

TOWN OF ASHFORD, CONNECTICUT

**BASIC FINANCIAL STATEMENTS,
SUPPLEMENTARY INFORMATION, AND
INDEPENDENT AUDITOR'S REPORT**

JUNE 30, 2017

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Independent Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To the Board of Finance of the
Town of Ashford, Connecticut

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Ashford, Connecticut (the "Town"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Town of Ashford, Connecticut, as of June 30, 2017, and the respective changes in financial position, and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 12 and the schedules on pages 48 and 49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund financial statements and schedules on pages 50 through 64 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 1, 2017, on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.



Glastonbury, Connecticut
December 1, 2017

Management's Discussion and Analysis

TOWN OF ASHFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
JUNE 30, 2017

As management of the Town of Ashford, Connecticut (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended June 30, 2017.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Town exceeded its liabilities at the close of the most recent fiscal year by \$17,974,643 (net position). Of this amount, \$3,055,702 (unrestricted net position) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net position increased by \$343,462.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$4,416,823, a decrease of \$156,006 in comparison with the prior year. Approximately 44.5% or \$1,965,821 of this total amount is available for spending at the Town's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,965,821 or 13.4% of total General Fund expenditures. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover approximately 1.6 months of General Fund operating expenditures.
- The principal balance outstanding on the Town's long-term bonded debt decreased by \$230,000 or 12.0%, from \$1,915,000 as of June 30, 2016 to \$1,685,000 as of June 30, 2017. The decrease represents scheduled repayments made during the current fiscal year.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the Town's assets, deferred outflows of resources, and liabilities, with net position as the residual of these other elements. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The statement of activities presents information showing how the Town's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

TOWN OF ASHFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) *(Continued)*
JUNE 30, 2017

OVERVIEW OF THE FINANCIAL STATEMENTS *(Continued)*

Government-wide Financial Statements *(Continued)*

The government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The Town has no business-type activities. The governmental activities of the Town include public safety, public works, health and welfare, planning and development, education, library, recreation, and general administrative services.

The government-wide financial statements can be found on pages 13 and 14 of this report.

Fund Financial Statements

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

Governmental Funds

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

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

The Town maintains a number of individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, the Capital Nonrecurring Fund and the Small Cities Grant Program Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 15 through 19 of this report.

TOWN OF ASHFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) (Continued)
JUNE 30, 2017

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

Fund Financial Statements (Continued)

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the Town government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to the Town's own programs.

The basic fiduciary fund financial statements can be found on pages 20 and 21 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22 through 47 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also contains required supplementary information other than this management's discussion and analysis that can be found on pages 48 and 49 of this report. Combining and individual fund statements and schedules can be found on pages 50 through 64 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

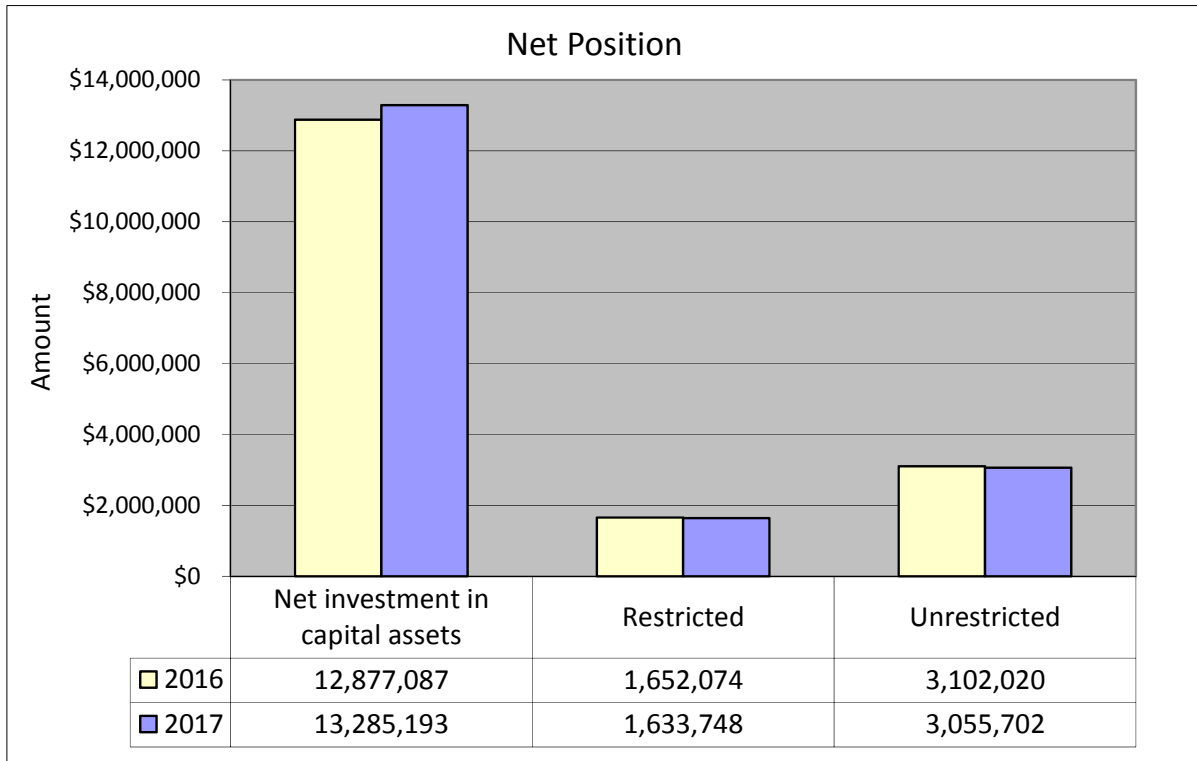
Over time, net position may serve as one measure of a government's financial position. Net position of the Town totaled \$17,967,705 and \$17,631,181 as of June 30, 2017 and 2016, respectively, and is summarized as follows:

	<u>Governmental Activities</u>	
	<u>2017</u>	<u>2016</u>
Current and other assets	\$ 5,419,380	\$ 5,504,695
Capital assets	15,376,085	15,345,690
Total assets	<u>20,795,465</u>	<u>20,850,385</u>
 Deferred outflows of resources	 <u>18,999</u>	 <u>20,297</u>
 Other liabilities	 565,941	 581,082
Long-term liabilities	2,273,880	2,658,419
Total liabilities	<u>2,839,821</u>	<u>3,239,501</u>
 Net position:		
Net investment in capital assets	13,285,193	12,877,087
Restricted	1,633,748	1,652,074
Unrestricted	3,055,702	3,102,020
Total net position	<u>\$ 17,974,643</u>	<u>\$ 17,631,181</u>

TOWN OF ASHFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) (Continued)
JUNE 30, 2017

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Net Position (Continued)



Of the Town's net position, 73.9% and 73.0% reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding, as of June 30, 2017 and 2016, respectively. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities.

As of June 30, 2017 and 2016, 9.1% and 9.4%, respectively, of the Town's net position is subject to external restrictions on how it may be used and is therefore presented as restricted net position.

The remainder of the Town's net position is considered unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.

TOWN OF ASHFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) (Continued)
JUNE 30, 2017

GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Position

Changes in net position for the years ended June 30, 2017 and 2016 are as follows:

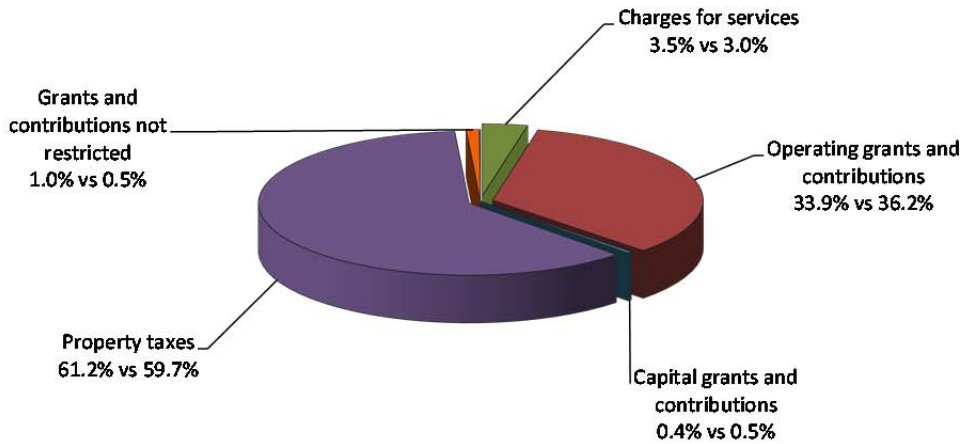
	Governmental Activities	
	2017	2016
Revenues:		
Program revenues:		
Charges for services	\$ 552,964	\$ 466,838
Operating grants and contributions	5,425,386	5,703,313
Capital grants and contributions	58,350	80,030
General revenues:		
Property taxes	9,802,343	9,411,816
Grants and contributions not restricted	158,738	74,732
Unrestricted investment earnings	15,934	15,836
Total revenues	16,013,715	15,752,565
Expenses:		
General government	1,009,831	1,061,547
Public safety	368,194	317,521
Public works	1,404,391	1,386,755
Health and welfare	63,106	119,870
Planning and development	228,121	202,236
Education	12,237,549	12,693,330
Library	174,534	199,127
Recreation	130,065	119,740
Interest expense	54,462	58,706
Total expenses	15,670,253	16,158,832
Change in net position	\$ 343,462	\$ (406,267)

TOWN OF ASHFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) (Continued)
JUNE 30, 2017

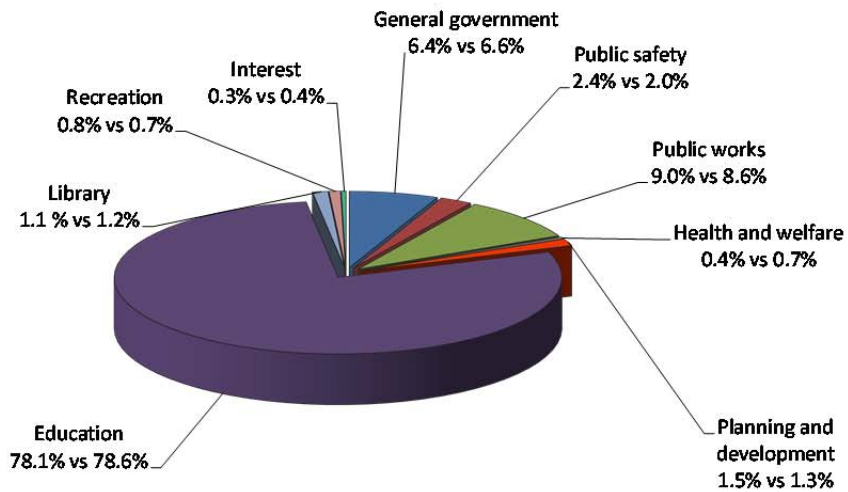
GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)

Changes in Net Position (Continued)

**2017 vs 2016 Revenues by Source -
 Governmental Activities**



**2017 vs 2016 Expenses by Function -
 Governmental Activities**



TOWN OF ASHFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) *(Continued)*
JUNE 30, 2017

GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)*

Governmental Activities

Governmental activities increased the Town's net position by \$343,462.

Revenues generated by the Town increased by approximately \$261,000 or 1.7% in comparison to revenues reported in the prior year. This increase was due primarily to an increase in property tax revenues of approximately \$390,000, offset by a decrease in operating grants and contributions of approximately \$278,000. Property tax revenues recognized in the prior year were negatively impacted by an increase in the allowance for uncollectibles of approximately \$609,000, primarily attributed to delinquent taxes on an abandoned industrial property. During fiscal year 2017, these delinquent tax amounts were transferred to suspense and the related interest was also written off, resulting in higher current year net property tax revenue.

Expenses incurred by the Town decreased by approximately \$489,000 or 3.0% in comparison to expenses reported in the prior year. This decrease includes a decrease in Education expenses of approximately \$456,000, which is attributed to a decrease in both outplacement tuition costs and amounts assessed by the Town's regional school district.

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS

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

Governmental Funds

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

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$4,416,823, a decrease of \$156,006 in comparison with the prior year. Of this amount, \$1,965,821 constitutes unassigned fund balance, which is available for spending at the Town's discretion.

General Fund

The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,965,821 while total fund balance was \$2,089,616. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total General Fund expenditures. Unassigned fund balance for the General Fund as of June 30, 2017 was 13.4% of total General Fund expenditures, an increase from 11.5% as of June 30, 2016. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover approximately 1.6 months of General Fund operating expenditures.

Capital Nonrecurring Fund

The fund balance of the Capital Nonrecurring Fund decreased by \$385,732 during the current fiscal year. This decrease is primarily related to a planned use of fund balance to fund capital expenditures and related debt service payments.

TOWN OF ASHFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) *(Continued)*
JUNE 30, 2017

FINANCIAL ANALYSIS OF THE TOWN'S FUNDS *(Continued)*

Small Cities Grant Program Fund

The fund balance of the Small Cities Grant Program Fund decreased by \$18,329 during the current fiscal year. This decrease is primarily attributable to an increase in costs associated with the Ashford Food Program.

