interest rate) changes through the investment's negotiability or transferability, or redemption terms that consider market rates. This exposes the Town to interest rate risks.

B. Receivables, Deferred Revenue and Unearned Revenue

Of the taxes that are due, \$138,873 (26%) is owed by a single taxpayer.

Governmental funds report deferred revenue in connection with receivables for revenue that are not considered to be available to liquidate liabilities of the current period. The following were reported as *deferred revenue* because they were not received within 60 days of the year end

	General Fund	Capital Non-Recurring Fund	Special Education Grants	Other Governmental Funds	Total
Property taxes	\$ 418,075	\$ -	\$ -	\$ -	\$ 418,075
Other	9,838	-	-	-	9,838
	<u>\$ 427,913</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 427,913</u>

Governmental funds also defer revenue recognition in connection with resources that have been received, but not year earned. This is recorded as the liability *unearned revenue* at June 30, 2012

	General Fund	Capital Nonrecurring Fund	Special Education Grants	Other Governmental Funds	Total
Fees collected in advance	<u>\$ 419</u>	<u>\$ -</u>	<u>\$ 3,893</u>	<u>\$ -</u>	<u>\$ 4,312</u>

Town of Salem, Connecticut

Notes to Financial Statements (Continued)
June 30, 2012

3. Detailed Notes on All Funds (Continued)

C. Interfund Transactions

The outstanding balances between funds result mainly from the time lag between the dates that: 1) interfund goods and services are provided or reimbursable expenditures occur; 2) transactions are recorded in the accounting system; and 3) payments between funds are made. At June 30, 2012 these were summarized as follows

Receivable fund	Payable Fund	Amount
General Fund	Special Education Grants Fund	\$ 122,134
Capital Non-Recurring Fund	General Fund	589,994
Capital Non-Recurring Fund	Other Governmental Funds	16,103
Special Education Grants Fund	General Fund	2,054
Grant Fund	General Fund	106,162
Community Foundation Grant Fund	General Fund	12,351
		\$ 848,798

Fund transfers are generally used to fund special projects with general fund revenues. Transfers during the year ended June 30, 2012 were as follows

	Transfers into:				Total
	General Fund	Capital Non-Recurring Fund	Special Education Grants	Other Governmental Funds	
Transfers out of:					
General Fund	\$ -	\$ 1,462,058	\$ -	\$ -	\$ 1,462,058
Capital Non-recurring Fund	46,360	-	-	-	46,360
	46,360	1,462,058	-	-	1,508,418

D. Capital Assets

Changes in the Town's capital assets used in the governmental activities are as follows

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated				
Land	\$ 1,641,960	\$ -	\$ -	\$ 1,641,960
Construction in progress	581,733	858,030	-	1,439,763
	2,223,693	858,030	-	3,081,723
Capital assets being depreciated				
Land improvements	885,226	-	-	885,226
Buildings and systems	11,174,839	14,875	-	11,189,714
Machinery and equipment	1,460,356	36,139	-	1,496,495
Infrastructure	301,979	170,035	-	472,014
Vehicles	2,910,031	150,188	-	3,060,219
	16,732,431	371,237	-	17,103,668
Less: Accumulated Depreciation	(3,751,620)	(448,653)	-	(4,200,273)
	\$ 15,204,504	\$ 780,614	\$ -	\$ 15,985,118

Town of Salem, Connecticut

Notes to Financial Statements (Continued)
June 30, 2012

3. Detailed Notes on All Funds (Continued)

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

General government	\$ 58,143
Public safety	119,851
Public works	127,397
Sanitation	12,218
Education	131,044
	<u>\$ 448,653</u>

E. Long-Term Liabilities

The following table summarizes changes in the Town's long-term indebtedness for the year ending June 30, 2012:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
General obligation bonds	\$ 800,000	\$ -	\$ -	\$ 800,000	\$ 200,000
Notes and loans	81,180	-	(25,507)	55,673	26,856
Capital leases	41,308	-	(41,308)	-	-
Compensated absences	30,544	1,292	-	31,836	3,184
Post closure landfill costs	35,000	-	(2,500)	32,500	2,500
OPEB obligations	363,975	221,278	(40,950)	544,303	-
	<u>\$ 1,352,007</u>	<u>\$ 222,570</u>	<u>\$ (110,265)</u>	<u>\$ 1,464,312</u>	<u>\$ 232,540</u>

Each governmental funds liability for general obligation bonds, capital leases, early retirement incentives, compensated absences, pollution remediation obligations, other post employment benefit obligations, net pension obligation and claims are liquidated by the respective fund, primarily the General Fund. Interest on these obligations are expensed to the respective fund, primarily the General Fund.

General Obligation Bonds

The Town issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations of the Town and pledge the full faith and credit of the Town. These bonds generally are issued as 20-year serial bonds with equal amounts of principal maturing each year. General obligation bonds outstanding as of June 30, 2012 consisted of the following:

Purpose	Year of Issue	Original Amount	Final Maturity	Interest Rates	Amount Outstanding
Library Bonds	2005	\$ 800,000	2015	3.25-3.75%	\$ 300,000
Land Acquisition Bonds	2005	\$ 1,200,000	2016	3.25-3.75%	500,000
					<u>\$ 800,000</u>

Interest paid and expensed on general obligation bonds for the year ended June 30, 2012 totaled \$30,292. A portion of this year's interest payment was paid in advance at the end of last year.

Town of Salem, Connecticut

Notes to Financial Statements (Continued)
 June 30, 2012

3. Detailed Notes on All Funds (Continued)

Payments to maturity on the general obligation bonds are as follows

Year End	General Obligation Bonds		Year End	General Obligation Bonds	
	Principal	Interest		Principal	Interest
2013	\$ 200,000	\$ 25,000	2015	\$ 200,000	\$ 11,000
2014	\$ 200,000	\$ 18,000	2016	200,000	3,750
				<u>\$ 800,000</u>	<u>\$ 57,750</u>

Loans and Notes Payable

The Town has an installment note for the purchase of a Plow Truck in the initial amount of \$134,770. The note is payable in five annual installments of \$29,802. This installment includes interest at a rate of 5.29 percent per year.

Annual debt service requirements to maturity for the loans and notes payable are as follows

Year End	Governmental Actives	
	Notes and Loans	
	Principal	Interest
2013	\$ 26,856	\$ 2,945
2014	28,817	986
	<u>\$ 55,673</u>	<u>\$ 3,931</u>

Interest paid and expensed on loans and notes payable for the year ended June 30, 2012 totaled \$2,945.

Capital Leases Payable

The Town has entered into a lease agreement to finance the acquisition of 32 SCBA's. The cost of the SCBA is included in the capital assets with a cost of \$169,900 and accumulated depreciation of \$20,388. This lease qualifies as a capital lease for accounting purposes. The final payment was made in the current year and there is no capital lease obligation remaining at June 30, 2012.

Compensated Absences

Vacation time earned during the fiscal year can be carried over to the succeeding year, subject to limitations as provided in the respective collective bargaining agreements. Employees are entitled to accumulate sick leave up to a maximum amount stipulated in each contract. Payment for accumulated sick leave is dependent upon the length of service and accumulated days. The value of all compensated absences has been reflected in the government-wide financial statements.

Town of Salem, Connecticut

Notes to Financial Statements (Continued)
June 30, 2012

3. Detailed Notes on All Funds (Continued)

Post Closure Landfill Costs

The Town has a closed landfill with no further capacity or estimated useful life. State and federal laws and regulations require that the Town perform certain maintenance and monitoring functions on its closed landfill site for thirty years after closure. These costs will be paid through the General Fund each year as part of the annual budget. Total estimated costs based on the current actual costs are included in the long-term debt. The actual costs may vary based on actual events, inflation, changes in technology and applicable laws and regulations. During the year the actual costs amounted to \$3,234.

