
TOWN OF ASHFORD, CONNECTICUT

Annual Financial Statements

For the Year Ended June 30, 2020

TOWN OF ASHFORD, CONNECTICUT
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INDEPENDENT AUDITOR'S REPORT

To the Board of Finance
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, CT, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Town of Ashford, CT'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, CT, as of June 30, 2020, 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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3–9, budgetary comparison information on pages 42-52, and Teacher's Retirement and OPEB schedules on pages 53-55 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 of Ashford, CT's basic financial statements. The combining and individual general and nonmajor fund financial statements and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual general and nonmajor fund financial statements and supplemental 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 general and nonmajor fund financial statements and supplemental 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 November 21, 2020, on our consideration of the Town of Ashford, CT's internal control over financial reporting and on our tests of 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 of Ashford, CT's internal control over financial reporting and compliance.



King, King & Associates, P.C., CPAs
Winsted, CT
November 21, 2020

TOWN OF ASHFORD, CONNECTICUT
Management's Discussion and Analysis
June 30, 2020

As management of the Town of Ashford, CT, we offer readers of the Town of Ashford, CT's financial statements this narrative overview and analysis of the financial activities of the Town of Ashford, CT for the fiscal year ended June 30, 2020.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Town of Ashford, CT exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$17,683,685 (*net position*). Of this amount, \$2,721,759 (*unrestricted net position*) may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net position decreased by \$258,954.
- As of the close of the current fiscal year, the Town of Ashford, CT's governmental funds reported combined ending fund balances of \$4,612,314, an increase of \$135,470 in comparison with the prior year. Of this amount, \$1,959,623 is available for spending at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$1,959,623 or 13.99 percent of total General Fund budget basis expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town of Ashford, CT's basic financial statements. The Town of Ashford, CT'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 of Ashford, CT's finances, in a manner similar to a private-sector business.

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

The *statement of activities* presents information showing how the government's net position is 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 only result in cash flows in future periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the Town of Ashford, CT that are principally supported by 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 of Ashford, CT include education, public safety, general government, public works, health and welfare, planning and development, library, and recreation. Property taxes, state and federal grants, and local revenues such as fees and licenses finance most of these activities.

TOWN OF ASHFORD, CONNECTICUT
Management's Discussion and Analysis
June 30, 2020

The government-wide financial statements can be found on pages 10-11 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 of Ashford, CT, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town of Ashford, CT 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 a government'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 government'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.

The Town of Ashford, CT, 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, Capital Nonrecurring Fund and the Small Cities Grant Program Fund. Data from the other governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The Town of Ashford, CT, adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 12-15 of this report.

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

The basic fiduciary fund financial statements can be found on pages 16-17 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 18-41 of this report.

TOWN OF ASHFORD, CONNECTICUT
Management's Discussion and Analysis
June 30, 2020

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Ashford, CT, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$17,683,685 at the close of the most recent fiscal year.

	<u>2020</u>	<u>2019</u>	<u>Variance</u>
Current and Other Assets	\$ 5,802,956	\$ 5,642,169	\$ 160,787
Capital Assets	<u>14,482,147</u>	<u>14,717,802</u>	<u>(235,655)</u>
Total Assets	<u>20,285,103</u>	<u>20,359,971</u>	<u>(74,868)</u>
Deferred Outflows of Resources	<u>15,159</u>	<u>16,430</u>	<u>(1,271)</u>
Other Liabilities	627,886	648,535	(20,649)
Long-Term Liabilities	<u>1,988,691</u>	<u>1,785,227</u>	<u>203,464</u>
Total Liabilities	<u>2,616,577</u>	<u>2,433,762</u>	<u>182,815</u>
Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
Net Position:			
Net Investment in Capital Assets	13,350,194	13,373,460	(23,266)
Restricted	1,611,732	1,670,687	(58,955)
Unrestricted	<u>2,721,759</u>	<u>2,898,492</u>	<u>(176,733)</u>
Total Net Position	<u>\$ 17,683,685</u>	<u>\$ 17,942,639</u>	<u>\$ (258,954)</u>

The largest portion of the Town's net position reflects its investment in capital assets (land, buildings, machinery and equipment, and infrastructure assets such as roads and bridges) less any related debt used to acquire those assets that is still outstanding. The Town uses these assets to provide services to its citizens; consequently, these assets are not available for spending. Net investment in capital assets decreased by \$23,266 primarily due to depreciation being greater than current year capital purchases by \$168,254, less the paydown of related debt in the amount of \$284,575, along with the amortization of the deferred charges on refunding, loss on disposal, new capital lease, and amortization of the bond premium.

The Town's restricted net position of \$1,611,732 decreased by \$58,955 compared to last years restricted net position of \$1,670,687.

The Town's unrestricted net position of \$2,721,759 decreased by \$176,733 compared to last years unrestricted net position of \$2,898,492. This decrease is primarily due to the change in the OPEB liability related to the Board of Education.

TOWN OF ASHFORD, CONNECTICUT
Management's Discussion and Analysis
June 30, 2020

	<u>2020</u>	<u>2019</u>	<u>Variance</u>
REVENUES			
<i>Program:</i>			
Charges for services	\$ 492,613	\$ 509,458	\$ (16,845)
Operating grants and contributions	5,998,955	5,093,502	905,453
Capital grants and contributions	87,025	127,175	(40,150)
<i>General:</i>			
Property taxes	10,873,043	10,623,335	249,708
Grants and contributions, not restricted to specific programs	77,699	78,346	(647)
Unrestricted investment earnings	<u>45,646</u>	<u>51,092</u>	<u>(5,446)</u>
Total Revenues	<u>17,574,981</u>	<u>16,482,908</u>	<u>1,092,073</u>
EXPENSES			
<i>Governmental Activities:</i>			
General Government	1,096,177	1,086,333	9,844
Public Safety	364,014	361,775	2,239
Public Works	1,356,334	1,394,238	(37,904)
Health and Welfare	135,426	128,026	7,400
Planning and Development	260,240	316,209	(55,969)
Education	14,201,190	12,258,707	1,942,483
Library	236,682	202,576	34,106
Recreation	159,368	156,736	2,632
Interest on long-term debt	<u>24,504</u>	<u>43,629</u>	<u>(19,125)</u>
Total Expenses	<u>17,833,935</u>	<u>15,948,229</u>	<u>1,885,706</u>
Change in Net Position	(258,954)	534,679	<u>\$ (793,633)</u>
Beginning Net Position	<u>17,942,639</u>	<u>17,407,960</u>	
Ending Net Position	<u>\$ 17,683,685</u>	<u>\$ 17,942,639</u>	

Governmental activities. Governmental activities decreased the Town of Ashford, CT's net position by \$258,954.

Key elements of this decrease are as follows:

- Change in the OPEB liability related to the Board of Education which increased the Education expenditure line by \$413,036.

Sixty-two percent (62%) of the revenues of the Town were derived from property taxes, followed by thirty-five percent (35%) from grants and contributions, three percent (3%) from charges for services and less than one percent (1%) of the Town's revenue in the fiscal year was derived from investment income.

Eighty percent (80%) of the expenses of the Town were related to education, followed by six percent (6%) related to general government, eight percent (8%) related to public works and six percent (6%) related to the remainder of the government's expenses.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds. The focus of the Town of Ashford, CT'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 of Ashford, CT's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town of Ashford, CT's governmental funds reported combined ending fund balances of \$4,612,314, an increase of \$135,470 in comparison with the prior year. Forty-two percent (42%) of this total amount constitutes *unassigned fund balance*, which is available for spending at the government's discretion.

General Fund. The General Fund is the chief operating fund of the Town of Ashford, CT. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$1,959,623. As a measure of the General Fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 13.99 percent of total General Fund budget basis expenditures.

The fund balance of the Town of Ashford, CT's General Fund increased by \$130,217 during the current fiscal year. Key factors in this increase are as follows:

- Tax collections, grants, and investment income coming in higher than anticipated.
- Expenditures coming in less than budgeted.

Capital Nonrecurring Fund. The fund balance of the Capital Nonrecurring Fund increased by \$11,562 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 \$246,559 to fund future capital projects and purchases. This transfer was offset by current year capital outlays and related debt service payments.

Small Cities Grant Program Fund. The fund balance of the Small Cities Grant Program Fund decreased by \$64,664 during the current fiscal year.

GENERAL FUND BUDGETARY HIGHLIGHTS

The original budget for the General Fund included a use of \$28,000 from fund balance. The final budget included an additional appropriation from fund balance in the amount of \$216,559 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 an increase of \$89,513, resulting in a favorable budgetary surplus of \$334,072. Budgetary revenues were \$210,329 greater than expected due primarily to higher than anticipated tax collections, state aid, and investment income. Budgetary expenditures were \$123,743 less than expected.

TOWN OF ASHFORD, CONNECTICUT
Management's Discussion and Analysis
June 30, 2020

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The Town of Ashford, CT's reported value in capital assets for its governmental activities as of June 30, 2020, amounts to \$14,482,147 (net of accumulated depreciation). This reported value 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 \$235,655, which consisted of capital additions of \$316,008, offset by current year depreciation of \$484,262 and a loss on disposal of \$67,401.

	<u>2020</u>	<u>2019</u>
Land and Land Development Rights	\$ 968,756	\$ 968,756
Buildings and Improvements	10,105,847	10,292,236
Machinery, Equipment, and Vehicles	1,763,340	1,740,443
Infrastructure	<u>1,644,204</u>	<u>1,716,367</u>
Total	<u>\$ 14,482,147</u>	<u>\$ 14,717,802</u>

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

- Purchase of a new playscape.
- Purchase of an F-350.
- Purchase of a lift.
- Disposal of old school buses.

Additional information on the Town of Ashford, CT's capital assets can be found in Note 5 on page 28 of this report.

Long-term debt. At the end of the current fiscal year, the Town of Ashford, CT had long-term debt and other long-term liabilities outstanding of \$1,988,691.

	<u>2019</u>	<u>2019</u>
G.O. Bonds	\$ 1,005,000	\$ 1,230,000
Unamortized Premium	92,970	100,633
Capital Lease Obligation	49,142	30,139
Compensated Absences	53,370	49,282
OPEB Liability	<u>788,209</u>	<u>375,173</u>
Total	<u>\$ 1,988,691</u>	<u>\$ 1,785,227</u>

The Town of Ashford, CT's total long-term debt and other long-term liabilities increased by \$203,464 (11.4 percent) during the current fiscal year primarily due to the current year paydown of the G.O. Bonds in the amount of \$225,000, the current year paydown of the capital lease obligations in the amount of \$59,575, a new capital lease for \$78,578, and the increase in the OPEB liability in the amount of \$413,036. Additional information on the Town of Ashford, CT's long-term debt can be found in Note 6 on pages 29-30 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

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

- The Town receives intergovernmental revenues from the State of Connecticut. Connecticut's economy moves in the same general cycle as the national economy, which from time to time will affect the amount of intergovernmental revenues the Town will receive.
- Increased threat of losing State funding will continue to be a variable in our local budget.
- Inflationary trends in the region compare favorably to national indices.

All of these factors were considered in preparing the Town of Ashford, CT's budget for the 2021 fiscal year. The Town's fiscal year 2021 budget was approved by the Board of Finance on May 28, 2020. There was no Town referendum due to the current COVID-19 pandemic. The Town's fiscal year 2021 budgeted expenditures for the General Fund totaled \$15,107,007, an increase of \$418,095 or 2.85% over the fiscal year 2020 original approved budgeted expenditures.

The Town has not assigned any use of fund balance of the General Fund for spending in the 2021 fiscal year budget.