GENERAL FUND BUDGETARY HIGHLIGHTS

The actual net change in fund balance of the General Fund on a budgetary basis was an increase of \$224,377. Expenditures were \$146,743 less than budgeted and total budgetary revenues were \$138,865 more than expected, due primarily to a favorable variance in property tax revenues and building license and permit revenue. Differences between the original budget and the final amended budget resulted in additional appropriations of \$92,697. This included an additional appropriation of \$31,466, which consisted of the fiscal year 2016 surplus within the Education budget approved to be carried forward for use by the Board of Education for capital purposes. In addition, the additional appropriations included the use of \$60,000 in Education carryforwards previously approved by the Board of Finance to fund current year capital improvements made to the Town's educational facility.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The Town's investment in capital assets as of June 30, 2017 and 2016 totaled \$15,376,085 and \$15,345,690, respectively (net of accumulated depreciation). This investment in capital assets includes land and land development rights, buildings and improvements, machinery, equipment and vehicles and infrastructure assets such as roads and bridges. The total decrease in the Town's investment in capital assets for the current fiscal year was \$30,395 or 0.2%, which consisted of capital additions of \$503,987, offset by current year depreciation of \$467,592 and a net loss on disposals of \$6,000.

Major capital asset additions during the current fiscal year consisted of the following:

- the purchase of a school bus in the amount of approximately \$82,000 for educational services;
- \$207,000 in renovation costs for technology education space and classroom ceilings;
- the purchase of computer equipment in the amount of approximately \$75,000.

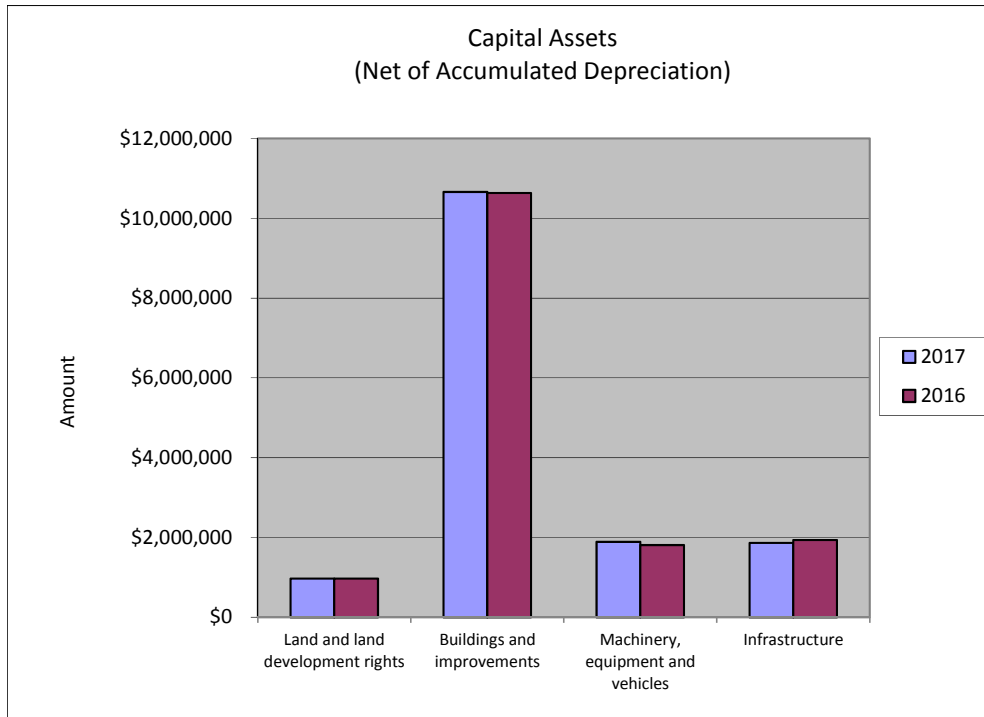
The following table is a two year comparison of the Town's investment in capital assets:

	Governmental Activities	
	2017	2016
Land and land development rights	\$ 968,756	\$ 968,756
Buildings and improvements	10,662,263	10,635,069
Machinery, equipment and vehicles	1,884,373	1,809,009
Infrastructure	1,860,693	1,932,856
Totals	\$ 15,376,085	\$ 15,345,690

TOWN OF ASHFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) *(Continued)*
JUNE 30, 2017

CAPITAL ASSET AND DEBT ADMINISTRATION *(Continued)*

Capital Assets *(Continued)*



Additional information on the Town's capital assets can be found in Note 5 of this report.

Long-term Debt

At the end of the current fiscal year, the Town had \$1,685,000 of long-term bonded debt and \$308,695 of capital lease obligations outstanding. The entire amount is comprised of debt backed by the full faith and credit of the Town. Total long-term debt, consisting of bonds and capital leases payable, decreased by \$371,109 due to scheduled debt service repayments.

State statutes limit the amount of general obligation debt the Town may issue to seven times its annual receipts from taxation, as defined by the statutes. The current debt limitation for the Town is significantly in excess of the Town's outstanding long-term debt.

TOWN OF ASHFORD, CONNECTICUT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) *(Continued)*
JUNE 30, 2017

CAPITAL ASSET AND DEBT ADMINISTRATION *(Continued)*

Long-term Debt *(Continued)*

The following table is a two year comparison of long-term debt:

	Governmental Activities	
	2017	2016
Bonds payable	\$ 1,685,000	\$ 1,915,000
Capital lease obligations	308,695	449,804
Totals	<u>\$ 1,993,695</u>	<u>\$ 2,364,804</u>

Additional information on the Town's long-term debt can be found in Note 9 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

A summary of key economic factors affecting the Town are as follows:

- The Town receives intergovernmental revenues from the State of Connecticut. Connecticut's economy moves in the same general cycle as the national economy, which from time to time will affect the amount of intergovernmental revenues the Town will receive.
- Inflationary trends in the region compare favorably to national indices.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the Town's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the First Selectman's Office, Town of Ashford, 5 Town Hall Road, Ashford, CT 06278.

Basic Financial Statements

TOWN OF ASHFORD, CONNECTICUT
STATEMENT OF NET POSITION
JUNE 30, 2017

	Governmental Activities
ASSETS	
Cash and cash equivalents	\$ 3,361,106
Investments	75,000
Receivables:	
Property taxes, net	330,272
Interest on property taxes, net	145,300
Other	24,126
Loans receivable, long-term	1,483,576
Capital assets:	
Non-depreciable	968,756
Depreciable, net	14,407,329
Total assets	20,795,465
 DEFERRED OUTFLOWS OF RESOURCES	
Deferred charges on refunding	18,999
 LIABILITIES	
Accounts payable	209,195
Accrued liabilities:	
Salaries and benefits payable	341,356
Other	9,713
Unearned revenue	5,677
Noncurrent liabilities:	
Due within one year	382,770
Due in more than one year	1,891,110
Total liabilities	2,839,821
 NET POSITION	
Net investment in capital assets	13,285,193
Restricted for:	
Endowments - nonexpendable	81,000
Endowments - expendable	8,672
Planning and development	1,544,076
Unrestricted	3,055,702
Total net position	\$ 17,974,643

The accompanying notes are an integral part of these financial statements .

TOWN OF ASHFORD, CONNECTICUT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position - Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental activities:					
General government	\$ 1,009,831	\$ 216,293	\$ 23,458	\$ 8,750	\$ (761,330)
Public safety	368,194	5,469	-	-	(362,725)
Public works	1,404,391	-	325,799	-	(1,078,592)
Health and welfare	63,106	-	-	49,600	(13,506)
Planning and development	228,121	6,318	27,079	-	(194,724)
Education	12,237,549	282,541	5,048,968	-	(6,906,040)
Library	174,534	6,453	82	-	(167,999)
Recreation	130,065	35,890	-	-	(94,175)
Interest expense	54,462	-	-	-	(54,462)
Total governmental activities	<u>\$ 15,670,253</u>	<u>\$ 552,964</u>	<u>\$ 5,425,386</u>	<u>\$ 58,350</u>	<u>(9,633,553)</u>
General revenues:					
					9,802,343
					158,738
					15,934
					<u>9,977,015</u>
					343,462
					<u>17,631,181</u>
					<u>\$ 17,974,643</u>

The accompanying notes are an integral part of these financial statements .

TOWN OF ASHFORD, CONNECTICUT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2017

	General Fund	Capital Nonrecurring Fund	Small Cities Grant Program Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 3,118,908	\$ 127,865	\$ 60,505	\$ 53,828	\$ 3,361,106
Investments	-	-	-	75,000	75,000
Receivables:					
Property taxes and interest, net	475,572	-	-	-	475,572
Loans	-	-	1,483,576	-	1,483,576
Other	7,790	-	-	13,102	20,892
Due from other funds	1,277,408	437,720	-	318,148	2,033,276
Total assets	<u>\$ 4,879,678</u>	<u>\$ 565,585</u>	<u>\$ 1,544,081</u>	<u>\$ 460,078</u>	<u>\$ 7,449,422</u>
LIABILITIES					
Accounts payable	\$ 189,271	\$ 250	\$ 5	\$ 19,669	\$ 209,195
Salaries and benefits payable	341,356	-	-	-	341,356
Due to other funds	1,812,982	-	-	217,060	2,030,042
Unearned revenue	124	-	-	5,553	5,677
Total liabilities	<u>2,343,733</u>	<u>250</u>	<u>5</u>	<u>242,282</u>	<u>2,586,270</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	<u>446,329</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>446,329</u>
FUND BALANCES					
Nonspendable	-	-	1,483,576	81,000	1,564,576
Restricted	-	-	60,500	8,672	69,172
Committed	64,571	565,335	-	128,124	758,030
Assigned	59,224	-	-	-	59,224
Unassigned	1,965,821	-	-	-	1,965,821
Total fund balances	<u>2,089,616</u>	<u>565,335</u>	<u>1,544,076</u>	<u>217,796</u>	<u>4,416,823</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 4,879,678</u>	<u>\$ 565,585</u>	<u>\$ 1,544,081</u>	<u>\$ 460,078</u>	<u>\$ 7,449,422</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF ASHFORD, CONNECTICUT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2017

Total fund balances for governmental funds	\$	4,416,823
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Total net position reported for governmental activities in the statement of net position is different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds. Those assets consist of:

Land and land development rights	\$	968,756	
Buildings and improvements		14,552,020	
Machinery, equipment and vehicles		4,148,128	
Infrastructure		2,455,539	
Less: accumulated depreciation and amortization		<u>(6,748,358)</u>	
Total capital assets, net			15,376,085

Some of the Town's revenues will be collected after year end, but are not available soon enough to pay for the current period's expenditures and therefore are reported as deferred inflows of resources in the funds.

446,329

Deferred charges on refundings are not susceptible to accrual and therefore are not reported in the funds.

18,999

Long-term liabilities applicable to the Town's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long-term - are reported in the statement of net position.

Long-term debt:			
Bond payable		(1,685,000)	
Accrued interest payable		(9,713)	
Unamortized bond premium		(116,196)	
Other long-term liabilities:			
Capital lease obligations		(308,695)	
Compensated absences		(49,350)	
Net OPEB obligation		<u>(114,639)</u>	
Total long-term liabilities			<u>(2,283,593)</u>

Net position of governmental activities	\$	<u><u>17,974,643</u></u>
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The accompanying notes are an integral part of these financial statements .

TOWN OF ASHFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	General Fund	Capital Nonrecurring Fund	Small Cities Grant Program Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES					
Property taxes	\$ 9,717,373	\$ -	\$ -	\$ -	\$ 9,717,373
Intergovernmental	4,901,008	208,228	27,080	447,181	5,583,497
Charges for services	411,115	-	6,318	132,629	550,062
Interest income	15,439	256	-	239	15,934
Other	24,625	32,802	-	5,236	62,663
Total revenues	<u>15,069,560</u>	<u>241,286</u>	<u>33,398</u>	<u>585,285</u>	<u>15,929,529</u>
EXPENDITURES					
Current:					
General government	735,912	-	-	3,765	739,677
Public safety	251,589	-	-	21,780	273,369
Public works	863,900	-	-	-	863,900
Health and welfare	61,331	-	-	-	61,331
Planning and development	134,963	-	51,727	-	186,690
Education	11,473,072	-	-	577,190	12,050,262
Library	169,535	-	-	-	169,535
Recreation	-	-	-	125,955	125,955
Employee benefits and insurance	387,192	-	-	-	387,192
Capital outlays	256,506	546,421	-	-	802,927
Debt service:					
Principal payments	230,000	132,771	-	-	362,771
Interest and fiscal charges	54,100	7,826	-	-	61,926
Total expenditures	<u>14,618,100</u>	<u>687,018</u>	<u>51,727</u>	<u>728,690</u>	<u>16,085,535</u>
Excess (deficiency) of revenues over expenditures	451,460	(445,732)	(18,329)	(143,405)	(156,006)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	60,000	-	134,026	194,026
Transfers out	(194,026)	-	-	-	(194,026)
Total other financing sources (uses)	<u>(194,026)</u>	<u>60,000</u>	<u>-</u>	<u>134,026</u>	<u>-</u>
Net change in fund balances	257,434	(385,732)	(18,329)	(9,379)	(156,006)
Fund balances - beginning	<u>1,832,182</u>	<u>951,067</u>	<u>1,562,405</u>	<u>227,175</u>	<u>4,572,829</u>
Fund balances - ending	<u>\$ 2,089,616</u>	<u>\$ 565,335</u>	<u>\$ 1,544,076</u>	<u>\$ 217,796</u>	<u>\$ 4,416,823</u>

The accompanying notes are an integral part of these financial statements .