Legal Debt Limit

Connecticut General Statutes Section 7-374 sets limits on the debt, as defined by the statutes, which can be incurred by the Town and other governmental agencies within the Town. The limitations for the Town of Salem, Connecticut are as follows:

Total tax collections (including interest and lien fees) for the year - primary government	\$ 10,649,753
Reimbursement for revenue loss on tax relief for the elderly (C.G.S. 12-129d)	19,937
Debt limitation base	<u>\$ 10,669,690</u>

	General Purpose	Schools	Sewers	Urban Renewal	Pension Deficit
Debt limitation					
2 1/4 times base	\$ 24,006,803	\$ -	\$ -	\$ -	\$ -
4 1/2 times base	-	48,013,605	-	-	-
3 3/4 times base	-	-	40,011,338	-	-
3 1/4 times base	-	-	-	34,676,493	-
3 times base	-	-	-	-	32,009,070
Total debt limitation	24,006,803	48,013,605	40,011,338	34,676,493	32,009,070
Indebtedness					
Bonds payable	800,000	-	-	-	-
Debt limitation in excess of debt outstanding and authorized	<u>\$ 23,206,803</u>	<u>\$ 48,013,605</u>	<u>\$ 40,011,338</u>	<u>\$ 34,676,493</u>	<u>\$ 32,009,070</u>

In no case shall total indebtedness exceed seven times the annual receipts from taxation	<u>\$ 74,687,830</u>
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F. Net Assets

The components of net assets are detailed below:

Invested in Capital Assets, Net of Related Debt - the component of net assets that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets.

Restricted Net Assets - Nonexpendable - the component of net assets that reflects funds set aside in accordance laws, regulations, grants, and other agreements that must be kept intact and cannot be spent. This is made up of \$1,997 in trust fund principal.

Town of Salem, Connecticut

Notes to Financial Statements (Continued)
 June 30, 2012

3. Detailed Notes on All Funds (Continued)

Restricted Net Assets – Expendable - the component of net assets that reflects funds that can only be spent subject to the laws, regulations, grants, and other agreements relating to these funds. This is made up of:

General Government	\$ 197,776
Public Works	284,038
Other Purposes	9,856
	<u>\$ 499,420</u>

Unrestricted - all other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

G. Fund Balances

As discussed in Note 1, Governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. These are summarized below:

	General Fund	Capital Non-Recurring Fund	Special Education Grants	Other Governmental Funds	Total
Nonspendable					
Trust principal	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,997</u>	<u>\$ 1,997</u>
Restricted					
General Government	\$ 26,844	\$ -	\$ -	\$ 170,932	\$ 197,776
Education	-	-	7,750	-	7,750
Public Works	-	-	-	284,038	284,038
Other Purposes	50	-	-	9,806	9,856
	<u>\$ 26,894</u>	<u>\$ -</u>	<u>\$ 7,750</u>	<u>\$ 464,776</u>	<u>\$ 499,420</u>
Committed					
Capital Projects	<u>\$ -</u>	<u>602,237</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 602,237</u>
Assigned					
General Government	\$ -	\$ -	\$ -	\$ 52,667	\$ 52,667
Education	25,352	-	-	9,343	34,695
Capital Projects	-	149,904	-	-	149,904
To balance next year's budget	19,011	-	-	-	19,011
	<u>\$ 44,363</u>	<u>\$ 149,904</u>	<u>\$ -</u>	<u>\$ 62,010</u>	<u>\$ 256,277</u>

Town of Salem, Connecticut

Notes to Financial Statements (Continued)
June 30, 2012

3. Detailed Notes on All Funds (Continued)

H. Employee Retirement Systems and Pension Plans

Teachers and certain other certified personnel in the Town are eligible to participate in the State of Connecticut Teachers' Retirement System, a multiple employer public employees retirement system described in the Connecticut General Statutes, Chapter 167a. The system has been established to provide retirement and other benefits for teachers, their survivors and beneficiaries. A member is eligible to receive a normal retirement benefit who (1) has reached the age of sixty and has accumulated twenty years of credited service in the public schools of Connecticut or (2) has attained any age and has accumulated thirty-five years of credited service, at least twenty-five years of which are service in the public schools of Connecticut. The financial report may be obtained through the State Teachers' Retirement Board.

The normal retirement benefit is two percent times the number of years of credited service multiplied by their average annual salary received during the three years of highest salary. In no event will such benefit exceed seventy-five percent of the average annual salary, or be less than \$3,600. Benefits are fully vested after ten years of service.

The funding of the system is provided by required member contributions (7 percent of their annual salary) and by amounts appropriated by the State of Connecticut General Assembly. For the year ended June 30, 2012, the State contributed \$651,232 into the pension plan on behalf of the Town of Salem, Connecticut. This was recorded on the GAAP statements as revenue and expenditures in the General Fund. The Town's total payroll for all employees for this year was \$5,239,184 of which \$3,169,806 was covered under this pension plan.

I. Other Post Employment Benefits

Plan Description - The Town provides certain health care benefits for retired employees through a single-employer defined benefit plan administered by the Town of Salem, Connecticut in accordance with various collective bargaining agreements. The plan does not issue a separate financial statement.

Eligibility	Teachers and Administrators - A Teacher or Administrator retiring under the Connecticut State Teachers Retirement System shall be eligible to receive health benefits for self and spouse. Normal Retirement for Teachers and Administrators is the earlier of age 60 with 20 years of service, or completion of 35 years of service regardless of age. Early retirement is the earlier of age 60 with 10 years of service, any age with 25 years of service, or age 55 with 20 years of service. Secretaries and Non Union - A member retiring with age 55 years or older shall be eligible to continue health insurance coverage for self and spouse. Coverage is pre-65 only.
Cost Sharing	All retirees pay 100% of the premiums

Town of Salem, Connecticut

Notes to Financial Statements (Continued)
 June 30, 2012

3. Detailed Notes on All Funds (Continued)

Life Insurance Superintendent - \$300,000 from retirement until age 65 at Board's expense provided member worked at least 35 years of credited service in the Connecticut Teachers Retirement System of which the last 10 years of service as a superintendent of the Salem Public School System.

Actuarial Assumptions and Methods

The government has elected to use the alternative approach to calculate OPEB related benefits. This allows financial statement preparers to use certain simplifying assumptions to project benefits without the use of an actuary. The significant assumptions to apply this method were developed by the Board of Education with the use of a outside vendor.

Latest Actuarial Date	June 30, 2010
Actuarial Cost Method	Entry Age
Discount Rate	4.50%
Payroll Growth Rate	3.00%
Medical Inflation	Initial rate of 9% grading down to an ultimate inflation rate of 5% in 2020 and later.
Amortization Method	Level percentage of projected payroll
Remaining amortization	30 years, closed
Mortality	RP2000 Mortality Table for Males and Females projected 10 years
Turnover	Standard Turnover assumptions- GASB 45 paragraph 35b
Retirement	Average Retirement Age of 65
Future Retiree Coverage	100% are assumed to elect coverage at retirement
Future Dependent Coverage	Male 50%; Female 30% with female spouses assumed to be 3 years younger than males.

