

**TOWN OF ASHFORD, CONNECTICUT**

**FINANCIAL STATEMENTS**

**AS OF AND FOR THE YEAR ENDED  
JUNE 30, 2018**

**TOWN OF ASHFORD, CONNECTICUT**  
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**Independent Auditor's Report**

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## 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, 2018, 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, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### ***Change in Accounting Principle***

As discussed in Note 1 to the financial statements, the Town adopted new accounting guidance, GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*. Our opinion is not modified with respect to this matter.

### ***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 information on pages 50 through 62 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 63 through 73 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 5, 2018, 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.

*Mahoney Sabol + Company, LLP*

Certified Public Accountants  
Glastonbury, Connecticut  
December 5, 2018

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## **Management's Discussion and Analysis**

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**TOWN OF ASHFORD, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

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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, 2018.

**FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$17,407,960 (net position). Of this amount, \$2,350,476 (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 \$134,665.
- The beginning net position of the Town was decreased by \$701,348 as a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This decrease represented the difference between the net other post-employment benefits obligation previously recognized in accordance with GASB Statement No. 45 and the total other post-employment liability recognized in accordance with GASB Statement No. 75.
- As of the close of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$4,399,722, a decrease of \$17,101 in comparison with the prior year. Approximately 62.1% or \$2,732,812 of this total amount is available for spending at the Town's discretion (committed, assigned and unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,796,923 or 12.3% of total General Fund expenditures. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover approximately 1.5 months of General Fund operating expenditures.
- The principal balance outstanding on the Town's long-term bonded debt decreased by \$230,000 or 13.6%, from \$1,685,000 as of June 30, 2017 to \$1,455,000 as of June 30, 2018. The decrease represents scheduled principal 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, liabilities, and deferred inflows of resources, 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.



**TOWN OF ASHFORD, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

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**OVERVIEW OF THE FINANCIAL STATEMENTS *(Continued)***

**Government-wide Financial Statements *(Continued)***

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.

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 18 of this report.

**TOWN OF ASHFORD, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

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**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 19 and 20 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 21 through 49 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 50 through 62 of this report. Combining and individual fund statements and schedules can be found on pages 63 through 73 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Net Position**

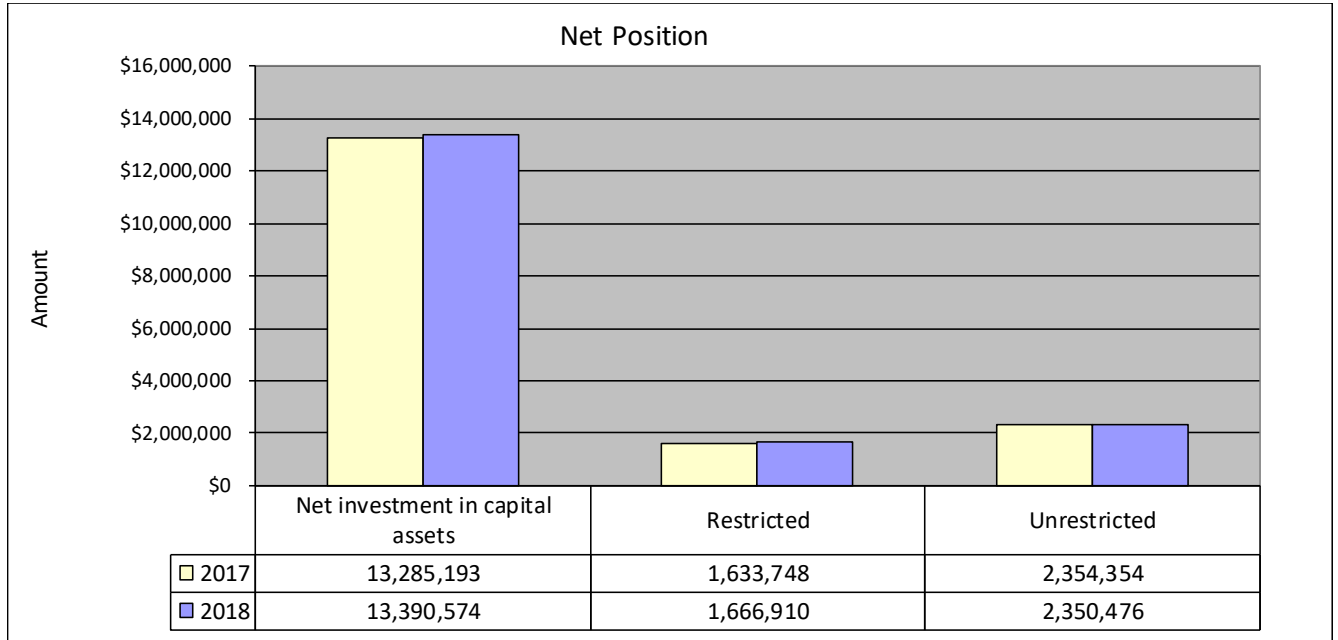
Over time, net position may serve as one measure of a government's financial position. Net position of the Town totaled \$17,407,960 as of June 30, 2018 and \$17,273,295 as of June 30, 2017, as adjusted for the implementation of GASB Statement No. 75, and is summarized as follows.

|                                  | 2018                 | 2017<br>(As Adjusted) | \$ Variance       | % Variance |
|----------------------------------|----------------------|-----------------------|-------------------|------------|
| Current and other assets         | \$ 5,432,903         | \$ 5,419,380          | \$ 13,523         | 0.2%       |
| Capital assets                   | 15,103,128           | 15,376,085            | (272,957)         | -1.8%      |
| Total assets                     | <u>20,536,031</u>    | <u>20,795,465</u>     | <u>(259,434)</u>  | -1.2%      |
| Deferred outflows of resources   | <u>17,701</u>        | <u>18,999</u>         | <u>(1,298)</u>    | -6.8%      |
| Other liabilities                | 541,586              | 565,941               | (24,355)          | -4.3%      |
| Long-term liabilities            | <u>2,549,813</u>     | <u>2,975,228</u>      | <u>(425,415)</u>  | -14.3%     |
| Total liabilities                | <u>3,091,399</u>     | <u>3,541,169</u>      | <u>(449,770)</u>  | -18.6%     |
| Deferred inflows of resources    | <u>54,373</u>        | <u>-</u>              | <u>54,373</u>     | N/a        |
| Net position:                    |                      |                       |                   |            |
| Net investment in capital assets | 13,390,574           | 13,285,193            | 105,381           | 0.8%       |
| Restricted                       | 1,666,910            | 1,633,748             | 33,162            | 2.0%       |
| Unrestricted                     | <u>2,350,476</u>     | <u>2,354,354</u>      | <u>(3,878)</u>    | -0.2%      |
| Total net position               | <u>\$ 17,407,960</u> | <u>\$ 17,273,295</u>  | <u>\$ 134,665</u> | 2.7%       |

**TOWN OF ASHFORD, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Net Position (Continued)**



Of the Town's net position, 76.9% reflects its investment in capital assets, less any related debt used to acquire those assets that is still outstanding, as of June 30, 2018 and 2017. 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, 2018 and 2017, 9.6% and 9.5%, 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)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Changes in Net Position**

Changes in net position for the years ended June 30, 2018 and 2017 are as follows. The amounts reported for the year ended June 30, 2017 have not been adjusted for the implementation of GASB Statement No. 75, since the effects of the adjustments on the statements of changes in net position are not readily determinable.

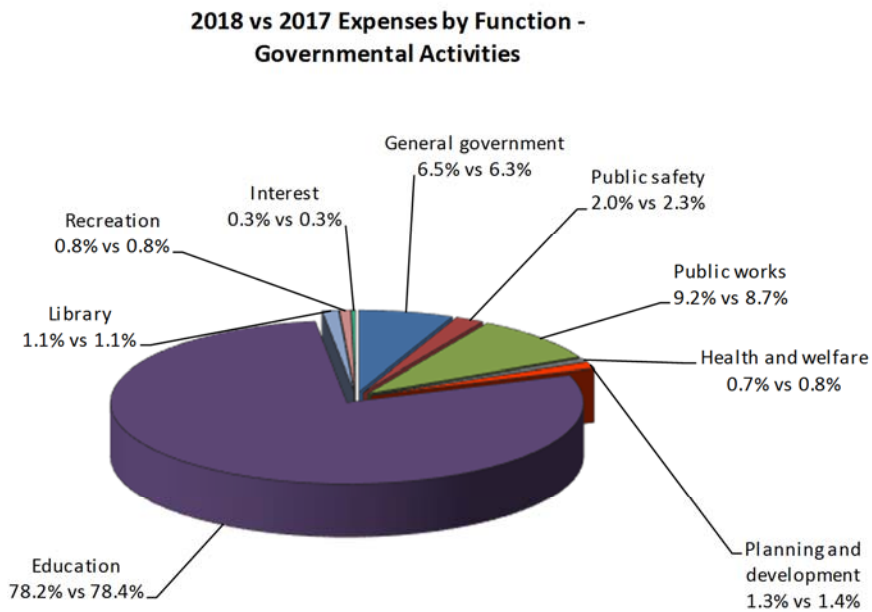
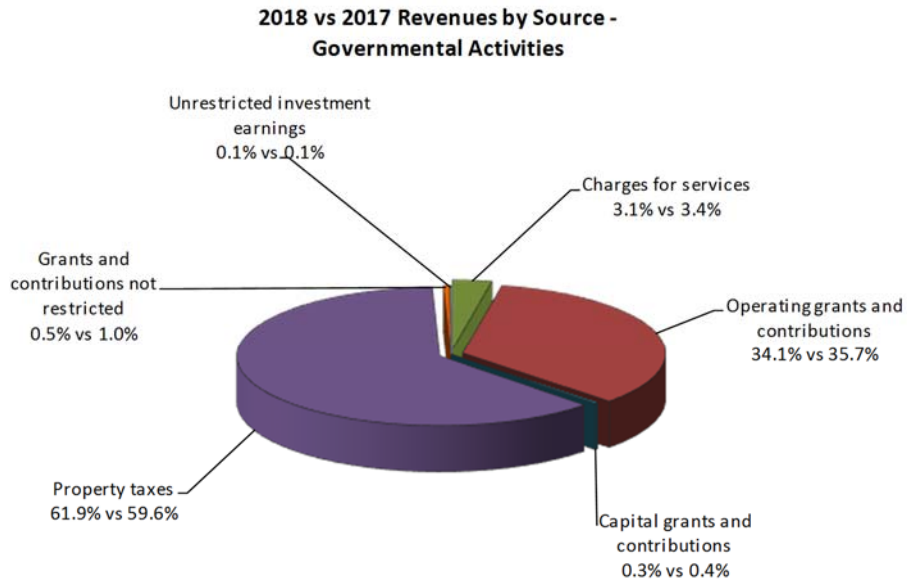
|  | <u>2018</u>          | <u>2017</u>          | <u>\$ Variance</u>  | <u>% Variance</u> |
|--|----------------------|----------------------|---------------------|-------------------|
| Revenues:  |                      |                      |                     |                   |
| Program revenues:  |                      |                      |                     |                   |
| Charges for services   | \$ 515,526           | \$ 552,964           | \$ (37,438)         | -7%               |
| Operating grants and contributions                           | 5,647,126            | 5,868,262            | (221,136)           | -4%               |
| Capital grants and contributions                             | 46,043               | 58,350               | (12,307)            | -21%              |
| General revenues:  |                      |                      |                     |                   |
| Property taxes   | 10,267,139           | 9,802,343            | 464,796             | 5%                |
| Grants and contributions not restricted                      | 79,240               | 158,738              | (79,498)            | -50%              |
| Unrestricted investment earnings                             | 19,126               | 15,934               | 3,192               | 20%               |
| Total revenues   | <u>16,574,200</u>    | <u>16,456,591</u>    | <u>117,609</u>      | 1%                |
| Expenses:  |                      |                      |                     |                   |
| General government   | 1,064,767            | 1,009,831            | 54,936              | 5%                |
| Public safety  | 323,285              | 368,194              | (44,909)            | -12%              |
| Public works   | 1,510,305            | 1,404,391            | 105,914             | 8%                |
| Health and welfare   | 118,578              | 121,216              | (2,638)             | -2%               |
| Planning and development                                     | 205,702              | 228,121              | (22,419)            | -10%              |
| Education  | 12,862,274           | 12,624,647           | 237,627             | 2%                |
| Library  | 183,715              | 174,534              | 9,181               | 5%                |
| Recreation   | 125,211              | 127,733              | (2,522)             | -2%               |
| Interest expense   | 45,698               | 54,462               | (8,764)             | -16%              |
| Total expenses   | <u>16,439,535</u>    | <u>16,113,129</u>    | <u>326,406</u>      | 2%                |
| Change in net position                                       | 134,665              | 343,462              | <u>\$ (208,797)</u> | -61%              |
| Net position - beginning, as originally reported             | 17,974,643           | 17,631,181           |                     |                   |
| Cumulative effect of implementing<br>new accounting standard | <u>(701,348)</u>     | -                    |                     |                   |
| Net position - beginning, as adjusted                        | <u>17,273,295</u>    | <u>17,631,181</u>    |                     |                   |
| Net position - ending  | <u>\$ 17,407,960</u> | <u>\$ 17,974,643</u> |                     |                   |

**TOWN OF ASHFORD, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS (Continued)**

**Changes in Net Position (Continued)**



**TOWN OF ASHFORD, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

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**GOVERNMENT-WIDE FINANCIAL ANALYSIS *(Continued)***

**Governmental Activities**

Governmental activities increased the Town's net position by \$134,665.

Revenues generated by the Town increased by \$117,609 in comparison to revenues reported in the prior year. This increase was due primarily to an increase in property tax revenues of approximately \$465,000 offset by a reduction of approximately \$221,000 in operating grants and contributions. The decrease in operating grants and contributions was primarily related to an anticipated decrease of \$315,000 in operating grants received in connection with the State of Connecticut's Education Cost Sharing Assistance Grant, which was offset by approximately \$123,000 in on-behalf payments made by the State of Connecticut for other post-employment benefits provided through the State Teachers' Retirement System.

Expenses incurred by the Town increased by approximately \$326,406 or 2.0% in comparison to expenses reported in the prior year. Included in this increase was approximately \$123,000 in on-behalf contributions made by the State of Connecticut for other post-employment benefits provided through the State Teachers' Retirement System.

**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 \$4,399,722 a decrease of \$17,101 in comparison with the prior year. Of this amount, \$1,795,828 constitutes unassigned fund balance, which is available for new 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 \$1,796,923, while total fund balance was \$2,010,480. 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, 2018 was 12.4% of total General Fund expenditures, a decrease from 13.4% as of June 30, 2017. Expressed another way, unassigned fund balance for the General Fund was sufficient to cover approximately 1.5 months of General Fund operating expenditures.

**Capital Nonrecurring Fund**

The fund balance of the Capital Nonrecurring Fund increased by \$59,835 during the current fiscal year. This increase is primarily related to an authorized transfer from unassigned fund balance of the General Fund in the amount of \$352,301 to fund future capital projects and purchases. This transfer was offset by current year capital outlays and related debt service repayments.

**TOWN OF ASHFORD, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

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**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 \$10,314 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 original budget for the General Fund did not contemplate the use of fund balance. The final budget included an additional appropriation from fund balance in the amount of \$352,301 to transfer funds to the Capital Nonrecurring Fund for future capital purposes. The actual net change in fund balance of the General Fund on a budgetary basis was a decrease of \$164,322, resulting in a favorable budgetary surplus of \$187,979. Budgetary expenditures were \$311,588 less than budgeted. Budgetary revenues were \$123,609 less than expected due primarily to a reduction in state aid, which was offset by a favorable variance in property tax collections.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets**

The Town's investment in capital assets as of June 30, 2018 and 2017 totaled \$15,103,128 and \$15,376,085, 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 \$272,957 or 1.8%, which consisted of capital additions of \$224,404, offset by current year depreciation of \$497,361.

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;
- the purchase of public works equipment in the amount of \$53,000; and
- the purchase of a mobility van in the amount of approximately \$49,000 for educational services.

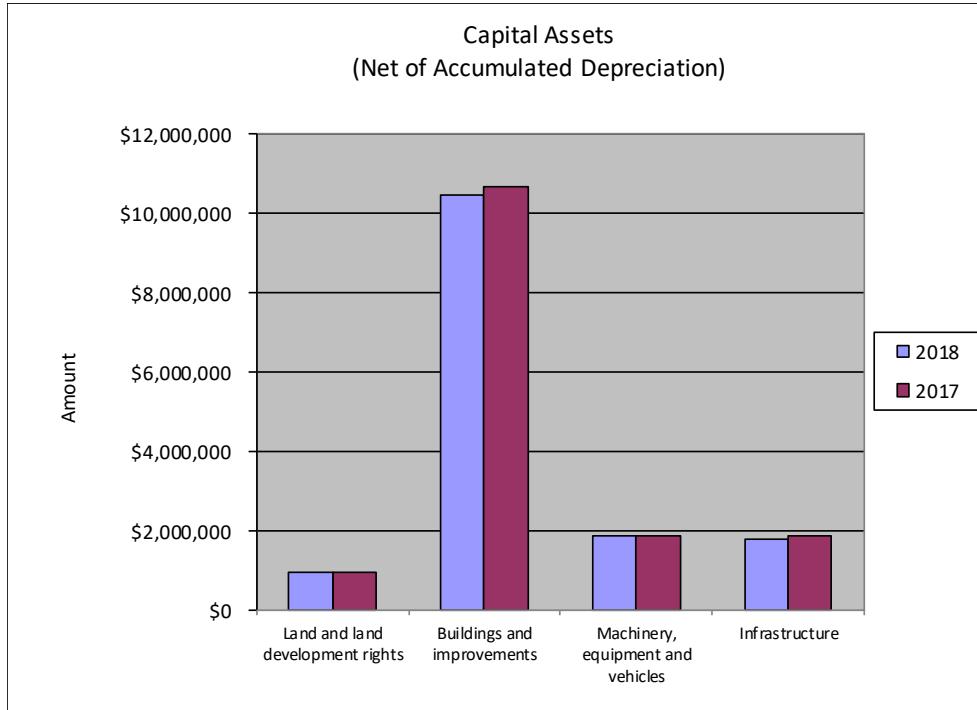
The following table is a two year comparison of the investment in capital assets:

|                                   | 2018          | 2017          |
|-----------------------------------|---------------|---------------|
| Land and land development rights  | \$ 968,756    | \$ 968,756    |
| Buildings and improvements        | 10,475,874    | 10,662,263    |
| Machinery, equipment and vehicles | 1,869,968     | 1,884,373     |
| Infrastructure                    | 1,788,530     | 1,860,693     |
| Totals                            | \$ 15,103,128 | \$ 15,376,085 |

**TOWN OF ASHFORD, CONNECTICUT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

**CAPITAL ASSET AND DEBT ADMINISTRATION (Continued)**

**Capital Assets (Continued)**



Additional information on the Town's capital assets can be found in Note 4 of this report.

**Long-term Debt**

At the end of the current fiscal year, the Town had \$1,455,000 of long-term bonded debt and \$166,959 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 \$371,736 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.

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

|                           | 2018                | 2017                |
|---------------------------|---------------------|---------------------|
| Bonds payable             | \$ 1,455,000        | \$ 1,685,000        |
| Capital lease obligations | 166,959             | 308,695             |
| <b>Totals</b>             | <b>\$ 1,621,959</b> | <b>\$ 1,993,695</b> |

Additional information on the Town's long-term debt can be found in Note 8 of this report.



**TOWN OF ASHFORD, CONNECTICUT**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited) *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

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**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.

All of these factors were considered in preparing the Town's budget for fiscal year 2019. The Town's fiscal year 2019 budget was approved by Town referendum on May 8, 2018. The Town's fiscal year 2019 budgeted expenditures for the General Fund totaled \$14,332,736, an increase of \$302,148 or 2.2% over the fiscal year 2018 original approved budgeted expenditures.

The Town has not assigned any portion of fund balance of the General Fund for spending in the 2019 fiscal year budget.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Town's finances for all those with an interest in the 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.