TOWN OF ASHFORD, CONNECTICUT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017

Net change in fund balances - total governmental funds \$ (156,006)

Total change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense. The amount by which capital outlays exceeded depreciation and amortization expense in the current period is as follows:

Expenditures for capital assets	\$ 503,987	
Depreciation and amortization expense	<u>(467,592)</u>	
Net adjustment		36,395

The statement of activities reports losses arising from the disposal of existing capital assets to acquire new capital assets. Conversely, governmental funds do not report any gain or loss on a disposal of capital assets. (6,000)

Certain revenues reported in the statement of activities do not provide current financial resources and therefore are reported as deferred inflow of resources in governmental funds. This amount represents the change in unavailable revenues. 84,970

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of principal on long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. The net effect of these differences in the treatment of long-term debt is as follows:

Principal repayments:		
Bonds payable	230,000	
Obligations under capital lease	<u>141,109</u>	
Net adjustment		371,109

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. The net effect of such items is as follows:

Compensated absences	(2,815)	
Accrued interest	862	
Amortization of bond premium	7,900	
Amortization of deferred charges on refunding	(1,298)	
Net OPEB obligation	<u>8,345</u>	
Net adjustment		<u>12,994</u>

Change in net position of governmental activities \$ 343,462

The accompanying notes are an integral part of these financial statements .

TOWN OF ASHFORD, CONNECTICUT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET
AND ACTUAL - BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Property taxes	\$ 9,559,093	\$ 9,559,093	\$ 9,717,373	\$ 158,280
Intergovernmental	4,289,235	4,289,235	4,155,908	(133,327)
Charges for services	101,500	101,500	215,811	114,311
Interest income	12,800	12,800	15,439	2,639
Other	24,761	24,761	21,723	(3,038)
Total revenues	<u>13,987,389</u>	<u>13,987,389</u>	<u>14,126,254</u>	<u>138,865</u>
EXPENDITURES				
Current:				
General government	847,167	830,512	752,192	(78,320)
Public safety	27,605	27,605	25,489	(2,116)
Public works	852,508	864,208	863,900	(308)
Health and welfare	57,949	62,399	61,331	(1,068)
Planning and development	145,681	145,681	134,963	(10,718)
Education	7,406,140	7,406,140	7,377,739	(28,401)
Education - Regional School District No. 19	3,410,845	3,410,845	3,410,845	-
Employee benefits and insurance	412,499	413,004	387,192	(25,812)
Debt service:				
Principal payments	230,000	230,000	230,000	-
Interest and fiscal charges	54,100	54,100	54,100	-
Total expenditures	<u>13,444,494</u>	<u>13,444,494</u>	<u>13,297,751</u>	<u>(146,743)</u>
Excess of revenues over expenditures	542,895	542,895	828,503	285,608
OTHER FINANCING SOURCES (USES)				
Continued appropriations - education	-	(31,466)	-	31,466
Transfers out	(542,895)	(604,126)	(604,126)	-
Appropriation of undesignated fund balance	-	92,697	-	(92,697)
Total other financing sources (uses), net	<u>(542,895)</u>	<u>(542,895)</u>	<u>(604,126)</u>	<u>(61,231)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ -</u>	224,377	<u>\$ 224,377</u>
Fund balance - beginning, as adjusted			<u>1,788,889</u>	
Fund balance - ending			<u>\$ 2,013,266</u>	

The accompanying notes are an integral part of these financial statements .

TOWN OF ASHFORD, CONNECTICUT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2017

	Pension Trust Fund	Private Purpose Trust Funds	Agency Funds
ASSETS			
Cash and cash equivalents	\$ 22,248	\$ 31,688	\$ 56,530
Investments:			
Mutual funds	370,253	51,936	-
Exchange-traded funds	-	68,766	-
Equity securities	875,182	-	-
Employer contributions receivable	65,455	-	-
Due from other funds	-	-	5,100
Total assets	<u>1,333,138</u>	<u>152,390</u>	<u>\$ 61,630</u>
LIABILITIES			
Accounts payable	-	-	\$ 3,434
Due to others	-	-	58,196
Due to other funds	-	4,900	-
Total liabilities	<u>-</u>	<u>4,900</u>	<u>\$ 61,630</u>
NET POSITION			
Held in trust for pension benefits and other purposes	<u>\$ 1,333,138</u>	<u>\$ 147,490</u>	

The accompanying notes are an integral part of these financial statements .

TOWN OF ASHFORD, CONNECTICUT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017

	Pension Trust Fund	Private Purpose Trust Funds
ADDITIONS		
Contributions:		
Employer	\$ 65,455	\$ -
Total Contributions	<u>65,455</u>	<u>-</u>
Investment earnings:		
Interest and dividends	8,215	2,101
Net change in the fair value of investments	122,014	8,489
Total investment earnings	<u>130,229</u>	<u>10,590</u>
Less: investment expense	8,695	1,193
Net investment earnings	<u>121,534</u>	<u>9,397</u>
Total additions	<u>186,989</u>	<u>9,397</u>
DEDUCTIONS		
Benefit payments	35,513	4,600
Administrative expenses	-	900
Total deductions	<u>35,513</u>	<u>5,500</u>
Change in net position	151,476	3,897
Net position - beginning	<u>1,181,662</u>	<u>143,593</u>
Net position - ending	<u>\$ 1,333,138</u>	<u>\$ 147,490</u>

The accompanying notes are an integral part of these financial statements .

TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Town of Ashford, Connecticut (the "Town") conform to accounting principles generally accepted in the United States of America, as applicable to governmental organizations. The following is a summary of significant accounting policies:

Financial Reporting Entity

History and Organization

The Town of Ashford, Connecticut was settled in 1714 and covers 39.5 square miles located in Windham County. The Town operates under a Board of Selectmen, Town Meeting and Board of Finance form of government and provides the following services as authorized by Connecticut General Statutes: public safety, public works, health and welfare services, recreation, education, planning and development, and general administrative services.

The legislative power of the Town is with the Board of Selectmen and Town Meeting. The Board of Selectmen may enact, amend or repeal ordinances and resolutions. The Board of Finance is responsible for financial and taxation matters as prescribed by Connecticut General Statutes, and is responsible for presenting fiscal operating budgets for Town Meeting approval.

The basic financial statements of the reporting entity include only the funds of the Town as no component units exist based on operational or financial relationships with the Town.

Related Organizations

The Town is a member of Regional School District No. 19 (the "District"), which is located in the Mansfield, Connecticut. The District provides educational services for the grade 9 through 12 populations within its member towns. The activities of the District are primarily supported by assessments made to member towns. Assessments for the Town totaled \$3,410,845, which represented approximately 17.62% of total member assessments. In addition to annual member assessments, the Town is contingently liable for its pro-rata share of the District's outstanding bonds (see Note 9). The District is governed by an elected Board of Education and issues publicly available financial reports.

The Town is a member of the Northeastern Connecticut Council of Governments (the "Council"), which provides certain member initiated regional programs and services. The Town's First Selectman serves on the Council's Board of Directors. The Council issues publicly available financial reports.

The Town contracts for fire protection and emergency ambulance services from the Ashford Volunteer Fire Department, Inc. (the "Department"), a legally separate 501(c)(3) nonprofit corporation. The Town funds a significant portion of the Department's operating and capital activities. Budgetary operating appropriations paid by the Town to the Department totaled \$226,100 for the year ended June 30, 2017. Capital purchases made on-behalf of the Department totaled \$42,000 for the year ended June 30, 2017. In addition, the Town has acquired a fire truck for use by the Department through a capital lease arrangement. Debt service payments made by the Town under the lease totaled \$77,437 for the year ended June 30, 2017. The Department is governed by an elected Board of Directors and issues publicly available financial reports.

TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Government-Wide and Fund Financial Statements

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the Town and include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

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

Fund Financial Statements

The fund financial statements provide information about the Town's funds, including its fiduciary funds. Separate statements for each fund category - governmental and fiduciary - are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The Town reports the following major governmental funds:

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

Capital Nonrecurring Fund - This fund is used to account for the revenues and expenditures relating to capital construction, repairs and purchases.

Small Cities Grant Program Fund - This fund is used to account for program income received and federal grants used to fund the Town's Residential Rehabilitation Loan Program.

TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Government-Wide and Fund Financial Statements *(Continued)*

Fund Financial Statements *(Continued)*

In addition, the Town reports the following fiduciary fund types:

Pension Trust Fund - This fund is used to account for the activities of the Town Employees' Retirement System, which accumulates resources for retirement benefit payments to qualified employees.

Private Purpose Trust Fund - This fund type is used to account for trust arrangements under which principal and income benefit individuals, private organizations, or other governments. The Town utilizes private purpose trust funds to account for activities of funds held in trust for student scholarships.

Agency Funds - These funds are used to account for resources held by the Town in a purely custodial capacity.

Measurement Focus and Basis of Accounting

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 or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and 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.

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

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues in the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is available to be received by the Town within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when the cash is received.

TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Measurement Focus and Basis of Accounting *(Continued)*

The pension and private-purpose trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

Implementation of Accounting Standards

Effective July 1, 2016, the Town adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 74, *Financial Reporting for Postemployment Benefit Plans other than Pension Plans*, GASB Statement No. 77, *Tax Abatement Disclosures*, GASB Statement No. 78, *Pensions Provided through Certain Multiple Employer Defined Benefit Pension Plans*, GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, GASB Statement No. 80, *Blending Requirements for Certain Component Units—an amendment of GASB Statement No. 14*, and GASB Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*. The adoption of these statements did not have a material effect on the Town's financial statements.

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Equity

Cash Equivalents

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

Investments

Investments are measured by the Town at fair value (generally based on quoted market prices), except for investments in certain external investment pools as described below.

Investments in certain external investment pools consist of money market mutual funds and the Short-Term Investment Fund (STIF), which is managed by the State of Connecticut Treasurer's Office. Investments in these types of funds, which are permitted to measure their investment holdings at amortized costs, are measured by the Town at the net asset value per share as determined by the pool.

Donor-restricted Endowments

The Town allocates investment income on endowment investments in accordance with donor restrictions and Connecticut law. The State of Connecticut adopted the provisions of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) effective October 1, 2007. UPMIFA requires the investment of endowments in good faith and with the care that an ordinarily prudent person in a like position would exercise under similar circumstances. It requires prudence in incurring investment costs, authorizing only costs that are appropriate and reasonable. Factors to be considered in investing are expanded to include, for example, the effects of inflation. UPMIFA emphasizes that investment decisions be made in relation to the overall resources of the Town.

TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Equity *(Continued)*

Property Taxes

Property taxes are assessed as of October 1. Taxes are billed in the following July and are due in two installments, July 1 and January 1. Personal property and motor vehicle taxes are billed in July and are due in one installment, July 1. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date. Based on historical collection experience and other factors, the Town has established allowances for uncollectible taxes and related interest as of June 30, 2017 in the amount of \$77,000 and \$130,000, respectively.

Loans Receivable

The Town administers a federally funded residential rehabilitation loan program for low to moderate income families. The loans do not accrue interest and repayment of the loans is deferred. The loans become due and payable upon sale or transfer of the property, the owner's demise, or when the subject property is no longer the applicant's principal place of residence. The loans may be paid in full or in part by the borrower at any time without penalty. As of June 30, 2017, loans receivable totaled \$1,483,576 under this program.

Capital Assets

Capital assets, which include property, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial individual cost of more than \$5,000 for machinery, equipment and vehicles, \$20,000 for land, building and improvements and \$100,000 for infrastructure, and an estimated useful life in excess of one year. Such assets are recorded at historical cost, or estimated historical cost, if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

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

Assets	Years
Buildings and improvements	10 - 100
Machinery, equipment and vehicles	3 - 30
Infrastructure	20 - 100

Unearned Revenue

This liability represents resources that have been received but not yet earned.

TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Equity *(Continued)*

Deferred Outflows and Inflows of Resources

Deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources until then. The Town reports deferred charges on refunding in the government-wide statement of net position, which resulted from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

Deferred inflows of resources represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources until that time. The Town reports unavailable revenue from property taxes and related interest in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Compensated Absences

Town employees may accumulate unused vacation and sick pay benefits ("compensated absences"). All compensated absences are accrued when incurred in the government-wide financial statements. Expenditures for compensated absences are recognized in the governmental fund financial statements in the current year to the extent they are paid during the year or the vested amount is expected to be paid with available resources.

Long-term Obligations

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

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

TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Equity *(Continued)*

Net Position and Fund Balance

The government-wide statement of net position presents the Town's assets, deferred outflows of resources, and liabilities, with net position as the residual of these other elements. Net position is reported in three categories:

Net investment in capital assets - This component of net position consists of capital assets, net of accumulated depreciation and amortization and reduced by outstanding balances for bonds, notes and other debt that are attributed to the acquisition, construction or improvement of capital assets.

Restricted net position - This component of net position consists of amounts restricted either through external restrictions imposed by creditors, grantors, contributors, and the like, or through restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position - This component of net position is the net amount of the assets, deferred outflows/inflows of resources and liabilities, which do not meet the definition of the two preceding categories.

The Town's governmental funds report the following fund balance categories:

Nonspendable - Amounts that cannot be spent because they are not in spendable form or they are legally or contractually required to be maintained intact.

Restricted - Constraints are placed on the use of resources that are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through enabling legislation.

Committed - Amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the Board of Finance (the highest level of financial decision making authority of the Town) and cannot be used for any other purpose unless the Town removes or changes the specified use by taking the same formal action. The formal action required to be taken by the Board of Finance to commit fund balance includes formal voting procedures regulated by Connecticut General Statutes, which is consistent with the Town's budgeting procedures as described in Note 2.

Assigned - Amounts are constrained by the Town's intent to be used for specific purposes, but are not restricted or committed. The Board of Finance has delegated the responsibility to assign funds to management of the Town, with the exception of those amounts assigned by the Board of Finance during the Town's annual budgeting process as described in Note 2.