Schedule of Funding Progress

There is no requirement for funding and the plan has not been funded. The Town has not yet established a formal funding plan or a trust at this time. Below is a schedule of funding progress. (Data in the table below is only presented since the year of transition.):

Valuation Date	Value of Assets	Accrued Liability	Excess (Unfunded) Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Excess (Unfunded) Liability as a % of Covered Payroll
July 1, 2010	\$ -	\$ 2,173,797	\$ (2,173,797)	0%	\$ 2,980,737	-72.9%

Town of Salem, Connecticut

Notes to Financial Statements (Continued)
June 30, 2012

3. Detailed Notes on All Funds (Continued)

Annual Required Contribution (ARC)

The Annual Required Contribution (ARC) for the OPEB program consists of two pieces:

Past Service Cost (a catch-up accrual to amortize the Unfunded Accrued Liability). The amortization period is 30 years starting on July 1, 2010. The ARC is assumed to be paid at the beginning of the fiscal year. Interest is also calculated on the Unfunded Accrued Liability and added to the Annual Required Contribution.

Normal Cost is the present value of the portion of the projected benefit attributable to the current year (the cost of benefits earned each year should be accrued in that year), plus

The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortized any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

Annual OPEB Cost and Net OPEB Obligation

The following table shows the components of the annual OPEB cost for the year, the amount actually contributed to the plan, and the changes in the Town's net OPEB obligation (asset):

Annual Required Contribution	\$ 219,962
Interest on Net OPEB Obligation	16,378
Adjustment to Annual Required Contribution	<u>(15,062)</u>
Annual OPEB Cost	221,278
Contributions made	<u>(40,950)</u>
Increase in net OPEB Obligation	180,328
Net OPEB Obligation - Beginning of the year	<u>363,975</u>
	<u><u>\$ 544,303</u></u>

The Net OPEB Obligation history is as follows. (Data in the table below is only presented since the year of transition):

Valuation Date	Annual OPEB Cost	Actual Contributions Made	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
July 1, 2011	\$ 221,278	\$ 40,950	18.5%	\$ 544,303
July 1, 2010	\$ 214,235	\$ 38,258	17.9%	\$ 363,975
July 1, 2009	\$ 207,335	\$ 19,337	9.3%	\$ 187,998

Town of Salem, Connecticut

Notes to Financial Statements (Continued)
June 30, 2012

3. Detailed Notes on All Funds (Continued)

Other Disclosures

The calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation and on the pattern of sharing costs between the employer and plan members to that point. The actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

4. Other Information

A. Litigation

The Town is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the Town's counsel the resolution of these matters will not have a material adverse effect on the financial condition of the Town.

B. Contingencies

Grants - The Town participates in various Federal and State grant programs. These programs are subject to program compliance audits pursuant to the Federal and State Single Audit Acts. The amount of expenditures which may be disallowed by the granting agencies cannot be determined at this time, although the Town anticipates such amounts, if any, to be immaterial.

School Building Grants - Section 10-283(a)(3)(A) of the Connecticut General Statutes states that if the Town abandons, sells, leases, demolishes or otherwise redirects the use of a school building project authorized on or after July 1, 1996, paid partially with State funding, to other than a public school, will owe a portion of the State funding back to the State.

For projects with a cost over of two million dollars or over, the contingency will be amortized over twenty years. For smaller projects, the contingency will be amortized over ten years.

C. Risk Management

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the Town carries commercial insurance. There have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or three prior years.

The Town currently is a member of the Connecticut Interlocal Risk Management Agency (CIRMA), a public entity risk pool established under the provisions of Connecticut General Statutes section 7-479a et. seq. for some of its insurance. The Town is liable only for contributions to the pool. Members do not retain the risk of loss, as they have transferred the risk by purchasing coverage with no deductible retention. A separate agreement states limits on the member's obligation to pay indemnification obligations and expenses should CIRMA be unable to do so.

Town of Salem, Connecticut

Notes to Financial Statements (Continued)
June 30, 2012

4. Other Information (Continued)

D. Commitments

East Lyme High School- In 1997, the Towns of Salem and East Lyme entered into a cooperative agreement to build and maintain an expansion of the East Lyme High School for the mutual benefit of both towns. This agreement has the following financial provisions:

Tuition - Tuition will be charged at a base rate per Salem's regular education students attending East Lyme High School and a premium rate, equal to 1.85 times the base rate, for special educational students. Regardless of the number of students attending East Lyme High School, Salem is required to pay the base rate for a minimum enrollment equal to 80% of the total Salem high school students enrolled in grades nine through twelve at any high school. During the year ended June 30, 2012 the Town paid \$2,305,863 in regular education tuition and \$405,487 in special education tuition to the Town of East Lyme. The Town also paid \$135,197 to the Town of East Lyme which was the underpayment for the year ending June 30, 2010. The tuition fees paid during the year are based on an estimated amount. The final costs are calculated after the end of the year and are billed, or refunded, in the second subsequent year.

The estimated reconciliation for the year ended June 30, 2012 is an estimated underpayment of \$160,746 which will be added to the 2013-2014 tuition payments. The estimated reconciliation for the year ended June 30, 2012 was an underpayment of \$61,480 which will be added to the 2012-13 tuition payments.

Services Surcharge - To compensate for services, such as police, fire safety, water and sewer, paid by the Town of East Lyme on behalf of the school, the Town of Salem, Connecticut will reimburse the East Lyme a per student fee. In this fiscal year, the per student fee was \$64.50 and the Town had approximately 250 students. The final costs are calculated after the end of the year and are billed, or refunded, in the subsequent year. This is included in the reconciliation of costs for tuition.

Annual Flat Facilities Charge - The Town will pay the Town of East Lyme a flat facilities expansion and improvement charge for 20 years. This charge is equal to 20% of the non-reimbursed construction related costs. It is payable in two equal semi-annual installments. The amount paid to the Town of East Lyme for the year ended June 30, 2012 was \$92,353.

E. Jointly Governed Organizations

Gardner Lake Authority - The Towns of Salem, Montville and Bozrah established the Gardner Lake Authority to govern the body of water known as Gardner Lake. The Authority, in cooperation with the State Boating Commission, enforces boating laws and makes recommendations concerning water management. The towns split the operating costs of the authority. The Town of Salem's appropriation to the Authority for the year ended June 30, 2012 was \$2,580.

Town of Salem, Connecticut

Notes to Financial Statements (Continued)
June 30, 2012

4. Other Information (Continued)

F. Subsequent Debt Issues

On July 10, 2012, the Town issued \$3,500,000 of General Obligation Bond Anticipation Notes, with interest at 1.0% (yield of .6%) to finance renovations and improvements to the Salem School. Interest on the note is payable at maturity and the bond matures July 9, 2013. General obligation bonds are direct obligations of the Town and pledge the full faith and credit of the Town.

G. GASB Pronouncements Issued, But Not Yet Effective

The Governmental Accounting Standards Board (GASB) is the standard setting board for governmental entities. The following are statements which have been approved by GASB, but are not yet effective:

- GASB Statement 60 – *Accounting and Financial Reporting for Service Concession Arrangements*. This statement provides guidance for governments that are either transferors or operators of service concession arrangements. A service concession arrangement is one in which the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset in exchange for significant considerations, and the operator collects and is compensated by fees from third parties. This statement is effective for periods beginning after December 15, 2011.
- GASB Statement 61 – *The Financial Reporting Entity: Omnibus* – This statement modifies certain requirements for inclusion of component units in the financial reporting entity, amends the criteria for reporting component units, and clarifies the reporting of equity interests in legally separate organizations. This statement is effective for periods beginning after June 15, 2012.
- GASB Statement 62 – *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* – This statement incorporates certain authoritative literature into the GASB codification. This statement is effective for periods beginning after December 15, 2011.
- GASB Statement 63 – *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* – This statement discusses transactions that result in the consumption or acquisition of net assets in one period that are applicable to future periods and provides guidance for reporting them. This statement is effective for periods beginning after December 15, 2011.
- GASB Statement 65 – *Items Previously Reported as Assets and Liabilities* – This statement further clarifies that appropriate use of the financial statement elements of deferred outflows and deferred inflows of resources to ensure consistency in financial reporting. This statement is effective for periods beginning after December 15, 2012.
- GASB Statement 66 – *Technical Corrections - 2012* – This statement resolves conflicting guidance. This statement is effective for periods beginning after December 15, 2012.