REQUEST FOR INFORMATION

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

TOWN OF ASHFORD, CONNECTICUT

Statement of Net Position

June 30, 2020

	Governmental Activities
Assets	
Cash and Cash Equivalents	\$ 3,728,471
Investments	75,000
Receivables, Net	1,990,519
Other Assets	8,966
Capital Assets:	
Assets Not Being Depreciated	968,756
Assets Being Depreciated, Net	<u>13,513,391</u>
Total Assets	<u>20,285,103</u>
Deferred Outflows of Resources	
Deferred Charge on Refunding	<u>15,159</u>
Liabilities	
Accounts Payable and Accrued Items	582,135
Accrued Interest Payable	10,931
Unearned Revenue	34,820
Noncurrent Liabilities:	
Due Within One Year	264,594
Due In More Than One Year	<u>1,724,097</u>
Total Liabilities	<u>2,616,577</u>
Deferred Inflows of Resources	<u>-</u>
Net Position	
Net Investment in Capital Assets	13,350,194
Restricted for:	
Endowments - Nonexpendable	81,000
Endowments - Expendable	9,988
Other Purposes	52,244
Community Development Block Program	1,468,500
Unrestricted	<u>2,721,759</u>
Total Net Position	<u>\$ 17,683,685</u>

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

TOWN OF ASHFORD, CONNECTICUT

Statement of Activities

For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
General Government	\$ 1,096,177	\$ 160,980	\$ 12,021	\$ -	\$ (923,176)
Public Safety	364,014	5,505	-	-	(358,509)
Public Works	1,356,334	-	343,799	30,760	(981,775)
Health and Welfare	135,426	10,430	27,793	-	(97,203)
Planning and Development	260,240	-	-	32,265	(227,975)
Education	14,201,190	281,785	5,561,112	-	(8,358,293)
Library	236,682	5,137	54,230	-	(177,315)
Recreation	159,368	28,776	-	24,000	(106,592)
Interest on Long-Term Debt	24,504	-	-	-	(24,504)
Total Governmental Activities	\$ 17,833,935	\$ 492,613	\$ 5,998,955	\$ 87,025	(11,255,342)
General Revenues:					
					10,873,043
					77,699
					45,646
					10,996,388
					(258,954)
					17,942,639
					\$ 17,683,685

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

TOWN OF ASHFORD, CONNECTICUT

Balance Sheet
Governmental Funds
June 30, 2020

	General Fund	Capital Nonrecurring Fund	Small Cities Grant Program Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and Cash Equivalents	\$ 3,304,342	\$ 128,634	\$ 156,824	\$ 138,671	\$ 3,728,471
Investments	-	-	-	75,000	75,000
Receivables, Net of Allowance	627,139	6,236	1,311,681	45,463	1,990,519
Other	460	-	-	8,506	8,966
Due from Other Funds	87,356	505,856	-	176,319	769,531
Total Assets	<u>\$ 4,019,297</u>	<u>\$ 640,726</u>	<u>\$ 1,468,505</u>	<u>\$ 443,959</u>	<u>\$ 6,572,487</u>
Liabilities					
Accounts Payable and Accrued Items	\$ 549,515	\$ 600	\$ 5	\$ 32,015	\$ 582,135
Unearned Revenue	5,150	-	-	29,670	34,820
Due to Other Funds	680,083	-	-	89,448	769,531
Total Liabilities	<u>1,234,748</u>	<u>600</u>	<u>5</u>	<u>151,133</u>	<u>1,386,486</u>
Deferred Inflows of Resources					
Unavailable Revenues:					
Property Taxes and Interest	573,687	-	-	-	573,687
Fund Balances					
Nonspendable	-	-	-	81,000	81,000
Restricted	-	-	1,468,500	62,232	1,530,732
Committed	141,840	640,126	-	149,594	931,560
Assigned	109,399	-	-	-	109,399
Unassigned	1,959,623	-	-	-	1,959,623
Total Fund Balances	<u>2,210,862</u>	<u>640,126</u>	<u>1,468,500</u>	<u>292,826</u>	<u>4,612,314</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,019,297</u>	<u>\$ 640,726</u>	<u>\$ 1,468,505</u>	<u>\$ 443,959</u>	<u>\$ 6,572,487</u>

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

TOWN OF ASHFORD, CONNECTICUT

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position
June 30, 2020

Fund balances reported in governmental funds Balance Sheet	\$ 4,612,314
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	
<i>Capital Assets</i>	22,220,573
<i>Depreciation</i>	(7,738,426)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	
<i>Property taxes, interest and liens receivable greater than 60 days</i>	573,687
Deferred charges on refundings are not susceptible to accrual and therefore are not reported in the funds.	15,159
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund statements.	
<i>Accrued Interest Payable</i>	(10,931)
<i>Bonds Payable</i>	(1,005,000)
<i>Unamortized Bond Premium</i>	(92,970)
<i>Capital Leases Payable</i>	(49,142)
<i>Compensated Absences</i>	(53,370)
<i>OPEB Liability</i>	<u>(788,209)</u>
Net position of governmental activities	<u>\$ 17,683,685</u>

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

TOWN OF ASHFORD, CONNECTICUT
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2020

	General Fund	Capital Nonrecurring Fund	Small Cities Grant Program Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
Property Taxes, Interest and Lien Fees	\$ 10,830,452	\$ -	\$ -	\$ -	\$ 10,830,452
Intergovernmental Revenues	4,914,852	228,975	-	511,069	5,654,896
Licenses, Permits, and Charges for Services	393,076	-	-	99,518	492,594
Investment Income	45,144	259	-	243	45,646
Other Revenue	70,005	54,760	-	12,016	136,781
Total Revenues	<u>16,253,529</u>	<u>283,994</u>	<u>-</u>	<u>622,846</u>	<u>17,160,369</u>
Expenditures					
Current:					
General Government	822,741	-	-	5,553	828,294
Public Safety	276,659	-	-	30,863	307,522
Public Works	897,638	-	-	-	897,638
Health and Welfare	50,590	-	-	70,373	120,963
Planning and Development	160,952	-	64,664	-	225,616
Education	12,680,758	-	-	433,832	13,114,590
Library	231,683	-	-	-	231,683
Recreation	-	-	-	119,226	119,226
Employee Benefits and Insurance	401,726	-	-	-	401,726
Debt Service:					
Principal Payments	225,000	59,575	-	-	284,575
Interest and Fiscal Charges	33,650	621	-	-	34,271
Capital Outlay	-	537,373	-	-	537,373
Total Expenditures	<u>15,781,397</u>	<u>597,569</u>	<u>64,664</u>	<u>659,847</u>	<u>17,103,477</u>
Excess/(Deficiency) of Revenues over Expenditures	472,132	(313,575)	(64,664)	(37,001)	56,892
Other Financing Sources/(Uses)					
Transfers In	45,838	246,559	-	141,194	433,591
Transfers Out	(387,753)	-	-	(45,838)	(433,591)
Issuance of Capital Leases	-	78,578	-	-	78,578
Total Other Financing Sources/(Uses)	<u>(341,915)</u>	<u>325,137</u>	<u>-</u>	<u>95,356</u>	<u>78,578</u>
Net Change in Fund Balances	130,217	11,562	(64,664)	58,355	135,470
Fund Balances at Beginning of Year	<u>2,080,645</u>	<u>628,564</u>	<u>1,533,164</u>	<u>234,471</u>	<u>4,476,844</u>
Fund Balances at End of Year	<u>\$ 2,210,862</u>	<u>\$ 640,126</u>	<u>\$ 1,468,500</u>	<u>\$ 292,826</u>	<u>\$ 4,612,314</u>

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

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, 2020

Net Change in Fund Balances - Total Governmental Funds \$ 135,470

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

<i>Capital outlay</i>	316,008
<i>Depreciation expense</i>	(484,262)
<i>Loss on disposal</i>	(67,401)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenue in the funds

<i>Property taxes, interest and liens collected accrual basis change</i>	42,591
--	--------

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.

<i>Proceeds from long-term debt - capital leases</i>	(78,578)
<i>Principal payments on long-term debt - general obligation bonds</i>	225,000
<i>Principal payments on long-term debt - capital leases</i>	59,575

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

<i>Accrued Interest</i>	3,375
<i>Amortization of Bond Premium</i>	7,663
<i>Amortization of Deferred Charges on Refunding</i>	(1,271)
<i>Compensated Absences</i>	(4,088)
<i>OPEB Liability</i>	<u>(413,036)</u>

Change in net position of governmental activities **\$ (258,954)**

TOWN OF ASHFORD, CONNECTICUT

Statement of Fiduciary Net Position

Fiduciary Funds

June 30, 2020

	Pension Trust Fund	Private Purpose Trust Funds	Agency Funds
Assets			
Cash and Cash Equivalents	\$ 3,281	\$ 34,572	\$ 55,660
Investments, at Fair Value			
Mutual Funds	400,126	51,135	-
Exchange-traded Funds	-	75,173	-
Equity Securities	894,303	-	-
Employer Contributions Receivable	70,935	-	-
Other Receivables	-	-	15,250
Total Assets	<u>\$ 1,368,645</u>	<u>\$ 160,880</u>	<u>\$ 70,910</u>
Deferred Outflows of Resources			
	<u>-</u>	<u>-</u>	<u>-</u>
Liabilities			
Payables	\$ -	\$ 15,050	\$ 7,434
Fiduciary Deposits	-	-	63,476
Total Liabilities	<u>-</u>	<u>15,050</u>	<u>\$ 70,910</u>
Deferred Inflows of Resources			
	<u>-</u>	<u>-</u>	<u>-</u>
Net Position			
Restricted for Pension Benefits	1,368,645	-	
Restricted for Other Purposes	-	145,830	
Total Net Position	<u>\$ 1,368,645</u>	<u>\$ 145,830</u>	

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

TOWN OF ASHFORD, CONNECTICUT
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2020

	<u>Pension Trust Fund</u>	<u>Private Purpose Trust Funds</u>
Additions		
Contributions:		
Employer	\$ 74,246	\$ -
Investment Income:		
Net Appreciation/(Depreciation) in Fair Value of Investments	(15,420)	654
Interest and Dividends	<u>37,941</u>	<u>3,344</u>
Total Investment Income	22,521	3,998
Less: Investment Management Fees	<u>11,181</u>	<u>1,243</u>
Net Investment Income	<u>11,340</u>	<u>2,755</u>
Total Additions	<u>85,586</u>	<u>2,755</u>
Deductions		
Benefit Payments	<u>69,986</u>	<u>6,100</u>
Total Deductions	<u>69,986</u>	<u>6,100</u>
Change in Net Position	15,600	(3,345)
Net Position at Beginning of Year	<u>1,353,045</u>	<u>149,175</u>
Net Position at End of Year	<u>\$ 1,368,645</u>	<u>\$ 145,830</u>

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

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Town of Ashford, Connecticut (the “Town”) have been prepared in conformance with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing the governmental accounting and financial reporting principles. The Town’s significant accounting policies are described below.

Reporting Entity

The Town 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. Under this form of government, 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 Town's financial statements include the accounts of all Town controlled operations. As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the Town of Ashford (the primary government) and its component units. The basic criteria for inclusion of a component unit in a governmental unit's reporting entity for financial reporting is the exercise of oversight responsibility. Oversight responsibility is determined on the basis of financial interdependence, selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters and scope of public service. Currently, there are no entities considered component units of the Town. The Town includes all funds, agencies, boards, commissions, and authorities that are controlled by or dependent on the Town's executive and legislative branches. The financial statements presented herein do not include agencies which have been formed under applicable State laws or separate and distinct units of government apart from the Town of Ashford.

Related Organizations

The Town is a member of Regional School District No. 19 (the “District”), which is located in 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 in the current fiscal year totaled \$3,674,973. In addition to annual member assessments, the Town is contingently liable for its pro-rata share of the District’s outstanding bonds. The District is governed by an elected Board of Education and issues publicly available financial reports.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities are normally supported by taxes and intergovernmental revenues.

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

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

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

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

Measurement Focus, Basis of Accounting, and Financial Statements Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting* as are the fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Their revenues are recognized when they become measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred. Exceptions to this general rule include: compensated absences, debt service, capital leases, other post-employment benefit obligations, and claims and judgments that are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes when levied, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government, or specifically identified.

Governmental Funds are those through which most governmental functions typically are financed. The following are the Town's major governmental funds:

- The *General Fund* is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another manner. Revenues are derived primarily from property taxes, state grants, licenses, permits, charges for services, and earnings on investments.

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

- The *Capital Nonrecurring Fund* is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of major capital facilities and other capital assets.
- The *Small Cities Grant Program 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.

Fiduciary Funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, and other governments. Fiduciary funds are not included in the government-wide financial statements. The fiduciary funds are as follows:

- The *Pension Trust Fund* is used to account for the activities of the Town Employees' Retirement System, which accumulates resources for retirement benefit payments to qualified employees.
- The *Private Purpose Trust Fund* 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.
- The *Agency Funds* account for resources held by the Town in a purely custodial capacity.

Estimates

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

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or 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 - In general, State of Connecticut Statutes allow the Town to invest in obligations of the United States of America or United States government sponsored corporations, in shares or other interests in any custodial arrangement, pool, or no-load, open-end management type investment company or investment trust, in obligations of any state or political subdivision rated within the top two rating categories of any nationally recognized rating service, or in obligations of the State of Connecticut or political subdivision rated within the top three rating categories of any nationally recognized rating service. The Statutes (Sections 3-24f and 3-27f) also provide for investment in shares of the Connecticut Short-Term Investment Fund. Trust funds are able to invest in a wider range of investments. Investments are stated at fair value, based on quoted market prices. Certificates of Deposit are reported at cost.

The Short-Term Investment Fund ("STIF") is a money market investment pool managed by the Cash Management Division of the State Treasurer's Office created by Section 3-27 of the Connecticut General Statutes ("CGS"). Pursuant to CGS 3-27a through 3-27f, the State, municipal entities, and political subdivisions of the State are eligible to invest in the fund. The fund is considered a "2a7-like" pool and, as such, reports its investments at amortized cost (which approximates fair value). A 2a7-like pool is not necessarily registered with the Security and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

consistent with the SEC's rule 2a7 of the Investment Company Act of 1940 that allows money market mutual funds to use the amortized cost to report net assets. The pool is overseen by the Office of the State Treasurer. The pool is rated AAAM by Standard & Poor. This is the highest rating for money market funds and investment pools. The pooled investment funds' risk category cannot be determined since the Town does not own identifiable securities but invests as a shareholder of the investment pool. The fair value of the position in the pool is the same as the value of the pool shares.