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## **Basic Financial Statements**

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**TOWN OF ASHFORD, CONNECTICUT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2018**

|                                       | <b>Governmental<br/>Activities</b> |
|---------------------------------------|------------------------------------|
| <b>ASSETS</b>                         |                                    |
| Cash and cash equivalents             | \$ 3,285,754                       |
| Investments                           | 75,015                             |
| Receivables:                          |                                    |
| Property taxes, net                   | 401,399                            |
| Interest on property taxes, net       | 158,125                            |
| Grants and contracts                  | 42,548                             |
| Other                                 | 18,225                             |
| Loans receivable, long-term           | 1,452,037                          |
| Capital assets:                       |                                    |
| Non-depreciable                       | 968,756                            |
| Depreciable, net                      | 14,134,372                         |
| Total assets                          | 20,536,231                         |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b> |                                    |
| Deferred charges on refunding         | 17,701                             |
| <b>LIABILITIES</b>                    |                                    |
| Accounts payable                      | 153,635                            |
| Accrued liabilities:                  |                                    |
| Salaries and benefits payable         | 367,193                            |
| Other                                 | 8,419                              |
| Unearned revenue                      | 12,539                             |
| Noncurrent liabilities:               |                                    |
| Due within one year                   | 372,126                            |
| Due in more than one year             | 2,177,687                          |
| Total liabilities                     | 3,091,599                          |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                                    |
| Deferred charges on OPEB expense      | 54,373                             |
| <b>NET POSITION</b>                   |                                    |
| Net investment in capital assets      | 13,390,574                         |
| Restricted for:                       |                                    |
| Other purposes                        | 43,672                             |
| Endowments - nonexpendable            | 81,000                             |
| Endowments - expendable               | 8,476                              |
| Community development block program   | 1,533,762                          |
| Unrestricted                          | 2,350,476                          |
| Total net position                    | \$ 17,407,960                      |

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

**TOWN OF ASHFORD, CONNECTICUT**  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2018

| Functions/Programs            | Expenses             | Program Revenues        |  |  | Net (Expense)<br>Revenue and<br>Changes in Net Position -<br>Governmental<br>Activities |
|-------------------------------|----------------------|-------------------------|--|--|---|
|                               |                      | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions |   |
| Governmental activities:      |                      |                         |  |  |   |
| General government            | \$ 1,064,767         | \$ 181,835              | \$ 17,575                                | \$ -                                   | \$ (865,357)  |
| Public safety                 | 323,285              | 4,172                   | -  | -                                      | (319,113)   |
| Public works                  | 1,510,305            | -                       | 419,953                                  | -                                      | (1,090,352)   |
| Health and welfare            | 118,578              | 11,524                  | 32,936                                   | -                                      | (74,118)  |
| Planning and development      | 205,702              | -                       | 15,430                                   | 26,043                                 | (164,229)   |
| Education                     | 12,862,274           | 271,990                 | 5,161,118                                | 20,000                                 | (7,409,166)   |
| Library                       | 183,715              | 5,384                   | 114                                      | -                                      | (178,217)   |
| Recreation                    | 125,211              | 40,621                  | -  | -                                      | (84,590)  |
| Interest expense              | 45,698               | -                       | -  | -                                      | (45,698)  |
| Total governmental activities | <u>\$ 16,439,535</u> | <u>\$ 515,526</u>       | <u>\$ 5,647,126</u>                      | <u>\$ 46,043</u>                       | <u>(10,230,840)</u>   |
| General revenues:             |                      |                         |  |  |   |
|                               |                      |                         |  |  | 10,267,139  |
|                               |                      |                         |  |  | 79,240  |
|                               |                      |                         |  |  | 19,126  |
|                               |                      |                         |  |  | <u>10,365,505</u>   |
|                               |                      |                         |  |  | 134,665   |
|                               |                      |                         |  |  | 17,974,643  |
|                               |                      |                         |  |  | (701,348)   |
|                               |                      |                         |  |  | <u>17,273,295</u>   |
|                               |                      |                         |  |  | <u>\$ 17,407,960</u>  |

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

**TOWN OF ASHFORD, CONNECTICUT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2018**

|  | <b>General<br/>Fund</b> | <b>Capital<br/>Nonrecurring<br/>Fund</b> | <b>Small Cities<br/>Grant Program<br/>Fund</b> | <b>Nonmajor<br/>Governmental<br/>Funds</b> | <b>Total<br/>Governmental<br/>Funds</b> |
|--|-------------------------|--|--|--|---|
| <b>ASSETS</b>  |                         |  |  |  |   |
| Cash and cash equivalents  | \$ 3,021,525            | \$ 128,119                               | \$ 81,732                                      | \$ 54,378                                  | \$ 3,285,754                            |
| Investments  | -                       | -  | -  | 75,015                                     | 75,015                                  |
| Receivables:   |                         |  |  |  |   |
| Property taxes and interest, net                                       | 559,524                 | -  | -  | -  | 559,524                                 |
| Grants and contracts   | 470                     | 26,043                                   | -  | 16,035                                     | 42,548                                  |
| Loans  | -                       | -  | 1,452,037                                      | -  | 1,452,037                               |
| Other  | 18,225                  | -  | -  | -  | 18,225                                  |
| Due from other funds   | 38,319                  | 484,520                                  | -  | 184,939                                    | 707,778                                 |
| Total assets   | <u>\$ 3,638,063</u>     | <u>\$ 638,682</u>                        | <u>\$ 1,533,769</u>                            | <u>\$ 330,367</u>                          | <u>\$ 6,140,881</u>                     |
| <b>LIABILITIES</b>   |                         |  |  |  |   |
| Accounts payable   | \$ 107,563              | \$ 13,512                                | \$ 7   | \$ 32,553                                  | \$ 153,635                              |
| Salaries and benefits payable  | 352,639                 | -  | -  | 14,554                                     | 367,193                                 |
| Due to other funds   | 667,367                 | -  | -  | 40,411                                     | 707,778                                 |
| Unearned revenue   | -                       | -  | -  | 12,539                                     | 12,539                                  |
| Total liabilities  | <u>1,127,569</u>        | <u>13,512</u>                            | <u>7</u>                                       | <u>100,057</u>                             | <u>1,241,145</u>                        |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                   |                         |  |  |  |   |
| Unavailable revenue - property taxes                                   | 500,014                 | -  | -  | -  | 500,014                                 |
| <b>FUND BALANCES</b>   |                         |  |  |  |   |
| Nonspendable   | -                       | -  | -  | 81,000                                     | 81,000                                  |
| Restricted   | -                       | -  | 1,533,762                                      | 52,148                                     | 1,585,910                               |
| Committed  | 124,089                 | 625,170                                  | -  | 98,257                                     | 847,516                                 |
| Assigned   | 89,468                  | -  | -  | -  | 89,468                                  |
| Unassigned   | 1,796,923               | -  | -  | (1,095)                                    | 1,795,828                               |
| Total fund balances  | <u>2,010,480</u>        | <u>625,170</u>                           | <u>1,533,762</u>                               | <u>230,310</u>                             | <u>4,399,722</u>                        |
| Total liabilities, deferred inflows of<br>resources, and fund balances | <u>\$ 3,638,063</u>     | <u>\$ 638,682</u>                        | <u>\$ 1,533,769</u>                            | <u>\$ 330,367</u>                          | <u>\$ 6,140,881</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, 2018**

|  |                    |                      |
|--|--------------------|----------------------|
| Total fund balances for governmental funds   |                    | \$ 4,399,722         |
| 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  | 4,372,532          |                      |
| Infrastructure   | 2,455,539          |                      |
| Less: accumulated depreciation and amortization  | <u>(7,245,719)</u> |                      |
| Total capital assets, net  |                    | 15,103,128           |
| 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.   |                    |                      |
|  |                    | 500,014              |
| Deferred charges on refundings are not susceptible to accrual and therefore are not reported in the funds.   |                    |                      |
|  |                    | 17,701               |
| Deferred charges on OPEB liabilities are not susceptible to accrual and therefore are not reported in the funds.   |                    |                      |
|  |                    | (54,373)             |
| 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   | (1,455,000)        |                      |
| Accrued interest payable   | (8,419)            |                      |
| Unamortized bond premium   | (108,296)          |                      |
| Other long-term liabilities:   |                    |                      |
| Capital lease obligations  | (166,959)          |                      |
| Compensated absences   | (51,587)           |                      |
| OPEB liability   | <u>(767,971)</u>   |                      |
| Total long-term liabilities  |                    | <u>(2,558,232)</u>   |
| Net position of governmental activities  |                    | <u>\$ 17,407,960</u> |

*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, 2018

|  | General<br>Fund     | Capital<br>Nonrecurring<br>Fund | Small Cities<br>Grant Program<br>Fund | Nonmajor<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|---------------------|---------------------------------|---------------------------------------|-----------------------------------|--------------------------------|
| <b>REVENUES</b>                                      |                     |                                 |                                       |                                   |                                |
| Property taxes                                       | \$ 10,213,454       | \$ -                            | \$ -                                  | \$ -                              | \$ 10,213,454                  |
| Intergovernmental                                    | 4,352,678           | 388,189                         | 15,430                                | 432,613                           | 5,188,910                      |
| Charges for services                                 | 386,565             | -                               | -                                     | 125,412                           | 511,977                        |
| Interest income                                      | 18,630              | 255                             | -                                     | 241                               | 19,126                         |
| Other  | 22,395              | 30,810                          | -                                     | 4,438                             | 57,643                         |
| Total revenues                                       | <u>14,993,722</u>   | <u>419,254</u>                  | <u>15,430</u>                         | <u>562,704</u>                    | <u>15,991,110</u>              |
| <b>EXPENDITURES</b>                                  |                     |                                 |                                       |                                   |                                |
| Current:   |                     |                                 |                                       |                                   |                                |
| General government                                   | 794,708             | -                               | -                                     | 7,991                             | 802,699                        |
| Public safety  | 249,899             | -                               | -                                     | 19,964                            | 269,863                        |
| Public works   | 834,076             | -                               | -                                     | -                                 | 834,076                        |
| Health and welfare                                   | 51,935              | -                               | -                                     | 64,584                            | 116,519                        |
| Planning and development                             | 137,949             | -                               | 25,744                                | -                                 | 163,693                        |
| Education  | 11,628,583          | -                               | -                                     | 471,002                           | 12,099,585                     |
| Library  | 178,716             | -                               | -                                     | -                                 | 178,716                        |
| Recreation   | -                   | -                               | -                                     | 121,101                           | 121,101                        |
| Employee benefits and insurance                      | 386,029             | -                               | -                                     | -                                 | 386,029                        |
| Capital outlays                                      | 40,610              | 576,201                         | -                                     | 750                               | 617,561                        |
| Debt service:  |                     |                                 |                                       |                                   |                                |
| Principal payments                                   | 230,000             | 134,775                         | -                                     | -                                 | 364,775                        |
| Interest and fiscal charges                          | 48,350              | 5,244                           | -                                     | -                                 | 53,594                         |
| Total expenditures                                   | <u>14,580,855</u>   | <u>716,220</u>                  | <u>25,744</u>                         | <u>685,392</u>                    | <u>16,008,211</u>              |
| Excess (deficiency) of revenues<br>over expenditures | 412,867             | (296,966)                       | (10,314)                              | (122,688)                         | (17,101)                       |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                     |                                 |                                       |                                   |                                |
| Transfers in   | -                   | 356,801                         | -                                     | 135,202                           | 492,003                        |
| Transfers out  | (492,003)           | -                               | -                                     | -                                 | (492,003)                      |
| Total other financing sources (uses)                 | <u>(492,003)</u>    | <u>356,801</u>                  | <u>-</u>                              | <u>135,202</u>                    | <u>-</u>                       |
| Net change in fund balances                          | (79,136)            | 59,835                          | (10,314)                              | 12,514                            | (17,101)                       |
| Fund balances - beginning                            | <u>2,089,616</u>    | <u>565,335</u>                  | <u>1,544,076</u>                      | <u>217,796</u>                    | <u>4,416,823</u>               |
| Fund balances - ending                               | <u>\$ 2,010,480</u> | <u>\$ 625,170</u>               | <u>\$ 1,533,762</u>                   | <u>\$ 230,310</u>                 | <u>\$ 4,399,722</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, 2018

Net change in fund balances - total governmental funds \$ (17,101)

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 difference between capital outlays and depreciation and amortization expense in the current period is as follows:

|                                       |                  |           |
|---------------------------------------|------------------|-----------|
| Expenditures for capital assets       | \$ 224,404       |           |
| Depreciation and amortization expense | <u>(497,361)</u> |           |
| Net adjustment                        |                  | (272,957) |

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. 53,685

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>141,736</u> |         |
| Net adjustment                  |                | 371,736 |

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                          | (2,237)         |              |
| Accrued interest                              | 1,294           |              |
| Amortization of bond premium                  | 7,900           |              |
| Amortization of deferred charges on refunding | (1,298)         |              |
| OPEB liability                                | 48,016          |              |
| Deferred charges on OPEB liability            | <u>(54,373)</u> |              |
| Net adjustment                                |                 | <u>(698)</u> |

Change in net position of governmental activities \$ 134,665

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



**TOWN OF ASHFORD, CONNECTICUT**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2018**

|  | <b>Pension<br/>Trust<br/>Fund</b> | <b>Private<br/>Purpose<br/>Trust Funds</b> | <b>Agency<br/>Funds</b> |
|--|-----------------------------------|--|-------------------------|
| <b>ASSETS</b>  |                                   |  |                         |
| Cash and cash equivalents                                | \$ 6,693                          | \$ 30,492                                  | \$ 72,470               |
| Investments:   |                                   |  |                         |
| Mutual funds   | 362,381                           | 53,082                                     | -                       |
| Exchange-traded funds                                    | -                                 | 68,921                                     | -                       |
| Equity securities  | 806,480                           | -  | -                       |
| Employer contributions receivable                        | 64,625                            | -  | -                       |
| Other receivables  | -                                 | -  | 4,200                   |
| Total assets   | <u>1,240,179</u>                  | <u>152,495</u>                             | <u>\$ 76,670</u>        |
| <b>LIABILITIES</b>                                       |                                   |  |                         |
| Payables   | -                                 | 4,000                                      | 3,720                   |
| Due to others  | -                                 | -  | 72,950                  |
| Total liabilities  | <u>-</u>                          | <u>4,000</u>                               | <u>\$ 76,670</u>        |
| <b>NET POSITION</b>                                      |                                   |  |                         |
| Held in trust for pension benefits<br>and other purposes | <u>\$ 1,240,179</u>               | <u>\$ 148,495</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, 2018**

|   | <b>Pension<br/>Trust<br/>Fund</b> | <b>Private<br/>Purpose<br/>Trust Funds</b> |
|---|-----------------------------------|--|
| <b>ADDITIONS</b>                            |                                   |  |
| Contributions:                              |                                   |  |
| Employer                                    | \$ 64,625                         | \$ -                                       |
| Investment earnings:                        |                                   |  |
| Interest and dividends                      | 28,030                            | 2,296                                      |
| Net change in the fair value of investments | 52,138                            | 4,529                                      |
| Total investment earnings                   | 80,168                            | 6,825                                      |
| Less: investment expense                    | 9,413                             | 1,220                                      |
| Net investment earnings                     | 70,755                            | 5,605                                      |
| Total additions                             | 135,380                           | 5,605                                      |
| <b>DEDUCTIONS</b>                           |                                   |  |
| Benefit payments                            | 228,339                           | 4,600                                      |
| Total deductions                            | 228,339                           | 4,600                                      |
| Change in net position                      | (92,959)                          | 1,005                                      |
| Net position - beginning                    | 1,333,138                         | 147,490                                    |
| Net position - ending                       | \$ 1,240,179                      | \$ 148,495                                 |

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

**TOWN OF ASHFORD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

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**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 \$3,270,928. In addition to annual member assessments, the Town is contingently liable for its pro-rata share of the District’s outstanding bonds (*see Note 8*). 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 \$226,630 for the year ended June 30, 2018. 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, 2018. 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)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

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**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 and costs associated with the Ashford Food Program.

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.

**TOWN OF ASHFORD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

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

**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.

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.

**TOWN OF ASHFORD, CONNECTICUT**  
 NOTES TO FINANCIAL STATEMENTS *(Continued)*  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

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

**Implementation of Accounting Standards**

Effective July 1, 2017, the Town adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 81, *Irrevocable Split-Interest Agreements*, GASB Statement No. 85, *Omnibus 2017*, and GASB Statement No. 86, *Certain Debt Extinguishment Issues*. The adoption of these statements did not have a material effect on the Town's financial statements.

Effective July 1, 2017, the Town adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. GASB Statement No. 75 established standards for recognizing and measuring liabilities, deferred outflows and inflows of resources, and expenses/expenditures for post-employment benefits other than pensions. This standard identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. In addition, this statement provides for certain required supplementary information and note disclosures about post-employment benefits other than pensions.

The Town has reported the following cumulative effect of applying GASB Statement No. 75 as an adjustment of beginning net position as of July 1, 2017.

|   | <b>Governmental<br/>Activities</b> |
|---|------------------------------------|
| Net position - beginning, as originally reported  | \$ 17,974,643                      |
| Adjustment to remove net other postemployment benefit obligation recognized under GASB Statement No. 45 | 114,639                            |
| Adjustment to record net other postemployment liability recognized under GASB Statement No. 75          | <u>(815,987)</u>                   |
|   | <u>(701,348)</u>                   |
| Net position - beginning, as adjusted   | <u>\$ 17,273,295</u>               |

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

**Cash and Cash Equivalents**

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

**Investments**

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.

**TOWN OF ASHFORD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

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

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

**Investments *(Continued)***

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.

**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. During the current year, the Board of Selectman approved a one month deferral of the collection period for real estate, personal property tax, and motor vehicle tax bills. 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, 2018 in the amount of \$201,000 and \$207,000, 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, 2018, loans receivable totaled \$1,452,037 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.

**TOWN OF ASHFORD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

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

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

**Capital Assets *(Continued)***

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.

**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. The Town also reports deferred charges on OPEB expense in the government-wide statement of net position, which resulted from differences between expected and actual experience, changes in assumptions or other inputs. These amounts are deferred and included in OPEB expense in a systematic and rational manner over a period equal to the average of the expected remaining service lives of all employees that are provided with benefits.

**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.



**TOWN OF ASHFORD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

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

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

**Long-term Obligations *(Continued)***

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.

**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, liabilities, and deferred inflows/outflows of resources 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 the Notes to Required Supplementary Information.

***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 the Notes to Required Supplementary Information.

***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)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

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**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)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

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**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.