Town of Salem, Connecticut

Notes to Financial Statements (Continued)
June 30, 2012

4. Other Information (Continued)

- GASB Statement 68 - *Accounting and Financial Reporting for Pensions* – This statement, and GASB Statement 67 applicable to pension plans, improves information provided by state and local government employers for better decision making, accountability, interperiod equity, and creating additional transparency.

Town of Salem, Connecticut

Required Supplementary Information
June 30, 2012

Town of Salem, Connecticut

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis) - General Fund
Year Ended June 30, 2012

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original	Additional Appropriations and Transfers	Final		
REVENUES					
Property Tax Revenues					
Property taxes	\$ 10,314,245	\$ -	\$ 10,314,245	\$ 10,336,482	\$ 22,237
Prior year tax collections	150,000	-	150,000	161,544	11,544
Supplemental motor vehicle tax collections	65,000	-	65,000	-	(65,000)
Interest on property taxes	65,000	-	65,000	71,809	6,809
Liens on property taxes	1,200	-	1,200	768	(432)
Interest on supplemental motor vehicles	2,200	-	2,200	3,256	1,056
	<u>10,597,645</u>	<u>-</u>	<u>10,597,645</u>	<u>10,573,859</u>	<u>(23,786)</u>
Intergovernmental Revenues					
State/Federal Grants for Education					
Education equalization	3,099,694	-	3,099,694	3,104,924	5,230
Transportation	52,835	-	52,835	57,827	4,992
Adult education	3,942	-	3,942	4,013	71
	<u>3,156,471</u>	<u>-</u>	<u>3,156,471</u>	<u>3,166,764</u>	<u>10,293</u>
Other State/Federal Grants					
Town Aid Road (TAR) - Transfer in	96,890	-	96,890	-	(96,890)
State property in lieu of taxes	56,952	-	56,952	55,875	(1,077)
Local capital improvement	35,221	-	35,221	-	(35,221)
Telephone access line	18,000	-	18,000	12,839	(5,161)
Library building grant	-	-	-	2,415	2,415
Tax relief for the elderly	21,000	-	21,000	19,937	(1,063)
Mashantucket Pequot grant	19,781	-	19,781	17,996	(1,785)
Library state aid and connecticard grants	2,618	-	2,618	1,321	(1,297)
Veterans' tax relief	2,700	-	2,700	1,799	(901)
Services for the blind	2,000	-	2,000	-	(2,000)
Boating safety grant	2,000	-	2,000	-	(2,000)
Tax relief for the disabled	200	-	200	196	(4)
Miscellaneous (STEAP)	-	-	-	10,146	10,146
Civil preparedness	3,000	-	3,000	840	(2,160)
Office of policy and management grant	-	-	-	3,217	3,217
	<u>260,362</u>	<u>-</u>	<u>260,362</u>	<u>126,581</u>	<u>(133,781)</u>
Total Intergovernmental	<u>3,416,833</u>	<u>-</u>	<u>3,416,833</u>	<u>3,293,345</u>	<u>(123,488)</u>
Revenue from the Use of Town Money					
Income from investments	20,191	-	20,191	6,966	(13,225)
Charges for Services					
Licenses and Permits					
Garbage bag revenue	40,000	-	40,000	41,924	1,924
Conveyance tax	33,000	-	33,000	34,367	1,367
Building permits	27,500	-	27,500	26,677	(823)
Tipping and hauling fees	15,000	-	15,000	21,966	6,966
Landfill fees - bulky waste	10,000	-	10,000	8,817	(1,183)
Heating	3,500	-	3,500	4,644	1,144
Plumbing	2,200	-	2,200	2,180	(20)
Electrical	2,250	-	2,250	4,187	1,937
Zoning compliance	2,000	-	2,000	2,110	110
Septic	1,500	-	1,500	875	(625)
Miscellaneous permits and fees	1,000	-	1,000	2,475	1,475
Town engineering fees	175	-	175	2,538	2,363
Wells	350	-	350	200	(150)
Warrant fees	50	-	50	42	(8)
Pistol permits/Sport licenses	450	-	450	1,120	670
	<u>138,975</u>	<u>-</u>	<u>138,975</u>	<u>154,122</u>	<u>15,147</u>

(Continued)

Town of Salem, Connecticut

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis) - General Fund
Year Ended June 30, 2012

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original	Additional Appropriations and Transfers	Final		
Charges for Current Services					
Recording fees	25,000	-	25,000	23,611	(1,389)
Planning and zoning commission fees	5,000	-	5,000	3,462	(1,538)
Sale of copies	5,500	-	5,500	6,304	804
Inland/wetland commission fees	1,000	-	1,000	770	(230)
CFC evacuation fees	-	-	-	1,455	1,455
Sale of maps	1,000	-	1,000	697	(303)
Zoning board of appeals fees	750	-	750	-	(750)
Sale of zoning regulations	250	-	250	30	(220)
LOCIP- cip (farm fee revenue)	-	-	-	2,703	2,703
Historic preservation cl	-	-	-	763	763
Farmland preservation cl	-	-	-	1,343	1,343
	<u>38,500</u>	<u>-</u>	<u>38,500</u>	<u>41,138</u>	<u>2,638</u>
Miscellaneous					
Miscellaneous	15,000	-	15,000	28,569	13,569
Recreation fee based activity	21,000	-	21,000	16,475	(4,525)
Library fees/fines	8,500	-	8,500	15,563	7,063
Insurance claims and refunds	-	-	-	9,858	9,858
Leases	2	-	2	1	(1)
Farmers market fees	1,500	-	1,500	1,179	(321)
Use of recreation fields	-	-	-	910	910
	<u>46,002</u>	<u>-</u>	<u>46,002</u>	<u>72,555</u>	<u>26,553</u>
Total charges for services	<u>223,477</u>	<u>-</u>	<u>223,477</u>	<u>267,815</u>	<u>44,338</u>
Transfers In from Capital Nonrecurring Fund	-	-	-	46,360	46,360
Total revenues	<u>14,258,146</u>	<u>-</u>	<u>14,258,146</u>	<u>14,188,345</u>	<u>(69,801)</u>
EXPENDITURES					
General Government					
Selectman's department	6,829	-	6,829	6,782	47
Salaries	1,067,643	16,762	1,084,405	1,017,795	66,610
Building official, sanitarian	2,465	-	2,465	2,260	205
Town clerk	17,466	-	17,466	13,841	3,625
Treasurer, auditor, board of finance	21,850	8,000	29,850	29,668	182
Assessor	7,830	-	7,830	7,764	66
Tax collector	5,580	-	5,580	4,212	1,368
Registrar	11,200	-	11,200	7,360	3,840
Town counsel	17,000	-	17,000	15,658	1,342
Town office operations	92,450	-	92,450	92,390	60
Municipal building maintenance	40,000	-	40,000	47,816	(7,816) *
Employee benefits	416,018	(24,762)	391,256	283,188	108,068
Utilities	175,278	-	175,278	165,511	9,767
Town services	26,575	2,500	29,075	11,083	17,992
Regional services	11,992	-	11,992	11,913	79
Library	26,812	-	26,812	24,003	2,809
Security	202,400	-	202,400	198,529	3,871
Gardner lake fire department	65,180	-	65,180	61,748	3,432
Salem fire department	66,790	-	66,790	66,784	6
Ambulance	40,285	-	40,285	38,370	1,915
Public safety	61,551	14,129	75,680	73,766	1,914
Public works	242,000	-	242,000	241,922	78
Transfer station	178,604	2	178,606	178,606	-
Economic development	2,250	-	2,250	40	2,210
Inland wetlands, conservation commissior	4,300	-	4,300	4,223	77
Planning and zoning commissior	35,300	-	35,300	32,761	2,539
Zoning board of appeals	300	-	300	180	120