Taxes Receivable - All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. The Town has established an allowance for estimated uncollectible motor vehicle and personal property taxes and interest in the amount of \$204,000. Property taxes are assessed of October 1 and billed the following July. Real property bills are payable in two installments, July 1 and January 1. Motor vehicle and personal property taxes are payable in one installment on July 1, with the motor vehicle supplemental bills payable on January 1. Assessments for real and personal property, including motor vehicles, are computed at seventy percent of the market value. Liens are effective on the assessment date and are continued by filing before the end of the year following the due date.

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, 2020, loans receivable totaled \$1,311,681 under this program.

Due From/To Other Funds - Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as interfund receivables and payables. They arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

Capital Assets - Capital assets, which include property, equipment, and infrastructure assets (e.g. roads, bridges, sidewalks, and similar items), are reported in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 for machinery, equipment, and vehicles, \$20,000 for land, building and improvements, and \$100,000 for infrastructure, and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	10 - 100
Machinery, Equipment, and Vehicles	3 - 30
Infrastructure	20 - 100

Unearned Revenues - Unearned revenues arise when assets are recognized before revenue recognition criteria have been satisfied. In the government-wide financial statements, unearned revenues consist of revenue received in advance and/or amounts from grants received before the eligibility requirements have been met.

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

Long-term obligations - In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the 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 recognized as an expense in the period they are incurred.

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

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

Deferred Outflows/Inflows of Resources – In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *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 (expense/expenditure) 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.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *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 (revenue) 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.

Fund equity and net position– Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. In the government-wide statement of net position, net position is classified in the following categories:

Net Investment in Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduces this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors or, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents the net position of the Town, which is not restricted for any project or other purpose.

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

When both restricted and unrestricted resources are available for certain expenses, the Town expends restricted resources first and uses unrestricted resources when the restricted funds are depleted.

In the fund financial statements, fund balances of governmental funds are classified in the following five separate categories:

Nonspendable Fund Balance – Indicates amounts that cannot be spent because they are either not in spendable form, or are legally or contractually required to be maintained intact. Examples are items that are not expected to be converted to cash including inventories and prepaid expenditures in the General Fund. Examples of items legally or contractually required to be maintained intact are the corpus of permanent funds.

Restricted Fund Balance – Indicates amounts that are restricted to specific purposes. The spending constraints placed on the use of fund balance amounts are externally imposed by creditors, grantors, contributors or, laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Committed Fund Balance – Indicates amounts that can be used only for specific purposes pursuant to constraints imposed by formal budgetary action of the Board of Finance and Town Meeting in accordance with provisions of the Connecticut General Statutes.

Assigned Fund Balance – Indicates amounts that are constrained by the Town's intent to be used for specific purposes, but are neither restricted nor committed. Intent is expressed by action of Town Officials.

Unassigned Fund Balance – Represents the remaining fund balance after amounts are set aside for all other classifications.

The Town does not have a formal policy over the use of fund balance. When both restricted and unrestricted (committed, assigned, unassigned) amounts of fund balance are available for use for expenditures incurred, it is assumed that the Town will use restricted fund balance first if the expenditure meets the restricted purpose, followed by committed, assigned and unassigned amounts.

The Town has adopted a fund balance policy to maintain a minimum General Fund unassigned Fund Balance of 10-15% of budgeted expenditures.

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

Fair Value of Financial Instruments

In accordance with GASB Statement No. 72, the Town is required to measure the fair value of its assets and liabilities under a three-level hierarchy, as follows:

Level 1: Quoted market prices for identical assets or liabilities to which an entity has access to at the measurement date.

Level 2: Inputs and information other than quoted market indices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include:

- a. Quoted prices for similar assets or liabilities in active markets.
- b. Quoted prices for identical or similar assets in markets that are not active;

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

- c. Observable inputs other than quoted prices for the assets or liability;
- d. Inputs derived principally from, or corroborated by, observable market data by correlation or by other means.

Level 3: Unobservable inputs for the asset or liability. Unobservable inputs should be used to measure the fair value to the extent that observable inputs are not available.

Observable inputs reflect the assumptions market participants would use in pricing the asset or liability developed from sources independent of the reporting entity; and *unobservable inputs* reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

Certificates of Deposit are reported at amortized cost and are excluded from the fair value disclosures.

NOTE 2 – CASH, CASH EQUIVALENTS, AND INVESTMENTS

The deposit of public funds is controlled by the Connecticut General Statutes (Section 7-402). Deposits may be made in a "qualified public depository" as defined by Statute or in amounts not exceeding the Federal Deposit Insurance Corporation insurance limit in an "out of state bank" as defined by the Statutes, which is not a "qualified public depository". The following is a summary of cash and cash equivalents at June 30, 2020.

	Governmental Funds	Fiduciary Funds	Total
Cash	\$ 2,397,970	\$ 93,513	\$ 2,491,483
Cash Equivalents	1,330,501	-	1,330,501
Total Cash and Cash Equivalents	\$ 3,728,471	\$ 93,513	\$ 3,821,984

Custodial Credit Risk - Deposits: Custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town does not have a deposit policy for custodial credit risk. The State of Connecticut requires that each depository maintain segregated collateral in an amount equal to a defined percentage of its public deposits based upon the bank's risk-based capital ratio. The following is a reconciliation of the Town's deposits subject to custodial credit risk:

Cash and Cash Equivalents	\$ 3,821,984
Less: Cash Equivalents (STIF)	(1,330,501)
Plus: Investments (CDs)	75,000
	\$ 2,566,483

At year-end, the Town's carrying amount of deposits subject to custodial credit risk was \$2,566,483 and the bank balance was \$2,795,185. Of the bank balance, the Federal Depository Insurance Corporation insured \$1,967,302.

As of June 30, 2020, \$827,883 of the Town's bank balance of \$2,795,185 was exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 175,342
Uninsured and collateral held by pledging bank's Trust department not in the Town's name	652,541
Total	\$ 827,883

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

Cash Equivalents

At June 30, 2020, the Town's cash equivalents (Short-Term Investment Fund "STIF") amounted to \$1,330,501. STIF is rated AAAM by Standard and Poor's and has an average maturity of under 60 days.

Investments

The following is a summary of investments at June 30, 2020:

	Governmental Funds	Fiduciary Funds	Total
Certificates of Deposit	\$ 75,000	\$ -	\$ 75,000
Mutual Funds	-	451,261	451,261
Exchange-traded Funds	-	75,173	75,173
Equity Securities	-	894,303	894,303
Total Investments	<u>\$ 75,000</u>	<u>\$ 1,420,737</u>	<u>\$ 1,495,737</u>

The following is a summary of assets measured at fair value:

<u>Description</u>	June 30, 2020	<u>Fair Value Measurements Using</u>		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Mutual Funds	\$ 451,261	\$ 451,261	\$ -	\$ -
Exchange-traded Funds	75,173	75,173	-	-
Equity Securities	894,303	894,303	-	-
Total	1,420,737	<u>\$ 1,420,737</u>	<u>\$ -</u>	<u>\$ -</u>
Investments not included above:				
Certificates of Deposit	75,000			
Total Investments	<u>\$ 1,495,737</u>			

The Certificates of Deposit are reported at cost and covered by FDIC insurance.

Custodial Credit Risk - This is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The Town does not have a policy for custodial credit risk.

Credit Risk – The Town does not have an investment policy that limits investment choices further than the Connecticut General Statutes. Generally, credit risk is defined as the risk that an issuer of a debt type investment will not fulfill its obligation to the holder. This is measured by assignment of a rating by a nationally recognized rating organization.

Concentrations of Credit Risk – The Town places no limit on the amount of investment in any one issuer.

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

Interest Rate Risk - The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. As of June 30, 2020, the Town had the following investments subject to interest rate risk:

	Total	Investment Maturities (In Years)		
		Less Than 1	1 - 5	6 - 10
Certificates of Deposit	\$ 75,000	\$ 75,000	\$ -	\$ -

NOTE 3 – RECEIVABLES

Receivables as of year-end for the Town’s individual major funds and nonmajor and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Capital Nonrecurring Fund	Small Cities Grant Program Fund	Nonmajor and Other Funds	Total
Receivables:					
Property Taxes	\$ 506,932	\$ -	\$ -	\$ -	\$ 506,932
Interest, Liens, and Fees	305,566	-	-	-	305,566
Loans	-	-	1,311,681	-	1,311,681
Intergovernmental	-	6,236	-	45,463	51,699
Accounts	18,641	-	-	15,250	33,891
Gross Receivables	831,139	6,236	1,311,681	60,713	2,209,769
Less Allowance for					
Uncollectibles:					
Property Taxes	(82,000)	-	-	-	(82,000)
Interest, Liens, and Fees	(122,000)	-	-	-	(122,000)
Total Allowance	(204,000)	-	-	-	(204,000)
Net Total Receivables	\$ 627,139	\$ 6,236	\$ 1,311,681	\$ 60,713	\$ 2,005,769

The loans receivable of \$1,311,681 in the Small Cities Grant Program Fund are long-term receivables and not expected to be collected within one year.

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

	Governmental Funds
General Fund:	
Advances on Grants	\$ 5,150
Nonmajor Funds:	
Advances on Grants	27,852
Fees Collected in Advance	1,818
Total Unearned Revenue	\$ 34,820

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

NOTE 4 – INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

The outstanding balances between funds result mainly from the time lag between the dates that: 1) inter-fund goods and services are provided or reimbursable expenditures occur; 2) transactions are recorded in the accounting system; and 3) payments between funds are made. At June 30, 2020, the outstanding balances between funds were:

Payable Fund	Receivable Fund	Total
General Fund	Capital Nonrecurring	\$ 505,856
General Fund	Nonmajor Governmental Funds	174,227
Nonmajor Governmental Funds	General Fund	87,356
Nonmajor Governmental Funds	Nonmajor Governmental Funds	2,092
		\$ 769,531

Fund 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. Interfund transfers during the year ended June 30, 2020 were as follows:

Transfers In:	Transfers Out:	Total
Capital Nonrecurring Fund	General Fund	\$ 246,559
Nonmajor Governmental Funds	General Fund	141,194
General Fund	Nonmajor Governmental Funds	45,838
		\$ 433,591

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

NOTE 5 – CAPITAL ASSETS

The following is a summary of the change in capital assets as of June 30, 2020:

	Beginning Balance	Increases	Decreases	Ending Balances
Governmental Activities				
Capital assets, not being depreciated				
Land and Land Development Rights	\$ 968,756	\$ -	\$ -	\$ 968,756
Total capital assets, not being depreciated	<u>968,756</u>	<u>-</u>	<u>-</u>	<u>968,756</u>
Capital assets, being depreciated				
Buildings and Improvements	14,554,770	-	-	14,554,770
Machinery, Equipment, and Vehicles	4,317,830	316,008	(392,330)	4,241,508
Infrastructure	2,455,539	-	-	2,455,539
Total capital assets, being depreciated	<u>21,328,139</u>	<u>316,008</u>	<u>(392,330)</u>	<u>21,251,817</u>
Less accumulated depreciation for:				
Buildings and Improvements	4,262,534	186,389	-	4,448,923
Machinery, Equipment, and Vehicles	2,577,387	225,710	(324,929)	2,478,168
Infrastructure	739,172	72,163	-	811,335
Total accumulated depreciation	<u>7,579,093</u>	<u>484,262</u>	<u>(324,929)</u>	<u>7,738,426</u>
Total capital assets, being depreciated, net	<u>13,749,046</u>	<u>(168,254)</u>	<u>(67,401)</u>	<u>13,513,391</u>
<i>Capital assets, net</i>	<u>\$ 14,717,802</u>	<u>\$ (168,254)</u>	<u>\$ (67,401)</u>	<u>\$ 14,482,147</u>

Depreciation and amortization expense were charged to functions/programs of the primary government as follows:

General Government	\$ 88,623
Public Safety	51,533
Public Works	99,848
Library	4,999
Recreation	5,117
Education	234,142
Total	<u>\$ 484,262</u>

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

NOTE 6 – LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2020 was as follows:

Governmental Activities	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable:					
General Obligation Bonds	\$ 1,230,000	\$ -	\$ 225,000	\$ 1,005,000	\$ 225,000
Unamortized Premium	100,633	-	7,663	92,970	7,663
Total Bonds Payable	1,330,633	-	232,663	1,097,970	232,663
Capital Leases	30,139	78,578	59,575	49,142	23,078
Compensated Absences	49,282	4,088	-	53,370	8,853
OPEB Liability	375,173	413,036	-	788,209	-
Total	<u>\$ 1,785,227</u>	<u>\$ 495,702</u>	<u>\$ 292,238</u>	<u>\$ 1,988,691</u>	<u>\$ 264,594</u>

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

General Obligation Bonds

The Town issues general obligation bonds to provide financing for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations of the Town and pledge the full faith and credit of the Town. These bonds generally are issued as 20-year serial bonds with equal amounts of principal maturing each year. General obligation bonds outstanding as of June 30, 2020 consisted of the following:

Bond Issue	Year of Issue	Original Amount	Interest Rates	Final Maturity	Principal Outstanding June 30, 2020
General Obligation Refunding Bonds	2013	\$ 2,640,000	2 - 4%	2033	\$ 1,005,000

The annual debt service requirements of the Town's general obligation bonds are as follows:

Year(s)	Principal	Interest	Total
2021	\$ 225,000	\$ 25,775	\$ 250,775
2022	220,000	20,200	240,200
2023	220,000	15,800	235,800
2024	30,000	13,000	43,000
2025	30,000	11,800	41,800
2026-2030	165,000	40,100	205,100
2031-2035	115,000	7,100	122,100
Total	<u>\$ 1,005,000</u>	<u>\$ 133,775</u>	<u>\$ 1,138,775</u>

Interest paid and expensed on general obligation bonds for the year ended June 30, 2020 totaled \$33,650.