Unassigned - Residual classification for the General Fund or amounts necessary in other governmental funds to eliminate otherwise negative fund balance amounts in the other four categories.

TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Assets, Liabilities, Deferred Outflows/Inflows of Resources and Net Position/Fund Equity *(Continued)*

Net Position and Fund Balance *(Continued)*

Net Position Flow Assumption

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g. restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied.

The Town does not have a formal policy over net position. In practice, the Town considers restricted net position to have been depleted before unrestricted net position is applied.

Fund Balance Flow Assumption

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied.

The Town does not have a formal policy over the use of fund balance. In accordance with the applicable accounting guidance, when committed, assigned and unassigned resources are available for use, it is assumed that the Town will use committed resources first, then assigned resources and then unassigned resources as they are needed.

Interfund Activities

Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds".

Advances between funds, as reported in the fund financial statements, are offset by a restricted fund balance designation (non-spendable) in the General Fund and by a restricted, committed or assigned fund balance designation of other governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

Interfund Services Provided and Used

Sales and purchases of goods and services between funds for a price approximating their external exchange value are reported as revenues and expenditures, or expenses, in the applicable funds.

TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2017

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Interfund Activities *(Continued)*

Interfund Transfers

Interfund transfers represent flows of assets without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and other financing sources in the funds receiving transfers.

Interfund Reimbursements

Interfund reimbursements represent repayments from the funds responsible for particular expenditures or expenses to the funds that initially paid for them.

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 and disclosures in the financial statements. Actual results could differ from those estimates.

NOTE 2 - BUDGETARY INFORMATION

The Town adheres to the following procedures in establishing the budgetary data included in the General Fund financial statements in accordance with provisions of Connecticut General Statutes and annually adopted budget policies.

- The head of each department, office or agency of the Town, supported wholly or in part from Town funds, except the Board of Education, files with the Board of Selectmen a detailed estimate of the expenditures to be made and the revenues, other than property taxes, to be collected in the ensuing fiscal year.
- The Board of Selectmen presents a budget message, estimates of revenues and expenditures and justifications to the Board of Finance for all Town-supported functions. The Board of Education presents estimates of revenues and expenditures and justifications to the Board of Finance for all local education functions.
- The Region 19 Board of Education presents the proposed Region 19 budget to the Board of Finance. A separate public hearing and referendum for the Region 19 budget are administered by the Region 19 Board of Education.
- The Board of Finance holds at least one public hearing on the proposed budget. The Board of Finance may review the budget requests with the head of each department, board, agency and commission including the local Board of Education. The Board of Finance then prepares a budget to be presented at the Town's Annual Budget meeting. This meeting shall consider the budget presented by the Board of Finance and may approve or lower the General Government, Ashford Board of Education and/or Capital Projects budgets. The Region 19 budget cannot be approved or lowered during this meeting as it is subject to a separate Region 19 referendum. The Annual Budget meeting will adjourn to referendum.

TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2017

NOTE 2 - BUDGETARY INFORMATION *(Continued)*

- Expenditures are budgeted by function, department and object. The legal level of budgetary control, the level at which expenditures may not exceed appropriations, is established at the department level. Transfers of budgeted amounts between departments must be approved by the Board of Finance. Management may transfer amounts between line items within a department. Additional appropriation requests are submitted by the department heads to the Board of Selectmen. The Board of Selectmen acts on the requests, which, if approved are sent to the Board of Finance. The Board of Finance may approve additional appropriations for a department, provided such additional appropriations do not exceed \$20,000 or are not a second request for an appropriation by the asking board, commission or department. Appropriations in excess of the amount which the Board of Finance may approve or a second request by the requesting board, commission or department, must also be approved by vote of a Town Meeting. During the year ended June 30, 2017, additional appropriations from fund balance totaled \$92,697.
- Formal budgetary integration is employed as a management control device during the year.
- The budget is prepared on the modified accrual basis of accounting. Encumbrances are recognized as a valid and proper charge against a budget appropriation in the year in which the purchase order, contract or other commitment is issued and, accordingly, encumbrances outstanding at year-end are reported in budgetary reports as expenditures of the current year.
- All unexpended appropriations lapse at year-end, except those amounts appropriated within the Capital Nonrecurring Fund and certain amounts approved by the Board of Finance for carryover relating to unexpended education appropriations. Annual carryover amounts may not exceed 1.0% of the total budgeted appropriation for education for such fiscal year. In addition, the maximum cumulative education carryover may not exceed 3.0% of the total budgeted appropriation for education for the most recently ended fiscal year. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

Accounting principles applied for purposes of developing data on a budgetary basis differ from those used to present financial statements in conformity with accounting principles generally accepted in the United States of America ("GAAP basis"). The differences consist primarily of payments made by the State of Connecticut "on-behalf" of the Town into the State Teachers' Retirement System, which are not recorded for budgetary purposes, and additional revenues and expenditures pertaining to other Town funds, which are not budgeted for by the Town due to perspective differences.

TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE 2 - BUDGETARY INFORMATION (Continued)

A reconciliation of General Fund amounts presented on the budgetary basis to amounts presented on the GAAP basis is as follows for the year ended June 30, 2017:

	<u>Total Revenues</u>	<u>Total Expenditures</u>	<u>Other Financing Sources (Uses)</u>	<u>Fund Balance</u>
Budgetary basis	\$ 14,126,254	\$ 13,297,751	\$ (604,126)	\$ 2,013,266
"On-behalf" payments - State Teachers Retirement Fund	747,642	747,642	-	-
Babcock Library Fund	6,535	169,535	184,000	35,388
Adjustment for encumbrances	-	(11,780)	-	11,780
Other Funds	278	-	-	29,182
Reclassifications for GAAP purposes	188,851	414,952	226,100	-
GAAP basis	<u>\$ 15,069,560</u>	<u>\$ 14,618,100</u>	<u>\$ (194,026)</u>	<u>\$ 2,089,616</u>

Capital Projects Authorizations

The following is a summary of authorized capital projects as of June 30, 2017:

<u>Capital Project</u>	<u>Original Capital Authorizations</u>	<u>Amendments</u>	<u>Final Capital Authorizations</u>	<u>Current Year Expenditures</u>	<u>Capital Authorizations Carried Forward</u>
Capital Nonrecurring Fund:					
Fire truck - cab, chassis, pump	\$ 77,437	\$ -	\$ 77,437	\$ 77,437	\$ -
Road resurfacing	225,000	1,930	226,930	226,930	-
DPW Truck purchase	32,808	(408)	32,400	32,400	-
School bus	89,000	(5,999)	83,001	83,001	-
Fire truck retrofit	71,000	1,259	72,259	11,836	60,423
School facility repairs	-	64,600	64,600	64,600	-
Senior bus	62,127	-	62,127	62,127	-
Mower - lease	30,760	-	30,760	30,760	-
Fire department equipment	42,000	-	42,000	42,000	-
Revaluation	15,000	(3,331)	11,669	11,669	-
School van replacement	25,000	(1,511)	23,489	23,489	-
Phone system purchase	16,000	4,098	20,098	20,098	-
Culvert replacement	-	-	-	-	-
Energy efficient lighting	-	670	670	670	-
Total	<u>\$ 686,132</u>	<u>\$ 61,308</u>	<u>\$ 747,440</u>	<u>\$ 687,017</u>	<u>\$ 60,423</u>

TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE 3 - CASH DEPOSITS AND INVESTMENTS

Cash Deposits

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of a bank failure, the Town will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The Town does not have a deposit policy for custodial credit risk. As of June 30, 2017, the carrying amount of the Town's cash deposits totaled \$3,490,475. As of June 30, 2017, \$2,082,418 of the Town's bank balance of \$3,621,969 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 1,874,176
Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name	208,242
	2,082,418

All of the Town's deposits were in qualified public institutions as defined by Connecticut state statute. Under this statute, any bank holding public deposits must at all times maintain, segregated from its other assets, eligible collateral in an amount equal to a certain percentage of its public deposits. The applicable percentage is determined based on the bank's risk-based capital ratio. The amount of public deposits is determined based on either the public deposits reported on the most recent quarterly call report, or the average of the public deposits reported on the four most recent quarterly call reports, whichever is greater. The collateral is kept in the custody of the trust department of either the pledging bank or another bank in the name of the pledging bank.

A reconciliation of the Town's cash deposits as of June 30, 2017 is as follows:

Government-wide statement of net position:	
Cash and cash equivalents	\$ 3,361,106
Statement of fiduciary net position:	
Cash and cash equivalents	110,466
	3,471,572
Add: certificates of deposit classified as investments	75,000
Less: investments classified as cash equivalents	(56,097)
Total cash deposits	\$ 3,490,475

TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE 3 - CASH DEPOSITS AND INVESTMENTS (Continued)

Investments

A reconciliation of the Town's investments as of June 30, 2017 is as follows:

Government-wide statement of net position:		
Investments	\$	75,000
Statement of fiduciary net position:		
Investments		<u>1,366,137</u>
		1,441,137
Add: investments classified as cash equivalents		56,097
Less: certificates of deposit classified as investments		<u>(75,000)</u>
	\$	<u><u>1,422,234</u></u>

As of June 30, 2017, the Town's investments consisted of the following:

<u>Investment type</u>	<u>Valuation Basis</u>	<u>Credit Rating</u>	<u>Value</u>	<u>Investment Maturities (In Years)</u>		
				<u>Less Than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>
Debt Securities:						
<i>Governmental activities:</i>						
Short-term Investment Fund (STIF)	Net asset value	AAA	\$ 56,097	<u>\$ 56,097</u>	<u>\$ -</u>	<u>\$ -</u>
Other Investments:						
<i>Fiduciary Funds:</i>						
Mutual funds	Fair value		422,189			
Exchange-traded funds	Fair value		68,766			
Equity securities	Fair value		<u>875,182</u>			
			<u><u>\$ 1,422,234</u></u>			

Because investments in the Short-term Investment Fund have weighted average maturities of less than 90 days, they have been presented as investments with maturities of less than one year.

Interest Rate Risk

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

TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2017

NOTE 3 - CASH DEPOSITS AND INVESTMENTS *(Continued)*

Investments *(Continued)*

Credit Risk

The Town has no investment policy that would further limit its investment choices beyond those limited by Connecticut General Statutes. Connecticut general statutes permit the Town to invest in obligations of the United States, including its instrumentalities and agencies; in obligations of any state or of any political subdivision, authority or agency thereof, provided such obligations are rated within one of the top two rating categories of any recognized rating service; or in obligations of the State of Connecticut or of any political subdivision thereof, provided such obligations are rated within one of the top three rating categories of any recognized rating service. The pension trust funds may also invest in certain real estate mortgages, in certain savings banks or savings and loan associations, or in stocks or bonds or other securities selected by the trustee, with the care of a prudent investor.

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of a counterparty, the Town will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town's investments are not exposed to custodial credit risk because they are either not evidenced by securities that exist in physical or book entry form or they are held by a reputable custodian in the name of the Town.

Concentrations of Credit Risk

The Town places no limit on the amount of investment in any one issuer. As of June 30, 2017, 100% of the Town's investments within the government-wide statement of net position were invested in the Short-term Investment Fund. As of June 30, 2017, more than 10% of the Town's investments within its fiduciary funds were invested in the following:

<u>Issuer</u>	<u>Investment</u>	<u>Value</u>	<u>% of Fiduciary Investments</u>
Vanguard	Vanguard 500 Index Admiral	\$ 301,878	22.1%
Metropolitan West Funds	Metropolitan West Total Return Bd I	154,774	11.3%
Harbor	Harbor International Institutional	141,201	10.3%
Dodge & Cox	Dodge & Cox Intl Stock	136,539	10.0%

NOTE 4 - FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants, as of the measurement date. Authoritative guidance establishes a hierarchy of valuation techniques based upon whether the inputs to those valuation techniques reflect assumptions other market participants would use based upon market data obtained from independent sources (also referred to as observable inputs). The Town classifies its assets and liabilities measured at fair value into Level 1 (securities valued using quoted prices from active markets for identical assets), Level 2 (securities not traded on an active market for which market inputs are observable, either directly or indirectly), and Level 3 (securities valued based on unobservable inputs). Investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement.

TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE 4 - FAIR VALUE MEASUREMENTS (Continued)

The Town's financial assets that are accounted for at fair value on a recurring basis as of June 30, 2017, by level within the fair value hierarchy are presented in the table below.