(Continued)

Town of Salem, Connecticut

Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis) - General Fund
Year Ended June 30, 2012

	Budgeted Amounts			Actual Budgetary Basis	Variance with Final Budget
	Original	Additional Appropriations and Transfers	Final		
Recreation commission	53,900	-	53,900	46,502	7,398
Municipal insurance	108,278	-	108,278	90,500	17,778
Unanticipated expenses	1,000	-	1,000	(864)	1,864
Interest payments	31,750	-	31,750	31,750	-
Principal payable	200,000	-	200,000	200,000	-
Revaluation	-	-	-	58,626	(58,626) *
	<u>3,240,876</u>	<u>16,631</u>	<u>3,257,507</u>	<u>3,064,687</u>	<u>192,820</u>
Education	<u>9,950,000</u>	<u>77,205</u>	<u>10,027,205</u>	<u>9,868,815</u>	<u>158,390</u>
Capital Expenditures	<u>1,132,058</u>	<u>330,000</u>	<u>1,462,058</u>	<u>1,462,058</u>	<u>-</u>
Total expenditures	<u>14,322,934</u>	<u>423,836</u>	<u>14,746,770</u>	<u>14,395,560</u>	<u>351,210</u>
Excess (deficiency) of revenues over expenditures	<u>\$ (64,788)</u>	<u>\$ (423,836)</u>	<u>\$ (488,624)</u>	<u>(207,215)</u>	<u>\$ 281,409</u>

Adjustments to Generally Accepted Accounting Principles (GAAP):

Reconciling payments with East Lyme High School	(25,549)
On behalf revenues from teacher's retirement netted in budget	651,232
On behalf expenditures from teacher's retirement netted in budget	(651,232)
Revenues that were netted with expenditures in the budget:	
Revenues from Excess Cost Grant	149,290
Expenditures from Excess Cost Grant	(149,290)
General government and salaried Board of Education employees - change in accrued payroll	54,569
General government change in encumbrances	25,352

**Excess (deficiency) of revenues and other financing sources over
expenditures and other financing (uses) - GAAP basis:**

\$ 64,657

Notes to Required Supplementary Information: A formal, legally approved, annual budget is adopted for the General Fund only. This budget is adopted on a basis consistent with Generally Accepted Accounting Principles (modified accrual basis) with the following exceptions: 1. The Town does not recognize as income or expenditures payments made for the teacher's retirement by the State of Connecticut on the Town's behalf; 2. The Town nets revenues from the Excess Cost Grant in the Board of Education expenditure accounts; 3. The Town recognizes encumbrances payable as an expenditure in the year they were committed; 4. General government payroll is recorded on a cash basis; 5. Board of Education salaried employee's payroll is recorded on a cash basis; 6. Revenues and expenditures from refunding or renewing long-term debt or issuing loan or lease financing are included in the budget as net revenues or expenditures expected; 7. The Town pays and budgets for tuition to East Lyme High School on an estimated cost per student. A reconciling payment or benefit is included and budgeted for in the second subsequent year.

* These appropriations are over expended by the amount indicated in the variance.

Town of Salem, Connecticut

Combining and Individual Fund Financial Statements
June 30, 2012

Town of Salem, Connecticut

Combining Balance Sheet
 Other Governmental Funds
 June 30, 2012

	Special Revenue Funds	Capital Projects Funds	Permanent Fund: Memorial and Cemetery	Total Other Governmental Funds
ASSETS				
Cash and equivalents	\$ 347,423	\$ 35,381	\$ 836	\$ 383,640
Investments	31,777	-	13,745	45,522
Other receivables				
Intergovernmental	8,366	-	-	8,366
Due from other funds	118,513	-	-	118,513
Total Assets	<u>\$ 506,179</u>	<u>\$ 35,381</u>	<u>\$ 14,581</u>	<u>\$ 556,141</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable	\$ 11,255	\$ -	\$ -	\$ 11,255
Due to other funds	16,103	-	-	16,103
Total Liabilities	<u>27,358</u>	<u>-</u>	<u>-</u>	<u>27,358</u>
Fund Balances				
Nonspendable	-	-	1,997	1,997
Restricted	464,776	-	-	464,776
Assigned	14,045	35,381	12,584	62,010
Total Fund Balances	<u>478,821</u>	<u>35,381</u>	<u>14,581</u>	<u>528,783</u>
Total Liabilities and Fund Balances	<u>\$ 506,179</u>	<u>\$ 35,381</u>	<u>\$ 14,581</u>	<u>\$ 556,141</u>

Town of Salem, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Other Governmental Funds
 Year Ended June 30, 2012

	Special Revenue Funds	Capital Projects Funds	Permanent Fund Memorial and Cemetery	Total Other Governmental Funds
REVENUES				
State grants for specified purpose	\$ 353,558	\$ -	\$ -	\$ 353,558
Charges for current services	98,085	-	-	98,085
Miscellaneous revenue	712	-	-	712
Income from investments	641	21	153	815
Total Revenues	<u>452,996</u>	<u>21</u>	<u>153</u>	<u>453,170</u>
EXPENDITURES				
Current Expenditures				
General government	260,861	-	-	260,861
Education	112,767	-	-	112,767
Total Expenditures	<u>373,628</u>	<u>-</u>	<u>-</u>	<u>373,628</u>
Excess (Deficiency) of Revenues Over Expenditures	79,368	21	153	79,542
Fund Balances - Beginning of Year	<u>399,453</u>	<u>35,360</u>	<u>14,428</u>	<u>449,241</u>
Fund Balances - End of Year	<u>\$ 478,821</u>	<u>\$ 35,381</u>	<u>\$ 14,581</u>	<u>\$ 528,783</u>

Town of Salem, Connecticut

Combining Balance Sheet
 Special Revenue Funds
 June 30, 2012

	Town Aid Road	Grant Fund	Senior Citizens Fund	Dog Fund	School Cafeteria Fund	Community Foundation Grant	Needy Fund	Total Special Revenue Funds
ASSETS								
Cash and equivalents	\$ 284,038	\$ 38,780	\$ -	\$ 7,309	\$ 9,625	\$ -	\$ 7,671	\$ 347,423
Investments	-	-	29,742	-	-	-	2,035	31,777
Other receivables	-	-	-	-	8,366	-	-	8,366
Intergovernmental	-	106,162	-	-	-	12,351	-	118,513
Due from other funds	-	\$ 144,942	\$ 29,742	\$ 7,309	\$ 17,991	\$ 12,351	\$ 9,806	\$ 506,179
Total Assets	\$ 284,038	\$ 144,942	\$ 29,742	\$ 7,309	\$ 17,991	\$ 12,351	\$ 9,806	\$ 506,179
LIABILITIES AND FUND BALANCES								
Liabilities								
Accounts payable	\$ -	\$ -	\$ -	\$ 2,607	\$ 8,648	\$ -	\$ -	\$ 11,255
Due to other funds	-	16,103	-	-	-	-	-	16,103
Total Liabilities	-	16,103	-	2,607	8,648	-	-	27,358
Fund Balances								
Restricted	284,038	128,839	29,742	-	-	12,351	9,806	464,776
Assigned	-	-	-	4,702	9,343	-	-	14,045
Total Fund Balances	284,038	128,839	29,742	4,702	9,343	12,351	9,806	478,821
Total Liabilities and Fund Balances	\$ 284,038	\$ 144,942	\$ 29,742	\$ 7,309	\$ 17,991	\$ 12,351	\$ 9,806	\$ 506,179