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

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, 2020, the District's total outstanding bonds were \$930,000, with 19.36%, or \$180,048 representing the Town's share. Regional School District No. 19 has \$6,850,000 of authorized, unissued bonds, for which the Town would be contingently liable.

Capital Leases

The Town has entered into a lease agreement as lessee for financing the acquisition of a new playscape. The lease agreement qualifies as a capital lease for accounting purposes and, therefore, has been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	Governmental Activities
Assets:	
Equipment	\$ 102,578
Less accumulated depreciation	(2,849)
Total	\$ 99,729

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020, were as follows:

	Governmental Activities
Year ending June 30:	
2021	\$ 29,436
2022	29,436
Less amount representing interest	(9,730)
Total	\$ 49,142

In connection with the leasing of a certain piece of equipment, the Town has entered into an agreement with a third-party energy provider. The provider has committed to making annual contributions to the Town, conditioned upon continued participation in an agreed upon municipal brush control program, to offset the annual debt service requirements on the equipment. During the year ended June 30, 2020, the Town received \$30,760. The mower was paid off during the year ended June 30, 2020 and there are no future contributions expected to be received for the equipment.

Compensated Absences

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

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

NOTE 7 - FUND BALANCE COMPONENTS

The components of fund balance for the governmental funds at June 30, 2020 are as follows:

	General Fund	Capital Nonrecurring Fund	Small Cities Grant Program Fund	Nonmajor Governmental Funds	Total
Fund Balances:					
Nonspendable:					
Permanent Fund Principal	\$ -	\$ -	\$ -	\$ 81,000	\$ 81,000
Restricted for:					
Donor Restrictions	\$ -	\$ -	\$ -	\$ 9,988	\$ 9,988
Community Development Block Program	-	-	1,468,500	-	1,468,500
General Government	-	-	-	52,244	52,244
Total Restricted	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,468,500</u>	<u>\$ 62,232</u>	<u>\$ 1,530,732</u>
Committed to:					
General Government	\$ 23,687	\$ -	\$ -	\$ 4,937	\$ 28,624
Public Works	5,730	-	-	-	5,730
Public Safety	-	-	-	37,573	37,573
Health and Welfare	-	-	-	39,882	39,882
Education	55,413	-	-	63,961	119,374
Library	57,010	-	-	-	57,010
Recreation	-	-	-	3,241	3,241
Capital	-	640,126	-	-	640,126
Total Committed	<u>\$ 141,840</u>	<u>\$ 640,126</u>	<u>\$ -</u>	<u>\$ 149,594</u>	<u>\$ 931,560</u>
Assigned:					
Encumbrances:					
General Government	\$ 90,583	\$ -	\$ -	\$ -	\$ 90,583
Education	18,816	-	-	-	18,816
Subsequent Budget	-	-	-	-	-
Total Assigned	<u>\$ 109,399</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,399</u>
Unassigned:	<u>\$ 1,959,623</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,959,623</u>

NOTE 8 – RETIREMENT BENEFITS

Defined Contribution Retirement Plan

The Town established a single employer defined contribution plan called the Town of Ashford MPP (the "Plan") to provide retirement benefits for all of its full-time employees. Under provisions of the Plan, all full-time employees (except those covered under a comparable employer plan) may participate. The Town is required to contribute an amount equal to 7% of employee covered payroll. Plan participants are not required to contribute to the plan. The Plan does not issue stand alone financial statements and is part of the Town's financial reporting entity since the Town has trustee responsibilities related to the participant accounts which contain employer contributions. As such, the Plan is accounted for in the fiduciary fund financial statements as a pension trust fund. Town contributions are recognized when due and the Town has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan. Investment income is recognized when earned and gains and losses on sales or exchanges are recognized on the transaction date. Employer contributions totaled \$74,246 for the year ended June 30, 2020.

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

Connecticut State Teacher's Retirement System

Plan Description: Teachers, principals, superintendents, or supervisors engaged in service of public schools are provided with pensions through the Connecticut State Teachers' Retirement System (the "System"). The System is a cost sharing multiple-employer defined benefit pension plan administered by the Connecticut State Teachers' Retirement Board (CTRB). Chapter 167a of the State Statutes grants authority to establish and amend the benefited terms to the CTRB Board. The CTRB issues a publicly available financial report that can be obtained at www.ct.gov, or by writing to the State of Connecticut, Office of the State Comptroller, 55 Elm Street, Hartford, Connecticut 06106.

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% of the average annual salary times years of credited service (maximum benefit is 75% of average annual salary during the 3 highest years of salary).

Early Retirement: Employees are eligible after 25 years of credited service including 20 years of Connecticut service, or age 55 with 20 years of credited service including 15 years of Connecticut service with reduced benefit amounts.

Disability Retirement: Employees are eligible for service-related disability regardless of length of service. Five years of credited service is required for non-service-related disability or eligibility. 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% of average annual salary, nor more than 50% of average annual salary.

Contributions: Per Connecticut General Studies Section 10-183z, contribution requirements of active employees and the State of Connecticut are approved, amended, and certified by the State Teachers Retirement Board and appropriated by the General Assembly.

Employer (School Districts): School District employers are not required to make contributions to the plan. The statutes require the State of Connecticut to contribute 100% of each school districts' required contributions, which are actuarially determined as an amount, that, when combined with employee contributions, is expected to finance the costs of the benefits earned by employees during the year, with any additional amount to finance any unfunded accrued liability.

Employees: Participants are required to contribute 7% of their annual salary to the System as required by the CGS Section 10-183b(7). For the year ended June 30, 2020 the certified teachers' contribution to the Connecticut Teachers Retirement Board was \$218,126. Covered payroll for the Town for the year ended June 30, 2020 was approximately \$3,118,980.

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions: At June 30, 2020 the Town reports no amounts for its proportionate share of the net pension liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the Town were as follows:

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

Town's proportionate share of the net pension liability	\$ -
State's proportionate share of the net pension liability associated with the Town	<u>13,062,008</u>
Total	<u>\$ 13,062,008</u>

The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. At June 30, 2020, the Town had no proportionate share of the net pension liability.

For the year ended June 30, 2020, the Town recognized benefits expense and contribution revenue of \$988,724 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized \$1,604,237 for pension expense related to actuarial liabilities for on-behalf amounts for the benefits provided by the State.

Actuarial Assumptions: The actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2010 through June 30, 2015. The total pension liability was determined by an actuarial valuation as of June 30, 2018, using the following actuarial assumptions, applied to all periods included in the measurement.

Inflation	2.50 Percent
Salary increases, including inflation	3.25-6.50 Percent
Long-term investment rate of return, net of pension investment expense, including inflation.	6.90 Percent

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.

Future cost-of-living increases for members 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%.

The long-term expected rate of return on pension investments was determined using a log-normal distributions 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. The current capital market assumptions and the target asset allocation as provided by the Treasurer's Office are summarized in the following table:

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

<u>Asset Class</u>	<u>Expected Return</u>	<u>Target Allocation</u>	<u>Standard Deviation</u>
Public Equity - US Equity	8.10%	20.00%	17.00%
Public Equity - International Developed Equity	8.50%	11.00%	19.00%
Public Equity - Emerging Markets Equity	10.40%	9.00%	24.00%
Fixed Income - Core Fixed Income	4.60%	16.00%	7.00%
Fixed Income - Inflation Linked Bonds	3.60%	5.00%	7.00%
Fixed Income - High Yield	6.50%	6.00%	11.00%
Fixed Income - Emerging Market Debt	5.20%	5.00%	11.00%
Private Equity	9.80%	10.00%	23.00%
Real Estate	7.00%	10.00%	15.00%
Alternative Investments - Real Assets	8.20%	4.00%	17.00%
Alternative Investments - Hedge Funds	5.40%	3.00%	7.00%
Liquidity Fund	2.90%	1.00%	1.00%

The geometric rates of expected return shown in the table above are nominal returns net of investment expenses.

Discount Rate: The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that State contributions will be made at the actuarially determined rates in future years. Based on those assumptions, the pension's fiduciary net position was projected to be available to make all projected future benefit payments of current members. Therefore, the long-term expected rate of return on pension investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate: The Town's proportionate share of the net pension liability is \$0 and therefore the change in the discount rate would only impact the amount recorded by the State of Connecticut.

Other Post-Employment Benefits

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: At June 30, 2020, the following employees were covered by the benefit terms:

Retirees, beneficiaries, and dependents currently receiving benefits	4
Active participants	27
	31

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

Total OPEB Liability: The Town's total OPEB liability of \$788,209 was measured as of June 30, 2020 and was determined using the Alternative Measurement Method (AMM).

Actuarial Assumptions and Other Inputs: The total OPEB liability as of June 30, 2020 was determined using the following assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	2.02% as of June 30, 2020
Healthcare Cost Trend Rates:	
Pre-65 Medical	2.00% increasing to an ultimate rate of 4.80%, subsequently decreasing to 4.70%.
Post-65 Medical	2.00% increasing to an ultimate rate of 4.80%, subsequently decreasing to 4.70%.
Prescription Drug	7.60% decreasing each year, 4.70% ultimate rate
Dental	1.00% increasing to an ultimate rate of 3.00%
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:

	Total OPEB Liability
Balance at 6/30/19	\$ 375,173
Changes for the year:	
Service Cost	5,544
Interest	11,017
Changes of Benefit Terms	-
Effect of Economic/Demographic Gains/Losses	337,597
Changes of Assumptions and Differences	
Between Expected and Actual Experience	86,017
Benefit Payments	(27,139)
Net Changes	413,036
Balance at 6/30/20	<u>\$ 788,209</u>

Changes in assumptions included a decrease in the discount rate from 3.00% to 2.02% and an increase in the projected participation percentage from 7.00% to 25.00%.

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 (1.02%) or 1-percentage-point higher (3.02%) than the current discount rate:

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

	1% Decrease 1.02%	Current Discount Rate 2.02%	1% Increase 3.02%
Total OPEB Liability	\$ 893,603	\$ 788,209	\$ 700,589

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:

	1% Decrease	Current Trend Rates	1% Increase
Total OPEB Liability	\$ 683,063	\$ 788,209	\$ 916,788

Connecticut Teachers' Retirement System - OPEB

Plan Description - Teachers, principals, superintendents or supervisors engaged in service of public schools are provided with benefits, including retiree health insurance, through the Connecticut Teachers' Retirement System—a cost sharing multiemployer defined benefit pension plan administered by the TRB. Chapter 167a of the State Statutes grants authority to establish and amend the benefit terms to the TRB. TRS issues a publicly available financial report that can be obtained at www.ct.gov.

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 healthcare 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. 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. 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.

Contributions - Per Connecticut General Statutes Section 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 an annual appropriation in the General Fund.

TOWN OF ASHFORD, CONNECTICUT
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School district employers are not required to make contributions to the Plan. The State of Connecticut's estimated allocated contribution to the Plan on behalf of the Town was \$27,023.

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.

Actuarial Assumptions - The total OPEB liability was determined by an actuarial valuation as of June 30, 2018 using the following actuarial assumptions and other inputs, applied to all periods included in the measurement:

Inflation	2.50%
Real Wage Growth	0.75%
Wage Inflation	3.25%
Salary increases	3.25-6.50%, including inflation
Long-term investment rate of return	3.00%, net of OPEB plan investment expense, including inflation
<u>Municipal bond index rate:</u>	
Measurement Date	3.50%
Prior Measurement Date	3.87%

The projected fiduciary net position is projected to be depleted in 2019.