**Capital Authorizations**

The following is a summary of authorized capital projects and purchases as of and for the year ended June 30, 2018:

| <u>Capital Project</u>            | <u>Original<br/>Capital<br/>Authorizations</u> | <u>Amendments</u> | <u>Final<br/>Capital<br/>Authorizations</u> | <u>Current<br/>Year<br/>Expenditures</u> | <u>Capital<br/>Authorizations<br/>Carried Forward</u> |
|-----------------------------------|--|-------------------|---|--|---|
| <b>Capital Nonrecurring Fund:</b> |  |                   |   |  |   |
| Fire truck - cab, chassis, pump   | \$ 77,437                                      | \$ -              | \$ 77,437                                   | \$ 77,437                                | \$ -  |
| Road resurfacing                  | 250,000  | 1,546             | 251,546                                     | 251,546                                  | -   |
| Road repairs - Lakeview Drive     | 91,697   | (742)             | 90,955                                      | 90,955                                   | -   |
| DPW Truck purchase                | 31,821   | 1                 | 31,822                                      | 31,822                                   | -   |
| School bus purchase               | 82,751   | -                 | 82,751                                      | 82,751                                   | -   |
| Fire truck vehicle repairs        | 15,000   | -                 | 15,000                                      | -  | 15,000  |
| Brownfields - Wagon Shed Property | 200,000  | -                 | 200,000                                     | 26,043                                   | 173,957   |
| Mower - lease                     | 30,760   | -                 | 30,760                                      | 30,760                                   | -   |
| Truck retrofit                    | -  | 60,423            | 60,423                                      | 59,845                                   | 578   |
| Revaluation                       | 11,668   | 1                 | 11,669                                      | 11,669                                   | -   |
| School van replacement            | 61,000   | (12,109)          | 48,891                                      | 48,891                                   | -   |
| School Facility Tech Space        | -  | 4,500             | 4,500                                       | 4,500                                    | -   |
| <b>Total</b>                      | <b>\$ 852,134</b>                              | <b>\$ 53,620</b>  | <b>\$ 905,754</b>                           | <b>\$ 716,219</b>                        | <b>\$ 189,535</b>                                     |

**TOWN OF ASHFORD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

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**NOTE 2 - 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, 2018, the carrying amount of the Town's cash deposits totaled \$3,028,808. As of June 30, 2018, \$1,656,769 of the Town's bank balance of \$3,269,426 was exposed to custodial credit risk as follows:

|   |                     |
|---|---------------------|
| Uninsured and uncollateralized  | \$ 1,491,092        |
| Uninsured and collateralized with securities held by the pledging bank's trust department or agent but not in the Town's name | 165,677             |
|   | <u>\$ 1,656,769</u> |

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, 2018 is as follows:

|  |                     |
|--|---------------------|
| Government-wide statement of net position:             |                     |
| Cash and cash equivalents                              | \$ 3,285,754        |
| Statement of fiduciary net position:                   |                     |
| Cash and cash equivalents                              | 109,655             |
|  | <u>3,395,409</u>    |
| Add: certificates of deposit classified as investments | 75,015              |
| Less: investments classified as cash equivalents       | (441,616)           |
| Total cash deposits                                    | <u>\$ 3,028,808</u> |

**TOWN OF ASHFORD, CONNECTICUT**  
 NOTES TO FINANCIAL STATEMENTS *(Continued)*  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

**NOTE 2 - CASH DEPOSITS AND INVESTMENTS *(Continued)***

**Investments**

A reconciliation of the Town's investments as of June 30, 2018 is as follows:

|   |    |           |
|---|----|-----------|
| Government-wide statement of net position:              |    |           |
| Investments   | \$ | 75,015    |
| Statement of fiduciary net position:                    |    |           |
| Investments   |    | 1,290,864 |
|   |    | 1,365,879 |
| Add: investments classified as cash equivalents         |    | 441,616   |
| Less: certificates of deposit classified as investments |    | (75,015)  |
|   | \$ | 1,732,480 |

As of June 30, 2018, the Town's investments consisted of the following:

| Investment type                   | Valuation Basis | Credit Rating | Value        | Investment Maturities<br>(In Years) |        |         |
|-----------------------------------|-----------------|---------------|--------------|-------------------------------------|--------|---------|
|                                   |                 |               |              | Less Than 1                         | 1 to 5 | 6 to 10 |
| <b>Debt Securities:</b>           |                 |               |              |                                     |        |         |
| <i>Governmental activities:</i>   |                 |               |              |                                     |        |         |
| Short-term Investment Fund (STIF) | Net asset value | AAA           | \$ 441,616   | \$ 441,616                          | \$ -   | \$ -    |
| <b>Other Investments:</b>         |                 |               |              |                                     |        |         |
| <i>Fiduciary Funds:</i>           |                 |               |              |                                     |        |         |
| Mutual funds                      | Fair value      |               | 415,463      |                                     |        |         |
| Exchange-traded funds             | Fair value      |               | 68,921       |                                     |        |         |
| Equity securities                 | Fair value      |               | 806,480      |                                     |        |         |
|                                   |                 |               | \$ 1,732,480 |                                     |        |         |

Because investments in the Short-term Investment Fund and the money market mutual funds 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)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

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**NOTE 2 - 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, 2018, 100% of the Town's investments within the government-wide statement of net position were invested in the Short-term Investment Fund, which is managed by the Cash Management Division of the Office of the State Treasurer. As of June 30, 2018, 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<br/>Fiduciary<br/>Investments</u> |
|-------------------------|---|--------------|---|
| Vanguard                | Vanguard 500 Index Fund                     | \$ 218,894   | 17.0%                                     |
| Metropolitan West Funds | Metropolitan West Total Return Bond Fund    | 157,550      | 12.2%                                     |
| BlackRock               | Blackrock Strategic Income Fund             | 147,243      | 11.4%                                     |
| MFS                     | MFS Institutional International Equity Fund | 141,941      | 11.0%                                     |
| Dodge & Cox             | Dodge & Cox International Stock             | 133,607      | 10.4%                                     |

**NOTE 3 - 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)  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

**NOTE 3 - FAIR VALUE MEASUREMENTS (Continued)**

The Town's financial assets that are accounted for at fair value on a recurring basis as of June 30, 2018, by level within the fair value hierarchy are presented in the table below.

| <b>Financial Assets<br/>Measured at Fair Value</b> | <b>Prices in<br/>Active<br/>Market<br/>(Level 1)</b> | <b>Significant<br/>Other<br/>Observable<br/>Inputs<br/>(Level 2)</b> | <b>Significant<br/>Unobservable<br/>Inputs<br/>(Level 3)</b> | <b>Total</b>        |
|--|--|--|--|---------------------|
| Equity securities                                  | \$ 806,480   | \$ -   | \$ -   | \$ 806,480          |
| Mutual funds                                       | 415,463  | -  | -  | 415,463             |
| Exchange-traded funds                              | 68,921   | -  | -  | 68,921              |
|  | <u>\$ 1,290,864</u>                                  | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ 1,290,864</u> |

**NOTE 4 - CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2018 consisted of the following:

|  | <b>Beginning<br/>Balance</b> | <b>Increases</b>    | <b>Decreases</b> | <b>Ending<br/>Balance</b> |
|--|------------------------------|---------------------|------------------|---------------------------|
| <b>Governmental Activities</b>               |                              |                     |                  |                           |
| 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                   | 14,552,020                   | -                   | -                | 14,552,020                |
| Machinery, equipment and vehicles            | 4,148,128                    | 224,404             | -                | 4,372,532                 |
| Infrastructure                               | 2,455,539                    | -                   | -                | 2,455,539                 |
| Total capital assets, being depreciated      | <u>21,155,687</u>            | <u>224,404</u>      | <u>-</u>         | <u>21,380,091</u>         |
| Less accumulated depreciation for:           |                              |                     |                  |                           |
| Buildings and improvements                   | 3,889,757                    | 186,389             | -                | 4,076,146                 |
| Machinery, equipment and vehicles            | 2,263,755                    | 238,809             | -                | 2,502,564                 |
| Infrastructure                               | 594,846                      | 72,163              | -                | 667,009                   |
| Total accumulated depreciation               | <u>6,748,358</u>             | <u>497,361</u>      | <u>-</u>         | <u>7,245,719</u>          |
| Total capital assets, being depreciated, net | <u>14,407,329</u>            | <u>(272,957)</u>    | <u>-</u>         | <u>14,134,372</u>         |
| Governmental activities capital assets, net  | <u>\$ 15,376,085</u>         | <u>\$ (272,957)</u> | <u>\$ -</u>      | <u>\$ 15,103,128</u>      |

**TOWN OF ASHFORD, CONNECTICUT**  
 NOTES TO FINANCIAL STATEMENTS *(Continued)*  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

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**NOTE 4 - CAPITAL ASSETS *(Continued)***

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

| <b>Governmental Activities:</b>                      |            |
|--|------------|
| General government                                   | \$ 88,402  |
| Public safety  | 47,388     |
| Public works   | 131,138    |
| Library  | 4,999      |
| Recreation   | 4,110      |
| Education  | 221,324    |
| Total depreciation expense - governmental activities | \$ 497,361 |

**NOTE 5 - INTERFUND RECEIVABLES AND PAYABLES**

Interfund receivable and payable balances as of June 30, 2018 are as follows:

| Receivable Fund           | Payable Fund             | Amount     |
|---------------------------|--------------------------|------------|
| <b>Governmental Funds</b> |                          |            |
| General Fund              | Other Governmental Funds | \$ 38,319  |
| Capital Nonrecurring Fund | General Fund             | 484,520    |
| Other Governmental Funds  | General Fund             | 182,847    |
|                           | Other Governmental Funds | 2,092      |
|                           |                          | 184,939    |
|                           |                          | \$ 707,778 |

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 6 - INTERFUND TRANSFERS**

Interfund transfers for the year ended June 30, 2018 consisted of the following:

| Transfers In              | Transfers Out | Amount     |
|---------------------------|---------------|------------|
| <b>Governmental Funds</b> |               |            |
| Capital Nonrecurring Fund | General Fund  | \$ 356,801 |
| Other Governmental Funds  | General Fund  | 135,202    |
|                           |               | \$ 492,003 |

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.



**TOWN OF ASHFORD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

**NOTE 7 - FUND BALANCE**

The various components of fund balance as of June 30, 2018 are as follows:

|                                     | General<br>Fund     | Capital<br>Nonrecurring<br>Fund | Small Cities<br>Grant Program<br>Fund | Nonmajor<br>Governmental<br>Funds | Total               |
|-------------------------------------|---------------------|---------------------------------|---------------------------------------|-----------------------------------|---------------------|
| Nonspendable:                       |                     |                                 |                                       |                                   |                     |
| Permanent fund principal            | \$ -                | \$ -                            | \$ -                                  | \$ 81,000                         | \$ 81,000           |
| Restricted for:                     |                     |                                 |                                       |                                   |                     |
| Donor restrictions                  | -                   | -                               | -                                     | 8,476                             | 8,476               |
| Community development block program | -                   | -                               | 1,533,762                             | -                                 | 1,533,762           |
| General government                  | -                   | -                               | -                                     | 43,672                            | 43,672              |
| Committed to:                       |                     |                                 |                                       |                                   |                     |
| General government                  | 23,643              | -                               | -                                     | 6,174                             | 29,817              |
| Public works                        | 5,730               | -                               | -                                     | -                                 | 5,730               |
| Public safety                       | -                   | -                               | -                                     | 46,353                            | 46,353              |
| Health and welfare                  | -                   | -                               | -                                     | 41,646                            | 41,646              |
| Education                           | 47,544              | -                               | -                                     | -                                 | 47,544              |
| Library                             | 47,172              | -                               | -                                     | -                                 | 47,172              |
| Recreation                          | -                   | -                               | -                                     | 4,084                             | 4,084               |
| Capital purposes                    | -                   | 625,170                         | -                                     | -                                 | 625,170             |
| Assigned to:                        |                     |                                 |                                       |                                   |                     |
| General government - encumbrances   | 17,318              | -                               | -                                     | -                                 | 17,318              |
| Education - encumbrances            | 72,150              | -                               | -                                     | -                                 | 72,150              |
| Unassigned                          | 1,796,923           | -                               | -                                     | (1,095)                           | 1,795,828           |
|                                     | <u>\$ 2,010,480</u> | <u>\$ 625,170</u>               | <u>\$ 1,533,762</u>                   | <u>\$ 230,310</u>                 | <u>\$ 4,399,722</u> |

As of June 30, 2018, the School Cafeteria Fund, a nonmajor governmental fund, had a deficit fund balance of \$1,095. This fund deficit will be funded through future program revenues or by a transfer in from the General Fund education department line item.

**NOTE 8 - LONG-TERM LIABILITIES**

The following is a summary of changes in long-term liabilities for the year ended June 30, 2018:

|   | Beginning<br>Balance<br><i>(As Restated)</i> | Increases       | Decreases           | Ending<br>Balance   | Due Within<br>One Year |
|---|--|-----------------|---------------------|---------------------|------------------------|
| <b>Governmental Activities</b>          |  |                 |                     |                     |                        |
| Bonds payable:                          |  |                 |                     |                     |                        |
| General obligation bonds                | \$ 1,685,000                                 | \$ -            | \$ (230,000)        | \$ 1,455,000        | \$ 225,000             |
| Unamortized premium                     | 116,196                                      | -               | (7,900)             | 108,296             | -                      |
| Total bonds payable                     | 1,801,196                                    | -               | (237,900)           | 1,563,296           | 225,000                |
| Other liabilities:                      |  |                 |                     |                     |                        |
| Capital leases                          | 308,695                                      | -               | (141,736)           | 166,959             | 136,809                |
| Compensated absences                    | 49,350                                       | 5,787           | (3,550)             | 51,587              | 10,317                 |
| Net OPEB liability <i>(see Note 10)</i> | 972,310                                      | -               | (204,339)           | 767,971             | -                      |
|   | <u>\$ 3,131,551</u>                          | <u>\$ 5,787</u> | <u>\$ (587,525)</u> | <u>\$ 2,549,813</u> | <u>\$ 372,126</u>      |

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

**TOWN OF ASHFORD, CONNECTICUT**  
 NOTES TO FINANCIAL STATEMENTS *(Continued)*  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

**NOTE 8 - LONG-TERM LIABILITIES *(Continued)***

**Bonds Payable**

A summary of the bonds payable outstanding as of June 30, 2018 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> |
|------------------------------------|-------------------|------------------------|-----------------------------|-----------------------|---------------------------|
| <b>Governmental Activities</b>     |                   |                        |                             |                       |                           |
| General obligation refunding bonds | 2013              | \$ 2,640,000           | 2033                        | 2% - 4%               | \$ 1,455,000              |

Annual debt service requirements to maturity on the bonds payable are as follows as of June 30, 2018:

| <u>Year ending<br/>June 30:</u> | <u>Governmental Activities<br/>Bonds Payable</u> |                   |
|---------------------------------|--|-------------------|
|                                 | <u>Principal</u>                                 | <u>Interest</u>   |
| 2019                            | \$ 225,000                                       | \$ 41,525         |
| 2020                            | 225,000  | 33,650            |
| 2021                            | 225,000  | 25,775            |
| 2022                            | 220,000  | 20,200            |
| 2023                            | 220,000  | 15,800            |
| 2024-2028                       | 155,000  | 52,900            |
| 2029-2033                       | 185,000  | 19,100            |
|                                 | <u>\$ 1,455,000</u>                              | <u>\$ 208,950</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, 2018, the District's total outstanding bonds were \$1,240,000, with 19.22%, or \$238,328 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 \$71,299,256 as of June 30, 2018. 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 as of June 30, 2018.

**TOWN OF ASHFORD, CONNECTICUT**  
 NOTES TO FINANCIAL STATEMENTS *(Continued)*  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

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**NOTE 8 - LONG-TERM LIABILITIES *(Continued)***

**Capital Leases**

A summary of assets under capital leases is as follows as of June 30, 2018:

|                                |  |    |         |
|--------------------------------|--|----|---------|
| Equipment                      |  | \$ | 646,976 |
| Less: accumulated amortization |  |    | 102,768 |
|                                |  |    | 544,208 |
|                                |  | \$ | 544,208 |

Amortization expense relative to leased property under capital leases totaled \$34,811 for the year ended June 30, 2018 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, 2018 are as follows:

|   |                      |      |    |         |
|---|----------------------|------|----|---------|
|   | Year ending June 30: |      |    |         |
|   |                      | 2019 | \$ | 139,441 |
|   |                      | 2020 |    | 30,760  |
| Total minimum lease payments            |                      |      |    | 170,201 |
| Less: amount representing interest      |                      |      |    | 3,242   |
| Present value of minimum lease payments |                      |      | \$ | 166,959 |

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 and agreed upon municipal brush control program, to offset the annual debt service requirements on the equipment. During the year ended June 30, 2018, the Town received \$30,760. Future annual commitments of \$30,760 are expected to be received through the year ended June 30, 2020.

**NOTE 9 - RETIREMENT PLANS**

**Connecticut State Teachers' Retirement System**

**Plan Description**

The faculty and professional personnel of the Town's Board of Education participates in the State of Connecticut's Teachers' Retirement System ("TRS"), which is a cost sharing multiple-employer defined benefit pension plan that provides retirement, disability, survivorship and health insurance benefits to plan members and their beneficiaries. The TRS is governed by Connecticut General Statute ("CGS") *Title 10, Chapter 167a* and is administered by the Connecticut State Teachers' Retirement Board (the "Board"). The TRS is included as a fiduciary pension trust fund in the State of Connecticut's Comprehensive Annual Financial Report and the Board issues publicly available financial reports.

**TOWN OF ASHFORD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

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**NOTE 9 - RETIREMENT PLANS *(Continued)***

**Connecticut State Teachers' Retirement System *(Continued)***

**Benefit Provisions**

The plan provides retirement, disability and death benefits. Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

*Normal Retirement:* Retirement benefits for the employees are calculated as 2.0% of the average annual salary times the years of credited service (maximum benefit is 75.0% of average annual salary during the 3 years of highest salary). In addition, amounts derived from the accumulation of the 6.0% contributions made prior to July 1, 1989 and voluntary contributions are payable.

*Early Retirement:* Employees are eligible after 25 years of credited service with a minimum of 20 years of Connecticut service, or age 55 with 20 years of credited service with a minimum of 15 years of Connecticut service. Benefit amounts are reduced by 6.0% per year for the first 5 years preceding normal retirement age and 4.0% per year for the next 5 years preceding normal retirement age. Effective July 1, 1999, the reduction for individuals with 30 or more years of service is 3.0% per year by which retirement precedes normal retirement date.

*Minimum Benefit:* Effective January 1, 1999, Public Act 98-251 provides a minimum monthly benefit of \$1,200 to teachers who retire under the normal retirement provisions and who have completed at least 25 years of full time Connecticut service at retirement.

*Disability Retirement:* Employees are eligible for service-related disability benefits regardless of length of service. Five years of credited service is required to be eligible for non-service related disability. Disability benefits are calculated as 2% per year of service times the average of the highest three years of pensionable salary, as defined per the Plan, but not less than 15%, nor more than 50%. In addition, disability benefits under this plan (without regard to cost-of-living adjustments) plus any initial award of Social Security benefits and workers' compensation cannot exceed 75% of average annual salary. A plan member who leaves service and has attained 10 years of service will be entitled to 100% of the accrued benefit as of the date of termination of covered employment. Benefits are payable at age 60, and early retirement reductions are based on the number of years of service the member would have had if they had continued work until age 60.

*Pre-Retirement Death Benefit:* The plan also offers a lump-sum return of contributions with interest or surviving spouse benefit depending on length of service.

**Contributions**

Per CGS 10-183z, contribution requirements of active employees and the State are amended and certified by the Board and appropriated by the General Assembly. The contributions are actuarially determined as an amount that, when combined with employee contributions and investment earnings, is expected to finance the costs of the benefits earned by employees during the year, with any additional amounts to finance any unfunded accrued liability.

In accordance with CGS Section 10-183z, 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 an employer's contributions on-behalf of its participating municipalities at an actuarially determined rate. Effective January, 1, 2018, active employees are required to contribute 7.0%, previously 6.0%, of their annual earnings to the plan.

**TOWN OF ASHFORD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

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**NOTE 9 - RETIREMENT PLANS *(Continued)***

**Connecticut State Teachers' Retirement System *(Continued)***

**Administrative Expenses**

Administrative costs of the plan are funded by the State.

**Basis of Presentation**

The collective net pension liability, deferred outflows and inflows of resources, and pension expense for the TRS has been measured as of June 30, 2017 based on an actuarial valuation performed as of June 30, 2016. Since the Town does not contribute directly to the TRS, the Town does not recognize its proportionate share of these amounts in its financial statements. The information determined as of the June 30, 2017 measurement date for the TRS has been utilized by the Town for reporting on-behalf revenues, expenditures and expenses for the year ended June 30, 2018 and for reporting the proportionate share of the collective net pension liability that is attributed to the Town as of June 30, 2018.

**Allocation Methodology**

The schedule of employer allocations for the TRS was calculated based upon the fiscal year 2017 expected contribution effort for each participating employer. The employer allocations were then applied to the net pension liability and pension expense to determine the amount applicable to each employer. For fiscal year 2017, the Town's expected contribution effort for allocation purposes totaled \$775,679 or 0.07% of the total expected contribution effort. The Town has recognized this amount as an on-behalf payment into the TRS as intergovernmental revenues and related education expenditures of the General Fund for the year ended June 30, 2018.

The components associated with the collective pension expense and deferred inflows and outflows of resources for the TRS have been determined based on the fiduciary net position as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut's Comprehensive Annual Financial Report as of and for the year ended June 30, 2017. The portion of the collective pension expense allocated to the Town totaled \$1,196,917. The Town has recognized this amount as an operating contribution and related education expense of the governmental activities for the year ended June 30, 2018.

The total collective net pension liability of participating employers for the TRS was approximately \$13.502 billion as of the June 30, 2017 measurement date. The portion attributed to the Town totaled \$10,347,614 or approximately 0.07% of the total collective net pension liability.

**Actuarial Assumptions**

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

|                           |  |
|---------------------------|--|
| Inflation                 | 2.75%  |
| Salary increase           | 3.25-6.50%, including inflation                                    |
| Investment rate of return | 8.00%, net of pension plan investment expense, including inflation |

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.