Financial Assets Measured at Fair Value	Prices in Active Market (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Mutual funds	\$ 422,189	\$ -	\$ -	\$ 422,189
Equity securities	875,182	-	-	875,182
Exchange-traded funds	68,766	-	-	68,766
	<u>\$ 1,366,137</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,366,137</u>

NOTE 5 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017 consisted of the following:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities				
Capital assets, not being depreciated:				
Land and land development rights	\$ 968,756	\$ -	\$ -	\$ 968,756
Total capital assets, not being depreciated	<u>968,756</u>	<u>-</u>	<u>-</u>	<u>968,756</u>
Capital assets, being depreciated:				
Buildings and improvements	14,344,647	207,373	-	14,552,020
Machinery, equipment and vehicles	3,947,514	296,614	(96,000)	4,148,128
Infrastructure	2,455,539	-	-	2,455,539
Total capital assets, being depreciated	<u>20,747,700</u>	<u>503,987</u>	<u>(96,000)</u>	<u>21,155,687</u>
Less accumulated depreciation for:				
Buildings and improvements	3,709,578	180,179	-	3,889,757
Machinery, equipment and vehicles	2,138,505	215,250	(90,000)	2,263,755
Infrastructure	522,683	72,163	-	594,846
Total accumulated depreciation	<u>6,370,766</u>	<u>467,592</u>	<u>(90,000)</u>	<u>6,748,358</u>
Total capital assets, being depreciated, net	<u>14,376,934</u>	<u>36,395</u>	<u>(6,000)</u>	<u>14,407,329</u>
Governmental activities capital assets, net	<u>\$ 15,345,690</u>	<u>\$ 36,395</u>	<u>\$ (6,000)</u>	<u>\$ 15,376,085</u>

TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE 5 - CAPITAL ASSETS (Continued)

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

Governmental Activities:		
General government		\$ 86,676
Public safety		47,388
Public works		131,804
Library		4,999
Recreation		4,110
Education		192,615
Total depreciation expense - governmental activities		<u>\$ 467,592</u>

NOTE 6 - INTERFUND RECEIVABLES AND PAYABLES

Interfund receivable and payable balances at June 30, 2017 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds		
General Fund	General Fund	\$ 47,708
	Other Governmental Funds	30,574
	Capital Nonrecurring Fund	1,195,692
	Fiduciary Funds	3,434
		<u>1,277,408</u>
Capital Nonrecurring Fund	General Fund	437,720
Other Governmental Funds	General Fund	317,768
	Other Governmental Funds	380
		<u>318,148</u>
		<u>\$ 2,033,276</u>
Fiduciary Funds		
Fiduciary Funds	General Fund	\$ 200
	Fiduciary Funds	4,900
		<u>\$ 5,100</u>

The above balances resulted 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.

NOTE 7 - INTERFUND TRANSFERS

Interfund transfers for the year ended June 30, 2017 consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>
Governmental Funds		
Capital Nonrecurring Fund	General Fund	\$ 60,000
Other Governmental Funds	General Fund	134,026
		<u>\$ 194,026</u>

TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE 7 - INTERFUND TRANSFERS (Continued)

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, and (2) to account for unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

NOTE 8 - FUND BALANCE

The various components of fund balance at June 30, 2017 are as follows:

	<u>General Fund</u>	<u>Capital Nonrecurring Fund</u>	<u>Small Cities Grant Program Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Nonspendable:					
Permanent fund principal	\$ -	\$ -	\$ -	\$ 81,000	\$ 81,000
Loans receivable	-	-	1,483,576	-	1,483,576
Restricted for:					
Grant and loan programs	-	-	60,500	-	60,500
Donor restrictions	-	-	-	8,672	8,672
Committed to:					
General government	23,453	-	-	49,647	73,100
Public works	5,730	-	-	-	5,730
Public safety	-	-	-	43,676	43,676
Education	-	-	-	34,801	34,801
Library	35,388	-	-	-	35,388
Capital purposes	-	565,335	-	-	565,335
Assigned to:					
Education - carryover	47,444	-	-	-	47,444
General government - encumbrances	11,780	-	-	-	11,780
Unassigned	1,965,821	-	-	-	1,965,821
	<u>\$ 2,089,616</u>	<u>\$ 565,335</u>	<u>\$ 1,544,076</u>	<u>\$ 217,796</u>	<u>\$ 4,416,823</u>

NOTE 9 - LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the year ended June 30, 2017:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Bonds payable:					
General obligation bonds	\$ 1,915,000	\$ -	\$ (230,000)	\$ 1,685,000	\$ 230,000
Unamortized premium	124,096	-	(7,900)	116,196	-
Total bonds payable	2,039,096	-	(237,900)	1,801,196	230,000
Other liabilities:					
Capital leases	449,804	-	(141,109)	308,695	142,900
Compensated absences	46,535	6,873	(4,058)	49,350	9,870
Net OPEB obligation	122,984	-	(8,345)	114,639	-
	<u>\$ 2,658,419</u>	<u>\$ 6,873</u>	<u>\$ (391,412)</u>	<u>\$ 2,273,880</u>	<u>\$ 382,770</u>

TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE 9 - LONG-TERM OBLIGATIONS (Continued)

Long-term obligations, other than capital leases, have typically have been liquidated by the General Fund. Capital leases are primarily liquidated by the Capital Nonrecurring Fund.

Bonds Payable

A summary of the bonds payable outstanding at June 30, 2017 is as follows:

<u>Bond Issue</u>	<u>Issue Date</u>	<u>Original Amount</u>	<u>Final Maturity Dates</u>	<u>Interest Rates</u>	<u>Amount Outstanding</u>
Governmental Activities					
General obligation refunding bonds	2013	\$ 2,640,000	2033	2% - 4%	\$ 1,685,000

Annual debt service requirements to maturity on the bond payable are as follows as of June 30, 2017:

<u>Year ending June 30:</u>	<u>Governmental Activities Bonds Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2018	\$ 230,000	\$ 48,350
2019	225,000	41,525
2020	225,000	33,650
2021	225,000	25,775
2022	220,000	20,200
2023-2027	340,000	60,600
2028-2032	180,000	26,400
2033-2035	40,000	800
	<u>\$ 1,685,000</u>	<u>\$ 257,300</u>

Shared Debt

The Town is contingently liable for its pro-rata share of Regional School District No. 19's (the "District") outstanding bonds. As of June 30, 2017, the District's total outstanding bonds were \$2,280,000, of which \$618,615 is expected to be reimbursed by the State of Connecticut. The remaining balance of \$1,661,385 represents the District's net obligation with 17.62%, or \$292,736 representing the Town's share. Regional School District No. 19 has no authorized, unissued bonds, for which the Town would be contingently liable.

Legal Debt Limit

Connecticut General Statutes Section 7-374(b) provides that authorized debt of the Town shall not exceed seven times base receipts, as defined in the Statute, or \$68,177,753 as of June 30, 2017. Further, the Statute limits the amount of debt that may be authorized by the Town for general purposes, schools, sewers, urban renewal and pension deficit. The Town did not exceed any of the statutory debt limitations at June 30, 2017.

TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE 9 - LONG-TERM OBLIGATIONS (Continued)

Capital Leases

A summary of assets under capital leases is as follows as of June 30, 2017:

Equipment	\$	646,976
Less: accumulated amortization		67,957
		\$ 579,019
		\$ 579,019

Amortization expense relative to leased property under capital leases totaled \$34,811 for the year ended June 30, 2017 and is included in depreciation and amortization expense.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2017 are as follows:

Year ending June 30:		2018	\$	142,900
		2019		143,519
		2020		30,760
				317,179
Total minimum lease payments				317,179
Less: amount representing interest				8,484
Present value of minimum lease payments			\$	308,695

In connection with the leasing of a certain piece of equipment included above, the Town has entered into an agreement with a third-party energy provider. The provider has committed to making annual contributions to the Town, conditioned upon continued participation in an agreed upon municipal brush control program, to offset the annual debt service requirements on the equipment. During the year ended June 30, 2017, the Town received \$30,760. Future annual commitments of \$30,760 are expected to be received through the year ended June 30, 2020.

NOTE 10 - RETIREMENT PLANS

Connecticut State Teachers' Retirement System

The faculty and professional personnel of the Town's Board of Education participate in the State of Connecticut's Teachers' Retirement System ("TRS"), which is a cost-sharing multiple-employer defined benefit pension plan established under Chapter 167a of the Connecticut General Statutes. The TRS is administered by the Connecticut State Teachers' Retirement Board (the "Board") and is included as a fiduciary pension trust fund in the State of Connecticut's basic financial statements. The Board issues publicly available financial reports.

Plan benefits, cost-of-living allowances, required contributions of plan members and the State, and other plan provisions are described in Sections 10-183b to 10-183ss of the Connecticut General Statutes. The plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to plan members and their beneficiaries.

TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2017

NOTE 10 - RETIREMENT PLANS *(Continued)*

Connecticut State Teachers' Retirement System *(Continued)*

The contribution requirements of plan members and the State are established and may be amended by the State legislature. In accordance with Section 10-183z of the General Statutes, the Town does not and is not legally responsible to contribute to the plan as a special funding situation exists that requires the State to contribute 100% of employer's contributions on-behalf of its participating municipalities at an actuarially determined rate. Plan members are currently required to contribute 7.25% of their annual earnings to the plan. After five years of service, teachers are fully vested in their own contributions. After ten years of service, teachers are fully vested in the monthly pension benefit which is payable at the age of sixty. The Town has recognized on-behalf payments of \$747,642 made by the State of Connecticut into the plan as intergovernmental revenues, and related expenditures of the General Fund in the accompanying statement of revenues, expenditures and changes in fund balances of the governmental funds.

Administrative costs of the plan are funded by the State.

The total estimated net pension liability of the TRS as of June 30, 2016 was \$14.245 billion, the most recent available reporting provided by the Board. The portion that was associated with the Town totaled approximately \$10.92 million or approximately 0.077% of the total estimated net pension liability. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. The portion of the net pension liability associated with the Town was based on a projection of the long-term share of contributions to the plan related to the Town relative to the projected contributions of all participating employers, actuarially determined.

The total pension liability as of June 30, 2016 was determined from the June 30, 2016 actuarial valuation. The total pension liability was determined using the following actuarial assumptions, applied to all periods in the measurement:

Inflation		2.75%
Salary increases	3.25% - 6.50%, including inflation	
Investment rate of return	8.0%, net of investment related expense	
Cost of living adjustments:		
Retirements prior to 9/1/1992		3.00%
Retirements on or after 9/1/1992		2.00%

For healthy retirees and beneficiaries, mortality rates were based on the RPH-2014 White Collar table with employee and annuitant rates blended from ages 50 to 80, projected to the year 2020 using the BB improvement scale.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
 JUNE 30, 2017

NOTE 10 - RETIREMENT PLANS (Continued)

Connecticut State Teachers' Retirement System (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Large Cap U.S. Equities	21.0%	5.80%
Developed Non-U.S. Equities	18.0%	6.60%
Fixed Income (Core)	7.0%	1.30%
Private Equity	11.0%	7.60%
Emerging Markets (Non-U.S.)	9.0%	8.30%
Alternative investments	8.0%	4.10%
Inflation Linked Bonds	3.0%	1.00%
Cash	6.0%	0.40%
Real Estate	7.0%	5.10%
Emerging Market Bonds	5.0%	3.70%
High Yield Bonds	5.0%	3.90%
	<u>100%</u>	

The discount rate used to measure the total pension liability was 8.00%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The following presents the Town's proportionate share of the net pension liability calculated using the discount rate of 8.00%, as well as what the Town's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (7.00%) or 1-percentage-point higher (9.00%) than the current rate:

	<u>1% Decrease (7.00%)</u>	<u>Current Discount (8.00%)</u>	<u>1% Increase (9.00%)</u>
Town's proportionate share of net pension liability	\$13.47 million	\$10.92 million	\$8.76 million

Detailed information about the plan's fiduciary net position is included in the State of Connecticut's basic financial statements.

TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2017

NOTE 10 - RETIREMENT PLANS *(Continued)*

Town of Ashford Retirement Plan

The Town established a single employer defined contribution plan (the "Plan") to provide retirement benefits for all of its full-time employees. Under the provisions of the Plan, all full-time employees (except those covered under a comparable employer plan) may participate. The Town is required to contribute an amount equal to 7% of employee covered payroll. Plan participants are not required to contribute to the Plan.

The Plan does not issue stand alone financial statements and is part of the Town's financial reporting entity since the Town has trustee responsibilities related to the participant accounts which contain employer contributions. As such, the Plan is accounted for in the fiduciary fund financial statements as a pension trust fund.

The Plan is accounted for using the accrual basis of accounting. Town contributions are recognized when due and the Town has made a formal commitment to provide contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Investments are reported at fair value. Securities traded on national exchanges are valued at the last reported sales price. Investment income is recognized when earned and gains and losses on sales or exchanges are recognized on the transaction date.

Employer contributions totaled \$65,455 for the year ended June 30, 2017.

Contribution requirements of the Town are established and may be amended by the Board of Selectmen.

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description

The Town's Board of Education administers one single-employer defined benefit healthcare plan (the "Plan"). The Plan provides healthcare and dental insurance benefits for all eligible Board of Education retirees and their spouses through the Board of Education's group healthcare and dental insurance plans. Benefits provisions are established by contract and may be amended by union negotiations each three-year bargaining period. The Plan does not issue a publicly available financial report and is not included in the financial statements of another entity.

Funding Policy

Contribution requirements of the participants and the Town are established by and may be amended through negotiations between the Town and the union representing the employees. Currently, participants are required to contribute 100% of their healthcare and dental premiums to the Town, less any reimbursements received by the Town from the State Retirement Board. The Town pays the benefits on a pay-as-you-go basis.

TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS (Continued)
JUNE 30, 2017

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Annual OPEB Cost and Net OPEB Asset

The Town's annual OPEB cost (expense) is calculated based on the annual required contribution ("ARC"), which is an amount actuarially determined. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed thirty years. The Town's annual OPEB cost is entirely attributed to an implicit rate subsidy, whereby retirees are considered to be receiving a benefit from the Town for access to premium rates offered to the Town's active employees.

The following table shows the components of the Town's annual OPEB cost for the year, the amount actually contributed by the Town for such benefits, and changes in the Town's net OPEB obligation.