Single equivalent interest rate

Measurement Date	3.50%, net of OPEB plan investment expense, including price inflation
Prior Measurement Date	3.87%, net of OPEB plan investment expense, Including price inflation

Healthcare cost trend rates:

Pre-Medicare	5.95% for 2018 decreasing to an ultimate Rate of 4.75% by 2025
Medicare	5.00% for 2018 decreasing to an ultimate Rate of 4.75% by 2028

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 GASB 75 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.

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

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

Asset Class	Target Allocation	Expected 10-Year Geometric Real Rate of Return	Standard Deviation
U.S. Treasuries (Cash Equivalents)	100.0%	0.41%	2.31%
Price inflation		2.50%	
Expected rate of return (Rounded nearest 0.25%)		3.00%	

Discount Rate - The discount rate used to measure the total OPEB liability was 3.50%. The projection of cash flows used to determine the discount rate was performed in accordance with GASB 75. The projection's basis was an actuarial valuation performed as of June 30, 2018. In addition to the actuarial methods and assumptions of the June 30, 2018 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 annually 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.

Based on those assumptions, the plan's fiduciary net position was projected to be depleted in 2019 and, as a result, the Municipal Bond Index Rate was used in the determination of the single equivalent rate.

Sensitivity of the Net OPEB Liability to Changes in Healthcare Cost Trend Rates - The following presents the total OPEB liability, calculated using current cost trend rates, as well as what the Plan's net 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 current healthcare cost trend rates:

	1% Lower Trend Rates	Current Trend Rates	1% Higher Trend Rates
Initial Healthcare Cost Trend Rate	4.95%	5.95%	6.95%
Ultimate Healthcare Cost Trend Rate	3.75%	4.75%	5.75%
Total OPEB Liability	\$ 1,697,084	\$ 2,037,095	\$ 2,491,287

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

Sensitivity of the Net OPEB Liability to Changes in Discount Rates - The following presents the net OPEB liability, calculated using the current discount rate, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (2.50%)	Current Discount Rate (3.50%)	1% Increase (4.50%)
Net OPEB liability	\$ 2,427,605	\$ 2,037,095	\$ 1,733,013

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions: At June 30, 2020 the Town reports no amounts for its proportionate share of the net OPEB liability, and related deferred outflows and inflows due to the statutory requirement that the State pay 100% of the required contribution. The amount recognized by the Town as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the Town were as follows:

Town's proportionate share of the net OPEB liability	\$ -
State's proportionate share of the net OPEB liability associated with the Town	<u>2,037,095</u>
Total	<u>\$ 2,037,095</u>

The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2018. At June 30, 2020, the Town had no proportionate share of the net OPEB liability.

For the year ended June 30, 2020, the Town recognized OPEB expense and revenue of \$27,023 in the governmental funds for on-behalf amounts for the benefits provided by the State. In the government-wide financial statements, the Town recognized (\$149,068) for OPEB expense related to actuarial liabilities for on-behalf amounts for the benefits provided by the State.

NOTE 10 – RISK MANAGEMENT

The Town is exposed to various risks of loss involving torts, theft of, damage to, and destruction of assets, errors and omissions, injuries of employees, natural disaster and public official liabilities. 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, 2020, 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 interlocal risk management program.

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

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 11 – LITIGATION AND CONTINGENCIES

The Town is not a defendant in any lawsuits that, in the opinion of Town Management, in consultation with the Town Attorney, will have an adverse, material effect on the Town's financial position.

Grants - The Town participates in several Federal and State assisted grant programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The audits of certain of these programs for or including the year ended June 30, 2020 have not yet been conducted. Accordingly, the Town's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the Town expects such amounts, if any, to be immaterial.

NOTE 12 – UPCOMING PRONOUNCEMENTS

GASB Pronouncements Issued, But Not Yet Effective

The Governmental Accounting Standards Board (GASB) has issued several pronouncements that have effective dates that may impact future financial presentations. Management has not currently determined what, if any, impact implementation of the following statements may have on the financial statements:

GASB Statement No. 84 - *Fiduciary Activities* - 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.

This statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment funds, (3) private-purpose funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2020.

TOWN OF ASHFORD, CONNECTICUT
Notes to the Financial Statements

GASB Statement No. 87 – *Leases* - This statement improves the 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, 2021.

GASB Statement No. 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period* - The objectives of this statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred. As a result, interest cost before the end of a construction period will not be included in the historical cost of the capital asset. The requirements of this statement are effective for the Town's reporting period beginning July 1, 2021.

NOTE 13 – RISKS AND UNCERTAINTIES

The World Health Organization declared the coronavirus outbreak ("COVID-19") a pandemic. The impact of COVID-19 could negatively affect the Town's operations, vendors, and/or taxpayer base. The extent to which the COVID-19 impacts the Town's financial position will depend upon future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and the actions taken to contain the coronavirus or its impact, among others.

TOWN OF ASHFORD, CONNECTICUT
Statement of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
Revenues				
Property Taxes	\$ 10,734,556	\$ 10,734,556	\$ 10,830,452	\$ 95,896
Intergovernmental	3,760,050	3,760,050	3,763,302	3,252
Charges for Services	128,600	128,600	162,339	33,739
Investment Income	17,000	17,000	45,142	28,142
Other	20,705	20,705	70,005	49,300
Total Revenues	<u>14,660,911</u>	<u>14,660,911</u>	<u>14,871,240</u>	<u>210,329</u>
Expenditures				
Current:				
General Government	876,008	859,316	834,490	(24,826)
Public Safety	28,305	39,805	39,537	(268)
Public Works	933,925	962,385	959,388	(2,997)
Health and Welfare	50,996	50,999	50,590	(409)
Planning and Development	157,031	169,818	160,952	(8,866)
Education	7,678,893	7,678,893	7,619,408	(59,485)
Education - Regional School District No. 19	3,674,973	3,674,973	3,674,973	-
Employee Benefits and Insurance	464,676	428,618	401,726	(26,892)
Debt Service:				
Principal Payments	225,000	225,000	225,000	-
Interest and Fiscal Charges	33,650	33,650	33,650	-
Total Expenditures	<u>14,123,457</u>	<u>14,123,457</u>	<u>13,999,714</u>	<u>(123,743)</u>
Excess of Revenues Over Expenditures	537,454	537,454	871,526	334,072
Other Financing Sources (Uses)				
Transfers Out	(565,454)	(782,013)	(782,013)	-
Appropriation of Fund Balance	28,000	244,559	-	(244,559)
Total Other Financing Sources (Uses)	<u>(537,454)</u>	<u>(537,454)</u>	<u>(782,013)</u>	<u>(244,559)</u>
Net Change in Fund Balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 89,513</u>	<u>\$ 89,513</u>

See accountant's report.

TOWN OF ASHFORD, CONNECTICUT
Schedule of Revenues and Other Financing Sources
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		Actual	<u>Variance</u>
	<u>Original</u>	<u>Amended</u>	Budgetary <u>Basis</u>	
Property Taxes				
Current Year	\$ 10,543,486	\$ 10,543,486	\$ 10,482,662	\$ (60,824)
Prior Year	80,000	80,000	124,548	44,548
Interest and Lien Fees	44,000	44,000	89,554	45,554
Supplemental Motor Vehicle Taxes	67,000	67,000	133,471	66,471
Miscellaneous	70	70	217	147
Total Property Taxes	<u>10,734,556</u>	<u>10,734,556</u>	<u>10,830,452</u>	<u>95,896</u>
Intergovernmental				
Education Cost Sharing Assistance	3,528,605	3,528,605	3,538,514	9,909
Miscellaneous Grants	48,080	48,080	50,445	2,365
Town Aid Road Grant	146,447	146,447	147,089	642
Mohegan - Pequot Grant	12,010	12,010	12,010	-
Payment in Lieu of Taxes - AHA	10,000	10,000	-	(10,000)
Payment in Lieu of Taxes	2,817	2,817	2,817	-
Payment in Lieu of Taxes - Other	9,670	9,670	9,670	-
Tax Relief for Veteran Exemptions	1,450	1,450	1,679	229
Tax Relief for Disability Exemptions	971	971	1,078	107
Total Intergovernmental	<u>3,760,050</u>	<u>3,760,050</u>	<u>3,763,302</u>	<u>3,252</u>
Charges for Services				
Building Licenses and Permits	48,000	48,000	61,708	13,708
Conveyance Tax	30,000	30,000	37,273	7,273
Recording Fees	18,000	18,000	22,828	4,828
Newsletters	8,000	8,000	3,973	(4,027)
BOE - Bus Garage Usage	6,000	6,000	6,000	-
Copies of Records	4,500	4,500	5,276	776
Miscellaneous	3,500	3,500	4,835	1,335
Zoning Permits	3,000	3,000	3,671	671
Senior Center Program Revenue	1,700	1,700	1,792	92
Recycling and Transfer Station	2,000	2,000	2,601	601
Open Space Recapture Tax	2,500	2,500	10,796	8,296
Wetlands Permits	700	700	792	92
Dog Licenses	450	450	534	84
Marriage Licenses	150	150	208	58
Hunting and Fishing Licenses	100	100	52	(48)
Total Charges for Services	<u>128,600</u>	<u>128,600</u>	<u>162,339</u>	<u>33,739</u>
Investment Income	<u>17,000</u>	<u>17,000</u>	<u>45,142</u>	<u>28,142</u>

See accountant's report.

TOWN OF ASHFORD, CONNECTICUT
 Schedule of Revenues and Other Financing Sources
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		Actual	<u>Variance</u>
	<u>Original</u>	<u>Amended</u>	Budgetary Basis	
Other Revenues				
Miscellaneous	\$ 12,000	\$ 12,000	\$ 58,925	\$ 46,925
Proceeds from Sales of Assets	-	-	4,559	4,559
Telephone Access Line	6,506	6,506	6,521	15
Level 3 Communications, LLC	2,199	2,199	-	(2,199)
Total Other Revenues	<u>20,705</u>	<u>20,705</u>	<u>70,005</u>	<u>49,300</u>
Total Revenues	<u>14,660,911</u>	<u>14,660,911</u>	<u>14,871,240</u>	<u>210,329</u>
Other Financing Sources				
Appropriation of Fund Balance	<u>28,000</u>	<u>244,559</u>	<u>-</u>	<u>(244,559)</u>
Total Other Financing Sources	<u>28,000</u>	<u>244,559</u>	<u>-</u>	<u>(244,559)</u>
Total Revenues and Other Financing Sources	<u>\$ 14,688,911</u>	<u>\$ 14,905,470</u>	<u>\$ 14,871,240</u>	<u>\$ (34,230)</u>

See accountant's report.

TOWN OF ASHFORD, CONNECTICUT
Schedule of Expenditures and Other Financing Uses
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
General Government				
Board of Selectmen:				
Salaries and Wages	\$ 132,656	\$ 124,536	\$ 124,156	\$ 380
Purchased Services	27,500	27,500	26,631	869
Supplies and Materials	900	900	1,651	(751)
Other	610	610	570	40
Total Board of Selectmen	<u>161,666</u>	<u>153,546</u>	<u>153,008</u>	<u>538</u>
Town Counsel:				
Professional and Tech Services	<u>35,000</u>	<u>19,100</u>	<u>18,991</u>	<u>109</u>
Data Processing and Tech Services	<u>40,319</u>	<u>40,319</u>	<u>39,904</u>	<u>415</u>
Knowlton Hall Operations and Maintenance:				
Property Services	14,900	29,768	27,322	2,446
Purchased Services	5,475	5,475	6,123	(648)
Supplies and Materials	9,000	9,000	9,520	(520)
Total Knowlton Hall Operations and Maintenance	<u>29,375</u>	<u>44,243</u>	<u>42,965</u>	<u>1,278</u>
Town Hall Operations and Maintenance:				
Property Services	22,700	23,100	23,251	(151)
Purchased Services	18,000	18,000	17,954	46
Supplies and Materials	9,000	9,000	8,875	125
Total Town Hall Operations and Maintenance	<u>49,700</u>	<u>50,100</u>	<u>50,080</u>	<u>20</u>
Town Property Operations and Maintenance:				
Salaries and Wages	8,240	6,350	6,318	32
Property Services	12,100	8,840	9,606	(766)
Purchased Services	1,000	1,000	-	1,000
Supplies and Materials	1,000	1,000	1,265	(265)
Total Town Property Operations and Maintenance	<u>22,340</u>	<u>17,190</u>	<u>17,189</u>	<u>1</u>
Earl Smith Senior Center:				
Salaries and Wages	21,533	21,533	22,203	(670)
Property Services	9,190	9,190	8,644	546
Purchased Services	8,195	8,195	7,590	605
Supplies and Materials	14,800	14,800	11,487	3,313
Equipment	560	560	1,932	(1,372)
Total Earl Smith Senior Center	<u>54,278</u>	<u>54,278</u>	<u>51,856</u>	<u>2,422</u>

See accountant's report.