**TOWN OF ASHFORD, CONNECTICUT**  
 NOTES TO FINANCIAL STATEMENTS *(Continued)*  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

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**NOTE 9 - RETIREMENT PLANS *(Continued)***

**Connecticut State Teachers' Retirement System *(Continued)***

**Actuarial Assumptions *(Continued)***

Future cost-of-living increases for teachers who retired prior to September 1, 1992, are made in accordance with increases in the Consumer Price Index, with a minimum of 3% and a maximum of 5% per annum. For teachers who were members of the Teachers' Retirement System before July 1, 2007, and retire on or after September 1, 1992, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 6% per annum. If the return on assets in the previous year was less than 8.5%, the maximum increase is 1.5%. For teachers who were members of the Teachers' Retirement System after July 1, 2007, pension benefit adjustments are made that are consistent with those provided for Social Security benefits on January 1 of the year granted, with a maximum of 5% per annum. If the return on assets in the previous year was less than 11.5%, the maximum increase is 3%, and if the return on the assets in the previous year was less than 8.5%, the maximum increase is 1.0%.

**Long-Term Rate of Return**

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis 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. Best estimates of arithmetic real rates of return for each major asset class included in the plan's target asset allocation are summarized in the following table:

| <u>Asset Class</u>          | <u>Target<br/>Allocation</u> | <u>Long-term<br/>Expected Real<br/>Rate of Return</u> |
|-----------------------------|------------------------------|---|
| Large Cap U.S. Equities     | 21.0%                        | 5.8%  |
| Developed Non-U.S. Equities | 18.0%                        | 6.6%  |
| Emerging Markets (Non-U.S.) | 9.0%                         | 8.3%  |
| Real Estate                 | 7.0%                         | 5.1%  |
| Private Equity              | 11.0%                        | 7.6%  |
| Alternative investments     | 8.0%                         | 4.1%  |
| Fixed Income (Core)         | 7.0%                         | 1.3%  |
| High Yield Bonds            | 5.0%                         | 3.9%  |
| Emerging Market Bonds       | 5.0%                         | 3.7%  |
| Inflation Linked Bonds      | 3.0%                         | 1.0%  |
| Cash                        | 6.0%                         | 0.4%  |
|                             | <u>100%</u>                  |   |

**Discount Rate**

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 the State contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. 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.

**TOWN OF ASHFORD, CONNECTICUT**  
 NOTES TO FINANCIAL STATEMENTS *(Continued)*  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

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**NOTE 9 - RETIREMENT PLANS *(Continued)***

**Connecticut State Teachers' Retirement System *(Continued)***

**Proportionate Share of the Collective Net Pension Liability**

The following presents the proportionate share of the collective net pension liability attributed to the Town as of the June 30, 2017 measurement date, calculated using a discount rate of 8.00%, as well as what the proportionate share of the net pension liability attributed to the Town 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:

|   | <b>1% Decrease<br/>(7.00%)</b> | <b>Current<br/>Discount<br/>(8.00%)</b> | <b>1% Increase<br/>(9.00%)</b> |
|---|--------------------------------|---|--------------------------------|
| Proportionate share of the net liability attributed to the Town | \$ 12,952,161                  | \$ 10,347,614                           | \$ 8,145,632                   |

**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

**Board of Education Plan**

**Plan Description**

The Town's Board of Education administers a 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.

**Benefits Provided**

The OPEB Plan provides for medical, prescription, dental and life insurance benefits to eligible retirees, spouses and beneficiaries. 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.

**Employees Covered by Benefit Terms**

As of June 30, 2018, the measurement date, the following employees were covered by the benefit terms:

|  |    |
|--|----|
| Retirees, beneficiaries, and dependents currently receiving benefits | 4  |
| Active participants  | 35 |
|  | 39 |

**TOWN OF ASHFORD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

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**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

**Board of Education Plan *(Continued)***

**Total OPEB Liability**

The Town's OPEB liability reported as of June 30, 2018 totaled \$767,971. The total OPEB liability was measured as of June 30, 2018 using the Alternative Measurement Method.

*Actuarial Assumptions and Other Inputs* - The total OPEB liability as of June 30, 2018 was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

|                              |   |
|------------------------------|---|
| Discount rate                | 4.00 % as of June 30, 2018  |
| Healthcare cost trend rates: |   |
| Pre-65 medical               | 4.60% increasing to an ultimate rate of 4.80% in 2020, subsequently decreasing to 4.70% in 2024 |
| Post-65 medical              | 4.60% increasing to an ultimate rate of 4.80% in 2020, subsequently decreasing to 4.70% in 2024 |
| Prescription drug            | 7.60% decreasing each year, 4.70% ultimate rate   |
| Dental                       | 2.00%   |
| Vision                       | 3.00%   |

The discount rate was based on the Bond Buyer 20 (GO 20 Index) as of the measurement date, which represents municipal bond trends based on a portfolio of 20 general obligation bonds that mature in 20 years.

Mortality rates were based on the RP-2000 Mortality Table for Males and Females Projected 18 years; not including a margin for future improvements in longevity.

**Changes in the Total OPEB Liability**

|  | <b><u>Total OPEB Liability</u></b> |
|--|------------------------------------|
| Balance as of June 30, 2017  | \$ 815,987                         |
| <b>Changes for the year:</b>   |                                    |
| Service cost   | 21,721                             |
| Interest   | 19,881                             |
| Changes of benefit terms   | -                                  |
| Changes of assumptions and differences<br>between expected and actual experience | (57,235)                           |
| Benefit payments   | (32,383)                           |
| <b>Net changes</b>   | <b>(48,016)</b>                    |
| Balance as of June 30, 2018  | <b><u>\$ 767,971</u></b>           |

Changes of assumptions primarily reflects a change in the discount rate from 3.58% to 4.00%.



**TOWN OF ASHFORD, CONNECTICUT**  
 NOTES TO FINANCIAL STATEMENTS *(Continued)*  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

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**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

**Board of Education Plan *(Continued)***

**Changes in the Total OPEB Liability *(Continued)***

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate* - The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.00%) or 1-percentage-point higher (5.00%) than the current discount rate:

|                      | <b>1% Decrease<br/>(3.00%)</b> | <b>Current<br/>Discount<br/>(4.00%)</b> | <b>1% Increase<br/>(5.00%)</b> |
|----------------------|--------------------------------|---|--------------------------------|
| Total OPEB Liability | \$ 851,738                     | \$ 767,971                              | \$ 696,407                     |

*Sensitivity of the Total OPEB liability to Changes in the Healthcare Cost Trend Rates* - The following presents the total OPEB liability of the Town, as well as what the Town's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

|                      | <b>1% Decrease<br/>in Trend Rates</b> | <b>Current<br/>Trend Rates</b> | <b>1% Increase<br/>in Trend Rates</b> |
|----------------------|---------------------------------------|--------------------------------|---------------------------------------|
| Total OPEB Liability | \$ 674,354                            | \$ 767,971                     | \$ 881,374                            |

**OPEB Expense and Deferred Inflows of Resources Related to OPEB**

For the year ended June 30, 2018, the Town recognized OPEB expense of \$38,740. As of June 30, 2018, the Town reported deferred inflows of resources related to OPEB from the following source:

|  |                  |
|--|------------------|
| Changes of assumptions and differences<br>between expected and actual experience | <u>\$ 54,373</u> |
|--|------------------|

Amounts reported as deferred inflows of resources related to OPEB will be recognized as a reduction of OPEB expense as follows:

|                     |                  |
|---------------------|------------------|
| Year ended June 30, |                  |
| 2019                | \$ 2,862         |
| 2020                | 2,862            |
| 2021                | 2,862            |
| 2022                | 2,862            |
| 2023                | 2,862            |
| Thereafter          | 40,063           |
|                     | <u>\$ 54,373</u> |

**TOWN OF ASHFORD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

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**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

**Connecticut State Teachers' Retirement System**

**Plan Description**

The faculty and professional personnel of the Town's Board of Education participates in the State of Connecticut's Teachers' Retirement System ("TRS"), which is a cost sharing multiple-employer defined benefit pension plan that provides retirement, disability, survivorship and health insurance benefits to plan members and their beneficiaries. The TRS is governed by Connecticut General Statute ("CGS") *Title 10, Chapter 167a* and is administered by the Connecticut State Teachers' Retirement Board (the "Board"). The OPEB trust fund is included in the TRS, and the TRS is included in the State of Connecticut audit as a pension trust fund.

**Benefit Provisions**

The Plan covers retired teachers and administrators of public schools in the State who are receiving benefits from the Plan. The Plan provides healthcare insurance benefits to eligible retirees and their spouses. Any member that is currently receiving a retirement or disability benefit through the Plan is eligible to participate in the healthcare portion of the Plan. Subsidized Local School District Coverage provides a subsidy paid to members still receiving coverage through their former employer and the TRB Sponsored Medicare Supplemental Plans provide coverage for those participating in Medicare, but not receiving Subsidized Local School District Coverage.

Any member that is not currently participating in Medicare Parts A & B is eligible to continue health care coverage with their former employer. A subsidy of up to \$110 per month for a retired member plus an additional \$110 per month for a spouse enrolled in a local school district plan is provided to the school district to first offset the retiree's share of the cost of coverage, any remaining portion is used to offset the district's cost. The subsidy amount is set by statute, and has not increased since July of 1996. A subsidy amount of \$220 per month may be paid for a retired member, spouse or the surviving spouse of a member who has attained the normal retirement age to participate in Medicare, is not eligible for Part A of Medicare without cost, and contributes at least \$220 per month towards coverage under a local school district plan.

Any member that is currently participating in Medicare Parts A & B is eligible to either continue health care coverage with their former employer, if offered, or enroll in the plan sponsored by the System. If they elect to remain in the plan with their former employer, the same subsidies as above will be paid to offset the cost of coverage.

If a member participating in Medicare Parts A & B so elects, they may enroll in one of the CTRB Sponsored Medicare Supplemental Plans. Active members, retirees, and the State pay equally toward the cost of the basic coverage (medical and prescription drug benefits).

Employees are eligible to retire at age 60 with 20 years of credited service in Connecticut, or 35 years of credited service including at least 25 years of service in Connecticut.

**Contributions**

Per CGS 10-183z, which reflects Public Act 79-436 as amended), contribution requirements of active employees and the State of Connecticut are amended and certified by the TRB and appropriated by the General Assembly. The State pays for one third of plan costs through annual appropriation in the General Fund. School district employers are not required to make contributions to the Plan.

**TOWN OF ASHFORD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

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**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

**Connecticut State Teachers' Retirement System**

**Contributions *(Continued)***

The cost of providing plan benefits is financed on a pay-as-you-go basis as follows: active teachers' pay for one third of the Plan costs through a contribution of 1.25% of their pensionable salaries, and retired teachers pay for one third of the Plan costs through monthly premiums, which helps reduce the cost of health insurance for eligible retired members and dependents.

Contributions remitted by the State are recognized when legally due, based upon statutory requirements.

**Administrative Expenses**

Administrative costs of the Plan are to be paid by the General Assembly per Section 10-183r of the Connecticut General Statutes.

**Basis of Presentation**

The collective net OPEB liability, deferred outflows and inflows of resources, and OPEB expense for the TRS has been measured as of June 30, 2017 based on an actuarial valuation performed as of June 30, 2016. Since the Town does not contribute directly to the TRS, the Town does not recognize its proportionate share of these amounts in its financial statements. The information determined as of the June 30, 2017 measurement date for the TRS has been utilized by the Town for reporting on-behalf revenues, expenditures and expenses for the year ended June 30, 2018 and for reporting the proportionate share of the collective net OPEB liability that is attributed to the Town as of June 30, 2018.

The components associated with the OPEB expense and deferred inflows and outflows of resources have been determined using the unrecognized portions of each year's experience and assumption changes for the year ended June 30, 2017.

**Allocation Methodology**

The schedule of allocations have been prepared to provide the total amount of employer contributions from the State and the proportionate share percentages that have been determined based on these contributions. Based on these percentages the proportionate share amounts of the net OPEB liability associated with each participating employer and the employer OPEB expense and revenue for State support for each participating employer for the year ending June 30, 2017.

For fiscal year 2017, the Town's expected contribution effort for allocation purposes totaled \$15,267 or 0.07% of the total expected contribution effort. The Town has recognized this amount as an on-behalf payment into the TRS as intergovernmental revenues and related education expenditures of the General Fund for the year ended June 30, 2018.

The components associated with the collective OPEB expense and deferred inflows and outflows of resources for the TRS have been determined based on the fiduciary net position as audited by the State of Connecticut Auditors of Public Accounts as part of the State of Connecticut's Comprehensive Annual Financial Report as of and for the year ended June 30, 2017. The portion of the collective OPEB expense allocated to the Town totaled \$123,434. The Town has recognized this amount as an operating contribution and related education expense of the governmental activities for the year ended June 30, 2018.

**TOWN OF ASHFORD, CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS (Continued)**  
**AS OF AND FOR THE YEAR ENDED JUNE 30, 2018**

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**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)**

**Connecticut State Teachers' Retirement System**

**Allocation Methodology (Continued)**

The total collective net OPEB liability of participating employers for the TRS was approximately \$3.475 billion as of the June 30, 2017 measurement date. The portion attributed to the Town totaled \$2,663,365 or approximately 0.07% of the total collective net OPEB liability.

**Actuarial Assumptions**

The total OPEB liability was determined by an actuarial valuation as of June 30, 2016 using the following actuarial assumptions, applied to all periods included in the measurement:

|                              |  |
|------------------------------|--|
| Inflation                    | 2.75%  |
| Salary increases             | 3.25% - 6.50%, including inflation                           |
| Investment rate of return    | 2.75%, net of investment related expense                     |
| Healthcare cost trend rates: |  |
| Pre-Medicare                 | 25% for 2017 decreasing to an ultimate rate of 5.00% by 2022 |
| Medicare                     | 25% for 2017 decreasing to an ultimate rate of 5.00% by 2022 |

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.

**Long-Term Rate of Return**

The long-term expected rate of return on plan assets is reviewed as part of the actuarial valuation process. Several factors are considered in evaluation the long-term rate of return assumption, including the Plan's current asset allocations and a log-normal distribution analysis using the best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) for each major asset class.

The long-term expected rate of return was determined by weighing the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of geometric 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> |
|------------------------------------|--------------------------|---|
| U.S. Treasuries (Cash Equivalents) | 100.0%                   | 0.04%   |

**TOWN OF ASHFORD, CONNECTICUT**  
 NOTES TO FINANCIAL STATEMENTS *(Continued)*  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

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**NOTE 10 - OTHER POST-EMPLOYMENT BENEFITS (OPEB) *(Continued)***

**Connecticut State Teachers' Retirement System**

**Discount Rate**

The discount rate used to measure the total OPEB liability was 3.56%. The projection of cash flows used to determine the discount rate was performed in accordance with the applicable standards. The projection's basis was an actuarial valuation performed as of June 30, 2016. In addition to the actuarial methods and assumptions of the June 30, 2016 actuarial valuation, the following actuarial methods and assumptions were used in the projection of cash flows:

- Total payroll for the initial projection year consists of the payroll of the active membership present on the valuation date. In subsequent projection years, total payroll was assumed to increase annual at a rate of 3.25%.
- Employee contributions were assumed to be made at the current member contribution rate.
- Employee contributions for future plan members were used to reduce the estimated amount of total service costs for future plan members.
- No future employer contributions were assumed to be made.
- For future plan members, contribution inflows were further reduced by the estimated amount of total service costs for future plan members not financed by their member contributions.

Based on those assumptions, the Plan's fiduciary net position was projected to be depleted in 2018 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

**Proportionate Share of the Collective Net Pension Liability**

*Sensitivity of the Net OPEB Liability to Changes in the Discount Rate* - The following presents the proportionate share of the collective net OPEB liability attributed to the Town as of the June 30, 2017 measurement date, calculated using a discount rate of 3.56%, as well as what the proportionate share of the net OPEB liability attributed to the Town would be if it were calculated using a discount rate that is 1-percentage point lower (2.56%) or 1-percentage-point higher (4.56%) than the current rate:

|  | <b>1% Decrease<br/>(2.56%)</b> | <b>Current<br/>Rate<br/>(3.56%)</b> | <b>1% Increase<br/>(4.56%)</b> |
|--|--------------------------------|-------------------------------------|--------------------------------|
| Proportionate share of the net OPEB liability attributed to the Town | \$ 3,209,781                   | \$ 2,663,365                        | \$ 2,233,724                   |

*Sensitivity of the Net OPEB liability to Changes in the Healthcare Cost Trend Rates* - The following presents the proportionate share of the collective net OPEB liability attributed to the Town as of the June 30, 2017 measurement date, calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

|  | <b>1% Decrease<br/>in Trend Rates</b> | <b>Current<br/>Trend Rates</b> | <b>1% Increase<br/>in Trend Rates</b> |
|--|---------------------------------------|--------------------------------|---------------------------------------|
| Proportionate share of the net OPEB liability attributed to the Town | \$ 2,192,910                          | \$ 2,663,365                   | \$ 3,296,775                          |

**TOWN OF ASHFORD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

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**NOTE 11 - 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 the year ended June 30, 2018, 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. In addition, there have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

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.

**Workers' Compensation Pool**

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.

**Liability-Automobile-Property Pool**

The Town is a 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 12 - COMMITMENTS AND CONTINGENCIES**

**Encumbrances**

Encumbrance accounting is employed as an extension of formal budgetary integration for the General Fund. Encumbrances are recognized as a valid and proper charge against a General Fund budget appropriation in the year in which a purchase order, contract, or other commitment is issued. Open encumbrances as of June 30, 2018 are included in assigned fund balance (*see Note 7*).

**Federal Awards and State Financial Assistance**

The Town has received federal awards and state financial assistance 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, management believes such disallowances, if any, will not be material.

**TOWN OF ASHFORD, CONNECTICUT**  
NOTES TO FINANCIAL STATEMENTS *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

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**NOTE 13 - IMPACT OF NEW ACCOUNTING STANDARDS NOT YET EFFECTIVE**

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 is currently evaluating the potential impact of adopting this Statement on its financial statements.

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 is currently evaluating the potential impact of adopting this Statement 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 is currently evaluating the potential impact of adopting this Statement on its financial statements.

In April 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The requirements of this Statement are effective for the Town's reporting period beginning July 1, 2018. The Town is currently evaluating the potential impact of adopting this Statement on its financial statements.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objective of this Statement are (a) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (b) to simplify accounting for interest cost incurred before the end of a construction period. The requirements of this Statement should be applied prospectively and are effective for the Town's reporting period beginning July 1, 2020. The Town is currently evaluating the potential impact of adopting this Statement on its financial statements.