Town of Salem, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Special Revenue Funds
 Year Ended June 30, 2012

	Town Aid Road	Grant Fund	Senior Citizens Fund	Dog Fund	School Cafeteria Fund	Community Foundation Grant	Needy Fund	Total Special Revenue Funds
REVENUES								
State Grants for Specified Purpose	\$ 96,981	\$ 217,098	\$ -	\$ -	\$ 23,669	\$ 15,810	\$ -	\$ 353,558
Charges for Current Services	-	-	-	4,761	93,324	-	-	98,085
Miscellaneous Revenue	-	-	-	-	-	-	712	712
Income From Investments	162	-	424	-	-	-	55	641
Total Revenues	<u>97,143</u>	<u>217,098</u>	<u>424</u>	<u>4,761</u>	<u>116,993</u>	<u>15,810</u>	<u>767</u>	<u>452,996</u>
EXPENDITURES								
Current Expenditures								
General Government	50,345	194,421	-	5,786	-	10,040	269	260,861
Education	-	-	-	-	112,767	-	-	112,767
Total Expenditures	<u>50,345</u>	<u>194,421</u>	<u>-</u>	<u>5,786</u>	<u>112,767</u>	<u>10,040</u>	<u>269</u>	<u>373,628</u>
Net Change in Fund Balance	46,798	22,677	424	(1,025)	4,226	5,770	498	79,368
Fund Balances - Beginning of Year	<u>237,240</u>	<u>106,162</u>	<u>29,318</u>	<u>5,727</u>	<u>5,117</u>	<u>6,581</u>	<u>9,308</u>	<u>399,453</u>
Fund Balances - End of Year	<u>\$ 284,038</u>	<u>\$ 128,839</u>	<u>\$ 29,742</u>	<u>\$ 4,702</u>	<u>\$ 9,343</u>	<u>\$ 12,351</u>	<u>\$ 9,806</u>	<u>\$ 478,821</u>

Town of Salem, Connecticut

Combining Balance Sheet
 Capital Projects Funds
 June 30, 2012

	Land Acquisition Fund	Open Space Land Acquisition Fund	Total Capital Projects Funds
ASSETS			
Cash and equivalents	<u>\$ 14,819</u>	<u>\$ 20,562</u>	<u>\$ 35,381</u>
FUND BALANCES			
Assigned	<u>\$ 14,819</u>	<u>\$ 20,562</u>	<u>\$ 35,381</u>

Town of Salem, Connecticut

Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Capital Projects Funds
 Year Ended June 30, 2012

	Land Acquisition Fund	Open Space Land Acquisition Fund	Total Capital Projects Funds
REVENUES			
Miscellaneous revenue	\$ -	\$ -	\$ -
Income from investments	<u>9</u>	<u>12</u>	<u>21</u>
Total Revenues	<u>9</u>	<u>12</u>	<u>21</u>
Fund Balances - Beginning of Year	<u>14,810</u>	<u>20,550</u>	<u>35,360</u>
Fund Balances - End of Year	<u>\$ 14,819</u>	<u>\$ 20,562</u>	<u>\$ 35,381</u>

Town of Salem, Connecticut

Combining Statement of Net Assets
 Agency Funds
 Year Ended June 30, 2012

	Balance Beginning	Additions	Deductions	Balance Ending
Student Activity Fund				
ASSETS				
Cash and equivalents	\$ 19,279	\$ 46,147	\$ (45,032)	\$ 20,394
LIABILITIES				
Due to students	\$ 19,279	\$ 46,147	\$ (45,032)	\$ 20,394
Bourgeois Fund				
ASSETS				
Cash and equivalents	\$ -	\$ 90,577	\$ (45,030)	\$ 45,547
LIABILITIES				
Due to family	\$ -	\$ 90,577	\$ (45,030)	\$ 45,547
Combined Total				
ASSETS				
Cash and equivalents	\$ 19,279	\$ 136,724	\$ (90,062)	\$ 65,941
LIABILITIES				
Due to others	\$ 19,279	\$ 136,724	\$ (90,062)	\$ 65,941

Town of Salem, Connecticut

Supplementary Schedules
June 30, 2012

Town of Salem, Connecticut

Report of the Property Tax Collector
Year Ended June 30, 2012

Grand List Year	Beginning Receivable Balance	Current Year Levy	Lawful Corrections		Net Taxes Collectible	Taxes	Collections During the Year			Transfer to Suspend	Refunds Issued	Over Payments	Net Ending Receivable Balance
			Additions	Deductions			Interest	Liens	Suspense				
2010	\$ -	\$10,637,514	\$18,835	\$ (52,784)	\$10,603,565	\$10,408,066	\$33,331	\$ -	\$ -	\$7,926	\$10,760	\$3,619	\$201,952
2009	233,618	-	1,548	(3,193)	231,973	115,273	23,294	552	100	7,020	1,132	-	110,812
2008	89,459	-	1,184	(1,988)	88,655	39,523	11,769	192	344	7,620	303	-	41,815
2007	44,134	-	-	-	44,134	4,135	1,382	24	1,644	1,875	-	-	38,124
2006	18,764	-	-	-	18,764	1,334	1,075	-	1,043	518	-	-	16,912
2005	5,084	-	-	-	5,084	1,273	910	-	337	636	-	-	3,175
2004	1,793	-	-	-	1,793	6	6	-	1,256	681	-	-	1,106
2003	818	-	-	-	818	-	-	-	1,214	633	-	-	185
2002	768	-	-	-	768	-	-	-	1,068	468	-	-	300
2001	117	-	-	-	117	-	-	-	43	-	-	-	117
2000	-	-	-	-	-	-	-	-	560	-	-	-	-
1997	699	-	-	-	699	-	-	-	-	-	-	-	699
	<u>\$395,254</u>	<u>\$10,637,514</u>	<u>\$21,567</u>	<u>\$ (57,965)</u>	<u>\$10,996,370</u>	<u>\$10,569,610</u>	<u>\$71,767</u>	<u>\$768</u>	<u>\$7,609</u>	<u>\$27,377</u>	<u>\$12,195</u>	<u>\$3,619</u>	<u>\$415,197</u>

Town of Salem, Connecticut

Statement of Changes in Fund Balance by Project - Capital Non-Recurring Fund
Year Ended June 30, 2012