TOWN OF ASHFORD, CONNECTICUT
 Schedule of Expenditures and Other Financing Uses
 Budget and Actual (Budgetary Basis)
 For the Year Ended June 30, 2020

General Government (Continued)	Budgeted Amounts		Actual	<u>Variance</u>
	<u>Original</u>	<u>Amended</u>	Budgetary Basis	
Board of Finance:				
Salaries and Wages	\$ 1,330	\$ 1,330	\$ 1,280	\$ 50
Professional and Tech Services	24,010	24,010	17,740	6,270
Purchased Services	760	760	17	743
Supplies and Materials	250	250	23	227
Total Board of Finance	26,350	26,350	19,060	7,290
Assessors Office:				
Salaries and Wages	62,009	62,009	61,686	323
Purchased Services	16,595	16,595	15,715	880
Supplies and Materials	2,505	2,505	2,994	(489)
Total Assessors Office	81,109	81,109	80,395	714
Board of Assessment Appeals:				
Salaries and Wages	1,340	1,340	850	490
Purchased Services	360	360	206	154
Total Board of Assessment Appeals	1,700	1,700	1,056	644
Tax Collector:				
Salaries and Wages	60,859	63,359	62,829	530
Property Services	415	415	415	-
Purchased Services	8,705	8,705	8,691	14
Supplies and Materials	4,950	4,950	4,884	66
Other	300	300	250	50
Total Tax Collector	75,229	77,729	77,069	660
Finance Department:				
Salaries and Wages	118,119	118,119	118,119	-
Professional and Tech Services	2,000	-	-	-
Purchased Services	6,435	6,435	6,051	384
Supplies and Materials	4,375	4,375	3,882	493
Total Finance Department	130,929	128,929	128,052	877
Town Clerk:				
Salaries and Wages	104,919	104,919	104,931	(12)
Property Services	2,696	2,696	2,554	142
Purchased Services	22,545	22,545	20,185	2,360
Supplies and Materials	4,100	4,100	4,163	(63)
Total Town Clerk	134,260	134,260	131,833	2,427

See accountant's report.

TOWN OF ASHFORD, CONNECTICUT
Schedule of Expenditures and Other Financing Uses
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		Actual	<u>Variance</u>
	<u>Original</u>	<u>Amended</u>	Budgetary Basis	
General Government (Continued)				
Town Election Expense:				
Salaries and Wages	\$ 23,808	\$ 20,518	\$ 16,956	\$ 3,562
Professional and Tech Services	3,375	3,375	1,619	1,756
Purchased Services	2,920	2,920	2,774	146
Supplies and Materials	<u>3,650</u>	<u>3,650</u>	<u>1,683</u>	<u>1,967</u>
Total Town Election Expense	<u>33,753</u>	<u>30,463</u>	<u>23,032</u>	<u>7,431</u>
Total General Government	<u>876,008</u>	<u>859,316</u>	<u>834,490</u>	<u>24,826</u>
Public Safety				
Salaries and Wages	14,050	14,050	14,050	-
Professional and Tech Services	200	200	-	200
Property Services	2,685	2,685	2,010	675
Purchased Services	11,160	22,660	23,477	(817)
Supplies and Materials	100	100	-	100
Equipment	<u>110</u>	<u>110</u>	<u>-</u>	<u>110</u>
Total Public Safety	<u>28,305</u>	<u>39,805</u>	<u>39,537</u>	<u>268</u>
Public Works				
Public Works Administration:				
Salaries and Wages	389,815	365,015	366,205	(1,190)
Purchased Services	1,400	1,400	95	1,305
Supplies and Materials	<u>3,000</u>	<u>3,000</u>	<u>2,690</u>	<u>310</u>
Total Public Works Administration	<u>394,215</u>	<u>369,415</u>	<u>368,990</u>	<u>425</u>
Roads and Bridges:				
Property Services	11,000	11,000	6,007	4,993
Supplies and Materials	<u>135,500</u>	<u>151,800</u>	<u>156,730</u>	<u>(4,930)</u>
Total Roads and Bridges	<u>146,500</u>	<u>162,800</u>	<u>162,737</u>	<u>63</u>
Building, Maintenance and Repair:				
Property Services	11,100	9,100	8,680	420
Purchased Services	5,450	5,450	4,889	561
Supplies and Materials	<u>10,000</u>	<u>5,960</u>	<u>5,871</u>	<u>89</u>
Total Building, Maintenance and Repair	<u>26,550</u>	<u>20,510</u>	<u>19,440</u>	<u>1,070</u>
Maintenance of Equipment:				
Property Services	10,500	10,500	5,389	5,111
Supplies and Materials	<u>82,500</u>	<u>94,500</u>	<u>99,536</u>	<u>(5,036)</u>
Total Maintenance of Equipment	<u>93,000</u>	<u>105,000</u>	<u>104,925</u>	<u>75</u>

See accountant's report.

TOWN OF ASHFORD, CONNECTICUT
Schedule of Expenditures and Other Financing Uses
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
Public Works (Continued)				
Recycling Center:				
Salaries and Wages	\$ 76,236	\$ 76,236	\$ 71,048	\$ 5,188
Professional and Tech Services	1,500	1,500	902	598
Property Services	191,424	222,424	226,471	(4,047)
Purchased Services	650	650	609	41
Supplies and Materials	3,000	3,000	1,821	1,179
Other	850	850	2,445	(1,595)
Total Recycling Center	<u>273,660</u>	<u>304,660</u>	<u>303,296</u>	<u>1,364</u>
Total Public Works	<u>933,925</u>	<u>962,385</u>	<u>959,388</u>	<u>2,997</u>
Health & Welfare				
Ashford Historical Society	10	10	-	10
Agent for the Elderly	7,252	7,252	7,252	-
Commission on Aging	700	700	302	398
Contributions to Other Agencies	43,034	43,037	43,036	1
Total Health & Welfare	<u>50,996</u>	<u>50,999</u>	<u>50,590</u>	<u>409</u>
Planning and Development				
Planning and Zoning:				
Salaries and Wages	22,672	22,672	4,652	18,020
Professional and Tech Services	1,750	22,750	40,780	(18,030)
Purchased Services	400	400	110	290
Supplies and Materials	2,300	2,300	2,416	(116)
Total Planning and Zoning	<u>27,122</u>	<u>48,122</u>	<u>47,958</u>	<u>164</u>
Zoning Board of Appeals:				
Purchased Services	<u>1,150</u>	<u>1,150</u>	<u>987</u>	<u>163</u>
Inland Wetlands:				
Salaries and Wages	11,243	3,030	1,842	1,188
Professional and Tech Services	9,000	9,000	9,675	(675)
Purchased Services	200	200	60	140
Supplies and Materials	1,650	1,650	461	1,189
Total Inland Wetlands	<u>22,093</u>	<u>13,880</u>	<u>12,038</u>	<u>1,842</u>
Conservation Commission:				
Purchased Services	1,600	1,600	643	957
Supplies and Materials	<u>550</u>	<u>550</u>	<u>-</u>	<u>550</u>
Total Conservation Commission	<u>2,150</u>	<u>2,150</u>	<u>643</u>	<u>1,507</u>

See accountant's report.

TOWN OF ASHFORD, CONNECTICUT
Schedule of Expenditures and Other Financing Uses
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
Planning and Development (Continued)				
Building Department:				
Salaries and Wages	\$ 83,141	\$ 83,141	\$ 55,004	\$ 28,137
Professional and Tech Services	800	800	26,170	(25,370)
Purchased Services	750	750	275	475
Supplies and Materials	2,775	2,775	2,242	533
Total Building Department	<u>87,466</u>	<u>87,466</u>	<u>83,691</u>	<u>3,775</u>
Economic Development:				
Professional and Tech Services	1,200	1,200	150	1,050
Purchased Services	250	250	114	136
Supplies and Materials	500	500	362	138
Total Economic Development	<u>1,950</u>	<u>1,950</u>	<u>626</u>	<u>1,324</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	9,550	9,550	9,609	(59)
Supplies and Materials	2,300	2,300	2,200	100
Total Sexton	<u>15,050</u>	<u>15,050</u>	<u>15,009</u>	<u>41</u>
Total Planning and Development	<u>157,031</u>	<u>169,818</u>	<u>160,952</u>	<u>8,866</u>
Education				
Ashford Board of Education:				
Certified Staff	3,128,455	2,970,693	2,970,693	-
Non-Certified Staff	1,772,157	1,871,851	1,843,792	28,059
Insurance	1,327,204	1,249,142	1,249,142	-
Payroll Taxes and Benefits	372,262	383,457	383,457	-
Instructional Improvement	55,976	66,029	66,029	-
Professional Services	73,577	90,252	87,716	2,536
Utilities	67,885	60,464	54,908	5,556
Maintenance	21,097	25,506	25,506	-
Equipment Maintenance	3,930	1,299	1,299	-
Other Insurances	40,641	42,606	42,606	-
Transportation	40,846	28,996	19,246	9,750

See accountant's report.

TOWN OF ASHFORD, CONNECTICUT
Schedule of Expenditures and Other Financing Uses
Budget and Actual (Budgetary Basis)
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual	Variance
	Original	Amended	Budgetary Basis	
Education (Continued)				
Communication	\$ 31,127	\$ 21,887	\$ 21,887	\$ -
Outside Services	381,065	355,779	355,779	-
Purchased Services	92,538	101,816	101,816	-
Supplies	66,737	121,019	121,019	-
Fuel	120,920	121,139	107,555	13,584
Textbooks	2,376	3,875	3,875	-
Equipment	63,740	151,465	151,465	-
Dues & Fees	15,860	11,618	11,618	-
Miscellaneous	500	-	-	-
Total Ashford Board of Education	<u>7,678,893</u>	<u>7,678,893</u>	<u>7,619,408</u>	<u>59,485</u>
Regional School District No. 19	<u>3,674,973</u>	<u>3,674,973</u>	<u>3,674,973</u>	<u>-</u>
Total Education	<u>11,353,866</u>	<u>11,353,866</u>	<u>11,294,381</u>	<u>59,485</u>
Other				
Employee Benefits	404,883	386,393	371,273	15,120
Insurance	31,793	31,793	30,453	1,340
Contingency	<u>28,000</u>	<u>10,432</u>	<u>-</u>	<u>10,432</u>
Total Other	<u>464,676</u>	<u>428,618</u>	<u>401,726</u>	<u>26,892</u>
Debt Service				
Principal	225,000	225,000	225,000	-
Interest	<u>33,650</u>	<u>33,650</u>	<u>33,650</u>	<u>-</u>
Total Debt Service	<u>258,650</u>	<u>258,650</u>	<u>258,650</u>	<u>-</u>
Total Expenditures	<u>14,123,457</u>	<u>14,123,457</u>	<u>13,999,714</u>	<u>123,743</u>
Other Financing Uses				
Transfers Out:				
Animal Fund	19,860	19,860	19,860	-
Babcock Library Fund	185,000	185,000	185,000	-
Recreation Fund	89,586	89,586	89,586	-
Youth Services Fund	31,748	31,748	31,748	-
Volunteer Fire & Ambulance Fund	239,260	239,260	239,260	-
Capital Nonrecurring Fund	<u>-</u>	<u>216,559</u>	<u>216,559</u>	<u>-</u>
Total Other Financing Uses	<u>565,454</u>	<u>782,013</u>	<u>782,013</u>	<u>-</u>
Total Expenditures and Other Financing Uses	<u>\$ 14,688,911</u>	<u>\$ 14,905,470</u>	<u>\$ 14,781,727</u>	<u>\$ 123,743</u>

See accountant's report.

TOWN OF ASHFORD, CONNECTICUT
Notes to Required Supplementary Information

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES

Budgetary Information and Accounting

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 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, 2020, additional appropriations from fund balance totaled \$216,559.
- 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 in the current year.

TOWN OF ASHFORD, CONNECTICUT
Notes to Required Supplementary Information

- All unexpended appropriations lapse at year-end, except those amounts appropriated within the Capital Nonrecurring Fund and certain amounts approved by the Board of Finance for carryover relating to unexpended education appropriations. Annual carryover amounts may not exceed 1.0% of the total budgeted appropriation for education for such fiscal year. In addition, the maximum cumulative education carryover may not exceed 3.0% of the total budgeted appropriation for education for the most recently ended fiscal year. Appropriations for capital projects are continued until completion of applicable projects, even when projects extend more than one fiscal year.