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## Required Supplementary Information

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**TOWN OF ASHFORD, CONNECTICUT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET**  
**AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (UNAUDITED)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

|   | <b>Budgeted Amounts</b> |                   | <b>Actual</b>       | <b>Variance With</b> |
|---|-------------------------|-------------------|---------------------|----------------------|
|   | <b>Original</b>         | <b>Final</b>      |                     | <b>Final Budget</b>  |
|   |                         |                   |                     | <b>Over (Under)</b>  |
| <b>REVENUES</b>                             |                         |                   |                     |                      |
| Property taxes                              | \$ 10,092,171           | \$ 10,092,171     | \$ 10,213,454       | \$ 121,283           |
| Intergovernmental                           | 3,787,656               | 3,787,656         | 3,463,915           | (323,741)            |
| Charges for services                        | 116,700                 | 116,700           | 184,081             | 67,381               |
| Interest income                             | 13,300                  | 13,300            | 18,628              | 5,328                |
| Other                                       | 20,761                  | 20,761            | 26,901              | 6,140                |
| Total revenues                              | <u>14,030,588</u>       | <u>14,030,588</u> | <u>13,906,979</u>   | <u>(123,609)</u>     |
| <b>EXPENDITURES</b>                         |                         |                   |                     |                      |
| Current:                                    |                         |                   |                     |                      |
| General government                          | 862,166                 | 862,300           | 796,969             | (65,331)             |
| Public safety                               | 28,805                  | 28,805            | 26,269              | (2,536)              |
| Public works                                | 871,655                 | 873,431           | 840,963             | (32,468)             |
| Health and welfare                          | 54,486                  | 54,493            | 51,935              | (2,558)              |
| Planning and development                    | 149,546                 | 149,546           | 137,949             | (11,597)             |
| Education                                   | 7,406,141               | 7,406,141         | 7,382,776           | (23,365)             |
| Education - Regional School District No. 19 | 3,270,928               | 3,270,928         | 3,270,928           | -                    |
| Employee benefits and insurance             | 561,679                 | 559,762           | 386,029             | (173,733)            |
| Debt service:                               |                         |                   |                     |                      |
| Principal payments                          | 230,000                 | 230,000           | 230,000             | -                    |
| Interest and fiscal charges                 | 48,350                  | 48,350            | 48,350              | -                    |
| Total expenditures                          | <u>13,483,756</u>       | <u>13,483,756</u> | <u>13,172,168</u>   | <u>(311,588)</u>     |
| Excess of revenues over expenditures        | 546,832                 | 546,832           | 734,811             | 187,979              |
| <b>OTHER FINANCING SOURCES (USES)</b>       |                         |                   |                     |                      |
| Transfers out                               | (546,832)               | (899,133)         | (899,133)           | -                    |
| Appropriation of fund balance               | -                       | 352,301           | -                   | (352,301)            |
| Total other financing sources (uses), net   | <u>(546,832)</u>        | <u>(546,832)</u>  | <u>(899,133)</u>    | <u>(352,301)</u>     |
| Net change in fund balance                  | <u>\$ -</u>             | <u>\$ -</u>       | <u>\$ (164,322)</u> | <u>\$ (164,322)</u>  |

*See accompanying notes to required supplementary information.*

**TOWN OF ASHFORD, CONNECTICUT**  
**SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL -**  
**BUDGETARY BASIS - GENERAL FUND (UNAUDITED)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

|   | <u>Budgeted Amounts</u> |                      | <u>Actual</u>        | <u>Variance With</u> |
|---|-------------------------|----------------------|----------------------|----------------------|
|   | <u>Original</u>         | <u>Final</u>         |                      | <u>Final Budget</u>  |
| <b>PROPERTY TAXES</b>                             |                         |                      |                      |                      |
| Current year tax collections                      | \$ 9,906,021            | \$ 9,906,021         | \$ 9,915,901         | \$ 9,880             |
| Prior year tax collections                        | 78,000                  | 78,000               | 125,127              | 47,127               |
| Tax interest and liens                            | 43,000                  | 43,000               | 66,392               | 23,392               |
| Motor vehicle supplement                          | 65,000                  | 65,000               | 105,611              | 40,611               |
| Miscellaneous                                     | 150                     | 150                  | 423                  | 273                  |
| <b>TOTAL PROPERTY TAXES</b>                       | <u>10,092,171</u>       | <u>10,092,171</u>    | <u>10,213,454</u>    | <u>121,283</u>       |
| <b>INTERGOVERNMENTAL REVENUES</b>                 |                         |                      |                      |                      |
| Education cost sharing assistance                 | 3,666,586               | 3,666,586            | 3,351,513            | (315,073)            |
| Miscellaneous grants                              | 45,808                  | 45,808               | 44,722               | (1,086)              |
| Town aid road grant                               | 41,997                  | 41,997               | 41,997               | -                    |
| Mohegan-Pequot grant                              | 23,221                  | 23,221               | 23,221               | -                    |
| Payment in lieu of taxes - AHA                    | 10,000                  | 10,000               | -                    | (10,000)             |
| Payment in lieu of taxes                          | 44                      | 44                   | 40                   | (4)                  |
| Tax relief for veteran exemptions                 | -                       | -                    | 1,451                | 1,451                |
| Tax relief for disability exemptions              | -                       | -                    | 971                  | 971                  |
| <b>TOTAL INTERGOVERNMENTAL REVENUES</b>           | <u>3,787,656</u>        | <u>3,787,656</u>     | <u>3,463,915</u>     | <u>(323,741)</u>     |
| <b>CHARGES FOR SERVICES</b>                       |                         |                      |                      |                      |
| Building licenses and permits                     | 45,000                  | 45,000               | 55,572               | 10,572               |
| Conveyance tax                                    | 25,000                  | 25,000               | 67,721               | 42,721               |
| Recording fees                                    | 19,000                  | 19,000               | 19,467               | 467                  |
| Newsletters                                       | 8,000                   | 8,000                | 7,412                | (588)                |
| BOE - bus garage usage                            | 6,000                   | 6,000                | 6,000                | -                    |
| Copies of records                                 | 4,500                   | 4,500                | 5,516                | 1,016                |
| Miscellaneous                                     | 2,800                   | 2,800                | 4,656                | 1,856                |
| Senior center program revenue                     | 1,500                   | 1,500                | 1,552                | 52                   |
| Recycling and transfer station                    | 1,500                   | 1,500                | 2,239                | 739                  |
| Open space recapture tax                          | 1,000                   | 1,000                | 8,972                | 7,972                |
| Zoning permits                                    | 1,000                   | 1,000                | 2,383                | 1,383                |
| Wetlands permits                                  | 600                     | 600                  | 1,719                | 1,119                |
| Dog licenses                                      | 550                     | 550                  | 487                  | (63)                 |
| Marriage licenses                                 | 150                     | 150                  | 253                  | 103                  |
| Hunting and fishing licenses                      | 100                     | 100                  | 132                  | 32                   |
| <b>TOTAL CHARGES FOR SERVICES</b>                 | <u>116,700</u>          | <u>116,700</u>       | <u>184,081</u>       | <u>67,381</u>        |
| <b>INVESTMENT INCOME</b>                          | <u>13,300</u>           | <u>13,300</u>        | <u>18,628</u>        | <u>5,328</u>         |
| <b>OTHER REVENUES</b>                             |                         |                      |                      |                      |
| Miscellaneous                                     | 10,000                  | 10,000               | 18,066               | 8,066                |
| Telephone access line                             | 8,985                   | 8,985                | 6,629                | (2,356)              |
| Level 3 Communications, LLC                       | 1,776                   | 1,776                | 2,206                | 430                  |
| <b>TOTAL OTHER REVENUES</b>                       | <u>20,761</u>           | <u>20,761</u>        | <u>26,901</u>        | <u>6,140</u>         |
| <b>TOTAL REVENUES</b>                             | <u>14,030,588</u>       | <u>14,030,588</u>    | <u>13,906,979</u>    | <u>(123,609)</u>     |
| <b>OTHER FINANCING SOURCES</b>                    |                         |                      |                      |                      |
| Appropriation of fund balance                     | -                       | 352,301              | -                    | (352,301)            |
| <b>TOTAL OTHER FINANCING SOURCES</b>              | <u>-</u>                | <u>352,301</u>       | <u>-</u>             | <u>(352,301)</u>     |
| <b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b> | <u>\$ 14,030,588</u>    | <u>\$ 14,382,889</u> | <u>\$ 13,906,979</u> | <u>\$ (475,910)</u>  |

*See accompanying notes to required supplementary information.*

**TOWN OF ASHFORD, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL -**  
**BUDGETARY BASIS - GENERAL FUND (UNAUDITED)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

|  | <b>Budgeted Amounts</b> |                | <b>Actual</b>  | <b>Variance With<br/>Final Budget<br/>Over (Under)</b> |
|--|-------------------------|----------------|----------------|--|
|  | <b>Original</b>         | <b>Final</b>   |                |  |
| <b>GENERAL GOVERNMENT</b>                      |                         |                |                |  |
| Board of Selectmen:                            |                         |                |                |  |
| Salaries and wages                             | \$ 128,032              | \$ 128,032     | \$ 121,601     | \$ (6,431)   |
| Purchased services                             | 27,950                  | 27,950         | 28,531         | 581  |
| Supplies and materials                         | 900                     | 900            | 832            | (68)   |
| Other  | 610                     | 610            | 572            | (38)   |
| Total Board of Selectmen                       | <u>157,492</u>          | <u>157,492</u> | <u>151,536</u> | <u>(5,956)</u>   |
| Town Council:                                  |                         |                |                |  |
| Professional and tech services                 | <u>47,500</u>           | <u>47,500</u>  | <u>25,818</u>  | <u>(21,682)</u>  |
| Data Processing and Contracted Services        | <u>38,282</u>           | <u>38,282</u>  | <u>38,282</u>  | <u>-</u>   |
| Knowlton Hall Operations and Maintenance:      |                         |                |                |  |
| Property services                              | 16,300                  | 16,300         | 11,317         | (4,983)  |
| Purchased services                             | 5,250                   | 5,250          | 6,274          | 1,024  |
| Supplies and materials                         | 10,250                  | 10,250         | 6,799          | (3,451)  |
| Total Knowlton Hall Operations and Maintenance | <u>31,800</u>           | <u>31,800</u>  | <u>24,390</u>  | <u>(7,410)</u>   |
| Town Hall Operations and Maintenance:          |                         |                |                |  |
| Property services                              | 22,500                  | 22,500         | 23,239         | 739  |
| Purchased services                             | 19,000                  | 19,000         | 18,067         | (933)  |
| Supplies and materials                         | 8,000                   | 8,000          | 7,182          | (818)  |
| Total Town Hall Operations and Maintenance     | <u>49,500</u>           | <u>49,500</u>  | <u>48,488</u>  | <u>(1,012)</u>   |
| Town Property Operations and Maintenance:      |                         |                |                |  |
| Salaries and wages                             | 8,000                   | 8,000          | 6,734          | (1,266)  |
| Property services                              | 12,325                  | 12,325         | 11,521         | (804)  |
| Purchased services                             | 2,000                   | 2,000          | 458            | (1,542)  |
| Supplies and materials                         | 1,500                   | 1,500          | 1,305          | (195)  |
| Total Town Property Operations and Maintenance | <u>23,825</u>           | <u>23,825</u>  | <u>20,018</u>  | <u>(3,807)</u>   |
| Earl Smith Senior Center:                      |                         |                |                |  |
| Salaries and wages                             | 23,048                  | 23,048         | 22,327         | (721)  |
| Property services                              | 9,700                   | 9,700          | 6,744          | (2,956)  |
| Purchased services                             | 7,795                   | 7,795          | 7,699          | (96)   |
| Supplies and materials                         | 15,800                  | 15,800         | 11,172         | (4,628)  |
| Equipment                                      | 560                     | 560            | 190            | (370)  |
| Total Earl Smith Senior Center                 | <u>56,903</u>           | <u>56,903</u>  | <u>48,132</u>  | <u>(8,771)</u>   |
| Board of Finance:                              |                         |                |                |  |
| Salaries and wages                             | 1,330                   | 1,330          | 1,040          | (290)  |
| Professional and tech services                 | 25,010                  | 25,010         | 20,450         | (4,560)  |
| Purchased services                             | 750                     | 750            | 620            | (130)  |
| Supplies and materials                         | 260                     | 260            | 175            | (85)   |
| Total Board of Finance                         | <u>27,350</u>           | <u>27,350</u>  | <u>22,285</u>  | <u>(5,065)</u>   |

*(Continued)*

*See accompanying notes to required supplementary information.*

**TOWN OF ASHFORD, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (UNAUDITED) (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

|                                       | <b>Budgeted Amounts</b> |                | <b>Actual</b>  | <b>Variance With<br/>Final Budget<br/>Over (Under)</b> |
|---------------------------------------|-------------------------|----------------|----------------|--|
|                                       | <b>Original</b>         | <b>Final</b>   |                |  |
| <b>GENERAL GOVERNMENT (Continued)</b> |                         |                |                |  |
| Assessors Office:                     |                         |                |                |  |
| Salaries and wages                    | \$ 57,208               | \$ 57,208      | \$ 57,171      | \$ (37)  |
| Purchased services                    | 14,720                  | 14,720         | 14,005         | (715)  |
| Supplies and materials                | 1,805                   | 1,939          | 2,691          | 752  |
| Total Assessors Office                | <u>73,733</u>           | <u>73,867</u>  | <u>73,867</u>  | <u>-</u>   |
| Board of Assessment Appeals:          |                         |                |                |  |
| Salaries and wages                    | 800                     | 800            | 795            | (5)  |
| Purchased services                    | 360                     | 360            | 355            | (5)  |
| Total Board of Assessment Appeals     | <u>1,160</u>            | <u>1,160</u>   | <u>1,150</u>   | <u>(10)</u>  |
| Tax Collector:                        |                         |                |                |  |
| Salaries and wages                    | 56,813                  | 56,813         | 55,588         | (1,225)  |
| Property services                     | 400                     | 400            | 400            | -  |
| Purchased services                    | 8,885                   | 8,885          | 8,875          | (10)   |
| Supplies and materials                | 5,050                   | 5,050          | 5,053          | 3  |
| Other                                 | 250                     | 250            | 250            | -  |
| Total Tax Collector                   | <u>71,398</u>           | <u>71,398</u>  | <u>70,166</u>  | <u>(1,232)</u>   |
| Finance Department:                   |                         |                |                |  |
| Salaries and wages                    | 96,982                  | 96,982         | 97,422         | 440  |
| Professional and tech services        | 11,200                  | 11,200         | 9,576          | (1,624)  |
| Purchased services                    | 6,225                   | 6,225          | 5,832          | (393)  |
| Supplies and materials                | 3,560                   | 3,560          | 4,239          | 679  |
| Total Finance Department              | <u>117,967</u>          | <u>117,967</u> | <u>117,069</u> | <u>(898)</u>   |
| Town Clerk:                           |                         |                |                |  |
| Salaries and wages                    | 94,427                  | 94,427         | 94,427         | -  |
| Property services                     | 2,972                   | 2,972          | 2,442          | (530)  |
| Purchased services                    | 26,461                  | 26,461         | 25,475         | (986)  |
| Supplies and materials                | 3,426                   | 3,426          | 2,217          | (1,209)  |
| Total Town Clerk                      | <u>127,286</u>          | <u>127,286</u> | <u>124,561</u> | <u>(2,725)</u>   |
| Town Election Expense:                |                         |                |                |  |
| Salaries and wages                    | 27,025                  | 27,025         | 23,644         | (3,381)  |
| Professional and tech services        | 2,375                   | 2,375          | 2,575          | 200  |
| Purchased services                    | 3,970                   | 3,970          | 2,614          | (1,356)  |
| Supplies and materials                | 4,600                   | 4,600          | 2,374          | (2,226)  |
| Total Town Election Expense           | <u>37,970</u>           | <u>37,970</u>  | <u>31,207</u>  | <u>(6,763)</u>   |
| <b>TOTAL GENERAL GOVERNMENT</b>       | <u>862,166</u>          | <u>862,300</u> | <u>796,969</u> | <u>(65,331)</u>  |
|                                       |                         |                |                | <i>(Continued)</i>                                     |

See accompanying notes to required supplementary information.

**TOWN OF ASHFORD, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (UNAUDITED) (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

|  | <b>Budgeted Amounts</b> |                | <b>Actual</b>  | <b>Variance With<br/>Final Budget<br/>Over (Under)</b> |
|--|-------------------------|----------------|----------------|--|
|  | <b>Original</b>         | <b>Final</b>   |                |  |
| <b>PUBLIC SAFETY</b>                   |                         |                |                |  |
| Salaries and wages                     | \$ 14,050               | \$ 14,050      | \$ 14,050      | \$ -   |
| Professional and tech services         | 200                     | 200            | -              | (200)  |
| Property services                      | 2,075                   | 2,075          | 2,010          | (65)   |
| Purchased services                     | 11,160                  | 11,160         | 10,209         | (951)  |
| Supplies and materials                 | 100                     | 100            | -              | (100)  |
| Equipment                              | 1,220                   | 1,220          | -              | (1,220)  |
| TOTAL PUBLIC SAFETY                    | <u>28,805</u>           | <u>28,805</u>  | <u>26,269</u>  | <u>(2,536)</u>   |
| <b>PUBLIC WORKS</b>                    |                         |                |                |  |
| Public Works Administration:           |                         |                |                |  |
| Salaries and wages                     | 361,014                 | 361,014        | 348,098        | (12,916)   |
| Purchased services                     | 1,400                   | 1,400          | 306            | (1,094)  |
| Supplies and materials                 | 3,000                   | 3,000          | 2,855          | (145)  |
| Total Public Works Administration      | <u>365,414</u>          | <u>365,414</u> | <u>351,259</u> | <u>(14,155)</u>  |
| Roads and Bridges:                     |                         |                |                |  |
| Property services                      | 11,500                  | 11,500         | 5,306          | (6,194)  |
| Supplies and materials                 | 141,750                 | 141,750        | 143,106        | 1,356  |
| Total Roads and Bridges                | <u>153,250</u>          | <u>153,250</u> | <u>148,412</u> | <u>(4,838)</u>   |
| Building, Maintenance and Repair:      |                         |                |                |  |
| Property services                      | 11,100                  | 11,100         | 10,267         | (833)  |
| Purchased services                     | 4,500                   | 4,500          | 5,334          | 834  |
| Supplies and materials                 | 10,000                  | 10,000         | 4,783          | (5,217)  |
| Total Building, Maintenance and Repair | <u>25,600</u>           | <u>25,600</u>  | <u>20,384</u>  | <u>(5,216)</u>   |
| Maintenance of Equipment:              |                         |                |                |  |
| Property services                      | 10,500                  | 10,500         | 189            | (10,311)   |
| Supplies and materials                 | 82,500                  | 82,500         | 84,553         | 2,053  |
| Total Maintenance of Equipment         | <u>93,000</u>           | <u>93,000</u>  | <u>84,742</u>  | <u>(8,258)</u>   |
| Recycling Center:                      |                         |                |                |  |
| Salaries and wages                     | 60,000                  | 61,776         | 66,352         | 4,576  |
| Professional and tech services         | 1,500                   | 1,500          | 30             | (1,470)  |
| Property services                      | 169,391                 | 169,391        | 166,637        | (2,754)  |
| Purchased services                     | 650                     | 650            | 556            | (94)   |
| Supplies and materials                 | 2,000                   | 2,000          | 1,791          | (209)  |
| Other                                  | 850                     | 850            | 800            | (50)   |
| Total Recycling Center                 | <u>234,391</u>          | <u>236,167</u> | <u>236,166</u> | <u>(1)</u>   |
| TOTAL PUBLIC WORKS                     | <u>871,655</u>          | <u>873,431</u> | <u>840,963</u> | <u>(32,468)</u>  |
| <b>HEALTH &amp; WELFARE</b>            |                         |                |                |  |
| Ashford Historical Society             | 1,000                   | 1,000          | -              | (1,000)  |
| Agent for the Elderly                  | 7,336                   | 7,336          | 5,821          | (1,515)  |
| Commission on Aging                    | 700                     | 707            | 707            | -  |
| Contributions to Other Agencies        | 45,450                  | 45,450         | 45,407         | (43)   |
| TOTAL HEALTH & WELFARE                 | <u>54,486</u>           | <u>54,493</u>  | <u>51,935</u>  | <u>(2,558)</u>   |

*(Continued)*

*See accompanying notes to required supplementary information.*

**TOWN OF ASHFORD, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (UNAUDITED) (Continued)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

|                                       | <b>Budgeted Amounts</b> |                | <b>Actual</b>  | <b>Variance With<br/>Final Budget<br/>Over (Under)</b> |
|---------------------------------------|-------------------------|----------------|----------------|--|
|                                       | <b>Original</b>         | <b>Final</b>   |                |  |
| <b>PLANNING AND DEVELOPMENT</b>       |                         |                |                |  |
| Planning and Zoning:                  |                         |                |                |  |
| Salaries and wages                    | \$ 21,200               | \$ 21,200      | \$ 20,825      | \$ (375)   |
| Professional and tech services        | 1,500                   | 1,500          | 1,113          | (387)  |
| Purchased services                    | 400                     | 400            | 110            | (290)  |
| Supplies and materials                | 2,550                   | 2,550          | 379            | (2,171)  |
| Total Planning and Zoning             | <u>25,650</u>           | <u>25,650</u>  | <u>22,427</u>  | <u>(3,223)</u>   |
| Zoning Board of Appeals:              |                         |                |                |  |
| Purchased services                    | <u>1,230</u>            | <u>1,230</u>   | <u>-</u>       | <u>(1,230)</u>   |
| Inland Wetlands:                      |                         |                |                |  |
| Salaries and wages                    | 10,680                  | 10,680         | 10,030         | (650)  |
| Professional and tech services        | 9,000                   | 9,000          | 9,030          | 30   |
| Purchased services                    | 200                     | 200            | 120            | (80)   |
| Supplies and materials                | 1,600                   | 1,600          | 591            | (1,009)  |
| Total Inland Wetlands                 | <u>21,480</u>           | <u>21,480</u>  | <u>19,771</u>  | <u>(1,709)</u>   |
| Conservation Commission:              |                         |                |                |  |
| Purchased services                    | 1,575                   | 1,575          | 1,020          | (555)  |
| Supplies and materials                | 500                     | 500            | 34             | (466)  |
| Total Conservation Commission         | <u>2,075</u>            | <u>2,075</u>   | <u>1,054</u>   | <u>(1,021)</u>   |
| Building Department:                  |                         |                |                |  |
| Salaries and wages                    | 77,872                  | 77,872         | 77,644         | (228)  |
| Professional and tech services        | 700                     | 700            | 1,495          | 795  |
| Purchased services                    | 750                     | 750            | 225            | (525)  |
| Supplies and materials                | 3,275                   | 3,275          | 1,581          | (1,694)  |
| Total Building Department             | <u>82,597</u>           | <u>82,597</u>  | <u>80,945</u>  | <u>(1,652)</u>   |
| Economic Development:                 |                         |                |                |  |
| Professional and tech services        | 1,200                   | 1,200          | 150            | (1,050)  |
| Purchased services                    | 250                     | 250            | 278            | 28   |
| Supplies and materials                | 500                     | 500            | 1,067          | 567  |
| Total Economic Development            | <u>1,950</u>            | <u>1,950</u>   | <u>1,495</u>   | <u>(455)</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                    | 3,200                   | 3,200          | 3,200          | -  |
| Purchased services                    | 9,014                   | 9,014          | 9,057          | 43   |
| Supplies and materials                | 2,300                   | 2,300          | -              | (2,300)  |
| Total Sexton                          | <u>14,514</u>           | <u>14,514</u>  | <u>12,257</u>  | <u>(2,257)</u>   |
| <b>TOTAL PLANNING AND DEVELOPMENT</b> | <u>149,546</u>          | <u>149,546</u> | <u>137,949</u> | <u>(11,597)</u>  |