	Beginning Balance	New Appropriations	Additional Appropriation	Additions (Revenues Posted)	Reductions (Expenditures Posted)	Returned to Undesignated General Fund	Ending Balance	Eliminating Deficit Balances Per GASB 54	Reported Fund Balance
Committed Fund Balance:									
Salem Fire Co									
SVFC Ladder Truck	\$ -	\$ 65,500	\$ -	\$ -	\$ (65,475)	\$ (25)	\$ -	\$ -	\$ -
Fire Fighting Gear	-	21,570	-	-	(21,520)	(50)	-	-	-
SCBA	-	46,578	-	-	(46,578)	-	-	-	-
	-	133,648	-	-	(133,573)	(75)	-	-	-
Gardner Firehouse Projects									
Service Vehicle 127 Plow/Suspension	-	10,000	-	-	(9,124)	-	876	-	876
General Government									
Town Center Roof	30,692	-	-	-	(24,106)	-	6,586	-	6,586
Parking Lot Rehab	12,042	85,000	-	-	(6,200)	-	90,842	-	90,842
Alarm/Monitoring System TOB	12,000	-	-	-	(1,370)	-	10,630	-	10,630
Town Clerk's Mobile Shelves	-	5,675	-	3,500	(8,675)	(500)	-	-	-
	54,734	90,675	-	3,500	(40,351)	(500)	108,058	-	108,058
Public Works									
10/11 Highway Rehab	31,454	-	-	-	(26,629)	-	4,825	-	4,825
11/12 Highway Rehab	-	329,000	-	-	(227,656)	-	101,344	-	101,344
Lawn Mower	14,000	-	-	-	-	-	14,000	-	14,000
GIS Stick	9,122	-	-	-	-	(9,122)	-	-	-
Field Maintenance Equipment	3,425	-	-	-	(1,700)	-	1,725	-	1,725
Public Works Dump Truck	-	29,802	-	-	(29,802)	-	-	-	-
Public Works Plow/Dump Truck	-	75,000	-	-	(74,351)	(649)	-	-	-
	58,001	433,802	-	-	(360,138)	(9,771)	121,894	-	121,894
Sanitation and Landfill									
Transfer Station Compactor	-	35,000	-	-	(85)	-	34,915	-	34,915
Transfer Station	1,123	-	-	-	(548)	-	575	-	575
	1,123	35,000	-	-	(633)	-	35,490	-	35,490
Recreation Commission									
Hill Rd Parking Lot Upgrades	-	40,000	-	-	-	-	40,000	-	40,000
Recreation Field Upgrades	10,769	-	-	-	(10,769)	-	-	-	-
Multi-Purpose Path	9,875	-	-	-	(3,086)	-	6,789	-	6,789
PRK Lot Exp/Babe Ruth FLD	4,500	-	-	-	-	-	4,500	-	4,500
Softball Conversion	1,960	-	-	-	(1,956)	(4)	-	-	-
Rec Com Snack Stand	1,954	-	-	-	-	-	1,954	-	1,954
	29,058	40,000	-	-	(15,811)	(4)	53,243	-	53,243

(Continued)

See Independent Auditors' Report

Town of Salem, Connecticut

Internal Control and Compliance Reports
June 30, 2012

**Report On Internal Control over Financial Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed in Accordance with
*Government Auditing Standards***

**The Board of Finance
Town of Salem, Connecticut**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Salem, Connecticut (the "Town") as of and for the year ended June 30, 2012 which collectively comprise the Town's basic financial statements and have issued our report thereon dated January 07, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

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

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as items MW-09-3 and MW-09-4 to be material weaknesses.

Government Auditing Standards Report (Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Town's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit the Town's response and, accordingly, we express no opinion on it.

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance, and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control over financial reporting and compliance. Accordingly, this report is not suitable for any other purposes.

O'Connor Davies, LLP

Wethersfield, Connecticut
January 07, 2013

Town of Salem, Connecticut

State Single Audit
June 30, 2012

Report On Compliance with Requirements that Could Have a Direct and Material Effect on Each Major Program and on Internal Control over Compliance in Accordance with the State Single Audit Act, and on the Schedule of Expenditures of State Financial Assistance

Independent Auditors' Report

**The Board of Finance
Town of Salem, Connecticut**

Compliance

We have audited the Town of Salem, Connecticut's (the "Town") compliance with the types of compliance requirements described in the *Office of Policy and Management Compliance Supplement* that could have a direct and material effect on each of the Town's major state programs for the year ended June 30, 2012. The major state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of the Town's management. Our responsibility is to express an opinion on the Town's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Town's compliance with those requirements.

In our opinion, the Town complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2012.

Internal Control over Compliance

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

but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

State Single Audit Report (Continued)

A *deficiency* in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of State Financial Assistance

We have audited the financial statements of the governmental activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Town as of and for the year ended June 30, 2012, and have issued our report thereon dated January 07, 2013, which contained unqualified opinions on those financial statements. Our audit was conducted for the purpose of forming our opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the State Single Audit Act, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The purpose of this report is solely to describe the scope of our testing of compliance with the types of compliance requirements applicable to each of the Town's major programs and our testing of internal control over compliance and the results of our testing, and to provide an opinion on the Town's compliance but not to provide an opinion on the effectiveness of the Town's internal control over compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's compliance with requirements

applicable to each major program and its internal control over compliance. Accordingly, this report is not suitable for any other purpose.

O'Connor Davies, LLP

Wethersfield, Connecticut
January 07, 2013

Town of Salem, Connecticut

Schedule of Expenditures of State Financial Assistance
Year Ended June 30, 2012

State Program Pass-Through Grantor Program Title	State Grant Program Core-CT Number	Expenditures
Connecticut State Library		
State Aid to Public Libraries	11000-CSL66051-17003	\$ 2,415
Connecticard	11000-CSL66051-17010	1,321
Historic Documents Preservation Grants	12060-CSL66094-35150	3,500
Department of Environmental Protection		
Small Town Economic Assistance Program (DEP)	12052-DEP43153-40511	149,004
Small Town Economic Assistance Program (DEP)	12052-DEP43153-40531	29,373
Department of Transportation		
Town Aid Roads - STO	13033-DOT57131-43459	50,345
Office of Policy and Management		
PILOT on State Owned Property	11000-OPM20600-17004	55,875
Property Tax Relief for Disability Exemption	11000-OPM20600-17011	196
Property Tax Relief for Elderly and Totally Disabled (CB)	11000-OPM20600-17018	17,937
Property Tax Relief for Elderly Homeowners - Freeze	11000-OPM20600-17021	2,000
Property Tax Relief for Veterans	11000-OPM20600-17024	1,799
Department of Education		
Child Nutrition Program (School Lunch State Match)	11000-SDE64370-16211	1,209
Health Foods Initiative	11000-SDE64370-16212	2,628
Adult Education	11000-SDE64370-17030	4,013
Magnet Schools	11000-SDE64370-17057	7,200
Total State Financial Assistance before Exempt Programs		<u>328,815</u>
EXEMPT PROGRAMS		
Department of Education		
Education Cost Sharing	11000-SDE64370-17041	3,104,924
Transportation of School Children	11000-SDE64370-17027	50,627
Special Education - Excess Cost - Student Based	11000-SDE64370-17047	149,290
Department of Public Works		
School Construction - Principal	13010-DPW27610-40901	24,157
Office of Policy and Management		
Mashantucket Pequot/Mohegan Fund	12009-OPM20600-17005	17,996
Municipal Revenue Sharing	12060-OPM20600-35458	2,794
Municipal Video Competition	12060-OPM20600-35362	423
Total Exempt Programs		<u>3,350,211</u>
Total State Financial Assistance		<u>\$ 3,679,026</u>

See Notes to Schedule and Independent Auditors' Report

Town of Salem, Connecticut

Notes to the Schedule of Expenditures of State Financial Assistance
Year Ended June 30, 2012

1. Summary of Significant Accounting Policies

General

The accompanying schedule of expenditures of state financial assistance includes state grant activity of the Town of Salem, Connecticut (the "Town") under programs of the State of Connecticut for the fiscal year ended June 30, 2012. Various departments and agencies of the State of Connecticut have provided financial assistance to the Town through grants and other authorizations in accordance with the General Statutes of the State of Connecticut.

The information in the Schedule of Expenditures of State Financial Assistance is presented based on regulations established by the State of Connecticut, Office of Policy and Management.

Basis of Accounting

The financial statements for the governmental fund types contained in Town of Salem, Connecticut's basic financial statements are prepared on the modified accrual basis of accounting. The government-wide financial statements are prepared on the full 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 for the current period,
- Expenditures are generally recorded when a liability is incurred except for debt service expenditures, as well as certain other expenditures, when applicable, related to compensated absences, pension obligations, landfill closure costs, claims and judgments, and other post-employment benefits which are recorded only when payment is due (matured).