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

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, 2020:

	Total Revenues	Total Expenditures	Other Financing Sources (Uses)
Budgetary Basis	\$ 14,871,240	\$ 13,999,714	\$ (782,013)
"On-behalf" payments - State Teachers Retirement Fund	1,015,747	1,015,747	-
Excess Cost Grant	81,573	81,573	-
Babcock Library Fund	59,369	231,683	185,000
Adjustment for Encumbrances	-	(58,018)	-
Other Funds	-	-	(30,000)
Reclassifications for GAAP Purposes	<u>225,600</u>	<u>510,698</u>	<u>285,098</u>
GAAP Basis	<u>\$ 16,253,529</u>	<u>\$ 15,781,397</u>	<u>\$ (341,915)</u>

TOWN OF ASHFORD, CONNECTICUT
State Teacher's Retirement System
Proportionate Share of Net Pension Liability
Last Six Fiscal Years

Schedule of Proportionate Share of Net Pension Liability

	2020	2019	2018	2017	2016	2015
Town's percentage of the net pension liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Town's proportionate share of the net pension liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net pension liability associated with the Town	13,062,008	10,071,567	10,347,614	10,916,812	8,249,096	7,624,636
Total	\$ 13,062,008	\$ 10,071,567	\$ 10,347,614	\$ 10,916,812	\$ 8,249,096	\$ 7,624,636
Town's covered payroll	\$ 3,118,980	\$ 3,087,091	\$ 2,985,239	\$ 3,059,000	\$ 3,017,503	\$ 2,841,462
Town's proportionate share of the net pension liability (asset) as a percentage of its covered payroll.	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Plan fiduciary net position as a percentage of the total pension liability	52.00%	57.69%	55.93%	52.26%	59.50%	61.51%

Notes to Schedule

Actuarial cost method	Entry Age
Amortization method	Level percent of salary, closed
Remaining amortization period	17.6 years
Asset valuation method	4 year smoothed market
Inflation	2.75%
Salary increases	3.25% - 6.50% average, including inflation
Investment rate of return	8.0% net of investment expense, including inflation

See accountant's report.

TOWN OF ASHFORD, CONNECTICUT
Other Post Employment Benefits (OPEB) Plan
Schedule of Changes in Total OPEB Liability
Last Three Fiscal Years*

	2020	2019	2018
Total OPEB Liability			
Service Cost	\$ 5,544	\$ 2,800	\$ 21,721
Interest	11,017	30,157	19,881
Effect of Economic/Demographic Gains/Losses	337,597	(416,393)	-
Differences Between Expected and Actual Experience			
Including Assumption Changes	86,017	24,681	(57,235)
Benefit Payments, Including Refunds of Member Contributions	<u>(27,139)</u>	<u>(34,043)</u>	<u>(32,383)</u>
Net Change in Total OPEB Liability	413,036	(392,798)	(48,016)
Total OPEB Liability - Beginning	<u>375,173</u>	<u>767,971</u>	<u>815,987</u>
Total OPEB Liability - Ending	<u>\$ 788,209</u>	<u>\$ 375,173</u>	<u>\$ 767,971</u>

* This schedule is intended to show information for ten years. Additional years' information will be displayed as it becomes available.

There are no assets that are being accumulated in a trust that meets the criteria in GASB 75 to pay benefits.

Notes to Schedule

Measurement Date	June 30, 2020
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll
Discount Rate	2.02%
Salary Increases	1.70%

See accountant's report.

TOWN OF ASHFORD, CONNECTICUT

State Teacher's Retirement System
Proportionate Share of Net OPEB Liability
Last Three Fiscal Years

Schedule of Proportionate Share of Net OPEB Liability

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Town's percentage of the net OPEB liability	0.00%	0.00%	0.00%
Town's proportionate share of the net OPEB liability	\$ -	\$ -	\$ -
State of Connecticut's proportionate share of the net OPEB liability associated with the Town	<u>2,037,095</u>	<u>2,013,400</u>	<u>2,663,365</u>
Total	<u>\$ 2,037,095</u>	<u>\$ 2,013,400</u>	<u>\$ 2,663,365</u>
Town's covered-employee payroll	<u>\$ 3,118,980</u>	<u>\$ 3,087,091</u>	<u>\$ 2,985,239</u>
Town's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll.	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Plan fiduciary net position as a percentage of the total OPEB liability	<u>2.08%</u>	<u>1.49%</u>	<u>1.79%</u>

Notes to Schedule

Actuarial Cost Method	Entry age
Amortization Method	Level Percent of Payroll
Remaining Amortization Period	30 years, open
Asset Valuation Method	Market Value of Assets
Investment Rate of Return	3.00%, net of investment related expense including price inflation
Price Inflation	2.75%

See accountant's report.

TOWN OF ASHFORD, CONNECTICUT

Combining Balance Sheet

General Fund

June 30, 2020

	General Fund	Babcock Library Fund	Knowlton Hall Fund	300th Anniversary Fund	Miscellaneous Special Funds	Town Aid Road Fund	Building Fund	Board of Education Non-lapsing Fund	Eliminations	Total
Assets										
Cash and Cash Equivalents	\$ 3,241,889	\$ 61,780	\$ 673	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,304,342
Investments	-	-	-	-	-	-	-	-	-	-
Receivables, Net of Allowance	627,139	-	-	-	-	-	-	-	-	627,139
Other	-	460	-	-	-	-	-	-	-	460
Due from Other Funds	87,802	-	-	13,492	9,668	24,730	500	91,010	(139,846)	87,356
Total Assets	<u>\$ 3,956,830</u>	<u>\$ 62,240</u>	<u>\$ 673</u>	<u>\$ 13,492</u>	<u>\$ 9,668</u>	<u>\$ 24,730</u>	<u>\$ 500</u>	<u>\$ 91,010</u>	<u>\$ (139,846)</u>	<u>\$ 4,019,297</u>
Liabilities										
Accounts Payable and Accrued Items	\$ 547,638	\$ 1,677	\$ -	\$ 200	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 549,515
Unearned Revenue	-	5,150	-	-	-	-	-	-	-	5,150
Due to Other Funds	766,483	-	-	446	-	19,000	-	34,000	(139,846)	680,083
Total Liabilities	<u>1,314,121</u>	<u>6,827</u>	<u>-</u>	<u>646</u>	<u>-</u>	<u>19,000</u>	<u>-</u>	<u>34,000</u>	<u>(139,846)</u>	<u>1,234,748</u>
Deferred Inflows of Resources										
Unavailable Revenues:										
Property Taxes and Interest	573,687	-	-	-	-	-	-	-	-	573,687
Fund Balances										
Committed	-	55,413	673	12,846	9,668	5,730	500	57,010	-	141,840
Assigned	109,399	-	-	-	-	-	-	-	-	109,399
Unassigned	1,959,623	-	-	-	-	-	-	-	-	1,959,623
Total Fund Balances	<u>2,069,022</u>	<u>55,413</u>	<u>673</u>	<u>12,846</u>	<u>9,668</u>	<u>5,730</u>	<u>500</u>	<u>57,010</u>	<u>-</u>	<u>2,210,862</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 3,956,830</u>	<u>\$ 62,240</u>	<u>\$ 673</u>	<u>\$ 13,492</u>	<u>\$ 9,668</u>	<u>\$ 24,730</u>	<u>\$ 500</u>	<u>\$ 91,010</u>	<u>\$ (139,846)</u>	<u>\$ 4,019,297</u>

See accountant's report.

TOWN OF ASHFORD, CONNECTICUT
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
General Fund
For the Year Ended June 30, 2020

	General Fund	Babcock Library Fund	Knowlton Hall Fund	300th Anniversary Fund	Miscellaneous Special Funds	Town Aid Road Fund	Building Fund	Board of Education Non-lapsing Fund	Eliminations	Total
Revenues										
Property Taxes, Interest and Lien Fees	\$ 10,830,452	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,830,452
Intergovernmental	4,860,622	54,230	-	-	-	-	-	-	-	4,914,852
Licenses, Permits, and Charges for Services	387,939	5,137	-	-	-	-	-	-	-	393,076
Investment Income	45,142	2	-	-	-	-	-	-	-	45,144
Other	70,005	-	-	-	-	-	-	-	-	70,005
Total Revenues	<u>16,194,160</u>	<u>59,369</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,253,529</u>
Expenditures										
Current:										
General Government	822,741	-	-	-	-	-	-	-	-	822,741
Public Safety	276,659	-	-	-	-	-	-	-	-	276,659
Public Works	897,638	-	-	-	-	-	-	-	-	897,638
Health and Welfare	50,590	-	-	-	-	-	-	-	-	50,590
Planning and Development	160,952	-	-	-	-	-	-	-	-	160,952
Education	12,680,758	-	-	-	-	-	-	-	-	12,680,758
Library	-	231,683	-	-	-	-	-	-	-	231,683
Employee Benefits and Insurance	401,726	-	-	-	-	-	-	-	-	401,726
Debt Service:										
Principal Payments	225,000	-	-	-	-	-	-	-	-	225,000
Interest and Fiscal Charges	33,650	-	-	-	-	-	-	-	-	33,650
Capital Outlay	-	-	-	-	-	-	-	-	-	-
Total Expenditures	<u>15,549,714</u>	<u>231,683</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,781,397</u>
Excess/(Deficiency) of Revenues over Expenditures	644,446	(172,314)	-	-	-	-	-	-	-	472,132
Other Financing Sources/(Uses)										
Transfers In	45,838	185,000	-	-	-	-	-	20,101	(205,101)	45,838
Transfers Out	(562,854)	-	-	-	-	-	-	(30,000)	205,101	(387,753)
Total Other Financing Sources/(Uses)	<u>(517,016)</u>	<u>185,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,899)</u>	<u>-</u>	<u>(341,915)</u>
Net Change in Fund Balances	127,430	12,686	-	-	-	-	-	(9,899)	-	130,217
Fund Balances at Beginning of Year	1,941,592	42,727	673	12,846	9,668	5,730	500	66,909	-	2,080,645
Fund Balances at End of Year	<u>\$ 2,069,022</u>	<u>\$ 55,413</u>	<u>\$ 673</u>	<u>\$ 12,846</u>	<u>\$ 9,668</u>	<u>\$ 5,730</u>	<u>\$ 500</u>	<u>\$ 57,010</u>	<u>\$ -</u>	<u>\$ 2,210,862</u>

See accountant's report.

TOWN OF ASHFORD, CONNECTICUT

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2020

	SPECIAL REVENUE FUNDS				
	Animal Fund	School Cafeteria Fund	Educational Grants Fund	Preservation of Historical Records Fund	Recreation Fund
Assets					
Cash and Cash Equivalents	\$ -	\$ 95,596	\$ -	\$ 17,962	\$ -
Investments	-	-	-	-	-
Receivables, Net	-	45,463	-	-	-
Other	-	8,506	-	-	-
Due from Other Funds	41,475	-	37,194	3,049	12,067
Total Assets	\$ 41,475	\$ 149,565	\$ 37,194	\$ 21,011	\$ 12,067
Liabilities and Fund Balances					
Liabilities:					
Accounts Payable and Accrued Items	\$ 3,902	\$ 964	\$ 15,751	\$ -	\$ 4,916
Unearned Revenue	-	6,409	21,443	-	1,818
Due to Other Funds	-	78,231	-	-	2,092
Total Liabilities	3,902	85,604	37,194	-	8,826
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	21,011	-
Committed	37,573	63,961	-	-	3,241
Unassigned	-	-	-	-	-
Total Fund Balances	37,573	63,961	-	21,011	3,241
Total Liabilities and Fund Balances	\$ 41,475	\$ 149,565	\$ 37,194	\$ 21,011	\$ 12,067

See accountant's report.

TOWN OF ASHFORD, CONNECTICUT

Combining Balance Sheet
 Nonmajor Governmental Funds
 June 30, 2020

	SPECIAL REVENUE FUNDS			PERMANENT FUNDS		Total
	AYSB Fund	Town Clerk Special Fund	Veterans Memorial Fund	Band and Library Fund	Cemetery Fund	
Assets						
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 6,343	\$ 18,770	\$ 138,671
Investments	-	-	-	-	75,000	75,000
Receivables, Net	-	-	-	-	-	45,463
Other	-	-	-	-	-	8,506
Due from Other Funds	46,364	31,233	4,937	-	-	176,319
Total Assets	\$ 46,364	\$ 31,233	\$ 4,937	\$ 6,343	\$ 93,770	\$ 443,959
Liabilities and Fund Balances						
Liabilities:						
Accounts Payable and Accrued Items	\$ 6,482	\$ -	\$ -	\$ -	\$ -	\$ 32,015
Unearned Revenue	-	-	-	-	-	29,670
Due to Other Funds	-	-	-	-	9,125	89,448
Total Liabilities	6,482	-	-	-	9,125	151,133
Fund Balances:						
Nonspendable	-	-	-	6,000	75,000	81,000
Restricted	-	31,233	-	343	9,645	62,232
Committed	39,882	-	4,937	-	-	149,594
Unassigned	-	-	-	-	-	-
Total Fund Balances	39,882	31,233	4,937	6,343	84,645	292,826
Total Liabilities and Fund Balances	\$ 46,364	\$ 31,233	\$ 4,937	\$ 6,343	\$ 93,770	\$ 443,959