*(Continued)*

*See accompanying notes to required supplementary information.*

**TOWN OF ASHFORD, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES -**  
**BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (UNAUDITED) (Concluded)**  
**FOR THE YEAR ENDED JUNE 30, 2018**

|  | <b>Budgeted Amounts</b>     |                             | <b>Actual</b>               | <b>Variance With<br/>Final Budget<br/>Over (Under)</b> |
|--|-----------------------------|-----------------------------|-----------------------------|--|
|  | <b>Original</b>             | <b>Final</b>                |                             |  |
| <b>EDUCATION</b>                                       |                             |                             |                             |  |
| Ashford Board of Education:                            |                             |                             |                             |  |
| Certified staff  | \$ 3,043,447                | \$ 2,988,774                | 2,985,239                   | \$ (3,535)   |
| Non-Certified staff                                    | 1,656,718                   | 1,659,505                   | 1,658,806                   | (699)  |
| Insurance  | 1,204,164                   | 1,204,164                   | 1,203,721                   | (443)  |
| Payroll taxes and benefits                             | 334,485                     | 353,627                     | 348,035                     | (5,592)  |
| Instructional improvement                              | 82,360                      | 60,237                      | 58,351                      | (1,886)  |
| Professional services                                  | 316,289                     | 292,206                     | 287,875                     | (4,331)  |
| Utilities  | 61,574                      | 67,193                      | 67,193                      | -  |
| Maintenance  | 101,102                     | 109,695                     | 108,332                     | (1,363)  |
| Equipment maintenance                                  | 905                         | 905                         | 865                         | (40)   |
| Other insurances                                       | 39,305                      | 39,305                      | 39,305                      | -  |
| Transportation   | 39,595                      | 7,913                       | 7,861                       | (52)   |
| Communication  | 20,827                      | 21,277                      | 21,277                      | -  |
| Outside services                                       | 143,800                     | 237,155                     | 237,061                     | (94)   |
| Purchased services                                     | 6,186                       | 5,839                       | 5,337                       | (502)  |
| Supplies   | 141,855                     | 145,016                     | 142,112                     | (2,904)  |
| Fuel   | 101,150                     | 85,773                      | 85,212                      | (561)  |
| Textbooks  | 12,139                      | 9,580                       | 8,365                       | (1,215)  |
| Equipment  | 82,380                      | 100,328                     | 100,305                     | (23)   |
| Dues & fees  | 17,360                      | 17,149                      | 16,897                      | (252)  |
| Miscellaneous  | 500                         | 500                         | 627                         | 127  |
| Total Ashford Board of Education                       | <u>7,406,141</u>            | <u>7,406,141</u>            | <u>7,382,776</u>            | <u>(23,365)</u>  |
| Regional School District No. 19                        | <u>3,270,928</u>            | <u>3,270,928</u>            | <u>3,270,928</u>            | <u>-</u>   |
| <b>TOTAL EDUCATION</b>                                 | <u><b>10,677,069</b></u>    | <u><b>10,677,069</b></u>    | <u><b>10,653,704</b></u>    | <u><b>(23,365)</b></u>                                 |
| <b>OTHER</b>   |                             |                             |                             |  |
| Employee benefits                                      | 386,832                     | 384,407                     | 356,061                     | (28,346)   |
| Insurance  | 29,460                      | 29,968                      | 29,968                      | -  |
| Contingency  | 145,387                     | 145,387                     | -                           | (145,387)  |
| <b>TOTAL OTHER</b>                                     | <u><b>561,679</b></u>       | <u><b>559,762</b></u>       | <u><b>386,029</b></u>       | <u><b>(173,733)</b></u>                                |
| <b>DEBT SERVICE</b>                                    |                             |                             |                             |  |
| Principal  | 230,000                     | 230,000                     | 230,000                     | -  |
| Interest   | 48,350                      | 48,350                      | 48,350                      | -  |
| <b>TOTAL DEBT SERVICE</b>                              | <u><b>278,350</b></u>       | <u><b>278,350</b></u>       | <u><b>278,350</b></u>       | <u><b>-</b></u>  |
| <b>TOTAL EXPENDITURES</b>                              |                             |                             |                             |  |
|  | <u><b>13,483,756</b></u>    | <u><b>13,483,756</b></u>    | <u><b>13,172,168</b></u>    | <u><b>(311,588)</b></u>                                |
| <b>OTHER FINANCING USES</b>                            |                             |                             |                             |  |
| Transfers out:   |                             |                             |                             |  |
| Animal Fund  | 19,204                      | 19,204                      | 19,204                      | -  |
| Babcock Library Fund                                   | 185,000                     | 185,000                     | 185,000                     | -  |
| Recreation Fund  | 84,563                      | 84,563                      | 84,563                      | -  |
| Youth Services Fund                                    | 31,435                      | 31,435                      | 31,435                      | -  |
| Volunteer Fire & Ambulance Fund                        | 226,630                     | 226,630                     | 226,630                     | -  |
| Capital Nonrecurring Fund                              | -                           | 352,301                     | 352,301                     | -  |
| <b>TOTAL OTHER FINANCING USES</b>                      | <u><b>546,832</b></u>       | <u><b>899,133</b></u>       | <u><b>899,133</b></u>       | <u><b>-</b></u>  |
| <b>TOTAL EXPENDITURES AND<br/>OTHER FINANCING USES</b> |                             |                             |                             |  |
|  | <u><b>\$ 14,030,588</b></u> | <u><b>\$ 14,382,889</b></u> | <u><b>\$ 14,071,301</b></u> | <u><b>\$ (311,588)</b></u>                             |

See accompanying notes to required supplementary information.

(Concluded)

**TOWN OF ASHFORD, CONNECTICUT**  
**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (UNAUDITED)**  
**CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM**  
**LAST FOUR FISCAL YEARS**  
**(Rounded to Nearest Thousand)**

|  | <u>2018</u>          | <u>2017</u>          | <u>2016</u>         | <u>2015</u>         |
|--|----------------------|----------------------|---------------------|---------------------|
| Proportion of the net pension liability attributed to the Town                                 | 0.077%               | 0.077%               | 0.075%              | 0.075%              |
| Town's proportionate share of the net pension liability  | \$ -                 | \$ -                 | \$ -                | \$ -                |
| State's proportionate share of the net pension liability attributed to the Town                | <u>10,348,000</u>    | <u>10,917,000</u>    | <u>8,249,000</u>    | <u>7,615,000</u>    |
| Total  | <u>\$ 10,348,000</u> | <u>\$ 10,917,000</u> | <u>\$ 8,249,000</u> | <u>\$ 7,615,000</u> |
| Town's covered payroll   | \$ 2,985,000         | \$ 3,059,000         | \$ 3,018,000        | \$ 2,841,000        |
| Town's proportionate share of the net pension liability as a percentage of its covered payroll | 0.0%                 | 0.0%                 | 0.0%                | 0.0%                |
| Plan fiduciary net position as a percentage of the total pension liability                     | 55.93%               | 52.26%               | 59.50%              | 61.51%              |

*See accompanying notes to required supplementary information.*



**TOWN OF ASHFORD, CONNECTICUT**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY (UNAUDITED)**  
**OTHER POST-EMPLOYMENT BENEFITS PLAN**  
**LAST FISCAL YEAR**

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|  | <b>2018</b> |
|--|-------------|
| <b>Total OPEB liability</b>  |             |
| Service cost   | \$ 21,721   |
| Interest   | 19,881      |
| Changes in benefit terms   | -           |
| Changes of assumptions and differences<br>between expected and actual experience | (57,235)    |
| Benefit payments, including refunds  | (32,383)    |
| Net change in total OPEB liability   | (48,016)    |
| Total OPEB liability - beginning   | 815,987     |
| Total OPEB liability - ending  | \$ 767,971  |

*See accompanying notes to required supplementary information.*

**TOWN OF ASHFORD, CONNECTICUT**  
**SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**  
**CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM (UNAUDITED)**  
**LAST FISCAL YEAR**  
**(Rounded to Nearest Thousand)**

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|  | <b>2018</b>  |
|--|--------------|
| Proportion of the net pension liability attributed to the Town                                 | 0.077%       |
| Town's proportionate share of the net pension liability  | \$ -         |
| State's proportionate share of the net pension liability attributed to the Town                | 2,663,000    |
| Total  | \$ 2,663,000 |
| Town's covered payroll   | \$ 2,985,000 |
| Town's proportionate share of the net pension liability as a percentage of its covered payroll | 0.0%         |
| Plan fiduciary net position as a percentage of the total pension liability                     | 1.79%        |

*See accompanying notes to required supplementary information.*

**TOWN OF ASHFORD, CONNECTICUT**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

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**NOTE 1 - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -  
BUDGETARY BASIS - GENERAL FUND**

**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.
- 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, 2018, additional appropriations from fund balance totaled \$352,301.
- 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.

**TOWN OF ASHFORD, CONNECTICUT**  
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Unaudited) (Continued)  
 AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

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**NOTE 1 - STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - BUDGETARY BASIS - GENERAL FUND (Continued)**

**BUDGETARY INFORMATION (Continued)**

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.

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, 2018:

|   | <u>Total<br/>Revenues</u> | <u>Total<br/>Expenditures</u> | <u>Other Financing<br/>Sources (Uses)</u> |
|---|---------------------------|-------------------------------|---|
| Budgetary basis   | \$ 13,906,979             | \$ 13,172,168                 | \$ (899,133)                              |
| "On-behalf" payments -<br>State Teachers Retirement<br>Fund | 790,946                   | 790,946                       | -   |
| Babcock Library Fund  | 5,500                     | 178,716                       | 185,000                                   |
| Adjustment for encumbrances                                 | -                         | (77,689)                      | -   |
| Other Funds   | 494                       | 281                           | (4,500)                                   |
| Reclassifications<br>for GAAP purposes                      | 289,803                   | 516,433                       | 226,630                                   |
| GAAP basis  | <u>\$ 14,993,722</u>      | <u>\$ 14,580,855</u>          | <u>\$ (492,003)</u>                       |

**NOTE 2 - SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM**

The Town began to report this schedule when it implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, in fiscal year 2015. GASB Statement No. 68 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of June 30, 2016. The June 30, 2016 actuarial valuation was rolled forward to the most recent measurement date of June 30, 2017. This information is utilized by the Town for reporting as of June 30, 2018.

*Benefit Changes* - There have been no changes in benefit terms that have had a significant effect on the measurement of the total pension liability.

**TOWN OF ASHFORD, CONNECTICUT**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION (Unaudited) *(Continued)*  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2018

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**NOTE 2 - SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY - CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM *(Continued)***

*Assumption Changes* - The following assumption changes had a significant effect on the measurement of the total pension liability reported as of June 30, 2018.

- the inflation assumption was reduced from 3.00% to 2.75%,
- the 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 payroll growth assumption was reduced from 3.75% to 3.25%, and
- various demographic assumption changes including the utilization of the RPH-2014 mortality tables.

**NOTE 3 - SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY - OTHER POST-EMPLOYMENT BENEFITS PLAN**

The Town began to report this schedule when it implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, in fiscal year 2018. GASB Statement No. 75 requires the information within this schedule to be presented for the ten most recent fiscal years.

The Town measures the total OPEB liability at the end of each fiscal year using the Alternative Measurement Method.

*Benefit Changes* - There have been no changes in benefit terms that have had a significant effect on the measurement of the total OPEB liability.

*Assumption Changes* - There have been no changes in assumptions that have had a significant effect on the measurement of the total OPEB liability.

**NOTE 4 - SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET OTHER POST-EMPLOYMENT BENEFITS LIABILITY - CONNECTICUT STATE TEACHERS' RETIREMENT SYSTEM**

The Town began to report this schedule when it implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*, in fiscal year 2018. GASB Statement No. 75 requires the information within this schedule to be presented for the ten most recent fiscal years.

Actuarial valuations are prepared every two years with the most recent available actuarial valuation performed as of June 30, 2016. The June 30, 2016 actuarial valuation was rolled forward to the most recent measurement date of June 30, 2017. This information is utilized by the Town for reporting as of June 30, 2018.

*Benefit Changes* - There have been no changes in benefit terms that have had a significant effect on the measurement of the total OPEB liability.

*Assumption Changes* - There have been no changes in assumptions that have had a significant effect on the measurement of the total OPEB liability.

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## **Combining and Individual Fund Statements and Schedules**

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**TOWN OF ASHFORD, CONNECTICUT**  
**COMBINING BALANCE SHEET - GENERAL FUND**  
**JUNE 30, 2018**

|  | General<br>Fund     | Babcock<br>Library<br>Fund | Knowlton<br>Hall<br>Fund | 300th<br>Anniversary<br>Fund | Misc.<br>Special<br>Funds | Town Aid<br>Road<br>Fund | Building<br>Fund | Board of<br>Education<br>Non-lapsing<br>Fund | Eliminations       | Combined<br>General Fund |
|--|---------------------|----------------------------|--------------------------|------------------------------|---------------------------|--------------------------|------------------|--|--------------------|--------------------------|
| <b>ASSETS</b>  |                     |                            |                          |                              |                           |                          |                  |  |                    |                          |
| Cash and cash equivalents  | \$ 2,973,283        | \$ 47,569                  | \$ 673                   | \$ -                         | \$ -                      | \$ -                     | \$ -             | \$ -   | \$ -               | \$ 3,021,525             |
| Receivables:   |                     |                            |                          |                              |                           |                          |                  |  |                    |                          |
| Property taxes and interest, net                                       | 559,524             | -                          | -                        | -                            | -                         | -                        | -                | -  | -                  | 559,524                  |
| Grants and contracts   | 470                 | -                          | -                        | -                            | -                         | -                        | -                | -  | -                  | 470                      |
| Other  | 18,225              | -                          | -                        | -                            | -                         | -                        | -                | -  | -                  | 18,225                   |
| Due from other funds   | 38,319              | -                          | -                        | 13,002                       | 9,668                     | 24,730                   | 500              | 47,544                                       | (95,444)           | 38,319                   |
| Total assets   | <u>\$ 3,589,821</u> | <u>\$ 47,569</u>           | <u>\$ 673</u>            | <u>\$ 13,002</u>             | <u>\$ 9,668</u>           | <u>\$ 24,730</u>         | <u>\$ 500</u>    | <u>\$ 47,544</u>                             | <u>\$ (95,444)</u> | <u>\$ 3,638,063</u>      |
| <b>LIABILITIES</b>   |                     |                            |                          |                              |                           |                          |                  |  |                    |                          |
| Accounts payable   | \$ 106,966          | \$ 397                     | \$ -                     | \$ 200                       | \$ -                      | \$ -                     | \$ -             | \$ -   | \$ -               | \$ 107,563               |
| Salaries and benefits payable  | 352,639             | -                          | -                        | -                            | -                         | -                        | -                | -  | -                  | 352,639                  |
| Due to other funds   | 743,811             | -                          | -                        | -                            | -                         | 19,000                   | -                | -  | (95,444)           | 667,367                  |
| Total liabilities  | <u>1,203,416</u>    | <u>397</u>                 | <u>-</u>                 | <u>200</u>                   | <u>-</u>                  | <u>19,000</u>            | <u>-</u>         | <u>-</u>                                     | <u>(95,444)</u>    | <u>1,127,569</u>         |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                   |                     |                            |                          |                              |                           |                          |                  |  |                    |                          |
| Unavailable revenue - property taxes                                   | 500,014             | -                          | -                        | -                            | -                         | -                        | -                | -  | -                  | 500,014                  |
| <b>FUND BALANCES</b>   |                     |                            |                          |                              |                           |                          |                  |  |                    |                          |
| Committed  | -                   | 47,172                     | 673                      | 12,802                       | 9,668                     | 5,730                    | 500              | 47,544                                       | -                  | 124,089                  |
| Assigned   | 89,468              | -                          | -                        | -                            | -                         | -                        | -                | -  | -                  | 89,468                   |
| Unassigned   | 1,796,923           | -                          | -                        | -                            | -                         | -                        | -                | -  | -                  | 1,796,923                |
| Total fund balances  | <u>1,886,391</u>    | <u>47,172</u>              | <u>673</u>               | <u>12,802</u>                | <u>9,668</u>              | <u>5,730</u>             | <u>500</u>       | <u>47,544</u>                                | <u>-</u>           | <u>2,010,480</u>         |
| Total liabilities, deferred inflows of<br>resources, and fund balances | <u>\$ 3,589,821</u> | <u>\$ 47,569</u>           | <u>\$ 673</u>            | <u>\$ 13,002</u>             | <u>\$ 9,668</u>           | <u>\$ 24,730</u>         | <u>\$ 500</u>    | <u>\$ 47,544</u>                             | <u>\$ (95,444)</u> | <u>\$ 3,638,063</u>      |