Annual required contribution	\$	103,017
Interest on net OPEB obligation		694
Adjustment to annual required contribution		(2,137)
Annual OPEB cost (expense)		101,574
Contributions made		21,616
Change in net OPEB obligation		79,958
Other adjustment		(88,303)
Net OPEB obligation, beginning of year		122,984
Net OPEB obligation, end of year	\$	114,639

The Town's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for the past three years is as follows:

Year Ended June 30	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2017	\$ 101,574	21%	\$ 114,639
2016	52,375	40%	122,984
2015	52,589	40%	91,808

Funded Status and Funding Progress

The funded status of the benefit obligation as of June 30, 2017 (the date of the most recent actuarial valuation) was as follows:

Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) - Entry Age Actuarial Cost Method (B)	Unfunded AAL (UAAL) (B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
\$ -	\$ 828,638	\$ 828,638	0.0%	\$ 2,513,565	33.0%

TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2017

NOTE 11 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)*

Funded Status and Funding Progress *(Continued)*

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of events in the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the Plan and the annual required contributions of the Town are subject to continual revision, as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions

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

Alternative Measurement Method date:	June 30, 2017
Actuarial cost method:	Entry Age Actuarial Cost
Amortization method:	Level Percentage of Payroll
Asset valuation method:	Not applicable
Actuarial assumptions:	
Investment rate of return	2.00%
Inflation rate	3.00%

NOTE 12 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts, thefts of, damage to, or destruction of assets; errors or omissions; injuries to employees or acts of God. The Town purchases commercial insurance for all risks of loss except workers' compensation and liability-automobile-property insurance for which it participates in risk sharing pools. During 2017, deductibles paid by the Town were insignificant. Neither the Town nor its insurers have settled any claims which exceeded the Town's insurance coverage during the past three years.

The Town is a member of the Connecticut Interlocal Risk Management Agency (CIRMA), an unincorporated association of Connecticut local public agencies that was formed in 1980 by the Connecticut Conference of Municipalities for the purpose of establishing and administering an interlocal risk management program pursuant to the provisions of Section 7-479a et seq. of the Connecticut General Statutes.

TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2017

NOTE 12 - RISK MANAGEMENT *(Continued)*

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

The Town is also member of CIRMA's Liability-Automobile-Property Pool, a risk-sharing pool. The Liability-Automobile-Property Pool provides general liability, automobile liability, employee benefit liability, law enforcement liability, public officials and property coverage. The premium is subject to these coverages, and claims and expense payments falling within the deductible amounts are the responsibility of the Town. CIRMA's Liability-Automobile-Property Pool retains \$1,000,000 per occurrence for each line of liability coverage.

NOTE 13 - CONTINGENCIES

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

NOTE 14 - RECENTLY ISSUED ACCOUNTING STANDARDS

In June 2015, the GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. This statement establishes new accounting and financial reporting requirements for OPEB plans and replaces the requirements of GASB Statements No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions, as amended*, and GASB Statement No. 57, *OPEB Measurements by Agent Employers and Agent Multiple-Employer Plans, for OPEB*. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2017. The Town has not yet determined the impact that this statement will have on its financial statements.

In March 2016, the GASB issued Statement No. 82, *Pension Issues—an amendment of GASB Statements No. 67, No. 68, and No. 73*. This Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2017. The Town does not expect this statement to have a material effect on its financial statements.

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This Statement addresses accounting and financial reporting for certain asset retirement obligations. (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement which (1) establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs, (2) requires the measurement of an ARO to be based on the best estimate of the current value of outlays expected to be incurred, and (3) requires the current value of a government's AROs to be adjusted for the effects of general inflation or deflation at least annually. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2019. The Town does not expect this statement to have a material effect on its financial statements.

TOWN OF ASHFORD, CONNECTICUT
NOTES TO FINANCIAL STATEMENTS *(Continued)*
JUNE 30, 2017

NOTE 14 - RECENTLY ISSUED ACCOUNTING STANDARDS *(Continued)*

In January 2017, the GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2019. The Town has not yet determined the impact that this statement might have on its financial statements.

In March 2017, the GASB issued Statement No. 85, *Omnibus*. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits). The requirements of this statement are effective for the Town's reporting period beginning July 1, 2017. The Town does not expect this statement to have a material effect on its financial statements.

In May 2017, the GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2017. The Town does not expect this statement to have a material effect on its financial statements.

In June 2017, the GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2020. The Town has not yet determined the impact that this statement might have on its financial statements.

Required Supplementary Information

TOWN OF ASHFORD, CONNECTICUT
SCHEDULE OF FUNDING PROGRESS (UNAUDITED)
LAST THREE ACTUARIAL VALUATIONS

Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) - Entry Age Actuarial Cost Method (B)	Unfunded AAL (UAAL) B-A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll ((B-A)/C)
Other Post-Employment Benefit Plan*						
June 30, 2017	\$ -	\$ 828,638	\$ 828,638	0.0%	\$ 2,513,565	33.0%
July 1, 2014	-	452,000	452,000	0.0%	2,584,916	17.5%
July 1, 2011	-	116,856	116,856	0.0%	2,319,181	5.0%

* - Based on the number of plan participants, the Town obtains an actuarial valuation every three years.

NOTES TO THE SCHEDULE:

Benefit changes: There were no changes in benefit terms that affected the measurement of the actuarial accrued liability.

Changes in assumptions and methods: In connection with the June 30, 2017 measurement, the Town utilized the Alternative Measurement Method and changed its costing method from the Projected Unit Credit Cost to the Entry Age Actuarial Cost.

See accompanying Independent Auditor's Report.

TOWN OF ASHFORD, CONNECTICUT
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (UNAUDITED)
CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM
LAST THREE FISCAL YEARS
(Dollar amounts in thousands)

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Town's proportion of the net pension liability	0.077%	0.075%	0.075%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -
State's proportionate share of the net pension liability associated with the Town	10,917	8,249	7,615
Total	<u>\$ 10,917</u>	<u>\$ 8,249</u>	<u>\$ 7,615</u>
Town's covered payroll	\$ 3,059	\$ 3,018	\$ 2,841
Town's proportionate share of the net pension liability as a percentage of its covered payroll	0.0%	0.0%	0.0%
Plan fiduciary net position as a percentage of the total pension liability	52.26%	59.50%	61.51%

NOTES TO THE SCHEDULE:

The Town began to report this schedule when it implemented GASB Statement No. 68 in fiscal year 2015.

The total pension liability reported for each fiscal year is based on a measurement date as of the end of the prior fiscal year (i.e. the total pension liability reported for 2017 is based on a June 30, 2016 measurement date).

Benefit changes: There were no changes in benefit terms that affected the measurement of the total pension liability.

Assumption changes: The following assumptions were changed in connection with the most recent valuation:

- Inflation assumption was reduced from 3.00% to 2.75%.
- Real rate of return assumption was reduced from 5.50% to 5.25%, which when combined with the inflation assumption change resulted in a decrease in the investment rate of return assumption from 8.50% to 8.00%.
- The annual rate of wage increase assumption was reduced from 0.75% to 0.50%.
- The payroll growth assumption was reduced from 3.75% to 3.25%.
- Various demographic assumption changes utilizing the RPH-2014 mortality tables.

Combining and Individual Fund Statements and Schedules

General Fund

TOWN OF ASHFORD, CONNECTICUT
SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
PROPERTY TAXES				
Current year tax collections	\$ 9,446,043	\$ 9,446,043	\$ 9,431,655	\$ (14,388)
Prior year tax collections	7,900	7,900	105,690	97,790
Tax interest and liens	42,000	42,000	68,417	26,417
Motor vehicle supplement	63,000	63,000	111,375	48,375
Miscellaneous	150	150	236	86
TOTAL PROPERTY TAXES	9,559,093	9,559,093	9,717,373	158,280
INTERGOVERNMENTAL REVENUES				
Education cost sharing assistance	3,921,094	3,921,094	3,857,261	(63,833)
Town aid road grant	146,054	146,054	145,944	(110)
Transportation	32,911	32,911	-	(32,911)
Mohegan-Pequot grant	24,029	24,029	23,966	(63)
Tax relief for the elderly	18,000	18,000	20,238	2,238
Payment in lieu of taxes - AHA	10,000	10,000	10,000	-
Payment in lieu of taxes	44	44	44	-
Tax relief for veteran exemptions	1,500	1,500	1,770	270
Tax relief for disability exemptions	1,100	1,100	981	(119)
Aircraft reimbursement	91	91	-	(91)
Miscellaneous grants	134,412	134,412	95,704	(38,708)
TOTAL INTERGOVERNMENTAL REVENUES	4,289,235	4,289,235	4,155,908	(133,327)
CHARGES FOR SERVICES				
Building licenses and permits	40,000	40,000	109,764	69,764
Conveyance tax	20,000	20,000	40,638	20,638
Recording fees	18,000	18,000	20,102	2,102
Newsletters	6,800	6,800	7,840	1,040
Open space recapture tax	500	500	9,572	9,072
BOE - bus garage usage	6,000	6,000	6,000	-
Copies of records	4,000	4,000	4,855	855
Miscellaneous	2,000	2,000	5,104	3,104
Zoning permits	1,000	1,000	2,592	1,592
Senior center program revenue	1,500	1,500	1,694	194
Dog licenses	500	500	599	99
Wetlands permits	500	500	955	455
Recycling and transfer station	500	500	5,798	5,298
Hunting and fishing licenses	100	100	89	(11)
Marriage licenses	100	100	209	109
TOTAL CHARGES FOR SERVICES	101,500	101,500	215,811	114,311
INVESTMENT INCOME	12,800	12,800	15,439	2,639
OTHER REVENUES				
Miscellaneous	14,000	14,000	10,814	(3,186)
Telephone access line	8,985	8,985	8,845	(140)
Level 3 Communications, LLC	1,776	1,776	2,064	288
TOTAL OTHER REVENUES	24,761	24,761	21,723	(3,038)
TOTAL REVENUES	13,987,389	13,987,389	14,126,254	138,865
OTHER FINANCING SOURCES				
Appropriation of fund balance	-	92,697	-	(92,697)
TOTAL OTHER FINANCING SOURCES	-	92,697	-	(92,697)
TOTAL REVENUES AND OTHER FINANCING SOURCES	\$ 13,987,389	\$ 14,080,086	\$ 14,126,254	\$ 46,168

See accompanying Independent Auditor's Report.

TOWN OF ASHFORD, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL -
BUDGETARY BASIS - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
GENERAL GOVERNMENT				
Board of Selectmen:				
Salaries and wages	\$ 143,566	\$ 143,566	\$ 117,610	\$ (25,956)
Purchased services	16,950	16,950	26,340	9,390
Supplies and materials	901	901	376	(525)
Other	660	660	399	(261)
Total Board of Selectmen	<u>162,077</u>	<u>162,077</u>	<u>144,725</u>	<u>(17,352)</u>
Town Council:				
Professional and tech services	47,500	30,845	21,900	(8,945)
Data Processing and Contracted Services	29,152	29,152	29,152	-
Knowlton Hall Operations and Maintenance:				
Property services	14,790	14,790	12,056	(2,734)
Purchased services	4,350	4,350	5,417	1,067
Supplies and materials	10,250	10,250	6,427	(3,823)
Total Knowlton Hall Operations and Maintenance	<u>29,390</u>	<u>29,390</u>	<u>23,900</u>	<u>(5,490)</u>
Town Hall Operations and Maintenance:				
Property services	22,500	22,500	21,399	(1,101)
Purchased services	23,000	23,000	17,499	(5,501)
Supplies and materials	10,000	10,000	7,066	(2,934)
Total Town Hall Operations and Maintenance	<u>55,500</u>	<u>55,500</u>	<u>45,964</u>	<u>(9,536)</u>
Town Property Operations and Maintenance:				
Salaries and wages	8,000	8,000	6,304	(1,696)
Property services	12,325	12,325	12,636	311
Purchased services	2,000	2,000	932	(1,068)
Supplies and materials	1,500	1,500	1,021	(479)
Total Town Property Operations and Maintenance	<u>23,825</u>	<u>23,825</u>	<u>20,893</u>	<u>(2,932)</u>
Earl Smith Senior Center:				
Salaries and wages	21,932	21,932	21,469	(463)
Property services	9,700	9,700	6,308	(3,392)
Purchased services	7,795	7,795	7,608	(187)
Supplies and materials	14,300	14,300	13,718	(582)
Equipment	560	560	82	(478)
Total Earl Smith Senior Center	<u>54,287</u>	<u>54,287</u>	<u>49,185</u>	<u>(5,102)</u>
Board of Finance:				
Salaries and wages	1,330	1,330	1,120	(210)
Professional and tech services	25,010	25,010	19,950	(5,060)
Purchased services	1,350	1,350	-	(1,350)
Supplies and materials	375	375	83	(292)
Total Board of Finance	<u>28,065</u>	<u>28,065</u>	<u>21,153</u>	<u>(6,912)</u>

See accompanying Independent Auditor's Report.