The expenditures reported on the Schedule of State Financial Assistance are reported on the accrual basis of accounting. In accordance with Section 4-236-22 of the Regulations of the State Single Audit Act, certain grants are not dependent on expenditure activity, and accordingly, are considered to be expended in the fiscal year of receipt. These grant program receipts are reflected in the expenditures column of the Schedule of Expenditures of State Financial Assistance.

Town of Salem, Connecticut

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2012

MW-11-1 – Controls over Bookkeeping Records

Condition: The Town's internal bookkeeping is not providing reliable reports for management. There are variances between reports printed from the same computer program. For example, the cash balance on one report was millions of dollars different from a second report printed at the same time. In addition, the Town is not using a double entry system of accounting for many of the funds. Not all funds are producing reports for management. Not all transactions are being captured in the accounting system.

Current Status: The finding has been corrected.

MW-09-2 – Controls over the Period-End Financial Reporting Process

Condition: The audit identified material adjustments to the Town of Salem, Connecticut's internally prepared financial reporting. Although these have been subsequently corrected by management, the internal reports presented and used for management decisions were materially misstated.

Current Status: The finding has been corrected.

MW-09-3 – Entity Level Controls

Condition: Internal controls are a coordinated set of policies and procedures that management uses to achieve their objectives and meet their fundamental responsibilities for effectiveness, efficiency, compliance and financial reporting. The literature recognizes five sections of internal control published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO Report) in Internal Control – Integrated Framework.

Current Status: Repeated as the same finding number.

Planned Corrective Action: See the response included in the current year Schedule of Findings and Questioned Costs.

Town of Salem, Connecticut

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2012

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes none reported
- Noncompliance material to financial statements noted yes no

State Financial Assistance

Internal control over major programs:

- Material weakness(es) identified? yes no
- Significant deficiency(ies) identified? yes none reported

Type of report issued on compliance for major programs: Unqualified

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

Yes no

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

<u>State Grantor and Program</u>	<u>State Core-CT Number</u>	<u>Expenditures</u>
Department of Environmental Protection: Small Town Economic Assistance Program	12052-DEP43153-40511	\$149,004
Department of Transportation: Town Aid Roads	13033-DOT57131-43459	\$50,345

Dollar threshold used to distinguish between type A and type B programs:

\$100,000

Section II - Financial Statement Findings

MW-09-3 – Entity Level Controls

Condition: Internal controls are a coordinated set of policies and procedures that management uses to achieve their objectives and meet their fundamental responsibilities for effectiveness, efficiency, compliance and financial reporting. The literature recognizes five sections of internal control published by the Committee of Sponsoring Organizations of the Treadway Commission (COSO Report) in Internal Control – Integrated Framework. These five interrelated components include:

Town of Salem, Connecticut

Schedule of Findings and Questioned Costs
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Section II - Financial Statement Findings (Continued)

- *Control Environment* – A favorable control environment exists when management is knowledgeable about controls (entity wide and specific), is committed to establishing controls and communicates its support for internal controls to all individuals involved.
- *Risk Assessment* – This involves management's continual identification and assessment of the potential risks that might prevent management from fulfilling its responsibilities and achieving its objectives.
- *Information and Communication Systems* – These are the systems used to assure that appropriate individuals have timely and accurate information to carry out their responsibilities.
- *Control Activities* – These are management's response to the risks identified. These are the specific policies and procedures that are put in place to alert management of undesired actions in a timely manner.
- *Monitoring* – There is a responsibility of management to follow up on the controls that have been put in place to assure that they continue to function and function properly, effectively and efficiently.

The Town of Salem, Connecticut does not have a framework established to deal with each of the interrelated entity level controls over and above the specific control policies and procedures that have been developed.

Recommendation: We recommend that as part of developing an accounting manual, the Town of Salem, Connecticut consider the entity wide controls as discussed above.

Management's Response: The Town of Salem, Connecticut will assign a committee to work on developing the necessary entity wide controls.

MW-09-4 - Segregation of Duties

Condition: The Town of Salem, Connecticut does not maintain an adequate segregation of duties for proper internal control over the financial transactions in certain areas. Proper internal control relies on the following three aspects of processing transactions being performed by separate individuals: authorizing transactions, custody of assets, and record keeping. This weakness in internal controls could lead to funds being expended in a manner not consistent with the intentions of management. These weaknesses were noted in the following areas:

Treasurer - The Town Treasurer handles cash receipts, prepares and makes deposits, posts cash receipt transactions, and reconciles bank statements. The Treasurer also authorizes, makes, records and reconciles all investment activities.

Tax Collector - The Tax Collector or her assistants prepare and send bills, handle tax collections, prepare and make deposits and post tax receipt transactions.

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Recommendation: The Town should review the segregation of duties involved in all the cash receipts functions. The duties of the individuals involved should be analyzed and restructured as necessary to provide for a better system of checks and balances. Once a better system has been devised, it should be written, approved by the Board of Finance and distributed to the individuals involved.

Management's Response: The Town will review the segregation of duties as part of preparing an overall accounting manual. If a segregation of duties is not possible, other control procedures will be implemented.

Section III - State Financial Assistance Findings and Questioned Costs

No findings or questioned cost are reported relating to State financial assistance programs.

The First Town Meeting in the Town of Salem, Connecticut

*At a Town Meeting held at the Presbyterian Meeting House in Salem
on the 15th Day June 1819 the third Tuesday*

Warning

The Inhabitants living within the antient limits of the Society of New Salem that are legal Voters are hereby warned to meet at the Presbyterian Meeting House in (the) T Society on the Third Tuesday of June 1819 for the purpose of Organizing them Selves into a Town by Choosing all the officers required by Law to be chosen in other Towns in this State Agreeable to the Directions in a Bill in form of the General Assembly of this State at their Session at Hartford in May 1819 Upon the petition of (the) T Inhabitants to (the) T Assembly praying to be Incorporated into a Town.

Mumford Dolbeare, Moderator

*Dated at Salem this
28th Day of May 1819*

Mumford Dolbeare Esq-Moderator Appointed by the General Assembly At T (the) meeting, Elijah Treadway was Chosen Clerk

*Voted Henry Perkins Esq.
Joseph Morgan Esq.
George Minard
Seth Lathrop Esq.
And Daniel Jones*

Select Men

*Voted that John Billings be Treasurer
Voted that Mark Dodge be Head Constable*

*Voted Amasa Rathbun
Charles Tiffany
And Avery Morgan*

Constables

*Voted that Schubel Parks Amasa Rathbun Avery Morgan Charlot Chapel Joseph Powrs Thomas
Bradford Russel Williams Seth Tiffany Mark Dodge and Christopher Minard be Surveyors*

Voted that David Patten be Surveyor

Voted that Thomas Bradford Elijah Loomis John Billings John S Ransom and David Patten be Listers

Voted that Gurdon Hamilton and Hallam Latimore be Fence Viewers

Voted Samuel Holmes be Leather Sealer

Voted Thomas Miller Joseph Powrs and Ebenezer Tiffany be Grand Jurors

Voted Joshua Pratt be Sealer of Weights and Measures

Voted Asa Rathbun and Guy Loomis be Tything men

*Voted George Minard John Billings Seth Tiffany and Avery Morgan be Pound keepers and
furnish pound*

Voted the fence viewers move Encroachments off the Highway

*Voted Joseph Hilliard, William Fitch, William Hamman, Ephraim D. Woolf and Christopher Minard be Haywards**

Voted that the Town Clerk Keep Records so far as Respects Town business and Charge no fee.

Vote that the Select Men Charge no pay for time or Horse ride

Voted that this meeting be Dissolved

Attest Elijah Treadway Reg.

the town common

**An officer formerly charged with the repair of cattle fences and the retention of cattle in*