*See accompanying Independent Auditor's Report.*

**TOWN OF ASHFORD, CONNECTICUT**  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES - GENERAL FUND  
 FOR THE YEAR ENDED JUNE 30, 2018

|  | General<br>Fund     | Babcock<br>Library<br>Fund | Knowlton<br>Hall<br>Fund | 300th<br>Anniversary<br>Fund | Misc.<br>Special<br>Funds | Town Aid<br>Road<br>Fund | Building<br>Fund | Board of<br>Education<br>Non-lapsing<br>Fund | Eliminations | Combined<br>General Fund |
|--|---------------------|----------------------------|--------------------------|------------------------------|---------------------------|--------------------------|------------------|--|--------------|--------------------------|
| <b>REVENUES</b>                                      |                     |                            |                          |                              |                           |                          |                  |  |              |                          |
| Property taxes                                       | \$ 10,213,454       | \$ -                       | \$ -                     | \$ -                         | \$ -                      | \$ -                     | \$ -             | \$ -   | \$ -         | \$ 10,213,454            |
| Intergovernmental                                    | 4,352,564           | 114                        | -                        | -                            | -                         | -                        | -                | -  | -            | 4,352,678                |
| Charges for services                                 | 381,181             | 5,384                      | -                        | -                            | -                         | -                        | -                | -  | -            | 386,565                  |
| Interest income                                      | 18,628              | 2                          | -                        | -                            | -                         | -                        | -                | -  | -            | 18,630                   |
| Other  | 21,926              | -                          | -                        | 469                          | -                         | -                        | -                | -  | -            | 22,395                   |
| Total revenues                                       | <u>14,987,753</u>   | <u>5,500</u>               | <u>-</u>                 | <u>469</u>                   | <u>-</u>                  | <u>-</u>                 | <u>-</u>         | <u>-</u>                                     | <u>-</u>     | <u>14,993,722</u>        |
| <b>EXPENDITURES</b>                                  |                     |                            |                          |                              |                           |                          |                  |  |              |                          |
| Current:   |                     |                            |                          |                              |                           |                          |                  |  |              |                          |
| General government                                   | 794,429             | -                          | 279                      | -                            | -                         | -                        | -                | -  | -            | 794,708                  |
| Public safety  | 249,899             | -                          | -                        | -                            | -                         | -                        | -                | -  | -            | 249,899                  |
| Public works   | 834,076             | -                          | -                        | -                            | -                         | -                        | -                | -  | -            | 834,076                  |
| Health and welfare                                   | 51,935              | -                          | -                        | -                            | -                         | -                        | -                | -  | -            | 51,935                   |
| Planning and development                             | 137,949             | -                          | -                        | -                            | -                         | -                        | -                | -  | -            | 137,949                  |
| Education  | 11,628,583          | -                          | -                        | -                            | -                         | -                        | -                | -  | -            | 11,628,583               |
| Library  | -                   | 178,716                    | -                        | -                            | -                         | -                        | -                | -  | -            | 178,716                  |
| Employee benefits and insurance                      | 386,029             | -                          | -                        | -                            | -                         | -                        | -                | -  | -            | 386,029                  |
| Capital outlays                                      | 40,610              | -                          | -                        | -                            | -                         | -                        | -                | -  | -            | 40,610                   |
| Debt service:  |                     |                            |                          |                              |                           |                          |                  |  |              |                          |
| Principal payments                                   | 230,000             | -                          | -                        | -                            | -                         | -                        | -                | -  | -            | 230,000                  |
| Interest and fiscal charges                          | 48,350              | -                          | -                        | -                            | -                         | -                        | -                | -  | -            | 48,350                   |
| Total expenditures                                   | <u>14,401,860</u>   | <u>178,716</u>             | <u>279</u>               | <u>-</u>                     | <u>-</u>                  | <u>-</u>                 | <u>-</u>         | <u>-</u>                                     | <u>-</u>     | <u>14,580,855</u>        |
| Excess (deficiency) of revenues<br>over expenditures | 585,893             | (173,216)                  | (279)                    | 469                          | -                         | -                        | -                | -  | -            | 412,867                  |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                     |                            |                          |                              |                           |                          |                  |  |              |                          |
| Transfers in   | -                   | 185,000                    | -                        | -                            | -                         | -                        | -                | -  | (185,000)    | -                        |
| Transfers out  | (672,503)           | -                          | -                        | -                            | -                         | -                        | -                | (4,500)                                      | 185,000      | (492,003)                |
| Total other financing sources (uses)                 | <u>(672,503)</u>    | <u>185,000</u>             | <u>-</u>                 | <u>-</u>                     | <u>-</u>                  | <u>-</u>                 | <u>-</u>         | <u>(4,500)</u>                               | <u>-</u>     | <u>(492,003)</u>         |
| Net change in fund balances                          | (86,610)            | 11,784                     | (279)                    | 469                          | -                         | -                        | -                | (4,500)                                      | -            | (79,136)                 |
| Fund balances - beginning                            | 1,973,001           | 35,388                     | 952                      | 12,333                       | 9,668                     | 5,730                    | 500              | 52,044                                       | -            | 2,089,616                |
| Fund balances - ending                               | <u>\$ 1,886,391</u> | <u>\$ 47,172</u>           | <u>\$ 673</u>            | <u>\$ 12,802</u>             | <u>\$ 9,668</u>           | <u>\$ 5,730</u>          | <u>\$ 500</u>    | <u>\$ 47,544</u>                             | <u>\$ -</u>  | <u>\$ 2,010,480</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, 2018**

| Grand List Year   | Balance Uncollected June 30, 2017 | Current Levy         | Lawful Corrections |                  | Transfers To Suspense | Balance To Be Collected | Collections          |                        |                      | Balance Uncollected June 30, 2018 |
|-------------------|-----------------------------------|----------------------|--------------------|------------------|-----------------------|-------------------------|----------------------|------------------------|----------------------|-----------------------------------|
|                   |                                   |                      | Additions          | Deductions       |                       |                         | Taxes                | Interest and Lien Fees | Total                |                                   |
| 2000              | \$ 666                            | \$ -                 | \$ -               | \$ 666           | \$ -                  | \$ -                    | \$ -                 | \$ -                   | \$ -                 | \$ -                              |
| 2001              | 12,453                            | -                    | -                  | 12,453           | -                     | -                       | -                    | -                      | -                    | -                                 |
| 2002              | 10,067                            | -                    | -                  | -                | -                     | 10,067                  | 113                  | 264                    | 377                  | 9,954                             |
| 2003              | 11,397                            | -                    | -                  | -                | -                     | 11,397                  | 229                  | 564                    | 793                  | 11,168                            |
| 2004              | 9,542                             | -                    | -                  | -                | -                     | 9,542                   | 196                  | 444                    | 640                  | 9,346                             |
| 2005              | 10,829                            | -                    | -                  | -                | -                     | 10,829                  | -                    | -                      | -                    | 10,829                            |
| 2006              | 10,594                            | -                    | -                  | -                | -                     | 10,594                  | -                    | -                      | -                    | 10,594                            |
| 2007              | 8,828                             | -                    | -                  | -                | -                     | 8,828                   | -                    | -                      | -                    | 8,828                             |
| 2008              | 8,679                             | -                    | -                  | -                | -                     | 8,679                   | -                    | -                      | -                    | 8,679                             |
| 2009              | 8,948                             | -                    | -                  | -                | -                     | 8,948                   | 65                   | 84                     | 149                  | 8,883                             |
| 2010              | 10,686                            | -                    | -                  | -                | -                     | 10,686                  | -                    | -                      | -                    | 10,686                            |
| 2011              | 13,840                            | -                    | -                  | -                | -                     | 13,840                  | 528                  | 377                    | 905                  | 13,312                            |
| 2012              | 15,212                            | -                    | 60                 | -                | -                     | 15,272                  | 511                  | 426                    | 937                  | 14,761                            |
| 2013              | 32,262                            | -                    | -                  | -                | -                     | 32,262                  | 7,711                | 2,402                  | 10,113               | 24,551                            |
| 2014              | 73,918                            | -                    | -                  | 41               | -                     | 73,877                  | 31,910               | 12,470                 | 44,380               | 41,967                            |
| 2015              | 169,351                           | -                    | 717                | 1,990            | -                     | 168,078                 | 83,842               | 22,921                 | 106,763              | 84,236                            |
| Total prior years | 407,272                           | -                    | 777                | 15,150           | -                     | 392,899                 | 125,105              | 39,952                 | 165,057              | 267,794                           |
| 2016              | -                                 | 10,216,510           | 11,485             | 24,123           | -                     | 10,203,872              | 9,991,267            | 26,862                 | 10,018,129           | 212,605                           |
| <b>Total</b>      | <b>\$ 407,272</b>                 | <b>\$ 10,216,510</b> | <b>\$ 12,262</b>   | <b>\$ 39,273</b> | <b>\$ -</b>           | <b>\$ 10,596,771</b>    | <b>\$ 10,116,372</b> | <b>\$ 66,814</b>       | <b>\$ 10,183,186</b> | <b>\$ 480,399</b>                 |

*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, 2018**

Total cash collections for the year ended

June 30, 2018:

|                        |                   |
|------------------------|-------------------|
| Taxes                  | \$ 10,116,372     |
| Interest and lien fees | 66,814            |
| <b>Total</b>           | <b>10,183,186</b> |

Reimbursement for revenue loss:

|                                      |       |
|--------------------------------------|-------|
| Tax relief for elderly (CGS 12-129d) | 2,422 |
|--------------------------------------|-------|

Base \$ 10,185,608

|   | <b>General<br/>Purposes</b> | <b>Schools</b>       | <b>Sewers</b>        | <b>Urban<br/>Renewal</b> | <b>Pension<br/>Deficit</b> |
|---|-----------------------------|----------------------|----------------------|--------------------------|----------------------------|
| Debt limitation:  |                             |                      |                      |                          |                            |
| 2-1/4 times base  | \$ 22,917,618               | \$ -                 | \$ -                 | \$ -                     | \$ -                       |
| 4-1/2 times base  | -                           | 45,835,236           | -                    | -                        | -                          |
| 3-3/4 times base  | -                           | -                    | 38,196,030           | -                        | -                          |
| 3-1/4 times base  | -                           | -                    | -                    | 33,103,226               | -                          |
| 3 times base  | -                           | -                    | -                    | -                        | 30,556,824                 |
| <b>Total debt limitation</b>                                    | <b>22,917,618</b>           | <b>45,835,236</b>    | <b>38,196,030</b>    | <b>33,103,226</b>        | <b>30,556,824</b>          |
| Indebtedness:   |                             |                      |                      |                          |                            |
| Bonds payable   | 1,455,000                   | -                    | -                    | -                        | -                          |
| Bonds payable, net - Regional School<br>District No. 19         | -                           | 238,328 *            | -                    | -                        | -                          |
| <b>Total indebtedness</b>                                       | <b>1,455,000</b>            | <b>238,328</b>       | <b>-</b>             | <b>-</b>                 | <b>-</b>                   |
| Debt limitation in excess of outstanding<br>and authorized debt | <u>\$ 21,462,618</u>        | <u>\$ 45,596,908</u> | <u>\$ 38,196,030</u> | <u>\$ 33,103,226</u>     | <u>\$ 30,556,824</u>       |
| Total capacity of borrowing (7 times base)                      | \$ 71,299,256               |                      |                      |                          |                            |
| Total present indebtedness                                      | <u>1,693,328</u>            |                      |                      |                          |                            |
| Margin for additional borrowing                                 | <u>\$ 69,605,928</u>        |                      |                      |                          |                            |

\* The Town of Ashford is a member of Regional School District No. 19. This amount represents the Town's proportional share of the District's outstanding bonds payable as of June 30, 2018, calculated as follows:

|   |                   |
|---|-------------------|
| Bonds payable, net - Regional School<br>District No. 19 | \$ 1,240,000      |
| Town of Ashford's proportionate share                   | 19.22%            |
|   | <u>\$ 238,328</u> |

*See accompanying Independent Auditor's Report.*

**TOWN OF ASHFORD, CONNECTICUT**  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS  
 JUNE 30, 2018

|                                     | <b>Nonmajor Special Revenue Funds</b> |                                      |  |  |                            |                      |  |
|-------------------------------------|---------------------------------------|--------------------------------------|--|--|----------------------------|----------------------|--|
|                                     | <b>Animal<br/>Fund</b>                | <b>School<br/>Cafeteria<br/>Fund</b> | <b>Educational<br/>Grants<br/>Fund</b> | <b>Preservation of<br/>Historical<br/>Records Fund</b> | <b>Recreation<br/>Fund</b> | <b>AYSB<br/>Fund</b> | <b>Town<br/>Clerk Special<br/>Fund</b> |
| <b>ASSETS</b>                       |                                       |                                      |  |  |                            |                      |  |
| Cash and cash equivalents           | \$ -                                  | \$ 13,252                            | \$ -                                   | \$ 17,890  | \$ -                       | \$ -                 | \$ -                                   |
| Investments                         | -                                     | -                                    | -                                      | -  | -                          | -                    | -                                      |
| Grants and contracts receivable     | -                                     | 16,035                               | -                                      | -  | -                          | -                    | -                                      |
| Due from other funds                | 49,292                                | -                                    | 42,795                                 | -  | 15,855                     | 42,596               | 28,227                                 |
| Total assets                        | <u>\$ 49,292</u>                      | <u>\$ 29,287</u>                     | <u>\$ 42,795</u>                       | <u>\$ 17,890</u>                                       | <u>\$ 15,855</u>           | <u>\$ 42,596</u>     | <u>\$ 28,227</u>                       |
| <b>LIABILITIES</b>                  |                                       |                                      |  |  |                            |                      |  |
| Accounts payable                    | \$ 2,701                              | \$ 244                               | \$ 24,633                              | \$ -   | \$ 4,975                   | \$ -                 | \$ -                                   |
| Salaries and benefits payable       | 238                                   | -                                    | 12,412                                 | -  | 954                        | 950                  | -                                      |
| Due to other funds                  | -                                     | 27,099                               | -                                      | 2,445  | 2,092                      | -                    | -                                      |
| Unearned revenue                    | -                                     | 3,039                                | 5,750                                  | -  | 3,750                      | -                    | -                                      |
| Total liabilities                   | <u>2,939</u>                          | <u>30,382</u>                        | <u>42,795</u>                          | <u>2,445</u>   | <u>11,771</u>              | <u>950</u>           | <u>-</u>                               |
| <b>FUND BALANCES</b>                |                                       |                                      |  |  |                            |                      |  |
| Nonspendable                        | -                                     | -                                    | -                                      | -  | -                          | -                    | -                                      |
| Restricted                          | -                                     | -                                    | -                                      | 15,445   | -                          | -                    | 28,227                                 |
| Committed                           | 46,353                                | -                                    | -                                      | -  | 4,084                      | 41,646               | -                                      |
| Unassigned                          | -                                     | (1,095)                              | -                                      | -  | -                          | -                    | -                                      |
| Total fund balances                 | <u>46,353</u>                         | <u>(1,095)</u>                       | <u>-</u>                               | <u>15,445</u>  | <u>4,084</u>               | <u>41,646</u>        | <u>28,227</u>                          |
| Total liabilities and fund balances | <u>\$ 49,292</u>                      | <u>\$ 29,287</u>                     | <u>\$ 42,795</u>                       | <u>\$ 17,890</u>                                       | <u>\$ 15,855</u>           | <u>\$ 42,596</u>     | <u>\$ 28,227</u>                       |

*(Continued)*

*See accompanying Independent Auditor's Report.*

**TOWN OF ASHFORD, CONNECTICUT**  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS *(Continued)*  
 JUNE 30, 2018

|                                     | 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 |                                   |
| <b>ASSETS</b>                       |                                |                             |                       |                  |                       |                                   |
| Cash and cash equivalents           | \$ -                           | \$ 31,142                   | \$ 6,318              | \$ 16,918        | \$ 23,236             | \$ 54,378                         |
| Investments                         | -                              | -                           | -                     | 75,015           | 75,015                | 75,015                            |
| Grants and contracts receivable     | -                              | 16,035                      | -                     | -                | -                     | 16,035                            |
| Due from other funds                | 6,174                          | 184,939                     | -                     | -                | -                     | 184,939                           |
| Total assets                        | <u>\$ 6,174</u>                | <u>\$ 232,116</u>           | <u>\$ 6,318</u>       | <u>\$ 91,933</u> | <u>\$ 98,251</u>      | <u>\$ 330,367</u>                 |
| <b>LIABILITIES</b>                  |                                |                             |                       |                  |                       |                                   |
| Accounts payable                    | \$ -                           | \$ 32,553                   | \$ -                  | \$ -             | \$ -                  | \$ 32,553                         |
| Salaries and benefits payable       | -                              | 14,554                      | -                     | -                | -                     | 14,554                            |
| Due to other funds                  | -                              | 31,636                      | -                     | 8,775            | 8,775                 | 40,411                            |
| Unearned revenue                    | -                              | 12,539                      | -                     | -                | -                     | 12,539                            |
| Total liabilities                   | <u>-</u>                       | <u>91,282</u>               | <u>-</u>              | <u>8,775</u>     | <u>8,775</u>          | <u>100,057</u>                    |
| <b>FUND BALANCES</b>                |                                |                             |                       |                  |                       |                                   |
| Nonspendable                        | -                              | -                           | 6,000                 | 75,000           | 81,000                | 81,000                            |
| Restricted                          | -                              | 43,672                      | 318                   | 8,158            | 8,476                 | 52,148                            |
| Committed                           | 6,174                          | 98,257                      | -                     | -                | -                     | 98,257                            |
| Unassigned                          | -                              | (1,095)                     | -                     | -                | -                     | (1,095)                           |
| Total fund balances                 | <u>6,174</u>                   | <u>140,834</u>              | <u>6,318</u>          | <u>83,158</u>    | <u>89,476</u>         | <u>230,310</u>                    |
| Total liabilities and fund balances | <u>\$ 6,174</u>                | <u>\$ 232,116</u>           | <u>\$ 6,318</u>       | <u>\$ 91,933</u> | <u>\$ 98,251</u>      | <u>\$ 330,367</u>                 |

*(Concluded)*

*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, 2018

|  | <b>Nonmajor Special Revenue Funds</b> |                                      |  |  |                            |                      | <b>Town<br/>Clerk Special<br/>Fund</b> |
|--|---------------------------------------|--------------------------------------|--|--|----------------------------|----------------------|--|
|  | <b>Animal<br/>Fund</b>                | <b>School<br/>Cafeteria<br/>Fund</b> | <b>Educational<br/>Grants<br/>Fund</b> | <b>Preservation of<br/>Historical<br/>Records Fund</b> | <b>Recreation<br/>Fund</b> | <b>AYSB<br/>Fund</b> |  |
| <b>REVENUES</b>                                      |                                       |                                      |  |  |                            |                      |  |
| Intergovernmental                                    | \$ -                                  | \$ 84,703                            | \$ 311,848                             | \$ 4,000   | \$ -                       | \$ 32,062            | \$ -                                   |
| Charges for services                                 | 4,172                                 | 68,764                               | -                                      | 2,107  | 37,198                     | 11,524               | 1,647                                  |
| Interest income                                      | -                                     | -                                    | -                                      | 36   | -                          | -                    | -                                      |
| Other  | 15                                    | 126                                  | -                                      | -  | 3,423                      | 874                  | -                                      |
| Total revenues                                       | <u>4,187</u>                          | <u>153,593</u>                       | <u>311,848</u>                         | <u>6,143</u>   | <u>40,621</u>              | <u>44,460</u>        | <u>1,647</u>                           |
| <b>EXPENDITURES</b>                                  |                                       |                                      |  |  |                            |                      |  |
| Current:   |                                       |                                      |  |  |                            |                      |  |
| General government                                   | -                                     | -                                    | -                                      | 7,591  | -                          | -                    | -                                      |
| Public safety  | 19,964                                | -                                    | -                                      | -  | -                          | -                    | -                                      |
| Health and welfare                                   | -                                     | -                                    | -                                      | -  | -                          | 64,584               | -                                      |
| Recreation   | -                                     | -                                    | -                                      | -  | 121,100                    | -                    | -                                      |
| Education  | -                                     | 159,154                              | 311,848                                | -  | -                          | -                    | -                                      |
| Capital outlays                                      | 750                                   | -                                    | -                                      | -  | -                          | -                    | -                                      |
| Total expenditures                                   | <u>20,714</u>                         | <u>159,154</u>                       | <u>311,848</u>                         | <u>7,591</u>   | <u>121,100</u>             | <u>64,584</u>        | <u>-</u>                               |
| Excess (deficiency) of revenues<br>over expenditures | (16,527)                              | (5,561)                              | -                                      | (1,448)  | (80,479)                   | (20,124)             | 1,647                                  |
| <b>OTHER FINANCING SOURCES</b>                       |                                       |                                      |  |  |                            |                      |  |
| Transfers in   | 19,204                                | -                                    | -                                      | -  | 84,563                     | 31,435               | -                                      |
| Net change in fund balances                          | 2,677                                 | (5,561)                              | -                                      | (1,448)  | 4,084                      | 11,311               | 1,647                                  |
| Fund balances - beginning                            | <u>43,676</u>                         | <u>4,466</u>                         | <u>-</u>                               | <u>16,893</u>  | <u>-</u>                   | <u>30,335</u>        | <u>26,580</u>                          |
| Fund balances - ending                               | <u>\$ 46,353</u>                      | <u>\$ (1,095)</u>                    | <u>\$ -</u>                            | <u>\$ 15,445</u>                                       | <u>\$ 4,084</u>            | <u>\$ 41,646</u>     | <u>\$ 28,227</u>                       |