TOWN OF ASHFORD, CONNECTICUT
 SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
 BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND *(Continued)*
 FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
GENERAL GOVERNMENT <i>(Continued)</i>				
Assessors Office:				
Salaries and wages	\$ 52,969	\$ 52,969	\$ 52,678	\$ (291)
Purchased services	13,665	13,665	12,409	(1,256)
Supplies and materials	2,067	2,067	1,921	(146)
Total Assessors Office	<u>68,701</u>	<u>68,701</u>	<u>67,008</u>	<u>(1,693)</u>
Board of Assessment Appeals:				
Salaries and wages	800	800	800	-
Purchased services	350	350	136	(214)
Total Board of Assessment Appeals	<u>1,150</u>	<u>1,150</u>	<u>936</u>	<u>(214)</u>
Tax Collector:				
Salaries and wages	54,909	54,909	53,584	(1,325)
Property services	415	415	-	(415)
Purchased services	8,715	8,715	7,773	(942)
Supplies and materials	4,950	4,950	3,666	(1,284)
Other	300	300	250	(50)
Total Tax Collector	<u>69,289</u>	<u>69,289</u>	<u>65,273</u>	<u>(4,016)</u>
Finance Department:				
Salaries and wages	92,408	92,408	93,572	1,164
Professional and tech services	13,630	13,630	10,200	(3,430)
Purchased services	7,250	7,250	6,067	(1,183)
Supplies and materials	3,100	3,100	3,592	492
Total Finance Department	<u>116,388</u>	<u>116,388</u>	<u>113,431</u>	<u>(2,957)</u>
Town Clerk:				
Salaries and wages	91,864	91,864	91,864	-
Property services	2,972	2,972	2,472	(500)
Purchased services	27,581	27,581	24,151	(3,430)
Supplies and materials	2,325	2,325	2,480	155
Total Town Clerk	<u>124,742</u>	<u>124,742</u>	<u>120,967</u>	<u>(3,775)</u>
Town Election Expense:				
Salaries and wages	24,479	24,479	20,275	(4,204)
Professional and tech services	2,925	2,925	1,072	(1,853)
Purchased services	4,070	4,070	1,490	(2,580)
Supplies and materials	5,627	5,627	4,868	(759)
Total Town Election Expense	<u>37,101</u>	<u>37,101</u>	<u>27,705</u>	<u>(9,396)</u>
TOTAL GENERAL GOVERNMENT	<u>847,167</u>	<u>830,512</u>	<u>752,192</u>	<u>(78,320)</u>

See accompanying Independent Auditor's Report.

TOWN OF ASHFORD, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2017

	Budgeted Amounts		Actual	Variance With Final Budget Over (Under)
	Original	Final		
PUBLIC SAFETY				
Salaries and wages	\$ 14,050	\$ 14,050	\$ 14,050	\$ -
Professional and tech services	200	200	-	(200)
Property services	2,075	2,075	2,685	610
Purchased services	11,160	11,160	8,754	(2,406)
Supplies and materials	100	100	-	(100)
Equipment	20	20	-	(20)
TOTAL PUBLIC SAFETY	<u>27,605</u>	<u>27,605</u>	<u>25,489</u>	<u>(2,116)</u>
PUBLIC WORKS				
Public Works Administration:				
Salaries and wages	365,451	365,451	362,184	(3,267)
Purchased services	1,400	1,400	300	(1,100)
Supplies and materials	3,000	3,000	2,650	(350)
Total Public Works Administration	<u>369,851</u>	<u>369,851</u>	<u>365,134</u>	<u>(4,717)</u>
Roads and Bridges:				
Property services	11,500	11,500	6,636	(4,864)
Supplies and materials	139,500	139,500	151,504	12,004
Total Roads and Bridges	<u>151,000</u>	<u>151,000</u>	<u>158,140</u>	<u>7,140</u>
Building, Maintenance and Repair:				
Property services	11,100	11,100	13,616	2,516
Purchased services	4,500	4,500	3,667	(833)
Supplies and materials	10,000	10,000	8,450	(1,550)
Total Building, Maintenance and Repair	<u>25,600</u>	<u>25,600</u>	<u>25,733</u>	<u>133</u>
Maintenance of Equipment:				
Property services	10,500	10,500	3,906	(6,594)
Supplies and materials	74,500	74,500	78,425	3,925
Total Maintenance of Equipment	<u>85,000</u>	<u>85,000</u>	<u>82,331</u>	<u>(2,669)</u>
Recycling Center:				
Salaries and wages	57,113	60,113	59,658	(455)
Professional and tech services	1,500	1,500	3,250	1,750
Property services	158,944	167,644	166,923	(721)
Purchased services	650	650	445	(205)
Supplies and materials	2,000	2,000	1,486	(514)
Other	850	850	800	(50)
Total Recycling Center	<u>221,057</u>	<u>232,757</u>	<u>232,562</u>	<u>(195)</u>
TOTAL PUBLIC WORKS	<u>852,508</u>	<u>864,208</u>	<u>863,900</u>	<u>(308)</u>
HEALTH & WELFARE				
Ashford Historical Society	1,000	1,000	-	(1,000)
Agent for the Elderly	1,485	5,935	5,915	(20)
Commission on Aging	700	700	687	(13)
Contributions to Other Agencies	54,764	54,764	54,729	(35)
TOTAL HEALTH & WELFARE	<u>57,949</u>	<u>62,399</u>	<u>61,331</u>	<u>(1,068)</u>

See accompanying Independent Auditor's Report.

TOWN OF ASHFORD, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
PLANNING AND DEVELOPMENT				
Planning and Zoning:				
Salaries and wages	\$ 20,542	\$ 20,542	\$ 20,457	\$ (85)
Professional and tech services	2,000	2,000	780	(1,220)
Purchased services	400	400	110	(290)
Supplies and materials	2,350	2,350	1,401	(949)
Total Planning and Zoning	<u>25,292</u>	<u>25,292</u>	<u>22,748</u>	<u>(2,544)</u>
Zoning Board of Appeals:				
Purchased services	1,230	1,230	238	(992)
Inland Wetlands:				
Salaries and wages	10,863	10,863	9,738	(1,125)
Professional and tech services	9,000	9,000	7,745	(1,255)
Purchased services	200	200	155	(45)
Supplies and materials	1,650	1,650	367	(1,283)
Total Inland Wetlands	<u>21,713</u>	<u>21,713</u>	<u>18,005</u>	<u>(3,708)</u>
Conservation Commission:				
Purchased services	1,300	1,300	1,032	(268)
Supplies and materials	550	550	250	(300)
Total Conservation Commission	<u>1,850</u>	<u>1,850</u>	<u>1,282</u>	<u>(568)</u>
Building Department:				
Salaries and wages	75,914	75,914	74,464	(1,450)
Professional and tech services	700	700	1,430	730
Purchased services	750	750	885	135
Supplies and materials	2,775	2,775	3,268	493
Other	-	-	-	-
Total Building Department	<u>80,139</u>	<u>80,139</u>	<u>80,047</u>	<u>(92)</u>
Economic Development:				
Professional and tech services	1,200	1,200	1,020	(180)
Purchased services	250	250	80	(170)
Supplies and materials	500	500	170	(330)
Total Economic Development	<u>1,950</u>	<u>1,950</u>	<u>1,270</u>	<u>(680)</u>
Water Pollution Control:				
Purchased services	30	30	-	(30)
Supplies and materials	10	10	-	(10)
Equipment	10	10	-	(10)
Total Water Pollution Control	<u>50</u>	<u>50</u>	<u>-</u>	<u>(50)</u>
Sexton:				
Salaries and wages	2,400	2,400	2,400	-
Purchased services	8,757	8,757	8,793	36
Supplies and materials	2,300	2,300	180	(2,120)
Total Sexton	<u>13,457</u>	<u>13,457</u>	<u>11,373</u>	<u>(2,084)</u>
TOTAL PLANNING AND DEVELOPMENT	<u>145,681</u>	<u>145,681</u>	<u>134,963</u>	<u>(10,718)</u>

See accompanying Independent Auditor's Report.

TOWN OF ASHFORD, CONNECTICUT
SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -
BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Continued)
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
EDUCATION				
Ashford Board of Education:				
Certified staff	\$ 2,998,986	\$ 2,964,423	\$ 2,964,420	\$ (3)
Non-Certified staff	1,497,719	1,608,969	1,608,965	(4)
Insurance	1,126,229	985,508	985,132	(376)
Payroll taxes and benefits	463,828	444,262	444,258	(4)
Instructional improvement	44,500	39,440	38,245	(1,195)
Professional services	257,506	293,328	286,859	(6,469)
Utilities	67,396	73,132	73,131	(1)
Maintenance	99,159	139,262	132,350	(6,912)
Equipment maintenance	4,567	8,591	8,590	(1)
Other insurances	40,226	34,354	34,272	(82)
Transportation	53,285	32,355	32,356	1
Communication	14,004	20,787	20,828	41
Outside services	320,739	176,162	175,705	(457)
Purchased services	22,600	18,077	16,476	(1,601)
Supplies	159,086	206,769	198,528	(8,241)
Fuel	98,975	89,646	88,029	(1,617)
Textbooks	10,727	14,102	14,101	(1)
Equipment	81,236	225,362	224,123	(1,239)
Dues & fees	29,872	30,827	30,587	(240)
Miscellaneous	15,500	784	784	-
Total Ashford Board of Education	<u>7,406,140</u>	<u>7,406,140</u>	<u>7,377,739</u>	<u>(28,401)</u>
Regional School District No. 19	3,410,845	3,410,845	3,410,845	-
TOTAL EDUCATION	<u>10,816,985</u>	<u>10,816,985</u>	<u>10,788,584</u>	<u>(28,401)</u>
OTHER				
Employee Benefits	384,499	384,499	358,689	(25,810)
Insurance	28,000	28,505	28,503	(2)
TOTAL OTHER	<u>412,499</u>	<u>413,004</u>	<u>387,192</u>	<u>(25,812)</u>
DEBT SERVICE				
Principal	230,000	230,000	230,000	-
Interest	54,100	54,100	54,100	-
TOTAL DEBT SERVICE	<u>284,100</u>	<u>284,100</u>	<u>284,100</u>	<u>-</u>
TOTAL EXPENDITURES	<u>13,444,494</u>	<u>13,444,494</u>	<u>13,297,751</u>	<u>(146,743)</u>
OTHER FINANCING USES				
Transfers out:				
Animal Fund	20,269	20,269	20,269	-
Babcock Library Fund	184,000	184,000	184,000	-
Recreation Fund	82,201	83,432	83,432	-
Youth Services Fund	30,325	30,325	30,325	-
Volunteer Fire & Ambulance	226,100	226,100	226,100	-
Capital Nonrecurring Fund	-	60,000	60,000	-
Education - carryover	-	31,466	-	(31,466)
TOTAL OTHER FINANCING USES	<u>542,895</u>	<u>635,592</u>	<u>604,126</u>	<u>(31,466)</u>
TOTAL EXPENDITURES AND OTHER FINANCING USES	<u>\$ 13,987,389</u>	<u>\$ 14,080,086</u>	<u>\$ 13,901,877</u>	<u>\$ (178,209)</u>

See accompanying Independent Auditor's Report.

TOWN OF ASHFORD, CONNECTICUT
SCHEDULE OF PROPERTY TAXES LEVIED, COLLECTED AND OUTSTANDING
FOR THE YEAR ENDED JUNE 30, 2017

Grand List Year	Balance Uncollected June 30, 2016	Current Levy	Lawful Corrections		Transfers To Suspense	Balance To Be Collected	Collections			Balance Uncollected June 30, 2017
			Additions	Deductions			Taxes	Interest and Lien Fees	Total	
1999	\$ 301	\$ -	\$ -	\$ -	\$ 301	\$ -	\$ -	\$ -	\$ -	\$ -
2000	7,082	-	-	-	6,416	666	-	-	-	666
2001	12,453	-	-	-	-	12,453	-	-	-	12,453
2002	37,872	-	-	-	27,805	10,067	-	-	-	10,067
2003	32,121	-	-	-	20,724	11,397	-	-	-	11,397
2004	30,667	-	-	-	21,125	9,542	-	-	-	9,542
2005	33,463	-	-	-	22,515	10,948	119	222	341	10,829
2006	34,208	-	-	-	22,808	11,400	806	1,331	2,137	10,594
2007	36,284	-	-	-	26,866	9,418	590	866	1,456	8,828
2008	36,666	-	-	-	27,915	8,751	72	95	167	8,679
2009	38,593	-	-	-	29,037	9,556	608	702	1,310	8,948
2010	38,370	-	-	-	27,648	10,722	36	37	73	10,686
2011	43,155	-	-	-	28,970	14,185	345	303	648	13,840
2012	49,140	-	22	-	29,530	19,632	4,420	1,049	5,469	15,212
2013	90,266	-	244	959	31,265	58,286	26,024	9,818	35,842	32,262
2014	180,064	-	806	1,502	32,773	146,595	72,677	21,204	93,881	73,918
Total prior years	700,705	-	1,072	2,461	355,698	343,618	105,697	35,627	141,324	237,921
2015	-	9,754,572	23,376	35,377	30,199	9,712,372	9,543,021	33,326	9,576,347	169,351
Total	\$ 700,705	\$ 9,754,572	\$ 24,448	\$ 37,838	\$ 385,897	\$ 10,055,990	\$ 9,648,718	\$ 68,953	\$ 9,717,671	\$ 407,272

See accompanying Independent Auditor's Report.

TOWN OF ASHFORD, CONNECTICUT
SCHEDULE OF DEBT LIMITATION
CONNECTICUT GENERAL STATUTES, SECTION 7-374(b)
FOR THE YEAR ENDED JUNE 30, 2017

Total cash collections for the year ended
June 30, 2017:

Taxes	\$ 9,648,718
Interest and lien fees	68,953
Total	<u>9,717,671</u>
Reimbursement for revenue loss:	
Tax relief for elderly (CGS 12-129d)	22,008
Base	<u>\$ 9,739,679</u>

	<u>General Purposes</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt limitation:					
2-1/4 times base	\$ 21,914,278	\$ -	\$ -	\$ -	\$ -
4-1/2 times base	-	43,828,556	-	-	-
3-3/4 times base	-	-	36,523,796	-	-
3-1/4 times base	-	-	-	31,653,957	-
3 times base	-	-	-	-	29,219,037
Total debt limitation	<u>21,914,278</u>	<u>43,828,556</u>	<u>36,523,796</u>	<u>31,653,957</u>	<u>29,219,037</u>
Indebtedness:					
Bonds payable	1,685,000	-	-	-	-
Bonds payable, net - Regional School District No. 19	-	292,736	-	-	-
Total indebtedness	<u>1,685,000</u>	<u>292,736</u>	<u>-</u>	<u>-</u>	<u>-</u>
Debt limitation in excess of outstanding and authorized debt	<u>\$ 20,229,278</u>	<u>\$ 43,535,820</u>	<u>\$ 36,523,796</u>	<u>\$ 31,653,957</u>	<u>\$ 29,219,037</u>
Total capacity of borrowing (7 times base)	\$ 68,177,753				
Total present indebtedness	<u>1,977,736</u>				
Margin for additional borrowing	<u>\$ 66,200,017</u>				

See accompanying Independent Auditor's Report.