See accountant'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, 2020

	SPECIAL REVENUE FUNDS				
	Animal Fund	School Cafeteria Fund	Educational Grants Fund	Preservation of Historical Records Fund	Recreation Fund
Revenues					
Intergovernmental Revenues	\$ -	\$ 142,663	\$ 343,193	\$ 5,500	\$ -
Licenses, Permits and Charges for Services	4,760	56,185	-	2,490	25,885
Investment Income	-	-	-	36	-
Other Revenue	745	-	-	-	2,891
Total Revenues	<u>5,505</u>	<u>198,848</u>	<u>343,193</u>	<u>8,026</u>	<u>28,776</u>
Expenditures					
Current:					
General Government	-	-	-	3,734	-
Public Safety	30,863	-	-	-	-
Public Works	-	-	-	-	-
Health and Welfare	-	-	-	-	-
Recreation	-	-	-	-	119,226
Education	-	90,639	343,193	-	-
Capital Outlay	-	-	-	-	-
Total Expenditures	<u>30,863</u>	<u>90,639</u>	<u>343,193</u>	<u>3,734</u>	<u>119,226</u>
Excess/(Deficiency) of Revenues Over Expenditures	(25,358)	108,209	-	4,292	(90,450)
Other Financing Sources/(Uses)					
Transfers In	19,860	-	-	-	89,586
Transfers Out	-	(45,838)	-	-	-
Total Other Financing Sources/(Uses)	<u>19,860</u>	<u>(45,838)</u>	<u>-</u>	<u>-</u>	<u>89,586</u>
Net Change in Fund Balances	(5,498)	62,371	-	4,292	(864)
Fund Balances at Beginning of Year	<u>43,071</u>	<u>1,590</u>	<u>-</u>	<u>16,719</u>	<u>4,105</u>
Fund Balances at End of Year	<u>\$ 37,573</u>	<u>\$ 63,961</u>	<u>\$ -</u>	<u>\$ 21,011</u>	<u>\$ 3,241</u>

See accountant'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, 2020

	<u>SPECIAL REVENUE FUNDS</u>			<u>PERMANENT FUNDS</u>		<u>Total</u>
	<u>AYSB Fund</u>	<u>Town Clerk Special Fund</u>	<u>Veterans Memorial Fund</u>	<u>Band and Library Fund</u>	<u>Cemetery Fund</u>	
Revenues						
Intergovernmental Revenues	\$ 19,713	\$ -	\$ -	\$ -	\$ -	\$ 511,069
Licenses, Permits and Charges for Services	8,638	1,560	-	-	-	99,518
Investment Income	-	-	-	12	195	243
Other Revenue	8,080	-	-	-	300	12,016
Total Revenues	<u>36,431</u>	<u>1,560</u>	<u>-</u>	<u>12</u>	<u>495</u>	<u>622,846</u>
Expenditures						
Current:						
General Government	-	-	1,169	-	650	5,553
Public Safety	-	-	-	-	-	30,863
Public Works	-	-	-	-	-	-
Health and Welfare	70,373	-	-	-	-	70,373
Recreation	-	-	-	-	-	119,226
Education	-	-	-	-	-	433,832
Capital Outlay	-	-	-	-	-	-
Total Expenditures	<u>70,373</u>	<u>-</u>	<u>1,169</u>	<u>-</u>	<u>650</u>	<u>659,847</u>
Excess/(Deficiency) of Revenues Over Expenditures	(33,942)	1,560	(1,169)	12	(155)	(37,001)
Other Financing Sources/(Uses)						
Transfers In	31,748	-	-	-	-	141,194
Transfers Out	-	-	-	-	-	(45,838)
Total Other Financing Sources/(Uses)	<u>31,748</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>95,356</u>
Net Change in Fund Balances	(2,194)	1,560	(1,169)	12	(155)	58,355
Fund Balances at Beginning of Year	<u>42,076</u>	<u>29,673</u>	<u>6,106</u>	<u>6,331</u>	<u>84,800</u>	<u>234,471</u>
Fund Balances at End of Year	<u>\$ 39,882</u>	<u>\$ 31,233</u>	<u>\$ 4,937</u>	<u>\$ 6,343</u>	<u>\$ 84,645</u>	<u>\$ 292,826</u>

See accountant's report.

TOWN OF ASHFORD, CONNECTICUT

Agency Funds

Combining Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2020

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance</u> <u>June 30, 2020</u>
<u>Student Activity Fund</u>				
Assets:				
Cash and Cash Equivalents	\$ 9,284	\$ 40,187	\$ 29,884	\$ 19,587
Accounts Receivable	8,950	6,100	-	15,050
Total Assets	18,234	46,287	29,884	34,637
Liabilities:				
Accounts Payable	4,010	4,000	4,010	4,000
Fiduciary Deposits	14,224	42,287	25,874	30,637
Total Liabilities	\$ 18,234	\$ 46,287	\$ 29,884	\$ 34,637
<u>Babcock Cornet Band Fund</u>				
Assets:				
Cash and Cash Equivalents	\$ 15,722	\$ 32	\$ -	\$ 15,754
Accounts Receivable	200	-	-	200
Total Assets	15,922	32	-	15,954
Liabilities:				
Accounts Payable	177	-	-	177
Fiduciary Deposits	15,745	32	-	15,777
Total Liabilities	\$ 15,922	\$ 32	\$ -	\$ 15,954
<u>Babcock Fund</u>				
Assets:				
Cash and Cash Equivalents	\$ 2,484	\$ 5	\$ -	\$ 2,489
Total Assets	2,484	5	-	2,489
Liabilities:				
Fiduciary Deposits	2,484	5	-	2,489
Total Liabilities	\$ 2,484	\$ 5	\$ -	\$ 2,489

See accountant's report.

TOWN OF ASHFORD, CONNECTICUT

Agency Funds

Combining Statement of Changes in Assets and Liabilities
For the Year Ended June 30, 2020

	Balance <u>July 1, 2019</u>	<u>Additions</u>	<u>Deductions</u>	Balance <u>June 30, 2020</u>
<u>Contractor Bond Fund</u>				
Assets:				
Cash and Cash Equivalents	\$ 16,921	\$ 34	\$ -	\$ 16,955
Total Assets	<u>16,921</u>	<u>34</u>	<u>-</u>	<u>16,955</u>
Liabilities:				
Accounts Payable	3,000	-	-	3,000
Fiduciary Deposits	<u>13,921</u>	<u>34</u>	<u>-</u>	<u>13,955</u>
Total Liabilities	<u>\$ 16,921</u>	<u>\$ 34</u>	<u>\$ -</u>	<u>\$ 16,955</u>
 <u>Ashford Food Bank Fund</u>				
Assets:				
Cash and Cash Equivalents	\$ 872	\$ 3	\$ -	\$ 875
Total Assets	<u>872</u>	<u>3</u>	<u>-</u>	<u>875</u>
Liabilities:				
Accounts Payable	257	-	-	257
Fiduciary Deposits	<u>615</u>	<u>3</u>	<u>-</u>	<u>618</u>
Total Liabilities	<u>\$ 872</u>	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 875</u>
 <u>Total Agency Funds</u>				
Assets:				
Cash and Cash Equivalents	\$ 45,283	\$ 40,261	\$ 29,884	\$ 55,660
Accounts Receivable	<u>9,150</u>	<u>6,100</u>	<u>-</u>	<u>15,250</u>
Total Assets	<u>54,433</u>	<u>46,361</u>	<u>29,884</u>	<u>70,910</u>
Liabilities				
Accounts Payable	7,444	4,000	4,010	7,434
Fiduciary Deposits	<u>46,989</u>	<u>42,361</u>	<u>25,874</u>	<u>63,476</u>
Total Liabilities	<u>\$ 54,433</u>	<u>\$ 46,361</u>	<u>\$ 29,884</u>	<u>\$ 70,910</u>

See accountant's report.

TOWN OF ASHFORD, CONNECTICUT

Schedule of Debt Limitation

June 30, 2020

Total Tax Collections, Including Interest and Lien Fees - Prior Fiscal Year	\$10,617,752
Reimbursement for Revenue Loss on:	
Tax Relief for Elderly and Disabled - Prior Fiscal Year	924
Base	<u>\$ 10,618,676</u>

	<u>General Purposes</u> (2.25 x base)	<u>Schools</u> (4.50 x base)	<u>Sewers</u> (3.75 x base)	<u>Urban Renewal</u> (3.25 x base)	<u>Pension Deficit</u> (3.00 x base)
Debt Limitation:					
Statutory Debt Limits by Function	<u>\$ 23,892,021</u>	<u>\$ 47,784,042</u>	<u>\$ 39,820,035</u>	<u>\$ 34,510,697</u>	<u>\$ 31,856,028</u>
Indebtedness:					
Bonds Payable	1,005,000	-	-	-	-
** Bonds Payable, net - Regional School District No. 19	-	180,048	-	-	-
Total Indebtedness	<u>1,005,000</u>	<u>180,048</u>	-	-	-
Debt Limitation in Excess of Debt*	<u>\$ 22,887,021</u>	<u>\$ 47,603,994</u>	<u>\$ 39,820,035</u>	<u>\$ 34,510,697</u>	<u>\$ 31,856,028</u>

*In no event shall total debt exceed seven times annual receipts from base. The maximum amount permitted under this formula would be approximately \$74,330,732.

** 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, 2020, calculated as follows:

Bonds Payable, net - Regional School District No. 19	\$ 930,000
Town of Ashford's proportionate share	<u>19.36%</u>
	<u>\$ 180,048</u>

See accountant's report.

TOWN OF ASHFORD, CONNECTICUT
Schedule of Property Taxes Levied, Collected, and Outstanding
For the Year Ended June 30, 2020

List of 10/1:	Outstanding July 1, 2019	Current Levy	Lawful Corrections		Collectible Taxes	Collections During the Year				Transfers to Suspense	Outstanding June 30, 2020
			Additions	Deductions		Taxes	Interest	Liens	Total		
2018		\$ 10,876,244	\$ 18,759	\$ 52,995	\$ 10,842,008	\$ 10,634,515	\$ 34,519	\$ 289	\$ 10,669,323	\$ 15,975	\$ 191,518
2017	\$ 194,778	-	1,165	16,635	179,308	91,104	23,397	480	114,981	-	88,204
2016	81,737	-	12,408	25,587	68,558	17,013	9,127	168	26,308	-	51,545
2015	49,334	-	-	-	49,334	8,026	5,369	48	13,443	-	41,308
2014	28,287	-	-	-	28,287	2,253	382	48	2,683	-	26,034
2013	18,958	-	-	-	18,958	-	-	-	-	-	18,958
2012	12,716	-	-	-	12,716	267	318	-	585	-	12,449
2011	11,392	-	-	-	11,392	496	676	-	1,172	-	10,896
2010	9,611	-	-	-	9,611	298	450	-	748	-	9,313
2009	8,883	-	-	-	8,883	-	-	-	-	-	8,883
2008	8,679	-	-	-	8,679	-	-	-	-	-	8,679
2007	8,828	-	-	-	8,828	-	-	-	-	-	8,828
2006	10,493	-	-	-	10,493	-	-	-	-	-	10,493
2005	10,721	-	-	-	10,721	-	-	-	-	-	10,721
2004	9,220	-	-	-	9,220	117	295	-	412	-	9,103
	\$ 463,637	\$ 10,876,244	\$ 32,332	\$ 95,217	\$ 11,276,996	10,754,089	74,533	1,033	10,829,655	\$ 15,975	\$ 506,932
Net Grand List - October 1, 2018					Total Suspense Collections	-	-	-	-		
Tax Rate: 35.461 mills					Total Collections	\$ 10,754,089	\$ 74,533	\$ 1,033	\$ 10,829,655		

See accountant's report.

TOWN OF ASHFORD, CONNECTICUT
Schedule of Authorized Capital Projects and Purchases
Capital Nonrecurring Fund
For the Year Ended June 30, 2020

Capital Project	Original Capital Authorization	Amendments	Final Capital Authorizations	Current Year Expenditures	Capital Authorizations Carried Forward
Capital Nonrecurring Fund:					
Brownfields - Wagon Shed Property	\$ 46,782	\$ -	\$ 46,782	\$ 30,154	\$ 16,628
Revaluation	11,669	-	11,669	11,669	-
Assessor Software	9,500	-	9,500	650	8,850
Fire Department Equipment	41,200	-	41,200	41,200	-
Road Resurfacing	196,450	381	196,831	196,831	-
Man Lift	-	38,000	38,000	38,000	-
Public Works Mower Purchase	30,761	(1)	30,760	30,760	-
Playscape	30,000	(314)	29,686	29,686	-
Historical Property Repairs	17,000	(575)	16,425	16,425	-
Finance Software	86,800	-	86,800	13,882	72,918
School Bus	85,000	484	85,484	85,484	-
School Roof	-	250	250	250	-
School Facility Tech Space	6,000	(6,000)	-	-	-
	<u>\$ 561,162</u>	<u>\$ 32,225</u>	<u>\$ 593,387</u>	<u>\$ 494,991</u>	<u>\$ 98,396</u>
			Miracle Playground Grant	24,000	
			Capital Lease Proceeds	<u>78,578</u>	
			Total Capital Nonrecurring Fund Expenditures	<u>\$ 597,569</u>	

See accountant's report.