*(Continued)*

*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, 2018

|  | <u>Nonmajor Special Revenue Funds</u> |  | <u>Permanent Funds</u>               |                          |                                      | <u>Total Nonmajor<br/>Governmental<br/>Funds</u> |
|--|---------------------------------------|--|--------------------------------------|--------------------------|--------------------------------------|--|
|  | <u>Veterans<br/>Memorial<br/>Fund</u> | <u>Total Special<br/>Revenue<br/>Funds</u> | <u>Band and<br/>Library<br/>Fund</u> | <u>Cemetery<br/>Fund</u> | <u>Total<br/>Permanent<br/>Funds</u> |  |
| <b>REVENUES</b>                                      |                                       |  |                                      |                          |                                      |  |
| Intergovernmental                                    | \$ -                                  | \$ 432,613                                 | \$ -                                 | \$ -                     | \$ -                                 | \$ 432,613                                       |
| Charges for services                                 | -                                     | 125,412                                    | -                                    | -                        | -                                    | 125,412  |
| Interest income                                      | -                                     | 36   | 13                                   | 192                      | 205                                  | 241  |
| Other  | -                                     | 4,438                                      | -                                    | -                        | -                                    | 4,438  |
| Total revenues                                       | <u>-</u>                              | <u>562,499</u>                             | <u>13</u>                            | <u>192</u>               | <u>205</u>                           | <u>562,704</u>                                   |
| <b>EXPENDITURES</b>                                  |                                       |  |                                      |                          |                                      |  |
| Current:   |                                       |  |                                      |                          |                                      |  |
| General government                                   | -                                     | 7,591                                      | -                                    | 400                      | 400                                  | 7,991  |
| Public safety  | -                                     | 19,964                                     | -                                    | -                        | -                                    | 19,964   |
| Health and welfare                                   | -                                     | 64,584                                     | -                                    | -                        | -                                    | 64,584   |
| Recreation   | -                                     | 121,100                                    | 1                                    | -                        | 1                                    | 121,101  |
| Education  | -                                     | 471,002                                    | -                                    | -                        | -                                    | 471,002  |
| Capital outlays                                      | -                                     | 750  | -                                    | -                        | -                                    | 750  |
| Total expenditures                                   | <u>-</u>                              | <u>684,991</u>                             | <u>1</u>                             | <u>400</u>               | <u>401</u>                           | <u>685,392</u>                                   |
| Excess (deficiency) of revenues<br>over expenditures | -                                     | (122,492)                                  | 12                                   | (208)                    | (196)                                | (122,688)  |
| <b>OTHER FINANCING SOURCES</b>                       |                                       |  |                                      |                          |                                      |  |
| Transfers in   | -                                     | 135,202                                    | -                                    | -                        | -                                    | 135,202  |
| Net change in fund balances                          | -                                     | 12,710                                     | 12                                   | (208)                    | (196)                                | 12,514   |
| Fund balances - beginning                            | <u>6,174</u>                          | <u>128,124</u>                             | <u>6,306</u>                         | <u>83,366</u>            | <u>89,672</u>                        | <u>217,796</u>                                   |
| Fund balances - ending                               | <u>\$ 6,174</u>                       | <u>\$ 140,834</u>                          | <u>\$ 6,318</u>                      | <u>\$ 83,158</u>         | <u>\$ 89,476</u>                     | <u>\$ 230,310</u>                                |

*(Concluded)*

*See accompanying Independent Auditor's Report.*

**TOWN OF ASHFORD, CONNECTICUT**  
 COMBINING STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
 AGENCY FUNDS  
 JUNE 30, 2018

|                           | <u>School<br/>Activity Fund</u> | <u>Babcock<br/>Cornet<br/>Band Fund</u> | <u>Babcock<br/>Fund</u> | <u>Contractor<br/>Bond Fund</u> | <u>Ashford<br/>Food Bank<br/>Fund</u> | <u>Total<br/>Agency<br/>Funds</u> |
|---------------------------|---------------------------------|---|-------------------------|---------------------------------|---------------------------------------|-----------------------------------|
| <b>ASSETS</b>             |                                 |   |                         |                                 |                                       |                                   |
| Cash and cash equivalents | \$ 36,542                       | \$ 15,691                               | \$ 2,479                | \$ 16,887                       | \$ 871                                | \$ 72,470                         |
| Receivables               | 4,000                           | 200                                     | -                       | -                               | -                                     | 4,200                             |
| Total assets              | <u>\$ 40,542</u>                | <u>\$ 15,891</u>                        | <u>\$ 2,479</u>         | <u>\$ 16,887</u>                | <u>\$ 871</u>                         | <u>\$ 76,670</u>                  |
| <b>LIABILITIES</b>        |                                 |   |                         |                                 |                                       |                                   |
| Payables                  | \$ 286                          | \$ 177                                  | \$ -                    | \$ 3,000                        | \$ 257                                | \$ 3,720                          |
| Due to others             | 40,256                          | 15,714                                  | 2,479                   | 13,887                          | 614                                   | 72,950                            |
| Total liabilities         | <u>\$ 40,542</u>                | <u>\$ 15,891</u>                        | <u>\$ 2,479</u>         | <u>\$ 16,887</u>                | <u>\$ 871</u>                         | <u>\$ 76,670</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, 2018**

|                                 | <u>Balance,<br/>July 1, 2017</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance,<br/>June 30, 2018</u> |
|---------------------------------|----------------------------------|------------------|------------------|-----------------------------------|
| <b>Student Activity Fund</b>    |                                  |                  |                  |                                   |
| Assets                          |                                  |                  |                  |                                   |
| Cash and cash equivalents       | \$ 20,670                        | \$ 40,171        | \$ 24,299        | \$ 36,542                         |
| Receivables                     | 4,900                            | 4,000            | 4,900            | 4,000                             |
| Total assets                    | <u>\$ 25,570</u>                 | <u>\$ 44,171</u> | <u>\$ 29,199</u> | <u>\$ 40,542</u>                  |
| Liabilities                     |                                  |                  |                  |                                   |
| Payables                        | \$ -                             | \$ 286           | \$ -             | \$ 286                            |
| Due to others                   | 25,570                           | 43,885           | 29,199           | 40,256                            |
| Total liabilities               | <u>\$ 25,570</u>                 | <u>\$ 44,171</u> | <u>\$ 29,199</u> | <u>\$ 40,542</u>                  |
| <b>Babcock Cornet Band Fund</b> |                                  |                  |                  |                                   |
| Assets                          |                                  |                  |                  |                                   |
| Cash and cash equivalents       | \$ 15,660                        | \$ 32            | \$ 1             | \$ 15,691                         |
| Receivables                     | 200                              | -                | -                | 200                               |
| Total assets                    | <u>\$ 15,860</u>                 | <u>\$ 32</u>     | <u>\$ 1</u>      | <u>\$ 15,891</u>                  |
| Liabilities                     |                                  |                  |                  |                                   |
| Payables                        | \$ 177                           | \$ -             | \$ -             | \$ 177                            |
| Due to others                   | 15,683                           | 32               | 1                | 15,714                            |
| Total liabilities               | <u>\$ 15,860</u>                 | <u>\$ 32</u>     | <u>\$ 1</u>      | <u>\$ 15,891</u>                  |
| <b>Babcock Fund</b>             |                                  |                  |                  |                                   |
| Assets                          |                                  |                  |                  |                                   |
| Cash and cash equivalents       | \$ 2,475                         | \$ 5             | \$ 1             | \$ 2,479                          |
| Total assets                    | <u>\$ 2,475</u>                  | <u>\$ 5</u>      | <u>\$ 1</u>      | <u>\$ 2,479</u>                   |
| Liabilities                     |                                  |                  |                  |                                   |
| Due to others                   | \$ 2,475                         | \$ 5             | \$ 1             | \$ 2,479                          |
| Total liabilities               | <u>\$ 2,475</u>                  | <u>\$ 5</u>      | <u>\$ 1</u>      | <u>\$ 2,479</u>                   |

*(Continued)*

*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, 2018

|                               | <u>Balance,<br/>July 1, 2017</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance,<br/>June 30, 2018</u> |
|-------------------------------|----------------------------------|------------------|------------------|-----------------------------------|
| <b>Contractor Bond Fund</b>   |                                  |                  |                  |                                   |
| Assets                        |                                  |                  |                  |                                   |
| Cash and cash equivalents     | \$ 16,854                        | \$ 34            | \$ 1             | \$ 16,887                         |
| Total assets                  | <u>\$ 16,854</u>                 | <u>\$ 34</u>     | <u>\$ 1</u>      | <u>\$ 16,887</u>                  |
| Liabilities                   |                                  |                  |                  |                                   |
| Payables                      | \$ 3,000                         | \$ -             | \$ -             | \$ 3,000                          |
| Due to others                 | 13,854                           | 34               | 1                | 13,887                            |
| Total liabilities             | <u>\$ 16,854</u>                 | <u>\$ 34</u>     | <u>\$ 1</u>      | <u>\$ 16,887</u>                  |
| <b>Ashford Food Bank Fund</b> |                                  |                  |                  |                                   |
| Assets                        |                                  |                  |                  |                                   |
| Cash and cash equivalents     | \$ 871                           | \$ 1             | \$ 1             | \$ 871                            |
| Total assets                  | <u>\$ 871</u>                    | <u>\$ 1</u>      | <u>\$ 1</u>      | <u>\$ 871</u>                     |
| Liabilities                   |                                  |                  |                  |                                   |
| Payables                      | \$ 257                           | \$ -             | \$ -             | \$ 257                            |
| Due to others                 | 614                              | 1                | 1                | 614                               |
| Total liabilities             | <u>\$ 871</u>                    | <u>\$ 1</u>      | <u>\$ 1</u>      | <u>\$ 871</u>                     |
| <b>Total All Agency Funds</b> |                                  |                  |                  |                                   |
| Assets                        |                                  |                  |                  |                                   |
| Cash and cash equivalents     | \$ 56,530                        | \$ 40,243        | \$ 24,303        | \$ 72,470                         |
| Receivables                   | 5,100                            | 4,000            | 4,900            | 4,200                             |
| Total assets                  | <u>\$ 61,630</u>                 | <u>\$ 44,243</u> | <u>\$ 29,203</u> | <u>\$ 76,670</u>                  |
| Liabilities                   |                                  |                  |                  |                                   |
| Payables                      | \$ 3,434                         | \$ 286           | \$ -             | \$ 3,720                          |
| Due to others                 | 58,196                           | 43,957           | 29,203           | 72,950                            |
| Total liabilities             | <u>\$ 61,630</u>                 | <u>\$ 44,243</u> | <u>\$ 29,203</u> | <u>\$ 76,670</u>                  |

*(Concluded)*

**TOWN OF ASHFORD, CONNECTICUT**

**STATE SINGLE AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2018**

**TOWN OF ASHFORD, CONNECTICUT**  
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**FOR THE YEAR ENDED JUNE 30, 2018**

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Board of Finance  
Town of Ashford, Connecticut

We have audited, in accordance with the 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, the 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, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated December 5, 2018.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

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

**Purpose of this Report**

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

*Mahoney Sabol + Company, LLP*

Certified Public Accountants  
Glastonbury, Connecticut  
December 5, 2018

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**INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM,  
ON INTERNAL CONTROL OVER COMPLIANCE, AND ON THE AND ON THE SCHEDULE OF EXPENDITURES  
OF STATE FINANCIAL ASSISTANCE REQUIRED BY THE CONNECTICUT STATE SINGLE AUDIT ACT**

To the Board of Finance  
Town of Ashford, Connecticut

**Report on Compliance for Each Major State Program**

We have audited the Town of Ashford, Connecticut’s (the “Town”) compliance with the types of compliance requirements described in the State of Connecticut, Office of Policy and Management’s *Compliance Supplement* that could have a direct and material effect on each of the Town’s major state programs for the year ended June 30, 2018. The Town’s major state programs are identified in the summary of auditor’s results section of the accompanying schedule of state findings and questioned costs.

***Management’s Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

***Auditor’s Responsibility***

Our responsibility is to express an opinion on compliance for each of the Town’s major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the State Single Audit Act (C.G.S. Sections 4-230 to 4-236). Those standards and the State Single Audit Act require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Town’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination of the Town’s compliance.

***Opinion on Each Major State Program***

In our opinion, the Town of Ashford, Connecticut complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended June 30, 2018.

## **Report on Internal Control Over Compliance**

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the State Single Audit Act, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

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

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

### **Purpose of this Report**

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the State Single Audit Act. Accordingly, this report is not suitable for any other purpose.

### **Report on Schedule of Expenditures of State Financial Assistance Required by the State Single Audit Act**

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Town, as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements. We issued our report thereon, dated December 5, 2018, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance is presented for purposes of additional analysis as required by the Connecticut State Single Audit Act and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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 schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.



Certified Public Accountants  
Glastonbury, Connecticut  
December 5, 2018

**TOWN OF ASHFORD, CONNECTICUT**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED JUNE 30, 2018**

| <u>State Grantor; Pass-Through Grantor; Program Title</u>   | <u>State Grant Program<br/>Core - CT Number</u> | <u>Expenditures</u> |
|---|---|---------------------|
| <b>NONEXEMPT PROGRAMS:</b>                                  |   |                     |
| <b>DEPARTMENT OF EDUCATION</b>                              |   |                     |
| <b>Direct:</b>  |   |                     |
| Primary Mental Health Grant                                 | 11000-SDE64370-12198                            | \$ 20,000           |
| Youth Service Bureau Grant                                  | 11000-SDE64370-17052                            | 14,000              |
| Youth Service Bureau Enhancement Grant                      | 11000-SDE64370-16201                            | 3,062               |
| Healthy Foods Initiative Grant                              | 11000-SDE64370-16212                            | 2,992               |
| School Breakfast Grant                                      | 11000-SDE64370-17046                            | 2,894               |
| Child Nutrition State Matching Grant                        | 11000-SDE64370-16211                            | 1,573               |
| <b>Total Department of Education</b>                        |   | <u>44,521</u>       |
| <b>OFFICE OF POLICY AND MANAGEMENT</b>                      |   |                     |
| <b>Direct:</b>  |   |                     |
| Local Capital Improvement Program                           | 12050-OPM20600-40254                            | 91,233              |
| Municipal Grants-In-Aid                                     | 12052-OPM20600-43587                            | 3,582               |
| Property Tax Relief for Veterans                            | 11000-OPM20600-17024                            | 1,451               |
| Property Tax Relief on Property of Totally Disabled Persons | 11000-OPM20600-17011                            | 971                 |
| Payment In Lieu Of Taxes On State Owned Property            | 11000-OPM20600-17004                            | 40                  |
| <b>Total Office of Policy and Management</b>                |   | <u>97,277</u>       |
| <b>DEPARTMENT OF TRANSPORTATION</b>                         |   |                     |
| <b>Direct:</b>  |   |                     |
| Town Aid Road Grant   | 12052-DOT57131-43455                            | 146,455             |
| Town Aid Road Grant - STO                                   | 13033-DOT57131-43459                            | 146,455             |
| <b>Total Department of Transportation</b>                   |   | <u>292,910</u>      |
| <b>CONNECTICUT STATE LIBRARY</b>                            |   |                     |
| <b>Direct:</b>  |   |                     |
| Historic Document Preservation Grant                        | 12060-CSL66094-35150                            | 4,000               |
| Connecticard Payments                                       | 11000-CSL66051-17010                            | 114                 |
| <b>Total Connecticut State Library</b>                      |   | <u>4,114</u>        |
| <b>JUDICIAL BRANCH</b>                                      |   |                     |
| <b>Direct:</b>  |   |                     |
| Court Fees  | 34001-JUD95162-40001                            | 2,980               |
| <b>OFFICE OF EARLY CHILDHOOD</b>                            |   |                     |
| <b>Direct:</b>  |   |                     |
| School Readiness in Competitive Grant Municipalities        | 11000-OEC64845-16274-83013                      | 113,400             |
| Child Care Quality Enhancement                              | 11000-OEC64845-16158                            | 3,881               |
| <b>Office of Early Childhood</b>                            |   | <u>117,281</u>      |
|   |   | <i>(Continued)</i>  |

*The accompanying note is an integral part of this schedule.*



**TOWN OF ASHFORD, CONNECTICUT**  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE *(Continued)*  
 FOR THE YEAR ENDED JUNE 30, 2018

| <u>State Grantor; Pass-Through Grantor; Program Title</u>             | <u>State Grant Program<br/>Core - CT Number</u> | <u>Expenditures</u>                       |
|---|---|---|
| <b>NONEXEMPT PROGRAMS: <i>(Continued)</i></b>                         |   |   |
| <b>DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT</b>               |   |   |
| <b>Direct:</b>  |   |   |
| Brownfield Remediation Program -<br>Squaw Hollow Road/Boston Turnpike | 12052-ECD46260-43403                            | \$ 26,043                                 |
| Arts Commission   | 11000-ECD46820-16258                            | 2,682                                     |
| <b>Total Department of Economic and Community Development</b>         |   | <u>28,725</u>                             |
| <b>Total State Financial Assistance Before Exempt Programs</b>        |   | <u>587,808</u>                            |
| <b>EXEMPT PROGRAMS:</b>   |   |   |
| <b>DEPARTMENT OF EDUCATION</b>  |   |   |
| <b>Direct:</b>  |   |   |
| Educational Cost Sharing  | 11000-SDE64370-17041-82010                      | 3,351,513                                 |
| Excess Costs Student Based and Equity                                 | 11000-SDE64000-17047                            | 92,703                                    |
| <b>Total Department of Education</b>                                  |   | <u>3,444,216</u>                          |
| <b>OFFICE OF POLICY AND MANAGEMENT</b>                                |   |   |
| <b>Direct:</b>  |   |   |
| Mashantucket Pequot and Mohegan Fund Grant                            | 12009-OPM20600-17005                            | 23,221                                    |
| Municipal Stabilization Grant   | 11000-OPM20600-17104                            | 38,895                                    |
| <b>Total Office of Policy and Management</b>                          |   | <u>62,116</u>                             |
| <b>Total Exempt Programs</b>  |   | <u>3,506,332</u>                          |
| <b>TOTAL EXPENDITURES OF STATE FINANCIAL ASSISTANCE</b>               |   | <u>\$ 4,094,140</u><br><i>(Concluded)</i> |

*The accompanying note is an integral part of this schedule.*

**TOWN OF ASHFORD, CONNECTICUT**  
NOTE TO SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE YEAR ENDED JUNE 30, 2018

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The accompanying schedule of expenditures of state financial assistance includes state grant activity of the Town of Ashford, Connecticut (the "Town") under programs of the State of Connecticut for the year ended June 30, 2018. Various departments and agencies of the State of Connecticut have provided financial assistance to the Town through grants and other authorizations in accordance with the General Statutes of the State of Connecticut. These financial assistance programs fund several programs of the Town.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the Town conform to accounting principles generally accepted in the United States of America as applicable to governmental organizations.

The information in the schedule of expenditures of state financial assistance is presented based upon regulations established by the State of Connecticut, Office of Policy and Management. The following is a summary of the more significant policies relating to the aforementioned grant programs.

**BASIS OF ACCOUNTING**

The accompanying schedule of expenditures of state financial assistance has been prepared on the accrual basis consistent with the preparation of the basic financial statements.

For cost reimbursement awards, revenues are recognized to the extent of expenditures. Expenditures have been recognized to the extent the related obligation was incurred within the applicable grant period and liquidated within 90 days after the end of the grant period.

For performance based awards, revenues are recognized to the extent of performance achieved during the grant period.

Certain financial assistance is not dependent on expenditure activity or the achievement of performance goals and, accordingly, is considered expended in the fiscal year of receipt. In accordance with Section 4-236-22 of the regulations to the Connecticut State Single Audit Act, these financial assistance program receipts are reflected in the expenditures column of the schedule of expenditures of state financial assistance.

**TOWN OF ASHFORD, CONNECTICUT**  
**SCHEDULE OF STATE FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED JUNE 30, 2018**

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**SUMMARY OF AUDITOR'S RESULTS**

**FINANCIAL STATEMENTS**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? \_\_\_\_\_ Yes    ✓ No

Significant deficiency(ies) identified? \_\_\_\_\_ Yes    ✓ None Reported

Noncompliance material to financial statements noted? \_\_\_\_\_ Yes    ✓ No

**STATE FINANCIAL ASSISTANCE**

Internal control over major programs:

Material weakness(es) identified? \_\_\_\_\_ Yes    ✓ No

Significant deficiency(ies) identified? \_\_\_\_\_ Yes    ✓ None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 4-236-24 of the Regulations to the State Single Audit Act? \_\_\_\_\_ Yes    ✓ No

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

| State Grantor and Program               | State Grant Program<br>Core-CT Number | Expenditures |
|---|---------------------------------------|--------------|
| <b>Department of Transportation:</b>    |                                       |              |
| Town Aid Road Grant                     | 12052-DOT57131-43455                  | \$ 146,455   |
| Town Aid Road Grant – STO               | 13033-DOT57131-43459                  | 146,455      |
| <b>Office of Policy and Management:</b> |                                       |              |
| Local Capital Improvement Program       | 12050-OPM20600-40254                  | 91,233       |

Dollar threshold used to distinguish between Type A and Type B programs: \$100,000