Nonmajor
Governmental
Funds

TOWN OF ASHFORD, CONNECTICUT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2017

	Nonmajor Special Revenue Funds						
	Animal Fund	School Cafeteria Fund	Educational Grants Fund	Preservation of Historical Records Fund	Recreation Fund	AYSB Fund	Town Clerk Special Fund
ASSETS							
Cash and cash equivalents	\$ -	\$ 12,526	\$ -	\$ 17,855	\$ -	\$ -	\$ -
Investments	-	-	-	-	-	-	-
Grants and contracts receivable	-	12,875	-	-	-	-	-
Other receivables	227	-	-	-	-	-	-
Due from other funds	47,125	784	8,891	-	139,584	89,010	26,580
Total assets	<u>\$ 47,352</u>	<u>\$ 26,185</u>	<u>\$ 8,891</u>	<u>\$ 17,855</u>	<u>\$ 139,584</u>	<u>\$ 89,010</u>	<u>\$ 26,580</u>
LIABILITIES							
Accounts payable	\$ 3,676	\$ -	\$ 8,891	\$ -	\$ 7,087	\$ 15	\$ -
Due to other funds	-	21,719	-	79	127,827	58,660	-
Unearned revenue	-	-	-	883	4,670	-	-
Total liabilities	<u>3,676</u>	<u>21,719</u>	<u>8,891</u>	<u>962</u>	<u>139,584</u>	<u>58,675</u>	<u>-</u>
FUND BALANCES							
Nonspendable	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	-	-
Committed	43,676	4,466	-	16,893	-	30,335	26,580
Total fund balances	<u>43,676</u>	<u>4,466</u>	<u>-</u>	<u>16,893</u>	<u>-</u>	<u>30,335</u>	<u>26,580</u>
Total liabilities and fund balances	<u>\$ 47,352</u>	<u>\$ 26,185</u>	<u>\$ 8,891</u>	<u>\$ 17,855</u>	<u>\$ 139,584</u>	<u>\$ 89,010</u>	<u>\$ 26,580</u>

See accompanying Independent Auditor's Report.

TOWN OF ASHFORD, CONNECTICUT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS *(Continued)*
 JUNE 30, 2017

	Nonmajor Special Revenue Funds		Permanent Funds			Total Nonmajor Governmental Funds
	Veterans Memorial Fund	Total Special Revenue Funds	Band and Library Fund	Cemetery Fund	Total Permanent Funds	
ASSETS						
Cash and cash equivalents	\$ -	\$ 30,381	\$ 6,306	\$ 17,141	\$ 23,447	\$ 53,828
Investments	-	-	-	75,000	75,000	75,000
Grants and contracts receivable	-	12,875	-	-	-	12,875
Other receivables	-	227	-	-	-	227
Due from other funds	6,174	318,148	-	-	-	318,148
Total assets	<u>\$ 6,174</u>	<u>\$ 361,631</u>	<u>\$ 6,306</u>	<u>\$ 92,141</u>	<u>\$ 98,447</u>	<u>\$ 460,078</u>
LIABILITIES						
Accounts payable	\$ -	\$ 19,669	\$ -	\$ -	\$ -	\$ 19,669
Due to other funds	-	208,285	-	8,775	8,775	217,060
Unearned revenue	-	5,553	-	-	-	5,553
Total liabilities	<u>-</u>	<u>233,507</u>	<u>-</u>	<u>8,775</u>	<u>8,775</u>	<u>242,282</u>
FUND BALANCES						
Nonspendable	-	-	6,000	75,000	81,000	81,000
Restricted	-	-	306	8,366	8,672	8,672
Committed	6,174	128,124	-	-	-	128,124
Total fund balances	<u>6,174</u>	<u>128,124</u>	<u>6,306</u>	<u>83,366</u>	<u>89,672</u>	<u>217,796</u>
Total liabilities and fund balances	<u>\$ 6,174</u>	<u>\$ 361,631</u>	<u>\$ 6,306</u>	<u>\$ 92,141</u>	<u>\$ 98,447</u>	<u>\$ 460,078</u>

See accompanying Independent Auditor's Report.

TOWN OF ASHFORD, CONNECTICUT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	Nonmajor Special Revenue Funds						
	Animal Fund	School Cafeteria Fund	Educational Grants Fund	Preservation of Historical Records Fund	Recreation Fund	AYSB Fund	Town Clerk Special Fund
REVENUES							
Intergovernmental	\$ -	\$ 82,197	\$ 344,567	\$ 3,117	\$ -	\$ 17,300	\$ -
Charges for services	5,469	78,569	-	1,696	35,890	9,121	1,584
Interest income	-	-	-	35	-	-	-
Other	40	784	-	-	4,232	180	-
Total revenues	<u>5,509</u>	<u>161,550</u>	<u>344,567</u>	<u>4,848</u>	<u>40,122</u>	<u>26,601</u>	<u>1,584</u>
EXPENDITURES							
Current:							
General government	-	-	-	3,265	-	-	-
Public safety	21,780	-	-	-	-	-	-
Recreation	-	-	-	-	123,622	2,332	-
Education	-	176,845	344,567	-	-	55,778	-
Total expenditures	<u>21,780</u>	<u>176,845</u>	<u>344,567</u>	<u>3,265</u>	<u>123,622</u>	<u>58,110</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	(16,271)	(15,295)	-	1,583	(83,500)	(31,509)	1,584
OTHER FINANCING SOURCES							
Transfers in	20,269	-	-	-	83,432	30,325	-
Net change in fund balances	3,998	(15,295)	-	1,583	(68)	(1,184)	1,584
Fund balances - beginning	<u>39,678</u>	<u>19,761</u>	<u>-</u>	<u>15,310</u>	<u>68</u>	<u>31,519</u>	<u>24,996</u>
Fund balances - ending	<u>\$ 43,676</u>	<u>\$ 4,466</u>	<u>\$ -</u>	<u>\$ 16,893</u>	<u>\$ -</u>	<u>\$ 30,335</u>	<u>\$ 26,580</u>

See accompanying Independent Auditor's Report.

TOWN OF ASHFORD, CONNECTICUT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS *(Continued)*
 FOR THE YEAR ENDED JUNE 30, 2017

	<u>Nonmajor Special Revenue Funds</u>		<u>Permanent Funds</u>			<u>Total Nonmajor Governmental Funds</u>
	<u>Veterans Memorial Fund</u>	<u>Total Special Revenue Funds</u>	<u>Band and Library Fund</u>	<u>Cemetery Fund</u>	<u>Total Permanent Funds</u>	
REVENUES						
Intergovernmental	\$ -	\$ 447,181	\$ -	\$ -	\$ -	\$ 447,181
Charges for services	-	132,329	-	300	300	132,629
Interest income	-	35	12	192	204	239
Other	-	5,236	-	-	-	5,236
Total revenues	-	584,781	12	492	504	585,285
EXPENDITURES						
Current:						
General government	-	3,265	-	500	500	3,765
Public safety	-	21,780	-	-	-	21,780
Recreation	-	125,954	1	-	1	125,955
Education	-	577,190	-	-	-	577,190
Total expenditures	-	728,189	1	500	501	728,690
Excess (deficiency) of revenues over expenditures	-	(143,408)	11	(8)	3	(143,405)
OTHER FINANCING SOURCES						
Transfers in	-	134,026	-	-	-	134,026
Net change in fund balances	-	(9,382)	11	(8)	3	(9,379)
Fund balances - beginning	6,174	137,506	6,295	83,374	89,669	227,175
Fund balances - ending	\$ 6,174	\$ 128,124	\$ 6,306	\$ 83,366	\$ 89,672	\$ 217,796

See accompanying Independent Auditor's Report.

Fiduciary Funds

TOWN OF ASHFORD, CONNECTICUT
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 JUNE 30, 2017

	<u>School Activity Fund</u>	<u>Babcock Cornet Band Fund</u>	<u>Babcock Fund</u>	<u>Contractor Bond Fund</u>	<u>Ashford Food Bank Fund</u>	<u>Total Agency Funds</u>
ASSETS						
Cash and cash equivalents	\$ 20,670	\$ 15,660	\$ 2,475	\$ 16,854	\$ 871	\$ 56,530
Receivables	4,900	200	-	-	-	5,100
Total assets	<u>\$ 25,570</u>	<u>\$ 15,860</u>	<u>\$ 2,475</u>	<u>\$ 16,854</u>	<u>\$ 871</u>	<u>\$ 61,630</u>
LIABILITIES						
Accounts payable	\$ -	\$ 177	\$ -	\$ 3,000	\$ 257	\$ 3,434
Due to others	25,570	15,683	2,475	13,854	614	58,196
Total liabilities	<u>\$ 25,570</u>	<u>\$ 15,860</u>	<u>\$ 2,475</u>	<u>\$ 16,854</u>	<u>\$ 871</u>	<u>\$ 61,630</u>

See accompanying Independent Auditor's Report.

TOWN OF ASHFORD, CONNECTICUT
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES
 AGENCY FUNDS
 FOR THE YEAR ENDED JUNE 30, 2017

	Balance, July 1, 2016	Additions	Deletions	Balance, June 30, 2017
Student Activity Fund				
Assets				
Cash and cash equivalents	\$ 17,203	\$ 38,960	\$ 35,493	\$ 20,670
Receivables	5,975	-	1,075	4,900
Total assets	<u>\$ 23,178</u>	<u>\$ 38,960</u>	<u>\$ 36,568</u>	<u>\$ 25,570</u>
Liabilities				
Due to others	\$ 23,178	\$ 38,960	\$ 36,568	\$ 25,570
Total liabilities	<u>\$ 23,178</u>	<u>\$ 38,960</u>	<u>\$ 36,568</u>	<u>\$ 25,570</u>
Babcock Cornet Band Fund				
Assets				
Cash and cash equivalents	\$ 15,630	\$ 208	\$ 178	\$ 15,660
Receivables	200	-	-	200
Total assets	<u>\$ 15,830</u>	<u>\$ 208</u>	<u>\$ 178</u>	<u>\$ 15,860</u>
Liabilities				
Accounts Payable	\$ -	\$ 177	\$ -	\$ 177
Due to others	15,830	-	147	15,683
Total liabilities	<u>\$ 15,830</u>	<u>\$ 177</u>	<u>\$ 147</u>	<u>\$ 15,860</u>
Babcock Fund				
Assets				
Cash and cash equivalents	\$ 2,471	\$ 5	\$ 1	\$ 2,475
Total assets	<u>\$ 2,471</u>	<u>\$ 5</u>	<u>\$ 1</u>	<u>\$ 2,475</u>
Liabilities				
Due to others	\$ 2,471	\$ 4	\$ -	\$ 2,475
Total liabilities	<u>\$ 2,471</u>	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 2,475</u>

See accompanying Independent Auditor's Report.

TOWN OF ASHFORD, CONNECTICUT
COMBINING STATEMENT OF CHANGES IN FIDUCIARY ASSETS AND LIABILITIES *(Continued)*
AGENCY FUNDS
FOR THE YEAR ENDED JUNE 30, 2017

	<u>Balance, July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance, June 30, 2017</u>
Contractor Bond Fund				
Assets				
Cash and cash equivalents	\$ 16,822	\$ 33	\$ 1	\$ 16,854
Total assets	<u>\$ 16,822</u>	<u>\$ 33</u>	<u>\$ 1</u>	<u>\$ 16,854</u>
Liabilities				
Accounts Payable	\$ 3,000	\$ -	\$ -	\$ 3,000
Due to others	13,822	32	-	13,854
Total liabilities	<u>\$ 16,822</u>	<u>\$ 32</u>	<u>\$ -</u>	<u>\$ 16,854</u>
Ashford Food Bank Fund				
Assets				
Cash and cash equivalents	\$ 870	\$ 2	\$ 1	\$ 871
Total assets	<u>\$ 866</u>	<u>\$ 2</u>	<u>\$ 1</u>	<u>\$ 871</u>
Liabilities				
Accounts Payable	\$ 258	\$ -	\$ 1	\$ 257
Due to others	612	2	-	614
Total liabilities	<u>\$ 870</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ 871</u>
Total All Agency Funds				
Assets				
Cash and cash equivalents	\$ 52,996	\$ 39,208	\$ 35,674	\$ 56,530
Receivables	6,175	-	1,075	5,100
Total assets	<u>\$ 59,171</u>	<u>\$ 39,208</u>	<u>\$ 36,749</u>	<u>\$ 61,630</u>
Liabilities				
Accounts payable	\$ 3,258	\$ 177	\$ 1	\$ 3,434
Due to others	55,913	38,998	36,715	58,196
Total liabilities	<u>\$ 59,171</u>	<u>\$ 39,175</u>	<u>\$ 36,716</u>	<u>\$ 61,630</u>

See accompanying Independent Auditor's Report.